

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: 90657
Folder ID Number: 90657-004

Folder Title:
Thursday, February 27, 1992 [2]

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. Summary	Heads of State Correspondence Summary (1 pp.)	02/1992	(b)(1)	C

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

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WHORM Cat.:

File Location: Thursday, February 27, 1992 [2]

Pinksheet Number: dw2513

OA/ID Number: 90657-004

Date Closed: 11/6/2014

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

Thursday
February 27, 1992 (3:29 p.m.)

PHONE CALL FOR THE PRESIDENT

FROM: Ed Lawson, Finance Chairman for Oklahoma

He would like a return call regarding the questions you asked him at the February 11th Bush/Quayle 1992 Leadership Reception in the East Room.

His office: (918) 584-5155
His home: (918) 743-4738

v/r
Robin

MEMORANDUM
OF CALL

Previous editions usable

TO:

☒ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—
Ed Lawson, Jr.
OF (Organization)

☒ PLEASE PHONE ☐ FTS ☐ AUTOVON
918-584-5155

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT
MESSAGE

Fin Chain OK.

*Edwin -
10/27 on
Feb 8/84
11/84*

918-743-4738

RECEIVED BY

DATE

TIME

63-110 NSN 7540-00-634-4018
☆ U.S. G.P.O. 1991 281-781/40011

STANDARD FORM 63 (Rev. 8-81)
Prescribed by GSA
FPMR (41 CFR) 101-11.6

WHITE HOUSE STAFFING MEMORANDUM

RR

DATE: 02/26/92 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENTIAL REMARKS: SAN ANTONIO SPURS ANTI-DRUG EVENT, 02/27
(02/25 7:00 p.m. draft)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	MCBRIDE	☐	☒
SCOWCROFT	☐	☒	MOORE	☐	☒
DARMAN	☐	☒	PETERSMEYER	☐	☒
BRADY	☐	☒	PORTER	☐	☒
BROMLEY	☐	☐	ROGICH	☐	☒
CALIO	☐	☒	ROLLINS	☐	☒
DEMAREST	☐	☒	SMITH	☐	☒
FITZWATER	☐	☒	YEUTTER	☐	☒
GRAY	☐	☒	FINDLAY	☐	☒
HOLIDAY	☐	☒	MCGROARTY	☐	☒
			KAUFMAN		☒

REMARKS:

MARTINEZ

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

THE WHITE HOUSE
WASHINGTON

02 FEB 25 P7:19

February 25, 1992

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *AD*
FROM: BETH HINCHLIFFE *BH*
SUBJECT: SAN ANTONIO SPURS DRUG FREE YOUTH BASKETBALL
LEAGUE

I. SUMMARY

On Thursday, February 27, at 4:55 p.m., you will deliver remarks to an audience of approximately 400 people gathered at the West End Community Center. You will be introduced by San Antonio Spurs Player David Robinson.

II. DISCUSSION

Your remarks (5 minutes, on cards) praise the players, coaches, kids and parents for their commitment to this basketball program and to the anti-drug effort.

(Hinchliffe/Nix)
February 25, 1992 7:00 p.m.
SPURS Draft Three

PRESIDENTIAL REMARKS: SAN ANTONIO SPURS ANTI-DRUG EVENT
WEST END COMMUNITY CENTER
THURSDAY, FEBRUARY 25, 1992
4:55 P.M.

Thanks, Dave (Robinson). It's great to see you all here -- Roger Heminghouse, Gregg Popovich, Frank Martin, thanks for the great work you do for this league. I'm also glad to see some other Spurs here -- owner Red McCombs [mac-COMBS] and players.

Thanks for letting Barbara and me take part in this terrific program -- [it's nice to be in a place where the "foul shots" aren't coming in my direction.] I hear you kids were excited when your coaches told you that the most important man in America was coming here to talk to you today. So, don't worry, I won't take up too much of Dave Robinson's time.

I'm glad to see so many parents here -- because the future of every community depends on strong families. That was the firm belief of our founding fathers, and it's as true today.

And the San Antonio Spurs. I've often said that from now on in America, any definition of a successful life must include serving others, and it's great to see athletes who succeed off the court as well as on. Or, maybe I should say, who spur kids into action. Here in this grand state, success comes from strength of beliefs and a spirit as big as the Texas sky. So it makes sense that a great Texas team decided to lead its community in reclaiming its streets, its kids, and its future.

So many sports celebrities have volunteered their time and effort in the fight against drugs. But think of what could be

accomplished if every basketball, baseball, football, soccer and hockey team, from major league to college, followed your example and became Points of Light in this struggle. Then from San Antonio to Minneapolis, from San Diego to Miami, a network of athletes would show our kids there is an alternative to drugs and crime.

And think of what could be accomplished if leaders of every institution here committed themselves to helping the Spurs and other organizations solve social problems through voluntary service. San Antonio would become a "Community of Light."

You kids are learning something more than just how to do a lay-up or a full-court press. You're learning about what really makes adults: responsibility, conscience, goals. You're helping your community become a decent, drug-free, safe place to live.

And by staying drug-free you're helping our country reach its goals. We have a National Drug Control Strategy -- set up to wrestle our country from the deadly grip of drugs. And we're seeing results. This year we've dramatically exceeded many of the goals we'd hoped to reach -- particularly in areas affecting kids like you. We'd planned to reduce current adolescent cocaine use by 30% -- it's actually fallen 63%. That's something we've done together, and you should be proud.

I'm here in San Antonio to meet with Latin American leaders to better coordinate our nations' efforts to combat drugs. We're waging a war to cut the supply lines that channel drugs into this country. But you and I know we've also got to wage this war at

home -- cutting the demand lines that channel drugs into the lives of our children. In addition to drug awareness and education programs like this one here in San Antonio; and expanding drug treatment nationwide; we need stronger legislation to show lawbreakers that actions have consequences. I want stiffer sentences for drug dealers. I want courts that punish criminals, not cops trying to do their jobs. And I want laws that make life tougher on criminals than on the victims.

As a nation we have to celebrate the success stories. Showing the good that's being done inspires others to do good things as well. We're here to honor something special: your determination, your spirit. You kids and the 2300 like you across this city are learning very important lessons here -- staying drug-free can help you make your dreams come true.

Today, in order to highlight for others the good work you are doing here, I recognize the San Antonio Spurs Drug Free Youth Basketball League as our 705th Daily Point of Light. You prove no community has to accept things as they are. Drugs and other problems can be driven from our backyards if leaders in every community care enough to urge people to become Points of Light.

Congratulations to all of you, who show us that it's better to build children than repair adults. Keep making those hoops against all odds -- and may God bless you.

#

Withdrawal/Redaction Sheet

(George Bush Library)

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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.

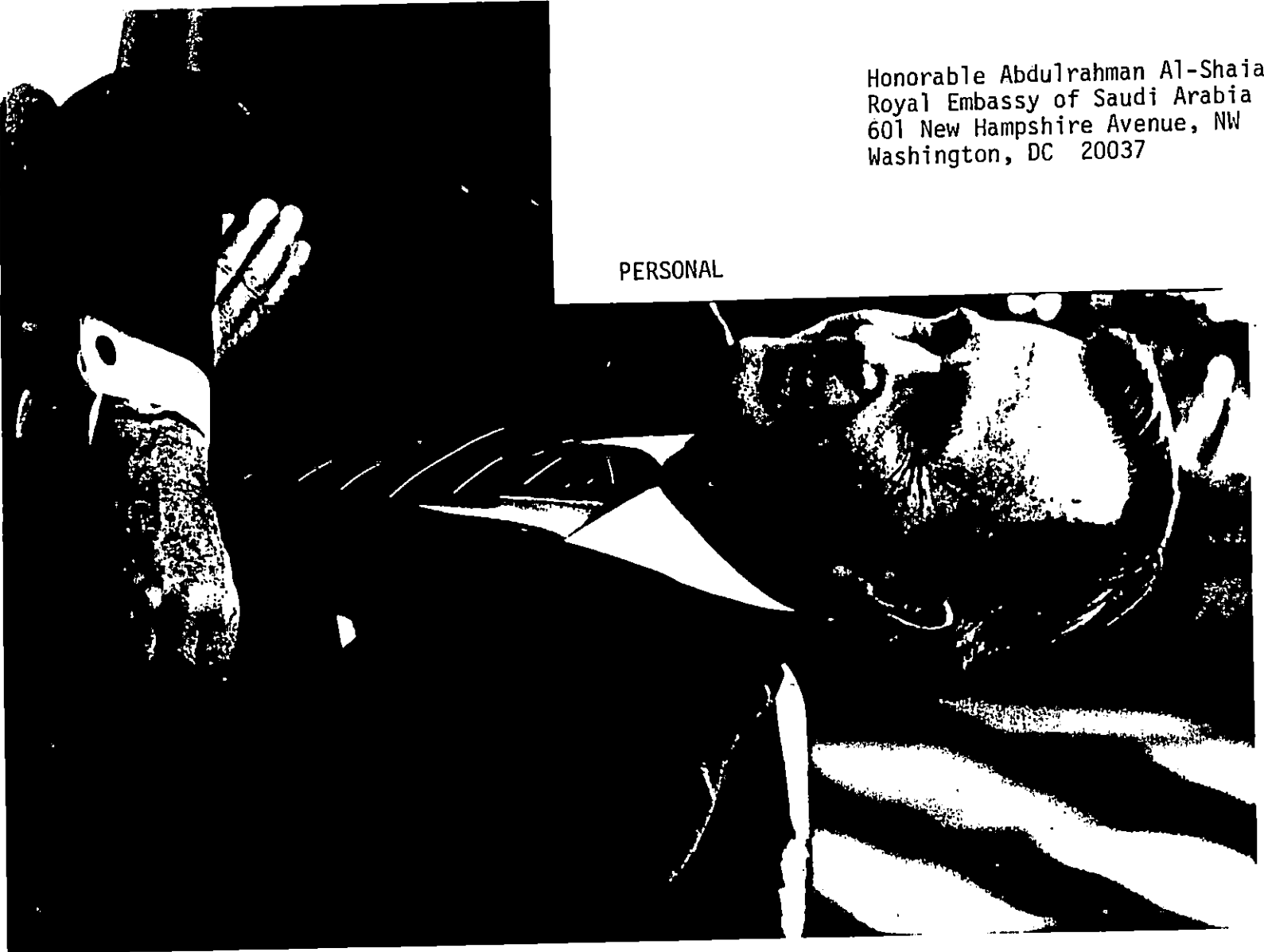
Freedom of Information Act - [5 U.S.C. 552(b)]

(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.

Honorable Abdulrahman Al-Shaia
Royal Embassy of Saudi Arabia
601 New Hampshire Avenue, NW
Washington, DC 20037

PERSONAL



To Abdulrahman A. Al-Shaia
With warmest best wishes,
C. Bush

Polly Frost
Daily

2/27/92

TO BILL GEMMELL

Please have calligraphed to:

Abdulrahman A. Al-Shaia

With warmest best wishes,

(requested by Doro LeBlond)

Return to: Patty Presock

Robin,
will you
throw
this in
your
outbox

(Request by
Doro)

mailing label
attached —

Thanks
P.

STABLEWOOD

✓ daily
✓ POTUS sent
copy of
this to
Mrs. Bush

February 27, 1992

The President and Mrs. Bush
The Houstonian
111 North Post Oak Lane
Houston, Texas 77024

Delivered by hand.

Dear Mr. President and Mrs. Bush:

Welcome back to Houston! We invite you to visit Stablewood adjacent to the Houstonian Complex this weekend. Enclosed is the information regarding Stablewood, the 76 acre, private street subdivision with 24 hour manned security. The developers, Walter Mischer, Sr. and Jim and Margaret Elkins have committed two years of thoughtful planning and are confident that Stablewood will provide homeowners an unequalled quality of life.

Stablewood homeowners will enjoy these benefits:

- * Award Winning Spring Branch Schools:
Hunters Creek Elementary
Spring Branch Junior High
Memorial High School
- * Private Street Subdivision Enclosed By An 8' Masonry Wall
- * 24 Hour Manned Security For Controlled Access
- * 137 Homesites Located On 76 Acres - All Single Family
- * Strict Architectural Controls And Deed Restrictions
- * Adjacent To The Houstonian And Memorial Park

Home construction continues in Phase I of Stablewood. The street right of ways, utility easements, design guidelines and deed restrictions are in place. The guardhouse, perimeter wall, front landscaping, and the gateways and entries from Memorial Drive and North Post Oak Lane are complete. Presently, twenty-four lots have been sold.

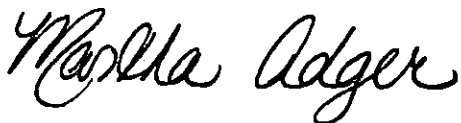
Stablewood
Page 2

Enclosed please find a plat outlining the Phase I lots that are available for sale, the corresponding price list, and our spec plans for your review. Should you have any questions whatsoever, please do not hesitate to contact us at Stablewood.

I look forward to seeing you both.

Respectfully,

STABLEWOOD LIMITED PARTNERSHIP

A handwritten signature in cursive script, reading "Martha Adger".

Martha A. Adger
Director of Sales and Marketing

MAA/ecm

Enclosures

AMENITIES

As the owner of a Stablewood estate, you will reward your family with the best of Houston living. The convenience of an up-town location. The enclosed security of private streets and the luxury of a custom home in Houston's finest master designed environment.

CONVENIENCE:

- 10 minutes from downtown and the Galleria.
- Adjacent to the Houstonian and Memorial Park.
- First class dining, golfing, jogging, polo, gymnasiums and water recreation within walking or biking distance.
- Award-winning schools:
 - Hunters Creek Elementary.
 - Spring Branch Junior High.
 - Memorial High School.
 - The Kinkaid School.
 - Duchesne Academy.

PRIVACY:

- Private controlled-access streets.
- 8-foot masonry perimeter wall.
- 24-hour manned entry.

LUXURY:

- 76-acre master planned residential community; single-family only.
- 137 homesites on wooded estate-sized lots, beginning at \$300,000.
- Discriminating deed restrictions and architectural controls.
- Build your own home or choose a custom home by a preferred master builder.

The alluring lifestyle of Stablewood can be yours. Secure a homesite now and build your dream home at Stablewood, where time will only enrich its value.





STABLEWOOD

developed by:
**STABLEWOOD
LIMITED PARTNERSHIP**

STABLEWOOD

Martha A. Adger
Director of Sales & Marketing

Paula S. Arnold
Broker Associate

PHASE ONE

BLOCK	LOT	SQUARE FEET	PRICE (thousand)
2	9	14763	SOLD
2	10	13000	SOLD
2	11	13000	SOLD
2	12	13000	SOLD
2	13	13690	SOLD
2	14	14247	SOLD
2	15	16273	440
3	12	14763	415
3	13	13168	375
3	14	13965	385
3	15	14849	370
3	16	16640	390
4	1	16594	390
4	2	14849	370

BLOCK	LOT	SQUARE FEET	PRICE
4	3	13965	385
4	4	13168	375
4	5	14763	415
4	6	15453	385
4	7	13600	325
4	8	13600	325
4	9	13579	325
4	10	13216	315
4	11	12708	300
4	12	13561	325
4	13	13599	325
4	14	13599	SOLD
4	15	13599	SOLD
4	16	13600	SOLD
4	17	13600	SOLD

BLOCK	LOT	SQUARE FEET	PRICE (thousand)
4	18	13600	SOLD
4	19	13600	325
4	20	13600	325
4	21	13333	325
4	22	12483	300
4	23	16759	385
4	24	12895	345
4	25	13481	355
4	26	13599	355
4	27	13600	355
4	28	13600	355
4	29	15385	385
4	30	14698	415
4	31	13000	SOLD
4	32	13000	SOLD

BLOCK	LOT	SQUARE FEET	PRICE (thousand)
4	33	13000	SOLD
4	34	13197	SOLD
4	35	13230	SOLD
4	36	14395	400
4	37	15631	425
4	38	16206	445
4	39	16206	445
4	40	19892	515
4	41	20182	525
4	42	17528	455
4	43	25043	625
4	44	13652	450
4	45	18497	515
4	46	15974	445
4	47	18303	515

BLOCK	LOT	SQUARE FEET	PRICE (thousand)
4	48	16603	450
4	49	25043	625
4	50	15525	410
4	51	14526	400
4	52	72491	920
4	53	39425	790
4	54	40695	850
4	55	51665	950
4	56	61280	1250
5	1	21045	SOLD
5	2	17373	SOLD
5	3	17238	480
5	4	16137	450
5	5	16000	450
5	6	19151	515

RESTRICTED RESERVE "B" CLUSTER LOTS

LOT #	ACREAGE TOTAL	TOTAL SQ.FT.	BUILDABLE SQ.FT. (Above 100 Yr. El.)	SALES PRICE (Thousand)
1	.38	16,545	16,545	365
2	.58	25,356	9,990	SOLD
3	.22	9,670	9,670	SOLD
4	.66	28,662	14,074	SOLD
5	.29	12,915	8,830	SOLD
6	1.56	67,950	11,920	SOLD

STABLEWOOD

Approved Builders

Mr. Andy Abercrombie - SOLD

Abercrombie Builders

- 8718 Stable Crest Boulevard

Traditional Stucco, two story, hardwood floors, three wood-burning fireplaces, master down, 4 bedrooms, 3 baths, 2 half baths, living room, dining room, family room, drawing room, game room, kitchen, morning room, 2 car garage, future quarters.

Block 2, Lot 13: \$945,000, 5195 sq. ft. per plans.

Occupancy - September 1991.

Mr. Bruce Barnett

Bruce Barnett & Patti Barnett Lehr

- 8706 Stable Crest Boulevard

Traditional Georgian Stucco, two story, hardwood floors, master down, 4 bedrooms, 5 baths, 1 half bath, living room, dining room, family room, library, kitchen, morning room, 2 car garage, quarters.

Block 2, Lot 10: \$1,150,000, 5825 sq. ft. per plans.

Occupancy - Fall 1992.

Mr. Eddie Franz

Wilshire Custom Builders

- 8707 Pasture View Lane

Brick Traditional, two story hardwood floors, three wood-burning fireplaces, 4 bedrooms, 5 baths, 2 half baths, formal dining room, formal living room, study, family room off kitchen. 3 car garage with future quarters.

Block 4, Lot 18: \$850,000, 5782 sq. ft. per plans.

Occupancy - Fall 1992.

Mr. Tom Overstreet - SOLD

Overstreet Companies

- 8722 Stable Crest Boulevard

Brick Traditional, three story, hardwood floors, four wood-burning fireplaces, master up, 4 bedrooms, 6 baths, 1 half bath, living room, dining room, family room, study, kitchen, breakfast room, garage apartment with full bath and kitchen. 3 car garage, optional 3rd floor living space.

Block 2, Lot 14: \$1,100,000, 6823 sq. ft. per plans.

Occupancy - September 1991.

Mr. Bill Reed

Reed Custom Homes

- 8710 Stable Crest Boulevard

Brick contemporary, one and one-half story, two wood-burning fireplaces, master down, 3 bedrooms, 4 baths, 2 half baths, living room, dining room, family room, study, game room, kitchen, breakfast area, and wine cellar. 2 car garage.

Block 2, Lot 11: \$985,000, 5360 sq. ft. per plans.

Occupancy - Fall 1992.

Mr. Tom Tran & Mr. Kenneth Dang

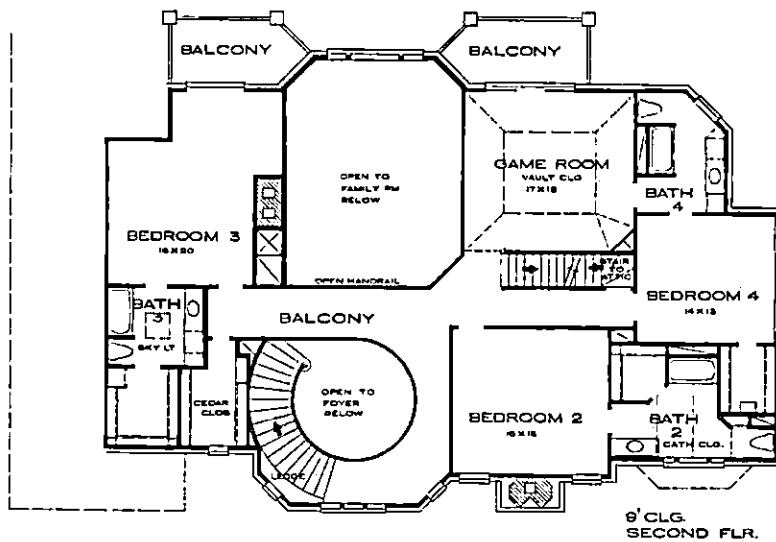
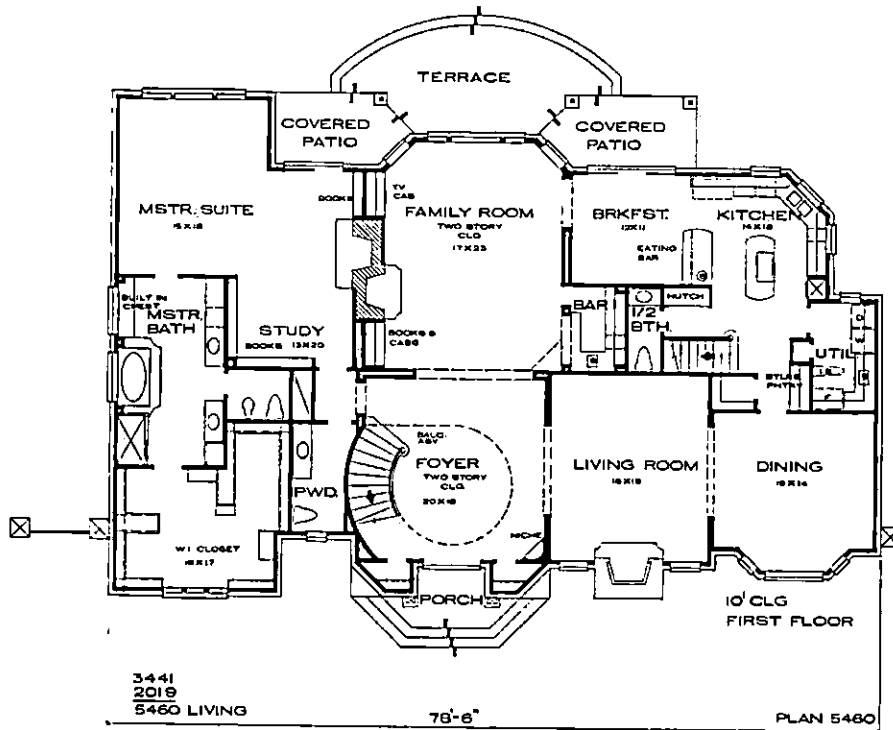
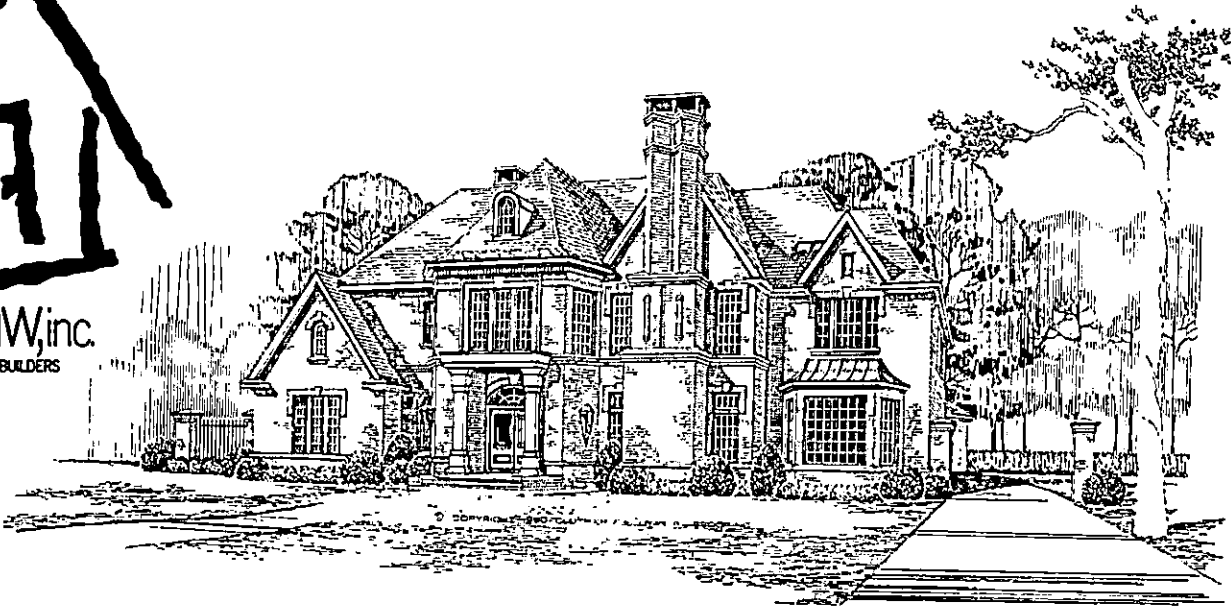
Royalton Homes

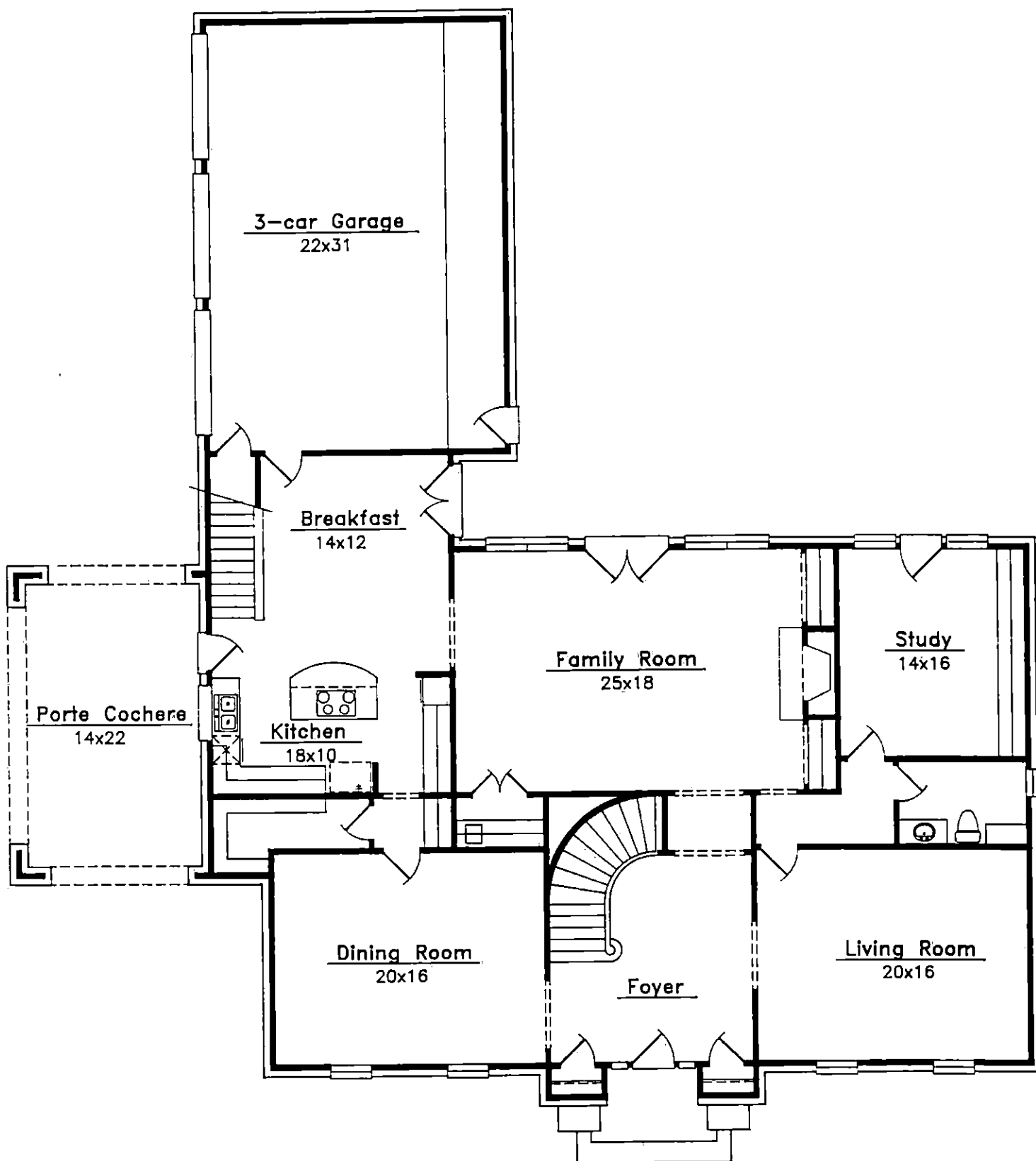
- 8703 Pasture View Lane
Brick traditional, two story, hardwood floors, one wood-burning fireplace, 4 bedrooms, 4 baths, 1 half bath, formal living room, formal dining room, study, family room, kitchen with breakfast area. 3 car garage, porte cochere, & future quarters.
Block 4, Lot 17: \$750,000, 4780 sq. ft. per plans.
Occupancy - Summer 1992.

Ms. Paula Watson

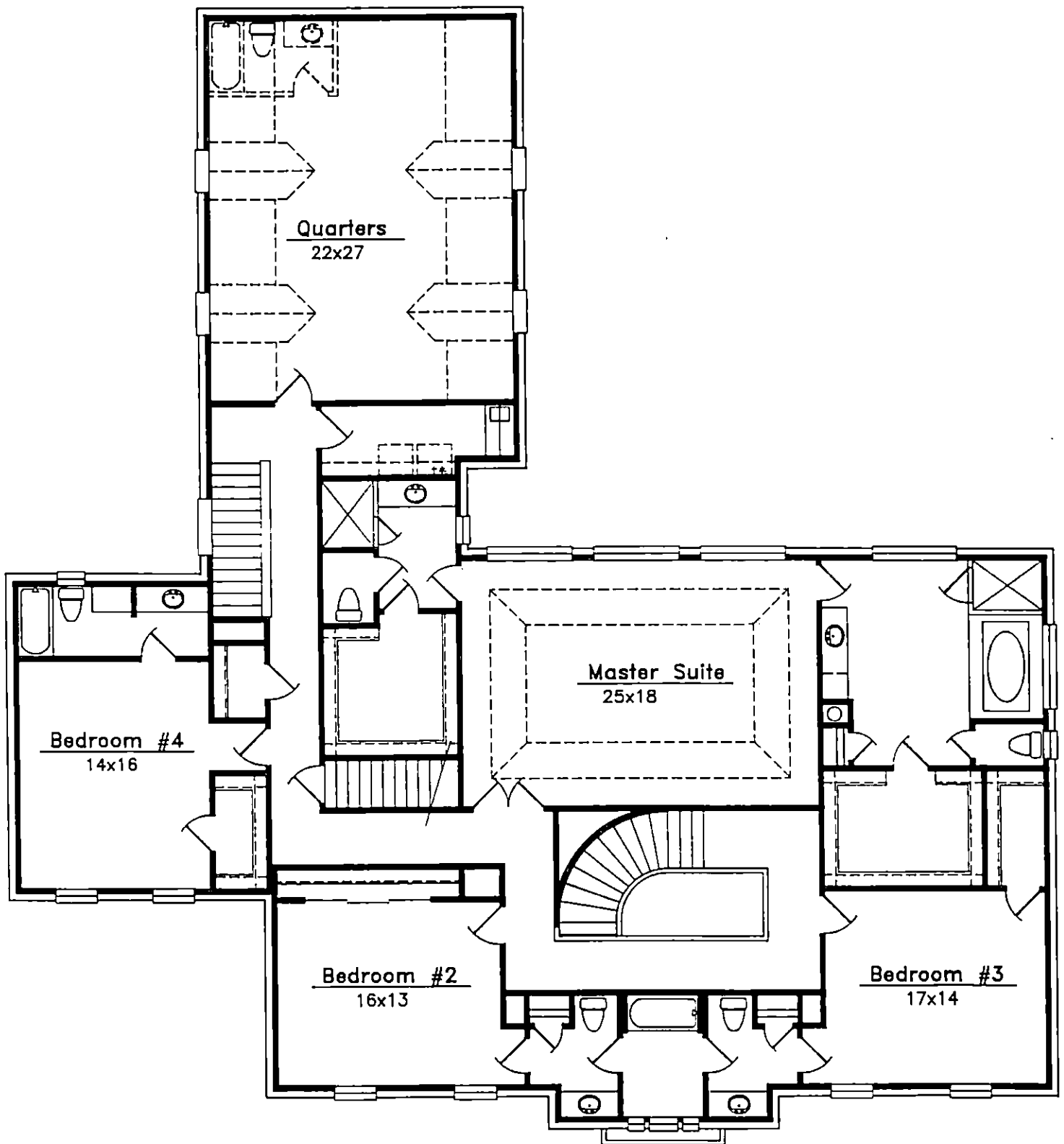
P. M. W., Inc.

- 8723 Stable Crest Boulevard
Brick Traditional, two story, hardwood floors, three wood-burning fireplaces, master down, 4 bedrooms, 4 baths, 2 half baths, living room, dining room, family room, library, kitchen, breakfast room, game room, 2 car garage, future quarters.
Block 4, Lot 35: \$995,000, 5460 sq. ft. per plans.
Occupancy - January 1992.



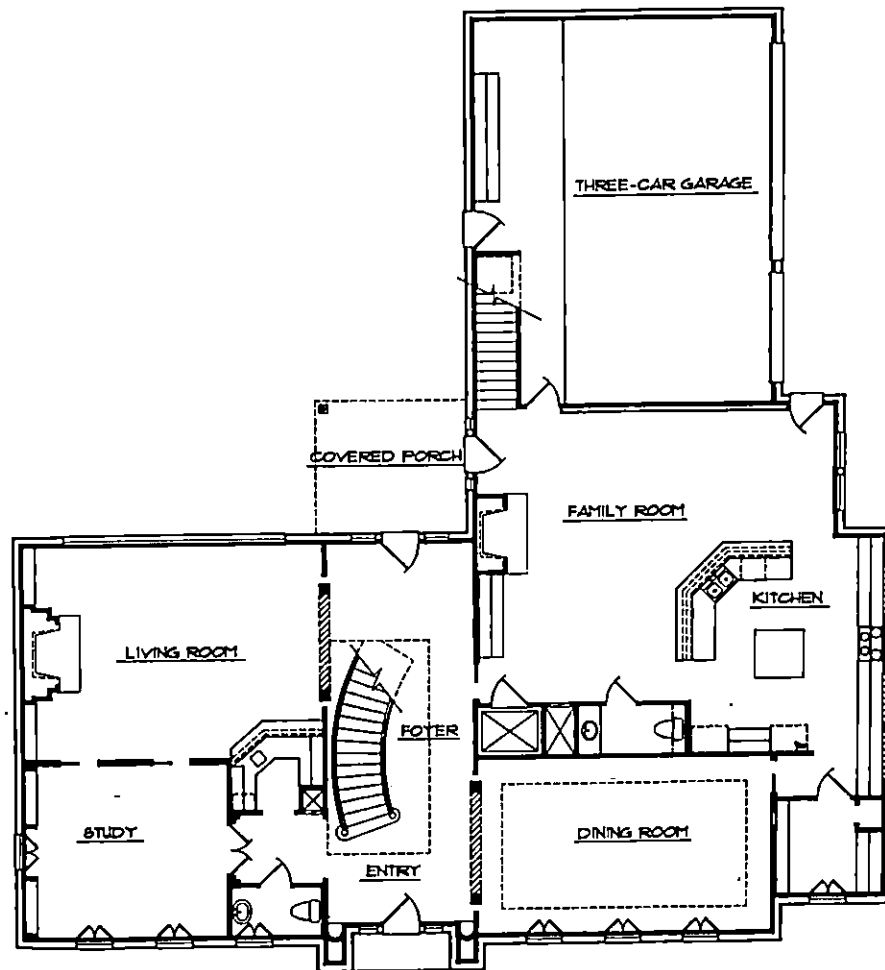


FIRST FLOOR



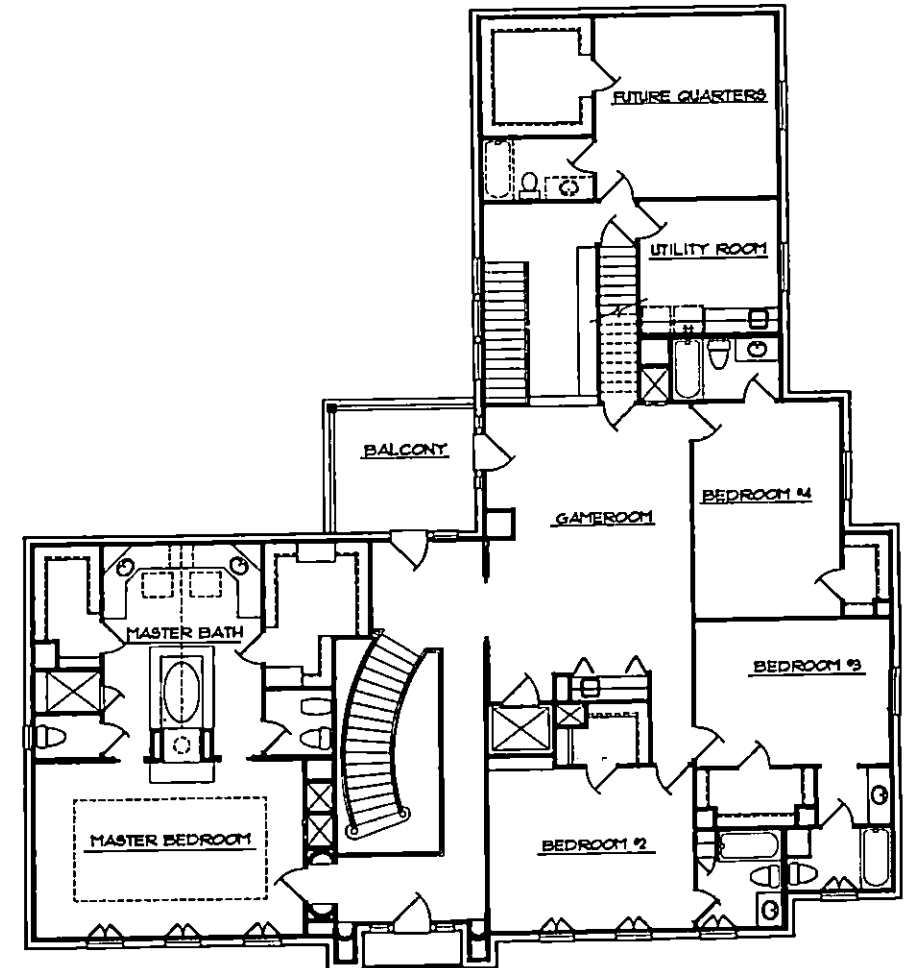
SECOND FLOOR

Wilshire Custom Homes
Lot 18 Block 4
\$850,000 Asking Price



FIRST FLOOR PLAN

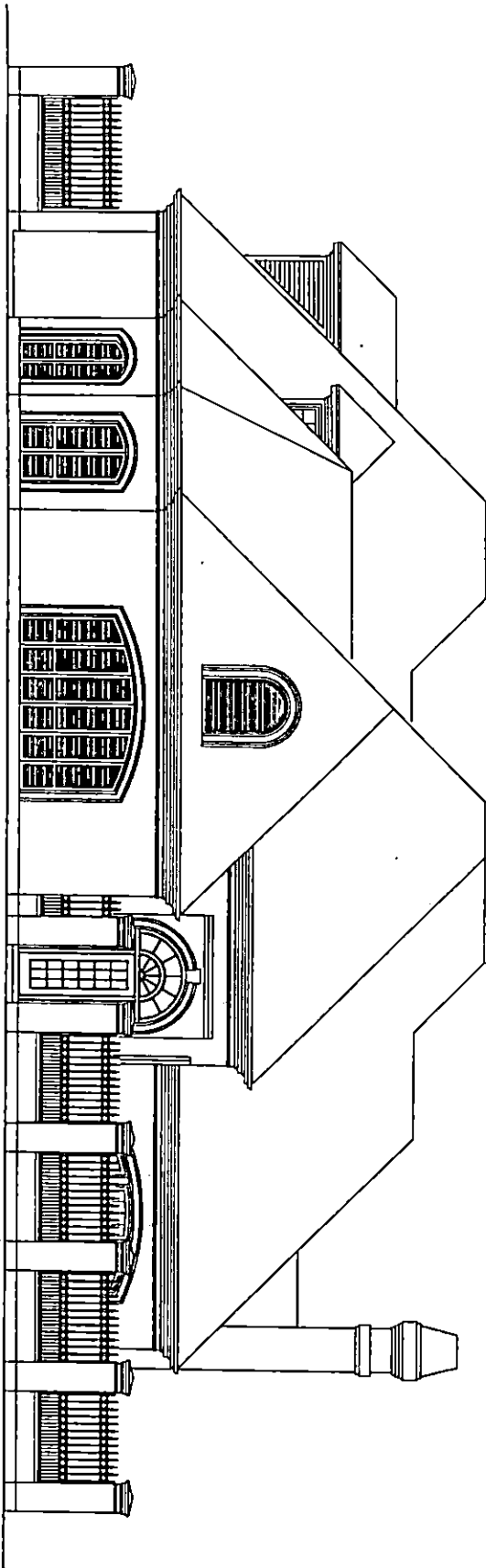
N-5782



SECOND FLOOR PLAN

N-5782

FRONT ELEVATION
SCALE 1/4" = 1'-0"



A-6

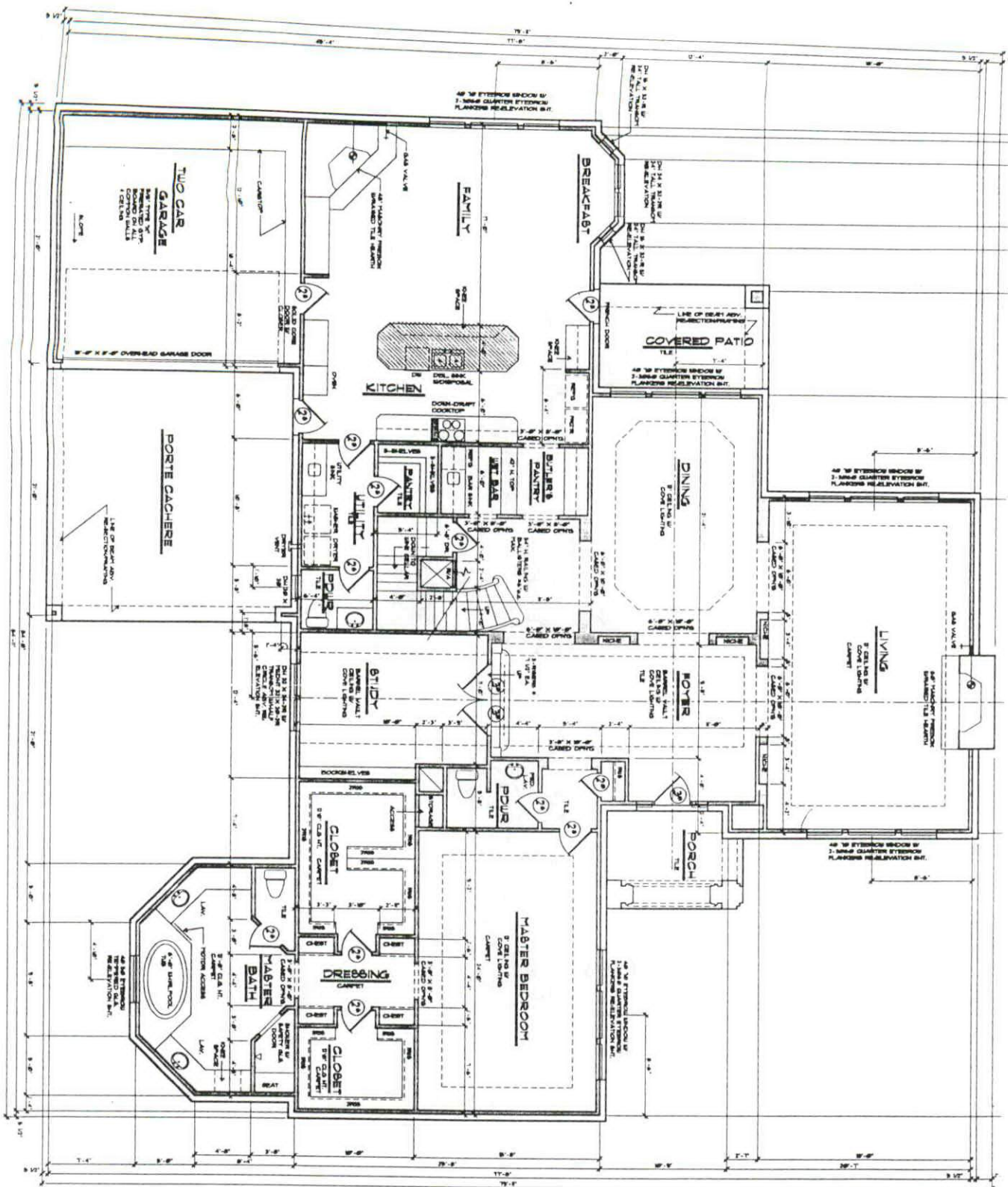
REED/KING CUSTOM HOMES

12496 DAIRY ASHFORD
SUITE # 200
SUGARLAND, TEXAS 77478
713/240-5552

RESIDENCE FOR:

8710 STABLE CREST BOULEVARD
STABLEWOOD

16501
12 1/2' x 16' 1/2'



FIRST FLOOR PLAN
SCALE 1/4" = 1'-0"

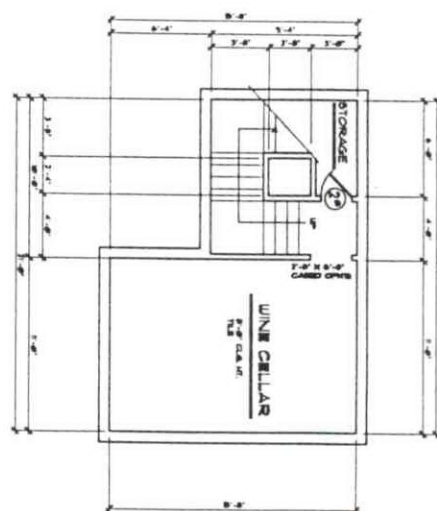
NOTES:
1. ALL ROOMS TO BE FINISHED.
2. ALL WALLS TO BE 5/8" GYP BOARD.
3. ALL FLOORS TO BE 1 1/2" GYP BOARD.
4. ALL CEILING TO BE 5/8" GYP BOARD.
5. ALL ROOFING TO BE 1/2" GYP BOARD.
6. ALL EXTERIOR WALLS TO BE 8" CMU.
7. ALL EXTERIOR FLOORS TO BE 4" CONC.
8. ALL EXTERIOR CEILING TO BE 5/8" GYP BOARD.
9. ALL EXTERIOR ROOFING TO BE 1/2" GYP BOARD.
10. ALL EXTERIOR WALLS TO BE 8" CMU.
11. ALL EXTERIOR FLOORS TO BE 4" CONC.
12. ALL EXTERIOR CEILING TO BE 5/8" GYP BOARD.
13. ALL EXTERIOR ROOFING TO BE 1/2" GYP BOARD.

REED/KING CUSTOM HOMES

12496 DAIRY ASHFORD
SUITE # 200
SUGARLAND, TEXAS 77478
713/240-5552

RESIDENCE FOR:

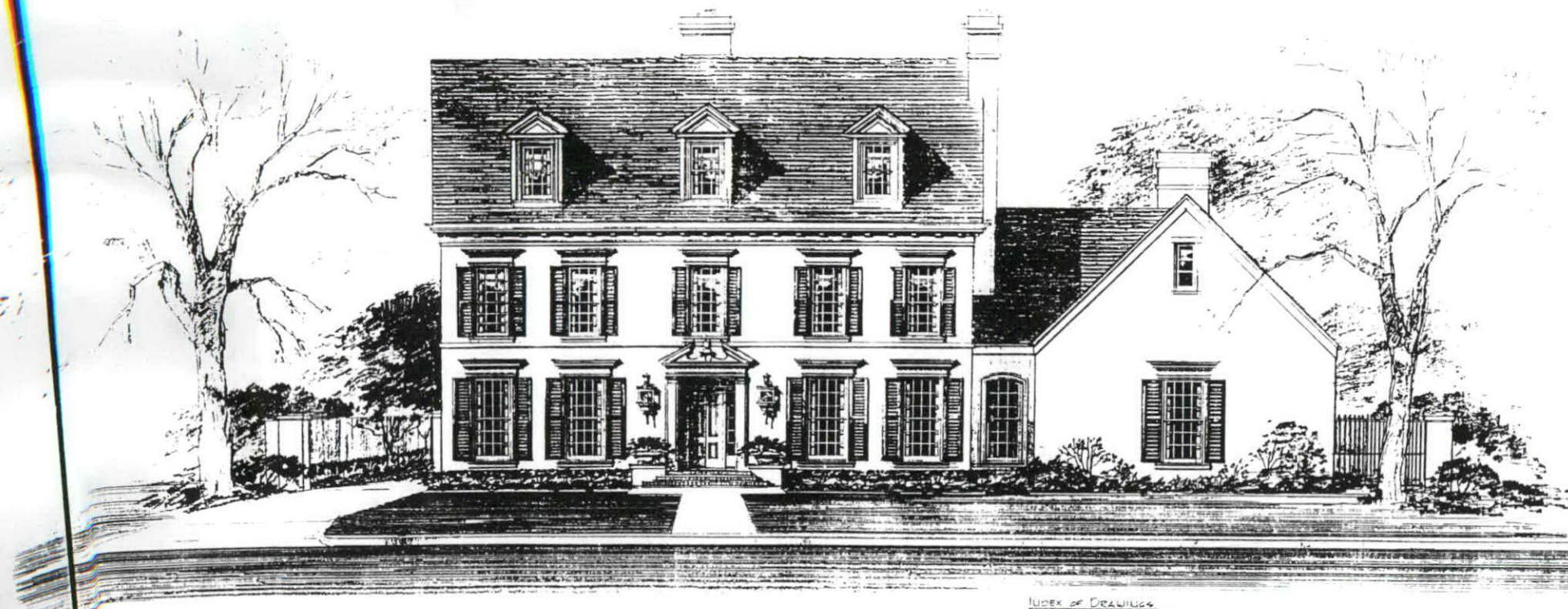
8710 STABLE CREST BOULEVARD
STABLEWOOD



4'-0" PLATE HEIGHT UNLESS NOTED OTHERWISE
WHICH A DOOR HEADER HEIGHT SHALL BE
6'-0" UNLESS NOTED OTHERWISE

DCALB 144° = 1-40°

16011



INDEX OF DRAWINGS

- 1 - FRONT ELEVATION - FRONT
- 2 - EXTERIOR ELEVATION - LAMP/VIEW
- 3 - EXTERIOR ELEVATION - EAST - VIEW - SECTION 1 & 2
- 4 - FIRST FLOOR PLAN / ELECTRICAL PLAN
- 5 - SECOND FLOOR PLAN / ELECTRICAL PLAN
- 6 - PORCH/STAIR PLAN
- 7 - WHITE PLAIN/STAIR
- 8 - PORCH / STAIR / STAIR PLAN
- 9 - PORCH / STAIR / STAIR PLAN
- 10 - INTERIOR ELEVATION
- 11 - INTERIOR ELEVATION - SECTION 1 & 2
- 12 - WALL SECTION / FIRST FLOOR SECTION 1 & 2

NOTES

1. SEE SHEET 2 & 3 FOR OTHER NOTES
2. MATERIALS - SEE SHEET 2 & 3
3. 1/4" = 1' - 1/4" = 1' - 1/4" = 1'
4. 1/4" = 1' - 1/4" = 1' - 1/4" = 1'
5. 1/4" = 1' - 1/4" = 1' - 1/4" = 1'
6. 1/4" = 1' - 1/4" = 1' - 1/4" = 1'



FRONT ELEVATION SCALE: 1/4" = 1'

CLIENT: GARNETT BUILDING CORP.
ADDRESS: 1000 GARNETT STREET, EL PASO, TEXAS
CITY: EL PASO, TEXAS



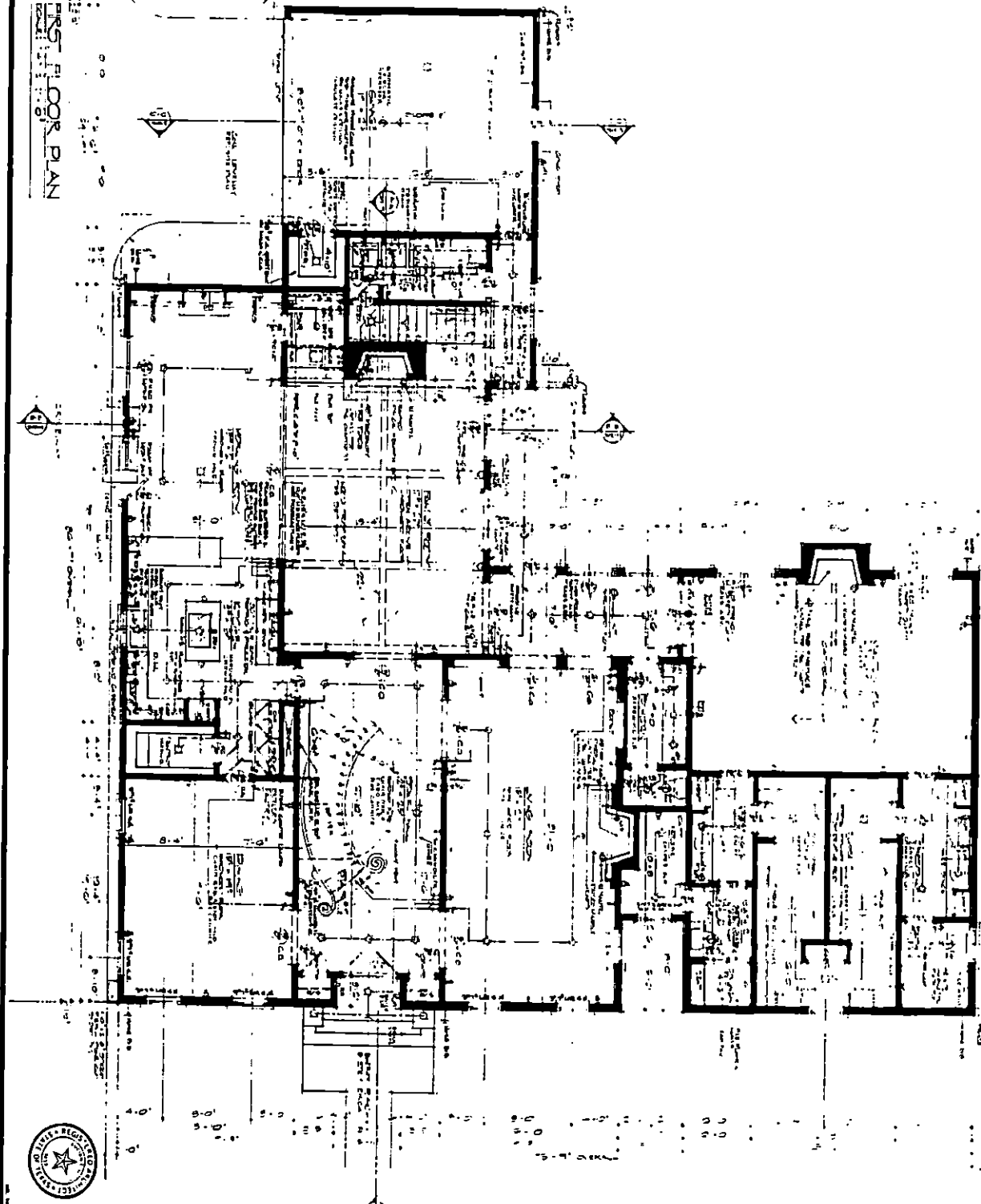
DATE: 9-1-05
REVISED: 9-1-05
DRAWN BY: LUCIAN HOOD
ARCHITECT
HOUSTON, TEXAS

91-05

1



FIRST FLOOR PLAN



NAME	LUCIAN HOOD
DATE	7-1-53
PROJECT	4
LOCATION	HOUSTON, TEXAS
DESIGNED BY	JOHN F. LINDBERG, JR.
CHECKED BY	A. N. HARRIS
APPROVED BY	

NOTES:

1. ALL DIMENSIONS ARE IN FEET AND INCHES.

2. ALL ROOMS ARE TO BE FINISHED WITH CARPETING.

3. ALL WALLS ARE TO BE FINISHED WITH PLASTER.

4. ALL CEILING ARE TO BE FINISHED WITH PLASTER.

5. ALL FLOORS ARE TO BE FINISHED WITH POLISHED CONCRETE.

6. ALL DOORS ARE TO BE FINISHED WITH OAK.

7. ALL WINDOWS ARE TO BE FINISHED WITH ALUMINUM.

8. ALL STAIRS ARE TO BE FINISHED WITH CARPETING.

9. ALL ELEVATORS ARE TO BE FINISHED WITH STAINLESS STEEL.

10. ALL HALLWAYS ARE TO BE FINISHED WITH CARPETING.

11. ALL RESTROOMS ARE TO BE FINISHED WITH CERAMIC TILE.

12. ALL KITCHENS ARE TO BE FINISHED WITH CERAMIC TILE.

13. ALL BATHS ARE TO BE FINISHED WITH CERAMIC TILE.

14. ALL OFFICES ARE TO BE FINISHED WITH CARPETING.

15. ALL CONFERENCE ROOMS ARE TO BE FINISHED WITH CARPETING.

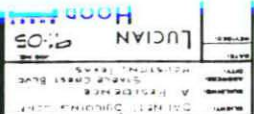
16. ALL MEETING ROOMS ARE TO BE FINISHED WITH CARPETING.

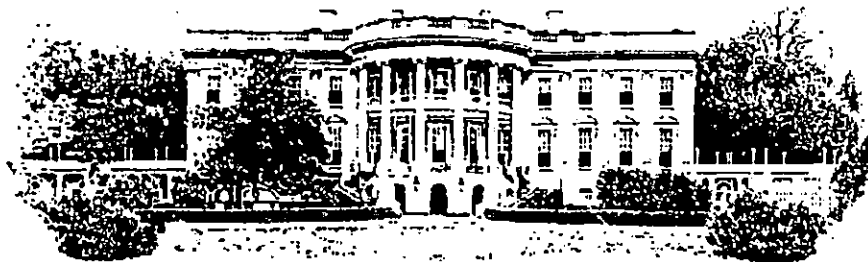
17. ALL STORAGE ROOMS ARE TO BE FINISHED WITH CONCRETE FLOORS.

18. ALL LOBBIES ARE TO BE FINISHED WITH POLISHED CONCRETE FLOORS.

19. ALL ENTRANCES ARE TO BE FINISHED WITH POLISHED CONCRETE FLOORS.

20. ALL EXITS ARE TO BE FINISHED WITH POLISHED CONCRETE FLOORS.





THE SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: RhfordDTG: 27 2303ZMESSAGE NO. 09 CLASSIFICATION WAKLAS PAGES 3FROM ADM Howe
(Name) (Phone Number) (Room No.)MESSAGE DESCRIPTION News clips

TO (Agency)	DELIVER TO:	DEPT/ROOM NO.	PHONE NUMBER
<u>Houston</u>	<u>Florence Gant</u>		

REMARKS _____

FINAL EDITION

The Miami Herald

THURSDAY, FEBRUARY 27, 1992

CONTENTS COPYRIGHT © 1992 THE MIAMI HERALD

35 CEN

U.S. won't bargain with Castro — ever, Bush tells exiles

By ALFONSO CHARDY
Herald Staff Writer

President Bush, seeking to reassure Miami's Cuban exile community about his administration's tough position toward Fidel Castro, says in an opinion column in today's Miami Herald that he will never negotiate with Castro's Communist government.

"There will be no normal relations with Cuba so long as the Castro dictatorship remains in place," Bush says in the column, his first for the newspaper, published in full on page 19A. "We want to see a democratically elected Cuban government that would be the legitimate representative of the Cuban people."

A White House official said the

presidential piece would "allay concerns" in the Cuban-American community, where some exiles are frustrated by what they perceive to be a softening stance toward Cuba.

A major focus of recent exile concern about Bush's Cuba policies was whether the administration was collaborating with Castro to prevent exile paramilitary commando raids on the island.

In late January, State Department officials angered elements of the exile community when they said the U.S. government would give Cuba advance warning about possible raids. After the comments appeared in print, a senior State Department offi-

PLEASE SEE BUSH, 17A

THURSDAY, FEBRUARY 27, 1992, THE MIAMI HERALD 17A

Bush to Miami's Cuban exiles: U.S. won't bargain with Castro

BUSH, FROM 1A

cial telephoned The Herald to explain that they had been made by subordinates not authorized to make them.

Bush makes reference to the issue in his column.

"Let me also comment on recent published reports that the United States is cooperating with the Cuban government on anti-Castro activities," the president wrote. "Those stories simply are not true."

Republican challenger Pat Buchanan, who has been making a strong pitch for the votes of Cuban Americans, capitalized on the State Department comments during a visit to Miami on Sunday.

Buchanan's Miami pitch

Buchanan told a mostly Cuban-American crowd of about 300 that Castro "will not survive" his presidency, and promised that his State Department would not "engage in collusion" with the Cuban government.

Buchanan's Dade campaign chairman, former political prisoner Reinaldo Lopez-Lima, has been telling the Cuban community that Buchanan is a staunch ally.

"We're not an orphan anymore," Lopez-Lima said Wednesday. "At last, we have a candidate."

'There will be no normal relations with Cuba so long as the Castro dictatorship remains in place.'

PRESIDENT BUSH

In Washington, a Cuban government official denounced Bush's column as a political ploy.

"It contains nothing new, and it is evident that its goal is less Cuba and more to obtain votes for a not-too-assured re-election," said Ariel Ricardo, a spokesman for the Cuban Interests Section.

Bush cites anti-Castro action

The president's column lists administration actions against Castro, including Radio and TV Marti, efforts in Geneva to condemn Cuba at the annual meeting of the United Nations Human Rights Commission and recent measures to tighten the trade embargo on the island.

Bush also repeated a call he made last year for Castro to hold "free and fair" elections. But his column appeared to strike a harder line: While his proposal last year offered to improve relations with Cuba if Castro held elections, Bush today says Wash-

ington will only contemplate normal relations with Havana after the Castro regime is gone.

The reason for the changed tone, Bush wrote, is Castro's decision to crack down on island dissidents.

Bush's article comes on the heels of remarks Tuesday by CIA director Robert Gates, who painted a bleak picture of conditions in Cuba, noting that the collapse of the Soviet Union has narrowed Castro's options.

"Castro is in an unprecedented bind," Gates said in testimony before the House Foreign Affairs Committee. "The halt in Soviet aid has devastated his economy. Factories are closing, and growing numbers of people are being moved into agricultural work camps."

Gates went on to warn that increasing repression of dissidents in Cuba, coupled with the economic crisis, could trigger unrest.

"Such repression is likely only to magnify the hardships of the Cuban people and the explosion that eventually may occur," he said.

Bush's column sums up administration perceptions about what lies ahead for Cuba.

"The day of the dictator is over, and I am convinced that Castro's days are numbered."

Herald staff writer Anne Bartlett contributed to this report.

THE PRESIDENT VIEWS CUBA AND CASTRO

By GEORGE BUSH

MY ADMINISTRATION'S objectives and the American people's hopes for Cuba can be stated simply: We want freedom and prosperity for the Cuban people and an end to Fidel Castro's totalitarian regime.

There will be no normal relations with Cuba so long as the Castro dictatorship remains in place. We want to see a democratically elected Cuban govern-

President Bush wrote this article for The Herald.

ment that would legitimately represent the Cuban people. My administration is determined to keep the pressure on Castro and to keep the Cuban people's hope for democracy alive.

Let me explain what I mean by a democratic Cuban government. We want Cuba to have fully free and fair elections, to accept international observers, to permit a free press, to allow opposition parties ample time and opportunity to organize and campaign, and to release all political prisoners. We've said in the past that if Castro would hold free and fair national elections, commit constitutionally to regular elections in the future, and respect his countrymen's basic civil liberties and human rights, our relations with Cuba would improve.

I challenge Cuba to hold free elections, but Castro will not allow them because he knows that he would not win. Instead of embarking on the path of democracy like the republics of the former Soviet Union, the East European countries, and countries throughout this hemisphere, Castro has undertaken a brutal campaign of intimidation and violence to eliminate any and all peaceful dissent in order to keep his illegitimate regime in power.

We have seen the collapse of communism in Europe, where the United States has played a positive role. United States policy in Eastern Europe was predicated on the fact that the Poles, the Czechs, the Germans, and the other peoples in the region wanted to live in freedom. The Cubans are no different.

At the time, hurried voices were raised daring me to make political capital of the deteriorating situation in those countries and the growing tensions between the people of Eastern Europe and their dictators. It was a situation



fraught with danger, but we were able to stay the course, avoid bloodshed, and today Eastern Europe is free. Cuba also will be free.

It was the German people who brought about Honecker's fall from power. It was the Romanian people who brought about Ceausescu's fall from power. It was the Czech people who brought about Husak's fall from power, and so it has been with every other tyrant of our time. As so it will be with Cuba.

Castro's fear of dissent and criticism and the weakness of his government becomes clearer with every passing day

as his regime's violations of human dignity mount. I know that you are as aware of recent abuses as I am, but they bear repeating because they involve real people willing to stand up and say "no mas" to this dictator.

Back in September, Castro's "Special Action Brigades" — groups of thugs and Cuban agents — brutally beat several members of the pacifist movement Solidarity and Peace. Two of its leaders, Daniel and Tomas Azpillaga, were sentenced to two years in prison for holding a peaceful demonstration in front of Villa Marista, Castro's dreaded security police headquarters.

In November, Castro sent his Special Action Brigades to the house of well-known Cuban poet Maria Elena Cruz, where she was brutally beaten along with six other activists. She was taken to jail, where she remains.

On Jan. 6, the home of Cuban activist Angela Herrera was assaulted by Castro's thugs while members of the Cuban Democratic coalition were holding a telephone conversation with a Miami radio station. All present were arrested and threatened with 30-year prison terms if they were caught again. Two of them, Adrian Gonzalez Marichal and Pedro Armenteros, remain detained in Villa Marista.

Regime critic and human rights advocate Sebastian Arcos has been in jail for weeks without charge because he dared to call for peaceful change.

For all the reasons I've cited, we have absolutely no intention of agreeing to a normal relationship with a government that denies its people universally accepted civil and human rights, economic opportunity, and freedom of choice on matters that affect their own future. Let me also comment on recent published reports that the United States is cooperating with the Cuban government on anti-Castro activities. Those stories simply are not true.

What we're going to do

Now let me tell you what we are doing on behalf of the Cuban people. First of all, we're doing everything we can to keep the Cuban people's hopes and spirits alive by trying to get a free flow of information into Cuba. We remain firmly committed to providing the Cuban people impartial, unbiased news through Radio and TV Marti broadcasts. We will continue to aggressively pursue every opportunity to bring the Cuban people the Marti message.

We're working hard in Geneva right now for the strongest possible condemnation of Castro's human rights abuses by the United Nations Human Rights Commission. We anticipate that the commission will call Cuba to account for its gross violations even more strongly than it did last year. We're asking the commission to again name a special envoy to review the human rights situation in Cuba even though, like last year, we know that Castro is afraid to permit a U.N. envoy to travel to Cuba to do his work there.

We intend to keep squeezing Castro

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hard on the economic front. We implemented a number of measures to toughen up the embargo several months ago to further restrict Castro's ability to earn hard currency. For example, we have stopped Castro from charging outrageous fees for Cuban citizens to travel to the United States. We have asked our friends and democratic allies not to replace past Soviet aid to Cuba by providing economic assistance or preferential trade agreements; to do so will only allow Castro to prolong his illegitimate regime and continue to only deny human rights and democracy to the long-suffering Cuban people. We have been getting good responses.

The day of the dictator is over, and I am convinced that Castro's days are numbered. When he goes — and as far as I am concerned, for Cuba to be free, for Cuba to be prosperous, the Castro dictatorship must go — then the United States, with the cooperation of our private sector, which is ready, willing, and eager to help, will be prepared to provide a full range of assistance needed to help the Cuban people rebuild their economy, which has been devastated by the Castro regime, and to help them restore their democratic traditions.

Our desire is for freedom for Cuba, and we want the process to be peaceful, orderly, and without the spilling of blood. At the same time, faithful to our tradition of supporting the fight for freedom throughout the world, we intend to do everything we can within the confines of existing U.S. law to support all those who are striving to achieve Cuba's liberation.

THE PRESIDENT VIEWS CUBA AND CASTRO

A challenge to hold free elections

By GEORGE BUSH

MY ADMINISTRATION'S objectives and the American people's hopes for Cuba can be stated simply: We want freedom and prosperity for the Cuban people and an end to Fidel Castro's totalitarian regime.

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I challenge Cuba to hold free elections, but Castro will not allow them because he knows that he would not win. Instead of embarking on the path of democracy like the republics of the former Soviet Union, the East European countries, and countries throughout this hemisphere, Castro has undertaken a brutal campaign of intimidation and violence to eliminate any and all peaceful dissent in order to keep his illegitimate regime in power.

We have seen the collapse of communism in Europe, where the United States has played a positive role. United States policy in Eastern Europe was predicated on the fact that the Poles, the Czechs, the Germans, and the other peoples in the region wanted to live in freedom. The Cubans are no different.

At the time, hurried voices were raised during our talks to make political capital of the deteriorating situation in those countries and the growing tensions between the people of Eastern Europe and their dictators. It was a situation



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Castro's fear of dissent and criticism, and the weakness of his government, becomes clearer with every passing day

as his regime's violations of human dignity mount. I know that you are as aware of recent abuses as I am, but they bear repeating because they involve real people willing to stand up and say "no more" to this dictator.

Back in September, Castro's "Special Action Brigades" — groups of thugs and Cuban agents — brutally beat several members of the pacifist movement Solidarity and Peace. Two of its leaders, Daniel and Tomas Azpillaga, were sentenced to two years in prison for holding a peaceful demonstration in front of Villa Marista, Castro's dreaded security police headquarters.

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THURSDAY, FEBRUARY 27, 1992

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GEORGE BUSH

WASHINGTON

February 27, 1992

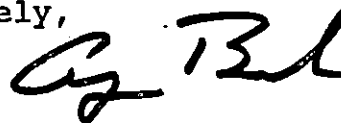
Dear Bill:

The picture of the Silver Dollar Quartet is in my office in the White House residence -- that's on the second floor. The room used to be known as the Treaty Room. You sent it to me ten years ago, and it is still a prized possession.

It was so nice seeing you in California.

Barbara joins me in sending our warmest best wishes.

Sincerely,



Mr. William A. Stone
President
William A. Stone, Inc.
110 Sutter Street
San Francisco, California 94104

ALL LETTER PLEASE BCC:

bcc: ✓ Rose Zamaria
Bill Farish

Mr. President:

2/24/92

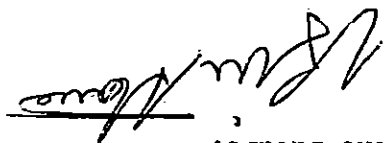
Your kind note of 10 years ago is on the backside of this.

Mr. Dick Kimball of the Silver Dollar Quartet is in his 90's, and I expect to see him at a whiff gathering this Spring in New Haven.

If possible, I'd like to tell him in which "rogues' gallery" the quartet is hanging.

Incidentally, my '52 whiff group tapped brother Johnny for the 53's. Also, 52' is pleased you're making such good use of my pals Brady, Robson and Lee.

All the best in the future.



WILLIAM A. STONE INC.
REAL ESTATE

WILLIAM A. STONE
PRESIDENT
110 SUTTER STREET
SAN FRANCISCO, CA 94104
(415) 986-8080



1-24-82

Dear Bill -
Phyllis Draper gave us
the singing picture. How we loved
that guest - Marie
loved so much to live. Mary
meant much - in Bill

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 2, 1992

STATEMENT BY THE PRESIDENT

Barbara and I are greatly saddened by the death of Albert Bel Fay. Albert was a close, personal friend, and we will miss him greatly.

He was a Texan through and through. He was a leader in building the Republican party in Houston, starting in the early 1960's. Albert was a mentor who helped guide me in my early years in Texas politics, when getting Republicans elected was next to impossible. His service to the Republican party has been invaluable.

Barbara and I send our deepest condolences and offer our prayers to his three children.

#

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

March 2, 1992

The President today recognized the volunteers of the Pilot Parent Program of Omaha, Nebraska as the 708th Daily Point of Light for the Nation. This unique organization offers hope, support, and a sense of well being to parents of children with all types of disabilities.

Now in its twenty-first year, the Pilot Parent Program was created to help parents overcome the initial period of grief -- often including phases of anger, denial, and shock -- that may occur upon learning that a child has a disability. The program offers direction to these parents who may feel overwhelmed and unsure of where to turn, and matches them with experienced parents of another child with the same disability. The veteran parents act as "mentors," offering advice in crises and in day-to-day matters. Last year, more than 80 couples were matched with these more experienced parents.

Twice a month, the Pilot Parent Program holds informational or social meetings for all parents. For social gatherings, child care is provided to give mothers and fathers an evening of relaxation. Workshops and support programs are also offered to siblings and grandparents of children with special needs. By working closely with appropriate State and Federal agencies, the Pilot Parent Program is able to provide referrals and a wealth of information to parents. Volunteer professionals from the medical and special education fields train client parents who wish to become mentors.

All participants in the Pilot Parent Program are volunteers, from the family mentors to the professionals within the community who lend their expertise. The program's success has led to its replication in over 300 cities nationwide, as well as in other countries, including Australia, Sweden, and Great Britain.

The President salutes the volunteers of Pilot Parent Program for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

#

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

THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED FOR RELEASE
UNTIL MARCH 3, 1992

March 2, 1992

The President today recognized volunteers of the ServiceMASTER Company Limited Partnership of Downers Grove, Illinois, as the 709th Daily Point of Light for the Nation. ServiceMASTER, a management support services company, encourages parents and customers to play a greater role in education and mobilizes its employees to help create excellent schools and a culture that fosters lifelong learning.

Since late 1989, over 200 ServiceMASTER employees have served as mentors, tutors, and friends to students at the Francis Scott Key School on Chicago's west side. This corporate commitment has been reinforced by the active participation of ServiceMASTER CEO William Pollard and the company's Executive Board Members --all of whom have volunteered in the schools as mentors. Five days a week groups of 12-18 employees spend their lunch hour teaching reading comprehension and vocabulary to children from primarily low-income and single parent families by using computer programming. Volunteers work one-on-one with the students, testing each of them regularly to monitor academic progress and tailoring the curriculum to their individual needs.

Francis Scott Key principal Louise Perez credits ServiceMASTER volunteers with bringing enthusiasm to the school and motivating the students to learn. Test scores of children enrolled in the program have improved at twice the rate of those of other students. Ms. Perez attributes this success to the presence of volunteers as role models for the students.

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

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 2, 1992

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the requirements of section 109(e) of the Hazardous Materials Transportation Act (Public Law 96-633; 49 U.S.C. 1808(e)), I transmit herewith the Annual Report on Hazardous Materials Transportation for calendar year 1990.

GEORGE BUSH

THE WHITE HOUSE,
March 2, 1992.

#

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 2, 1992

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95-216; 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the Republic of Finland on Social Security, which consists of two separate instruments -- a principal agreement and an administrative arrangement. The agreement was signed at Helsinki on June 3, 1991.

The United States-Finland agreement is similar in objective to the social security agreements already in force with Austria, Belgium, Canada, France, Germany, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

I also transmit for the information of the Congress a report prepared by the Department of Health and Human Services, providing explanation of the key points of the agreement, along with a paragraph-by-paragraph explanation of the provisions of the principal agreement and the related administrative arrangement. In addition, as required by section 433(e)(1) of the Social Security Act, a report on the effect of the agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement is also enclosed. I note that the Department of State and the Department of Health and Human Services have recommended the agreement and related documents to me.

I commend the Agreement between the United States of America and the Republic of Finland on Social Security and related documents.

GEORGE BUSH

THE WHITE HOUSE,
March 2, 1992.

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 2, 1992

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith without my approval H.R. 2212, the "United States-China Act of 1991," which places additional conditions on renewal of China's most-favored-nation (MFN) trade status.

The sponsors of H.R. 2212 believe they can promote broad economic and foreign policy objectives in China by placing conditions on the renewal of China's MFN status. They expect that the Chinese will improve respect for human rights, cooperate in arms control, and drop barriers to trade, given a choice between losing MFN and addressing these concerns.

Let me state at the outset that my Administration shares the goals and objectives of H.R. 2212. Upholding the sanctity of human rights, controlling the spread of weapons of mass destruction, and free and fair trade are issues of vital concern. My objection lies strictly with the methods proposed to achieve these aims.

There is no doubt in my mind that if we present China's leaders with an ultimatum on MFN, the result will be weakened ties to the West and further repression. The end result will not be progress on human rights, arms control, or trade. Anyone familiar with recent Chinese history can attest that the most brutal and protracted periods of repression took place precisely when China turned inward, against the world.

Recent agreements by the Chinese to protect U.S. intellectual property rights, to abide by the Missile Technology Control Regime Guidelines, to accede to the Nuclear Non-Proliferation Treaty by April, and to discuss our human rights concerns -- after years of stonewalling -- are the clear achievements of my Administration's policy of comprehensive engagement.

We have the policy tools at hand to deal with our concerns effectively and with realistic chances for success. The Administration's comprehensive policy of engagement on several separate fronts invites China's leadership to act responsibly without leaving any doubts about the consequences of Chinese misdeeds. Our approach is one of targeting specific areas of concern with the appropriate policy instruments to produce the required results. H.R. 2212 would severely handicap U.S. business in China, penalizing American workers and eliminating jobs in this country. Conditional MFN status would severely damage the Western-oriented, modernizing elements in China, weaken Hong Kong, and strengthen opposition to democracy and economic reform.

We are making a difference in China by remaining engaged. Because the Congress has attached conditions to China's MFN renewal that will jeopardize this policy, I am returning H.R. 2212 to the House of Representatives without my approval. Such action is needed to protect the economic and foreign policy interests of the United States.

GEORGE BUSH

THE WHITE HOUSE,
March 2, 1992.

#

For Immediate Release

March 2, 1992

YEAR OF THE AMERICAN INDIAN, 1992

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Half a millennium ago, when European explorers amazed their compatriots with stories of a New World, what they actually described was a land that had long been home to America's native peoples. In the Northeast part of this country and along the Northwest coast, generations of tribes fished and hunted; others farmed the rich soils of the Southeast and Great Plains, while nomadic tribes roamed and foraged across the Great Basin. In the arid Southwest, native peoples irrigated the desert, cultivating what land they could. Each tribe formed a thriving community with its own customs, traditions, and system of social order.

The contributions that Native Americans have made to our Nation's history and culture are as numerous and varied as the tribes themselves. Over the years, they have added to their ancient wealth of art and folklore a rich legacy of service and achievement. Today we gratefully recall Native Americans who helped the early European settlers to survive in a strange new land; we salute the Navajo Code Talkers of World War II and all those Native Americans who have distinguished themselves in service to our country; and we remember those men and women of Indian descent -- such as the great athlete, Jim Thorpe and our 31st Vice President, Charles Curtis -- who have instilled pride in others by reaching the heights of their respective fields. We also celebrate, with special admiration and gratitude, another enduring legacy of Native Americans: their close attachment to the land and their exemplary stewardship of its natural resources. In virtually every realm of our national life, the contributions of America's original inhabitants and their descendants continue.

During 1992, we will honor this country's native peoples as vital participants in the history of the United States. This year gives us the opportunity to recognize the special place that Native Americans hold in our society, to affirm the right of Indian tribes to exist as sovereign entities, and to seek greater mutual understanding and trust. Therefore, we gratefully salute all American Indians, expressing our support for tribal self-determination and assisting with efforts to celebrate and preserve each tribe's unique cultural heritage.

The Congress, by Public Law 102-188, has designated 1992 as the "Year of the American Indian" and has authorized and requested the President to issue a proclamation in observance of this year.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim 1992 as the Year of the American Indian. I encourage Federal, State, and local government officials, interested groups and organizations, and the people of the United States to observe this year with appropriate programs, ceremonies, and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of March, in the year of our Lord nineteen hundred and ninety-two, and of the Independence of the United States of America the two hundred and sixteenth.

GEORGE BUSH

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

February 27, 1992

For Immediate Release

EXCERPTS BY THE PRESIDENT
AS PREPARED FOR DELIVERY
AT THE OPENING PLENARY SESSION OF
THE SAN ANTONIO SUMMIT

It is a great honor and pleasure to call to order an historic meeting, in a historic city, in a historic state -- my home state of Texas. We are all here to make this San Antonio Drug Summit as successful as the first summit called by President Barco two years ago in beautiful, "heroic" Cartagena. It is fitting to begin this meeting with a warm tribute to the great, visionary man who first brought us together on this issue, Virgilio Barco.

In Cartagena, as President Paz Zamora, who is also here today, will recall, we faced a daunting, unprecedented -- some thought, hopeless -- challenge: How to unite against the scourge of drugs, violence, and corruption that was undermining our democratic societies, our institutions, our economies, and our environment.

That meeting gave birth to a new alliance to strengthen our democracies by attacking the drug trafficking and consumption with greater resolve than ever before. Cartagena was when we stopped the finger-pointing and committed ourselves to cooperation, when we recognized that drugs are an international plague caused by both consumer and supplier.

Two years later the situation has markedly improved. We are facing the challenge; we are united; we are resolute; we are prevailing. We are now seven, not four. We welcome to this group Mexico, Venezuela, and Ecuador, all of whom have shown firm leadership and courage in this struggle. Others in the Americas and Europe are with us, seeing the threat more clearly. Progress is being made. We have courageously faced those who would subvert our societies, break our laws, and kill thousands of innocents. Top traffickers are dead or jailed; record levels of cocaine and other drugs have been seized; cultivation has leveled off; interdiction is up worldwide; we have cracked down on drug users; consumption is declining as our people increasingly reject drugs, especially our youth; our judicial institutions are stronger, better able to meet the challenge; our efforts against money laundering, chemical diversion, and illegal arms exports are improving.

But, we are here today because the job is not yet done. We have not yet won this fight. It is time to assess our accomplishments and our plans -- to learn from the past and look to the future. Let me mention what seems to me to be some priority areas.

First and foremost, we must reduce demand. All else will fail if we do not do that. I know that task falls heaviest on the United States; and we have made a good beginning. Since I came to office, there has been a 35 percent decrease in current cocaine users and 27 percent fewer young people are using drugs.

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- 2 -

Second, we must continue the economic reform, economic assistance, debt, trade and investment measures which are so important to our anti-narcotics programs. The United States wants alternative development to succeed.

I am sure Peruvian and Bolivian peasants will stop growing illegal coca, if there is an alternative besides starvation. The stick of law enforcement must have a carrot -- an offer of viable economic alternatives for poor peasants.

Third, we must continue and enhance our effectiveness in eradication, interdiction and law enforcement that have been so critical to our success thus far. Just as demand reduction will lower supply, so also supply reduction will lessen demand. We have laid this out in the "Strategy for Action" that is part of our Declaration. We must make it happen.

Fourth, we must look carefully and imaginatively at what might be called non-violent, law enforcement measures. We must strengthen and harmonize our laws on money laundering, arms, exports, chemical controls, asset seizure, and in other areas. It is here that the long arm of the law can fracture the power of the traffickers. The anti-racketeering laws in the United States have proven to be one of the strongest measures we have developed in recent years.

Fifth, our judicial systems need our attention. Many of us have underway legal reforms so that we can handle criminal cases faster, more securely and more effectively. These are important and should proceed. We must also cooperate by sharing information about traffickers and their crimes so they can be brought to justice.

Sixth, our cooperation has developed in the past two years and I welcome that. We need to keep in close touch so that we can coordinate strategy and understand each others' perspectives and needs. That makes the high-level follow-on meeting very important. It will be the first review of how our "Strategies for Action" are progressing. We also must enlist the cooperation of the Europeans and Asians. To do that we should send a delegation to those countries to talk to their leaders.

Seventh, heroin production is a worrisome problem which Mexico and Colombia are moving against with some success. This is a sign the traffickers believe the cocaine trade is declining. We cannot ignore this new threat or we risk a surprise in the future.

Eighth, we must do a better job educating our press and our publics about our progress. In the United States, for example, we are seeing a down turn in demand that was purchased at great cost in money and effort. Another example is the story of the drop in cultivation in the Chapare in Bolivia.

Ninth, as we take up the struggle within our own countries with renewed vigor, we must bear in mind that our efforts transcend borders. We must respect sovereignty or our cooperation will not be sustained. But, as sovereign states we can agree to cooperate against the traffickers who trample on the sovereignty. If we do not work together, the traffickers will destroy us separately.

Finally, one more note of great importance. Everything we do must conform to our democratic principles. None of us wants a drug-free dictatorship. We must protect the human and civil rights of our citizens. We are all committed to defending democracy and its principles as we defeat the scourge of drugs.

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PHILIN P.O.
RM 19
Pres. Correspondence

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

STATEMENT BY THE PRESS SECRETARY

The President spoke by phone with President Kravchuk of Ukraine this morning for approximately 20 minutes. The two presidents discussed the situation in Ukraine and Ukraine's international debt situation. President Kravchuk stated that Ukraine will meet its goal for withdrawing all tactical nuclear weapons from its territory. In addition, he emphasized Ukraine's intention to support ratification of the START and CFE treaties.

Both President's welcomed the excellent state of bilateral relations and President Kravchuk accepted the President's invitation to make an official working visit to Washington on May 6.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

The President today announced his intention to nominate Wayne A. Budd, of Massachusetts, to be Associate Attorney General. He would succeed Francis Anthony Keating II.

Currently, Mr. Budd serves as a United States Attorney for the District of Massachusetts in Boston, Massachusetts. From 1969-1989, he served with the law firm of Budd, Wiley & Richlin in Boston, Massachusetts, most recently as the Senior Partner.

Mr. Budd was graduated from Boston College (B.A., 1963) and Wayne State University School of Law (J.D., 1967). He was born November 18, 1941 in Springfield, Massachusetts. He is married, has three children and resides in Saugus, Massachusetts.

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THE WHITE HOUSE
Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

The President today is transmitting to the Congress the 1992 Trade Policy Agenda and 1991 Annual Report on the Trade Agreements Program.

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THE WHITE HOUSE
Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

February 26, 1992

Presidential Determination
No. 92-17

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE

SUBJECT: Drawdown from Department of Defense Stocks for
Counternarcotics Assistance for Mexico

Pursuant to the authority vested in me by section 506(a)(2) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2318(a)(2) (the "Act"), I hereby determine that it is in the national interest of the United States to draw down defense articles from the stocks of the Department of Defense and defense services of the Department of Defense for the purpose of providing counternarcotics assistance to Mexico.

Therefore, I hereby direct the drawdown of up to \$26 million of such defense articles from the stocks of the Department of Defense and defense services of the Department of Defense, for the purposes and under the authorities of Chapter 8 of Part I of the Act.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the Federal Register.

GEORGE BUSH

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 26, 1992

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH PRESIDENT ZAMORA OF BOLIVIA

Marriott Rivercenter Hotel
San Antonio, Texas

5:05 P.M. CST

Q Mr. President, what do you say to members of Congress who say your drug war has been a failure?

THE PRESIDENT: Tell them they don't know what they're talking about.

* * * * *

THE PRESIDENT: I might say with your countrymen here that we are very respectful of the job you're doing; and cooperation, not only in the antinarcotics field but in so many other areas -- I'm just delighted to see you again.

Q Mr. Bush, is the government of the United States going to support the private industry helping other programs in Bolivia?

THE PRESIDENT: Well, we think we need every facet of our society helping the government -- private -- everybody getting involved to help as best we can. And it's a two-way street. I think Bolivia has been very cooperative with the United States. We've got a couple of sticking points here that we'll talk about. But I think generally speaking it's going quite well, and we salute the President for his efforts. He is a dedicated leader who is trying to whip a tough problem. And we know that, and we respect that. So he's welcome here, and we're glad to have the whole team with us.

Thank you all very much.

END

5:10 P.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH
FOREIGN MINISTER ARMANDO DURAN OF VENEZUELA

Marriott Rivercenter
San Antonio, Texas

8:40 A.M. CST

Q Mr. President, did you make any breakthroughs on free trade this morning?

THE PRESIDENT: No. We had good discussions on that with the President of Mexico. And we just reassured him that we want an agreement, a good agreement as soon as possible. No politics, no nothing is going to stand in the way of our doing what is right and what is best for the American people. And what's best is to get a fair trade -- free trade agreement through as soon as possible.

Q Do you think there will be one this year, Mr. President?

THE PRESIDENT: Well, we're hoping so, yes.

END

8:42 A.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 26, 1992

REMARKS BY THE PRESIDENT
AT DRUG SUMMIT DINNER TOASTMajestic Theater
San Antonio, Texas

8:01 P.M. CST

THE PRESIDENT: Excellencies, ladies and gentlemen: Barbara and I are honored to have you join us here tonight. It is a particular pleasure to welcome to the United States our good friends and our neighbors from Mexico, Colombia, Peru, Ecuador, Bolivia and Venezuela. I am delighted that we've gathered in my home state, Secretary Baker's home state of Texas -- with the Governor here, the Mayor of this city here -- in this gracious city of San Antonio. For centuries, San Antonio has stood as an important cultural crossroads of the Americas.

We meet at a time of great hope for all the people of the Americas. In almost every nation in the hemisphere, people enjoy self-government and respect for human rights. We're making steady progress to improve our people's quality of life through more open trade and investment, by creating more jobs. That's why I am committed more strongly than ever to completing the North American Free Trade Agreement linking the economies of Mexico, Canada and the United States. And building upon that, we will realize the vision I call the Enterprise for the Americas Initiative -- for robust trade and investment from the Arctic Ocean to the Straits of Magellan.

During our meetings this week in San Antonio, we will refine and intensify our common efforts against the menace of drugs. Each of our nations is making progress: Bolivia has successfully intensified its law enforcement efforts against cocaine traffickers. Peru has taken important steps to control airstrips used by traffickers to move cocaine to Colombia. Ecuador is moving against money launderers and traffickers on its territory. Colombia has jailed some of its most violent drug traffickers and is seizing record quantities of drugs. Venezuela is clamping down on those attempting to use its territory to ship drugs to Europe and America. Mexico has reduced cultivation of both opium poppies and marijuana by unprecedented amounts, while seizing record amounts of cocaine through Operation Halcon.

For each of our nations, the battle against drugs is truly a war. The ultimate stakes are the same: the minds, bodies and the souls of our young people, so many of whom have been hurt or destroyed by the violent world of the drug dealers. In the United States, we're stepping up treatment, prevention and research programs -- and we're toughening our prosecution and punishment of drug kingpins.

We're seeing results on the demand side as well. In the United States over the past six years, we've reduced the number of cocaine -- regular users of cocaine by two-thirds. Adolescent use of all types of illegal drugs is down. The number of high school seniors using illegal drugs is the lowest since we began measuring their drug use.

MORE

- 2 -

SAATCHI: 11:00 PM
We must do more. Drug abuse and drug violence -- particularly in our inner cities -- threaten to destroy our children and everything else we hold dear. At risk is the civilization we share: our common inheritance and our common future.

So let us renew our resolve. Let us strengthen our commitment to guarantee all people drug-free communities. And as we work to advance the quality of life in our hemisphere in so many ways, let us win a lasting victory in the war against drugs.

And once again, a warm welcome to San Antonio, Texas. And may God bless you and all the peoples of the Americas. And may I raise a glass in honor of our distinguished guests and the important mission that all of us share.

(A toast is offered.) (Applause.)

END

7:07 P.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

EXCERPTS BY THE PRESIDENT
AS PREPARED FOR DELIVERY
AT THE OPENING PLENARY SESSION OF
THE SAN ANTONIO SUMMIT

It is a great honor and pleasure to call to order an historic meeting, in a historic city, in a historic state -- my home state of Texas. We are all here to make this San Antonio Drug Summit as successful as the first summit called by President Barco two years ago in beautiful, "heroic" Cartagena. It is fitting to begin this meeting with a warm tribute to the great, visionary man who first brought us together on this issue, Virgilio Barco.

In Cartagena, as President Paz Zamora, who is also here today, will recall, we faced a daunting, unprecedented -- some thought, hopeless -- challenge: How to unite against the scourge of drugs, violence, and corruption that was undermining our democratic societies, our institutions, our economies, and our environment.

That meeting gave birth to a new alliance to strengthen our democracies by attacking the drug trafficking and consumption with greater resolve than ever before. Cartagena was when we stopped the finger-pointing and committed ourselves to cooperation, when we recognized that drugs are an international plague caused by both consumer and supplier.

Two years later the situation has markedly improved. We are facing the challenge; we are united; we are resolute; we are prevailing. We are now seven, not four. We welcome to this group Mexico, Venezuela, and Ecuador, all of whom have shown firm leadership and courage in this struggle. Others in the Americas and Europe are with us, seeing the threat more clearly. Progress is being made. We have courageously faced those who would subvert our societies, break our laws, and kill thousands of innocents. Top traffickers are dead or jailed; record levels of cocaine and other drugs have been seized; cultivation has leveled off; interdiction is up worldwide; we have cracked down on drug users; consumption is declining as our people increasingly reject drugs, especially our youth; our judicial institutions are stronger, better able to meet the challenge; our efforts against money laundering, chemical diversion, and illegal arms exports are improving.

But, we are here today because the job is not yet done. We have not yet won this fight. It is time to assess our accomplishments and our plans -- to learn from the past and look to the future. Let me mention what seems to me to be some priority areas.

First and foremost, we must reduce demand. All else will fail if we do not do that. I know that task falls heaviest on the United States; and we have made a good beginning. Since I came to office, there has been a 35 percent decrease in current cocaine users and 27 percent fewer young people are using drugs.

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Second, we must continue the economic reform, economic assistance, debt, trade and investment measures which are so important to our anti-narcotics programs. The United States wants alternative development to succeed.

I am sure Peruvian and Bolivian peasants will stop growing illegal coca, if there is an alternative besides starvation. The stick of law enforcement must have a carrot -- an offer of viable economic alternatives for poor peasants.

Third, we must continue and enhance our effectiveness in eradication, interdiction and law enforcement that have been so critical to our success thus far. Just as demand reduction will lower supply, so also supply reduction will lessen demand. We have laid this out in the "Strategy for Action" that is part of our Declaration. We must make it happen.

Fourth, we must look carefully and imaginatively at what might be called non-violent, law enforcement measures. We must strengthen and harmonize our laws on money laundering, arms, exports, chemical controls, asset seizure, and in other areas. It is here that the long arm of the law can fracture the power of the traffickers. The anti-racketeering laws in the United States have proven to be one of the strongest measures we have developed in recent years.

Fifth, our judicial systems need our attention. Many of us have underway legal reforms so that we can handle criminal cases faster, more securely and more effectively. These are important and should proceed. We must also cooperate by sharing information about traffickers and their crimes so they can be brought to justice.

Sixth, our cooperation has developed in the past two years and I welcome that. We need to keep in close touch so that we can coordinate strategy and understand each others' perspectives and needs. That makes the high-level follow-on meeting very important. It will be the first review of how our "Strategies for Action" are progressing. We also must enlist the cooperation of the Europeans and Asians. To do that we should send a delegation to those countries to talk to their leaders.

Seventh, heroin production is a worrisome problem which Mexico and Colombia are moving against with some success. This is a sign the traffickers believe the cocaine trade is declining. We cannot ignore this new threat or we risk a surprise in the future.

Eighth, we must do a better job educating our press and our publics about our progress. In the United States, for example, we are seeing a down turn in demand that was purchased at great cost in money and effort. Another example is the story of the drop in cultivation in the Chapare in Bolivia.

Ninth, as we take up the struggle within our own countries with renewed vigor, we must bear in mind that our efforts transcend borders. We must respect sovereignty or our cooperation will not be sustained. But, as sovereign states we can agree to cooperate against the traffickers who trample on the sovereignty. If we do not work together, the traffickers will destroy us separately.

Finally, one more note of great importance. Everything we do must conform to our democratic principles. None of us wants a drug-free dictatorship. We must protect the human and civil rights of our citizens. We are all committed to defending democracy and its principles as we defeat the scourge of drugs.

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THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Thursday, February 27, 1992

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

Drug summit likely to end lacking specific goals

By Jessica Lee
USA TODAY

SAN ANTONIO — Despite President Bush's vow to "redouble" efforts to battle drugs, a watered-down declaration is expected from today's summit with Latin American leaders.

Meeting with Bush: the presidents of Bolivia, Colombia, Ecuador, Mexico and Peru and Venezuela's foreign minister.

Colombian President Cesar Gaviria sought target dates:

► Cut drug trafficking in half by the year 2000.

► Cut production and consumption by 70% by 2005.

► End trafficking by 2010.

Peru, which has made slow progress on the anti-drug front, has consistently opposed setting specific target dates.

Peru's president, Alberto Fujimori said, "It is not possible to

set goals," with current U.S. funding. The \$165 million for helping coca leaf farmers convert to alternative crops is "completely insufficient."

The White House said it plans no money beyond what's already in the budget.

Some U.S. policy-makers have complained that Peru, plagued by corruption and political strife, is not doing enough to stop coca growing.

Asked during a photo session with Bush if Peru needed more money, Fujimori told reporters, "Oh sure."

Bush answered: "Everybody does, including us."

The president blasted congressional critics who call the drug war a failure. "They don't know what they're talking about. ... The record's good."

"We're going to build on ... Cartagena," he said, referring

to the first drug summit in Cartagena, Colombia, in 1989. "We're going to redouble our efforts on the demand side and on the supply side."

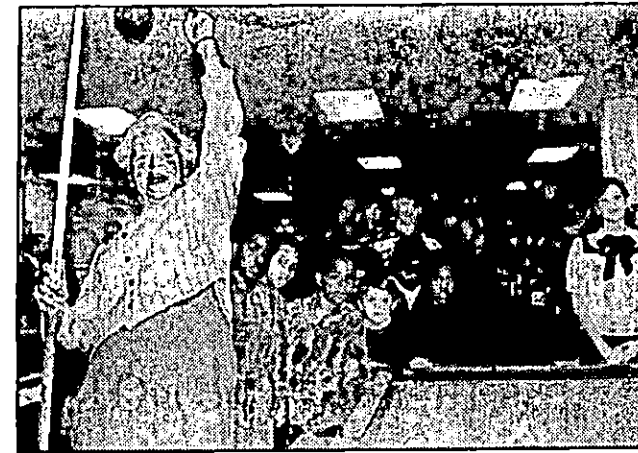
The leaders are expected to produce renewed commitments and strategies for halting the flow of drugs to the USA, the chief consumer nation, and helping poor farmers who grow coca leaves for cocaine to convert to other crops.

The United States began a five-year \$2.2-billion program in 1989 to help Latin American nations fight drugs.

Yet, according to a report from the U.S. Office of National Drug Control Policy, Latin American nations in 1990 produced nearly 700 million tons of cocaine while 70% of the world's users were in the USA.

► Today's debate, 10A

First lady at anti-drug program



By Mike Nelson, AP

CUED UP: First lady Barbara Bush cheers a shot during pool game at a Boys and Girls Club in San Antonio, Texas Wednesday. Mrs. Bush, who also checked out the club's anti-drug program, lost the game to Tyrone Darden, 12.

★ THURSDAY, FEBRUARY 27, 1992 /

Supply is focus of drug 'summit'

By Frank J. Murray
THE WASHINGTON TIMES

SAN ANTONIO — President Bush arrived in Texas yesterday to convince five Latin American presidents he has dented America's appetite for the drug "monster" and to prod the leaders into halting a rising drug supply.

Colombian President Cesar Gaviria also arrived yesterday, saying concrete goals were needed. He proposed a commitment to end all drug trafficking by the year 2010.

Diplomatic sources said the draft agreement proposes a turn-of-the-century target of halving drug supplies, largely from South America, and drug demand, much of it in North America.

But a senior U.S. official said last night that Peruvian demands for more aid would stalemate the issue and keep it from even being mentioned in the final declaration.

The presidents hold "summit" sessions today to thrash out details of that statement, but objections were voiced yesterday by Peru's President Alberto Fujimori, who said he would not support compromise on the objectives if there were no compromise on financial assistance to combat the problem.

"There's no blank checks anymore, for this or anything else," Mr. Bush warned.

All six presidents were to hold a joint news conference today after the final declaration is released.

Last night, Mr. and Mrs. Bush hosted a state dinner after Mr. Bush met privately for a half-hour each with the presidents of Peru, Colombia, Ecuador and Bolivia. He was to have breakfast today with Mexican President Carlos Salinas de Gortari.

Although the second "international drug summit" takes place in a city Mr. Bush was told is ravaged by narcotics, Bush administration officials argue that major successes since 1988 are not being recognized.

"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," said Bernard Aronson, assistant secretary of state for inter-American affairs. "This war is not going to be like Des-

ert Storm. It is not going to be won in 100 hours."

The officials conceded the drug supply is rising despite the \$2.2 billion five-year Andean strategy that produced arrests and a growing number of seizures throughout the hemisphere. But the number of hard-core U.S. drug users, estimated at 900,000, is not dropping.

The increased drug supply is blamed largely on corrupted officials in Latin America and bumper crops of coca and marijuana south of the border.

"We're interdicting a lot more. The problem is they're producing a lot, too," Mr. Bush said in an interview with the San Antonio Light newspaper.

In a California speech on Tuesday Mr. Bush said he will seek at the international summit to "sharpen our strategy to beat this scourge" but said more changes are needed in the United States as well.

"We need stiffer sentences for drug dealers, courts that punish criminals, not [punish] honest cops trying to do their jobs, laws that make life tougher on criminals than on the victims of crime," Mr. Bush said.

In the interview, given Monday at the White House and released en route, Mr. Bush said his goal in today's summit sessions is "to convince them — which I think will be rather easy given the figures — that we are making progress on the demand side."

Wed 26-Feb-92 17:17 EST

SUMMIT COULD INCLUDE PROPOSAL TO HALVE COCAINE SUPPLY

By Jeff Franks

SAN ANTONIO, Reuter - President Bush and Latin American leaders began discussions Wednesday on an anti-drug strategy that could include a goal to halve the Western Hemisphere's production and use of cocaine by the year 2000.

Aides to U.S. drug czar Bob Martinez told Reuters a proposal to create goals to cut in half cocaine production and use in the Americas by the end of the century was being discussed in pre-summit meetings with officials from Ecuador, Bolivia, Peru, Colombia, Mexico and Venezuela.

The formal meetings begin Thursday.

In a brief interview with Reuters, Martinez would not comment directly on the proposal. "There's a number of things being discussed right now and so it's really too early to tell what the final version of the agreement may be," he said.

An aide said Martinez's statement "indicated that (goal proposal) was one of the topics under discussion, but whether everybody has agreed to that is unclear."

Bush began the bilateral meetings an hour after he and first lady Barbara Bush arrived Wednesday afternoon. They were to host a state dinner for the summit participants Wednesday night.

Even before Wednesday's meetings began, summit participants appeared strongly divided over the issue of quotas and deadlines.

Colombian President Cesar Gaviria Trujillo issued a statement calling for the elimination of drug trafficking by the year 2010. He proposed a regional center to enhance information sharing and a "judicial cooperation structure" to prosecute drug dealers.

But Peruvian President Alberto Fujimori, in a press conference here, said setting goals was realistic only if impoverished countries such as his were given the money and equipment to wage war effectively against drug production.

"If they tell there's this goal' and leave us hanging, I can assure them that that won't work," he said.

Fujimori also termed "unacceptable" any suggestion of a multinational military force to attack cocaine producing regions. He said the real solution was to provide economic alternatives to the 250,000 peasant farmers who grow coca -- the raw material for cocaine -- in his country.

In an interview published Wednesday in the San Antonio Light, Bolivian President Jaime Paz Zamora said he had presented a plan to Bush that, if implemented, could halt cocaine production in his country "in less than five years."

Zamora's plan calls for creation of a fund for peasant farmers who give up production of coca, another fund to ease the impact on Bolivia's economy of the loss of foreign currency brought in by cocaine and a mechanism to increase private investment in his small country.

"I don't want money from the American government, what I want is for the United States to generate a current of private investments," he told the Light.

In an interview with the Light published Tuesday, Bush said the cash-strapped United States was not prepared to increase drug-fighting aid to Latin American nations.

"We're doing what I think we can afford to do right now ... There are no blank checks anymore," Bush told the newspaper.

Martinez and other administration officials indicated earlier the summit may include a call for European and Asian nations to contribute to the war on drugs because of growing cocaine use outside of the Americas.

The United States began a five-year \$2.2 billion spending program in 1989 to help Latin American nations fight drug trafficking.

According to a report from the U.S. Office of National Drug Control Policy, which is headed by Martinez, Latin American nations produced in 1990 nearly 700 million metric tons of cocaine and 70 percent of the world's users were in the United States.

Wed 26-Feb-92 20:36 EST

First Lady Visits Anti-Drug Education Program

By KELLEY SHANNON

Associated Press Writer

SAN ANTONIO (AP) — As President Bush began meeting with Latin American leaders Wednesday on efforts to halt drug smuggling, Barbara Bush checked out a Texas program that tutors children and educates them about drug and alcohol abuse.

"More people should try to be part of the answer and not part of the problem," Mrs. Bush said. "There's a lot of good fallout that comes from a program like this."

Mrs. Bush traveled with the president to San Antonio for a two-day drug summit her husband is holding with leaders of Mexico, Colombia, Bolivia, Peru, Ecuador and Venezuela.

The first lady visited a branch of the Boys and Girls Club of San Antonio, where children from ages 6 to 17 go after school and for other activities.

She talked with children working on computers and playing games and took on a 12-year-old boy in a game of pool.

"I feel just like Fats whats-his-name," Mrs. Bush said, pool cue in hand. She clenched a fist and shouted "Yes!" as she knocked a pool ball into a pocket.

Tyrone Darden, the boy who beat Mrs. Bush at the game, said he enjoyed the contest but doubted Mrs. Bush had a future in playing billiards.

Six-year-old Christina Tellfair, who was playing Scrabble, asked Mrs. Bush where she lives. "The White House," Mrs. Bush replied, then the girl reached up and curiously played with the first lady's trademark pearls.

Mrs. Bush moderated a drug education game, asking youngsters about the legal drinking age and whether all harmful drugs are illegal. The group presented a sweatshirt to Mrs. Bush, who vowed to get the president to wear it.

The first lady said more programs like those at the Boys and Girls Club are needed so that all children get the attention they need.

"George says every kid needs somebody who knows their name. It means much more than that," she said. "It's bigger than drugs. It's education, it's caring."

Wed 26-Feb-92 19:24 EST

REAGAN SUPPORTS BUSH CANDIDACY "TO THE FULLEST"

By Irwin Arieff

WASHINGTON, Reuter - Former president Ronald Reagan, trying to erase doubts about his backing for President Bush's re-election, said Wednesday he supports Bush "to the fullest."

But it was unclear whether the former president's statement would be enough to undo the damage done during the president's visit with Reagan Tuesday, when Reagan seemed to hold his former vice president at arm's length as he sought Reagan's political blessing in California.

"President Bush and I had an excellent conversation yesterday ... I support President Bush's candidacy to the fullest and will do everything I can to see that he is re-elected as president," Reagan said in a statement.

The president and first lady Barbara Bush had gone in a motorcade to Bel Air in suburban Los Angeles and met for 20 minutes with the former president and his wife Nancy at their hillside home, protected by a tall metal fence and greenery.

When his motorcade arrived at Reagan's Los Angeles home, the gate swung shut in the faces of reporters accompanying Bush and wife Barbara. Plain brown wrapping-paper plastered across the barred gate seemed to provide a symbolic shroud.

So there was no politically useful photo session, no television sound bite from Reagan that Bush was his man.

Later, Reagan skipped a \$1,000-a-plate fund-raising dinner for Bush in Los Angeles. Bush campaign spokeswoman Torie Clarke said the former president had a prior commitment.

All this despite the fact that Bush was trying to counter a Washington Post report that Reagan had lost faith in his successor's political acumen and doubted he could even win California -- a prize probably indispensable to Bush's re-election Nov. 3.

It recalled that many presidential candidates have been hurt by faint praise from their political patrons, including Richard Nixon, Hubert Humphrey and Bush himself in 1988.

Accounts of the oddly chilly encounter got such prominent notice in Wednesday morning newspapers and newscasts that damage control was necessary and Reagan attempted it.

Bush also sought to put the best face on the results from Tuesday's presidential primary in South Dakota, where nearly one Republican voter in three backed "uncommitted" rather than the incumbent Republican president.

The president said the surprisingly strong vote against him in South Dakota did not detract from his win there, calling the outcome "a good victory."

But it reinforced the angry message delivered a week ago by New Hampshire Republicans who gave his right-wing challenger Pat Buchanan 37 percent of the vote and "others" 10 percent to Bush's 53 percent.

"Yesterday, in South Dakota, Mr. Bush lost 31 percent of the vote to an uncommitted slate" of delegates, Buchanan said in a television interview in New Orleans. "If I hadn't been denied access to that ballot, we could have beaten him there or

at least won over 40 percent of the vote."

Buchanan entered the race for the Republican presidential nomination too late to get on the South Dakota ballot, and when Buchanan sued, a state judge ruled in early January that he had been properly excluded.

Buchanan and the only other well-known Republican contender, former Ku Klux Klan leader David Duke, are entered in only a handful of state contests.

That means they can do little to stop Bush's renomination, but continued strong protest votes could so weaken Bush as to send him limping into the fall campaign.

The next Bush-Buchanan confrontation takes place in Georgia March 3 -- a day when seven states hold primaries or caucuses to select delegates to the two major parties' national nominating conventions this summer.

A total of 22 primary and party caucus votes take place between now and "Super Tuesday," March 10. They may help identify an eventual Democratic winner -- or just generate additional confusion.

Among Republicans Bush might be able to quell the voter revolt in the next two weeks but more likely will remain under fire from his own party, a bad omen for his re-election drive.

Balloting in Iowa, New Hampshire, Maine and South Dakota has shown only that Democratic voters can be a fickle lot and that Republican voters are intent on sending President Bush a message of protest over his handling of the economy.

Those ballots in Georgia, Colorado, Idaho, Maryland, Minnesota, Utah and Washington state will also shape the future for the field of Democratic presidential contenders.

Former Massachusetts Sen. Paul Tsongas, who won in New Hampshire and Maine but was fourth in South Dakota, wants a victory in Maryland to show appeal outside New England. Polls show him with a narrow lead over Arkansas Gov. Bill Clinton.

Clinton is focusing on Georgia to ignite his "Southern strategy." He is favored there and a loss could ruin him.

Although a heavy concentration of states from his native South on the immediate primary calendar could propel him into the Democratic nomination, he has yet to win a preference vote anywhere. Second in New Hampshire was his best showing.

Sen. Bob Kerrey broke into the winners circle in South Dakota and got a boost after near-bottom finishes elsewhere.

Wed 26-Feb-92 16:11 EST

BUSH, DEMOCRATS FINDING LITTLE TO CHEER ABOUT

By Irwin Arief

WASHINGTON, Reuter - The first four presidential preference votes have given Republicans and Democrats little to cheer about but the campaign now enters a crucial period that could start to sort things out for both parties.

Balloting in Iowa, New Hampshire, Maine and South Dakota has shown only that Democratic voters can be a fickle lot and that Republican voters are intent on sending President Bush a message of protest over his handling of the economy.

Twenty-two more primary and party caucus votes take place between now and "Super Tuesday," March 10. They may help identify an eventual Democratic winner -- or just generate additional confusion.

Among Republicans Bush might be able to quell the voter revolt in the next two weeks but more likely will remain under fire from his own party, a bad omen for his re-election drive.

That drive got a double jolt Tuesday: first, nearly one South Dakota Republican primary voter in three backed "uncommitted" rather than Bush; then former President Reagan seemed to hold Bush at arms length when he sought Reagan's political blessing in California.

The president and Barbara Bush drove by motorcade to Bel Air in suburban Los Angeles and met for 20 minutes with the former president and Nancy Reagan at their hillside home, protected by a tall metal fence and heavy greenery.

No media coverage was allowed, and the White House said there would be no comment on the meeting between Reagan and Bush, who was his loyal vice president for eight years.

Later, Reagan skipped a \$1,000-a-plate fund-raising dinner for Bush in Los Angeles. Bush campaign spokeswoman Torie Clarke said the former president had a prior commitment.

All this despite the fact that Bush was trying to counter a Washington Post report that Reagan had lost faith in his political acumen and doubted he could even win California -- a prize probably indispensable to Bush's re-election on Nov. 3.

Attempting to defuse the situation Wednesday, Reagan issued a statement denying he was disillusioned with Bush.

"President Bush and I had an excellent conversation yesterday ... I support President Bush's candidacy to the fullest and will do everything I can to see that he is re-elected as president," Reagan said.

Reagan earlier had endorsed Bush for the nomination over his right-wing challenger, former political commentator and Reagan White House aide Pat Buchanan, in a videotaped message to a Republican dinner in New Hampshire earlier this month.

Bush said the surprisingly strong vote against him in South Dakota did not detract from his win there, calling the outcome "a good victory."

But it reinforced the angry message delivered a week ago by New Hampshire Republicans who gave Buchanan 37 percent of the vote and "others" 10 percent to Bush's 53 percent.

"Yesterday, in South Dakota, Mr. Bush lost 31 percent of

the vote to an uncommitted slate" of delegates, Buchanan said in a television interview in New Orleans. "If I hadn't been denied access to that ballot, we could have beaten him there or at least won over 40 percent of the vote.

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Although a heavy concentration of states from his native South on the immediate primary calendar could propel him into the Democratic nomination, he has yet to win a preference vote anywhere. Second in New Hampshire was his best showing.

Sen. Bob Kerrey broke into the winners circle in South Dakota and got a boost after near-bottom finishes elsewhere.

Now in a race for survival is Iowa Sen. Tom Harkin, who needed a win in South Dakota but finished second to Kerrey.

Former California Gov. Jerry Brown, apparently unfazed by defeat, says he will run his low-budget campaign to the end.

THURSDAY, FEBRUARY 27, 1992

Reagan Gives Bush Statement of Support

Remark on Election Prospects Is Denied

By Lou Cannon
Washington Post Staff Writer

LOS ANGELES, Feb. 26—Former president Ronald Reagan issued a formal statement of support for President Bush today as White House officials scrambled to repair political damage after what appeared to be a snub of Bush when the two met Tuesday.

In a statement that administration officials said they requested from Reagan, the former president said he "will do everything I can to see that he is reelected as president."

Reagan's office issued the three-paragraph statement here soon after Bush departed for the drug summit in San Antonio. The political impact of Bush's visit was marred by Reagan's absence at the \$1,000-a-plate dinner Tuesday at a hotel one block from Reagan's office.

Bush and his wife, Barbara, visited Reagan and his wife, Nancy, at their home a few miles away, but reporters were not allowed to hear from Reagan what they anticipated would be a standard endorsement and complimentary words about Bush's prospects among California voters.

In the statement, Reagan took issue with parts of a report Tuesday in The Washington Post, which quoted him as saying Bush faces reelection difficulty "because he doesn't seem to stand for anything." The remark was attributed to "sources close to the former president."

Today's statement said that "the quote attributed to me in The Washington Post is incorrect. Anyone close to me knows that I would not say and have never made any such statement

"President Bush and I had an excellent conversation yesterday. He and I share the same view that we must turn the American economy around and that the economic challenge . . . can best be met by Republican leadership I support President Bush's candidacy to the fullest"

White House press secretary Marlin Fitzwater, speaking aboard Air Force One before the flight to Texas, dismissed the flap about the Bush-Reagan visit as "just media mischief" that "means nothing" and

is "not true." He described the meeting as "just a private chat."

Administration officials and Republican advisers to the Bush campaign acknowledged today that the Reagan-Bush meeting was mishandled amid a contentious GOP fight about whether Bush has abandoned Reagan's conservative mantle.

"If we can't orchestrate a campaign photo op with Reagan, we've got worse problems than I thought," one official said. Another suggested that the new White House team has "dull antennas" for anticipating public relations traps and had not thought that a meeting, with no statements by Reagan might be interpreted as a snub.

White House Chief of Staff Samuel K. Skinner said the Reagans had invited the Bushes to "drop in" more than two weeks ago but asked that no media coverage in or near their home be allowed because they wanted to maintain their privacy. "Of course," that request was honored, said Skinner, adding that he did not know why a possible problem was not foreseen.

Meanwhile, Gov. Pete Wilson (R) led an all-out effort by state GOP leaders today to gather support for suspending a party rule and passing a resolution giving Bush a pre-primary endorsement at the state party convention this weekend.

Wilson's involvement has raised concern that conservatives might try to expand the resolution in an effort to embarrass him and Sen. John Seymour (R), a fellow moderate appointed by Wilson to fill his Senate seat.

A spokesman for Seymour's conservative opponent, Rep. William E. Dannemeyer (R-Calif.), said he was not contemplating such action.

Ironically, the rule that Bush supporters hope to suspend was backed strongly by Reagan when he was governor and has been a principal instrument for preventing bitter battles between the party's conservative and moderate wings in past campaigns.

Staff writers Ann Devroy in Washington and John E. Yang in San Antonio contributed to this report.

Chronicle

- When Florida sends out for moss, it must be a big deal ■ Who's concerned for the poor?
- Needed in Moscow: a writer with answers.

DOROTHY SCHULMAN, the honorary chairwoman of a Chanel fashion show this evening at the Henry Flagler Morrison Museum in Palm Beach, Fla., has received 60 letters pleading for tickets. "They say, 'Why am I being turned away?'" Mrs. Schulman said yesterday. "I am crying, and I want to be part of it."

The sold-out event, which will benefit the Children's Medical Center at St. Mary's Hospital in Palm Beach, is costing Chanel \$250,000. It is easy to see why, from the explanation of the logistics by JULIE MANNION, the producer of the show and a partner in the public relations firm of Keeble, Cavaco & Duka.

It is to be staged in "the largest tent in south Florida," she said, with a floor, risers, a runway and special lighting. For the cocktail party, trees were placed outside the museum to look as if they were growing into its windows. Moss was flown in from Seattle, and vines from North Carolina, to reflect the theme, "Coco and the Enchanted Forest."

Two dozen models will wear designs from KARL LAGERFELD's spring and summer couture and ready-to-wear collections, Ms. Mannion said. They are coming in from France, Portugal and the Bahamas. Six hairdressers from Tokyo and Paris will be on hand, not to mention the ca-

terer, security guards, musical engineer, nurse and paramedics.

ELESABETH GILLET, a chairwoman of the event, said a gasp arose when she proposed raising the price of a ticket from \$175 to \$250. The increase was approved, she said, but even so, "we have had to return at least 100 checks."

Why such a strong demand? "The construction work," she said, "and the public relations."

Well, that's telling it like it is.

In Geneva, the talk of a United Nations conference on the plight of poor rural women was as much about who was not there as who was.

BARBARA BUSH sent a brief message of good wishes that was not read, and some of the more affluent of the 107 countries represented — Britain, France, Germany Italy, Canada and Japan — sent only staff members from their offices at the United Nations offices in Geneva.

Still, a good number of names were recognizable. QUEEN FABIOLA of Belgium opened the conference. BOUTROS GHALI, the new Secretary General, spoke. And the delegates included QUEEN NOOR of Jordan; QUEEN SOFÍA of Spain; AURA HERZOG, the wife of the president of Israel; SAFYA QADDAFI, the wife of the Libyan leader,

and MARIKE DE KLERK, the wife of the president of South Africa.

The conference, which ended yesterday, focused on the plight and potential of 550 million rural women in poor countries. It was conducted by the United Nations International Fund for Agricultural Development.

The talk at a dinner party that GREGORY MOSHER, a former director of the Lincoln Center Theater, gave on Tuesday at his Manhattan apartment for ANATOLY SMELYANSKY, a director of the Moscow Art Theater and the head of its school, turned inevitably to the mood of the literary world in Moscow.

"Life in Moscow is simple survival," said Mr. Smelyansky, who is now a guest professor at the Yale School of Drama. "In times like these, one questions the value of everything: whether the theater, literature, anything has any value."

"There is a great sense of emptiness, and we do not know what any of it means. We are waiting for the next generation, some young writer, to tell us what all of it means."

Among the guests, who dined on salmon en croûte, sliced beets and cucumbers and drank tea drawn from a samovar, were ALFRED KAZIN, WALLACE SHAWN, JULES FEIFFER, ALEC BALDWIN and LUANN WALTHER, the executive editor of Vintage Books. Mr. Baldwin had come straight from a rehearsal for "A Streetcar Named Desire," which Mr. Mosher is directing, and looked for all the world like a 1990's Stanley Kowalski in a V-neck T-shirt. NADINE BROZAN

THURSDAY, FEBRUARY 27, 1992

The Washington Post

Style

Oh, Reege!

Oh, Kathie Lee!

The Key to Television's Popular Brew: They Percolate in the Morning.

By Tom Shales
Washington Post Staff Writer

While Geraldo was having fat cells taken out of his butt and injected into his face, while Phil was asking a transsexual how his new genitalia were created, and while Oprah was chatting up ex-spouses who'd reunited long enough to have sex with each other, Regis was recalling how his septic tank had backed up on Valentine's Day and Kathie Lee was describing how her mischievous 2-year-old had thrown a pork chop at her sister during dinner.

"Live With Regis & Kathie Lee" is that horse of a different color you've heard so much about. Not racy, not freaky, not remotely tawdry, the syndicated daily hour of small talk and tomfoolery has become one of television's least disheartening hits, and the reason it's succeeded has everything to do with the two wacky cranks at the heart of it.

Regis Philbin, 58, and Kathie Lee Gifford, 38, are the bickering couple next door in millions and millions of American homes, but they aren't married to each other. "I could *never* be married to Regis," says Gifford with a shocked groan. "My gosh, we'd kill each other! Actually, I'd kill him. I'd win."

"She does get on my nerves once in a while, as I do hers," says Philbin. "But what I hate is the hosts who are too civil, too nice to one another. I like to keep an edge between us. And if it looks like there's an antagonistic thing, well, maybe there is."

Asked if there are ever times when she'd like to

"bean" Regis, Kathie Lee says without a blink, "Every day." But she is quick to add: "There is a great affection between us. Great affection and great respect."

Also great rapport and, yes, great ratings.

Philbin's real wife, Joy, occasionally fills in when Gifford is off on one of her many extracurricular gigs; Gifford's husband, Frank, is the ABC sports commentator, three years older than Philbin. To their burgeoning army of fans, watching hotheaded Regis spar with crystal-cool Kathie Lee is like tracking the progress of a platonic extramarital affair, one with plenty of ups and downs, tiffs and spats, flirtations and exasperations.

They amuse each other to bits. And us too.

During "host chat," the first 15 minutes of each show (seen weekdays in Washington at 9 a.m. on Channel 7),

the romance gets its toughest workout—Regis outraging Kathie Lee with remarks she considers “oinkers,” Kathie Lee irritating Regis with a never-ending supply of anecdotes about son Cody, who, as regular viewers know, is now going through the terrible 2’s.

They also know that when Regis talks about “Love-ya-baby, Love-ya-baby,” he is referring to his agent, and when he mentions “the Winds of War,” he is referring to his sister-in-law, and when he brings up “Steve I Don’t Need the Money,” he is talking about his contractor. And they know “Gelman” is Michael Gelman, the 30-year-old, Clark Kentish executive producer whom Philbin berates on the air every time things go wrong.

Except that when they go wrong, they go right, because they become funnier. “The old adage about never booking kids or animals,” says Gelman. “I go the total opposite. I love to book kids and animals because there’s so much that can go wrong. And when those things go wrong, you have some of the funniest moments of live TV.”

That’s when Regis will twirl himself into a fit and spin around the room screaming, a little like his idol Don Rickles, though never as mean. He’s the little guy protesting the injustices of life, from crime waves to paper cuts. The ranting is punctuated with Kathie Lee’s familiar cry of “Oh, Reege,” uttered sometimes in sisterly sympathy and sometimes in teacherly admonishment.

David Letterman watches. Barbara Bush watches. Madonna watches, and has appeared on the show at her request. Donald Trump first confirmed his proposal to Marla Maples on “Live” (by phone), and Ed McMahon popped up earlier this week to announce his latest marriage. It’s hot, it’s cool, it’s crisp, it’s fresh, it’s a great place to stop for a cup of coffee and some good gelatinous gab.

It’s what daytime television is all about, or was before the quadrasexuals and spouse beaters and exhibitionistic tell-talls took over. Beamed live from New York each morning to stations in 210 markets, a few of whom tape-delay it, “Regis & Kathie Lee” has become an oasis of homespun hoke and folksy charm, and it’s never not funny.

Not so long ago, though, Gifford, who appears to have an insatiable lust for outside income, started making noises as if she were planning to leave the show. She does commercials for Carnival Cruise Lines, Slim-Fast and the Home Furnishings Council, has her own line of clothing (which will bring her to Washington for a personal appearance at Tysons Corner Center on March 7), just signed a record deal, sings in nightclubs and has a book coming out in the fall.

“I get bored easily,” she said during a post-show session in her dressing room not too long ago. “I’m not bored here and I’m not bored with Reege but if they don’t start to give me opportunities here to do some of the other things that are offered me, then it will be upsetting to me.” Other things? What more can she do? “I’ve had two wonderful Broadway opportunities that are kind of hard to say no to,” she says. “My singing career means a lot to me.”

An hour later, over lunch at a Manhattan restaurant he co-owns with Mikhail Baryshnikov, Philbin is told

that Gifford said, “She’s restless. Why?” he says, with a Don Corleone scowl. “Well she’s gotten very hot commercially. Wow. But I think we both realize that the anchor thing is right here.”

Could she be making more money than Regis? “She well may be with all those things,” he says. And how does he feel about that? Pushed to the breaking point, which is never far away, Philbin shouts, “Now don’t aggravate me! I’m going to ask her tomorrow!”

“I don’t know how she’d be restless,” Gelman says later, concerned. “If I were she, I wouldn’t be bored.”

Philbin has been through many co-hosts in his long talk show life—Mary Hart, now “Entertainment Tonight’s” chipper picker-upper, among them. Kathie Lee, he says, is his favorite, the happiest discovery and the cheekiest accomplice. “It works best with her because she’s a very spontaneous person.”

Now, just as they’re getting sooooo hot, she wants to break up the team!

But there was to be a happy ending. Gifford subsequently signed a new contract and will stay with the show a few more years. Nobody, including a spokeswoman for Disney, which syndicates the show, will say for exactly how long, however, as if this were a great state secret; these people are in show business, so they’re just nuts. Ron Konecky, Gifford’s attorney, also refuses to divulge the length of the contract but calls it “relatively long-term.”

He sounds a little surprised to hear about those big Broadway opportunities. “A Broadway show as a practical matter might be a problem, a physical impracticality,” he says. “I don’t know if Kathie could physically manage that.”

Even Superwoman has her limits. The viewers like Kathie Lee. They followed her pregnancy and sent her thousands of cards when Cody was born. Some sent gifts, such as handmade blankets and hand-carved cribs. “My husband, who’s been in this business for years, said he had never seen such an outpouring of real love from people,” she says, eyes misting on cue.

They also like the fact that although she has a definite streak of naughtiness, Kathie Lee is basically as wholesome as a corn muffin. “I get an awful lot of letters from people saying, ‘Thank you for a show that I can actually sit and watch with my family and not be embarrassed by,’” she says.

“You know, the sex stuff, it’s really a scream, isn’t it?” says Philbin, scanning the TV listings in a newspaper. “Donahue: Couple arrested after having sex! Oprah: Telling your lover you want more sex! Jenny Jones: Making money with your body! Geraldo: Women in relationships with serial killers! Ha ha ha ha ha! That’s not us, you know. We have on Tempestt Bledsoe and THINK WE’RE GETTING CRAZY!”

One thing Philbin does a lot is end his sentences in capital letters. He’s a fast burner, a bit of a Howard Beale (“Network”), never more than an inch from being mad as hell. Dana Carvey, whose impersonation of Philbin on “Saturday Night Live” helped certify the team’s status as national darlings, always includes in his impression a few booms of Philbin rhetorically exclaiming, “ARE YOU READY FOR THIS?”

Regis is ready for this. He’s been ready for 30 years. Thirty years of being an also-ran and a wannabe and a

slippery second banana (to Joey Bishop, who once had a late-night talk show on ABC) and a guy who people had a tendency to mistake for somebody else. Your basic generic TV Personality. “The second-banana thing stuck for a long, long time, you know, and the critics kicked me around pretty good,” he says solemnly.

“I’m happier in a way for Reege than for myself,” says Gifford. “Because he sort of pioneered the whole thing, that whole 15-minute ‘host chat’ thing. And I came in on it and just sort of fit in. But he pioneered it. He’s the one that national success has eluded for all these years, and he deserves it. That he’s finally getting his due after 30 years, I mean, it makes you happy for him.”

Philbin can’t quite believe he’s made it, though. “You keep looking over your shoulder for the next calamity to happen,” he says. Although in its fourth year the show is getting its best ratings ever, there are pockets of resistance. WLS in Chicago, an ABC-owned station, inexplicably slots the show at 3 o’clock in the morning. In Washington, it has to face not only “Donahue” but reruns of “I Love Lucy,” still getting numbers after four decades on the air.

“I don’t think of us as a hit yet,” Philbin says. “Do you think we’re a hit? I mean, I think we’re on the verge of becoming a hit. What’s a hit? Well, somebody that gets a little more national acclaim than we get.”

He and Gifford have been on the covers of TV Guide and People. They hosted the Miss America Pageant on NBC last year and helped it get its best ratings in years. But Philbin is worried. He wishes the program aired in the afternoons, as it does in only seven cities, rather than the morning, because there are many more homes using television in the afternoon and thus a greater opportunity for profits.

Oprah Winfrey’s show takes in, according to varying reports, from \$50 million to \$80 million a year. “We have a little piece of our show, yeah,” Philbin says. “So far, no profit, thank you for asking. You know, everybody assumes, ‘They’re syndicated and they’re making a fortune.’ There’s no profit.”

What haunts him are the missed opportunities of his past. He keeps dredg-

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ing them up, perhaps as armor against any possible disappointments to come.

"I was Grant Tinker's first failure," Philbin says, almost proudly, referring to the time in 1981 when the then-NBC chairman picked Philbin to do a morning show on the network just after Letterman's had flopped. At the last minute, though, Philbin's hour was shortened to 30 minutes, and dozens of NBC affiliates, burned by the Letterman bomb, declined to carry the Philbin show.

"I wanted that national break," says Philbin. He was then doing a morning talk show in Los Angeles. "Getting a call from Grant Tinker is like getting a call from God. When he came, NBC started flying, and everything they did was right. They had a terrific run." Head bowed. "And I wish I could have been part of it."

"The Regis Philbin Show" lasted five months.

But Philbin will recall humiliations much older than this. In 1964 he was picked by Westinghouse to succeed Steve Allen as host of a syndicated talk show, but he only lasted a year. "That was my big shot, and I blew it," he says. "Merv [Griffin] followed me and BECAME A MULTIMILLIONAIRE! And I'm fighting with HER every morning! That's how LIFE IS!"

"Live With Regis & Kathie Lee" started as a local show in New York. When Disney came along with offers to syndicate it, Philbin, recalling past failures, was reticent. But he said yes when Disney agreed to let him do the same show he'd done in New York, with no changes.

"After years of trying, I finally found an organization who said, 'Yeah, do it your way.' Every time I'd had a local hit, and every local show I did for one reason or another became a hit, then the guy would say to me, 'Come on, let's try it nationally, but look, here's how you do it.'"

"This time, I said to Disney, 'Look, you guys want to syndicate the show, we'd love it, but don't change anything. I don't want to change that opening. Just put it up on the bird and let it go out.' And that was the year that Oprah lost 65 pounds, Phil was wearing a dress, Geraldo broke his nose. You know, nobody even noticed us. 'Regis and Kathie Lee? Who are they???'"

"And the numbers were not so great, no. I've always had a record where we build and grow slowly."

Kathie Lee Gifford, who grew up in Bowie, had been through several careers by this time. Among them: hostess in a Mexican restaurant, Hee Haw Honey on a syndicated "Hee Haw" spinoff, occasional replacement for Joan Lunden on "Good Morning America" with David Hartman.

"I knew my days were numbered when I was in for Joan one day and I read off the 'prompter: 'And coming up in our next half-hour, we'll examine the impact that Princess Diana has had on the British fashion industry.' And I couldn't help myself. I just had to look at David and I go, 'Maybe she could help the Queen.'"

"Well it was kind of funny," Gifford says. "We all know the Queen needs help. But you're not supposed to say such a thing. So David looked at me and, I mean, nobody was going to fire me or anything like that, but I knew that that was not the right place."

Gifford may look and act like a Young Republican's dream girl, and one of her early mentors was singer and right-wing gay-basher Anita Bryant, but she says she considers herself "very much a Democrat in terms of social issues" while being "very Republican in terms of financial issues." Sort of like Paul Tsongas. She voted for George Bush but mainly because "the alternative would have been worse."

On the show she regales viewers with tales of her visits to the White House (Regis wasn't invited) and her adventures with Frank and Cody and Cody's nanny. "My career has never been the most important thing in the world to me," she claims, even while toting up gig after gig on the side. Writer Barbara Lippert has called Gifford a heroine for the "post-feminist" age and notes that as her glamorous stardom grows, her "self-deprecating stories" of gaffes and goofs and spills on dresses sound increasingly "disingenuous."

Yet in person she casts a beguiling spell of spunky, earnest innocence. "I'm really a very kind person and I'm a good person," she says straight-faced. "I'm not perfect, but I never ever set out to hurt anybody. Ever."

Regis and Kathie Lee will not be interviewed in the same room at the same time. "I don't mind it. It must be Reege that feels that way," Gifford says. "I guess there's a feud boiling and

I don't know." Philbin says tersely, "It just seems to work better when we do it separately."

Then he asks, "Did Kathie wear you out? Do you know what it's like every day with THAT BUZZ SAW? It's NOT EASY!"

They don't spend time together before the show, either, except to say good morning. They want the host-chat segment to be spontaneous and unrehearsed. "In the opening, we never lie about anything," Philbin says. "Always truth and honesty. It's all the truth, so that makes it funny."

Then he wants to start telling you again about what a big flop he was two decades ago.

"On the last day of 'The Joey Bishop Show,' I was hosting it, and I thought it would be interesting to see what the future held for all of us," Philbin says. He invited Sydney Omarr, astrologer to the stars, to come and make predictions. "So he said, 'You know what? You're going to become a household name, a very famous name.' I said, 'No kidding! Really?'"

"He said, 'But it's going to take time.' I said, 'Well, how long is it going to take? A year? Two years?' He said, 'Twenty years.' This is 1969. I said, 'Twenty years??? I'LL KILL MYSELF!' But he was right. We went syndicated actually in 1988, or 1987. So it took 20 years."

Regis has probably told this story 1 million times.

After lunch, he saunters back the three blocks to WABC studios on the Upper West Side, where the show originates. Construction workers shout to him, passersby smile. He struts along like the king of New York. By this time, midday, Gifford is long gone, either back home with son Cody, or at a singing lesson, or filming a commercial.

In the morning they will hunker down again on their little stools and Regis will read the morning headlines and Kathie Lee will talk about her most recent embarrassing moment and a viewer will answer a nuttily easy trivia question and Regis will go to the map and place a pin at the caller's home town. And he'll tease her, and she'll scold him.

It goes on day after day, laugh after laugh, quarrel after quarrel. Like clockwork, like teamwork, like life. God, I love this show.

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WASHINGTON PEOPLETALK *By Janis Johnson*

Stars get involved on Capitol Hill; Beatty says politics 'unattractive'

Stars of the new film *Article 99* found themselves swept up in a political wave yesterday as they brought the world premiere of their dark comedy about veterans hospitals to Washington and appeared on behalf of homeless veterans at a congressional hearing. Director Howard Deutsch urged stepping back and taking "a new look ... and to change the priorities so that the ... veteran becomes the priority above the S & L scandal." *GoodFellas* gangster Ray Liotta said the attention he received on Capitol Hill by playing the rebellious VA surgeon changed his negative attitudes about politics. "I never realized the power" an actor can have, he said.

Warren's view

■ Now that his *Bugsy* movie has 10 Oscar nominations, press-shy Warren Beatty has been very voluble this week. On WETA-TV's *Talking With David Frost*,

which airs tomorrow on PBS, Beatty confesses that "politics ... kept me alive" during some slow acting periods. But now, he says "nothing could be more unattractive to me" than running for president. "I think it's an insulting process to the people who have to go through it. I think that that's a catastrophe of the new technology. ... We are a nation that has been dealing in a sort of sexual hypocrisy that the rest of the world doesn't really understand. ..."

Westward ho

■ Washington's splashy Red Sage restaurant is the hot new eatery since George and Barbara Bush dropped in. Innovative owner-chef Mark Miller, nationally known for his Coyote Cafe in Santa Fe, N.M., turned down Washington four years ago because "the formal continental menu was very much entrenched." Now, as fancy French restaurants are dying

and spicy food is trendy, Miller seized the opportunity to bring his Western-flavored cuisine to downtown Washington just two blocks from the White House in what used to be known as a fairly dead part of the city. "The West is the New World — it symbolizes our own identity, our psyche," said Miller, an anthropologist and art historian who spent \$700,000 on the restaurant's design.

The big squeeze

■ To entice Congress to name February as National Grapefruit Month, the Florida Department of Citrus hired the high-powered lobbying firm of Hill & Knowlton, which sent out fruit baskets to 150 members of Congress. After such a great pitch, a quarter of the Senate and a third of the House joined Florida Sens. Bob Graham and Connie Mack in sponsoring the legislation. Well, the month is winding down to its leap year day, and the

resolution is still pending. Maybe it got lost among pleas for National Correctional Officers Week, National Neighborhood Crime Watch Day, National Medical Staff Services Awareness Week, Italian-American Heritage and Culture Month and, oh yes, Elvis Presley Day for next Jan. 8.

Wise on Washington

■ However lofty Washington punditry has become on weekend talk shows, *Washington Week in Review* moderator Paul Duke says he stays grounded by one viewer in far-off Washington state. Duke told a gala dinner at the State Department Tuesday night that the viewer "wondered what the suicide rate was when we went off the air on Friday nights because he felt that we were all voices of gloom and doom." The PBS program's 25th anniversary show is tomorrow.

Admirers left brooding in the dark after vandal makes off with duckling

By Gloria Negri
GLOBE STAFF

For the third time since 1987, one of the eight ducklings in the bronze sculpture depicting Robert McCloskey's classic children's story "Make Way for Ducklings" has been stolen.

This time it was Ouack (pronounced "Whack") who was reportedly hacked from his perch last weekend at the Public Garden.

Almost everyone involved agreed yesterday that the time is overdue to adequately light the sculpture, but four different groups have to agree on what lighting is best. As it is now, a vandal could use a hack saw or blow torch on the sculpture almost undetected, they said.

"I'm devastated and disgusted," said Nancy Schon of Newton, commissioned by the Friends of the Public Garden and Boston Common to sculpt Mother Mallard and her ducklings. "This story and sculpture has become such a part of Boston to all the world and so important to children. I don't understand how someone could violate it."

"I can't imagine someone doing this, especially since the sculpture was paid for by public donations and not government funds," said Henry Lee, president of the Friends.

Eddie Doyle, bartender at the Bull and Finch pub in the Hampshire House on Beacon Street, a short distance from the sculpture, and Tommy Leonard, bartender at the Eliot Lounge, were "bummed out" by the theft. "If the person who did this could just see the joy of the thousands of children who visit that sculpture, they might have thought again," Doyle said.

Doyle said he and Leonard would put their heads

together about starting a fund to replace Ouack, similar to the button fund-raiser they sponsored in 1989 to have Schon replace another stolen duckling.

That campaign was named "Bring Back Mack" and thousands of schoolchildren and adults bought enough buttons to raise almost \$5,000. Lee said a duckling costs between \$4,000 and \$5,000.

A third duckling, Quack, was the first one stolen, but the thief left it on a street, where it was recovered. Quack was stolen right after the sculpture was installed, before the cement it was set in had even hardened.

The eight ducklings are Jack, Kack, Lack, Nack, Ouack, Pack, Quack and Mack.

The sculpture has become celebrated worldwide, and last year, at the request of Barbara Bush, Schon made another bronze sculpture of Mrs. Mallard and her brood for Gorky Park in Moscow.

Lee said yesterday that many US cities and other countries have asked for similar renditions of the ducklings, but that Schon has turned them down "because they must remain uniquely Boston."

Lee said there was money set aside for installation of stronger lighting around the sculpture, but it was a matter of the Friends, the Boston Parks Department, the Boston Landmarks Commission and the Boston Art Commission agreeing on what kind.

Mary Shannon, executive secretary of the art commission, said yesterday that she was "certain the city will see the lighting as a situation that has to be dealt with immediately. How can people do such terrible things?"

Victoria Williams, deputy parks commissioner, said the theft was "unconscionable, especially to steal something that brings so much joy to children."

The matter of lighting the sculpture, she said, is "at the top of my list."

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135 High Street Brookline MA 02146
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Jan 20 1992

The Editor
The Boston Globe

Dear Sir,

It is wretched and sad that another of the bronze ducklings in the Public Garden has been stolen. May it bring no joy to the thieves. But in a world where far worse things are happening there has to be some account of why it is important to care. It is important because the statue was placed in the Garden for no reason other than to bring pleasure, most especially to children, all children, irrespective of age, colour, nationality, ethnicity, wealth, physical ability or whatever other category you can think of. It is they who have been violated. It is important because the statue was a gift to the city. The money, much of it in small bills, came from ordinary citizens in Boston who responded to the appeal to do something gentle and enduring for children. Their generosity has been violated. It is important because Nancy Schon gave her time and talent to make the statue exactly as it should be, respectful of Robert McCloskey's story, safe and welcoming to young children and a work of art for them and all of us to enjoy. Her efforts too have been violated. But the enduring damage done by the theft is the case it argues against any efforts to improve and enrich the public realm on the basis that the worst will always happen. The logical conclusion to such an argument is that we will in the end do nothing other than put up fences and locked gates. Fortunately there are people who do care enough to ensure that the duckling will be replaced and certainly there should now be lights for the protection of people and ducklings alike. But the mean-minded indifference of those who went to such efforts to steal it we may never understand even if they are caught.

Yours Sincerely

Suzanne de Monchaux

The writer is an urban planner who was instrumental in placing the Mallard Family statue in the Boston Public Garden in 1987

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The Boston Globe

Founded 1872

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Light up those ducklings

The "Make Way for Ducklings" sculpture in the Public Garden is the most beloved piece of public art in Boston. It deserves to be protected from the thieves who are making off with the tiny bronze ducklings that have delighted thousands of the city's youngest residents.

The sculpture, based on the children's book by Robert McCloskey, has been vandalized three times. The first theft occurred in 1987, when the cement around the base of the sculpture was still wet. But the second, which took place three years ago, when the sculpture was fully in place, gave city officials clear warning that the ducklings needed extra protection.

Unlike traditional statuary, the ducklings are rooted in the ground, accessible to their youngest admirers. And their home in the Public Garden is poorly lit at night, providing excellent cover for what probably was a lengthy removal job. Henry Lee, president of the Friends of the Public Garden and Common, estimates that it took the thief 45 minutes to cut the duckling off its base.

Approval for new lighting was caught in a tangle between the Parks Department, the Art Commission, the Landmarks Commission and the Friends, all of whom must sign off on alterations to

the historic park. This complex process makes sense to prevent the inclusion of inappropriate statues in the park, but it is counterproductive when it delays measures to protect existing artwork.

As a result of the latest theft, the bureaucracy finally got the message, and a Parks Department electrician will examine the site this week to work out a temporary lighting arrangement.

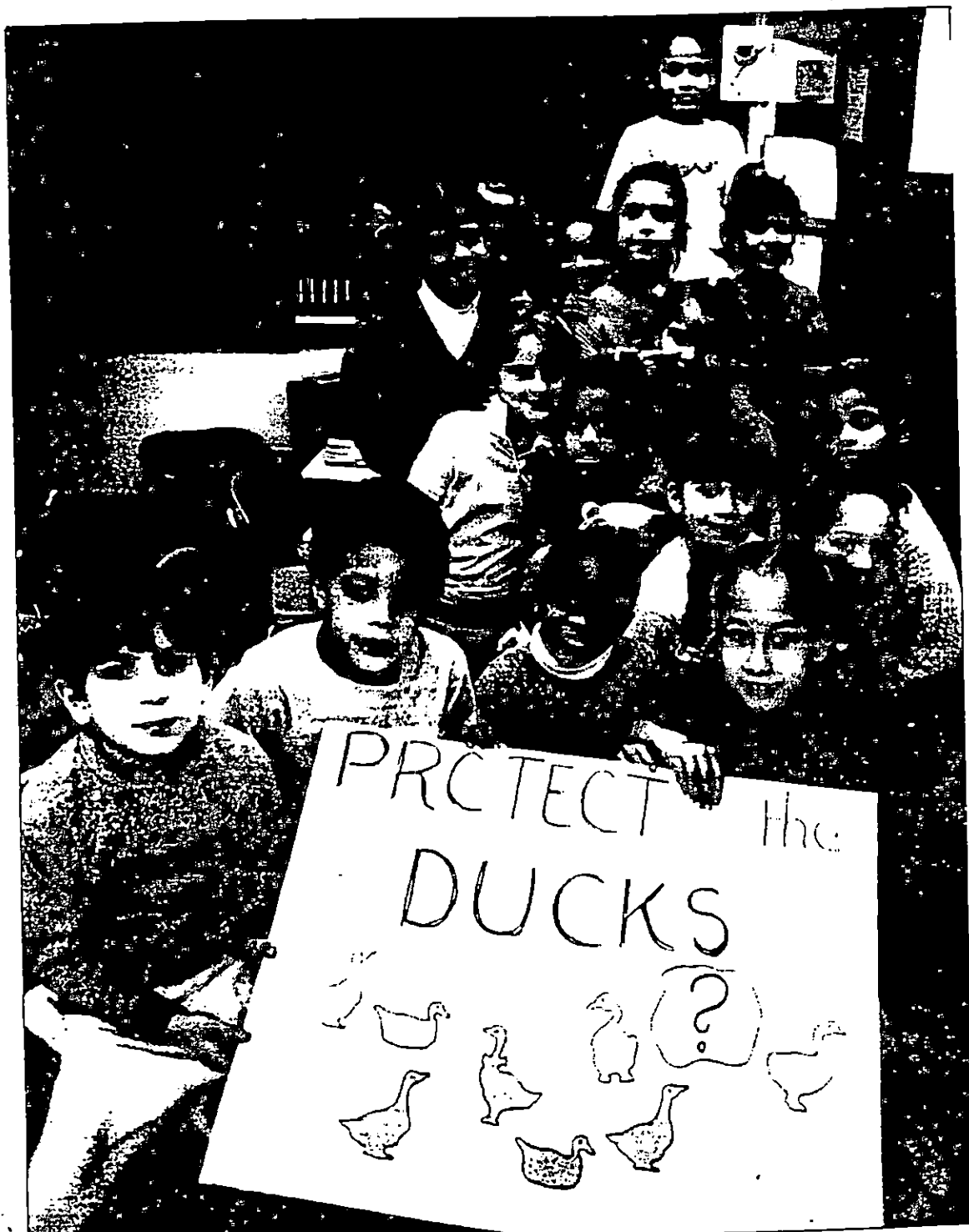
The new lights should be put up as soon as possible, and the Police Department should patrol this section of the Public Garden more frequently to prevent the thief from making a successful return. The vulnerability of the sculpture makes extra protection a necessity.

Three years ago, Tommy Leonard of the Eliot Lounge and Eddie Doyle of the Bull and Finch Pub raised the \$3,500 needed to replace the duckling. Since the city is to blame for the third theft, it would do well to replace the duckling with public funds this time.

The bronze in the sculpture has little intrinsic value. Whoever stole it may well have been motivated by a twisted collector's instinct. The best the city can do is make it extraordinarily difficult for thieves to prey on this delightful sculpture again.

Metro Region

THE BOSTON GLOBE • WEDNESDAY, JANUARY 29, 1992



GLOBE STAFF PHOTO / WENDY MAEDA

FOR THE LOVE OF OUACK — Students at the Rafael Hernandez Bilingual School in Roxbury show off a poster for their campaign for better lighting in the Public Garden, to protect its sculpture honoring Robert McCloskey's "Make Way for Ducklings." One of its stars, Ouack, has been missing for two weeks. Page 34.

Hof?

over

The Ouack pack

Sculpture's fans won't let Flynn duck the security issue

By Gloria Negri
GLOBE STAFF

Seven-year-old Peter Virchick of Dorchester really knows how to grab a person's attention. Not only did he get right to the point in a letter entreating the mayor to throw some light onto the city's duckling dilemma, he also underlined his last sentence.

"Dear Mayor Flynn," he wrote.

"Why aren't you putting lights on the ducklings? Do you want all the ducklings to be stolen before you put up lights? I feel angry because me and other children and adults around the world love this story and the characters in it. Ouack was stolen now, Mac [sic] was stolen 2 years ago. If you put up lights they wouldn't be stealing [sic] the ducklings. So, don't just sit there, put up lights! Love, Peter Virchick, 2nd Grade, Rafael Hernandez School."

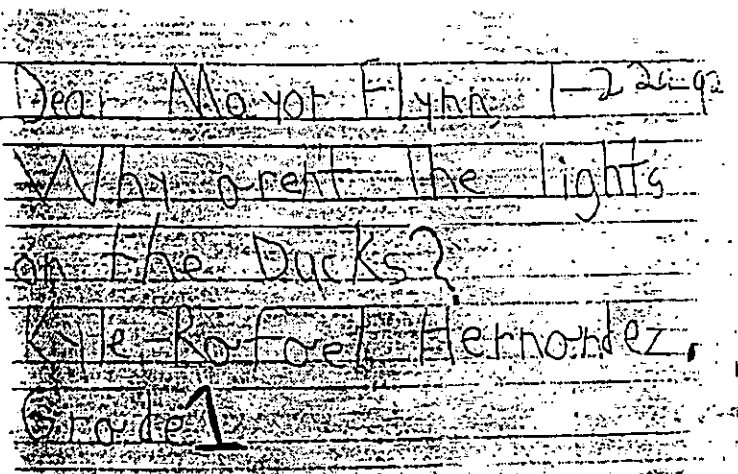
Peter is among the dozens of children at the Rafael Hernandez Bilingual School in Roxbury who have written the mayor and sent copies of their letters to officials about the latest theft of one of the eight bronze ducklings in the Public Garden.

The sculpture depicts Mrs. Mallard and her eight babies, made famous in Robert McCloskey's classic tale "Make Way for Ducklings." The ducklings are Jack, Kack, Lack, Mack, Nack, Ouack, Pack and Quack.

Ouack, who was hacked from his perch more than two weeks ago, is still missing. Ouack was the third duckling stolen from the site. When the sculpture was first installed in 1987, Ouack was purloined, but he was recovered on a Boston street.

In 1989, Mack was stolen and never returned. Bartenders Eddie Doyle of the Bull and Finch and Tommy Leonard of the Eliot Lounge started a button campaign to "Bring Back Mack," and thousands of schoolchildren and adults raised almost \$5,000, enabling sculptor Nancy Schon of Newton to make a replacement.

All who are involved in the maintenance of the sculpture, The Friends of the Public Garden and Boston Common, the Boston Parks Department, the Boston



GLOBE STAFF PHOTO / WENDY MAEDA

A letter from Kyle Myrick of the Hernandez School in Roxbury seeks help for the ducklings.

Landmarks Commission and the Boston Art Commission, in addition to Doyle and Leonard, agree that the existing lighting on the duckling sculpture is far from adequate.

The letter-writing campaign to the mayor and to officials of the concerned organizations was the children's inspiration, said first-grade teacher Ginny Dunn.

"It's been a wonderful experience for them," Dunn said. "It's not only been a lesson in civics, but helped with writing, spelling and reading skills. Most of the children, ranging in grades from kindergarten to eighth grade, are involved in the campaign. Almost every one of them has read and loved McCloskey's book."

Like Peter in his letter to the mayor, other children didn't mince words. Though the general tenor was of impatience, most signed off with "love," or "your friend." There was poignancy in some, like the little girl who wrote that her grandmother, "now in her 50s," read the McCloskey book "when she was five." Or, "the lost duckling makes my baby sister cry."

Alisha Josey, 8, of Dorchester, a second grader, wrote: "I am sad because Ouack was stolen. Lots of other people in this world are sad too. Why don't you put lights on those ducklings. Don't just sit around your desk, all day! Put some lights on those ducklings!"

Second grader Nannette Rodrigues, 8, of Roxbury, wrote, "I want Ouack back. What are you

going to do? You don't know how to take care of our ducklings. . . . I am really angry at you. I am disappointed. Take care of our ducklings. Love."

Jennifer Carrion, 7, of Dorchester, a second grader, asked the mayor, "What are you waiting for? Please put those lights now! We already raised enough money."

Victoria Williams, deputy parks commissioner, has said that help is on the way. This week electricians will be looking into installing temporary lighting on a nearby pole, according to Williams. But the ultimate solution has yet to be decided.

Nigel Rossello, 8, a Jamaica Plain fourth grader, came up with one of his own for the mayor: "Why not put grass lights with timers to go on at 5 p.m. and a swimming pool around the ducklings?"

Other solutions were offered by fourth graders Chris Ferreira, 10, and Tim Swain, 9, both of Dorchester. "They should have a guard there," said Chris. "A kind of undercover one, in plainclothes," offered Tim. And Kara Ruiz, 10, a fourth grader from Jamaica Plain, advised, "They should put a camera that looks like a mirror and maybe an alarm inside the ducks."

As for the thief or thieves who have stolen the ducklings, they should expect no pity from the kids. Said Anna Goodkind and Domingo Rivera, both 7 and first graders from Dorchester: "He or she was real mean."

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The Interview

By D. C. Denison



Yunghui Kim/The Boston Globe

Nancy Schon

Nancy Schon is the Newton-based sculptor of the duckling sculpture in Boston's Public Garden, which is based on Robert McCloskey's book Make Way for Ducklings.

Every time I've walked by your duck sculpture in the Public Garden, kids have been sitting on the ducks. Was that your intention? Very much so. The whole scale of the work was decided on that basis. At the time I was working on that project, my oldest grandson was between 18 months and

2 years old, and I sort of used him as a model to help me come up with the proper scale. I wanted children to be able to interact with the ducks.

Did Robert McCloskey, the author of *Make Way for Ducklings*, have much input into the creation of the sculpture?

Oh, yes, we wanted him to be a part of it. He had never let anyone do anything with the ducklings before, but Suzanne de Monchaux, an urban planner, and I came up with a proposal, and he liked the idea of the ducks being

in the Public Garden. He came down from Maine a number of times to see my work and to see mock-ups. In fact, one of the discussions we had was about scale.

Why?

He thought they were too big. When he came down to look at some very early mock-ups, the ducks looked too large to him. And I thought they needed to be that big. So we took them outside to look at them, and there was a day-care center next door, and all of a sudden these little kids came

running over and started parting the ducks and hugging them. It was the most wonderful moment. I couldn't have planned it better. We just stood there, watching, and we knew the scale was perfect.

You recently cast another duckling sculpture for a Moscow park, which Barbara Bush presented to the Soviet Union. Is *Make Way for Ducklings* a book that the Russians are familiar with?

No. The book has since been published in Russian, also a video. At the time we installed the ducks, the Russians were not familiar with the book. But I can assure you that the minute that Mrs. Mallard came out of the crate in Moscow, the first child that saw it came running over. The same thing happened when the smaller ducks were unpacked. The Russian kids did not need to know the story to get into the sculpture.

What's your favorite material to work with?

Wax is my first choice; that's what I usually work in. Then, when the wax hardens, I have the piece cast in bronze. However, because wax hardens very quickly — you really only have a few minutes to work with it — I can't use it for bigger pieces. In the case of the duckling project, when I was working with nine pieces of sculpture at once, I couldn't use wax, so I used Plasticine, which is an oil-based clay. It's not my favorite material — I don't really like the smell — but it's better than wax for large projects.

Many people probably think that sculptors have all the time in the world, chipping away with a hammer and chisel, day after day.

But I'm an adder. There are two categories of sculptors: people who take away, who carve or chisel, and people like me, who like to add.

Why do you prefer to add? One of the reasons is that when you're working with

marble or granite, there's a tool between you and the material. But when I'm working with wax or Plasticine, it's me, it's my hands. I like the idea that I'm touching the actual piece. So, you can find my thumbprints in my work all the time.

What public art in Boston has impressed you?

I particularly like the Mayor Curley sculpture by Lloyd Lillie, the one that is located behind City Hall, near Faneuil Hall. Because people can interact with it.

Everyone gets his picture taken sitting next to Mayor Curley. It's wonderful that we have historic monuments, but it's also lovely if you can interact in some way with the sculpture. One of the

"You can find my thumbprints in my work all the time."

things I've always done when I've had a show is put up a sign that says "Please Touch." Because sculpture is a tactile medium, and if you can't touch it, it's got to be the most frustrating thing in the world. Unfortunately, a lot of museums can't let that happen. Marble does get kind of cruddy if you touch it a lot. But touching bronze doesn't hurt it. The oil from your skin makes it more beautiful. The ducks in the Public Garden are golden. They have been polished by all the children playing on them.

Have you found that certain kinds of sculpture have particular appeal for children?

I remember visiting a sculpture garden in Haifa, in Israel, and there were lots and lots of sculptures of children. And there was a kitten in one of the children's arms, and there was a donkey. And the children didn't pay any attention to the sculptures of children. But they were on

the donkey and they were patting the cat. So, I discovered some years ago that if I was going to do things for children, it had to be animals. I just did a sculpture of Eeyore, the donkey from the A. A. Milne stories, for the Newton Public Library, and kids can ride on it, they can pat it, they can hug it, they can identify with it, and that's really what it's all about. Kids really respond to animals. Henry Moore sculptures seem to be the exception. Kids love climbing on Henry Moore sculptures.

I read that you're working on a sculpture for the Boston Marathon.

I'm very interested in putting a sculpture of a tortoise and a hare near the starting line, in Hopkinton. I started thinking about it when I visited Hopkinton, and I noticed that the only thing there was a faded white starting line. These wonderful people in Hopkinton have nothing that says, "This is the marathon town." So I decided that it would be great to put a large tortoise and hare near the starting line. It would be a wonderful metaphor for the different ways people run the marathon: Some take the slow and steady approach, others go for speed. The Boston Athletic Association has already endorsed the project. Now we just need to raise the money to make it happen.

You've originated a number of your projects. Do you think artists should be more entrepreneurial?

It's interesting, because my father told me at some point that "not everybody wants to go through the same door at the same time." And, basically, artistic competitions are just that: everybody trying to get through the same door at the same time. And judges can be very fickle; the best piece doesn't always get chosen. So, yes, I've discovered that if I thought up ideas, or found places that needed sculpture, there would be many more opportunities. •

Chicago Tribune, Wednesday, February 26, 1992 ★

Political Crohn-ies The reach of presidential politics has hit a new low: digestive diseases. New York ad agency Slater Hanft Martin had to sign on a new Crohn's disease spokesman to replace presidential son Marvin Bush in public service announcements—because equal-time broadcast requirements have made some stations reluctant to run the Bush spots.

★ **THURSDAY, FEBRUARY 27, 1992 /**

Tie alleged between Bush kin, Japan mob

REUTERS NEWS AGENCY

President Bush's older brother stood to make \$1 million acting as a consultant to a company that was a front for a Japanese crime syndicate, NBC News reported yesterday.

Quoting from Japanese police files, the network said that the Inagawa-kai crime syndicate, or Yakuza, "could not believe their luck" when a Japanese businessman who owed them hundreds of thousands of dollars established ties to Prescott Bush only days after George Bush was elected president in 1988.

NBC said the files detail how the elder Bush, a Connecticut businessman, arranged deals with West Tsusho Co., the crime syndicate's front company.

He collected a \$250,000 finder's fee for acting as a consultant for West Tsusho's \$5 million acquisition of 38 percent of the New York firm, Asset Management International Financing and Settlement.

NBC said Prescott Bush stood to make an additional \$750,000 from two deals that apparently failed — the acquisition of a Houston-based computer software firm owned by Bush nephew Draper Kauffman and a golf course and land development plan in New Hempstead, N.Y.

Japanese authorities are investigating the financial activities of the Inagawa-kai, one of Japan's three largest gangster syndicates.

Prescott Bush was not immediately available for comment. The White House said the president would have no comment on the NBC report.

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

The President today announced his intention to nominate Wayne A. Budd, of Massachusetts, to be Associate Attorney General. He would succeed Francis Anthony Keating II.

Currently, Mr. Budd serves as a United States Attorney for the District of Massachusetts in Boston, Massachusetts. From 1969-1989, he served with the law firm of Budd, Wiley & Richlin in Boston, Massachusetts, most recently as the Senior Partner.

Mr. Budd was graduated from Boston College (B.A., 1963) and Wayne State University School of Law (J.D., 1967). He was born November 18, 1941 in Springfield, Massachusetts. He is married, has three children and resides in Saugus, Massachusetts.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

STATEMENT BY THE PRESS SECRETARY

The President spoke by phone with President Kravchuk of Ukraine this morning for approximately 20 minutes. The two presidents discussed the situation in Ukraine and Ukraine's international debt situation. President Kravchuk stated that Ukraine will meet its goal for withdrawing all tactical nuclear weapons from its territory. In addition, he emphasized Ukraine's intention to support ratification of the START and CFE treaties.

Both President's welcomed the excellent state of bilateral relations and President Kravchuk accepted the President's invitation to make an official working visit to Washington on May 6.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

EXCERPTS BY THE PRESIDENT
AS PREPARED FOR DELIVERY
AT THE OPENING PLENARY SESSION OF
THE SAN ANTONIO SUMMIT

It is a great honor and pleasure to call to order an historic meeting, in a historic city, in a historic state -- my home state of Texas. We are all here to make this San Antonio Drug Summit as successful as the first summit called by President Barco two years ago in beautiful, "heroic" Cartagena. It is fitting to begin this meeting with a warm tribute to the great, visionary man who first brought us together on this issue, Virgilio Barco.

In Cartagena, as President Paz Zamora, who is also here today, will recall, we faced a daunting, unprecedented -- some thought, hopeless -- challenge: How to unite against the scourge of drugs, violence, and corruption that was undermining our democratic societies, our institutions, our economies, and our environment.

That meeting gave birth to a new alliance to strengthen our democracies by attacking the drug trafficking and consumption with greater resolve than ever before. Cartagena was when we stopped the finger-pointing and committed ourselves to cooperation, when we recognized that drugs are an international plague caused by both consumer and supplier.

Two years later the situation has markedly improved. We are facing the challenge; we are united; we are resolute; we are prevailing. We are now seven, not four. We welcome to this group Mexico, Venezuela, and Ecuador, all of whom have shown firm leadership and courage in this struggle. Others in the Americas and Europe are with us, seeing the threat more clearly. Progress is being made. We have courageously faced those who would subvert our societies, break our laws, and kill thousands of innocents. Top traffickers are dead or jailed; record levels of cocaine and other drugs have been seized; cultivation has leveled off; interdiction is up worldwide; we have cracked down on drug users; consumption is declining as our people increasingly reject drugs, especially our youth; our judicial institutions are stronger, better able to meet the challenge; our efforts against money laundering, chemical diversion, and illegal arms exports are improving.

But, we are here today because the job is not yet done. We have not yet won this fight. It is time to assess our accomplishments and our plans -- to learn from the past and look to the future. Let me mention what seems to me to be some priority areas.

First and foremost, we must reduce demand. All else will fail if we do not do that. I know that task falls heaviest on the United States; and we have made a good beginning. Since I came to office, there has been a 35 percent decrease in current cocaine users and 27 percent fewer young people are using drugs.

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Second, we must continue the economic reform, economic assistance, debt, trade and investment measures which are so important to our anti-narcotics programs. The United States wants alternative development to succeed.

I am sure Peruvian and Bolivian peasants will stop growing illegal coca, if there is an alternative besides starvation. The stick of law enforcement must have a carrot -- an offer of viable economic alternatives for poor peasants.

Third, we must continue and enhance our effectiveness in eradication, interdiction and law enforcement that have been so critical to our success thus far. Just as demand reduction will lower supply, so also supply reduction will lessen demand. We have laid this out in the "Strategy for Action" that is part of our Declaration. We must make it happen.

Fourth, we must look carefully and imaginatively at what might be called non-violent, law enforcement measures. We must strengthen and harmonize our laws on money laundering, arms, exports, chemical controls, asset seizure, and in other areas. It is here that the long arm of the law can fracture the power of the traffickers. The anti-racketeering laws in the United States have proven to be one of the strongest measures we have developed in recent years.

Fifth, our judicial systems need our attention. Many of us have underway legal reforms so that we can handle criminal cases faster, more securely and more effectively. These are important and should proceed. We must also cooperate by sharing information about traffickers and their crimes so they can be brought to justice.

Sixth, our cooperation has developed in the past two years and I welcome that. We need to keep in close touch so that we can coordinate strategy and understand each others' perspectives and needs. That makes the high-level follow-on meeting very important. It will be the first review of how our "Strategies for Action" are progressing. We also must enlist the cooperation of the Europeans and Asians. To do that we should send a delegation to those countries to talk to their leaders.

Seventh, heroin production is a worrisome problem which Mexico and Colombia are moving against with some success. This is a sign the traffickers believe the cocaine trade is declining. We cannot ignore this new threat or we risk a surprise in the future.

Eighth, we must do a better job educating our press and our publics about our progress. In the United States, for example, we are seeing a down turn in demand that was purchased at great cost in money and effort. Another example is the story of the drop in cultivation in the Chapare in Bolivia.

Ninth, as we take up the struggle within our own countries with renewed vigor, we must bear in mind that our efforts transcend borders. We must respect sovereignty or our cooperation will not be sustained. But, as sovereign states we can agree to cooperate against the traffickers who trample on the sovereignty. If we do not work together, the traffickers will destroy us separately.

Finally, one more note of great importance. Everything we do must conform to our democratic principles. None of us wants a drug-free dictatorship. We must protect the human and civil rights of our citizens. We are all committed to defending democracy and its principles as we defeat the scourge of drugs.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH
FOREIGN MINISTER ARMANDO DURAN OF VENEZUELA

Marriott Rivercenter
San Antonio, Texas

8:40 A.M. CST

Q Mr. President, did you make any breakthroughs on free trade this morning?

THE PRESIDENT: No. We had good discussions on that with the President of Mexico. And we just reassured him that we want an agreement, a good agreement as soon as possible. No politics, no nothing is going to stand in the way of our doing what is right and what is best for the American people. And what's best is to get a fair trade -- free trade agreement through as soon as possible.

Q Do you think there will be one this year, Mr. President?

THE PRESIDENT: Well, we're hoping so, yes.

END

8:42 A.M. CST

THE WHITE HOUSE

Office of the Press Secretary

(San Antonio, Texas)

For Immediate Release

February 27, 1992

The President today is transmitting to the Congress the 1992 Trade Policy Agenda and 1991 Annual Report on the Trade Agreements Program.

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11:30 A.M. CST/12:30 P.M. EST NEWS UPDATE

TRIP (San Antonio/Christopher Connell, AP) -- President Bush and President Salinas met on anti-drug strategy before joining other Latin American leaders in a summit seeking new unity against smugglers' aircraft, money laundering and supply lines. Bush said the two had a "good discussion" on the slow-moving free trade talks between the two countries. Bush, asked about the trade issue during a photo session with Venezuelan Foreign Minister Armando Duran, said he hoped to meet the goal of finalizing the free trade agreement by the end of the year. "No politics, no nothing is going to stand in the way of our doing what is right and what is best for the American people," he said in apparent reference to the election-year volatility of the free trade agreement with Mexico.

CASTRO (Miami/Reuter) -- President Bush accused Fidel Castro of brutally intimidating his people, and he challenged the longtime Communist leader to hold free, democratic elections in the Caribbean nation. In a guest column in The Miami Herald, Bush wrote, "There will be no normal relations with Cuba so long as the Castro dictatorship remains in place. We want to see a democratically elected Cuban government that would legitimately represent the Cuban people."

HAITI (Geneva/Reuter) -- Ousted President Aristide said that the general who led last September's coup, General Cedras, must face criminal charges despite a new accord which leaves him in charge of the army.

JOBLESS CLAIMS (AP) -- Jobless claims climbed in mid-February for a second straight week as 459,000 Americans made first-time trips to the unemployment office, the Labor Department said. The Labor Department reported that the seasonally adjusted total for the week ending Feb. 15 represented an increase of 7,000 claim applications from the previous week.

HOME SALES (AP) -- Sales of existing homes fell 1.5% in January, the first decline in four months, the National Association of Realtors said. The realtors attributed the drop to rising mortgage rates and also said the beginning of the year is a slow time for home sales.

YUGOSLAVIA (Belgrade/AP) -- President Milosevic of Serbia declared that the civil war with Croatia is over. In a speech to the Serbian parliament, he seemed to move away from previous insistence that Serb-held regions in Croatia and other neighboring republics be allowed to unite with Serbia. "Today we can say that most of the agony of our country is over, and that conditions now exist for the peaceful and democratic solution of the Yugoslav crisis," he told parliament.

AZERI-ARMENIAN TRUCE (Moscow/Reuter) -- Fighting between Armenians and Azeris broke an hours-old cease-fire in Nagorno-Karabakh, reviving a threat of full-scale war. Each side accused the other of breaking the truce.

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

PRESS CONFERENCE BY THE PRESIDENT
AND DELEGATION HEADS

McNay Art Museum
San Antonio, Texas

3:00 P.M. CST

PRESIDENT BUSH: As the President of the host country, I will give a brief statement, and then we will respond under the plan for responding to questions.

First, let me just say that it has been a privilege and a pleasure to welcome six strong democratic leaders to San Antonio: President Gaviria of Colombia, President Fujimori of Peru, President Paz Zamora of Bolivia, President Borja of Ecuador, President Salinas of Mexico, and then Foreign Minister Duran of Venezuela.

The United States is indeed fortunate to have these leaders as allies in a cooperative fight against drugs. And this cooperative venture is reflected as well in the cooperation that permeates our bilateral relationships. For example, the recent agreement between Peru and Bolivia on access to the sea, a wonderful agreement; growing rapport between Ecuador and Peru, another good sign.

Drug traffickers corrupt our young people. They bring violence to our democracies and destroy our hemisphere's natural environment. This is a new kind of transnational enemy, well-financed, ruthless, well-organized, and well-armed; a foe who respects no nation's sovereignty or borders. The struggle to defeat the narco traffickers requires cooperation, commitment, and it will not be won overnight. But make no mistake: Defeat the traffickers we will.

Two years ago at Cartagena we formed a regional alliance with Peru, Bolivia and Colombia to confront the narco trafficking cartels. Today three new allies joined us -- Mexico, Ecuador and Venezuela. In the past years we've made significant progress. First and most importantly, today in the United States there are one million fewer cocaine users and two billion fewer marijuana users today than in 1988. Drug use among our young people is down 25 percent -- a very good sign for the future.

And second, the so-called kings of cocaine, the leaders of the Medellin Cartel, are now in prison or in their graves. And also, last year, 203 tons of cocaine were seized in Latin America, a dramatic increase. We've shown law enforcement can work in the drug fight.

Third, we are making progress in creating economic alternatives to the coca trade. Farmers who once grew coca in Bolivia are exporting pineapples and bananas; Peru's economy is beginning to grow again; and the Andean states will expand trade with the United States under this new Andean Trade Preference Initiative that I signed into law last December.

We will expand our economic development efforts so that people in the coca growing regions can earn a livelihood growing

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legal crops. And I hope the U.S. Congress will do its part by fully funding my Enterprise for the Americas Initiative.

Let me highlight the most important elements of this joint declaration that is about to be issued, if it hasn't already been passed out. One, drug control and strengthening the administration of justice includes programs to interdict trafficker aircraft in the air and on the ground; to control essential chemicals and money laundering; and to increase judicial cooperation.

Number two, economic and financial areas focuses on investment, trade, debt, alternative development, and for the first time, the environmental destruction that is caused by drug trafficking.

And three, prevention and demand reduction, a critical area, involves programs for prevention, treatment and rehabilitation, scientific research and training.

We agree that the laws of all signatory countries will criminalize all activities that permit the laundering of drug money. And we will exchange more financial information to investigate and to prosecute money launderers and seize their illegal profits. We will negotiate agreements that allow our countries to share the assets that we seize from the drug traffickers. And finally, we will deny traffickers the chemicals they need to produce their deadly drugs.

We will regulate sales of chemicals. We will press producing nations to adopt strong controls. And we will increase our own enforcement.

We call upon other nations in the Americas, in Europe and in Asia, as well as international organizations and financial institutions, to cooperate and to participate.

To continue our efforts, we're going to hold high-level follow-on meeting -- a high-level follow-on meeting -- annually to review progress and plan for the future.

The Declaration of San Antonio, building on the Declaration of Cartagena, establishes an aggressive agenda for the rest of the century. We believe it will be an important milestone in the struggle against drug use and drug trafficking. We believe it will contribute to democracy and economic stability in the Americas.

It's been a great pleasure to have these leaders here. And may I take this opportunity to thank our hosts in San Antonio, in the Museum, in the Theater and all across this great city -- the Mayor and the other leaders of this community that have made all of us feel so at home in wonderful San Antonio.

And now I understand that Marlin has indicated, so I guess we just go -- Chris, do you want to go first, sir?

Q Mr. President, while you attending the summit, the House voted down your recovery program, passed the Democrats' tax bill with Republican support. You've lost a third of the GOP votes in the first two primaries. How do you plan to resurrect your recovery plan, and how will you shore up your standing with American voters?

PRESIDENT BUSH: Well, let's hope that the Senate is a little more -- a little wiser than the House. The American people want stimulation to our economy. They're unhappy with the economy, and that affects all politicians. I have won all three efforts so far -- Maine and New Hampshire and South Dakota -- and I will win this nomination.

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But this is an international drug meeting; it has very little to do with the primary system. But I think something that does have something to do with what we are able to do is the American economy, and I would just ask the United States Senate now to correct the tax-and-spend policies of the House of Representatives that went in almost on straight party lines. It was a predictable, sad, sorry performance -- when I said let's set politics aside, go for these specific growth initiatives, and then get on with all of this politics later on. But the House decided not to do that, and so I will just go forward and urge the Senate to take better action. But I am not going to sign a bill like the one that came out of the House. It won't become law. I won't sign it, but secondly, the next hurdle is the Senate, and I don't believe the Senate will go for the same kind of legislation.

Q Mr. President, following up, on the drug summit you say that occasional drug use of cocaine is down by a million. Hardcore use hasn't changed at all and drugs are still pouring into this country.

PRESIDENT BUSH: I think the progress -- we've said --

Q If I can just say -- how will this summit make any difference to that?

PRESIDENT BUSH: Well, the summit will make a difference to that because we talked about at lunch the difference between the spirit of Cartagena and the spirit of San Antonio. One, we have more countries involved; secondly, there is a new optimism. A lot of the talk was about the progress made by Colombia in jailing some of these criminal elements. The spirit of cooperation in terms of judicial reform and in terms of the approaches that I mentioned in this declaration was outstanding.

You don't solve it overnight. When I say young people in this country are using drugs substantially less -- down by 60 percent -- that is very encouraging to every family in this country. But, yes, problems still remain here, and the demand in this country has inflicted serious problems on the economies of the countries represented by these Presidents here.

So the purpose of this meeting is to maximize cooperation, and I think each leader -- and they can speak to it themselves -- will agree that that's exactly what happened as a result of our discussions here. Now we go on to the next challenge, and that is making more headway on interdiction, making more headway on reduction of demand.

Now, I believe from Ecuador, the second -- he's plugged into a different star there.

Q Television Bolivia. This is a question for the President of the United States. We have the impression that the U.S. position is much more emphatic in the sense of interdiction than for alternative development. In the case of Bolivia and Peru, this is a very delicate subject. And the Peruvian position indicated that Peru produces 60 percent of the coca used for producing cocaine later, whereas the United States only invests five percent of the antidrug budget in programs for these countries -- in this case, Peru. Why is it that the United States continues to insist so strongly on the case of interdiction and it has to be the pressure of the Andean countries that attempt to balance this situation through alternative development?

PRESIDENT BUSH: One of the themes that I heard here today was trade, the importance of trade. And one of the things we've tried to do in the United States is facilitate trade with these Andean countries. Therein lies a lot of the answer.

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We did have a good discussion here about interdiction, and we did have a good discussion about alternative crops. And I think it is for us to assign our own budgetary priorities, but I'll tell you one thing that I learned out of this is the need to work more cooperatively in alternative cropping.

So I'll just leave it very generally there, but we are doing our level best. And everybody knows that these are not easy financial times for the United States. Spending is up tremendously in terms of our efforts, and I think there's more we can do to be of assistance on alternative cropping. And we had some good suggestions here today from the leaders.

So we will do our level best and we will continue to listen to those who say the best answer to the economies down there and to giving hope to the peasants who are locked into the coca growing is expanded trade in other areas. And so we'll keep trying.

Q Mr. President, I am from Mexico, from the Herald in Mexico.

PRESIDENT BUSH: I know, but who do you want to ask the question to? I'm over my quota already, but go ahead. (Laughter.)

Q I wanted to ask this of the President of the United States and the President of Mexico. Mr. President, don't you think that the certification or the statement made by the United States is a way of having intervention in another country, because nobody is carrying out certification of consumption in the U.S.?

Secondly, what guarantee do we have that the sovereignty of Mexico will not be infringed upon in the fight against drugs, as in the case we had in -- and third, I would like to have your impressions of this morning's breakfast -- how about the NAFTA and your commitment made last night to get NAFTA, to bring forward the North American Free Trade Agreement and sending it on to Congress?

PRESIDENT BUSH: Is the last question for me or for President Salinas? Okay. I just wanted to be sure.

The guarantee about our overstepping the bounds of the sovereignty of Mexico is twofold: one, I wouldn't permit that to happen; and secondly, Mexico has a very strong respected President who would not permit that to happen. So there is no danger. The relationship between Mexico and the United States has never been better. And it is built on mutual respect and respect for each other's sovereignty.

As to -- what was the first part of your question? I'm sorry, I wrote down interdiction, but I'm not sure that --

Q Certification that the United States carries out annually on the progress made, because nobody is doing the same thing to the United States.

PRESIDENT BUSH: Well, we try to level with our partners here on the progress or lack of progress we're making in every area. We presented to the leaders here today a thorough presentation as to the progress that we're making on the demand. It is very important that these leaders know that we are trying on the demand side.

I don't know that it has a meat stamp of certification, but these figures will be looked at and reviewed by the United States Congress. And I would be open for any suggestions that President Salinas would make if he feels he needs more information. But the relationship is so cooperative now in this field that I don't -- I haven't heard any requests for more certification from the United States.

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In terms of the free trade agreement, I will simply say what I said this morning. We want it done. We are not going to be dissuaded by political pressures in the United States. I remain convinced that a good NAFTA agreement is in the interest of the worker and of everybody in my country. And I believe President Salinas is convinced it is in the interest of the Mexican people as well. And already the very negotiations that we're having are leading to agreements, such as our recent environmental agreement on the border.

So there's nothing but cooperation here. There's some problems that remain in bringing this to conclusion, but we both agreed today that we would press our able negotiators to get this agreement closed as quickly as possible.

And to those in Mexico who listened to some of the peculiar reporting that flows across the border on politics, please let me reassure them that we will press for an agreement. If we get an agreement, we're not going to hang back because of some special interest that may be making a lot of noise as to whether this is in the interest of the United States or not. It is in the United States. We won't take to the Congress a bad agreement. And when we get a good one, I'm confident that it will be ratified. So we will push forward on that.

Now, please, Mr. President.

PRESIDENT SALINAS: The responsibility of the fight against drugs in Mexico will be left exclusively in the hands of Mexicans; it is our responsibility. Therefore, there will be no hot pursuit and no other modality that will go against what I have just stated. We are going to strengthen and reinforce our fight against drugs because it is in our own interest. It is in the interest and for the benefit of all Mexicans to fight decisively, frankly, and openly drug traffickers because they go against the health of our families. They affect the health of our families, of our relatives. And they also have the money to corrupt anywhere and in any country. Therefore, we are going to continue waging this war against drug traffickers.

And you have there the results and the evidence. Last year we increased seizure of cocaine -- 50 tons of pure cocaine seized in one single year with an equivalent value, street value, of twice as much the total external debt of Mexico. And at the same time we had the highest raise of eradication, the highest levels of eradication in the world in 1990 and 1991 to destroy marijuana and poppy crops. We are going to strengthen this, because even though a lot of progress has been made, we have to continue waging a war energetically.

And at the same time we are convinced in Mexico that no country on its own is going to defeat drug traffickers; therefore international cooperation is ever more important. Since we're going to intensify our domestic action, we are also going to strengthen international cooperation with dialogue, through communication -- through the level of communication and dialogue that was attained at this meeting.

And finally, on the free trade agreement, negotiations are going well, very well.

PRESIDENT BUSH: I think we'll finish this, and then we'll try to get you in the next round, sir, if that's agreeable.

Q My question is, is there are any possibilities that the United States, within the framework of this agreement, will lift the bank reserve to investigate drug traffickers at the request of Latin American countries which may ask for that in order to investigate cases of money laundering?

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PRESIDENT BUSH: I'm embarrassed to say I don't quite know how to answer your question. We did have a good discussion of money laundering and pledged total cooperation. But beyond that, I'm just not sure of what the question -- the technical aspects of that question.

Q Within the strategies put forth at this meeting, did any initiative arise to lift that bank security act?

PRESIDENT BUSH: There was no discussion of that. There was a lot of discussion of maximizing cooperation on money laundering. But the technical part was not raised with me. Now, maybe it came up in the working groups.

Q I am from Peru, and my question is for President George Bush. The optimistic tone that you express when speaking of the reduction of consumption of various drugs in the U.S., up to 25 percent -- unfortunately, I think that this is not shared by the producing countries, and they cannot say the same thing as far as results are concerned because there is a very wide gap.

While the United States invests billions of dollars on the drug war within the United States, it only devotes a small amount to Peru for alternative development to combat drugs, et cetera. How can you explain this, Mr. President? Can't you offer anything better now? Do you plan to do something in the future? If you have the security of being reelected, what will economic cooperation be like, and what assistance are you going to give to Peru and Bolivia who need help in alternative development?

PRESIDENT BUSH: I think it's fair to say that the responsibility of the President of the United States first is the people in the United States. I mean, I don't want to be here under any false colors. We are spending a considerable amount of money. Drug spending overall; antinarcotic spending in one way or another is up tremendously, I think over -- close to 100 percent, 60-some percent since I've been President. So I would say I have to look at it that way. I hope it's not overly selfish.

We do have very strong aid programs and, hopefully, antinarcotics programs that are effective with Peru. We are dealing, and I think most people here that know our economy would tell you, at a time of rather sparse resources. We are operating at enormous deficits that concern the American people enormously -- I mean, they are really concerned about the size of the deficit. So we don't have all the money to spend on all the programs that we think are worthwhile and that we would like to spend it on.

I am determined to do everything I can in terms of setting priorities to help Peru, to help Bolivia with this alternate cropping and also with their own economies. And I think we've got a fairly -- maybe some there wouldn't think generous -- but a fairly generous allocation of funds in terms of our overall expenditures to these countries. And I expect that others wish there were more.

I've had a very frank discussion with the President of Peru who was working hard and has made some wonderful financial changes in that country. Progress has been rather dramatic. And there's no question that he could use more funds, and we respect that. But I have to tell him, and I have to set the priorities, and I have to say, this is what we think we can do right now. So that's the way I'd explain it.

Having said that, I don't want to end on a negative note because I think the general feeling at this meeting was one of great cooperation and understanding -- and frankness. Say, lay it out there; what do you think you ought to have? You tell us whether we're cooperating with your judicial system. And they tell us. And

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that's the way it's got to be. It is a two-way street. And I think that -- you can't put a price tag on it, but that was one of things that I found the most productive out of this summit.

Does anybody want to ask anybody else a question, because this -- I'll take this row and then everybody else has to ask someone else a question. I thought each one was to get two. Go ahead. I don't want censor the press, though. I've learned to -- (laughter.)

Q My question is for President Bush. Venezuela has been unfairly excluded from tariff benefits which have been granted to other countries. What specific economic measures is your government planning to take to correct this?

PRESIDENT BUSH: Well, we did not discuss today bilateral difficulties for the most part. That subject was not raised by the Venezuelan Foreign Minister who was here. And I just can't give you an answer to it as to what -- how we're going to treat it in the future.

Having said that, let me just simply express my determination to give full support to Venezuela. We think of Carlos Andres Perez, frankly, as one of the great democrats in this hemisphere -- a man who has stood for democracy. And they are having some difficult economic times. And so in a very general sense I say I would like the United States to be as cooperative as possible with Venezuela. It is essential that this relationship, which I consider good, grow and be even better. But I want to keep it on a very general basis.

Now -- oh, you've got one for -- you're not from the foreign press corps, you don't look --

Q We get two questions. (Laughter.)

PRESIDENT BUSH: Oh, you do? You're the second American? All right, we're working down this row. This gentleman and then you're next, okay? Is that fair?

Where's Marlin to do all this? (Laughter.)

Q My question is for the President of Peru. Yesterday you, Mr. Fujimori, were very clear in indicating that U.S. aid in the fight against drugs, especially in Peru, has not been sufficient. Peru is not asking for money to solve its problem, but rather to solve the problem of drugs, which affects the population of the entire world.

You said that you will not accept a timetable as long as there is no financing for that schedule. We cannot speak of objectives unless we speak of financing first. Are you satisfied with the results of the summit meeting? Are you satisfied with the figures? Are you willing to accept a schedule or a timetable?

PRESIDENT FUJIMORI: Precisely I have made comments to this effect regarding the drug traffic in Peru. And that is how -- regarding financing for the reduction of this activity in Peru, there have been serious problems. Perhaps not so much regarding the amounts which the U.S. government has generously allocated to us, but above all because of the long time it has taken and the cuts there have been for reasons set forth by congressional committees to the effect that there are violations of human rights in my country, according to them, or because of the activity of the armed forces.

Therefore, that long time that it has taken to make these disbursements has led to the problems. Although these disbursements cannot cover all the areas of the fight against drug

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trafficking, when there is a reduction, when there are cutbacks, this generates even more problems.

Today, we did not speak of timetables, specific schedules establishing dates and deadlines. But I think that in that sense there is agreement among all the countries and among the Presidents for this reduction in drug traffic to be carried out as soon as possible. But obviously, we all understand that this is related to the size of financial support in every sense and the tools that every country has within its sphere of problems. That is why this is the position reflected in the declaration which has been signed today.

Up to now there has been great emphasis made on the subject of interdiction, and this is one of the concerns for producing countries; above all, for those which, like Peru, have a high number of farmers and peasants working in the drug traffic.

But today, too, similar emphasis has been placed on alternative development. International cooperation and specifically that of the United States, and President Bush particularly, I think, is extremely important -- alternative development which will allow us to have the support of 250,000 farmer peasants as allies, not as enemies. And this will allow us to fight much more intensively.

The bilateral agreement that we have signed with the United States precisely points in that direction. And that agreement now stands, and fortunately, we have the full support of President Bush. And I am sure that along the path of such development we will be able to achieve important results.

PRESIDENT BUSH: May I say to Marlin, -- desperately finding two questions -- but four of the leaders have not had questions. So I would like to address questions, one each, to the remaining four leaders here. And then, since the departures are scheduled very tightly, we're going to have to conclude this press conference.

Local question to one of these four. Yes, do you have a question to the Colombian President?

Q There is a very controversial issue that has been talked about very loudly during the San Antonio summit, and that is your government has been very lenient and has come up with treaties with the narco traffickers. If they give themselves up, they get a very lenient sentence. What kind of example are you setting for these people that are involved in this business?

PRESIDENT GAVIRIA: You can be sure the men who have submitted to justice, which were the leaders of the Medellin Cartel, are going to have stiff sentences. I mean, there are some worries in the media about the sentences they will get, but we have the commitment with the international community, we have a new judicial system, we have transformed the judicial system, fortified, and we have received a lot of judicial cooperation from many countries, including the United States. And we are building strong cases against the narco traffickers, and we can be sure that these men will get sentences that are proportionate to the kind of criminal activity they developed before they were submitted to the Colombian judicial system.

PRESIDENT BUSH: This is for one of the three remainders, please.

Q Actually, it's to you, President Bush. The question I have to ask is, over the last --

PRESIDENT BUSH: Well, thank you, I'm not going to take any more questions. I just told you. You didn't understand it.

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Q Well, over the last few days --

PRESIDENT BUSH: Yes, this lady over here. Yes, please. I'm very sorry. You're dealing with somebody who has made up his mind. And we're trying to be courteous to everybody here. Now, if you have a question for one of the other three, ask it. Otherwise, sit down.

Q I'll be happy to ask it to one of the other three; I would like for you to answer it as well. I'll ask it of the President of Mexico.

PRESIDENT BUSH: He's already had a question. Sorry.

Q Well, he's only had one.

PRESIDENT BUSH: Okay, you go ahead. We're not used to this, but anyway, go ahead.

Q Since the Harrison Narcotics Act was passed in the United States, God knows at the beginning of this century, and since the United States and Mexico have cooperated on drug interdiction efforts for countless times since then, I spent some time with narcotics agents over the last few days who made busts who tell us that they're tired. They don't believe the war on drugs can be won. They consider this summit a joke, and they consider the Presidents cooperating in this summit to be a joke as well. What do you tell your people in the trenches, the people that are fighting it every day, what do you give them as a morale booster to tell them it's not a joke?

PRESIDENT SALINAS: The most important thing is not to have impunity, for those who are acting as drug traffickers to know that in Mexico we are going to punish them with all the energy as is provided for in our law; and also with the conviction that by punishing them we are protecting our families; and also by acknowledging and being very much aware of the risk they're involved -- how much of their lives are at stake. Our action is completely determined, and we will completely maintain it with full energy. This is a true war in times of peace that we have decided to win against drug traffickers.

Q I want to ask the President of Bolivia what are his impressions about the summit and what are they expecting for the country.

PRESIDENT PAZ ZAMORA: What I take with me from this summit -- I think that what part of the press felt that the summit might be before coming here, in the sense that, from here we would have a multinational interventionist force going out, moving into our countries, impinging on our sovereignty -- I think has been fully cast aside by fact, by what has happened here. And, rather, what we find here is a fraternal multinational effort of cooperation among brethren to combat the same evil in a fully independent way, respecting our rights and respecting our revindications, both individual as well as national.

In that sense, I want to tell you that it's a summit meeting in which I was satisfied, for example, to hear the report that I needed to hear. As far as reduction in consumption in the United States is concerned, it's a summit that has satisfied me in the sense that I have been able to statistically witness that there has been a reduction in the crops of excess coca leaf in the area -- a decrease which, by the way, coincides with what Bolivia has been able to obtain in the last two years, which is precisely 12,000 hectares.

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Moreover, I believe that in this summit, the ideas put forth in Cartagena are better defined. And today, we see more clearly how one thing is the cocaine-drug traffic duo, and the other is the coca leaf farmer-peasant duo, and we must never, ever confuse the two in our strategies.

And finally, one impression that I want to give you: As always, President Bush has impressed us with his profound understanding of the problem. At this summit, too, I believe we have included concrete, practical elements -- mechanisms that did not exist at Cartagena. And we have specifically insisted on what investment should play -- what role it should have, both public and private, but noting that here we are not trying to place a drain on the U.S. taxpayers' pocket. We want to tell U.S. businessmen and industrialized countries' businessmen that we can contribute to this fight by investing money in producing countries and investing and establishing alternative development thus for the farmer peasants.

I think this is a very important step for this summit meeting. And something specific to conclude: We have all taken on the commitment, along with President Bush, to make an international offensive, an offensive we will carry out in Europe, in Japan, in Canada; and we've appointed a special group that will travel to get in touch with all of these countries so that they will also become involved in the efforts of Cartagena I and San Antonio II, so that our efforts are truly global.

Q Yesterday, President Fujimori, you said that you're concerned that the drug war is may be headed towards a total failure, and you also noted that since Cartagena, the amount of drugs, the supply of drugs has not been diminished at all. As a result of the agreements reached today, are you at all confident or at all assured that the drug war may turn around towards victory? And do you believe in two years from now that the supply of drugs in the world will reduce, or do you think it will stay the same, or even increase? Thank you. And if the President of Ecuador could comment, too, I'd appreciate it.

PRESIDENT FUJIMORI: Today's meeting has been characterized by the total honesty with which we have faced the various subjects. And, thus, when we spoke about reduction, this was studied based on statistical charts, for example, the subject of demand and how that demand in the United States had been reduced significantly.

As far as supply is concerned, the production of coca leaf, as far as the amount of hectares is concerned, we see a reduction of approximately five percent to eight percent from 1989 to 1991.

Carrying out an even clearer analysis, this reduction is due basically to what has been obtained in Bolivia -- 6,000 hectares. In other words, in Peru there has not been any reduction as far as the amount of hectares devoted to the cultivation of coca leaf. Therefore, if we speak honestly, this program has not been as successful in reducing the production of coca leaf.

Therefore, last year Peru presented a project which finally was turned into a bilateral agreement to carry this out in a different way. Unfortunately, the resources available are scarce. I have stated, and I insist that this is a global problem. It involves not only the countries that produce the coca leaf, the commercializing countries, the consuming countries, it involves the absolutely the whole world. And what our financing is devoted is not simply for Peru. Therefore, too, we must point out the need for more allocations.

For example, in the case of Peru, I'm not talking about allocations for the Peruvian government, no. This is an allocation

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for the struggle against drugs which would be applied in the battlefield which happens to be Peru. This is a global war. Part of that war is being waged in Peru.

Therefore, we require greater resources, which I am sure that the U.S. government and also the governments of the international community will consider in its appropriate dimension. I insist and I repeat that we have had serious difficulties in this past year because we have had those cutbacks and those delays in the disbursements. We hope that such obstacles will not be repeated.

Likewise, we should to say that on the supply side, Peru specifically, as the producer of 60 percent of coca leaf in the world, and with the participation of 250,000 coca-producing farmer peasants are willing to change lifestyle. And they can do much more. Their contribution can be extremely noteworthy. And that is the potential that every government of the international community must take full advantage of.

Therefore, I was also concerned by the allocations made to the producing countries. I repeat, hopefully this can be improved. And it is also necessary, and I must say this also very honestly, for the good of the struggle against the drug war, that cases such as Peru's will not be slanted exclusively towards interdiction, that this will not be the bias -- that we study the problem in an integral fashion, as we are doing it with aid from the United States, for example, in our air control, and at the same time development.

I have criticized the activities that have been carried out in the last 10 years because this reduction has not come about. In other words, what we want is more integral treatment, less police treatment. I think that this is basic. And I think that in that we are in full agreement as well.

Q President Borja, yesterday your spokesman told us that you and Ecuador do not have sufficient resources from the United States to fight drugs. Since now there are no specific timetables as far as money is concerned, what do you take back to your country in concrete terms?

PRESIDENT BORJA: I think that it should be made very clear that, fortunately, Ecuador -- I repeat, it should be made very clear that Ecuador is an underdeveloped country as far as drug trafficking is concerned. We do not have coca cultivation. We do not refine cocaine. Drugs are not part of our exports, nor is it part of our economy. But naturally, that does not excuse us from our responsibility of agreeing to efforts with other countries in fighting in a united way against this modern scourge of drug trafficking and drug consumption, behind which there is enormous economic power. It is a plague that goes beyond any national borders. And therefore, as a response, it must receive concerted bilateral and multilateral action for that struggle to be successful.

I have spoken to President Bush bilaterally with regard to the need to finance certain defensive actions, now that we have the time to do it, so that my country can become -- to keep my country from becoming a drug producer. Up to now, all our struggles against the drug traffic basically have been financed with Ecuadorian capital. But this financing is not sufficient.

The tax to be carried out is very large. In fact, people have spoken of a war on the drug traffic. That implies a multiplicity of battles that must be won in order to win the war. That requires a lot of money. It requires great efforts. That is why we are here.

As President Salinas was saying, we are here to defend the things necessary for our countries in this battle against drugs.

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We must concert our battle against the drug traffic. And that struggle must be the result of an international response to a crime of international nature.

PRESIDENT BUSH: May I apologize for any violation of the Fitzwater ground rules. I wasn't able to control it quite the way I would like to. And I apologize to the fellow Presidents here because we had a little divergence there where it was -- it got a little out of the plan that we agreed upon. But I hope you understand. And I hope those journalists from abroad who were denied a question or two would understand, too.

Thank you very, very much.

END

3:45 P.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

PRESS BRIEFING BY
ASSISTANT SECRETARY OF STATE
FOR INTER-AMERICAN AFFAIRS BERNARD ARONSON
AND

NSC SENIOR DIRECTOR FOR INTERNATIONAL PROGRAMS TED MCNAMARA

Henry Gonzalez Convention Center
San Antonio, Texas

4:30 P.M. CST

MR. POPADIUK: Can I have your attention, please? The briefing is about to begin. Regular briefing rules are in effect. This is an ON THE RECORD briefing, but not for sound or camera. Today's briefers are: Assistant Secretary of State for Inter-American Affairs Bernard Aronson; and for Latin American Affairs Ted McNamara.

ASSISTANT SECRETARY ARONSON: What I will do is try to just give a context for this final day of the summit and then describe what I think was accomplished and then take questions.

I would just make one large point, which is that if you look at the new challenges of the post-Cold War era, increasingly they are what is called "transnational problems," or "global problems" -- controlling weapons of mass destruction, global environmental issues and narcotics trafficking. What the democratic community has learned over recent years is that these new global challenges cannot be confronted by any one country alone; they cross borders, they require a new degree of regional cooperation and multilateral cooperation.

I think that the summit declaration said it very well; it said that the Cartagena declaration laid the foundation for the development of a comprehensive and multilateral strategy to address the problem of illegal drugs, and that here in San Antonio we've moved beyond the achievements of Cartagena to adapt international cooperation to the new challenges arising from worldwide changes in the drug problem.

I'm going to go through briefly the conversation -- just a few highlights of the discussion among the heads of state to give you a sense of it. And then I would like to say what I think was accomplished here.

One of the problems in the drug fight is that countries waited too long. One of the positive results of the new regional cooperation is that countries have learned that lesson. So, for instance, President Borja made the point in the morning's discussion that he saw a growing transit problem across Ecuador and he intended to commit his government to stamp it out before it was too late. He called drugs a transnational problem that requires joint action, and he said that just in the last few weeks Ecuador had seized the largest cocaine seizure in its history -- about 3.1 tons of cocaine hydrochloride.

President Salinas made the same point. He said, the power wielded by the drug traffickers makes them a threat to all our governments. He said that Mexico was dramatically increasing its

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budget. He said that more than 25,000 soldiers, several thousand police are committed to the drug fight, and over 56,000 hectares of drug production have been destroyed; 1500 tons seized -- these are over the last two years. He said the last two years they've seized drugs valued at more than twice their external debt. He said they've made 16,000 arrests, they've seized 20,000 weapons and 140 airplanes from the drug traffickers. He said Mexico probably has the largest air force in Latin America today because of the planes they've seized from the traffickers.

The President of Bolivia noted his very strong sense that, since Cartagena, enormous progress has been made on all areas -- trade, interdiction and eradication. He pointed to new investment by American companies as being helpful. He said, "If not us, who; if not now, when?" in the drug fight.

And the reason I'm citing these quotes is, if you remember back to Cartagena the issues then were: Is there a will to fight? Will they cooperate? The whole spirit and tone and nature of these conversations is really a quantum advance. Nobody's questioned whether we need to fight this effort. Nobody's questioned whether we need to cooperate. Nobody's fighting between producers and consumers.

Countries are learning the lessons as Ecuador clearly has done by getting into this drug fight before it grows beyond dimensions that they can't cope with.

President Gaviria went through the progress since Cartagena. He said: "Two years have passed, we've gone beyond headlines to commitment. Two years ago the cartels looked invincible, they threatened our democracies; now their leaders are dead and in jail." He said, "We're no longer pointing fingers of guilt at the producers or the consumers." He says "There's been a dramatic change in the position of international financial and banking circles. It used to be that the dirty capital of the drug traffickers was just accepted without question; now there's a new multilateral commitment to stop it." But he said, "Drug traffickers find it easy to adapt, and therefore we need to strengthen this hemispheric effort to confront them."

President Fujimori thanked President Bush for the U.S. effort that helped in what he said, "reinserting Peru into financial relations with the IMF and World Bank and Inter-American Development Bank and helping it carry out a stabilization program." He said that drugs are destroying the Amazon Rain Forest. He talked strongly about the need to build a regional effort to interdict trafficker aircraft.

President Gaviria also, later in the conversation, talked about the changes in the Colombian judicial system. He said that they fundamentally have reformed their judicial system and moved to a prosecutorial system. For those of you familiar with Latin American judicial systems, they usually have the judge in the case do the investigation and prosecution, which is a very weak system. They've now gone to a system of prosecutors. He said they now have a 60-percent conviction rate. He said, "Today we feel capable of trying the criminals who two years ago terrorized Colombia."

He thanked the U.S. for complying with the agreements on controlling precursor chemicals. He said other countries are not complying and we need to do more. President Salinas stressed the need to involve Central America where transiting is going through.

I think those are the highlights. Now, what was done in San Antonio I think was the following: First, this alliance was broadened and strengthened by including three additional countries, including very important countries like Mexico, Venezuela and Ecuador. Secondly, it was broadened internationally. This summit is

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sending a delegation to Europe and Japan to enlist the support and assistance of our allies in this new effort.

And finally, I think if you look at the annexes of the agreement, you will see that there are strategies for drug control and strengthening of administration of justice. We agreed to set up regional training centers for police and administration of justice training, strengthen intelligence-sharing. There was a major focus on a regional effort, starting in the Andes but going all the way down through Mexico, to control the air space and deny air space to trafficker aircraft. And that means intelligence-sharing, sharing of the monitoring of trafficker aircraft; it means a greater effort on all the countries to have standardized markings and the line so it will be known which aircraft are legitimate and which are not.

There was a similar effort to do more to control so-called "free trade zones" and ports where drugs go out and chemicals go in; a much greater strengthening of legal regimes to control precursor chemicals. The countries committed to take appropriate legal action against companies violating chemical control regulations. There is going to be a follow-up effort to strengthen intelligence-sharing, evidence-sharing and technical information to control money laundering. And I would note, for instance, that the raid Colombia just made on the Cali Cartel led to the seizure of 150 bank accounts in five different countries. That kind of an international effort wasn't possible a couple of years ago.

There's a much greater effort, in part because of the great success of Colombia, which is in part financed with about a \$25-million five-year program through AID, to strengthen judicial systems. President Gaviria really felt that one of the key accomplishments was creating a system of special courts where judges have anonymity, you can get evidence without revealing the sources, jurors have anonymity and safety and they can try drug trafficking kingpins without fear.

Last year for the first time, I think, Ted, no judge in Colombia was assassinated. They've lost in recent years over 200 judicial personnel, judges and others.

On the economic area, there was a lot of support and appreciation for the Andean trade preference legislation which already has passed. There was a commitment to go to the multilateral lending institutions -- the World Bank, the IMF, the Inter-American Development Bank -- and urge lending that was counternarcotics-related to the producing countries.

And in addition, Secretary Baker signed some bilateral agreements: One was on money laundering with Colombia, and the second was a memorandum of understanding on public education on drugs with Ecuador.

What am I leaving out, Ted? Anything?

AMBASSADOR MCNAMARA: No, I think that covers it.

ASSISTANT SECRETARY ARONSON: Oh, and finally there will be a yearly follow-up meeting annually.

AMBASSADOR MCNAMARA: And the groups will -- one from each will go to the Europe.

Q Do you have details on this delegation going to Europe -- when, where -- and how much you asked Germany and Japan?

ASSISTANT SECRETARY ARONSON: I don't know how quickly. Do you know, Ted?

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AMBASSADOR MCNAMARA: It was decided that one from each country would go, that there would be a meeting and they would decide when to go and how to organize themselves. It was left to the experts.

Q Can't hear back here.

AMBASSADOR MCNAMARA: I said it was decided one from each country would go, that that group of seven would meet and would decide the details of their trip -- where they would go, what they would do, et cetera. The American nominated to go is Bob Martinez, the Drug Czar.

Q Do you have a ballpark figure of how much those countries have to contribute to the effort?

ASSISTANT SECRETARY ARONSON: How much the countries have contributed?

Q How much money Japan and Germany, for instance, have to contribute?

ASSISTANT SECRETARY ARONSON: I don't know that this delegation is going to go with a specific dollar figure. It's not a pledging conference, but they will try to enlist support from Europe and Japan in all of these areas -- in the money laundering information sharing, in the chemical controls, and I'm sure in alternative economic development. But I can't give you a figure.

Q How much discussion was there of Fujimori's comments about that the United States needs to give more aid and what aid has been given doesn't seem to have been effective?

ASSISTANT SECRETARY ARONSON: Well, if you listened to President Fujimori at the press conference, what he was expressing concern about were the restrictions that the Congress has placed on Peru's aid that have held us back from disbursing it. As I said, he specifically went out of his way to thank President Bush for the help that the United States has provided to Peru in leading with Japan a support group that has allowed Peru to clear its arrears, or is in the process of clearing its arrears with the IMF and the World Bank. They've already done so with the Inter-American Development Bank, and the IDB has resumed lending. They thanked us for helping with stabilization.

If you're asking if President Fujimori would he like more assistance from the United States, clearly he would. I know very few poor, impoverished countries would not, though I would note that we provide about \$100 million in food aid to Peru. The United States is feeding one Peruvian in seven. In addition to that, we've provided this past year about \$60 million in balance in payments; it's going to go up to \$100 million next year, and security aid on top of that.

Q What I meant was, was there any discussion of this by him or the other countries, or did Bush make it clear -- look, we're tapped out, you're not getting anything more -- so that closed the subject?

ASSISTANT SECRETARY ARONSON: Well, it wasn't that kind of conversation to be honest with you. This was a multilateral conversation. That was not a topic particularly -- President Fujimori was making a larger point, which is they feel that it's crucial to maintain the political support of 250,000 foreigners, and want all concerned to keep that in mind, and we are very sensitive of that.

Q In view of your comment about the traffickers' ability -- rather, quoting the summit leaders' perception that the

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traffickers have the ability to adapt and adapt quickly to changing circumstances, was there any discussion of expanding the membership of the summit in this hemisphere to other Latin American nations, possibly going to the Caribbean?

ASSISTANT SECRETARY ARONSON: There was some discussion of that privately, not in the group. And I don't want to predict, but I would suspect that the next time these leaders meet there will be others in the room. But no decisions were made on that.

Q And could you also share whether there -- is it an identification of trends of where the traffickers are going for planting, for processing -- in other words, as Colombia begins to get tougher and Bolivia --

ASSISTANT SECRETARY ARONSON: I think you do see -- I'd say two changes. One, you see some of the cocaine cartels of Colombia going into poppy production. That, in fact, is an indication that they recognize that the cocaine business is much more dangerous and less profitable because of the enormous law enforcement heat on it.

But one of the positive things that came out of these discussions was President Gaviria made it clear they are going forward already to spray to eradicate poppy production in Columbia. And then you do see, as President Borja said, again as they're driving some of the trafficking operations out of Colombia, you see more transiting through countries and Ecuador.

Q Has the U.S. changed its opinion on whether or not money beyond the \$2.2 billion will now be needed to satisfy the concerns of Peru and actually advance this significantly?

ASSISTANT SECRETARY ARONSON: At this point the Andean strategy has a set of budget levels that have been agreed to. But as I said, yesterday, alternative economic development can be promoted in many ways. Direct assistance is one, but I would not underestimate how important trade access is. We have now provided duty-free access to Peru, Bolivia, Ecuador and Colombia. In addition, the President added about 67 products to the General System of Preferences after Cartagena. We have signed bilateral framework agreements on trade and investment with all of the countries at this summit. And we are liberalizing trade that way. And the President, as he made clear, is committed once we negotiate and ratify a North American Free Trade Agreement to expand that to include others.

Q So you contemplate taking -- getting others to pay the bill, a la Desert Storm, with help from Europe and Asia because their interests are --

ASSISTANT SECRETARY ARONSON: I left out one other point, which is that we do have a budget request before the Senate Appropriations Committee right now for \$310 million. If we get it we can forgive debt of seven countries in Latin America. And that helps in the drug fight. And we hope the Senate will do its part in the drug fight by fully funding the Enterprise for the Americas Initiative.

But the answer to that question is, yes, there needs to be more burden-sharing. And that was a plea and a concern that the Latins expressed that we agree with. Increasingly as we're reducing demand in our own country, you see new markets opening up in Europe. And this is a transnational problem.

I was pleased to hear President Gaviria say that the Italian government had helped, as the United States had, in this judicial reform that they'd carried out. But we do believe that Europe and Asia need to do more across the board in controlling

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chemicals and in helping to support alternative development in attacking money laundering.

Q I want to follow on the earlier question about the money. Would you say, Bernie, that the discussions about the money -- U.S. aid, more U.S. aid took place more in the bilateral sessions than in this multilateral session? We've heard so much about it that --

ASSISTANT SECRETARY ARONSON: I'll be honest with you, neither the bilaterals nor the multilateral sessions were consumed by pleas for more aid. But there isn't a time when heads of state from poor, underdeveloped countries don't meet with the President of the United States where they don't at least somehow suggest or hint that they would like more aid, to be honest with you.

Q Almost all of them mentioned it in their statements here.

ASSISTANT SECRETARY ARONSON: No, I don't think that's true, to be honest with you.

We've got to go to the motorcade.

MR. POPADIUK: Yes. We have to take a last question.

ASSISTANT SECRETARY ARONSON: Okay, last question.

Q This is a follow-up on what you were saying earlier. The President did say in the news conference that he had learned about the importance of alternative cropping. He said, "I think there's more we can do." Was he referring to the sort of trade liberalizations you were talking about in NAFTA?

ASSISTANT SECRETARY ARONSON: He was referring to that we sent a large interagency technical team to the Andean countries about eight months ago, led by Ambassador Corr, which met with farmers and growers to try to see what crops will work there. I think we'll probably expand those sort of efforts. I think we'll try to encourage investment, as the President of Bolivia said, with OPIC missions. We're going to move very aggressively to certify countries for the Andean Trade Preference Initiative.

Rita wanted to ask a question about NAFTA and then we've got to go.

Q Can you just say what are the prospects on NAFTA? What areas are still stumbling blocks after today? What happened?

ASSISTANT SECRETARY ARONSON: I don't want to get into a blow-by-blow. I think both Presidents feel a lot of progress was made in Dallas, but there are still some very important issues on our side -- I'm sure there's some on Mexico -- that have to be resolved in order to get a good agreement. But the two Presidents directed that the negotiating schedule go forward at an accelerated rate. And we still are committed to try to negotiate a good agreement and ratify it this year.

Thank you.

AMBASSADOR MCNAMARA: I'll take one or two before the President comes on, and then I've got to go.

Q President Gaviria mentioned yesterday that about \$30 billion in military aid was going to be directed to the police in his country and not used for military aid. What is the status now of Colombian military aid? Is there no -- is the U.S. not going to provide military aid?

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AMBASSADOR MCNAMARA: It all comes from the pie or pocket, if you will. Over the course of the last couple of years, we have been giving security assistance -- that's the official title -- and we have been dividing that according to the needs of the military and the police. The planned distribution for this year, 1992, has been adjusted to give more to the police and to give less to the military. That's what he was referring to.

It is not either an increase in the total assistance going to Colombia, nor is it a decrease in the actual equipment coming in. It will be police who are going to get -- I don't have the figures right here -- but the police were going to get "x" percent and the military are going to get "y." The police will not get "x-plus" and the military will now get "y-" as a result of a decision by the Colombian government on how it wished to divide up this amount of assistance.

Q Are you considering a similar shift from military to police in Bolivia? And in general, what does this shift reflect, given that the centerpiece of the administration's strategy was the idea of enlisting host country armies in the war on drugs?

AMBASSADOR MCNAMARA: The supposition is wrong. That has never been the centerpiece of the administration's strategy. Each country, in consultation with the United States, decides on how it wishes its security assistance divided up and who ought to get how much. And then we also sit down and talk with them about what equipment, what services would be included in the assistance. That will be done as it has been in the past, country by country. So therefore, what happens in Colombia does not necessarily mean that there will be any changes in any other country. But it doesn't mean that there won't be either. Each country will do it on its own.

Q There were a couple -- President Fujimori yesterday had been very critical of DEA operations in Peru and talked about how they were violating all kinds of rights there. Was there any discussion of that in the meetings today and any consideration of curtailing those operations or changing them?

AMBASSADOR MCNAMARA: No. President Fujimori mentioned some press stories having to do with DEA in which DEA was accused of certain things, but there was no specific reference beyond a passing notice in the course of a discussion, which actually was centered on matters unrelated to DEA -- had to do with how the different police organizations in different countries can cooperate.

Q Well, given his concerns as expressed, is there going to be any follow-up on the U.S. side on these things?

AMBASSADOR MCNAMARA: I'm sure there will be follow-up from both sides.

END

5:00 P.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

EXCERPTS BY THE PRESIDENT
AS PREPARED FOR DELIVERY
AT THE OPENING PLENARY SESSION OF
THE SAN ANTONIO SUMMIT

It is a great honor and pleasure to call to order an historic meeting, in a historic city, in a historic state -- my home state of Texas. We are all here to make this San Antonio Drug Summit as successful as the first summit called by President Barco two years ago in beautiful, "heroic" Cartagena. It is fitting to begin this meeting with a warm tribute to the great, visionary man who first brought us together on this issue, Virgilio Barco.

In Cartagena, as President Paz Zamora, who is also here today, will recall, we faced a daunting, unprecedented -- some thought, hopeless -- challenge: How to unite against the scourge of drugs, violence, and corruption that was undermining our democratic societies, our institutions, our economies, and our environment.

That meeting gave birth to a new alliance to strengthen our democracies by attacking the drug trafficking and consumption with greater resolve than ever before. Cartagena was when we stopped the finger-pointing and committed ourselves to cooperation, when we recognized that drugs are an international plague caused by both consumer and supplier.

Two years later the situation has markedly improved. We are facing the challenge; we are united; we are resolute; we are prevailing. We are now seven, not four. We welcome to this group Mexico, Venezuela, and Ecuador, all of whom have shown firm leadership and courage in this struggle. Others in the Americas and Europe are with us, seeing the threat more clearly. Progress is being made. We have courageously faced those who would subvert our societies, break our laws, and kill thousands of innocents. Top traffickers are dead or jailed; record levels of cocaine and other drugs have been seized; cultivation has leveled off; interdiction is up worldwide; we have cracked down on drug users; consumption is declining as our people increasingly reject drugs, especially our youth; our judicial institutions are stronger, better able to meet the challenge; our efforts against money laundering, chemical diversion, and illegal arms exports are improving.

But, we are here today because the job is not yet done. We have not yet won this fight. It is time to assess our accomplishments and our plans -- to learn from the past and look to the future. Let me mention what seems to me to be some priority areas.

First and foremost, we must reduce demand. All else will fail if we do not do that. I know that task falls heaviest on the United States; and we have made a good beginning. Since I came to office, there has been a 35 percent decrease in current cocaine users and 27 percent fewer young people are using drugs.

- more -

- 2 -

Second, we must continue the economic reform, economic assistance, debt, trade and investment measures which are so important to our anti-narcotics programs. The United States wants alternative development to succeed.

I am sure Peruvian and Bolivian peasants will stop growing illegal coca, if there is an alternative besides starvation. The stick of law enforcement must have a carrot -- an offer of viable economic alternatives for poor peasants.

Third, we must continue and enhance our effectiveness in eradication, interdiction and law enforcement that have been so critical to our success thus far. Just as demand reduction will lower supply, so also supply reduction will lessen demand. We have laid this out in the "Strategy for Action" that is part of our Declaration. We must make it happen.

Fourth, we must look carefully and imaginatively at what might be called non-violent, law enforcement measures. We must strengthen and harmonize our laws on money laundering, arms, exports, chemical controls, asset seizure, and in other areas. It is here that the long arm of the law can fracture the power of the traffickers. The anti-racketeering laws in the United States have proven to be one of the strongest measures we have developed in recent years.

Fifth, our judicial systems need our attention. Many of us have underway legal reforms so that we can handle criminal cases faster, more securely and more effectively. These are important and should proceed. We must also cooperate by sharing information about traffickers and their crimes so they can be brought to justice.

Sixth, our cooperation has developed in the past two years and I welcome that. We need to keep in close touch so that we can coordinate strategy and understand each others' perspectives and needs. That makes the high-level follow-on meeting very important. It will be the first review of how our "Strategies for Action" are progressing. We also must enlist the cooperation of the Europeans and Asians. To do that we should send a delegation to those countries to talk to their leaders.

Seventh, heroin production is a worrisome problem which Mexico and Colombia are moving against with some success. This is a sign the traffickers believe the cocaine trade is declining. We cannot ignore this new threat or we risk a surprise in the future.

Eighth, we must do a better job educating our press and our publics about our progress. In the United States, for example, we are seeing a down turn in demand that was purchased at great cost in money and effort. Another example is the story of the drop in cultivation in the Chapare in Bolivia.

Ninth, as we take up the struggle within our own countries with renewed vigor, we must bear in mind that our efforts transcend borders. We must respect sovereignty or our cooperation will not be sustained. But, as sovereign states we can agree to cooperate against the traffickers who trample on the sovereignty. If we do not work together, the traffickers will destroy us separately.

Finally, one more note of great importance. Everything we do must conform to our democratic principles. None of us wants a drug-free dictatorship. We must protect the human and civil rights of our citizens. We are all committed to defending democracy and its principles as we defeat the scourge of drugs.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

STATEMENT BY THE PRESS SECRETARY

The President is delighted that the United States Senate voted overwhelmingly to confirm Barbara Franklin as Secretary of Commerce. As Secretary of Commerce, Barbara Franklin will be a leader in the Administration's drive to create jobs, increase economic growth and keep America at her competitive best in the global market place.

Secretary of Commerce Franklin will work closely with Congress, business leaders and organizations to insure that the nation's business and commerce needs are served in the most productive manner as we move into the 21st century.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

STATEMENT BY THE PRESIDENT

Barbara and I are saddened to hear about the death of former Senator S. I. Hayakawa. Senator Hayakawa was a leading voice on behalf of the people of California and the nation. His counsel was always sound and welcome and his legacy will be well remembered.

Barbara and I extend our sympathy to the family and friends of Senator Hayakawa.

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THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

STATEMENT BY THE PRESIDENT

Democrats in the House of Representatives today took a turn down a familiar path -- they voted to raise taxes. They voted against creating jobs and stimulating the economy. Instead of voting to provide greater opportunities for all Americans, they voted to saddle the economy with a \$100 billion tax increase.

In my State of the Union Address I asked Congress to put politics aside and pass my economic growth plan by March 20th. It's a plan that will create jobs and put Americans back to work immediately.

Economists, Democrats and Republicans alike, agree that the Democrat package that passed today does not create jobs or stimulate the economy. The Democrat package gives typical Americans only about 25 cents a day for two years. But it increases taxes permanently. I believe a Congress that has consistently shown it spends too much of hardworking Americans' tax dollars should not be allowed to tax and spend any more.

I will not accept the Democrat tax increases. The American people would want me to veto this latest Democratic tax increase. And, let there be no question -- I will.

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POOL REPORT #144

DINNER AND A NIGHT IN LA CASA CHAPTER 11

February 27, 1992

No news.

Air Force One to Houston a little bumpy. Landing at Ellington Field, a Texas Air National Guard base, also uneventful, followed by ditto chopper ride to Delmar landing zone in West Houston. Uneventful motorcade to private dinner at the West Oaks home of old Bush friends Jack and Bobbi Fitch. The exclusive subdivision has homes ranging from \$550,000-\$1 million. Old Glory was waving in front of the Fitches' home for the occasion. It is a white frame traditional house that the couple will soon vacate and move into a brand-new brick house they're building next door.

After a leisurely 2-hour, 15-minute dinner, the President and Mrs. Bush had an uneventful two-minute motorcade to the Houstonian Hotel, which, as you know, recently went into receivership. It is the Bushes' first visit to their Texas legal residence since last Hallowe'en, when they cut short a planned long weekend here to view storm damage to their Kennebunkport home.

--Martin Kasindorf, Newsday

FROM THE SUMMIT TO THE HOOPS

~~February 27, 1992~~
February 27, 1992

Motorcade from McNay Art Museum to San Antonio's West End Community Center uneventful. Then we have color and some Marlin Fitzwater quotes. After a closed briefing on what they were about to see, President and ~~Mrs.~~ Mrs. Bush were escorted into the center's pine-paneled gymnasium and took seats in the bleachers. There they watched a six-minute quarter of play among nine-year-olds in the San Antonio Spurs Drug Free Basketball League, which has 2,300 kids from 9 to 16 signed up.

Watching at the president's side was Red McCombs, owner of the NBA basketball Spurs. David Robinson, the team's star 7-~~foot~~ foot center, sat next to Barbara Bush. Other Spurs players in the seats included Sean Elliott, injured Willie Robinson (honorary Drug Free ~~League~~ Basketball League chairman) and Rod Strickland.

The game, interrupted at the 2:56 mark for a demonstration by blue-clad girl cheerleaders, was between the beige T-shirted West End ~~team~~ team and South San Antonio. West End won, 12-6, though its kids were much shorter than the other ~~guys~~ guys, who wore purple. All team T-shirts ~~are~~ sport the Spurs logo. About 200 kids from other league teams, and a few parents, were there, too. The two teams playing ~~consisted~~ consisted of African-American and Hispanic-American kids.

After the game, a group of kids came out of the stands to sit on the floor (for visuals) as a lectern and mike were set up. Robinson introduced the president, who praised the Spurs ~~and the president~~ for helping youth steer clear of drugs. With that, he gave a plaque commemorating the league as the White House's 705th Point of Light to Spurs assistant coach Gregg Popovich. "It is better to build children than repair adults," Bush said.

Meanwhile, Fitzwater was doing some campaign spinning. He told reporters in the gym, "I don't think there's any magic button. We just have to tough it out, just gotta live through it. The campaign is going well. The President looks good. His speeches look good. But we've got a level of discontent in this country that's not going to change until the economy does."

Ensuing motorcade to Kelly AFB, and the sendoff by the base commander and unidentified civilians, were uneventful. From the airfield in Houston the First Couple were headed ~~for~~ directly for dinner at a private residence.

--Martin Kasindorf, Newsday

--Clara Bingham, Newsweek

POOL REPORT #12

Motorcade from McNay to West End Community Center

Basketball Game and Motorcade to Kelly AFB

FEBRUARY 27, 1992

Motorcade to Community Center uneventful. After a closed briefing, President and Mrs. Bush were escorted into the Center's pine-pannelled gymnasium to view a 6-minute quarter of play in the San Antonio Spurs Drug Free Basketball League. The Bushes took seats in the bleachers. Seated beside the President Red McCombs, owner of the NBA Basketball Spurs. Beside Barbara Bush was the star center of the team 7 ft. tall David Robinson. Other Spurs players in the seat were Sean Elliott, Antoine Carr, Rod Strickland...

Phone went dead. Stand by for more in Houston...

Marty Kassendorf
Newsday

THE WHITE HOUSE

Pool Report #11

Mr. Bush and Latin leaders posed for photos.

Photo Op eventful.

Mr. Bush, looking fit and rested in a dark blue suit and rep tie spotted your pool lolling in the sun as he emerged from the art museum with the Latin heads of state. "You guys have it easy," he said , smiling "great declaration coming out, wait and see."

Asked wheter it would contain surprises, the President shook his head and said, "no."

Progress? "oh, yea."

Michael Wines
New York Times

POOL REPORT #10

The Drug Summit Opens

February 27, 1992

After a 10-minute motorcade trip, Bush was the first of the leaders to arrive at the McNay Art Museum, the sight of today's summit. The Museum is a turn-of-the-century Spanish style mansion, and Bush emerged from a foyer to greet each of the leaders in turn on a patio surrounded by palm trees. He seemed in good spirits, and joked with the pool and answered some questions as he waited for each of the leaders to arrive. Asked how he was feeling, Bush replied "Feeling alright." He said he has "a slight cold," but added "I'm off the medicine I was taking. It was more of an allergy, I think." Your pool tried in vain to draw him on campaign questions, including a query about a new Pat Buchanan commercial accusing Bush of having spent taxpayers money on porn. But Bush said only "Not today" when asked if he would care to comment.

Bush also declined to discuss in detail the declaration the leaders will issue later today. But he said he hoped "to just enhance the cooperation that we already have, to build on it, to build on the Cartagena Agreement." But before issuing the declaration, he noted, "We've got a few problems to work out." Asked whether Peruvian President Fujimori opposed specific drug-fighting targets, Bush said: "You'll have a chance to ask him about that."

As Mexico's Salinas arrived, and posed for a photograph with Bush, he was asked about the Free Trade Agreement. He answered, "Despues," baffling some reporters until Bush translated: "That means 'later'." Asked later however whether he was confident of reaching a free trade agreement this year Bush referred to his talks with Salinas, saying, "More so after our breakfast meeting."

As the progression of visitors continued, Bush seemed to tire of the questions and waited inside the doorway out of hearing from the pool. At one point he jokingly closed an iron grate barring the door, claiming "We have a barrier here." He emphasized however that the purpose of the Summit was "to build on cooperation that already exists. It's very good but we've got lots to do." Asked if he were disappointed that the declaration would not include specific goals, he said: "We're going to be talking about all of that. We want to be as close together as possible." But he got his revenge on his interrogators as the final leader Bolivian President Paz Zamora arrived. "It's lovely," Bush said gesturing from the Museum's patio. "No, not the people. I'm talking about the Museum."

Inside, the leaders began their first plenary session in a high-ceilinged room adorned with what appeared to be Spanish art. They sat around a round table, with Bush flanked by Baker and Martinez, with the Mexican and Ecuadoran delegations on either side. Moving clockwise around the table the delegations were positioned as follows: United States, Mexico, Peru, Venezuela, Colombia, Bolivia, and Ecuador.

Doug Jehl
Los Angeles Times

Correction to Pool Report #9

February 27, 1992

Photo Op with Venezuelan Foreign Minister

The quote in pool report #9 should read as follows: "What is best is to get a fair trade, a free trade agreement through as soon as possible."

THE WHITE HOUSE

Office of the Press Secretary
(San Antonio, Texas)

For Immediate Release

February 27, 1992

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH
FOREIGN MINISTER ARMANDO DURAN OF VENEZUELA

Marriott Rivercenter
San Antonio, Texas

8:40 A.M. CST

Q Mr. President, did you make any breakthroughs on free trade this morning?

THE PRESIDENT: No. We had good discussions on that with the President of Mexico. And we just reassured him that we want an agreement, a good agreement as soon as possible. No politics, no nothing is going to stand in the way of our doing what is right and what is best for the American people. And what's best is to get a fair trade -- free trade agreement through as soon as possible.

Q Do you think there will be one this year, Mr. President?

THE PRESIDENT: Well, we're hoping so, yes.

END

8:42 A.M. CST

Pool Report #9

February 27, 1992

Photo Op with Venezuelan Foreign Minister

As your pool entered, Bush could be heard telling the Venezuelan Foreign Minister Armando Duran to extend his regards to President Perez "Let's give him our very best, and he's been so helpful in the whole anti-narcotics effort. I'm sure you'll fill him in on the details." This time, the American delegation included Baker, Aronson, and an unidentifiable State Department official.

Asked if he had reached any "break-throughs" on trade in his earlier meeting with Salinas, Bush answered "No." But he quickly added "We had a good discussion with the President of Mexico. We just reassured him that we want an agreement, a good agreement, as soon as possible. And no politics, no nothing is going to stand in the way of our doing what is right and what is best for the American people. What is best is to get a fair trade, a free trade agreement through as soon as possible." Asked if it were possible to reach agreement this year, Bush replied, "Well, we're hoping so."

Bush later posed for a photograph with former Houston Oilers' football great Earl Campbell. The photo op took place out of your pool's sight but Michael Busch said that Campbell had given the President a football.

Doug Jehl
Los Angeles Times

POOL REPORT #8

Salinas Photo-Op

February 27, 1992

No news. Bush and Salinas were seated side-by-side in arm chairs as your pool walked in, with their aides arrayed in sofas on either side. Baker, Hills, and Scowcroft composed the American delegation. There was no breakfast in sight. The two leaders proved obliging when the press called for a handshake, but proved less obliging when a Mexican reporter asked Salinas a question in Spanish. It was studiously ignored.

As your pool walked out, Bush could be heard saying: "Well, I want to commend the Mexican delegation for staying awake through the piano music last night, which I found very restful." It was unclear whether his jest was meant to be self-deprecating, but Scowcroft seemed to take it personally. "Mr. President!" he said in mock shock.

The last words your pool could hear were Bush telling Salinas that "Barbara thought his speech was a little long but I thought it was pretty good." It was unclear who Bush was referring to.

Doug Jehl
Los Angeles Times

THE WHITE HOUSE

White House News Summary

Thursday, February 27, 1992 -- 1

2:30 P.M. CST/3:30 P.M. EST NEWS UPDATE

TRIP (San Antonio/Christopher Connell, AP) -- President Bush opened a drug summit with leaders from six Latin American nations, saying "we are united, we are resolute, we are prevailing" in the two-front war to cut Andean supply lines and curb demand for drugs in this country. But Bush, in opening remarks to the conference, also stressed: "We are here today because the job is not yet done. We have not yet won this fight."

He listed nine priorities for further action, headed by the need to reduce demand. "I know the task falls heaviest on the U.S., and we have made a good beginning," he said, citing figures of a 35% drop in cocaine users since he came to office.

(San Antonio/Jeff Franks, Reuter) -- President Bush and leaders from five Latin American nations met in a summit expected to produce greater cooperation, but break little new ground in the war on drugs. Bush, in comments to reporters while waiting to greet his Latin American counterparts, appeared to downplay the scope of the agreement they were expected to sign at the end of their meeting. The accord would "just enhance the cooperation as that already exists, to build on those Cartagena goals," he said. Other measures would include greater efforts to interdict drug trafficking aircraft on the ground, more regional centers to train anti-drug forces, further agreements to curb imports of cocaine-processing chemicals and a pledge to study the environmental impact of the drug war, The San Antonio Light said.

(San Antonio/Thomas Ferraro, UPI) -- President Bush opened a largely symbolic meeting with six Latin American leaders, saying he hoped the summit would resolve a "few problems" and "enhance the cooperation" among the assembled nations. Bush, who brushed aside pleas from South American leaders for more funding to battle drug exporters, said he hoped the summit would produce "an agreement to decide where we go from here, just enhance the cooperation that already exists." One significant policy change was reached between Colombia and the U.S., which agreed to shift U.S. financing of about \$75 million from the Colombian military to anti-narcotics police.

BUSH TAX PLAN (AP) -- The House defeated, 264-166, President Bush's short-term tax plan aimed at stimulating the economy and turned to consideration of a rival Democratic plan providing a temporary tax cut for wage earners.

GAO (AP) -- The Bush Administration appears to be setting policy through secret national security directives that are supposed to provide only guidance to top officials, congressional investigators say. The GAO said it obtained five unclassified summaries of directives issued by the NSC. Four of them established U.S. policy on such diverse issues as Soviet immigration, space, telecommunication security and sealift," GAO said.

LINE ITEM VETO (UPI) -- The Senate rejected, 54-44, legislation that would have given President Bush line item veto power over appropriations, a move that opponents said would turn Congress into a "rubber stamp" of the White House.

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MORE

- 2 -

We're seeing results. This year we've dramatically exceeded many of the goals that we'd hoped to reach, particularly in the area affecting kids like you. The national goal was to reduce casual drug use by 30 percent. It's actually fallen 63 percent. And that's something that we've all done together, and something that everyone here, the adults who are working with these kids, should be particularly proud of.

And so, I came here today to meet with Latin American leaders for coordinating our nations' efforts to combat drugs. We are going to win that fight. We had a very good meeting with all these Presidents, who were thrilled to be in San Antonio.

We want to make life better for the kids in this country. And as a nation, we have to celebrate the success stories, showing the good that is being done inspires others to get out there and do good as well.

And so we're here to honor something special -- your determination and your spirit. And you kids, and the 2,300 like you across this city, are learning very important lessons here: staying drug-free can help you make your dreams come true.

Today, in order to highlight for others the good work that you are doing here, all of you, young and old, I recognize the San Antonio Spurs Drug-Free Youth Basketball League as our nation's 705th Daily Point of Light. (Applause.) You see, you prove that no community has to accept things as they are. Drugs and other problems can be driven from our backyards if leaders in every community are like these guys -- if leaders in every community care enough to urge people to become Points of Light.

So congratulations to all of you, who show us that it's better to build children than repair adults. Keep making those hoops against all odds. And may God bless each and every one of you.

And now I would like to ask Pop -- Gregg Popovich -- to come up here and let me present him with the symbol honoring his efforts, your efforts, the team's efforts as the 705th Daily Point of Light for our whole country. You're going to set an example for many others in cities all across America. Congratulations. (Applause.)

END

5:08 P.M. CST

DATE:

February 27, 1992

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

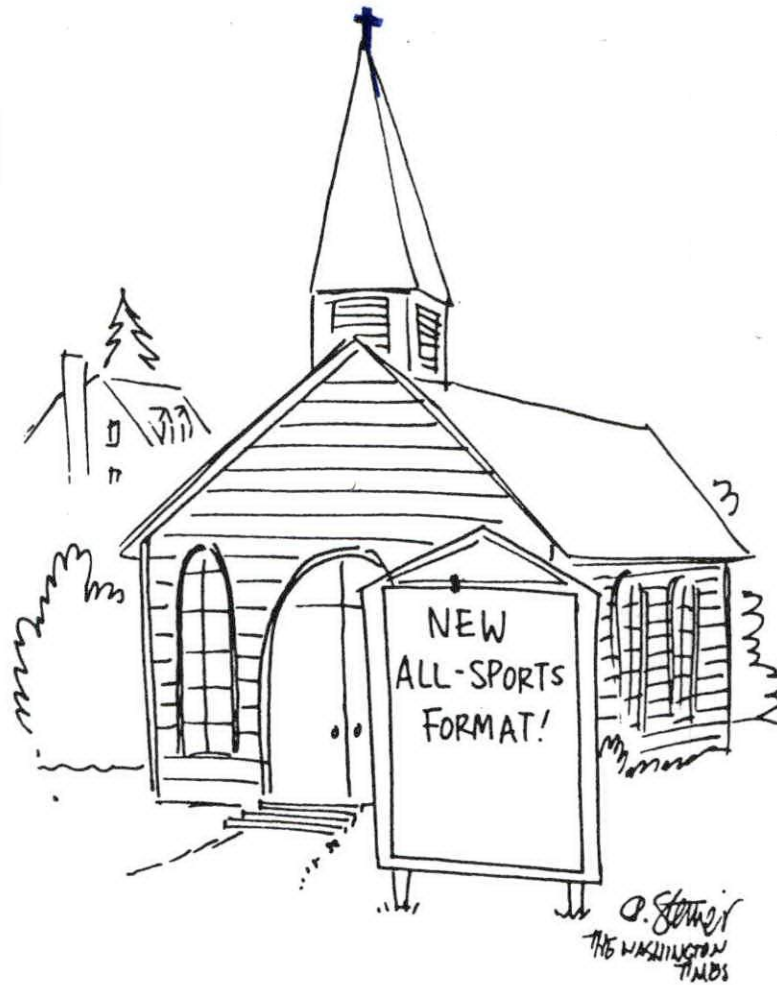
USA Today

The New York Times

Office of Media Affairs

THE DAILY NEWS CLIPS

FEBRUARY 27, 1992



THE OFFICE OF MEDIA AFFAIRS

Israelis Propose Some Self-Rule By Palestinians

By THOMAS L. FRIEDMAN
Special to The New York Times

WASHINGTON, Feb. 26 — Israel has offered the Palestinians an outline for self-rule in the West Bank and Gaza Strip that would give Palestinians control over many aspects of their daily lives, but would maintain Israel's control over security affairs and prevent the Palestinians from establishing any framework for an independent state.

The Israelis presented their draft proposals on Monday to Palestinian negotiators at the Washington peace talks, and disclosed some of the contents today. The Palestinians presented their plan for self-rule during the previous round of talks last month.

While a comparison of the two proposals shows them to be widely divergent in philosophy and substance, the fact is that for the first time ever, Israelis and Palestinians have presented each other with concrete proposals for Palestinian self-rule in the occupied territories.

Plan for Israeli Pullout

But the Palestinian autonomy proposal, titled "Model of the Palestinian Interim Self-Government Authority," appears to be basically a plan for creating an independent Palestinian state in the occupied territories because it calls for the virtual total withdrawal of Israeli forces from those areas, to be replaced by an elected Palestinian government, legislature, and judiciary.

The Israeli plan, titled "Ideas for Peaceful Coexistence During the Interim Period," appears to be basically a proposal for giving Palestinians in the occupied territories greater control over regulatory agencies and civil services while depriving them of any

Israelis Offer an Outline for Palestinian Self-Rule

Continued From Page A1

ability to lay the foundations for an independent state and avoiding any transfer of control over land, water and security from Israel to the Arabs. The Israeli plan makes no mention of elections for Palestinians.

The gap between the two proposals was so wide that Palestinian negotiators today called on the Assistant Secretary of State for Near Eastern Affairs, Edward P. Djerejian, to say that the Israeli proposal did not treat them as "human beings" with national rights. The Israelis, for their part, asserted publicly that the Palestinians were just interested in scoring propaganda points and trying to draw the Americans into the negotiations, instead of talking about the substance of the Israeli proposal.

For all their complaining, though, both sides resumed negotiations today.

According to the terms of reference of the Madrid peace conference, Israelis and Palestinians are supposed to negotiate a plan for autonomy for the Palestinians living in the West Bank and Gaza Strip, under continued Israeli rule. Two years after that plan goes into effect, they are supposed to negotiate the final status of those territories, which would be put into effect three years later.

The Israeli proposal specifies about a dozen areas where Israel is ready to transfer control to Palestinians living in the West Bank and Gaza Strip: agriculture, education and culture, budget

and taxation, health, industry, commerce and tourism, labor and social welfare, local police, courts and prisons for purely non-political criminal matters, local transportation and communication, municipal affairs and religious affairs.

The Palestinians could take over those areas from the Israeli military government and run them, but they would not have jurisdiction over the Jewish inhabitants of the territories, who would continue to be governed by their own municipalities.

For instance, the Israeli proposal states that Palestinians be granted "management of hospitals and clinics and other services related to public health." On legal matters, it says that Palestinians be given "supervision of the administrative system of local courts in the areas dealing with prosecutions and the registration of companies and partnerships."

Conspicuously absent from the Israeli proposals is the creation of a single, overall Palestinian administrative body that would integrate and supervise all of those areas, and serve as the effective Palestinian government.

Israeli officials said that they had not necessarily ruled out an overall Palestinian authority, but with Israel now in the grip of an election campaign, Prime Minister Yitzhak Shamir felt that it would be too explosive to even hint at such an idea.

For the same political reason, the Israeli proposal also avoids mentioning elections among the Palestinians to

select the administrators of the various proposed public service and regulatory bodies — even though Mr. Shamir advocated such elections in his May 1989 peace plan. The latest Israeli proposal simply says that "powers and responsibilities can be gradually delegated to the administrative organs" dealing with the different spheres of Palestinian daily life, but does not define the mechanism for doing that.

The Israeli proposal makes clear that the Palestinians are being given only responsibilities for certain aspects of life, not geographical control over a specific territory and its inhabitants.

As Mr. Shamir had indicated in recent weeks, the 10-page Israeli proposal also diverges from the autonomy program that Israel agreed to as part of the 1978 Camp David accords in several significant respects. Those accords set forth the framework for Egyptian-Israeli peace and for Palestinian self-rule.

When asked about that today, an Israeli spokesman, Yossi Gal, said the Palestinians rejected the Camp David accords in 1978 and still reject them today, so they cannot "have it both ways" and hold Israel to a document that they themselves opposed. After the signing of the Israeli-Egyptian peace treaty in 1979, Egypt and Israel tried to work out an autonomy accord for the West Bank, with Egypt talking for the Palestinians.

Rise in Settlers

In the Camp David agreement, which was worked out with American mediation, Israel agreed that after free elections for a Palestinian self-governing authority, Israel's military government in the West Bank and Gaza Strip would be abolished, "a withdrawal of Israeli armed forces will take place and there will be a redeployment of the remaining Israeli forces into specified security locations."

In addition, the Camp David accord stipulates that a "strong local police force" will be established to fill the security void created by the withdrawal of Israeli troops.

The current Israeli plan does not allow for any redeployment of Israeli forces, and retains for Israel the right to control all aspects of internal security. It stipulates that the "sole responsibility for external and internal security, as well as public order, will be that of Israel." It continues, "In the area of public order there will be a cooperation between the Israeli authorities and the local police force."

Israeli officials said that departure was because when Israel agreed to Camp David at the end of the 1970's, there were about 10,000 Jewish settlers in the West Bank, and it would have been relatively easy to redeploy Israeli forces in a way that would have cast a security umbrella over all of them.

Today, there are 110,000 Jewish settlers, spread out all over the territories, so it is no longer possible for Israel to redeploy its troops and still protect all of the Jewish residents of the area. The Israeli plan puts no re-



Hanan Ashrawi, spokeswoman for the Palestinians, arriving at session of the Middle East Peace talks yesterday in Washington.

straints on Jewish settlements, saying that is a matter for the final status negotiations.

The Palestinian plan would give Palestinians control over a distinct territorial unit and everything therein, not just civil services. The territory would consist of the West Bank, the Gaza Strip and East Jerusalem. A 180-member parliament would be elected as the Palestinian legislative authority. It would nominate a 20-member executive council and a judiciary.

"It is an entity whose authority emanates from the fact that it was elected by the Palestinian people," the Palestinian proposal says. "No outside source invests it with authority."

All "powers, responsibilities and jurisdictions" now controlled by the Israeli military government in the West Bank and Gaza Strip would be transferred to the Palestinian legislature in their plan.

Since the Palestinians would assume control over the allocation of water and the zoning of land for development, they could bring a halt, in their plan, to Jewish settlement building. The Palestinian plan is unclear about how Jewish settlers would be governed.

The Palestinian plan calls for Israeli troops to be withdrawn from populated Arab areas before the election for the Palestinian parliament and then to be redeployed "along the borders of the occupied Palestinian territories" — the West Bank, Gaza Strip and East Jerusalem — by the time the Palestinian self-governing administration takes office. Internal security would be managed by a combination of "strong local Palestinian law enforcement force" and United Nations peacekeeping troops.

High-Level U.S. Trip to Hanoi

By BARBARA CROSSETTE
Special to The New York Times

WASHINGTON, Feb. 26 — The Bush Administration is preparing to send the highest-level official delegation to Vietnam since the end of the war, led by Assistant Secretary of State Richard H. Solomon, diplomats and Congressional aides say.

The State Department declined today to comment on the reports, but an announcement of the mission is expected this week. The Administration team, which is to leave on Saturday, is apparently planning to visit Laos and Cambodia as well as Vietnam.

There is speculation in Congress that the United States may be moving toward a new phase in relations with Hanoi. Under a "road map" presented to the Vietnamese a year ago, faster progress on solving cases of missing Americans would lead to a partial relaxation in an American embargo that has frozen Vietnam out of trade and blocked assistance from the World Bank and International Monetary Fund.

The Bush Administration, which eased travel restrictions for Americans at the end of last year, has said that the next step will be to allow

American companies to set up offices and negotiate, but not sign, agreements with the Vietnamese. The oil, communications and consulting industries have been lobbying for openings, fearful that they will lose out to Japanese, Korean, Singaporean and other Asian competitors.

The final steps, not expected until after the 1992 Presidential election, would be a lifting of the embargo and the establishment of diplomatic relations.

Mr. Solomon met with the Vietnamese Deputy Foreign Minister, Le Mai, in New York in November, the first of what was described as a series of high-level meetings made possible by the peace accord on Cambodia reached in October with the help of Hanoi. In an interview after that meeting, Mr. Mai said he thought it might be possible to advance a stage this spring.

The visit of Mr. Solomon, head of the bureau of East Asian and Pacific Affairs, follows the arrival in Hanoi this week of Brig. Gen. Thomas Needham, who heads a new United States military task force on the issue of the 2,267 Americans still unaccounted for in Indochina, including 1,656 in Vietnam.

Continued on Page A8, Column 3

Democratic Free-for-All

Expectations of an Orderly Campaign Fade
As Voters Choose One Man, Then Another

By ROBIN TONER
Special to The New York Times

WASHINGTON, Feb. 26 — Forget about all the neat scripts for an orderly Democratic primary campaign, from the "Triumphant March of the Early Front-Runner," starring Bill Clinton, to the "Unstoppable Surge of the New Hampshire Underdog," featuring Paul E. Tsongas.

The voters are involved now. The plotlines are messy. And the Democratic nomination is still very much up for grabs. One sure sign was the rough new attack mounted by Senator Bob Kerrey of Nebraska in Georgia today, where he took aim at Gov. Bill Clinton's draft record and his chances against President Bush in the fall.

In the boldest attack yet to try to weaken Mr. Clinton, Mr. Kerrey said of the Arkansas Governor, "I think he's going to get opened up like a soft peanut in November of 1992." [Page A22]

New Competitiveness

South Dakota's primary on Tuesday underscored this new competitiveness. It resuscitated Senator Kerrey, who was in danger of fading fast after his sluggish performance in the earlier contests, and raised second thoughts about Mr. Tsongas, whose vote total barely broke into double digits after a week of remarkably good press from his win in New Hampshire. Coming after his squeaker of a victory in Sunday's Maine caucuses over former Gov. Edmund G. Brown Jr. of California, Mr. Tsongas's showing in South Dakota stoked the criticism that he was a one-state wonder.

And Mr. Clinton, the Arkansas Governor who was once expected to be well on his way to the nomination by now, has yet to win a primary or caucus.

Many Democrats continue to see him as the front-runner, if only because of the powerful advantage he gets from the primary schedule: In the next 12 days, contests will be held in 10 Southern or border states. With Mr. Clinton's careful cultivation of the region, and his superior financial and organizational resources, he remains formidable.

Questions Linger

Still, as the voting in South Dakota suggested, Mr. Clinton now walks under a cloud of doubts in the view of some primary voters. Surveys of voters leaving the polling places on Tuesday found that 32 percent said they were not satisfied that he had "the honesty and integrity to serve effectively as President," as against 61 percent who said they thought he had those qualities.

The accusations of marital infidelity and questions about whether he sought to avoid the draft during the Vietnam War — matters that consumed the Clinton campaign for weeks in New Hampshire — may have moved off the front pages, but they may be lingering in the public's mind.

Mr. Kerrey seems ready to probe at least some of these vulnerabilities in Georgia, where the Medal of Honor winner arrived today with a flat declaration that Mr. Clinton's draft record would be an issue in the general election.

Continued on Page A22, Column 5

Assessment

Democratic Campaign Turns into Free-for-All

Continued From Page A1

There is clearly room for a Clinton alternative in the race, but none of his rivals have fully capitalized on this opening.

Mr. Kerrey's 40 percent victory in South Dakota gives him a second chance at filling this void. The Nebraska Democrat won in a state that was as much in his backyard as New Hampshire was in Mr. Tsongas's, but it will give Mr. Kerrey his time in the spotlight, and, equally important, new credibility to raise money. Some of Mr. Kerrey's sympathizers argue that the freshman Senator, who seemed to suffer more than most for his late entry into the race, is finally hitting his stride.

Mr. Tsongas, who made an astonishing leap forward in New Hampshire, now needs all the more to prove that his victory there was no fluke. Maryland, which like Georgia votes next Tuesday, is his best opportunity to do so, in part because of its educated, upper-income suburbs, similar to those that proved to be an important part of his support in New Hampshire.

Some See Two-Man Race

Dennis Kanin, his campaign manager, contends the race for the nomination is still "a race primarily between Tsongas and Clinton with some resuscitation value in South Dakota for Kerrey."

Still, the voters will not be heard on that assessment until next Tuesday, when primaries or caucuses will be held in Colorado, Georgia, Maryland, Minnesota, Idaho, Utah and Washington.

Senator Tom Harkin of Iowa, who won his own state's caucuses but finished second in neighboring South Dakota after a weak showing in New Hampshire, indicated he was staying in the race. But life gets grim and money gets tight for candidates lagging behind at this stage.

After demonstrating with a virtual tie with Mr. Tsongas in the Maine caucuses on Sunday that an insurgent can work wonders in a caucus Mr. Brown, was far back in the single digits in South Dakota.

'Awaiting Its Defining Moment'

All of this adds up to a murky race. "It's a race that's headed toward a showdown, somewhere, I'm not sure where," said James Carville, a strategist for Mr. Clinton. "It's a race that's awaiting its defining moment. There's yet to be a primary that's not connected to a state that a candidate lives in."

Geoffrey Garin, a Democratic pollster who is uncommitted to any of the candidates, said: "The question now is, how protracted will the process be? And I'm not sure we'll have a very clear answer on that until we get to Illinois or Michigan." Those primaries, on March 17, mark the return of the race to the battlegrounds of the North.

As the race unfolds, many Democratic officials, on Capitol Hill and elsewhere, watch and worry. The talk of another candidate entering the race was suspended by New Hampshire, where Mr. Clinton scored a respectable enough second-place finish to declare himself "the comeback kid," but the fear remains that the party will produce a fragile nominee. Some worry about Mr. Tsongas's skills as a candidate, others about Mr. Clinton's baggage.

Democratic officeholders have a chronic anxiety, justified in five of the last six Presidential elections, about a

The Primary Vote

DEMOCRATS

1,010 of 1,010 precincts, 100 percent of the vote counted.

Kerrey	23,974	40%
Harkin	15,153	25
Clinton	11,421	19
Tsongas	5,756	10
Brown	2,304	4
Others	1,286	2

REPUBLICANS

1,010 of 1,010 precincts, 100 percent of the vote counted.

Bush	30,948	69%
Uncommitted	13,716	31

Clinton has weakened, but no one has gained from that, yet.

drag at the top of the ticket. But this year, there is an added edge of frustration, because Mr. Bush seems so vulnerable to so many Democrats.

"There's great news coming from the Republican side of the ledger," said a Democratic House member, who spoke on condition that he not be identified, "but not great news coming from the Democratic side of the ledger."

Louisiana G.O.P. Chairman Picks Buchanan Over Bush

NEW ORLEANS, Feb. 26 (Reuters) — Patrick J. Buchanan's challenge to President Bush today picked up its first endorsement from a state Republican Party chairman.

In a surprise announcement at the opening of Mr. Buchanan's state headquarters in suburban Kenner, the chairman of the Louisiana party, William Nungesser, said, "If we don't stand behind Pat Buchanan, we will lose the true conservative legacy of Ronald Reagan."

"George Bush has let the conservative line that separates us from the Democrats cloud over, and if that doesn't stop, we will lose the gains we have made in Louisiana and this country."

While Mr. Nungesser is the first state Republican chairman to endorse Mr. Buchanan publicly, he said others feel the way he does.

"I call on them to stand up for our philosophy and we can win this thing with a real conservative Republican," Mr. Nungesser said.

The 1992 Campaign

"I think he's going to get opened up like a soft peanut in November of 1992." SEN. BOB KERREY

Democrats

Kerrey Brings Vietnam Issue to Georgia

By ALESSANDRA STANLEY
Special to The New York Times

ATLANTA, Feb. 26 — Senator Bob Kerrey marched into Georgia today and brought the Vietnam War with him. "I tell you today," he said, "Bill Clinton should not be the nominee of the party because he will not be able to win."

Speaking at Spelman College in Atlanta, fresh from his victory in South Dakota, Mr. Kerrey, who won the Medal of Honor in Vietnam, said Mr. Clinton's avoidance of the draft in 1969 would be an issue in the general election. "This is a truth that is largely unspoken, but it is almost universally believed by those who have been through this kind of thing before."

The Nebraska Senator did not refer to Mr. Clinton's decision not to serve in Vietnam directly in his speech. He didn't need to. He was introduced by State Representative Mabel Thomas of Georgia, who said, "We want a President to be Commander in Chief, not commander in chicken."

This was the boldest attack yet by Senator Kerrey to try to weaken Mr. Clinton, who as Governor of Arkansas is expected to do well in the South, and seemed designed to get some attention and political capital in Georgia.

'A Soft Peanut in November'

At a news conference afterwards, flanked by half a dozen veterans wearing garrison caps, Mr. Kerrey elaborated on his views. He said of Mr. Clinton, "I think he's going to get opened up like a soft peanut in November of 1992." Though Mr. Kerrey said the Republicans would enflame the issue, he said he, too, had problems with Mr. Clinton's explanations on why he chose not to serve.

"There is an apparent unwillingness

to accept responsibility for a decision that was apparently based on conscience," Mr. Kerrey said. "I quibble with a decision that was premeditatedly designed to further a political career, even then."

For the first time today another Democratic aspirant, former Senator Paul E. Tsongas of Massachusetts, sounded critical of Mr. Clinton, a man he says he has developed a firm friendship with during the campaign.

Some 'Electability' Problems

Clearly still angered over the remarks a week ago of Gov. Zell Miller of Georgia, a Clinton supporter, that Mr. Tsongas would lead the Democrats "back down that well worn path of defeat," Mr. Tsongas said for the first time that he might have to attack Mr. Clinton on the character issue.

A bold attack on Clinton by a decorated war hero.

Asked about whether the Arkansas problems with character would make him less likely to be "electable," Mr. Tsongas said tartly: "We all have our electability problems. I'm not as telegraphic as I should be, and he has his."

Mr. Clinton, campaigning in Colorado this evening, initially brushed aside questions about Senator Kerrey's remarks, but later issued a hastily written response to reporters:

"I don't know which Bob Kerrey I

should respond to, the Bob Kerrey who repeatedly told the people of New Hampshire that he did not want this issue discussed or the Bob Kerrey who is trying to tell the people of Georgia that this is an issue today," the Clinton statement said.

"It shows that Bob Kerrey and his political consultants have a caricature image of Southerners," the statement continued. "They think something that is not a worthy issue in New Hampshire can be made into an issue in Georgia. That's an insult to Southern voters."

Sharp Distinction Drawn

Mr. Kerrey, in a sharp response to questions about what distinctions he drew between himself and Mr. Clinton since he, too, opposed the war after his return, said: "Let me tell you where I go over the edge on this, it's this issue. It should not surprise anyone to discover that it was the men and women who went to Vietnam who suffered, and they particularly suffered when they came home. And all of a sudden in this campaign, all the sympathy is flowing to somebody who didn't go."

In New Hampshire, Mr. Kerrey veered back and forth about making an issue of Mr. Clinton's efforts to avoid the draft during the Vietnam War. Georgia, a state with a sizeable number of war veterans and people serving in the armed forces, is also a state where Mr. Clinton has wide support, a strong organization and a lot of money.

Mr. Kerrey, who has little of any of that, decided to play his strongest suit. "Imagine the general election debate," Mr. Kerrey said in an interview shortly before delivering his speech: "Bob Kerrey, a Vietnam veteran,

against George Bush, a veteran of World War II; a businessman who created jobs against a man from inherited wealth. Clinton will have to explain for himself what he is going to do in the general election."

A Survival Strategy

For the time being, Mr. Kerrey must explain how he expects to stay in the race until the fall. Before South Dakota, he and his advisers spoke in gloomy, vague terms about "survival." After his victory in the South Dakota primary

on Tuesday they settled on a more muscular-sounding strategy that they call "delegate accrual."

Kerrey aides said they did not expect to win in such closely watched primaries as Georgia, Florida and Maryland, but that they will try to pick off as many delegates in as many states as they can through "Super Tuesday" on March 10. Under a change in the Democratic Party rules, no primaries are winner-take-all; delegates are awarded on a proportional basis to candidates who reach a threshold of 15 per-

cent of the vote.

In April the Kerrey campaign hopes to have raised enough money and support to win primaries in New York, Pennsylvania and Wisconsin. "Those are our battleground states," said Tad Devine, Mr. Kerrey's campaign manager. "That's where we fight to win."

It is a survival strategy based in part on the hope that either Mr. Clinton or Mr. Tsongas will stumble along the way and leave Mr. Kerrey an opportunity to establish himself as a credible, and more electable, alternative.



Senator Bob Kerrey talking to reporters yesterday after giving a speech at Spelman College in Atlanta.

The Youngest, Cruellest Justice

Only four months after taking his oath as a Justice, Clarence Thomas finds himself rebuked by a seven-member majority of the Rehnquist Court for disregarding humane standards of decency. The withering reprimand, included in the Supreme Court's majority opinion in a prison case Tuesday, is this:

To deny, as the dissent does, the difference between punching a prisoner in the face and serving him unappetizing food is to ignore the concepts of dignity, civilized standards, humanity, and decency that animate the Eighth Amendment.

The Eighth Amendment forbids cruel and unusual punishments. Only Justices Thomas and Antonin Scalia refused to apply it to the case of Keith Hudson, a Louisiana prisoner who was shackled and beaten by two guards while their supervisor watched, warning them only against having "too much fun."

The two dissenters likened the case to prisoner gripes about inconveniences behind bars. They contended that since the prisoner suffered only a split lip, loosened teeth and a broken dental plate, he had no constitutional complaint. They chided Justice Sandra Day O'Connor's majority opinion for turning the Bill of Rights into "a national code of prison regulation."

The seven Justices are joined by prison reform-

ers, human rights groups and the Bush Administration's Department of Justice in recognizing that this case turned on "contemporary standards of decency." They know it is indisputably cruel when prison guards add brutally and recklessly to legally prescribed punishment. They know it is up to the courts to make sure such conduct remains unusual as well.

The Thomas dissent would be alarming coming from any justice. Coming from him, it rings also with crashing disappointment.

He is, for one thing, the youngest Justice. He might well serve until the year 2030 or beyond. Although his voting record now is identical only to that of Justice Scalia, he could attract enough support from future appointees to move the Court still further to the right.

A second disappointment concerns hope. Justice Thomas rose from poverty and discrimination in Pin Point, Ga., and his nomination won support from prominent people sure he would bring to the Court the understanding bred of hardship. Indeed, he testified poignantly about watching busloads of prisoners from his window. "I say to myself almost every day, there but for the grace of God go I," he told senators eager to believe him.

As a Justice, Clarence Thomas doesn't talk that way anymore.

Don't Rush to Deploy ABM's

When Iraqi Scuds began slamming into Israel and Saudi Arabia, they sent a shudder through Americans. How long would a new nuclear-armed Iraq take to build missiles capable of reaching the United States? Sensing the anxiety, Congress wants to deploy anti-missile defenses on the ground, starting in 1996.

But why rush into a costly deployment when U.S. intelligence indicates that the danger from renegade third world nations is still on the distant horizon? Further research is surely justified, but there is no compelling reason now to install anti-missile defenses.

True, such defenses could also offer some protection against an accidental or unauthorized launch of missiles from Russia. But the quicker, cheaper way to reduce that risk is to negotiate deep cuts in offensive missiles and take the rest off hair-trigger alert. Once that is done, the U.S. could try to work out ways to deploy defenses in cooperation with Moscow.

Limited anti-missile defenses could protect the nation against only some dangers. They could detect a few ICBM's traveling over the North Pole and destroy them with ground-based anti-missile missiles. But far more elaborate and expensive defenses would be needed to protect against missiles launched from a submarine offshore. And such defenses would be useless against airplanes or cruise missiles, or against bombs smuggled into the U.S. in a suitcase.

Buying antiballistic missiles is like buying insurance against lightning but not against fire or theft. And even limited ABM defenses would cost

billions more than any other Pentagon program in history.

If Washington nevertheless decides that defenses are worth the price, it will need Moscow's consent. That's because an effective limited defense can work only against a minimal offense. That requires deep cuts in missiles. But Moscow might balk at such cuts because defenses could negate the retaliatory capability of remaining offenses, endangering deterrence.

Hard-liners in Washington want to take advantage of Moscow's weakness and deploy defenses unilaterally. But nothing would revive Moscow's military-industrial complex or restore hard-line rule quicker than such a threat.

Some Star Wars enthusiasts see in recent statements by Boris Yeltsin, the Russian President, a willingness to cooperate on defenses. He called for the U.S. and Russia "to develop, then create and jointly operate a global defense system."

But their excitement seems premature. Mr. Yeltsin's idea of cooperation is much more comprehensive than anything Washington seems ready to embrace. Strategic Defense Initiative officials have expressed interest in buying critical technologies from the Russians. But the Administration has yet to allow the sale even of personal computers to Russia, never mind sharing S.D.I. technology, subsidizing Russia's protection or consulting over use of its own ABM's.

Mr. Yeltsin was also careful to insist that any defensive system "strengthen stability against a background of sharp cuts in strategic offensive arms." That condition won't be easy to satisfy. But by deploying ABM's without satisfying it, Washington will endanger, not defend, the peace.

Republicans vs. Democracy in New York

Confronted with a chilling new round of ballot warfare, Saul Weprin, Speaker of the New York State Assembly, is moving to restore democracy and common sense. Mr. Weprin, a Democrat, has introduced legislation to insure a place on the state's April 7 Presidential primary ballot for all the major contenders.

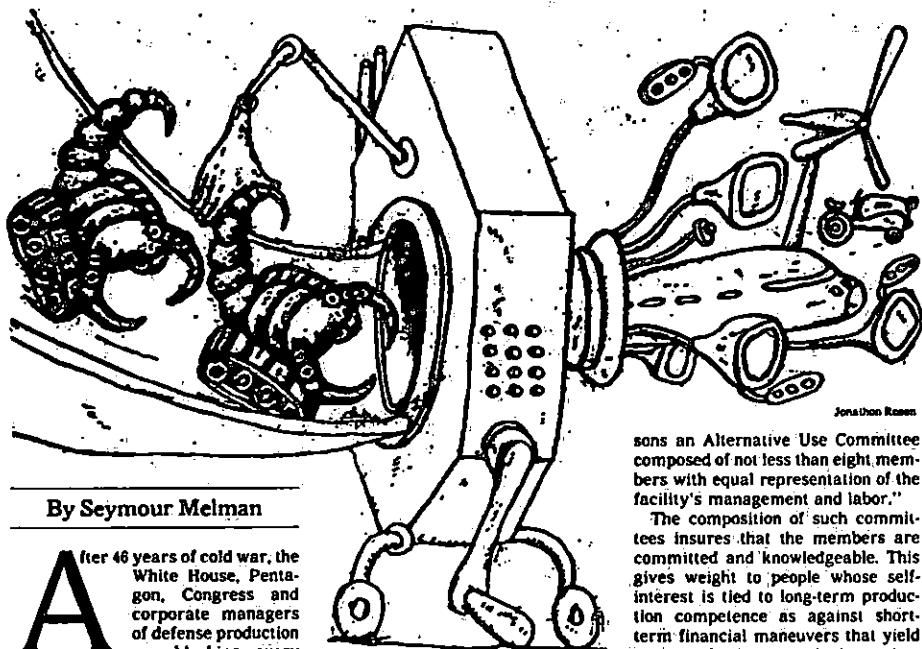
That would spare New York a national embarrassment. Legal challenges brought by the fringe New Alliance Party to enforce the state's nitpicking petition rules threaten to keep Paul Tsongas and Jerry Brown off the Democratic ballot. And the New York Republican primary has been canceled because Patrick Buchanan, up against a state party controlled by President Bush, didn't even

bother to file the petition signatures he collected.

Yet the Republican Ralph Marino, the Senate majority leader, continues to defend this dismal state of affairs. To change the rules now, he argues, would be unfair to the candidates who fared better with their petitions. But that ignores the unfairness to voters, who lose the chance to hear the principal contenders offer their views in the context of New York's problems.

It may be too much to ask that Mr. Marino, a Bush supporter, look past partisanship to give Mr. Buchanan access to New York's Republican voters. But he should at least be able to support a compromise that allows the state's Democratic Party the chance for a fair Presidential primary.

Shaping a Civilian Economy



By Seymour Melman

After 46 years of cold war, the White House, Pentagon, Congress and corporate managers of defense production are blocking every proposal for planning conversion to a civilian economy. Federal and corporate managers fear a loss of decision-making power. Congress fears the disruption of political arrangements that enable members to bring income and jobs to their constituents.

This avoidance of planning for conversion blocks debate on the policy and finances needed to repair America's industry and infrastructure.

Major contractors like General Dynamics, Lockheed and United Technologies have begun large-scale layoffs. United is cutting its workforce by 14,000, with 6,400 from its Connecticut plants. The company's jet engine orders dropped from 700 in 1982 to 50 this year. Over the next six years, under President Bush's plans, 1.3 million people will lose jobs in defense industry and the military services.

At the close of World War II, U.S. planning for "reconversion" to a civilian economy was already in place. On April 28, 1943, David Prince, a General Electric vice president, wrote the War Production Board, "The very least time during which a new product can be conceived, models made and tested and pilot plant production initiated is of the order of two years." With only a few months' notice of the war's end, he said, "We will find ourselves with a great many people whom we would like to put to

Seymour Melman is chairman of the National Commission for Economic Conversion and Disarmament.

**Military cuts
call for a plan,
not a polemic.**

work." This would be delayed two years "unless some... preliminary steps are taken." They were. Planning for reconversion was made national policy as companies, unions and government named officials to spur the program. For most companies, reconversion meant resuming the work interrupted by the war.

During the cold war, corporate and Federal defense managers and engineers trained in the Pentagon's cost-maximizing practices, the obverse of industrial efficiency. For them conversion means an end to subsidies as well as retraining for unfamiliar cost-minimizing skills and the technologies of civilian products.

Conversion requires essential preparations: the planning must be ordered by law, done in advance and done locally in each defense factory, laboratory and military base.

The cornerstone of the comprehensive conversion law proposed by Representative Ted Weiss, Democrat of New York, is this provision: "There shall be established at every defense facility employing at least 100 per-

sons an Alternative Use Committee composed of not less than eight members with equal representation of the facility's management and labor."

The composition of such committees insures that the members are committed and knowledgeable. This gives weight to people whose self-interest is tied to long-term production competence as against short-term financial maneuvers that yield quick profits but degrade the production competence of an industry.

David Prince's judgment that planning must be done in advance is confirmed by ordinary industrial experience. This involves selecting new products, estimating their market, retraining employees, altering the organization of production and redesigning plant facilities.

Bases are convertible to industrial parks, schools, hospitals, airports and recreational facilities. In military laboratories, the scientific staffs must match their knowledge with society's technological needs like renewable energy resources and preventing pollution. The first-hand knowledge possessed by defense company employees is essential for conversion. Thus, conversion must be done locally; no remote central office can possess the necessary knowledge of people, facilities and surroundings.

What can converted factories produce? Products we now buy abroad such as machine tools, electric locomotives, farm machinery, oilfield equipment and consumer electronics. Besides, the modernizing of America's infrastructure will require construction machinery and capital goods of many kinds.

In sum, conversion is crucial to creating a full-employment, productive U.S. economy.

Comeback Coming

WILLIAM SAFIRE

WASHINGTON
To the question on the cover of U.S. News — "How Weak Is Bush?" — G.O.P. voters of South Dakota replied: weaker than any sitting Republican President since Hoover. With nobody else on the ballot, Mr. Bush was actively disdained by one-third of his own party's voters. That's not weakness; that's decrepitude.

Here's the comeback scenario:

1. *The Unilateral Tax Cut.* Mr. Bush proposed cutting the capital gains tax by half. Democrats have called this helping the rich at the expense of the poor; they see class war when what is really being waged is generational war: cutting taxes on property profits helps older people, who have more unrealized profits, versus younger people, who earn more but vote less.

When the Democrats pass a tax bill that reduces middle-class taxes a pittance and soaks the rich, Mr. Bush will veto it and campaign against raising anybody's taxes.

Then, on March 20, the "deadline" he gave Congress for a signable bill, he will zing in a smart bomb. He will reduce capital gains taxes the Presidential way — by unilaterally adjusting the cost basis of computing profits.

The President has the power, by penstroke, to adjust for inflation the cost of a taxpayer's property. Done prospectively, it would be a nice incentive to invest in companies or buy property; done retroactively, indexation would slash taxes of longtime

How Bush can beat decrepitude.

homeowners beyond the present \$125,000 exemption, and would induce holders of stock to sell, re-invest and pay the reduced tax.

As Democrats confuse voters with tax jiggering that goes nowhere, Mr. Bush would say "no new taxes" and take credit for having cut capital gains taxes by himself. While Democrats prattle about the middle class, Republicans deliver results to the middle-aged.

As a result, no election-year tax bill will be enacted, which is fine: the recession will be ended by low interest rates and the huge deficit stimulus now in place. Thus will sheer

demagoguery be the handmaiden of sound policy.

2. *Bracketing the Democratic Convention.* A President has this political weapon: the ability to use his schedule to dominate the news.

In early July, he will focus our attention on his use of foreign clout to create domestic jobs. Japan's Miyazawa will pay a state visit, concessions in hand. Then they go off together to the economic summit in Munich, where our major trading partners will want to help their friend George get re-elected.

Then comes the Democratic Convention in New York, with highlights-only coverage by the broadcast networks, bracketed the following week by an all-stops-out state visit by Boris Yeltsin to sign the historic S.D.I. Cooperation Agreement. (A follow-up with Ukraine's President Kravchuk would help shore up ethnic New Jersey if the visitor promises to forget Mr. Bush's infamous "Chicken Kiev" speech.)

Democratic Convention? What convention?

3. *The Springtime Surprise.* Iraq's Saddam Hussein is the bone in Mr. Bush's throat, gaining strength for a bloody comeback as a gulf power. Libya's Muammar el-Qaddafi is building mass-destruction facilities as he harbors his killer terrorists.

And the North Korean dictator Kim Il Sung, we are warned by our Director of Central Intelligence (who does not want to repeat the agency's mistake in Iraq), is only a few months away from producing a nuclear bomb. We cannot expose our 39,500 troops in South Korea to a nuclear strike; if plutonium production at Yongbyon is not stopped, either we take our troops out, or take out the new threat they face.

Does it strain credulity to suggest that at least one of these three dictators is going to get zapped? I think not. Certainly the ground is being prepared by the White House for decisive action to end threats of mass destruction. That non-political purpose is serious, but the political fallout cannot be overlooked.

How weak is Bush?

If he feels he must raise some taxes to mollify Congress; if he fritters away his power to control the summer calendar, and if his stern warnings to three dictators about threatening the peace turn out to be empty posturing — then, and only then, would President Bush reveal himself too weak to deserve re-election.

Why Frohnmayer Lost U.S. Arts Post

By WILLIAM H. HONAN

Shortly before the news broke last Friday that President Bush had deposed John E. Frohnmayer as head of the National Endowment for the Arts, Mr. Frohnmayer had discreetly begun looking for another job. One of the places where he applied was the Washington law firm of Dickstein, Shapiro & Morin. It seemed a good bet. His elder brother, David, the former Attorney General of Oregon, once had been a roommate of one of the partners.

Mr. Frohnmayer offered his services as "an arts advocate and First Amendment lawyer," a source at the law firm said. He did not get a job offer, but Mr. Frohnmayer's characterization of his professional interests was revealing. The First Amendment is a field in which he had specialized before coming to Washington two and a half years ago, but, according to his own self-description in the Martindale-Hubbell law directory, "arts advocate" would be something new for his practice.

This change provides a clue to the inner thoughts of a very private man, a suggestion as to where he went wrong and a lesson on the nature of one of the trickiest jobs in Washington today.

Shifting Under the Pressures

Throughout most of his tenure, Mr. Frohnmayer was anything but an arts advocate. He repeatedly overruled the decisions of grant-making peer panels, only to reverse himself on several occasions. Artists were shocked and angered in June 1990 when he acknowledged (although he later denied) that "political realities" had motivated his veto of four grant recommendations, and again when he insisted that grant recipients sign a pledge that they would not use Federal money to create obscene or blasphemous works.

It was only in recent months that he became a fervent advocate of artists and began to treat the peer-panel grant recommendations as sacred. Last November, for example, he told a small group of reporters with evident pride that he had approved grants for two of the four sexually explicit performance artists who were then suing the endowment for having canceled their earlier grants.

Asked to explain this decision by Leonard Garment, a former special consultant on arts policy to President Richard M. Nixon and an occasional adviser to the Bush Administration, Mr. Frohnmayer said he thought the chairman of the endowment should keep hands off the judgments of peer panels and the National Council on the Arts, the 22-member body that advises the endowment chairman, unless a recommendation "met a quasi-judicial standard of clear and convincing error."

The next day, Mr. Garment said in a recent interview, he learned that the endowment had been flooded with calls from Capitol Hill asking, in effect, "Has the chairman lost his mind?"

"I had tried to explain to Frohnmayer," Mr. Garment said, "that his real constituency was not the artists but the President, Congress and the public. But he held to his view."

Mr. Frohnmayer had heard this argument before. Kevin V. Mulcahy, an associate professor of political sci-

ence at Louisiana State University and a co-author of the book "Public Policy and the Arts," made the point when testifying before a Presidential commission on arts policy. It would be wrong for the arts endowment to become an advocate of artists, said Professor Mulcahy, just as it would be wrong for the Department of Defense to allow national security policy to become "the exclusive preserve of defense contractors."

The analogy may not be perfect, but it seems more than a few observers of Federal cultural patronage that Mr. Frohnmayer's fatal mistake was not his high-minded defense of free expression but rather his failure to grasp who his true constituency was, thus infuriating and ultimately alienating his natural allies in the White House, on Capitol Hill and on the Presidentially appointed National Council on the Arts. His being attacked last week by Patrick J. Buchanan, the President's conservative challenger, was thus only the torpedo-

A crucial lesson: The patrons are the masters.

ing of a ship whose decks were already awash.

So what is needed in Mr. Frohnmayer's stead at a time when artists are increasingly in-your-face confrontational, and the body politic is both financially straitened and politically splintered? The answer, according to some cultural officials and observers, is less advocacy for those intent on poking tax dollars into the eyes of taxpayers and more for the patrons who foot the bill.

But how can a new chairman (or acting chairman) become an advocate for the patron without seeming a puppet, a high-handed culture czar or a plain Philistine? It has been a thorny question throughout the history of the endowment, but never so much as today. Last Sunday on "This Week" with David Brinkley, on ABC, Sam Donaldson, Cokie Roberts, George Will and Mr. Brinkley — newscasters who represent a range of political opinion — all surprisingly agreed that the arts endowment was a dead horse.

But others have proposed a number of ways for the arts endowment to become a truly enlightened advocate for the patron. One suggestion comes from State Senator Roy Goodman, a New York Republican and a member of the National Council on the Arts. Pointing to the fact that the most recent legislation to reauthorize the arts agency has greatly increased the power of the council, Mr. Goodman observed that it had begun — for the first time in a good many years — to exercise this new strength when it rejected two deliberately provocative applications at its most recent meeting earlier this month.

"That wasn't censorship," said Senator Goodman. "It was the action of a mature council that no longer sees itself as mandated by Congress to be a rubber stamp."

Isaac Stern, who served on the first National Council on the Arts in 1965, made a similar point about the job of the chairman. "He must know the society he serves," he said.

Abroad at Home ANTHONY LEWIS

The Hunt For Red October

BOSTON

It was last October when the country heard the charge that Clarence Thomas had sexually harassed Anita Hill. The Senate confirmed Justice Thomas, and he is sitting on the Supreme Court. But the issue is still being pursued, in a way destructive of our political system.

This week a Senate special counsel questioned Nina Totenberg of National Public Radio, who first broadcast a report of Professor Hill's charge. Two weeks ago the counsel, Peter E. Fleming, questioned the print reporter who broke the story, Timothy Phelps of Newsday.

The two reporters refused to answer questions about where they got their stories. They had promised anonymity to their sources, and they had to keep their promises. To have done otherwise would have been to betray their professions and themselves.

The reporters also claimed that the First Amendment's guarantee of free speech and press protected them from having to name their sources. The Supreme Court has held that reporters must respond when grand juries subpoena them to testify about crimes they have witnessed. I think that decision was correct, but the First Amendment claim is stronger here.

The central meaning of the First Amendment is that all of us — citizens, not just journalists — have the right to speak freely about governmental issues. And what could be a more important issue than the one

The Anita Hill leak is still being pursued, destructively.

these reporters were covering, the fitness of a nominee for a lifetime position on the Supreme Court?

Moreover, the public interest on the other side of the balance — the interest in forcing testimony — is weak in this case. No one claims that a crime was committed when the news of Professor Hill's charge was published.

Congress Advised to Limit Bailout Funds

By STEPHEN LABATON

Special to The New York Times

WASHINGTON, Feb. 26 — The General Accounting Office advised Congress today to reject the Bush Administration's request for an immediate \$55 billion to complete the savings and loan bailout, saying Federal regulators were unable to keep track of the billions of dollars in assets they now oversee.

Shortly before Treasury Secretary Nicholas F. Brady conveyed the Administration's request to the Senate Banking Committee, G.A.O. officials recommended that Congress instead offer just enough to continue the bailout until the spring of next year. They cautioned that granting the full amount would make the Administration less accountable to Congress.

The recommendation by the accounting office, an investigative arm of Congress, came in response to questioning from members of the House Banking Committee's Subcommittee on Financial Institutions and is expected to carry considerable weight on Capitol Hill.

It provides another justification for vote against legislation that the Administration contends could be enough to complete the bailout program. Congress has struggled four times in little more than a year with

Republicans on the Senate Judiciary Committee blustered about disclosure of "an F.B.I. report." Ms. Totenberg punctured that canard in her testimony this week. She had obtained not an F.B.I. report but a copy of a sworn statement given by Professor Hill to the committee: a document with no legal claim to secrecy.

The investigation is being conducted, at the Republicans' demand, to find out who leaked the fact that Professor Hill had made her charge. To state the reason is to explode it. Investigate a leak in Washington? One might as well investigate why the sun rises in the East.

The serious question is why the Judiciary Committee — in particular its chairman, Senator Joseph Biden — tried to sweep the Hill charge under the rug. The possibility that a Supreme Court nominee who had had the job of preventing sex discrimination in fact practiced it demanded airing. Only the leak prevented its suppression.

Everyone knows the real reason for the investigation. Conservative Republicans were furious that the committee held its highly publicized hearings on Professor Hill's charge. Winning, as they did, was not enough. They wanted revenge.

The revenge is not just the special counsel's leak investigation. The lunatic right around the country is spreading the tale that there was a conspiracy among Professor Hill and other individuals and interest groups to sabotage the Thomas nomination.

Reporters can stand up to this misbegotten hunt for villains easily enough. They know that in the end Orrin Hatch and Arlen Specter are not likely to be silly enough to try to put them in prison.

But the effect on the political process is worrying. The investigation and the right-wing propaganda are designed to terrorize the Judiciary Committee staff and all the citizens and groups who had the nerve — and the constitutional right — to oppose the Thomas nomination.

We are familiar with such intimidation. At another time it was called McCarthyism. There are no Reds this time, but there is still the attempt to paint legitimate political differences as subversive conspiracy. By any name it is ugly. Senator Hatch knows better, and he ought to call it off.

The right really should be content with having Justice Thomas on the bench. In dissent this week he suggested that the Eighth Amendment's ban on cruel and unusual punishment had nothing to do with the way convicts are treated in prison, however brutally or maliciously. He was joined only by Justice Scalia. The Bush Administration had urged the Court to do what the majority did: uphold an assaulted prisoner's Eighth Amendment claim. □

the financing issue, in each case paring down or rejecting the Administration's financing requests. Since the summer of 1989 it has provided \$105 billion.

Lawmakers Express Doubts

A number of lawmakers in the House and the Senate expressed serious doubts about the Administration's latest request after the accounting agency said in a report that the Resolution Trust Corporation had remained unable to monitor thousands of contractors and subcontractors and keep track of billions of dollars in loans, real estate and other assets seized from failed institutions. "I don't see any fundamental reform in the process," said Representative Kweisi Mfume, Democrat of Maryland.

In a separate report, the inspector general of Resolution Trust said today that its investigation had found significant violations in the accounting project commissioned by the agency to try to get a handle on the mysterious disappearance of \$1 million in assets from its Denver office.

The \$20 million accounting project was supposed to figure out the reason for \$7 billion in discrepancies between the books of failed institutions before and after they were seized in the spring of 1990.

The inspector general found that

hundreds of auditors hired by the trust corporation never did any work, and that officials violated Federal regulations by breaking the contract into 92 parts in an attempt to get around Federal procurement rules. As for the \$7 billion discrepancy, investigators are still trying to determine whether there was fraud or merely ineptitude.

The case has quickly become the latest symbol in Washington of incompetence and waste by the trust corporation. Its operations have been in such disarray that the G.A.O. says it has been unable to carry out its required annual audit of the agency. Donald W. Riegle Jr., the Michigan Democrat who heads the Senate Banking Committee, said the failure to audit the agency adequately would make it difficult for Congress to provide new money.

Testifying on behalf of the G.A.O., Richard L. Fogel, an Assistant Comptroller General, did not give the House Banking Committee's Subcommittee on Financial Institutions a specific sum that could keep Resolution Trust in business through the spring.

But Albert V. Casey, the president and chief executive of Resolution Trust, said Congress could get the agency through March 1993 by providing \$25 billion more and changing a deadline in the current law.

Greenspan Backed for Another Term

By STEVEN GREENHOUSE

Special to The New York Times

WASHINGTON, Feb. 26 — Despite the complaints of many senators that the Federal Reserve had moved too slowly to end the recession, the Senate Banking Committee voted overwhelmingly today to confirm Alan Greenspan to a second four-year term as chairman of the central bank.

The vote was 20 to 1, with Senator Alfonse M. D'Amato, Republican of New York, casting the vote against.

"I have been continually asking the Fed to lower rates," Mr. D'Amato told reporters as senators entered the committee's hearing room to cast their votes. "They should have been lowered long ago. There has been a lot of unneces-

sary pain."

Mr. D'Amato said that while the Fed had cut interest rates, though less aggressively than he would have liked, the central bank had failed to end the tight credit situation in which banks have been reluctant to lend.

"The intended result, to make credit available, has not happened," Mr. D'Amato said. "That has been failure by the regulators and the Federal Reserve. This is my way of sending a message."

The full Senate still has to vote on reconfirming Mr. Greenspan, and committee officials said no date had yet been set for the vote.

Today's Senate Banking Committee vote was also to confirm the Fed chairman to his first full 14-year term on the Federal Reserve Board.

On Tuesday, Mr. Greenspan told the committee that the Fed's interest rate cuts were starting to work and that a recovery should begin in the second quarter.

The Banking Committee's chairman, Donald W. Riegle Jr., Democrat of Michigan, voted to confirm Mr. Greenspan. When the Fed chairman testified before the committee Tuesday, Mr. Riegle said regarding Mr. Greenspan's reconfirmation: "If there were a public referendum," the people "might well vote you out, deservedly or not, and the Fed out because they don't see the policies working. Our obligation is to have policies that work, not policies that might work or policies that, you know, given enough time and patience, have the chance of working."

In the House, Taxes and Posturing

By ADAM CLYMER

Special to The New York Times

WASHINGTON, Feb. 26 — The election campaign came to the floor of the House of Representatives today as both parties used their tax bills to argue about who cared most about the middle class and who wanted to stimulate economic growth.

Republicans argued for President Bush's short-term agenda, featuring a reduction of taxes on capital gains

to 15.4 percent from 28, as a measure that would produce more jobs. "It will put Americans back to work and preserve the jobs of Americans already working," said Representative Bill Archer of Texas.

Democrats maintained that their bill, with a tax credit of up to \$400 a year for working couples, was essential to make the tax code fairer and help the middle class. "Vote for the working men and women of this country," maintained Representative Butler Derrick of South Carolina.

Back and Forth

Each side spent at least as much energy attacking the other proposal as defending its own.

Republicans said the tax increases in the Democratic bill would retard or prevent economic recovery.

"Democrats destroy jobs," said Representative Robert S. Walker, Republican of Pennsylvania. The second-ranking House Republican, Representative Newt Gingrich of Georgia, said Democrats were hoping the recession could be prolonged so their candidates could prosper.

Democrats argued that the Republicans only wanted to help the rich and were foolish to think that cutting their taxes would lead them to create jobs.

"The President tells the middle class to wait for the trickle-down to start," said Representative Dan Rostenkowski, the Illinois Democrat who heads the Ways and Means Committee. But, he said, "after a full decade of waiting, they're not even damp."

Senate Action Tuesday

Today was the day for debate, largely political and only incidentally economic, and no important votes were scheduled to be held before Thursday. Mr. Bush's plan is sure to be defeated and the Democratic alternative is very likely to be adopted.

The Senate Finance Committee is scheduled to begin trying to write a bill of its own next Tuesday. Senator Lloyd Bentsen, the Texas Democrat who heads that committee, said today that he would seek to raise individual income taxes, though not as much as the House bill does, to pay for a tax

credit for children.

Because President Bush has insisted he will veto any bill that includes an increase in tax rates, and the Democrats have made that a price for a change in capital gains taxes, there is doubt on Capitol Hill that any new tax provisions will become law this year.

But before the question of whether a bill will become law is joined, the House has to finish with the measure. Democrats expect to pass it, although they have to contend with attacks from their own ranks that their capital gains proposal goes too far in helping the rich, and by others who say both bills are political stunts.

"Either one is certain to make things worse in the long run," contended Representative Anthony C. Beilenson, Democrat of California. And Representative Jim Cooper, Democrat of Tennessee, commented, "Pollsters wrote these bills, not businessmen or economists."

A Gephardt Proposal

The only vote taken today came on a political stunt, a version of President Bush's overall tax proposal introduced by the Democratic floor leader, Representative Richard A. Gephardt of Missouri.

The Gephardt bill omitted the spending cuts in areas like Medicare and tax increases on such difficult areas as annuities, which Mr. Bush had proposed to pay for changes like an increase in tax exemptions for children. He introduced it to show that hardly anyone would back the sum of Mr. Bush's proposals, and the House made his point today, voting the bill down 427 to 1.

The political point of the Democratic measure was underscored today when the Democratic Congressional Campaign Committee announced that it was going to start running television ads advocating its middle class tax cut in states with Presidential primaries coming up in the next few weeks.

The ads show men in tuxedos, more or less passed out, while a voice proclaims: "In the 1980's, Republicans threw a big party. Only the rich were invited."

Bush May Back Renewed Elephant Hunting

By KEITH SCHNEIDER
Special to The New York Times

WASHINGTON, Feb. 26 — A week before the United States and 111 other nations are to meet in Japan to consider protections for endangered animals and plants, the Bush Administration said today that it was sympathetic to a proposal by South Africa and other African nations to relax protections and open international trading in elephant hides and meat.

John F. Turner, director of the Federal Fish and Wildlife Service, said the United States was awaiting the report of an international panel of scientists studying elephant populations in Africa

before a final decision would be made about allowing what he called "limited" hunting of one of the world's most admired and endangered animals.

Mr. Turner, the head of the United States delegation to the international conference in Japan, said that killing adult elephants in the "healthy" elephant herds in southern Africa for their hides and meat would give the animals both an economic value and a larger political constituency for managing herds that are now competing with impoverished people for habitat, water, and other resources.

The Administration's view was attacked today by 30 Senators and wild-

life groups as an embarrassing weakening of America's leadership in world conservation efforts.

They said the African elephant herd, which has declined from 2.5 million animals in 1970 to roughly 350,000, was going the way of the American bison unless a total ban on international trade in elephant parts, including ivory, was preserved.

In a letter to President Bush that was signed by 25 Democrats and five Republicans, Senators said any relaxation of restrictions on trading elephant parts would again make thousands of elephants targets of poachers seeking ivory instead of hides. "Ivory

smuggling was rampant before the current ban and the reopening of 'limited' trade would serve to rekindle the widespread poaching and smuggling problems," the letter said.

Steven Goldstein, the spokesman for the Department of the Interior, said today that allowing hunting in southern Africa would not affect the Administration's ban on importing ivory into the United States. "The President and the Secretary strongly support the continuation of a ban on all ivory trade," Mr. Goldstein said.

The dispute over preserving African elephants is likely to be the most contentious that the 112 nations that are signatories to the Convention on International Trade in Endangered Species of Wild Fauna and Flora will grapple with next week. The treaty sets protections for roughly 3,000 species of ani-

U.S. and Colombia Expand Police's Role in Drug Battle

By JOSEPH B. TREASTER
Special to The New York Times

SAN ANTONIO, Tex., Feb. 26 — In a shift in strategy in the drug war, the United States and Colombia have agreed that Colombia's army will no longer play a major role in pursuing traffickers, officials of both countries said today.

On the opening day of a seven-nation, anti-drug summit meeting, it was not clear whether it was the United States or Colombia that first requested the policy change, which redirects \$75 million in United States assistance from Colombia's army to its police.

But over the last three years the United States sharply increased military aid to Colombia and Bolivia, the source of much of the world's cocaine, and pressed the countries, along with neighboring Peru, to expand the army role in the drug war.

Officials from Bolivia said today they were also moving to withdraw their army from the drug war.

A Question of Trust

In the past the South American countries explained their reluctance to involve their armies more fully in the drug war by saying they feared that armies strengthened with anti-drug money might threaten civilian governments. Human rights groups have criticized funneling anti-drug aid to the armies because of their histories of abuse.

In a statement today, the United States Embassy in Bogotá said Washington had decided to stop financing the army because the money was being used to fight guerrillas rather than drug traffickers.

But Colombian officials here said that about a month ago, they asked Washington to stop financing the army and instead to give the \$75 million to the anti-narcotics police. An Administration official here said most of the money would, indeed, go to the police.

Police Working Harder

"I don't know who initiated these talks," the Administration official said, "but both sides agreed the program needed to be adjusted. The fact is, the money is not going to the army because the army wasn't working on drugs. The police were, and their tempo has increased dramatically."

President Bush arrived here early this afternoon for a banquet this evening with the presidents of Colombia, Bolivia, Peru, Ecuador and Mexico and a delegation from Venezuela. He had been campaigning in California and will continue campaigning in Texas after five hours of meetings with the South American leaders on Thursday.

A White House official said the seven countries, at the insistence of Peru, had agreed to abandon a plan to set specific

goals for reducing drug production, cultivation and consumption.

One proposal had called for a 50 percent reduction in coca production by 2000. But, the official said, President Alberto Fujimori of Peru had argued that a cut of that magnitude could not be achieved without serious disruption to an already weak economy.

Gustavo Fernandez, chief of staff of the cabinet of President Jaime Paz Zamora of Bolivia, said in an interview here that his country was requesting that \$70 million the United States had designated for the army for 1992-93 be used instead to help the country's hundreds of thousands of coca farmers move into legitimate crops.

The Administration official said the United States was "willing to entertain adjustments in various aid accounts," in Bolivia. "But there has to be an effective plan," he said. "We do not believe that alternative development alone is an effective tool to eliminate drug trafficking."

A White House official said it was likely the United States would agree to set up police training centers on combating drug trafficking and money laundering, and that a seven-nation delegation would go to Europe and Asia to seek financial support of the anti-drug efforts. Both Europe and Asia face growing imports of cocaine.

Points of Contention

The United States has portrayed the meeting here as further evidence of cooperation by Latin American countries with Washington. But Latin American officials and American drug experts say the South American countries have developed increasingly independent positions in the drug war.

Several United States proposals for extended military activity in South American were rejected at a preparatory meeting earlier this month in Quito, Ecuador.

Furthermore, drug experts point out that Colombia has refused to extradite traffickers, and that both Colombia and Bolivia have accepted plea bargains from leading traffickers under which surrender is followed by lenient sentences.

Bruce M. Bagley, a specialist on drug trafficking and Latin America at the University of Miami, noted that Washington had opposed plea bargaining with the traffickers but that the plea bargains had greatly reduced violence in Colombia.

"But the overriding reality is that more drugs are coming in," he said. "To improve the situation, we're going to have to move away from the supply side and military tactics to a stronger focus on demand in this country."

mals and 30,000 species of plants and the 11-day conference that begins on Tuesday in Kyoto, Japan, is the eighth since the treaty was signed in 1973.

Top officials of several Federal environmental agencies, who insisted on anonymity, said today that they did not understand why the Administration appeared to be ready to support a weakening of a ban on trading in elephant parts that President Bush personally helped to establish.

In June 1989, Mr. Bush responded to growing concern over the steady loss of African elephants by announcing a ban on ivory imports to the United States. At a meeting in October that year in Switzerland, the Convention of International Trade in Endangered Species agreed to ban ivory trade by designating the African elephant as an Appendix I species, meaning all trade in any

elephant parts was banned.

Last year, six southern African nations — South Africa, Zimbabwe, Botswana, Zambia, Namibia and Malawi — proposed relaxing the protections for elephants by changing the animal's designation to Appendix II, which would allow trade in elephant parts, including ivory. Zambia has since withdrawn from the proposal and environmentalists say Malawi may be reconsidering its position.

Environmental groups described the plan to relax the ban on trading in elephant hides as a "subterfuge."

"It's totally irresponsible," said Dr. William J. Clark, a field biologist for Friends of Animals, an environmental group based in Norwalk, Conn. "Elephants are endangered and they need every protection the world can give them."

With All Its Complaints and Defiance, Detroit Still Relies Greatly on Japan

Continued From Page A1

and G.M., which owns a stake in Isuzu Motors. Among the Big Three, only the Ford Motor Company uses its Japanese partner, Mazda Motor, to make cars for sale to Japanese consumers rather than for export to America.

Without question, the cars Japanese makers produce for the Big Three account for a significant part of the American market. Last year Japanese cars accounted for a bit more than 30 percent of the American market, up from 27.8 percent the year before. But if you include autos made for G.M. and Chrysler here, and at Japanese or joint-venture "transplants" in America, the true Japanese market share exceeded 36 percent. In one way, the figure is even higher: by some estimates the Japanese share of retail auto sales in America — excluding Detroit's sales to the car rental fleets — is close to 50 percent.

What makes the Mitsubishi-Chrysler

Detroit makes little effort to sell its Japan-made cars in Japan.

arrangement particularly noteworthy, though, is that by Chrysler's own description it has been an overwhelming success. "The Stealth is one of our hottest cars, even in a depressed market," said Luis Franco, who heads Chrysler International's liaison office here.

"Obviously, we are very happy with Mitsubishi as a supplier and partner," he added. (Mitsubishi also provides competition to Chrysler in the United States, offering a nearly identical car to the Stealth, the Mitsubishi 3000 GT, at American Mitsubishi dealers.)

Still, Mitsubishi's executives openly

cringe at Mr. Iacocca's oratory, and in a subtle way they have begun to fight back. In recent weeks, Mitsubishi's top American officer, Richard D. Recchia, formerly of Chrysler, has done what other Japanese auto makers have been loath to try: he has taken Mr. Iacocca head on. The conflict between the two has stepped up since Mr. Iacocca, returning from Tokyo, declared that America was being transformed into an exploited colony, exporting raw materials to Japan, and buying back expensive manufactured goods.

Attracting Attention

When Mr. Recchia told the National Automobile Dealers Association recently that anti-Japanese feeling in Detroit has "reached down to tap latent racial prejudice," his comments were prominently reported here. So was his contention that legislation to limit Japan's American market presence proposed by Richard A. Gephardt of Missouri, the House majority leader, and Senator Donald W. Riegle, Democrat of Michigan, would cost thousands of American jobs and "perpetuate fundamental problems in the U.S. economy."

"I can't help but believe that the emotional response we see today is in some way attributable to comments from politicians and U.S. executives following that trip," he said to the dealers who met for their annual convention in Dallas.

A senior Japanese executive of Mitsubishi said of Mr. Recchia: "He is saying aloud what we can't say. It means a lot more coming from an American than from one of us." But others are not so sure. "It never helps to argue back," one senior executive at Toyota said recently.

For Chrysler, the Nagoya plant may be a place to learn some important manufacturing lessons. Though the plant itself is among Mitsubishi Motors' oldest, it has been tooled to place

many different models on the same production line, an idea that General Motors and others in Detroit want to copy. Mitsubishi intersperses production of Chrysler's Stealth with Mitsubishi's own new luxury car, the \$25,000 Diamante.

More important, the robots that do much of the assembly work reconfigure themselves automatically to put the steering wheel on the left side of one car, the right side of the next. A chart on the wall shows that even now, with the plant operating well below capacity, productivity gains are im-

Amid tough talk on Japan, a hot Chrysler car is made in Nagoya.

pressive. In the last year, the number of worker-hours required to produce a car has decreased by 15 percent. And many of the workers are not typical Japanese auto assemblers: 300 of the plant's 2,600 workers are Brazilians of Japanese ancestry, brought here to reduce the severe shortage of workers willing to do the dirty, noisy job of making cars.

One Sensitive Issue

One problem the plant's workers are hesitant to talk about is the internationally sensitive issue of auto parts. A walk through the plant suggested that an overwhelming number of components going into the Dodge Stealth are not American. Mitsubishi officials say, however, that they do buy catalytic converters, wheels, glass, carpeting and air bags from the United States.

Chrysler also supplies the plant by shipping transmissions to Nagoya for pickup trucks. With little prompting, though, quality-control managers here volunteer that there are frequent quality problems with the shipments. In some batches, 1 percent of the transmissions are defective.

"When we go back to the United States and raise the issue," one engineer said, "the message comes back that they think 1 percent defect ratios are normal. Here, 1 percent is a big, big problem."

The solution? Mitsubishi installs the Chrysler transmissions only in the trucks it ships back to Chrysler; Japanese models get a Japanese transmission. Officially, the company says that the arrangement makes sense because it would be difficult to get a Chrysler transmission serviced in Japan.

Indeed, Chrysler's presence in Japan is minuscule. Last year it sold roughly 1,000 cars here, the worst sales record of any of the Big Three, and even far behind Honda of America, which shipped thousands of its American-made Accords to Japanese showrooms.

A List of Obstacles

Mr. Iacocca, during his trip with President Bush, argued that the numbers were so low because of the tremendous cost of meeting Japanese technical specifications, passing Japanese car inspections, and shipping cars from America to Japan. On the surface, it would seem as if the Nagoya plant would offer an easy solution: The plant is already tooled to produce cars for the Japanese market, even with the steering wheel on the right side. But in Nagoya you cannot buy a Nagoya-made Chrysler.

Mr. Franco said that Mitsubishi and Chrysler had periodically discussed such an arrangement, but neither side had taken the conversation very far. "You have to remember, we have only

been selling here since 1987," he said. "It is still pretty early." Moreover, he said, it would make little sense to put a Stealth and its Mitsubishi equivalent sold in Japan, the GTO, in the same showroom. "That would have nothing going for it," he said.

Ford, of course, has taken that course, selling cars produced for it by Mazda at dealerships called Autorama, partly owned by Ford. It sells about 70,000 units a year. But Chrysler and General Motors, in an argument that often seems a bit circular, say it makes no sense to invest in new dealerships until they first sell some more cars here.

India Is Cited by U.S. On Patent Protection

WASHINGTON, Feb. 26 (Reuters)

— The United States trade representative, Carla A. Hills, cited India today for lack of adequate patent protections and said she might take retaliatory trade action.

But Mrs. Hills said in a statement that she would decide whether to take action after giving India time to change its position.

A senior American trade official who insisted on anonymity said that while patent issues between the two countries remained unresolved, India had met American requests for improved copyright and trademark protection and for lifting import quotas and distribution restrictions on foreign films. India has announced a series of measures in recent months to protect foreign investment and inventions.

The United States action today followed a nine-month investigation and negotiations with Indian authorities.

A Defiant Detroit Still Depends on Japan

By DAVID E. SANGER

Special to The New York Times

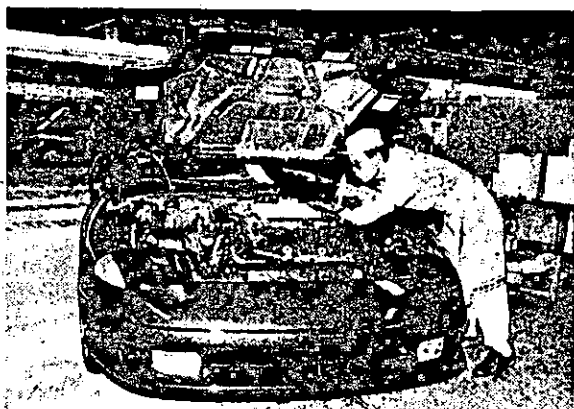
NAGOYA, Japan — When Lee A. Iacocca, the outspoken chairman of the Chrysler Corporation, demands that America take a stand against Japanese car imports surely he must not be talking about car No. 11AMRXML2D19W-C06, which rolled off the line here the other day.

The car was produced by teams of Japanese workers all wearing neat uniforms with "Mitsubishi Motors" emblazoned on the back. But the sporty, bright red model is a Dodge Stealth, made by Mitsubishi, and sold in America starting at about \$17,000. And the only thing that makes it seem American is the word "Dodge" etched in the front bumper. Mr. Iacocca made no mention of Mitsubishi's Nagoya plant when he visited Japan with President Bush in January, and these days people at the plant say as little as possible about Mr. Iacocca.

Confused Feelings

"We feel a little funny about him," Kozo Naruse, the deputy general manager, conceded the other day, shaking his head. "Here he is talking about keeping Japanese cars out of America, and every day we come to work and make very good Chryslers."

As a "buy American" movement in the United States provokes continuing confusion about what



Kenneth E. Sanger for The New York Times

A Dodge Stealth being built at Mitsubishi plant in Nagoya, Japan.

constitutes the more American car — is it better to buy a Honda made in Ohio, or a Ford mini-van also produced in Ohio in a joint venture with Nissan? — there is little question about the national origin of the 164,352 vehicles produced in Japan last year and sold as Chryslers, Dodges and Chevrolets. They are thoroughly Japanese.

But the fact that they keep pouring off the production lines headed for American dealerships says a lot about the Big Three's continuing dependence on Japanese manu-

facturing at a time when, for example, the General Motors Corporation is announcing plant closings and the layoffs of thousands of workers.

Moreover, many analysts point out, the Japanese production raises questions about how an obvious opportunity to break into the Japanese auto market has been largely squandered by Chrysler, which owns nearly 11 percent of the Mitsubishi Motors Corporation

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Tax Time in the House

THURSDAY, FEBRUARY 27, 1992

The Washington Post

THE RIVAL tax bills on which the House will be asked to vote today are all bumperstickers-in-waiting that by reducing federal revenue would likely do more long-term harm than good, and their supporters know it. They themselves will tell you—many of them—that they back the bills only to save political face, or to embarrass the other party or for fear of confessing in an election year that they have forfeited the leverage to affect a weak economy. The president is as guilty of playing the shallow game as are any of the Democrats. The great implicit message is that the public is either too self-absorbed to care or too easily fooled to understand. The posturing is an expression of political contempt on the part of both parties—for the voters.

The parties are saying what they always seem to say in an election year: They can, too, be all things to all men without increasing the deficit. The Democrats do it by sequencing the benefits they would grant; they would make the groups whose support they seek take turns. First would come a broadly defined middle class; the Democrats would finance their bill by raising tax rates on the rich, and for the first two years use the proceeds in the name of fairness to help defray a break for 80 percent of the population in the form of a progressive credit against regressive Social Security taxes. Then that would stop—the successor Congress, presumably less enamored of fairness and reelection, would be called upon to let the credit lapse—and the flow would switch in the name of growth to a slow-developing cut in the capital gains tax.

When fully effective beyond the five-year period to which the budget rules apply, that would be about as generous (and marginally useful in stimulating the economy) as the gains cut the Democrats have made an industry of denouncing the president for proposing. As with his proposal, by the way, some 80 percent of the billions a year in benefit from them would go to the highest-

income 2 or 3 percent of all taxpayers. They'd be paying for their own tax break; in the end, which is to say, after abandoning the cherished middle class, the Democrats' proposal is circular, a nullity in both fiscal and distributional terms. A few old-fashioned Democrats would rather narrow the gains cut, narrow the middle-class benefit as well by limiting it to needier families and, having made it affordable, make it permanent. That would be a lasting accomplishment but less glitzy, and the party regulars won't hear of it.

The Republicans are if anything worse. They would put their gains cut first, along with a couple of costly temporary stimulative measures. They'd pay for the package by ignoring its long-range cost while claiming short-term savings from an accounting device that, if the Democrats tried it, the Office of Management and Budget would rightly laugh out of court. In the name of increasing savings and investment they would increase the deficit and reduce national savings. They say they would give a middle-class tax cut in a later bill that would be financed in part by cuts in Medicare and other domestic spending programs that not even most Republicans would likely support. In the alternative they offer to finance it with defense cuts—but that too would shrink the tax base and force domestic cuts in turn. Not even the president has been willing to say where such cuts might occur. There are already \$12 billion in unspecified domestic spending cuts in his budget for fiscal 1994 and 1995; they're to be identified after the election.

The problem is the deficit. Both parties spent too much of the revenue of the 1990s in the 1980s; now they have no room to maneuver. The great need is to replenish the Treasury, not to deplete it. A country facing a \$400 billion deficit and enormous unmet social needs can't afford a tax cut. These unhelpful bills are ridiculous on their face; the House should vote them down.

Isabel Sawhill and Mark Condon

Bidding War—or Growth?

Now that the president and the House Democrats have both produced tax packages, the political bidding war has begun. What is being auctioned off is the country's economic future. But it is not too late to call a truce. With Paul Tsongas's victory in New Hampshire, there are even signs that the public is beginning to understand that tax cuts are no cure for the nation's ills. What the country needs is more growth. What it will get if current proposals are enacted is just the opposite.

The problem is that slow economic growth is not something people can see. Its costs accrue over many years, like a slowly growing tumor, while the costs of other problems such as the recession and growing income inequality are more immediate and visible. To stop the election-year bidding war will require convincing votes that long-term growth is more important to their living standards than the recession and must even take precedence over the issue of tax fairness.

Let's look at the effects of each of these three problems—slow growth, recession and growing inequality—on the average American family. The current recession has imposed an undeniable burden on most families. If the economy had not slipped into a recession in the fourth quarter of 1990, disposable personal income would have been about \$80 billion higher in 1991. On average, this represents \$1,000 in lost income to each family in the United States. Some families lose more than this; others less. A well-designed and timely anti-recession package can limit or cushion these losses. It cannot eliminate them.

The increasing inequality of income since the early 1970s has also hurt all but the wealthiest Americans. The share of income accruing to the richest fifth of

American families grew from 43.7 to 47.1 percent between 1973 and 1989. This seemingly small increase in the richest fifth's share of the economic pie amounted to about \$100 billion in 1990. If the federal government, through its tax and benefit programs, were to redistribute this income more evenly, each family outside of the top fifth would have received about \$1,800 of extra income in 1990.

Though these figures are far from trivial, they are dwarfed by the costs of the stagnant productivity growth that has plagued the nation since the early 1970s. Between 1973 and 1990, the hourly output of an American worker grew only 0.7 percent per year. This is a snail's pace compared with the 2.5 percent annual growth that took place between 1948 and 1973. If worker productivity—the basic determinant of wages—had continued to grow at the same rate after 1973 as it did before, the typical family's income in 1990 would have been \$47,600 instead of \$35,300.

Although these estimates are rough, they are of the right magnitude. They suggest that proposals to provide short-term stimulus and middle-class tax cuts are misguided. The same resources would be better used to improve the long-term performance of the economy. We believe fairness is important no matter what the long-term rate of growth, but it requires targeting assistance on the country's neediest citizens, not the middle class. And using any new revenues collected from the wealthy to fund a small tax cut spread across the rest of the population is a waste of resources that could otherwise be devoted to more pressing problems.

Especially egregious are current proposals that would, in the name of growth, have the opposite effect. More favorable tax treatment for capital gains,

for IRAs and for the real estate industry would inefficiently reshuffle the nation's scarce pool of saving toward tax-preferred forms. Worse, these measures would simultaneously bloat the long-term deficit, requiring the government to borrow more and reducing the supply of saving available for private investment. Make no mistake about it. These are special-interest or politically motivated proposals parading under the banner of growth. If enacted, they will reduce, not improve, long-term living standards.

The election-year bidding war may win some votes, but it mortgages our future. A more responsible approach is to develop an economic package focused on growth. What should such a package include? Although no one is entirely sure why productivity growth has slowed so dramatically, low investment and saving rates are the primary suspects. We have an opportunity to use a modest peace dividend and any new revenues for two worthy objectives: deficit reduction and productivity-enhancing public investments including spending on infrastructure, research, training, education and programs for children. Although deficit reduction and increased public investment cannot be expected to produce miracles, we don't need a miracle to improve long-term living standards. If we can raise productivity growth a modest one-half of one percent per year, the average family can expect to earn an extra \$2,000 more per year by the year 2000. And that makes a \$400 tax cut today seem like a pittance.

Isabel Sawhill is a senior fellow and Mark Condon a research assistant at the Urban Institute.

\$399 BILLION AND COUNTING

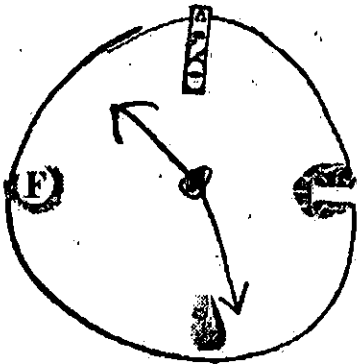
President Bush recently proposed to take out a \$399 billion loan to help pay for federal spending in fiscal 1992—a step that would put the nation further in hock for the biggest deficit the world has ever known—and most of the country yawned.

It is often said, especially in Washington, that people don't appreciate the difference between a million and a billion. If that's true, they certainly don't have much of a grasp of 399 billion—of anything, let alone valuable objects like dollars.

Just how big is 399 billion? If it doesn't seem to be much in money, how about that other valuable commodity, time?

Imagine the units as seconds ticking on the clock. One million seconds flits by in a mere 11½ days. One billion seconds is a thousand times longer—31.7 years. And 399 billion seconds is 12,652 years—roughly the time it's been since prehistoric peoples first gave up hunting and gathering and learned to plant crops.

So, 399 billion is a big number. What if you're counting dollars



instead of seconds? What if the government borrowed all that money but instead of spending it on the budget, simply gave \$1 million apiece to the poorest people in the country? There would be 399,000 instant millionaires. Or, if the money were spread more widely, there would be enough to give each of the 33.6 million Americans living below the official "poverty line" nearly \$12,000 each—a step that would instantly eliminate all poverty in the United States, at least as officially defined.

But that's not very realistic. So instead, let's say a financial angel comes through and offers to pay off the entire federal deficit for this year in \$1 bills. How long would it take to count his contribution?

Laying down the bills at a rate of \$1 per second and working 24 hours a day with not a wink of sleep or even one federal holiday, it would take one person 12,652 years (the same, obviously, as 399 billion seconds). That's about how long it's been since the last Ice Age.

Of course, if you wanted to get the job done faster, you could enlist all 5.1 million federal employees including military personnel and postal workers (more people, incidentally, than there are in any of 35 states or, for that matter, 66 countries) and divide the job equally among them. Counting the entire federal deficit one dollar at a time in this way would still take nearly 22 hours. But, of course, because the average federal worker puts in shorter days than that, the job would run about 3 workdays.

Then there would be the job of transporting all those dollar bills to

the Treasury. If you packed Bush's 1992 deficit—in the form of \$1 bills—into 50-foot-long boxcars, you could get about \$63.5 million into each car. The train would have 6,299 boxcars and be 66 miles long.

It would be a pretty heavy load—399 billion dollar bills would weigh about 439,000 tons.

Even if you met the proposed deficit by loading the boxcars with \$100 bills, you'd still need 63 boxcars.

But, of course, no financial angel is likely to come forward. So let's imagine that one typical American family decides to devote itself to paying this year's deficit.

The median family income in this country is about \$34,000 a year. If that family gave every penny to the government, it would not be able to retire for 11.7 million years. (Of course, with no money to spend on itself, the family might not last that long.) In other words, to eliminate this year's deficit, that selfless family would have had to start contributing its entire before-taxes income back in the Miocene. That's the geological epoch when the separate land masses of Africa, Arabia and Asia drifted into contact.

So, that's not too realistic either. Let's say corporate America decided to spare "the little guy" the burden and altruistically liquidated its assets to pay off this year's deficit. Starting with the biggest U.S. corporation (in terms of the total market value of its stock), and working down, the following companies would have to turn over their total assets: Exxon, General Electric, IBM, AT&T, Philip Morris, Merck & Co., Coca-Cola Co., Bristol-Myers Squibb and E. I. du Pont de Nemours.

Not likely. Which brings us to the old standby of illustrating big numbers—laying dollar bills end to end. How far would they reach?

One million dollar bills would stretch about 96.7 miles, enough to go around the Beltway 1½ times. One billion dollar bills would, of course, go a thousand times as far—96,700 miles, enough to go around the Earth four times. So what about 399 billion greenbacks? They'd reach more than 38.5 million miles. That's about 1,600 times around the Earth or, along a less monotonous route, Bush's deficit would be more than enough to reach from Earth's orbit to that of Venus.

Because it would be hard to keep all those bills lined up, it might make more sense simply to stack them. The stack would be 27,000 miles high. Make the stack out of \$1,000 bills instead and you'd still have an appreciable 27-mile-high measure of the administration's proposed deficit for 1992.

Michael Kinsley

Arts and Craft

George Bush as a performance artist.

There's nothing important George Bush knew about John Frohnmayer the day he fired him, Feb. 20, that he didn't already know the day he hired Frohnmayer 2½ years ago. And indeed, the unceremonious dumping of the chairman of the Arts Endowment tells us nothing we didn't already know about George Bush. But it's a timely reminder.

In 1989, when Frohnmayer was appointed, Bush was just beginning his presidency. He had won the 1988 election with a remarkable exercise of hateful demagoguery, but now he was eager to show that the real George Bush was classier than that.

Politics, to George Bush, is performance art. Not unlike the notorious Karen Finley, he had smeared himself with symbolic excrement. Now the performance was over, and he wanted a shower.

So he picked John Frohnmayer, a high-minded Oregon lawyer and certified artsy type, to head the controversial National Endowment for the Arts. And Frohnmayer did exactly what Bush wanted. He threaded the needle between right-wing arts bashers and the arts establishment. His tenure was not always an exercise in principle, but it was a moderate Republican's earnest approximation. It was, in short, George Bush's presidency on its best behavior.

Frohnmayer doled out his courage in wisely calibrated amounts. But any dose of political courage is apparently intolerable to George Bush in election season. With Pat Buchanan on the stump denouncing the Arts Endowment as "the upholstered playpen of the arts-and-crafts auxiliary of the Eastern liberal establishment," Frohnmayer had to go.

The rise and fall of John Frohnmayer is thus a metaphor for George Bush as a person and as a president. He knows what's right, and he'll do it—if there's no reason not to. He sincerely wants to be virtuous. He just doesn't want it very badly. If it's a choice between virtue and something else he wants, like reelection, virtue is the first to go.

Bush doesn't even have the courage of his lack of convictions. Look at the snakey way he let Frohnmayer go: pretending he had quit, praising his "integrity and decency," but adding that "some of the art funded by the NEA does not have my enthusiastic approval." What an artfully qualified remark. Give that man a grant. But does Bush share Buchanan's disapproval of Frohnmayer's NEA, or does he not? Don't ask.

In a country with real problems, this question of arts subsidies plays an absurdly overblown role in the public debate. For the Rev. Donald Wildmons and Sen. Jesse Helms, it's a valuable "hot button" issue to use in direct-mail fund-raising. For them, and for a presidential candidate like Buchanan, it's junk-food populism: a high-calorie, low-nutrition substitute for serious politics. To hear Helms and Buchanan, you

would think that a large part of the federal deficit could be eliminated if we would only stop paying people to take pictures of themselves with a bullwhip up their rectums.

Even some longtime supporters of government arts subsidies are starting to wonder if these battles are worth it. Other rich countries manage to subsidize the arts far more generously than we do without much fuss. But maybe our political culture just isn't up to it.

From a liberal point of view, the case for government arts subsidies is not without flaws. The typical customer of the subsidized arts—museums, opera, public television etc.—is more affluent than the typical taxpayer. Movies, baseball games and rock concerts get no government subsidy. Why should the customers of these entertainments help to finance the entertainments of those who are, on average, better heeled than themselves? And the preening self-righteousness of the arts crowd can get on your nerves, as they insist on this subsidy as a kind of right. There is something irksome about people wanting to be a counterculture on the majority's nickel.

On the other hand, much of the art we treasure from past centuries—paintings, cathedrals, most classical music, even some of Shakespeare's plays—was created under government (or official church) sponsorship. If our democratic society is going to produce similar gifts for future generations—not to mention our own—we probably need some institutional substitute for the commissioning function of kings and cardinals. The NEA is it.

Furthermore, there is no way to subsidize the creation of new art (as opposed to repeat performances of Beethoven's Ninth Symphony again) without subsidizing art that gives offense to someone. The latest fuss is typical in that the actual connection between the offensive material and the NEA is indirect. The fuss concerns a single passage in a single poem in a single publication of a group that received a whopping \$5,000 NEA grant for general purposes. To expect the NEA to inspect and warrant the purity of every product of a grantee of a grantee is absurd. To expect politicians to show a bit of backbone when these fusses are raised is not absurd, but if the politicians aren't up to that, we might as well forget the whole exercise.

Supporters of arts subsidies often make the mistake of defending any item a Helms or a Wildmon attacks. That is foolish. Not only is it inevitable that an arts agency will subsidize works that are offensive to a minority. It is inevitable that the agency will sometimes find itself subsidizing works that are rightly offensive to the majority of people—on moral grounds or on political grounds or simply as bad art. Arts funding is not a science. If the majority itself isn't prepared to shrug off a few genuine mistakes every year, then it isn't ready to be in the arts subsidy business.

Aspin Seeks to Double Bush's Defense Cuts

House Democratic Leaders Likely to Agree

By John Lancaster
Washington Post Staff Writer

House Armed Services Committee Chairman Les Aspin (D-Wis.) yesterday proposed to cut the 1993 defense budget by about twice the amount called for by President Bush, a position likely to be adopted by the House Democratic leadership.

Aspin recommended 1993 defense cuts of \$12 to \$15 billion in a letter to Rep. Leon Panetta (D-Calif.), chairman of the House Budget Committee, who will include the thrust of the recommendation in his proposal today on the overall size of the 1993 federal budget, according to a well-placed source. Panetta's budget proposal, though non-binding, reflects his consultations with key Democratic lawmakers and will carry considerable weight in the House.

The \$12 billion to \$15 billion figure is roughly twice the \$7 billion

savings that President Bush outlined last month in his revised, \$281 billion defense spending plan for 1993. Bush said in his State of the Union address that with the collapse of the Soviet Union, the nation could achieve overall defense savings of \$43 billion between now and 1997.

But momentum is building in the House for much deeper cuts. Aspin, who has called for a "threat-based" approach to sizing the defense budget, in recent weeks has outlined four different force structures, each tailored to specific war scenarios. The five-year savings associated with each ranged from \$38 billion to \$231 billion.

This week, Aspin indicated his support for an option that would reduce the armed forces to nine active Army divisions, 10 active Air Force tactical fighter wings, 360 Navy ships and 1.4 million troops, for an overall savings of \$91 billion. Aspin said that option would allow the nation, if ever necessary, to

fight another Persian Gulf war, assist South Korea in repelling an invasion by North Korea and support "a simultaneous third contingency" similar to, say, the 1989 invasion of Panama.

The administration's plan calls for reducing the armed forces to a "base force" of 12 active Army divisions, 15 active fighter wings, a 450-ship Navy and 1.6 million troops.

Aspin's proposal has been endorsed by House Speaker Thomas S. Foley (D-Wash.), who told reporters Tuesday: "I think it will definitely be part of our budget next week. I support his position."

Despite Foley's endorsement, Aspin's proposal is by no means the final word on the subject of defense spending, which also will be determined by the Senate. Aspin's counterpart in the Senate, Sam Nunn (D-Ga.), has yet to offer his response to the president's plan.

Aspin noted in his letter to Panetta that the \$12 billion to \$15 billion in his proposal does not preclude the possibility of even deeper cuts in force structure if dictated by world events. But in a nod to lawmakers whose districts rise and fall on national defense budgets, he also warned against cutting too deeply. "This year, more than any in the recent past, there will be real pain, including pink slips, associated with cutting defense," he said.

Jim Hoagland

Why Pick a Fight With Canada?

What is 2.5 percent among friends? Enough to ignite a nasty trade dispute that undermines Canada's stumbling Conservative government and the chances for a North American Free Trade Area.

Aiming at Japan, the U.S. Customs Service has sent an arrow straight into the heart of the Free Trade Agreement between the United States and Canada that was to be the cornerstone of a continental free-trade zone covering Canada, Mexico and the United States. The arrow is a customs ruling charging duty on Hondas made in Canada despite the U.S.-Canada agreement.

Add that feat of misguided marksmanship to the gratuitous insults American officials have been heaping on Canada's national health system, and you understand why Prime Minister Brian Mulroney must be wondering what he has done to deserve this treatment by his chums in Washington.

Mulroney has played the role of Best Friend for Ronald Reagan and George Bush. When the Americans said they wanted the Free Trade Agreement in 1988, Mulroney put his career on the line to get Canada to join. When Bush decided to go to war in the Persian Gulf, Mulroney went to Kennebunkport to applaud Bush's decision long before that was politically prudent.

The fact that Washington is now using the Free Trade Agreement—in perverse fashion—to hamper Canadian exports does not help Mulroney improve his current approval rating of 15 percent with his electorate. He risks going in Canadian eyes from First Chum to First Chump.

At issue in this new trade dispute is a 2.5 percent duty that the U.S. Customs Service plans to impose on about 75,000 Honda Civics manufactured annually in Ontario and exported to the United States. The

Customs Service, by tortured rewriting and twisting of definitions, ruled this month that these Hondas, with engines manufactured (from North American aluminum) in Anna, Ohio, do not qualify for duty-free treatment under the Free Trade Act.

This strikes at one of the main incentives the controversial Free Trade Act held for Canada. Mulroney and his party told voters that the accord would attract Japanese and other foreign investors to Canada as a base for the North American market. The Honda Civic plant was precisely the kind of benefit the Canadians thought they would get out of an integrated market that otherwise favors American manufacturers.

But the U.S. ruling that the Civics do not meet the "local origin" test has caused some Japanese to shelve plans for new investment in Canada's severely depressed economy. This and other retaliatory actions against Canadian lumber and magnesium exports cause Canadians to question the wisdom and utility of going on to a broader free trade zone including Mexico.

"It is necessary to recognize the corrosive effect of all of these disputes and of the unilateral interpretations made in the Honda case," says Derek Burney, Canada's ambassador to Washington. Normally affable and relaxed, Burney has smoke wisping from his ears these days when he talks trade.

"People in Ottawa are wondering what the point is of negotiating something new if we can't successfully implement what we have," he adds. "No one is threatening, and no one wants a quarrel. But this is serious. These matters impair the ability of the Canadian government to run its national agenda at a time of constitutional discussion."

Mulroney must put together a package of consti-

tutional changes this spring that will induce Quebec to reject separatism in an October referendum. He also faces new national elections within the next 15 months in which his handling of the economy and trade will be as much a make-or-break issue as it is for Bush here.

Cavalier treatment of Canada did not begin with the Bush administration. It is an old American habit. The slings and arrows that Mulroney feels so keenly are not part of some large, calculated American strategy to embarrass him. They are the result of individual small actions and decisions by officials not looking at a big picture.

That is the problem. Squabbles over Honda Civics take on such importance precisely because there is no big picture. The Bush administration's failure to give a convincing sense of direction and leadership in world affairs means that minor irritants dominate—and eventually contaminate—relations with friendly nations.

And in their eagerness to keep themselves from looking bad on national health care in this election season, Bush, his health and human services secretary, Louis Sullivan, and others have been trashing Canada's taxpayer-financed health service with unsubstantiated anecdotes and misstatements.

Although he will not discuss it publicly, Burney has asked administration officials to turn down the health care rhetoric or risk counterblasts from Ottawa.

Recessions and election campaigns make it necessary for the Customs Service and other government agencies to pick some fights. But it is equally important to avoid unnecessary, self-defeating fights. That awareness seems to be missing in Washington's view of Canada these days.

Reagan Gives Bush Statement of Support

Remark on Election Prospects Is Denied

By Lou Cannon
Washington Post Staff Writer

LOS ANGELES, Feb. 26—Former president Ronald Reagan issued a formal statement of support for President Bush today as White House officials scrambled to repair political damage after what appeared to be a snub of Bush when the two met Tuesday.

In a statement that administration officials said they requested from Reagan, the former president said he "will do everything I can to see that he is reelected as president."

Reagan's office issued the three-paragraph statement here soon after Bush departed for the drug summit in San Antonio. The political impact of Bush's visit was marred by Reagan's absence at the \$1,000-a-plate dinner Tuesday at a hotel one block from Reagan's office.

Bush and his wife, Barbara, visited Reagan and his wife, Nancy, at their home a few miles away, but reporters were not allowed to hear from Reagan what they anticipated would be a standard endorsement and complimentary words about Bush's prospects among California voters.

In the statement, Reagan took issue with parts of a report Tuesday in The Washington Post, which quoted him as saying Bush faces reelection difficulty "because he doesn't seem to stand for anything." The remark was attributed to "sources close to the former president."

Today's statement said that "the quote attributed to me in The Washington Post is incorrect. Anyone close to me knows that I would not say and have never made any such statement

"President Bush and I had an excellent conversation yesterday. He and I share the same view that we must turn the American economy around and that the economic challenge . . . can best be met by Republican leadership I support President Bush's candidacy to the fullest"

White House press secretary Marlin Fitzwater, speaking aboard Air Force One before the flight to Texas, dismissed the flap about the Bush-Reagan visit as "just media mischief" that "means nothing" and

is "not true." He described the meeting as "just a private chat."

Administration officials and Republican advisers to the Bush campaign acknowledged today that the Reagan-Bush meeting was mishandled amid a contentious GOP fight about whether Bush has abandoned Reagan's conservative mantle.

"If we can't orchestrate a campaign photo op with Reagan, we've got worse problems than I thought," one official said. Another suggested that the new White House team has "dull antennas" for anticipating public relations traps and had not thought that a meeting with no statements by Reagan might be interpreted as a snub.

White House Chief of Staff Samuel K. Skinner said the Reagans had invited the Bushes to "drop in" more than two weeks ago but asked that no media coverage in or near their home be allowed because they wanted to maintain their privacy. "Of course," that request was honored, said Skinner, adding that he did not know why a possible problem was not foreseen.

Meanwhile, Gov. Pete Wilson (R) led an all-out effort by state GOP leaders today to gather support for suspending a party rule and passing a resolution giving Bush a pre-primary endorsement at the state party convention this weekend.

Wilson's involvement has raised concern that conservatives might try to expand the resolution in an effort to embarrass him and Sen. John Seymour (R), a fellow moderate appointed by Wilson to fill his Senate seat.

A spokesman for Seymour's conservative opponent, Rep. William E. Dannemeyer (R-Calif.), said he was not contemplating such action.

Ironically, the rule that Bush supporters hope to suspend was backed strongly by Reagan when he was governor and has been a principal instrument for preventing bitter battles between the party's conservative and moderate wings in past campaigns.

Staff writers Ann Devroy in Washington and John E. Yang in San Antonio contributed to this report.

Harkin Lowers His Sights, Targeting 3 Caucus States

By David S. Broder
and William Booth
Washington Post Staff Writers

Iowa Sen. Tom Harkin, his Democratic presidential campaign treasury drained by losing efforts in New Hampshire, Maine and South Dakota, yesterday geared down his race to a last-ditch effort in the next round of caucus states.

Harkin announced a new schedule for the next week that gives short shrift to next Tuesday's primaries in Maryland, Georgia and Colorado and more time to the caucuses being held the same day in Minnesota, Washington and Idaho.

"We're emphasizing the caucuses," said campaign spokeswoman Lorraine Voles, "because frankly we don't have the resources for television, and we think we can do more with grassroots organization in the caucus states."

Minnesota is particularly critical to Harkin's chances of survival, and early polls there show Harkin trailing former Massachusetts senator Paul E. Tsongas.

While Harkin was planning his end play, his campaign also was scrambling yesterday to disavow some Georgia radio commercials aimed at black audiences. One of the spots charges that "Bill Clinton did his own version of Willie Horton."

The ad, which Harkin campaign officials played for the Atlanta Constitution, said the Arkansas governor had "made a big deal of going home to Arkansas to oversee the execution of Rickey Ray Rector, a brain-damaged man who didn't even know he was being executed. Bill Clinton used a black man's death to boost his campaign."

Voles said the ads were made by Harkin's southern political coordinator, Kevin Gray, but "were never authorized by the campaign. They have not aired and will not air." She said Gray, a former staffer for Jesse L. Jackson's Rainbow Coalition, had been reprimanded.

"This is just a cynical, manipulative way to play the race card from the left, and it's every bit as despicable as David Duke," said

Clinton spokeswoman Dee Dee Myers. But Harkin's Georgia political director, Joe Larche, defended the spots as "Lee Atwater-type ads. If you're going to play politics in the South, you've got to play hardball politics."

Clinton reacted angrily yesterday when he was erroneously told at a television studio in Arkansas that Jackson was supporting Harkin in the South. "It's an outrage; it's a dirty, double-crossing, back-stabbing thing to do. For him to do this to me . . . for me to hear it on a television program is an act of dishonor," Clinton was quoted as saying on a tape supplied by station KTSP in Phoenix. The Associated Press said KTSP broadcast a satellite interview in which Clinton's comments were inadvertently picked up by an open microphone.

Clinton campaign manager David Wilhelm called Clinton's outburst at the surprising news "a very human reaction" and said Clinton was trying to contact Jackson to "clarify the situation." Jackson has told each Democratic candidate he would campaign with them at any time, the AP reported.

In Atlanta, Tsongas ignored the state Democratic establishment's support of Clinton and campaigned in the black neighborhoods of the inner city and in the state capitol. He appeared to be gaining, if not exactly votes, at least some respect.

"I'm a lot closer to voting for him today than I was two weeks ago. And I never thought I'd hear myself say that about a senator from Massachusetts," said state Rep. Roger Byrd, after hearing Tsongas address the Georgia House.

Tsongas was endorsed by state Rep. Ralph David Abernathy III, who said, "Paul Tsongas reminds me a lot of my father," the civil rights leader.

Abernathy said it was a myth that all blacks in Georgia would vote for Clinton the way they voted for Jackson. "It's a lot more wide open than you would suspect," he said.

Staff writer Howard Kurtz contributed to this report. Booth reported from Atlanta.

WINNING THE DELEGATES

For Democratic candidates, this year's magic number is 2,144. That is the number of national convention delegate votes it will take to win the presidential nomination.

Primary elections in New Hampshire and South Dakota and party caucuses in Iowa and Maine this month have resulted in the awarding of 105 Democratic National Convention delegates. On Tuesday, a block of 383 additional delegates will be at stake with primaries in Georgia, Maryland, Colorado and Utah and caucuses in Idaho, Minnesota, Washington and American Samoa. Later that week, 121 delegates will be on the line when Democrats overseas and in four states vote. On March 10, Super Tuesday, 783 delegates will be at issue with contests in 11 additional states.

When Super Tuesday is over, nearly a third of the 4,290 delegates who will attend the Democratic National Convention in New York in July will have been chosen. Most will be pledged to a particular candidate based on the

vote in their states' caucuses or primaries. But about 18 percent of the Democratic convention delegates will be governors, members of Congress and party officials who are not pledged to a candidate. These are the "superdelegates," a power in the nomination process. Because of their strength—36 percent of the delegates needed for nomination—and their unpledged status, the superdelegates will be courted by candidates at the convention.

Under Democratic Party rules, candidates who receive more than 15 percent of the vote in a state receive a proportional chunk of any delegate slate elected in a primary.

As a result, former Massachusetts senator Paul E. Tsongas and Arkansas Gov. Bill Clinton divided New Hampshire's 18 pledged delegates with their 33 and 25 percent showings in the state's primary. But Sen. Bob Kerrey (Neb.), Sen. Tom Harkin (Iowa) and former California governor Edmund G. "Jerry" Brown Jr. received no pledged delegates be-

cause none of them garnered more than 15 percent of the vote.

Republican Party rules differ from the Democrats'. States may award all their delegates to a single GOP victor, a system permitting Republican candidates to sew up their party's nomination quicker than Democrats. But New Hampshire is not a winner-take-all state, so President Bush and conservative commentator Patrick J. Buchanan divided the delegates in the Feb. 18 primary. Bush won 14 delegates and Buchanan collected nine. With the South Dakota vote this week, 87 GOP delegates have been chosen.

Of the 2,209 delegates who will attend the Republican National Convention in Houston next August, 60 to 65 percent will be pledged in winner-take-all contests. The Republicans do not have superdelegates.

Compiled by Mark Stencel and Ralph Gaillard Jr.

Pledged delegates won to date:

DEMOCRATS					
(Needed to win: 2,144)					
Candidate	Iowa	New Hampshire	Maine	South Dakota	Total*
Edmund G. "Jerry" Brown Jr.	0	0	7	0	7
Gov. Bill Clinton	0	8	3	3	13
Sen. Bob Kerrey	0	0	0	7	7
Sen. Tom Harkin	40	0	1	7	48
Paul E. Tsongas	0	10	8	0	18

REPUBLICANS					
(Needed to win: 1,105)					
Candidate	Iowa	New Hampshire	Maine	South Dakota	Total*
Patrick J. Buchanan	0	9	0	0	9
George Bush	0	14	0	14	24

SOURCE: Associated Press

*Democratic totals do not include "superdelegates." Delegate allotment for both parties in these states is incomplete.

THE WASHINGTON POST

U.S. to Give Third World Environmental Aid

By Michael Weisskopf
Washington Post Staff Writer

The Bush administration decided last night to grant \$75 million in environmental aid to the Third World, helping to meet a key demand of developing nations in ongoing negotiations of a global warming treaty, officials said.

The decision, which is expected to be announced at today's negotiating session at the United Nations, marks the first concrete action by the administration to solve a problem that until recently was belittled by the White House as scientifically unproven and unworthy of more than study.

Although the Third World is seeking greater control over aid than the grants would permit, officials said, the U.S. contribution to a projected \$200 million climate fund improves the chances of completing a treaty in time for the Earth Summit, a major U.N. conference in June.

But in trying to clear away a ne-

gotiating obstacle, the administration will continue to pose a more formidable one, officials said. Under pressure to set limits on emissions of global warming gases, Washington will remain opposed to firm commitments.

Instead, officials said, U.S. diplomats will announce a series of new energy efficiency measures, such as longer-lasting light bulbs, capable of cutting emissions of carbon dioxide, the principal warming gas believed to trap solar heat and raise the planet's temperature high enough in the next century to make oceans swell and dry areas become deserts.

Previously, the administration had refused to consider remedies based primarily on controls of carbon dioxide because the pollutant comes from the combustion of coal, oil and natural gas—fuels that drive U.S. industry.

But because many of the measures are voluntary and because they will not be presented as guarantees of carbon dioxide reductions,

the administration is not expected to satisfy demands of the European Community and Japan to join them in a pledge to stabilize emissions at 1990 levels in the year 2000.

Developing nations, such as China and India, which could become major polluters in coming years, say they will not forsake their rich coal resources unless the industrialized nations go first.

The Third World is seeking financial assistance to help pay for costlier but less polluting sources of energy. The developing nations have demanded an independent fund free from the domination of donors in such institutions as the World Bank.

But \$50 million of the U.S. grant will go to the bank's Global Environment Facility, a new program set up to encourage less pollution of international waters and air.

Another \$25 million will be awarded by U.S. officials to individual countries to help them identify ways to save energy and adopt conservation programs.

Revived Kerrey Duels With Clinton in South

Nebraskan Questions Rival's Responsibility

"I don't object if anybody who in conscience said: 'The [Vietnam] war is wrong and I will not serve,'" Kerrey, a Medal of Honor winner who lost part of his leg in combat in Vietnam, said at a news conference. "But that is not what we have. There is an effort to say, 'Once again my draft board did this,' or 'This was an honest mistake,' or 'Republicans were trying to do this to me.' There is an evasion of responsibility. And that is the problem and difficulty I have."

Clinton responded with a sharp attack of his own, calling Kerrey's remarks "an insult to Southern voters," and comparing the remarks to the kind of tactics used against Democrats by President Bush and other Republicans.

"I don't know which Bob Kerrey to respond to," Clinton said in a hastily written statement released by his campaign after he arrived in Denver. "The Bob Kerrey who repeatedly told the people of New Hampshire that he did not want this issue discussed, or the Bob Kerrey who's trying to tell the people of Georgia this is an issue today."

See KERREY, A10, Col. 4

By Maralee Schwartz
and Thomas B. Edsall
Washington Post Staff Writers

ATLANTA, Feb. 26—His campaign revived after winning the South Dakota primary, Sen. Bob Kerrey (D-Neb.) came to Arkansas Gov. Bill Clinton's southern stronghold today and declared that "Bill Clinton should not be the nominee of our party because he will not win in November."

Giving voice to doubts about Clinton that have dogged the Arkansas governor's campaign for weeks in the wake of controversies over his personal life and draft record, Kerrey said that if Democrats pick Clinton, "he is going to be opened up like a soft peanut in November of 1992."

Kerrey sought to undermine a key argument for Clinton's candidacy: his asserted electability on the basis of being a southern moderate. But Kerrey went beyond simply saying that Clinton would be vulnerable to Republican attacks to make the charge himself that Clinton is fundamentally irresponsible.

KERREY, From A1

"It appears that Bob Kerrey, like George Bush, would rather play politics with patriotism than address problems here at home," he said. "That's what George Bush will do in November when he points out that Bob Kerrey opposed Operation Desert Storm even after the conflict began."

Clinton aides also distributed quotations attributed to Kerrey when the draft issue arose before the New Hampshire primary in which Kerrey said he did not think it should be a factor in the campaign. In one of those statements, Kerrey reportedly said, "Let me say in regard to my friend Gov. Clinton, the Vietnam War is over and we should not refight that war again."

Later, Clinton told reporters that Kerrey had "very eloquently" said in New Hampshire that the Vietnam War should not be an issue. "I hope that tomorrow he'll wake up as his old self, remind himself he came home as an opponent of the Vietnam War, remind himself of the facts of my case, that I did nothing dishonorable or illegal," Clinton said.

Kerrey, Clinton said, had injected the issue into the campaign again for "reasons that are obvious and highly political."

Kerrey made his remarks about Clinton's election prospects near the end of a speech at Spelman College here. Flanked by members of veterans organizations at a news conference afterwards, he elaborated.

"Let me tell you where I go over the edge on this thing . . ." he said. "It should not surprise you that it was the men and women who went to Vietnam who suffered, and they particularly suffered when they

came home. And all of a sudden all the sympathy in this campaign is flowing to somebody who didn't go."

Kerrey was introduced by another Vietnam War hero, Max Cleland, the Georgia secretary of state who lost both legs and his right arm in the war. Cleland said Kerrey "has not one thing to apologize for in serving in the war of his generation." Speaking before Cleland, State Rep. "Able" Mabel Thomas (D) declared that the country needs "a commander in chief, not a commander in chicken."

In an interview on the way to Atlanta from Sioux Falls, S.D., Kerrey argued that Clinton's handling of the draft issue undermines his ability to present his own core message of responsibility. "The whole idea of the 'new covenant' [Clinton's main theme] is to say to Americans we have a new responsibility. You can't come to Americans with a shallow definition of that. . . . I believe Clinton's actions at several turns of this campaign demonstrate a willingness to say, 'It's not my fault, somebody else did it to me.'"

Kerrey contended that Clinton's response to criticisms of his environmental record as governor of Arkansas parallels his responses to the draft issue: "When you confront Bill Clinton with the evidence that he is last in the nation with environmental quality, the answer is, 'Well, that is the federal government's problem, they made me do it.'"

The environment, Kerrey said, also would make Clinton vulnerable to Republicans in November. It "was an enormous issue in 1988, and we saw what happened to [Democratic presidential nominee] Mike Dukakis over Boston Harbor."

Kerrey's victory in South Dakota revived a campaign that had been faltering after a disappointing performance in New Hampshire and the Iowa and Maine caucuses. Kerrey and his strategists said today that their goal now is to prevent Clinton from regaining front-runner status in the series of eight southern primaries starting here Tuesday, and continuing March 10, Super Tuesday.

Kerrey's speech was an attempt to change the debate and put it on turf favorable to the Nebraska senator. Tad Devine, Kerrey's campaign director, said the aggressive strategy toward Clinton "is about moving to our strength and if this strength happens to cut the other guy—all the better."

Devine said that with the proportional allotment of delegates mandated by new party rules, Kerrey in the next month "will win enough delegates to allow us to build a foundation for a nominating majority." He contended this strategy will carry Kerrey through the March 17 contests in Michigan and Illinois. After that, he said, our goal is to "beat outright our opponents" in such battleground states as New York, Pennsylvania, Virginia and Wisconsin.

"I knew from the beginning what may not have been obvious from the outside," Kerrey said in the interview. "I begin with a rather small political base and I have got to build that political base and I am going to build it delegate by delegate. And build it by saying to the voters: Imagine me going against George Bush."

Staff writer Dan Balz in Denver contributed to this report.

Big Questions for Fiscal Gurus

In Seeking Interpretation of the Budget, Even Agencies Turn to Experts

By Steven Mufson
Washington Post Staff Writer

Only in the universe of government spending and taxation can a simple question like "How big is the federal budget deficit?" turn into a cosmic mystery.

Should the deficit be stated in current dollars, 1982 dollars or 1987 dollars? Should it be measured as a percentage of GNP, GDP or federal spending? Should it be measured on a cash basis or an accrual accounting basis? Should it include the surplus in the Social Security trust funds or the cost of the savings and loan bailout?

And what about the proposals in competing Democratic and Republican tax bills pending in Congress? How much would they add to or subtract from the deficit? Congressional and administration figures on one proposed tax cut alone, capital gains, are \$25 billion apart.

Who knows the answers to these pressing questions, or can at least wax rhetorically on such subjects? Experts, of course. Budget experts.

After all, these are matters too complex and sensitive to be left to ordinary civilians. The federal budget alone is so difficult to decipher that it inspired one budget expert, Stanley Collender, to write a book with a chapter titled "The Federal Budget as a Second Language." And one congressional committee has issued a 300-plus-page analysis of President Bush's new budget plan.

In the month since Bush weighed in with his 6.1-pound spending package for fiscal 1993 and lawmakers began to enter their favorite tax measures, economists, accountants and ghosts of budgets past have come crawling out of the woodwork of accounting firms, think tanks and universities for the annual rites of winter, pouring the cold slush of numbers over the warm fuzzy ideals enunciated in the president's State of the Union address.

"This is normally my busy time of year," says Collender, director of federal budget policy at Price Waterhouse. "This is for me what a dry cleaner goes through in a change of seasons. I've never been this busy."

Office of Management and Budget Director Richard G. Darman calls many budget questions "ar-cane," but the answers can determine the fate of government programs, scotch popular tax breaks and influence the direction of the entire economy. So in search of answers, befuddled members of Congress, lobbyists and journalists turn to the experts. Even federal agencies have turned to outside consultants such as Price Waterhouse to help them figure out what Congress and OMB have planned for them.

Unlike much of Washington, this field is populated more by "has-beens" (to use a term suggested by former Congressional Budget Office director Alice M. Rivlin) than by "wannabees." Perhaps that is because nothing prepares anyone for interpreting the federal budget quite like trying to put it together.

And unlike many in Washington politics, budget experts share a bipartisan view of the budget's most pressing problem—the deficit.

Here are some of the favorite analysts, many of them hardy perennials, and their views on the deficit, the budget and the tax proposals pending on Capitol Hill, which many say may do more harm than good:

■ Alice Rivlin of the Brookings Institution says that rather than focusing on tax breaks, the government today should have as its top priority the creation of national health insurance. "The health cost dividend is potentially much bigger than the peace dividend," Rivlin says. She says Bush's health plan is flawed because it does little to bring about cost control.

Rivlin, who has a PhD in economics from Harvard, served as assistant secretary in the Department of Health, Education and Welfare in the late 1960s. Later, at Brookings, she helped write a series of books called "Setting National Priorities."

She became the first director of the CBO, which was set up to give Congress advice independent from OMB or the Treasury, both of which are beholden to the president. As CBO head from 1975 through 1983, she felt the enmity, and earned the respect, of Democratic and Republican administrations alike.

Though critical of the deficit, she says a recession is not the right time to attack it. But, she adds, "you don't want to do anything in 1993 that would make the long-run problem worse. And I think this [Bush plan] would."

■ Stanley Collender says the new Bush spending plan is "one of the most difficult budgets I've ever had to read. There is less information, more words and more pages, than any budget I've seen in years."

A Capitol Hill staff aide in the late 1970s for two Democrats on budget and tax-writing committees, Collender has grown in stature since his somewhat tangential involvement in the budget process. In 1981, he began to publish his own newsletter, the Federal Budget Report, every two weeks from his basement. Today it is published by a Roslyn-based firm. In 1984 he joined the accounting firm of Touche Ross (now Deloitte & Touche) and in 1988 he switched to Price Waterhouse. The vegetarian platter, "Stan's Favorite," at Joe and Moe's restaurant on Connecticut Avenue is named after him.

Collender says that his practice is "thriving" and that his clients range from defense contractors to oil companies, from lobbyists to federal agencies.

He held a recent session with 30 to 40 defense contractors "just to talk about what's happening on the budget. Before, they just cut their deals and ignored the budget committees. Now they're desperate for information."

■ Carol Cox Wait, president of the Committee for a Responsible Budget, has sounded a constant warning note about the growing federal debt and the burden it places on the budget and on taxpayers.

Initially an expert on education and jobs for the National Association of Counties, Wait worked for the ranking Republican on the Senate Budget Committee in the late 1970s. Wait has been with the private, bipartisan Committee for a Responsible Budget since it was formed in 1981.

"Budgeting is the quintessential political activity," she says. "We decide what we want our government to be and do and how we want to pay for that. You can't take the politics out of that. So it is important to have people concerned about sound economic outcomes."

■ Over at the Center on Budget and Policy Priorities, director Robert Greenstein, who unabashedly proclaims that he runs a progressive policy center, attacks the Bush administration for its failure to help children and for proposing lopsided tax breaks that favor the wealthy.

A former administrator of the Food and Nutrition Service in the Agriculture Department, in 1991 he received a public service achievement award from Common Cause.

"When poor people get subsidies, they get them through spending," he said recently. "When wealthy people get subsidies, they tend to get them through the tax code."

■ Outside the Beltway, academics such as Harvard economics professor Robert Reich also weigh in. An unabashed liberal and an adviser to 1988 Democratic presidential nominee Michael S. Dukakis, Reich is a leading critic of Republican budget policies. Reich falls into the category of Big Think, concentrating on big issues like tax fairness, industrial policy and social spending rather than on line-by-line analyses of individual programs. In a recent issue of *The New Republic*, he called for a budget "that reveals how much we're borrowing from the future compared with how much we're investing in the future."

Bush's budget, he said, was "doomed from the start."

■ Eugene Steuerle, a senior fellow at the Urban Institute, has gained visibility as taxes have moved to the center of Bush's economic policy. Steuerle served as deputy assistant Treasury secretary for tax analysis from 1987 through 1989. In an earlier post at Treasury, he helped develop the Tax Reform Act of 1986. He is the author of a new book entitled "The Tax Decade." Despite

"This is normally my busy time of year. This is for me what a dry cleaner goes through in a change of seasons. I've never been this busy."

—Stanley Collender,
Price Waterhouse

his Republican credentials, he is critical of the Bush proposals.

■ Charles Schultze of the Brookings Institution, who was budget director under President Lyndon B. Johnson and chairman of the Council of Economic Advisers under President Jimmy Carter, laments that the Bush administration's presentation of the budget is hard to read. In the old days, he says, the budget was "dull, but usable."

Schultze says the administration's budget package contains good news and bad news. "The bad news is that there is very little economic stimulus in the tax cuts. The good

news is that there is very little to provide economic stimulus—or add to the budget deficit."

■ James C. Miller III, chairman of Citizens for a Sound Economy, was one of President Ronald Reagan's budget directors and remains a die-hard proponent of tax cuts to stimulate the economy. A defender of a cut in the capital gains tax rate, he recently attacked proponents of "tax fairness" for fomenting "class warfare and ignoring the truth about who the 'middle class' actually are."

■ Rudolph G. Penner of the Urban Institute followed Rivlin as CBO director and holds "senior guru status," according to a fellow budget guru. Penner says he believes the economy's true problems are low productivity and a "severe lack of savings." This year, "policies are claimed to be stimulative when they are largely irrelevant to our short-run problems," he says. "The suspension of disbelief reminds one of 1981, when Reagan's excessive request for tax cuts was far exceeded by the Congress. We may be heading for a similar bidding war. Unless that temptation can be resisted, our already gloomy prospects for future economic growth can only get gloomier."

The cast of budget experts grows longer as the process grows more confusing.

The boom in experts may be an inverse indicator of the public's interest, though. "A lot of what's wrong with the process is that it is too arcane," says Rivlin. "The public is so closed out of this, people begin to suspect something nefarious is going on." And as this week's slow-moving talks on tax proposals show, even Congress may not understand much of it.

George F. Will

Peep, Peep

Like God, Dan Rostenkowski looked upon his work and found it good.

Rostenkowski, chairman of the tax-writing House Ways and Means Committee, said, "We need fairness in the tax code. Until now, there has been an imbalance in the code.... Until now."

The committee's tax bill brought the tax code to the brink of perfection.

Until now, Democrats say, what has been needed to make the world safe for the persecuted middle class was, it seems, this bill that cuts, temporarily, taxes by about a dollar a day for families in the middle class. That class is defined to include almost everyone. (Two years from now, during an election year, this cut will be allowed to lapse. That, at any rate, is the theory.) Rostenkowski's bill also raises the top personal income tax rate from 31 percent to 35 percent for individuals over \$85,000 and couples over \$145,000 and puts a 10 percent surcharge on incomes over \$1 million.

But the bill eliminates the "luxury" tax on yachts, private airplanes, jewelry and furs. It indexes for inflation the tax on capital gains and cuts the capital gains tax for certain investments. Furthermore, initially it would have cut by one percentage point the corporate tax rate.

Some House Democrats—the Polish-American—staged a mini-revolt, forcing Rostenkowski to drop the cut in the corporate tax rate. So now, presumably, the bill delivers even more of the "fairness" that American taxation has lacked "until now."

For most of the "until now" during which the tax code was imbalanced, Congress, which wrote the code, was controlled by Democrats. So it is not surprising that, in spite of their rhetorical ferocity, Democrats prove by their new bill that they have no really fundamental objections to the tax code.

Democrats make much of "fairness" as the moral star by which they sail. And they have considered Paul Tsongas retrograde because he does not talk much about "fairness." So it was a revealing moment when Rostenkowski's committee cleared its throat and uttered such a small peep of a bill.

Rostenkowski was elected to Congress in 1958, before half the Americans now living were living. Before that, he was a foot soldier for the Democratic Party in Chicago, as was his father before him. There is only a faint Rostenkowski family memory of the private sector, so long have the elders of the House of Rostenkowski toiled at politics.

Rostenkowski represents what Paul Tsongas thinks is wrong with Washington. Tsongas's rather pastel wrath is aroused by politicians who have not had, as he has, a sojourn in the private sector. Tsongas says that if he were president, he would veto Rostenkowski's bill.

Tsongas positioned himself in the crowded field of Democratic candidates by contrasting his supposed "realism" with the unreality of everyone else, including his own congressional party. But if Rostenkowski's bill is anything to go by—and there is nothing better to go by—the Democrats' ideological fires have been banked. For Democrats, trying to sharpen the "fairness" issue with Rostenkowski's mild and incoherent bill will be like stropping a razor on a slab of butter.

Tsongas is right that the bill is not serious either as economic stimulus or distributive justice. It merely scratches the legislative itch to have a tax bill every year. If enacted, it would do more harm than good. And by merely proposing it, Democrats harm themselves. They show how little they really have in mind when talking about the unfairness of the tax code "until now."

Suppose that during the 1980 presidential campaign, when the top individual income tax rate was 50 percent, conservatives had been told that in 1992 Democrats would be proposing a top rate of just 35 percent. Conservatives would have been content. Furthermore, in 1988 conservatives would not have dared to hope that in 1992 the liberal party would collaborate with them in siphoning off, for private consumption, even more of the federal government's dwindling revenue stream.

Perhaps, when push comes to shove, the Democrats' "congressional party" is not really all that far from Tsongas's supposed rightwingery. But, then, Tsongas is not as far right as it has so far suited his political needs to appear.

Tsongas says "we have counseling outside" for anyone who thinks a government-run health care system would be a success, and he questions whether the words "government" and "efficiency" ever belong in the same sentence. But Tsongas also says government should be busy directing investment in private industries.

If "efficient government" is an oxymoron, why will government be a prescient director of investment? Perhaps prescience is just something government has lacked "until now."

Buchanan TV Spot Assails Arts Agency

Bush Camp Calls Georgia Ad 'Demagoguery'

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

THURSDAY, FEBRUARY 27, 1992
The Washington Post

ATLANTA, Feb. 26—Patrick J. Buchanan today began airing a new attack advertisement in Georgia featuring scenes of gay black men in various states of undress. The pictures were taken from a PBS documentary, "Tongues Untied," that was partially subsidized by the National Endowment for the Arts.

The ad says "the Bush administration has invested our tax dollars in pornographic and blasphemous art too shocking to show. This so-called art has glorified homosexuality, exploited children and perverted the image of Jesus Christ. Even after good people protested, Bush continued to fund this kind of art."

Bush campaign spokeswoman Torie Clarke called the ad "demagoguery" and "a blatant distortion of the truth. The kind of garbage Pat Buchanan has been putting on the air is an insult to the people of Georgia."

Buchanan spokesman Jerry Woodruff said the ad "has nothing to do with anti-gay prejudice. It has to do with not spending people's tax dollars on values that insult them."

Buchanan has repeatedly assailed the NEA in stump speeches over the last week. Today, he again called it the "upholstered playpen" of the "eastern liberal establishment" and claimed the "scalp" of John Frohnmayer, who was forced to resign last week as Bush's NEA director.

Buchanan, bolstered by the large vote against President Bush in the South Dakota primary and angered by what he sees as attacks on his patriotism by the Bush campaign, also said today that he planned to fight the president to the California primary in June. He also ridiculed criticisms of him by Vice President Quayle.

Speaking this evening at a news conference in Atlanta, Buchanan said, "Dan Quayle says I'm not qualified to be president of the United States? How would he know?"

Buchanan said he did not want to engage Quayle because "I don't want to be charged with child abuse." He called Quayle an "accessory after the fact" to the Bush administration's failures.

Even before Buchanan let loose his latest blast, Quayle offered the administration's most direct attack on the conservative commentator's claim to lead the conservative wing of the GOP.

Quayle compared Buchanan's policies with those of a string of liberal Democrats and suggested that Bush, not the challenger, is the "true conservative."

Campaigning in Savannah, Quayle said, "Our opponent is masquerading as the leader of the conservative movement."

A "true conservative," he said, would have supported Operation Desert Storm, would not advance isolationist policies and "would not hide behind the ideas of protectionism."

In response to that line of criticism, Buchanan today waxed indignant at a new advertisement the Bush campaign has placed on Georgia television in which retired Marine Corps Commandant P.X. Kelley attacks Buchanan for having opposed the gulf war last year.

"I think this is an attempt to impugn my patriotism," he told reporters. "If Mr. Bush wants to do that, why doesn't he come out of the White House and do it like a man and face to face, instead of having it done by surrogates and shills in these attack ads."

Buchanan also ridiculed Bush for his showing in South Dakota Tuesday, arguing that the 31 percent of the vote cast for uncommitted delegates against the incumbent showed Bush to be "as weak as a kitten."

The increasingly sharp tone that Buchanan has taken in recent days appears to reflect genuine indignation, but also a sense in the Buchanan campaign that it has an opening to do extremely well in Georgia. Buchanan and his aides interpret the attacks on him as an indication that Bush's polling shows the president increasingly weak.

In Louisiana, Buchanan was repeatedly confronted with questions about whether he intended to appeal for the votes that had gone to David Duke, the former Ku Klux Klan leader who ran for governor there last year and will be on the presidential ballot with Buchanan and Bush in the March 10 primary.

Top Bush aides have said their "nightmare scenario" would involve Buchanan running against Bush in delegate-rich California, a state where the president's popularity is low and where the Republican right to which Buchanan would appeal has a strong base.

"Our friend Pat," Quayle said, "has embraced the foreign policy of George McGovern, the Middle East policy of Jesse Jackson and the protectionist policy of Dick Gephardt."

The Quayle remarks, obtained from a transcript provided by the Savannah Morning News, were repeated several times in the state, Quayle press secretary David Beckwith said.

Bush officials acknowledged that the New Hampshire vote, the South Dakota results and polls in Georgia indicate, as one official put it, "30 percent of the Republicans in this country, at least, don't want to vote for George Bush."

Bush's aides had argued that Buchanan's 37 percent showing in New Hampshire stemmed from that state's unusually poor economic conditions. But the recession has not hit South Dakota nearly as hard.

Staff writers Ann Devroy and Howard Kurtz in Washington contributed to this report.

Clinton's Conduct a Major Factor in Georgia

Highly Personal Evaluation of Arkansan Taking Place as Kerrey Charges He Is Unelectable

By Thomas B. Edsall
Washington Post Staff Writer

ATLANTA, Feb. 26
The Georgia Democratic primary next Tuesday has become a test of competing southern Christian values, a struggle between redemption and damnation and between forgiveness and distrust, with Arkansas Gov. Bill Clinton at the center of a political and religious storm.

A highly personal evaluation of Clinton is taking place throughout Georgia as the primary approaches, an examination likely to become even more intense as a result of Nebraska Sen. Bob Kerrey's charge here today that allegations of draft evasion and marital infidelity make the Arkansas governor unelectable.

"It bothers me. I just think a fellow, a leader, should lead by example. If that stuff is true, that's not the best example for ourselves or for our children," said state Rep. Jim Tyson Griffin, a Democrat representing rural Whitfield County in north Georgia. "My district, if there is a Bible Belt, it certainly comes through there. I'm a Southern Baptist through and through. And I don't believe that is the way you ought to live."

But a legislator from a district 60 miles east of here, Democratic state Rep. Alan T. Powell, said his constituents are willing to overlook allegations about Clinton's marriage. "The people where I come from, we are a conservative people," he said. "We are an ethical people. He who is without sin, let him cast the first stone. This is between he [Clinton] and his wife [Hillary]. If his wife has forgiven him, it is not up to me to hold any grudges against him. Our voters are of a Christian nature. And if you can't forgive, you can't be forgiven."

Based on polling data and interviews, those who vote in Democratic primaries in the state appear to be leaning far more toward redemption than damnation, with Clinton currently holding a decisive lead. But there are a number of signs that Clinton's claim to be a Democrat who can carry the South—the basis of his electability argument—has been badly damaged.

The most damaging evidence is the highly unfavorable ratings Clinton gets when he moves outside the more sympathetic party members who vote in Democratic primaries.

Richard Murray and Kent Tedin, for example, who run polling operations at the University of Houston's Center for Public Policy, found in a study of 800 registered voters in Texas that Clinton held a decisive edge among those who say they will vote in the Democratic primary.

In findings published by the Houston Chronicle that parallel patterns Clinton's pollsters are finding in Georgia, Murray and Tedin said Clinton leads his closest opponent, former Massachusetts senator Paul E. Tsongas, by a wide margin—40 to 9—with other candidates at 3 to 6 percentage points. Among Democratic voters, Clinton held a relatively healthy favorable-unfavorable rating of 48-14, with the rest unsure.

But if he is to win in November, Clinton must be competitive among independents and Republicans, and among these voters, it's a different story.

Among all 800 registered voters, Clinton gets a slight negative rating: 35-36. In the small part of the sample saying they were not sure they would vote in the primary, Clinton fell to 41-30 favorable. With Republicans voting in the GOP primary, he had a ratio of 21 favorable to 60 unfavorable, and among independents voting in the Republican primary, he had a 15-52 negative rating.

Fred Steeper, who is polling for the Bush campaign, said that if the overall 35-36 favorable-unfavorable ratings for Clinton in Texas "are true, then we've got him. He has to carry the South. The way to unlock the South was with Clinton, but 35-36 are not numbers to carry the South."

"He [Clinton] is running well with the strong Democratic base, but after you get away from the Democratic base, the weaker he gets," said Tedin, chairman of the Houston political science department. "Clinton is really lucky there is not a strong challenger. There really is not anyone else."

Conversations this week with working and lower-middle-class white voters, who in the past voted Republican in presidential elections but who are now ready to vote against President Bush, showed a

strong mistrust of Clinton. Even worse for Clinton, the allegations of infidelity and draft evasion go directly counter to the thrust of his message calling for raised levels of responsibility for everyone from welfare recipients to corporate CEOs.

Even since Bush took office, Corey Evans of Chatsworth, Ga., a 22-year-old machine fixer at a carpet plant, has faced winter layoffs of two months or more. He and his wife of a year and a half, Kendra, have relatives who periodically have to go without groceries, and Corey Evans wants to repudiate the vote he cast for Bush in 1988.

But when they look at the Democrat making the strongest claim to the South, they are uneasy. "There's been too much about him in them old magazines. It really hurt him," said Corey Evans.

"If he womanizes, what else does he do. I mean, you know, you've got to be totally sure about someone, really believe him, for him to be president of the United States," said Kendra Evans. "If there is something, even a moral issue, that kind of gives you doubts. . . ."

In Ellijay—an area of north Georgia that helped give inspiration to the poetry of "Deliverance" author James Dickey—Betty Pinson, who owns and operates Pinson's gas station, is almost the perfect target of the Clinton message of responsibility.

A foster mother to nine children, including five Mexican immigrants, all of whom she brags are on school honor rolls, Pinson increasingly must reach into her own pocket to pay for dental and medical care. She sees Bush, for whom she voted, as a politician who has allowed the "American people to do without, while they [the administration] take care of the foreign countries."

While more than ready to vote for a Democrat in November, she says about Clinton: "I don't think he's the man for the job. He doesn't have the intestinal fortitude. There is something that bothers me, faithfulness and truthfulness and all this stuff. I can't exact put my finger on it, there is just something that doesn't sit right with me." Asked about the draft, she said "he should have done his duty like everybody else. If you have a duty to do, take care of it. . . . I need somebody to vote for."

Richard Amann, who works for the Gilmer County Transportation Department, said he is strongly inclined to vote for Clinton, dismissing the charges against him. He voted for Bush in 1988, but "I like someone who is for the little man. . . . Bush—he's big business."

Standing next to him, co-worker Jacky Morgan, a loyal Democrat, agreed that Bush is "the big man's president" and will not vote for him. The issues of the draft and infidelity are "a man's personal life, his own," Morgan said, "but it might bother me to be perfectly honest. . . . It bears on the mind, it's something to mull over. You want someone you think is a good, honest man. I guess maybe the personal life does reflect on it."

Supply is focus of drug 'summit'

By Frank J. Murray
THE WASHINGTON TIMES

SAN ANTONIO — President Bush arrived in Texas yesterday to convince five Latin American presidents he has dented America's appetite for the drug "monster" and to prod the leaders into halting a rising drug supply.

Colombian President Cesar Gaviria also arrived yesterday, saying concrete goals were needed. He proposed a commitment to end all drug trafficking by the year 2010.

Diplomatic sources said the draft agreement proposes a turn-of-the-century target of halving drug supplies, largely from South America, and drug demand, much of it in North America.

But a senior U.S. official said last night that Peruvian demands for more aid would stalemate the issue and keep it from even being mentioned in the final declaration.

The presidents hold "summit" sessions today to thrash out details of that statement, but objections were voiced yesterday by Peru's President Alberto Fujimori, who said he would not support compromise on the objectives if there were no compromise on financial assistance to combat the problem.

"There's no blank checks anymore, for this or anything else," Mr. Bush warned.

All six presidents were to hold a joint news conference today after the final declaration is released.

Last night, Mr. and Mrs. Bush hosted a state dinner after Mr. Bush met privately for a half-hour each with the presidents of Peru, Colombia, Ecuador and Bolivia. He was to have breakfast today with Mexican President Carlos Salinas de Gortari.

Although the second "international drug summit" takes place in a city Mr. Bush was told is ravaged by narcotics, Bush administration officials argue that major successes since 1988 are not being recognized.

"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," said Bernard Aronson, assistant secretary of state for inter-American affairs. "This war is not going to be like Desert Storm. It is not going to be won in 100 hours."

The officials conceded the drug supply is rising despite the \$2.2 billion five-year Andean strategy that produced arrests and a growing number of seizures throughout the hemisphere. But the number of hard-core U.S. drug users, estimated at 900,000, is not dropping.

The increased drug supply is blamed largely on corrupted officials in Latin America and bumper crops of coca and marijuana south of the border.

"We're interdicting a lot more. The problem is they're producing a lot, too," Mr. Bush said in an interview with the San Antonio Light newspaper.

In a California speech on Tuesday Mr. Bush said he will seek at the international summit to "sharpen our strategy to beat this scourge" but said more changes are needed in the United States as well.

"We need stiffer sentences for drug dealers, courts that punish criminals, not [punish] honest cops trying to do their jobs, laws that make life tougher on criminals than on the victims of crime," Mr. Bush said.

In the interview, given Monday at the White House and released en route, Mr. Bush said his goal in today's summit sessions is "to convince them — which I think will be rather easy given the figures — that we are making progress on the demand side."

Democrats seek wins on the road

By J. Jennings Moss
THE WASHINGTON TIMES

Democratic presidential candidates are entering unfamiliar but potentially decisive territory, with three touting regional victories and another expected to make it a four-state next week.

After Tuesday's South Dakota primary, which saw Nebraska Sen. Bob Kerrey collect his first victory, the candidates started the march to next Tuesday's series of eight primaries and caucuses.

Mr. Kerrey stressed his electability by giving his most pointed critique of the difference between his and Arkansas Gov. Bill Clinton's records during the Vietnam War.

"I have objected to some representations Bill Clinton has made about the nature of what happened to him in the 1960s," Mr. Kerrey, who lost half a leg in Vietnam, said on CNN. Mr. Clinton denies allegations that he improperly avoided the draft.

"I think the Republican president is going to open him up like a boiled peanut in November in a campaign that will be reminiscent of what we had in 1988," Mr. Kerrey said yesterday, adding that such a tactic would obscure Mr. Clinton's views.

Mr. Kerrey, who hopes his sagging funding will be revived by his recent victory, joins those candidates who won at or near home but have not repeated their success elsewhere.

Iowa Sen. Tom Harkin overwhelmingly captured his state's caucuses Feb. 10, and former Massachusetts Sen. Paul Tsongas won the New Hampshire primary Feb. 18 and Maine's caucuses last Sunday.

Though Mr. Clinton has yet to win, he is the best financed and best organized of the candidates and will

ROAD TO THE WHITE HOUSE

Here is the current breakdown of delegates to the Democratic and Republican national conventions that have been won in presidential primaries and caucuses.

100% of precincts reporting in South Dakota.

DEMOCRATS

Delegate count. Needed to nominate: 2,144.

	Iowa	N.H.	Maine	S.D.	Total
Harkin	39	0	1	5	45
Tsongas	0	9	8	0	17
Clinton	0	9	3	3	15
Kerrey	0	0	0	7	7
Brown	0	0	7	0	7
Uncommitted	10	-	4	0	14

Voting percentages:

	Iowa	N.H.	Maine	S.D.
Kerrey	2%	12%	3%	40%
Harkin	77%	10%	5%	25%
Clinton	3%	28%	15%	19%
Tsongas	4%	35%	30%	10%
Brown	2%	9%	29%	4%
Others	-	8%	1%	2%
Uncommitted	12%	-	16%	0%

REPUBLICANS

Delegate count. Needed to nominate: 1,105.

	N.H.	S.D.	Total	N.H.	S.D.
Bush	14	14	28	53%	69%
Buchanan	9	-	9	37%	-
Uncommitted	-	5	5	-	31%
Others	-	-	-	10%	-

*Not on ballot

The Washington Times

get his first test in the South on Tuesday in Georgia's primary.

All four will be tested next week. Mr. Tsongas calls Maryland's primary "critical" and is working Colorado and Washington state. Mr. Kerrey intends to challenge Mr. Clinton

in Georgia and is looking at Colorado. Mr. Harkin eyes Minnesota.

A week after Tuesday's contests comes Super Tuesday, a collection of 11 mostly Southern and Northeastern primaries and caucuses.

"This is just the beginning," Mr.

Harkin said in a statement about the South Dakota results.

"The election has been sidetracked in these early contests by discussions about electability ...," he said. "The Olympics may be over in Albertville, but here, in the Democratic Party primaries, I say, 'Let the games begin.'"

In Georgia yesterday, Mr. Kerrey said, "I'm going to describe with no shame, with no need to defend my own experience, my record and how that relates to getting the job done."

"Imagine me debating George Bush in the fall," he said. "He answered the call in World War II. I answered the call in Vietnam ... We are going to be talking about duty to country here."

A spokesman for Mr. Tsongas, who campaigned yesterday in Colorado, said the campaign is working on the assumption that Mr. Clinton will win in his home region and that Mr. Tsongas needs to win Maryland.

"Then the race focuses on the industrial states where the message of economic truth and long-term investment resonates deeply," spokesman David Eichenbaum said.

Mr. Clinton spent yesterday in Little Rock, Ark., spending most of his time on state business. A spokesman did not return phone calls for comment on Mr. Kerrey's remarks.

The race could be over by April 7, when New York and Wisconsin hold their primaries, said Paul Tully, political director to the Democratic national convention.

The next batch of primaries is significant because it tests voters whose voices have not been heard — minorities, city dwellers and organized labor. "Now the full diversity of the party comes home," he said.

• This story is based in part on wire service reports.

GOP takes Bush foe seriously

By Ralph Z. Hallow
THE WASHINGTON TIMES

President Bush, with even his partisans saying he is in trouble, tried yesterday to put a happy face on opposition by 31 percent of the GOP voters in South Dakota's primary.

"It was a good victory — 69 percent — good victory ... great victory," Mr. Bush told reporters as he arrived at Kelly Air Force Base in San Antonio for an international drug summit.

"You get 30 percent to vote against church on Sunday or against daylight saving time," said press secretary Marlin Fitzwater. He blamed Mr. Bush's tired appearance and stumbling delivery of speeches in California on medication for a cold. He did not identify the medicine.

It was a day in which former President Reagan rushed to Mr. Bush's defense, releasing a statement denying The Washington Post's report that Mr. Reagan told friends Mr. Bush "doesn't seem to stand for anything," an allegation often made by GOP challenger Pat Buchanan.

Amid reports that Mr. Buchanan was close to receiving his first endorsement from a nationally prominent Republican, 1988 presidential hopeful Pete du Pont, conservative leaders were softening their criticism of the challenger.

"I've always taken Pat seriously, and his candidacy has to be taken seriously," said former Bush administration drug policy chief William Bennett.

The night after Mr. Buchanan's strong showing in the Feb. 18 New Hampshire primary, Mr. Bennett met with a group of conservatives in his office, syndicated columnists Rowland Evans and Robert Novak reported this week.

The purpose: to decide what to do about Mr. Buchanan and whether a Democratic victory in November might put conservatives in a better position to elect one of their own to the White House in 1996.

National Review Editor John O'Sullivan, who was at the meeting, said the "conservative movement should remain united and other conservative leaders should offer in various degrees support to Pat, including [Housing and Urban Development Secretary Jack] Kemp and Bennett, who are tied to Bush."

"They should make it clear that they regard him as a legitimate con-

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GOP

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servative candidate and disavow attacks on him," he said.

Mr. O'Sullivan said his magazine "does not regard [Mr. Buchanan] as an anti-Semite, and we have said so several times," despite National Review founder William F. Buckley's 40,000-word essay that dominated a recent issue and reached the opposite conclusion.

Mr. du Pont did not return several phone calls yesterday.

Mr. Buchanan, meanwhile, blasted Mr. Bush in Louisiana, saying, "The only message is 'Read my lips, no second term.'"

"We're being taken seriously," Mr. Buchanan said. "That's why Mr. Bush is beginning to run attack ads over in Georgia."

In Georgia, which holds its primary next Tuesday, the Buchanan campaign responded to Bush ads questioning his patriotism during Operation Desert Storm with a 30-second television spot that blames the Bush administration for fostering pornography through its support of the National Endowment for the Arts.

Conservatives are increasingly

restive over the Bush ads and the harsh things the White House and its surrogates say about Mr. Buchanan, even though some Bush advisers admit privately they will need Mr. Buchanan and the conservative movement to help the president in November.

Former Reagan White House aide Lyn Nofziger, considered a Republican loyalist to the core, echoed this concern when he referred to a Bush ad running in Georgia that claims Mr. Buchanan was not supportive of Desert Storm once it got under way.

"I don't think the [Gulf] war is worth a darn as an issue," Mr. Nofziger said on ABC-TV's "Nightline." "Saddam Hussein is still sitting on this throne over there." Mr. Buchanan has been making that point from the beginning of his campaign.

Mr. Buchanan and his top advisers used the president's South Dakota showing to claim Mr. Buchanan would actually have whipped the president but for an alleged connivance between the state party and the White House.

"If Pat hadn't been denied access to that ballot, we could have beaten Bush there or at least won over 40 percent of the vote," said Buchanan pollster Frank Luntz.

Although running unopposed in

the South Dakota GOP primary, Mr. Bush lost 31 percent of the vote to a slate of undecided candidates eight days after he lost 47 percent of the vote to Mr. Buchanan, minor GOP candidates and Democratic write-ins in the New Hampshire GOP primary.

"I am afraid the message is that a lot of people are dissatisfied — though in my opinion unfairly — and our candidate could be in trouble," said Jack Londen, a Republican National Committee member from Arizona. "Some good can come out of all this, if it stirs him to some things he needs to do to win in November."

Morton Blackwell, former Reagan White House aide and an RNC member from Virginia, said Mr. Bush will soon do things he needs to win, such as using the line-item veto that conservatives have long urged him to wield.

But Mr. Bennett said that Mr. Bush's campaign "lacks the definition it deserves. The president deserves better than he is getting."

By contrast, the "strength of Pat Buchanan's campaign is that it has clear definition and is strong," Mr. Bennett said, but he added, "It's also wrong on some issues."

Frank Murray contributed to this report.

HARRY SUMMERS

Blinded by bias and loathing?

Bill Clinton was right about one thing. He had no business in the ROTC program at the University of Arkansas, for he obviously lacked the basic qualifications for a military commission. "There is a one-word key . . . among the four lofty qualifications cited on every military officer's commission," wrote the distinguished military historian S.L.A. Marshall more than 40 years ago. "That word is fidelity. . . . [B]ecause it comes of personal decision, [fidelity] is the jewel within reach of every officer who has the will to possess it. It is the epitome of character, and fortunately no other quality in the individual is more readily recognized and honored by one's military associates."

Whatever his other virtues, fidelity is not Bill Clinton's strong suit, either in his solemn pledges to the military or in his sacred vows to his wife. On national television, his wife stood pathetically by his side. But those he had diddled at the Arkansas ROTC were not so forgiving. They chose to release his December 1969 apology for dodging the draft.

But draft dodging was not the worst of it. More damning was his condescending fatuity that he was writing "in the hope that [it] will help you to understand more clearly how so many fine people have come to find themselves. . . loathing the military to which you and other good men have devoted years, lifetimes, of the best service you could give."

Mr. Clinton's abysmal ignorance of the role of the military in American society reflected in those words has so far gone unremarked. But much more than his marital infidelity or his feckless efforts to evade military service and protect himself from physical harm, Mr. Clinton's blind anti-military prejudice represents a fundamental impediment to his exercise of office as the nation's commander in chief.

Why did he loathe the military? Was it because he didn't want to be drafted? But surely this "brilliant" Rhodes scholar must have known that in its entire history the military had never drafted a single soul. And the reason, as he must have ascer-

tained during the research on the Selective Service System at Georgetown University that he brags about in his letter, is that Article I, Section 8 of the Constitution of the United States specifically reserves the power to raise armies to Congress and Congress alone.

Mr. Clinton should have known that the focus for his "loathing" should not have been the military, but politicians such as his mentor, Sen. J. William Fulbright, who voted for passage of the Selective Service Act, the enabling legislation for the Vietnam War draft. But then again, after years "work[ing] to prepare [himself] for a political life characterized by . . . practical political ability," Mr. Clinton knew that directing his wrath at Mr. Fulbright would hardly have maintained his "political viability."

Adding to Mr. Clinton's rage was evidently the fact that it was the military that was fighting the war in Vietnam that he held in such contempt. Like many of his contemporaries, he perhaps felt that the military should have refused to go there. But blaming the military for following the orders of their civilian leaders is a slippery slope indeed, for it jeopardizes one of the basic tenets of American democracy — civilian control of the military.

It was the politicians, not the military, that involved the United States in the Vietnam War. Beginning with President Truman, who sent a military advisory team there in 1950, five successive U.S. commanders in chief — Truman, Eisenhower, Kennedy, Johnson and Nixon — ordered military forces into Vietnam. And from the 82nd Congress in 1950 through the 93rd Congress in 1973, the national legislature, by overwhelming margins, provided the authorization and the money for military operations there.

At a time when civics were still taught in the classrooms, anti-war protesters were astute enough to separate war from the warriors. For example, in 1899 the Anti-Imperialist League condemned the Spanish-American War while at the same time acknowledging "the sacrifices of our soldiers and sailors, whose bravery deserves admiration even in an unjust war." But Mr. Clinton was so clearly unaware of the basic workings of the American governmental system that he was unable to make the distinction.

His loathing was not directed at the succession of presidents who ordered the military into combat in Vietnam or at the succession of Congresses that provided the wherewithal for the war. Instead, adding insult to injury, Mr. Clinton directed his wrath at those who were serving in his stead, the uniformed men and women whom those politicians had ordered into battle. If he still harbors these views — and so far at least, he has not repudiated them — not only his moral fitness for high office but also his intellectual fitness is open to serious question.

PAUL CRAIG ROBERTS

Liberal assaults on the rule of law

Oliver North's attorney, Brendan Sullivan, astonished a recent meeting here of the Federalist Society, when he publicly stated for the first time that he was forced to appear before a grand jury for the purpose of testifying against his client during Independent Counsel Lawrence Walsh's prosecution of Col. North in the Iran-Contra affair. This attempted perversion of the American legal process is shocking. Yet the special prosecutor's office has enjoyed the support of the organs of the liberal conscience — The Washington Post and the New York Times.

Threatened with criminal contempt proceedings if he did not cooperate, Mr. Sullivan took along 30 copies of the U.S. Constitution to remind the jury of his and his client's rights, but he was not permitted to distribute them. In the face of Mr. Sullivan's refusal to violate the attorney-client privilege that is well-established in U.S. case law, the special prosecutor backed off from his effort to substitute Star Chamber procedures for the U.S. legal system.

Liberals have not criticized the criminalization of policy differences that have led to this and other legal abuses by the special prosecutor's office, and they have been quick to misuse the legal system to punish their political opponents and to advance their special causes.

With the rapid development of the government's power to pursue its targets, Mr. Sullivan's tactic is not likely to suffice in the future to deter an aggressive state from abusing the legal system. The disregard for the attorney-client privilege is already creeping into other areas of our legal system, and the logical outcome is that we can look forward to having our lawyers testify against us. With the drive to get prosecutorial targets at all costs, the principle of attorney-client confidentiality is as expendable as the other protections in our legal system that are falling one by one.

For example, liberals turned a blind eye when the government criminalized accidents in the case of the Exxon Valdez oil spill. Relishing the opportunity to ride their environmental high horse, they furthered the destruction of the legal principle that there can be no crime without intent. Similarly, liberals

saw an integrated society as another case where the ends justified the means. They winked at the Constitution and the 1964 Civil Rights Act while an illegal policy of racial quotas was implemented. Today employers, who lack proportional representation of minorities in their work force, are prosecuted regardless of any intent to discriminate.

By reversing their position on ends and means, liberals have contributed greatly to the lawlessness of U.S. society and to the corruption of its officials, both elected and appointed.



Lawrence Walsh

Paul Craig Roberts, an economist at the Center for Strategic and International Studies, is a columnist for The Washington Times and is nationally syndicated.

Everyone knows that quotas and reverse discrimination are illegal, yet the federal government is the major perpetrator of the practice. Why should anyone else respect U.S. law when the federal government itself violates it?

Determined to get "junk bond king" Michael Milken at all costs, federal officials violated federal law by leaking grand jury testimony to help build momentum for their case. The practice of illegal leaking has now spread to the U.S. Senate and to the federal judiciary. In an effort to stop the confirmation of Justice Clarence Thomas to the Supreme Court, the Senate Judiciary Committee illegally leaked an FBI report. In a similar action, the D.C. Circuit Court of Appeals leaked parts of an opinion by Judge Thomas in an effort to hurt his chances for Senate confirmation. Many suspect it was Chief Judge Abner J. Mikva, a former Democratic congressman, who has blocked an investigation of the leak.

When I was a kid, liberals taught that the ends don't justify the means. Today, they willingly abandon any legal principle, no matter how critical to a rule of law, in order to settle a political score or to serve a "higher cause." By reversing their position on ends and means, liberals have contributed greatly to the lawlessness of U.S. society and to the corruption of its officials, both elected and appointed.

The now routine abuse of its prosecutorial power by the U.S. government reached Gestapo heights in the 1986 case of U.S. vs. Omni International Corp., where the government was found guilty of fabricating evidence, lying to the court, and a variety of other grievous crimes in its effort to prosecute a defendant. In Maryland, U.S. District Court Judge Walter E. Black Jr. declared: "The government's conduct was patently egregious and cannot be tolerated or condoned. Its manner of proceeding shocks the court's conscience. The indictment must be dismissed as a prophylactic sanction for the consistent course of entrenched and flagrant misconduct." Our corrupt government, however, was not sufficiently embarrassed to indict its officials who had fabricated the case.

Formerly, U.S. citizens could look to a Congress that was accountable to the people to curtail abuses of power by the government. However, Congress has raised itself to imperial status and routinely exempts itself from the law. In 1990, when Congress was debating what became last year's so-called Civil Rights Act, Sen. Warren Rudman, New Hampshire Republican, candidly asserted that the Senate is above the law: "This is the Senate, it is not subject to the same rules and laws of a manufacturing plant in New Hampshire or a farm in Iowa. . . . I am not embarrassed to stand here tonight and say we are not exactly like everybody else."

Good-night call . . . and a sobering scenario

In the wake of the New Hampshire primary, George Bush and his inner circle of dazed insiders are wondering how best to put their message across. In the process they may even decide what their message is.

The lip-readers of New Hampshire, meanwhile, have delivered their own message. It was loud enough to be heard through this president's ear trumpet, but probably too late to do him any good. It was not a wake-up call but a good-night call. A year ago Mr. Bush looked unbeatable. Now he looks unelectable.

This president has points in common with Mike Tyson. The former heavyweight champ got the idea he could get away with anything: All he had to do was hire the best legal talent in the country to get him off the hook. He turned out to be out of touch with reality, the reality of his own record. The best lawyer on Earth couldn't make that go away.

In the same way, Mr. Bush seems to think that no matter what he does, he can always get Peggy Noonan to write another brilliant speech and his record will be forgotten. But there is a time when you are judged by your promises, and there comes another time when you are judged by whether you have kept them. A great speechwriter could help him in 1988, but not in 1992.

His attitude was best expressed by his budget director, Richard Darman, in a reply to complaints that Mr. Bush had broken a promise to environmentalists. Mr. Darman explained: "He didn't say that. He read what was given to him in a speech."

By implication, this president is bound by nothing he says in a speech written by others. So it was Miss Noonan, not Mr. Bush, who promised not to raise taxes. That tells you all you need to know about this administration's sense of honor.

With all the power of the presidency behind him, with the tug of party loyalty in his favor, boosted by the fear of helping the Democrats, against a challenger who has never held office and who provokes strong antipathies, Mr. Bush got barely half the Republican vote in a deeply Republican state. It was a miserable showing.

Mr. Bush has succeeded in de-

molishing his own conservative political base, without earning the esteem of the Democrats — who are voting more conservatively themselves. Only Mr. Bush seems to have been untouched by the Reagan-Yeltsin era. This raises the question: If Ronald Reagan was such a Great Communicator, why couldn't he get through to his own vice president?

My friend Bill Buckley makes a certain defense of this president, but without much conviction. He lists the issues Mr. Bush has been sound on, from a conservative point of view: judicial appointments, abortion, the capital gains tax and internationalism.

This is a short list, and it gets shorter under inspection. Mr. Bush's judicial appointments are inseparable from the abortion issue, and even Bill adds important qualifiers on the other two.

But the defense misses the point. Enumerating the issues on which George Bush hasn't betrayed conservatives is a little like listing all the documents Alger Hiss neglected to turn over to Stalin. After all, you don't need to chase every single woman in town to be a philanderer. One thinks of the old joke about the Frenchman whose worried wife asked him if he was faithful to her:

"Frequently!" he beamed.

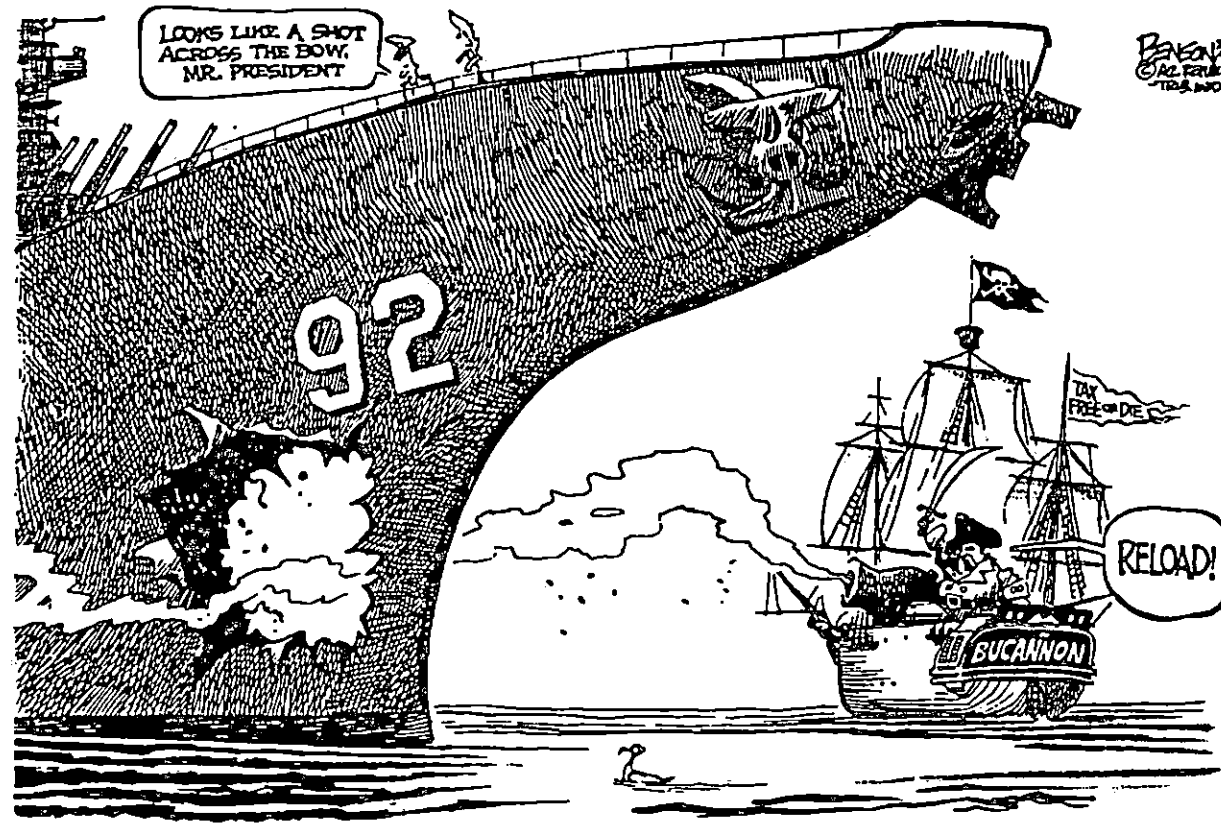
The real point was made in New Hampshire. From now on, no Republican president will dare to double-cross conservatives who supported him.

Mr. Bush has assumed he could get away with it because he thought conservatives had nowhere else to go. That kind of thinking had some plausibility during the Cold War, when the sight of Michael Dukakis in a tank could make anti-communists shudder. But it doesn't work anymore. The fate of the world no longer seems to be at stake in every presidential election, and conservative

Republicans feel freer to vote on the basis of conviction rather than terror.

Mr. Bush should face it: Most of his countrymen deem him a failure or worse. Many in the core of his own party won't vote for him again under any circumstances. In his four-year spree, he has spent all the political capital Ronald Reagan amassed.

If the Democrats can't beat him, it will be their own fault. He could still win, if that's all he cares about. But he should step aside now for the good of his own party, and devote his last few months in office to redeeming what he can of his honor.



It's going to be a fascinating presidential year — with a number of contending heavyweights hoping to galvanize the support of their party. I refer, of course, to 1996.

The grunting and panting you hear from Republican ranks is the sound of 1996 maneuvering getting an early start. The most obvious entrant into the sweepstakes is Patrick Buchanan, preparing the ground in New Hampshire. But looking on with uneasy glances are former drug czar William Bennett, Sen. Phil Gramm of Texas, Defense Secretary Dick Cheney, Housing Secretary Jack Kemp, and Vice President Dan Quayle.

The vice president made his first formal foray into the debate with Mr. Buchanan at the Conservative Political Action Conference in Washington last week. CPAC is always a gathering of the conservative faithful and a fairly good barometer of conservative sentiments. Mr. Quayle

Mr. Quayle offers this guess: Jimmy Carter as secretary of state.

had a dual mission. One aim was to position himself as conservative standard-bearer for 1996 — an essential role for Mr. Quayle. If Mr. Bush is re-elected in 1992, Mr. Quayle will not enter the 1996 race with the kind of halo Mr. Bush enjoyed in 1988. The second Bush administration is likely to be even less palatable to conservatives than the first — and Mr. Quayle's loyal service may be more of an albatross than anything.

Mr. Quayle has other problems as well, including — fair or unfair — a reputation as a dim bulb. So if Mr. Quayle hopes to stand a chance at the nomination in 1996, he must be seen as the conservative conscience within the Bush administration. So far, his record on that score has been good. On every major policy battle of the first term — the budget deal, Mikhail Gorbachev vs. Boris Yeltsin, quotas — Mr. Quayle has sided with conservatives. Even on the Gulf war, it was Mr. Quayle, not Mr. Bush, who saw the need to adumbrate the administration's rationale for war, which he hid in a series of speeches in 1990.

But Mr. Quayle, like the other nominee-wannabees, understands that Mr. Buchanan is a threat, not just in 1996, but right now. For if Mr. Buchanan succeeds in weakening Mr. Bush sufficiently, a Democrat may roll over the president in No-

vember. That's one kind of term limit Dan Quayle does not favor.

Accordingly, the vice president set out the pro-Bush case in his address to the CPAC convention. For those whose support of the president is wobbly (a good Margaret Thatcher word), including this columnist, the case is as strong as could be made.

Mr. Quayle started, not surprisingly, with the Bush triumph in Desert Storm. Wags have noted that Saddam Hussein now sits more securely on his throne than George Bush sits on his, but Mr. Quayle made the necessary point that if a liberal Democrat had been in office in 1990 and 1991, Saddam would almost certainly now be in control of 40 percent of the world's oil and a budding nuclear capacity to boot.

Mr. Quayle next reminded conservatives that George Bush sent up solid nominees to the Supreme Court. That hard-fought victory is subject to the whims of nature — that is, the health of human beings — and thus cannot be counted as secure.

Fair enough. But then Mr. Quayle switched gears. Knowing that the remainder of the Bush presidency is basically a wasteland from the conservative point of view, Mr. Quayle enlisted in his cause a parade of horrors — speculation about what a Democratic administration might do.

The Democratic president, Mr. Quayle only half-whimsically suggests, might announce a four-point agenda to be administered by the new secretary of health and human services, Kate Michelman: cradle-to-grave socialized medicine; a "Compassion Bill of Rights" that forbids welfare reform in the states; a national condom distribution campaign for grades seven and up; and a federal right to abortion on demand.

Continuing the chamber of horrors theme, Mr. Quayle asks conservatives to imagine the Democratic Congress passing, and the Democratic president signing, a bill to increase the number of federal judges by 25 percent (thus obliterating the achievements of Presidents Reagan and Bush), as well as legislation raising the top income tax rate to 70 percent.

For the coup de grace, Mr. Quayle offers this guess: Jimmy Carter as secretary of state, and Ralph Nader as attorney general.

The vice president allowed as how he was only exaggerating slightly. And, in fact, you need only believe in his scenario slightly to sober up about November right quickly.

Mona Charen is a nationally syndicated columnist.

Joseph Sobran, a senior editor of *National Review*, is a nationally syndicated columnist.

JUDE WANNISKI

How to un-capital vital capital

Seven arguments for eliminating capital gains taxation:

(1) It will help labor. When you tax something, you get less of that thing. When you reduce taxation on that thing, you get more of it. When you cut tax rates on labor (ordinary income), more people offer their labor in the market as work becomes more attractive. When this happens, capital becomes relatively scarce. In the 1980s, tax rates on labor were cut sharply and protected against inflation by indexation. Tax rates on capital were cut briefly, but increased again in 1987, and were not protected against inflation. Labor is now plentiful and capital is scarce (the "credit crunch"). Capital can pick and choose selectively from an army of unemployed, taking this worker here, that worker there, and sending the rest home. If capital were taxed at a lower rate, it would become plentiful, and labor would become relatively scarce. If capital were not taxed at all, it would become abundant. It would have to hire everyone in the unemployment lines in order to realize all profit opportunities, and then hire the homeless, derelicts, mentally retarded, etc. It would pay for capital to improve the quality of their lives and train them in order to realize profits.

(2) It would help minorities. Consider the following hypothetical situation: Every tenth American born at random is marked on his or her

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forehead with an "X." Throughout their lives, they carry this sign, which makes it illegal for their fellow citizens to supply them with capital. They must be denied loans through banks, thrifts, credit unions, insurance companies, stock markets and all other sources of debt or equity. They would have only what they possess from birth, i.e., their labor. It should be no surprise that these "X" babies would develop their potential as best they could without capital, and become the best athletes and entertainers in the society. When Negro slaves were freed during the Civil War, they came into the market without a scrap of capital. Race prejudice, the equivalent of a bias against the "X", has kept black Americans starved for capital ever since. Eliminating the tax on capital would make it so abundant it would flow throughout society.

(3) It would help long shots. When capital is scarce, it is reserved for the "sure things." The "credit crunch" we speak of simply reflects the difficulty of enterprises that are

Eliminating the capital gains tax entirely will maximize the reward for risk-taking, innovation and enterprise.

not established in acquiring capital from the system. Imagine a horse race, where the favorite goes off at even money, the long shot at 40-to-1. If the long shot wins, but the bettors find their after-tax payoff is no better than if they had bet the favorite, they will henceforth only bet the favorites. The long shots will stop entering the races. Racetracks will find it unprofitable to stage races and will shut down. Capitalism, like a race-track, must provide for large rewards for large risks. Eliminating the capital gains tax entirely will maximize the reward for risk-taking, innovation and enterprise, enabling capital to flow to 40-to-1 long shots, because only one need win in order to make the entire portfolio of bets worthwhile.

(4) It would help small-town America. Land, like labor, is a factor of production. When capital is scarce, it is reserved for established enterprises, the highest-quality management and labor, and the choicest property. Throughout America's history, with capital taxed lightly or not at all, it spread from

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capital centers and found its way to profit opportunities throughout the grass roots.

As capital becomes scarce through high taxation, it becomes concentrated at the metropolises, drying up opportunities in the country's small towns. Japan, which taxes capital lightly or not at all, has become a fountain of capital that spreads far beyond its own shores, seeking profit opportunities everywhere. Indeed, Japanese capital is even finding its way to America's small towns, which no longer find capital available from American sources.

Ending the tax on capital gains would make American capital so plentiful it would push much of this Japanese capital in other directions, to Asia, and Central and South America.

(5) It would create an economic boom without inflation. As all economic growth beyond simple population growth is the result of risk-taking, innovation and enterprise, elimination of the tax on capital would maximize economic growth through productivity increases, which do not involve inflationary price increases of goods. The price of labor rises, of course, as capital abundance makes labor scarce, but as workers will have more capital available per man hour, they will be able to produce more with less effort. Real growth rates of 5 percent and 6 percent a year for many years on end are possible in this way, driving unemployment rates down as well as society's costs for welfare.

(6) It would balance federal, state and local budgets. Government is now experiencing fiscal crises at all levels, as the scarcity of capital has dried up new enterprise. Commercial office space built or planned prior to the changes in the tax laws remains empty. The long-shot businesses that would have occupied them, employing long-shot workers, did not come into existence. The housing the long-shot workers would be buying is unaffordable, and remains vacant or unbuilt.

Tax authorities that rely on businesses for business taxes and workers for income taxes find these sources drying up, and in order to offset the losses are forced to raise tax rates even higher and cut essential public spending. Eliminating the capital gains tax reverses the process, creating business activity as the rewards are maximized for risk-taking and enterprise. Tax revenues at every level of government throughout the nation would immediately rise following the end of the federal capital gains tax. Public works spending could rise to rebuild America's aging infrastructure.

(7) It would aid the elderly. In several ways, the nation's senior citizens would benefit enormously from an end to the capital gains tax. As most capital assets are owned by people over 55 years, and as the price of these has been exaggerated through the last generation of monetary inflation, seniors are now unable to enjoy the fruits of their past investments without paying exorbitant taxes not on capital gains, but on capital.

In the nation as a whole, taking account of inflation, there has been no net increase in the nation's capital this past quarter-century. Eliminating the tax on capital gains would permit the seniors to unlock their past investments instead of being forced to pass them, at death, to their heirs.

The second way seniors would benefit would be in the future, as rapid economic growth provides the resources enabling society to take care of the health and retirement needs of the aging population. The Japanese economy, with little or no tax on capital, has been doubling every 11 years. Were the U.S. economy to double between 1992 and 2003, the economy would be producing \$10 trillion of goods and services instead of \$5 trillion. Some portion of the extra \$5 trillion would be available to both lower retirement ages and increase retirement benefits.

There are many other benefits that flow from eliminating the capital gains tax. Not the least is the revival of entrepreneurial capitalism in America, which holds out the promise for economic advancement and personal fulfillment to American citizens of every class and in every walk of life.

The other leak

Last week, the Court of Appeals for the District of Columbia Circuit released a long-awaited decision. It was unconstitutional, so the court found, for the Federal Communications Commission to give preference to women in awarding broadcast licenses because it denied equal protection under the laws to white men.

The legal and policy ramifications of the decision, *Lamprecht vs. FCC*, in themselves would be enough to make it noteworthy. However, the decision had been eagerly anticipated for other reasons as well. It was written by former Appeals Court Judge Clarence Thomas. When the case was heard in January 1991, Judge Thomas, now a member of the U.S. Supreme Court, sat on the D.C. Circuit Court.

Last September, the opinion became part of the political tug-of-war between Judge Thomas and his opponents, courtesy of the *Legal Times*, a weekly Washington newspaper. Just prior to the Senate Judiciary Committee vote on his nomination to the Supreme Court, the *Legal Times* published an account of the decision and disclosed, correctly, that the Circuit Court had decided on a 2-1 vote to strike down the FCC preference policy (Judge James L. Buckley joined Judge Thomas' decision; Chief Judge Abner A. Mikva dissented). The *Times* also reported that the final draft opinion had been completed for some time but was not being released because it could potentially damage Judge Thomas' chances for confirmation.

It was thought to be damaging for two reasons. On the one hand, Judge Thomas had been on the Circuit Court for less than two years when he was nominated to the Supreme Court, and in that time, he had produced few opinions on the sorts of hotly contested issues that can make political enemies. His paper trail

prior to his Circuit Court assignment was examined thoroughly by his opponents during his confirmation for the D.C. Circuit, but to no avail. On the other hand, Judge Thomas' White House handlers saw to it that during the first round of confirmation hearings for the Supreme Court, Judge Thomas dodged every potential bullet by revealing precious little about his approach to controversial issues. Thus, the FCC decision was significant because it was seen as a smoking gun on the question of affirmative action.

The disclosure in the *Legal Times*, based on a fairly unprecedented leak of a court's draft decision by some person or persons at the court, marked a low point in the win-at-any-cost campaign to defeat the Thomas nomination. (This, of course, was before Anita Hill was dragged into the proceedings.) Fortunately, this behind-the-scenes maneuver didn't succeed. Judge Thomas was questioned by senators about the alleged delay in the release of the opinion, and he answered their questions satisfactorily. In his concurring opinion last week, Judge Buckley wrote that, in fact, the court's opinion had not been completed and was not ready for release last fall. The *Legal Times* had based its report on an early draft of the decision, according to Judge Buckley.

But apart from the question of whether or not the release of the opinion was delayed, there is the matter of the disclosure itself, a serious ethical lapse on the part of the politically motivated leaker or leakers. In his opinion, Judge Buckley added the request for the court to begin a formal investigation into the matter, saying that it is "essential that we prevent this disease from invading the judiciary." In this, Judge Buckley is absolutely right, and the sooner such an inquiry gets under way the better.

Death by government

The courts have now told the Bush administration and Congress what safety experts have long argued: Their fuel-economy standards are nothing more than a death warrant for unsuspecting automobile owners. This time, however, people like former Transportation Secretary Sam Skinner, now Mr. Bush's chief of staff, and Nevada Sen. Richard Bryan can't ignore the finding.

Federal Appeals Court Judge Steven Williams and his former colleague on the bench, Clarence Thomas, were blunt in assessing the administration's handling of the fuel-economy issue. Based on safety data, they said, there is an "overwhelming likelihood" that the 1990 model year standard of 27.5 miles per gallon — which is also the current standard — "reduces the supply of safe cars available to American consumers." That's because the easiest way to make cars that go farther on a gallon of gas is to make them smaller. The laws of physics dictate that, all other things being equal, a small car that runs into a larger car is going to be the worse for their meeting.

The federal agency that Congress charged with overseeing that standard, the National Highway Traffic Safety Administration, could have responded to those data in several ways, said the judges: Ignoring the fact that safety is its middle name, the agency could have argued that the law does not require it to take safety into account when it sets the standard. It could have argued that the increased fuel savings justify this blood-for-oil exchange. Or, finally, said the judges, the agency "could have fudged the analysis, held the standard at 27.5 mpg, and, with the help of statistical legerdemain, make conclusory assertions that its decision had no safety cost at all. That is what it chose." They ordered the agency to reconsider the standard.

The ruling is an ironic pat on the back for NHTSA chief Jerry Curry, whose unyielding opposition to raising the standard even further spurred fuel-economy proponents Mr. Bryan and Sen. Howard Metzenbaum to tie up his nomination to head the Federal Aviation

Administration. But it is also a rebuke to Mr. Skinner, who was ultimately responsible for modifying the standard laid down by congressional statute.

Numerous studies by Robert Crandall of the Brookings Institute and John Graham of Harvard University, the Insurance Institute for Highway Safety, even DOT itself, make clear the hazards of government standards on fuel economy. But when Sam Kazman of the Competitive Enterprise Institute, a plaintiff in the just-decided case, approached Mr. Skinner, back in 1989 to suggest that the administration had "fudged" the safety issue, the DOT chief "exploded" and threatened to take him to court. Now that the appeals court has used the very same word in connection with the administration's stance on fuel economy, along with words like "specious," "lame claim," "disingenuously," "decisional evasion" and "bureaucratic mumbo-jumbo," one wonders whom Mr. Skinner will threaten now.

Safety is the most important issue related to fuel-economy standards, but not the only one. In the wake of massive General Motors layoffs, fuel-economy proponents in Congress and the administration need to consider its effect on employment. Fuel standards forced automakers away from — as a GM spokesman put it — "our bread-and-butter" large family cars in favor of smaller fuel-efficient models. Not only did that put American carmakers, who have problems enough, at a competitive disadvantage with Japanese manufacturers and other small-car experts, it undoubtedly contributed to the quality-control problems that sprang up as American carmakers began overhauling entire fleets after fuel-economy standards went into effect in 1975.

GM Chairman Robert Stempel said the other day that the fate of the surviving GM plant in Arlington, Texas, depends in part on what the federal government does about fuel standards. What Mr. Skinner and the rest of the Bush administration should do is campaign to eliminate fuel standards. Or they should face up to longer unemployment lines and deadlier highways.

Japan, U.S. get together on tuna

By Edward Netlan
THE WASHINGTON TIMES

TOKYO — The United States and Japan may finally have found an issue they can agree on — the wish to protect the international traffic in bluefin tuna, the prime ingredient in sushi.

The item will be on the menu of delegates from 113 countries when they gather in the ancient Japanese capital of Kyoto on Monday for the eighth meeting of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).

Also to be discussed are Tibetan tiger penises; the paws and gallbladders of bears, owls and dogs; African elephant tusks; endangered bird species; and other animals that some people like to include on their dinner menus or put in their medicine chests.

But the main battle will be fought over sushi.

The heavy in this scenario is Sweden, which wants the bluefin tuna to be listed as an endangered species, barring or severely limiting international commerce in the fish.

"Americans, who were on the other side from Japan in the car wars, will likely be on Japan's side in the sushi wars," said a Japanese tuna industry spokesman. "Americans have developed a taste for sushi. It's even sold at the ballpark in San Diego."

Many Japanese fishermen, not to mention sushi shop owners and customers from Nagoya to New York, are seeing red over Sweden's proposal to include the bluefin tuna from the western Atlantic in Appendix I and those from the eastern Atlantic in Appendix II of CITES, both restricted categories.

Appendix I includes 324 species that are regarded as "threatened with extinction which are or may be affected by trade." Commercial trafficking is banned and import and export licenses must accompany transactions for non-commercial purposes.

Incorporated in Appendix II are 249 species that may be endangered unless trading is strictly regulated. Commercial trading is allowed with export permits issued by the country of export.

Sweden says the growing competition in the past decade by Japanese buyers of the tuna, valued for its fatty meat, has seriously depleted the species in the western Atlantic.

A Japanese Fisheries Agency official insisted the tuna stock is in no danger of extinction because it is managed by the quotas set by the International Committee for the Conservation of Atlantic Tunas.

Earlier this month, a group of Japanese fishermen went to the Swedish Embassy in Tokyo with a petition calling for the proposal to be withdrawn.

Lobbyists already are at work here this week distributing leaflets to protect the world's dwindling population of bears, saying five of eight species face extinction.

They also said U.S. and Canadian bears were being hunted to meet Chinese demand for their gallbladders, prized in Asian medicine and cuisine. They are used for the treatment of eye infections and diarrhea as well as fever. It is impossible to tell if the gallbladder comes from an endangered species.

Capitol Hill awash with new tax proposals

FROM COMBINED DISPATCHES

The chairman of the Senate Finance Committee outlined his version of an election-year tax plan yesterday, while House Democratic leaders scurried to find enough votes to pass their own.

More than 50 of the 268 House Democrats were listed as undecided as the House began debating the party's tax plan, which is built around a wage earner's tax credit of up to \$400 in each of the next two years. With Republicans solidly opposed and at least two dozen Democrats already lost, Democratic leaders acknowledged they had their work cut out for them.

Republican leaders have conceded they have virtually no chance of winning House approval of a trimmed version of President Bush's proposal, which is aimed chiefly at boosting incentives for investment.

Meanwhile, Sen. Lloyd Bentsen, Texas Democrat and chairman of the Senate Finance Committee, said the bill he will ask the committee to approve next week will — like House Democrats' proposal — call for higher taxes on the well-to-do. This will be done by raising the top income tax rate above the current 31 percent and imposing a surtax on taxable incomes above \$1 million.

The money would pay for a new tax credit for families with children, with most of the benefits going to those broadly identified as the middle class.

Mr. Bush has said repeatedly that he would veto any such tax increase. That resolve and Democrats' insis-

tence that higher-income people pay more will make it difficult to enact any major tax changes this year.

Treasury Secretary Nicholas Brady yesterday called the Democratic plan "an elephant pit they are about to fall into," saying it was a "classic bait and switch" — two years of tax cuts that will have to be financed in the end by permanent tax increases.

Mr. Brady said the plan could lead to individual tax rates as high as 50 percent for some upper-income payers and said the Democrats would be put on the defensive in the coming election debate.

"The Democrats who voted for that program are going to have to go home and explain in the fall of 1992 why they raised taxes, why they were for raising taxes and not for producing a program that finally came to fruition," said Mr. Brady.

Mr. Bentsen said his plan also would include some kind of a capital-gains tax cut on investment income, but, apparently nothing like the broad reduction demanded by Mr. Bush.

Mr. Bentsen said his bill will include some of the investment incentives recommended by Mr. Bush, expanded individual retirement accounts, repeal of at least part of the new luxury tax and tax credits to help provide access to health care.

Similar provisions — though not the health credits — are included in the House bill, which was written by Democrats.

Staff writer David Sands contributed to this report.

Get tough on RTC's funding, Hill urged

By David R. Sands
THE WASHINGTON TIMES

The General Accounting Office yesterday urged Congress not to give the savings and loan bailout agency a blank check in cleaning up the thrift mess, but support grew in Congress yesterday for a more generous funding package.

GAO Assistant Comptroller Richard L. Fogel told a House Banking Committee hearing that legislators should approve only part of the Bush administration's \$55 billion funding request for the RTC in order to pressure the much-criticized agency into improving operations.

"Money is a very powerful leverage to get people to come up and take more seriously what the Congress is doing," said Mr. Fogel, who recommended providing enough money for the RTC to continue operations only through the spring of 1993.

But Senate Banking Committee Chairman Donald Riegle, Michigan Democrat, said he was leaning toward making a larger appropriation once the RTC submits completed financial statements for 1991. RTC Chief Executive Officer Albert Casey and Treasury Secretary Nicholas Brady have told lawmakers that piecemeal funding harms the agency's efficiencies and adds to the costs of the S&L rescue operation.

"I think we ought to respond and deal with the rest of the problem now," Mr. Riegle said.

The RTC also felt pressure yesterday from the Rev. Jesse Jackson, the District's shadow senator. Mr. Jackson met yesterday morning with Mr. Casey to complain about the lack of opportunities for minority contractors in resolving the savings and loan crisis.

Mr. Jackson complained that total fees awarded to minority contractors are "unacceptably low" and that RTC contracting policies for legal work, real estate management and sales effectively exclude minority-owned firms.

RTC spokeswoman Felisa Neuringer said the agency is keenly interested in increasing opportunities for minority contractors, part of its mandate when it was created. Contrary to Mr. Jackson's claims, she said, the RTC has an internal review process for contractors who feel they have not been dealt with fairly.

The RTC reports that just under 14,000 of the 52,300 contracts it has awarded since its inception in 1989 have

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gone to businesses owned by minorities and women. Of \$1.5 billion in fees, \$54 million has gone to minority contractors; also, 12.2 percent of the agency's registered contractor base is owned by minorities or women.

But Mr. Jackson argued that the RTC numbers overstate minority contracts by including joint ventures involving minorities and by loosely defining who qualifies as a minority contractor. By his count,

black men received only 3.9 percent of the contract dollars given out by the RTC.

Large-dollar contracts also work against minority contractors, who generally own smaller firms, Mr. Jackson said. Fees for the top 25 white-owned law firms doing RTC work ranged from \$2 million to \$9 million, for the top 25 minority law firms, the range was \$20,000 to \$250,000.

On the funding issue, Congress in November authorized the RTC to spend up to \$25 billion by the end of March. The Treasury is asking Congress to approve an additional \$55 billion to cover all anticipated S&L losses instead of a smaller amount

that would force the agency to re-turn for more money.

A House bill to be voted on today would meet the administration's funding request but would put a two-year time limit on the RTC's ability to spend the money. A full \$55 billion authorization would put the cost from S&L losses to the government at \$160 billion.

Sen. Jake Garn, Utah Republican, pressed for the full funding immediately and said he couldn't see the political wisdom of forcing multiple votes on the politically unpopular S&L program.

"I don't understand the logic of a political body that wants to vote on this over and over again," he said.

Kelly budget full of 'Republicanism'

By Jonetta Rose Barras
THE WASHINGTON TIMES

Mayor Sharon Pratt Kelly's budget proposals offer program changes that are often associated with the Republican Party's philosophy of government, political observers and activists say.

They point to the Democratic mayor's proposal to make public housing residents responsible for maintenance repairs and renovations. They also point to a proposed five-year limit on participation in a rent subsidy program and the plan to privatize several government services.

"Her policies are clearly Republicanism," said Lawrence Guyot, an advisory neighborhood commissioner in Ward 1. He said such low-income programs as the Tenant Assistance Program (TAP) and emergency housing assistance, long viewed as unofficial entitlement programs, have been targeted for cuts and changes.

"Limiting TAP services for five

years — that's Republicanism. Limiting emergency assistance to only elderly, that's Republicanism," he added.

Aspects of Mrs. Kelly's budget proposals, such as giving public housing tenants maintenance and renovation responsibility, reflect a conservative self-help philosophy. But that is not what distinguishes her budgets, observers say.

"It's not so much the 'self-help' programs as the emphasis of relying on the private sector and business to do things people have traditionally relied on the government to do," said Kevin Chavous, Ward 7 political activist and lawyer.

"I think you are going to find more and more Democratic urban mayors, caught in a financial crisis, going this way," he said.

Mr. Chavous noted that the lines between Democratic and Republican political philosophies are blurring. He pointed to the presidential campaign of Democrat Paul Tsongas

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in such key areas as day care, recreation and housing.

"There are stark similarities," Mr. Ford said.

Mrs. Kelly is pushing in her revised budget for fiscal 1992 and her proposed budget for 1993 to reduce school funding by 10 percent. Moreover, she wants to shift about 30 percent of day care contracts to vouchers, permitting parents to have greater choice in selecting centers. The budget also proposes closing 10 recreation centers and reducing the number of indoor pools in operation during the summer.

"The mayor's background is corporate. The woman is a businesswoman," said Terry Lynch, head of the Downtown Cluster of Congregations and onetime candidate for the council. "She is not going to spend money she doesn't have. There's no doubt her budget is a corporate budget."

Mark Plotkin, political analyst for WAMU-FM radio, said Mrs. Kelly has protected herself "rhetorically" from the "harsh indictment" of having her policies and budget philosophies aligned with Republicans.

"She has said she is not going to balance the budget on the back of the poor and, except for TAP, she hasn't done that," he said. That commitment, he noted, is very different from last year when in her revised budget she cut funds for drug treatment, schools and some welfare programs.

But some residents, like Ward 1 activist Dorothy Brizill, haven't gotten as far as the discussion about Republican vs. Democratic philosophies. They said the mayor's budget "lacks focus" and is without "meat and potatoes."

"I don't see anything in here to make it better; the budget doesn't reflect any innovation," said Mrs. Brizill.

House Post Office probe starts on bipartisan note

By Paul M. Rodriguez
THE WASHINGTON TIMES

A congressional task force probing charges of corruption and mismanagement at the House Post Office officially began work yesterday with an unusual show of bipartisan support by its members.

"This is kind of an inquiry into the institution itself," said Rep. Bill Thomas, California Republican, the ranking minority member on the House Administration Committee.

"It [the task force] also is a new and novel experience" in how the two major parties have dealt with each other in the past, said Mr. Thomas, one of three Republicans on the postal task force.

Rep. Charlie Rose, chairman of both the Administration Committee

and the task force, agreed and said that a bipartisan approach to some institutional issues might work out in the future.

"The first thing to do right now, though, is to get to the bottom of the management problems at the post office and then make some recommendations on how to fix it," said the North Carolina Democrat.

The six-member task force was formed after the full House voted on Feb. 5 to investigate allegations of cocaine sales, check kiting, interest-free loans and embezzlement at the congressionally run postal facility.

Details of the allegations, contained in a confidential U.S. Postal Inspection Service audit report, were first reported by The Washington Times in a series of articles beginning Jan. 22.

Rep. Attorney Jay B. Stephens also

is probing the allegations at the post office, which is an independent contractor to the U.S. Postal Service. Earlier this month, Mr. Stephens announced that a federal grand jury had indicted four postal clerks who confessed to embezzling more than \$35,000. Mr. Stephens said the investigation was ongoing.

One aspect of the criminal investigation is potential charges of obstruction of justice against one of the more House officials, said one of the federal law enforcement and congressional officials whom The Times has interviewed.

Frank A. Kerrigan, the former chief of the U.S. Capitol Police who took early retirement last summer in protest, testified before a federal grand jury this week about one or more secret tape recordings he made of senior House officials who

allegedly sought to derail an initial police probe last spring at the post office.

Mr. Kerrigan, who lives in Florida, has declined to be interviewed.

Others called before the grand jury in recent days, including House Postmaster Robert V. Roza, also have reportedly testified about their knowledge of alleged corruption at the postal facility.

The post office receives a \$6 million-plus annual appropriation from Congress and employs between 150 and 200 workers in five locations on the House side of the Capitol.

The Senate runs its own similar postal facility. Mr. Rose said he expects the task force to operate completely in the open.

"That was one of the problems from early spring to now," said Rep. Pat Roberts, Kansas Republican and vice chairman of the task force. "The postal investigation was conducted in private and nobody knew anything about it until January."

"We plan to avoid that by having all our hearings open to the public and the press," Mr. Roberts said. Among those scheduled to testify, according to Mr. Rose, are Mr. Roza and Heather Foley, the wife and chief of staff to Speaker Thomas S. Foley, Washington Democrat.

Mr. Roza has told friends and colleagues that he was instructed by Mrs. Foley and Steven R. Rosa, the House counsel, to keep quiet about the postal audit and the criminal investigation, according to sources.

As a result, bipartisan leaders

were caught by surprise when the allegations were reported in The Times and demanded to know why they were not informed sooner by Mr. Roza and other House officials.

Among the angry lawmakers were the chairman and ranking Republicans on the two House committees with direct oversight responsibilities over the post office: the Administration Committee and the Appropriations Committee.

Members Rose and Roberts said yesterday that staff members will begin gathering information before the task force meets sometime next week.

Mr. Thomas said that "the sooner [the meeting taken place] the better," given that the task force is required to make its report and recommendations by May 30.

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gas as an example of that shift. Mr. Tsongas, a former senator from Massachusetts, is campaigning on a pro-business platform.

Mrs. Kelly has proposed privatizing or contracting out 700 jobs in the Department of Public Works, including street cleaning and tree trimming. Last week Human Services Director Vincent Gray served notice to the D.C. Council that his agency, the city's largest, would deal less with the actual delivery of services.

"We are moving to a new delivery strategy ... with government in the long term providing only services it cannot delegate or must provide as a last resort," Mr. Gray said.

During the Reagan administration, there was a massive reduction in the services provided by the federal government in such areas as education, day care, housing and the arts. Mr. Reagan advocated private businesses and corporations stepping in to fill the void created by the cuts in federal government support.

The Bush administration has pushed programs that would allow public housing residents to own their own homes, and continues to advocate streamlining federal and state governments while pushing for greater involvement from businesses.

But recessions in the past decade have made it difficult for businesses to fill the void.

"The cornerstone of Reaganomics was the transfer of responsibility from the federal government to state and local governments," said Jim Ford, staff director for the council's Committee on Education.

He said Reagan administration budgets, like Mrs. Kelly's, cut costs

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THURSDAY, FEBRUARY 27, 1992

Presidential Race Promises Fewer Books

By TIMOTHY NOAH

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Theodore H. White, rest in peace.

After trying for more than a decade to exhume the spirit of the late Mr. White's classic "Making of the President" series, publishers seem resigned to a long-obvious truth: Campaign books almost never sell.

The 1992 campaign, which begins with a sitting president struggling to win votes in his own Republican party and a wildly unpredictable scramble among Democrats, would seem to have all the dramatic twists and turns of a pulp thriller. But "publishers really are gun shy" about signing up campaign books, says Raphael Sagalyn, a Washington-based agent.

The field isn't completely empty. As in 1988, Warner Books has signed up a Teddy White-style insider's narrative of the current presidential contest, to be written by veteran political columnists Jack Germond and Jules Witcover. In addition, Hyperion has signed up Los Angeles Times reporter Thomas Rosenstiel to write a book on media coverage of the election—though Mr. Rosenstiel insists it is "not really a campaign book." A third campaign volume will be cobbled together by a team of Newsweek reporters but hasn't yet been sold to a publishing house.

But that's far fewer campaign books than in 1988, when a half-dozen political reporters on the trail signed up with publishing houses, including Thomas Oliphant of the Boston Globe, Paul Taylor of the Washington Post and Sidney Blumenthal, now with the New Republic.

Mr. Taylor's effort, "See How They Run," was a media-focused narrative published by Knopf that sold, he says, nearly 18,000 copies. Mr. Taylor says writing the book was "very satisfying." But he can't say the same for the campaign. Writing the book, he says, "crystallized some frustrations I feel about the electoral pro-

Campaign Books Through the Ages

TITLE	AUTHOR	PUBLISHER	HARDCOVER SALES
The Making of the President 1960	Theodore H. White	Atheneum	153,000
The Making of the President 1964	Theodore H. White	Atheneum	111,000
The Making of the President 1968	Theodore H. White	Atheneum	65,000
The Selling of the President 1968	Joe McGinniss	Simon & Schuster	150,000*
The Making of the President 1972	Theodore H. White	Atheneum	60,000
The Quest for the Presidency ('84)	Peter Goldman and Newsweek team	Bantam	18,000*
Whose Broad Stripes and Bright Stars? ('88)	Jack Germond and Jules Witcover	Warner Books	25,000
The Quest for the Presidency ('88)	Peter Goldman and Newsweek team	Simon & Schuster	16,000*
See How They Run ('88)	Paul Taylor	Knopf	18,000*

* Estimate based on information from author, agent or publishing source (official figures not available from publisher)

cess"—so much so that shortly after he completed the book, Mr. Taylor abandoned the political beat altogether.

Two of the more successful political books written by reporters who covered the 1988 presidential election weren't really about the campaign at all. E.J. Dionne, author of "Why Americans Hate Politics" (Simon & Schuster), and Thomas Edsall, author with Mary Edsall of "Chain Reaction" (W.W. Norton), instead provided analyses of long-term political trends dating back to the 1960s.

Campaign books "don't on the whole work," says Alice Mayhew, an editor at Simon & Schuster. As if to underscore her point, Ms. Mayhew asks whether Simon & Schuster published Newsweek's 1988 campaign volume in hardcover. The book—which Ms. Mayhew herself acquired, according to the book's agent, Rose Saal—was indeed published in hardcover, but only about 16,000 were reportedly sold.

Random House has much higher hopes
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book, "Heading Home," will be published by Vintage in April.

Mr. White's groundbreaking first campaign book about the election of President Kennedy, "The Making of the President 1960," sold more than 150,000 hardcover copies. (Mr. White died in 1986.) That's roughly six times as many copies as any book about the 1988 race published thus far. The less-acclaimed successor volumes in Mr. White's series, covering the elections of 1964, 1968 and 1972, never dipped below 60,000 copies.

Mr. White's literary and financial success encouraged other political reporters to write books about presidential campaigns. Some of these, such as Joe McGinniss's "The Selling of the President 1968" on Richard Nixon's campaign and Timothy Crouse's "The Boys on the Bus" about the 1972 race, enjoyed a popularity rivaling Mr. White's own.

Today, however, campaign books are less alluring. One reason is an increase in campaign analysis in daily newspapers and weekly newsmagazines. "Newspaper and magazine journalists, not being completely stupid, began doing what Teddy White had done," explains R. W. Apple of the New York Times.

Another problem is a greater ruthlessness by campaigns in granting access. After Newsweek published a cover story about candidate George Bush and "the wimp factor" in 1988, reporters on Newsweek's campaign book were cut off by Bush staffers. The freeze-out was so effective that the magazine considered abandoning its book project.

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for Richard Ben Cramer's "What It Takes," a group portrait of several candidates in the 1988 race to be published in June. But Mr. Cramer argues even more strenuously than Mr. Rosenstiel that his work shouldn't be mistaken for a campaign book. "It's not a book about the campaign, it's a book about the campaigners," he says. Editor David Rosenthal adds that the book has more in common with Tom Wolfe's "The Right Stuff" than with "The Making of the President."

When is a campaign book not a campaign book? In the case of "What It Takes," when it is a planned six-year project whose execution costs several hundred thousand dollars; has a Mylar cover; sells for \$28; and is more than 1,000 pages long. "I certainly expect it to be a major best seller," says Mr. Rosenthal.

Another campaign book not regarded as such by its publisher is "Born to Run," a biography of candidate Bob Kerrey due out from St. Martin's Press in May. According to editor Robert Weil, the book was signed up last spring, before Mr. Kerrey declared his candidacy for president. "I saw this sort of as a Ron Kovic, 'Born on the Fourth of July' kind of book," says Mr. Weil. Still, he concedes that the fate of Mr. Kerrey's campaign will strongly affect sales. "I hear rumors he may be a vice presidential candidate," says Mr. Weil hopefully.

Other noncampaign books about individual candidates are scheduled or at least being contemplated. A lengthy newspaper profile of Vice President Dan Quayle by Washington Post reporters Bob Woodward and David Broder will be published as a book by Simon & Schuster in August; a less respectful entry by humorist Joe Queenan, titled "Imperial Caddy," is due out from Hyperion in October. Simon & Schuster will publish a biography of Mr. Quayle's boss, President Bush, by Time magazine reporters Michael Duffy and Dan Goodgame that Ms. Mayhew says will be out before the election.

In addition, Paul Tsongas's surprise surge has created a minor whirlpool of book activity. Jon Sawyer, a reporter with the St. Louis Post-Dispatch, has taken a leave of absence to write a book about the Tsongas campaign, though he has not yet signed up a publisher. Meanwhile, agent Esther Newberg is peddling to publishers Mr. Tsongas's famous 85-page campaign pamphlet, "A Call to Economic Arms." A paperback edition of Mr. Tsongas's 1984

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✕ Big Brother's New Weapon — *Rust v. Sullivan*

Last year the Supreme Court issued a decision that, while roundly criticized by liberals, pro-choice advocates and doctors, received scant attention from those who concern themselves with the perils of communism. Yet the case, *Rust v. Sullivan*, may have set the stage for our government to engage in activity the critics have long decried in Communist regimes: indoctrination of the citizenry.

Earlier this month, in a case charging the National Endowment for the Arts with politically motivated censorship, the Justice Department relied on *Rust* to argue that government officials have untrammelled discretion to dictate the content of publicly funded art. Now the White House has forced NEA chair John Frohnmayer to resign, reportedly because he was not sufficiently eager to use his discretion to halt funding of controversial art. Nor has the

Counterpoint

By David Cole

administration limited this principle to arts funding: It has also cited *Rust* to justify unprecedented control over the content of publicly supported education and academic research, spheres historically accorded substantial freedom from government regulation.

The *Rust* case itself involved a different issue, pregnancy counseling. The court upheld regulations that required doctors in federally funded family-planning programs to inform pregnant women about the option of childbirth, barred them from talking about abortion, and instructed them to provide a one-sided referral list for prenatal care. The doctor could not even hand the patient the Yellow Pages, because they list clinics that provide abortions.

Most of the critical attention that *Rust* received focused on its effects on poor women's ability to make autonomous deci-

sions about their reproductive options. But the decision's implications potentially extend much further, for its reasoning appears to authorize the government to commit unlimited resources to propagandizing and indoctrinating its citizens. The court's rationale was straightforward: The First Amendment does not affirmatively entitle anyone to government support for speech, and therefore where the government is footing the bill it may decline to pay for speech without infringing speech rights.

If the court meant that government can control the content of any speech it pays for, its decision would have devastating consequences for free expression as we know it. Government resources support speech in a vast array of settings. When the Post Office provides second-class mailing privileges to the press, it subsidizes speech. Public universities, health facilities, legal services and libraries offer government-subsidized speech. So do public broadcasting stations and municipal auditoriums. Indeed, every rally in a public park is supported by government funds.

Under the Supreme Court's reasoning, the government could control the content of speech in all of these settings. If, for example, the postal service denied mailing privileges to the New Republic because the magazine criticized the administration, the magazine would have no claim because the government would be merely declining to subsidize its circulation. If a state forbade the teaching of pro-choice philosophies in public university ethics classes, refused to stock its libraries with books critical of the welfare state, barred legal-services lawyers from advising clients about their right to privacy, or limited public broadcasting to pro-democratic programming, then students, book-borrowers, clients and listeners would have no judicial recourse, because they have no right to subsidized information in the first place.

These examples may seem far-fetched, but this is how the Justice Department

reads *Rust*. In cases involving publicly funded research, education and art, Justice has taken the position that no First Amendment concerns are raised when the government restricts the content of the speech it funds. It is currently defending requirements that funded academic research not be discussed until the government approves the results; that subsidized AIDS education not be "offensive" to the majority of U.S. adults, even if targeted to a group that needs explicit instruction; and that art supported by the National Endowment for the Arts not violate "general standards of decency." A requirement that funded speech be inoffensive may not seem offensive, but empowering a govern-

If mailing privileges were denied to the New Republic because it criticized the administration, it would have no claim—the government merely would be declining to subsidize its circulation.

ment official to define "offensive" is granting an unlimited license to censor.

What the Supreme Court overlooked in *Rust*, and what the Justice Department ignores in its reading of the case, is precisely what anti-Communist critics have long denounced in the Soviet Union: the danger of government indoctrination. If the government can freely allocate its vast resources to support one side of a controversial issue in every forum that it funds, from the academy to the press to the streets, it can sharply skew public debate. It can turn government-funded art into government art, as the thousands of now-toppled busts of Lenin attest.

In a setting like medical or legal counseling, or any setting where captive audiences are dependent upon the advice they are given, the danger of indoctrination is especially acute. The strong public disapproval of the court's *Rust* decision—71% of Americans thought it was wrong—may well be attributable to the court's failure to acknowledge this danger.

The First Amendment is designed to ensure a vigorous and uninhibited public debate. In today's world of widespread government funding, First Amendment doctrine cannot overlook the central role that public institutions play in maintaining that debate. The constitutional issue is not whether speakers have a right to government support for their speech, but whether audiences have any protection against government indoctrination. In the past, the court has acknowledged that in some settings, such as public parks and universities, the fact that government is supporting speech does not mean it can control the message. While the *Rust* court nodded to these precedents, it failed to square them with its reasoning. And now the Justice Department is urging the courts to extend *Rust* as far as possible.

If we are to be free from official indoctrination, the government must be barred from using its funds to skew those spheres of speech that are central to our cultural and political life—the press, universities, parks and streets, the arts and professional counseling. These spheres flourish only when free of the chilling oversight of government officials. Yet all of these institutions are dependent on public support. The First Amendment must ensure that we can collectively subsidize the arenas for public debate without getting tied up in the strings of official censorship.

Mr. Cole is a professor at Georgetown University Law Center and a volunteer staff attorney at the Center for Constitutional Rights (New York).

✕ Defiant Mood Emerges Among Israelis Over U.S. Demand for Settlement Freeze

By AMY DICKER MARCUS

Staff Reporter of THE WALL STREET JOURNAL

JERUSALEM — Secretary of State James Baker's demand that Israel choose between settlements in the occupied territories or receiving \$10 billion in U.S. loan guarantees to help absorb new immigrants has left many Israelis shocked and angry.

"It's the Masada complex again," says Susan Hattis Rofe, a Labor Party activist, referring to the besieged Jews who committed suicide rather than surrender to the Roman army in the first century A.D. "People are ready to sit on a mountain, act glorious, and be very, very alone."

The defiant mood is partly a matter of timing: the showdown comes just as the latest round of peace talks open in Washington and the Israeli election campaign gets under way. Moreover, Arab attacks on civilians and soldiers, and the counterattacks that followed, have left many Israelis on edge.

'Under Siege'

"I think the U.S. wants to make a deal, but instead the message the Israeli public is getting is that the Jewish state is under siege and the enemy is outside the gates," says Zeev Schiff, defense editor of the Israeli daily, Ha'aretz.

The call to refuse to meet the U.S. conditions is spearheaded by the Israeli right wing, which fears that a demand for a settlement freeze is the first step in an effort to push Israel back to its 1967 borders. "We think Shamir should say, 'Thanks, but no thanks,'" says Bob Lang, spokesman for the Council of Jewish Communities in Judea, Samaria & Gaza. Israelis call the West Bank by its ancient names, Judea and Samaria. "The choice isn't between loan guarantees and the development of the Jewish communities but between loan guarantees and Israel's independence."

Even those who don't support continued settlements say they are uncomfortable with the notion of U.S. economic sanctions forcing changes in Israeli behavior. "Israelis don't like the feeling of being bossed around by the U.S.," says Ms. Rofe.

Despite the Bush administration's long opposition to Israeli settlements, the Israelis had always assumed they could get the guarantees without having to alter their basic policy, says Dore Gold of the Jaffee Center for Strategic Studies. As late as Monday, Finance Minister Yitzhak Moda'i told foreign journalists that the U.S. wasn't forcing Israel to choose between settlements and loan guarantees.

Ehud Gol, spokesman for Prime Minister Yitzhak Shamir, said that while the Israeli government hasn't officially responded to Mr. Baker's remarks, "Mr. Shamir still opposes linking humanitarian assistance to a political issue and is committed to reaching an agreement that will accommodate both sides."

Influence on Elections

Mr. Shamir's allies argue that the U.S. is threatening to withhold the loan guarantees as a way to boost the election chances of the new Labor Party leader, Yitzhak Rabin. But Dan Patfir, executive director of a Tel Aviv University think tank, says that if Israelis view the U.S. action as an attempt to influence the coming elections, it may have a boomerang effect. Mr. Rabin told Israeli television this week that he is opposed to any outside interference in Israeli domestic affairs.

But clearly Mr. Shamir faces a serious political dilemma. "Stopping the settlements would be like committing political suicide," says Yehoshafat Harkabi, an international relations expert at Hebrew University in Jerusalem. "And it would cause an ideological crisis for many Israelis who believe withdrawal means the end of the Zionist dream."

Still, it isn't clear if Israelis are prepared to live with the economic consequences of turning down the loan guarantees. "For many people, it's still something abstract," says Yael Dayan, an author and peace activist. "But when they're confronted with higher taxes, a lower standard of living, and more unemployment, I'm not sure people are still going to be so anti-U.S."

✕ U.S. Asks Japan in Talks To Remove Trade Barriers

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The U.S. asked Japan to make further efforts to remove its entrenched trade barriers, including the prevalence of Japanese corporate networks that tend to exclude foreign suppliers from Japan.

In the latest round of the so-called structural impediments trade talks, senior U.S. officials sought to follow up one of the proposals that President Bush presented to Prime Minister Kiichi Miyazawa in Tokyo last month. The Japanese made no firm promises yesterday, insisting that some progress already has been made to dismantle these barriers. The two sides expect to meet again before producing a formal report in June.

Indicating areas of greatest concern, the U.S. team handed over case studies on several Japanese markets, including those for feed grains, flat glass, auto parts and insurance. U.S. officials said this was the first time agricultural trade was discussed in this forum.

The U.S. side also sought increased Japanese efforts to liberalize their distribution systems and pricing mechanisms. For their part, the Japanese submitted case studies of foreign companies successfully establishing footholds in Japan.

James Rill, assistant attorney general for antitrust, conceded that Tokyo had made some improvements in its enforcement of Japan's anti-monopoly law. He added, however, that Japan should do more to prevent close-knit corporate relationships called keiretsu from unduly hindering foreign trade.

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Tsongas Struggles to Prove His National Appeal In Maryland Race as New Hampshire Cheers Fade

By DAVID SHRIBMAN

Staff Reporter of THE WALL STREET JOURNAL
LINTHICUM, Md. — Paul Tsongas is

battling for another moment in the sun. Last week he was flush with triumph, his New Hampshire victory transforming him from an innocuous political curiosity into a formidable political force. Now he faces the realization that he may have to win Maryland's primary Tuesday if he is to remain a serious contender for the Democratic presidential nomination.

At the heart of his struggle in this state, however, is a broader challenge: Can a candidate who fared best among New Hampshire Democrats who have incomes of more than \$75,000, own a foreign automobile and did postgraduate study appeal to working-class voters?

Those sorts of questions didn't matter much while Mr. Tsongas was a lonely figure on the periphery of the presidential race, a political evangelist waving a pro-growth manifesto. They matter now that the former Massachusetts senator, a major contender for the next few weeks at least, is out to prove that he can succeed beyond his native New England.

"The better I get known, the better I'll do," said Mr. Tsongas as he flew here from Chicago. "What I have to do is live another day. The people will get comfortable with me."

First, however, he has to adjust to the pace, rigors and demands of a national race. His campaign enjoyed its first success after months of trench warfare in a single state, New Hampshire, and he was neither strategically nor tactically ready to take the campaign on the road. As a result, he was drawn into South Dakota and then was embarrassed there with a fourth-place finish.

Even a solid victory here won't allay worries about Mr. Tsongas's durability in the race. One of his friends prompted a knowing laugh from him the other day when he jokingly suggested that Maryland was but a large version of Chelmsford, Mass., a suburban, solidly middle-class, white-collar community in the congressional district Mr. Tsongas once represented.

And though Maryland—with its stevedores and steelworkers, its fishermen, farmers and factory workers—is far more diverse than Chelmsford, Mr. Tsongas's strategy here clearly will be to create the image of succeeding in a border state by running strong in bedroom communities that are much like the Boston suburbs. He located his state campaign headquarters not in gritty Baltimore, but in a law office in a professional building in Rockville, which is just outside Washington and is the very model of the modern suburban-edge city.

"He's coming on as an outsider, kind of like the revenge of the nerds," says Frank DeFilippo, a Maryland political commentator. "He'll appeal to the college-educated, the wealthy and the good-government folks in this state. He's the Mr. Clean of the Democratic Party, making 'non-charisma' chic."

At the start Mr. Tsongas, who had a wan complexion and a laconic manner even before he was stricken with cancer, tried to stoke interest in his campaign with esoteric proposals such as permitting publicly held companies to file semiannual rather than quarterly earnings reports. That never caught on, but in New Hampshire his message of economic renewal and his relentless attacks on the president, and even on Democratic orthodoxies, did.

But now that he has won a primary, he's discovering the rough side of presidential politics. He is no longer being treated indulgently by rivals who see him as a charming gadfly rather than a political threat; last week, his opponents bore in on his support for a gasoline tax and painted him as an innocent on farm policy, wounding him in South Dakota.

For months he expected the support of Mayor Kurt Schmoke of Baltimore, who served with him on the Yale board of trustees and was on his private list of possible cabinet members; this week, Gov. Bill Clinton of Arkansas stunned Mr. Tsongas by swooping into Maryland and coming away with Mayor Schmoke's endorsement. Mr. Tsongas did, however, pick up the endorsement of Gov. William Donald Schaefer.

Even so, Mr. Tsongas now has the trappings of broad political support, if not the reality. The campaign now travels in a chartered DC-9, though 79 of the 90 seats were vacant on one trip this week. On Monday alone, Mr. Tsongas received \$67,000 in unsolicited campaign contributions, along with \$47,000 from a direct-mail appeal.

Moreover, the candidate is beginning to attract money from Greek-American contributors, who held back because they still felt the sting from the defeat that Michael Dukakis, the first Greek-American presidential nominee, suffered in 1988. "The passions are starting to come through for Tsongas," says Nicholas Mitro-

poulos, a top aide in the Dukakis campaign with strong links to Greek political circles. "After the passion comes the money."

Just as this is happening, however, comes the threat that Mr. Tsongas could go into a tailspin. As a dark-horse candidate, Mr. Tsongas needs to keep up the momentum to keep the contributions flowing in, permitting him to continue the battle in the weeks ahead.

Besides Maryland, Mr. Tsongas's quest to broaden his appeal looks to place like Colorado, which also holds its primary—its first ever—on Tuesday. Analysts say his prospects there depend largely on the nature of the turnout.

"If the people who come out are on the upscale left, the politically attuned—and that's a good bet—Tsongas can do very well," says Robert Loevy, a Colorado College political scientist. "But if it's the working-class left in Denver and Pueblo, he won't do as well. He's coming across here as the intellectual's candidate for president."

Nor is Mr. Tsongas generating much blue-collar enthusiasm in Maryland. "People just don't like his looks and his sound," says Democratic state Delegate Paul Weissengoff, who represents a working-class south Baltimore district in the Maryland Legislature.

As a congressman, Mr. Tsongas picked up Democratic votes in his home base of Lowell, Mass., but his real support was in the suburbs, particularly the more liberal communities such as Lexington and Concord.

"There's a certain intellectual cadre behind him, but you can't win elections with that, especially if you're gloomy and a sourpuss," says Richard Scher, a University of Florida specialist on Southern politics.

Mr. Tsongas insists his appeal will extend far beyond intellectuals and professionals. "I'm going to get every scared American—and that's more than 50%," he argues, though he says he has avoided factory and union-hall events while Sen. Tom Harkin of Iowa, who has close ties to labor, remains in the race. "Americans aren't just scared for their own jobs," Mr. Tsongas says, "but for their children, for the environment, for the right to choose."

But now that he's a political survivor, Mr. Tsongas is getting increased scrutiny. He has had to answer questions, for example, about his affiliation with the Vesper Country Club in Tyngsborough, Mass., which has no black members. Mr. Tsongas, who borrowed from his daughters' college fund for his campaign, says he left the club recently for financial reasons; he says Vesper has had an open admissions policy "since the last century" but has never had a black applicant.

He told an audience in a dockside hotel in Annapolis Tuesday afternoon that the examination he is getting is part of being in the "big leagues." He is waging that, with an unusual appeal, he still might make the cut. "This combination of being aggressively pro-business and liberal on the social issues has never been presented as one package," he says. "All bets are off."

Fed Won't Seek To Influence Long Rates

Greenspan Says Government Lacks Tools to Lower Rates in Timely Fashion

By PAULETTE THOMAS

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Federal Reserve Chairman Alan Greenspan conceded that "long-term interest rates are higher than they should be," but said the Fed has no immediate plans to try to bring them down.

Speaking before the Senate Banking Committee, Mr. Greenspan, who maintains that rates will fall when financial markets believe inflation is firmly under control, said the government lacks the tools to lower long-term rates quickly.

The Treasury is modestly reducing its reliance on long-term debt, but the Fed continues to limit its attempts to directly influence interest rates to shorter-term securities. Despite some ambiguity in Mr. Greenspan's responses to questions yesterday, Fed officials said the chairman wasn't signaling any change in Fed policy.

"I would not want to communicate to you that we know that significant reductions in Treasury issuance or in our purchases will materially affect the interest rates," Mr. Greenspan said.

In a speech yesterday, the Fed's vice chairman, David Mullins, said any attempt by the Fed to use its clout in the marketplace to bring down long-term interest rates would produce "artificial rates." He added, "I'm not very enthusiastic about the Fed trying to get into a discretionary policy of trying to manipulate long rates."

During the hearing, Sen. Alfonse D'Amato (R., N.Y.) complained that high long-term rates and current bank capital requirements are contributing to the credit crunch by inducing banks to buy Treasury securities rather than make loans.

Mr. Greenspan said the Fed is continuing to examine ways to alter bank and thrift capital requirements in a way that might address the issue. "We are looking in that direction to try and solve this problem," he said. "This is an issue that's at the forefront of our discussions" regarding refinements to current bank capital requirements.

Mr. Greenspan didn't say how quickly—or whether—any change might be implemented, and he gave few details. A Fed spokesman said after the hearing that no proposal is imminent and that any change would be part of efforts to protect banks from losses due to sharp changes in interest rates.

Yesterday's hearing was called to review the status of the savings-and-loan cleanup, but several senators, especially Republicans, used the occasion to express more alarm about the economic slump, particularly about the lack of credit.

On the topic of S&Ls, the senators gave a warmer welcome to the notion that regulators could offer financial assistance to banks and thrifts before they fail, in order to save taxpayer costs from failures of those institutions. Earlier this week, the House Banking Committee roundly criticized the idea as a bailout for shareholders.

"I hope this opportunity will not be shelved before it has an opportunity to work," said Sen. Christopher Dodd (D., Conn.).

CAMPAIGN
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Paul Tsongas

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Japan Cultivates an Environmental Image Government's Conversion to 'Green' Is Selective

By JACOB M. SCHLESINGER
Staff Reporter of THE WALL STREET JOURNAL

TOKYO—Once the bane of environmentalists as a major importer of goods from endangered animal species, Japan has begun to rack up green points with its changing attitude toward wildlife trade, albeit slowly and at some times inconsistently.

While most countries have environmental agencies to monitor trade in wildlife, Japan chose its chief business promoter, the Ministry of International Trade and Industry for that role. "Our thought was that we should coordinate between protecting endangered species and keeping enough material for the domestic industry," concedes Tadashi Sagisaka of MITI. But, "we have gradually understood the importance of protecting the environment," says Mr. Sagisaka, director of MITI's import division and one of Japan's point men on wildlife trade.

Japan has recently toughened laws and slashed purchases. And to make sure the world recognizes that metamorphosis, Japan next week is to host the triennial conference of the 112-nation Convention on International Trade in Endangered Species, which Japan refused to join when the group was formed in 1975.

Turnaround of Sorts

Environmentalists who long saw Japan as their biggest enemy now offer praise. In many ways, "the situation seems to have been ameliorated," says Hideomi Tokunaga, an activist working on the endangered-species issue. "The attitude of the government officials has changed."

But there hasn't been a total shift in attitude. Government officials confess that their behavior marks less a conversion than a campaign by a country increasingly worried about being an international outcast. Though it's the host, Japan's main role at next week's conference in Kyoto is expected to be backing a call by African countries to make some ivory trade legal again, and opposing a cut in bluefin-tuna fishing. Japan still won't end its highly controversial whaling.

"If you do something only as a result of pressure, the action won't stay forever," says zoologist Hideo Obara, one of the deans of Japanese environmentalism. "I can't understand why Japan is hosting this conference."

Whatever the motivation, the change comes amid a broader environmental craze in Japan. Keidanren, Japan's main business organization, last year adopted an "environmental charter," prompting many Japanese companies to create "environmental departments." MITI is drawing up a "New Earth 21" blueprint to try to vastly reduce Earth-warming carbon-dioxide emissions by the end of the next century, and the agency is building a Research Institute of Innovative Technology for the Earth. The government has appointed an

"environmental ambassador" and may dispatch "green peacekeeping operations" to help developing countries with environmental problems.

In the Group of Seven industrialized nations (the others are the U.S., Britain, France, Italy, Germany and Canada), Japan ranks near the top in atmosphere, energy, transportation and waste-disposal policies, according to a recent survey of environmentalists. The Japanese say they already have the best record on perhaps the world's most pressing environmental problem, the emission of carbon gases that promote the greenhouse effect. With high energy efficiency and strict industrial-pollution controls, Japan releases less than half of such gases per capita than the U.S.

Still, many activists regard any aspirations by Japan to eco-leadership as laughable, particularly when it continues to lead the world in such practices as whaling and rain-forest logging. The same survey of environmentalists placed Japan dead last among the major nations in "land use" and "protection of species and habitat."

Despite the traditional Japanese love for nature, the country's postwar priority

and animals, making enforcement all but impossible.

In 1984, a special Asian meeting of the convention in Malaysia condemned Japan's attitude, and a world-wide conference of the group in 1987 came close to doing the same. The severe foreign criticism "was a great shock to the Japanese government," says Kunio Kikuchi, director of the Environment Agency's Wildlife Protection division.

In 1987, Japan enacted its first law regulating trade in endangered species. In 1989, it surprised environmentalists by endorsing a world-wide ban on trading ivory tusks of endangered African elephants. Last year, Japan agreed to stop fishing for squid with drift nets, called "walls of death" because they indiscriminately kill most marine life in their path, and to stop importing hawksbill turtle shells. But both acts came only after the U.S. threatened economic sanctions.

Tokyo also soon hopes to enact tough legislation to protect endangered species. In fact, Japan will soon have eliminated all its endangered-species reservations except for six species of whale. On this, the country remains intransigent. It continues to kill more than 400 whales a year as "scientific research," and engages in battles with the Greenpeace environmental group.

Japanese argue that whaling is part of their culture. To stress the point, more than 300 government and business leaders are expected to attend the Japan Whaling Association banquet in April, and feast on a variety of whale dishes. "We strongly believe the scientific evidence" shows whales aren't endangered, says Masayuki Komatsu, a deputy director of the Fisheries Agency.

If you do something only as a result of pressure, the action won't stay forever,' says zoologist Hideo Obara, one of the deans of Japanese environmentalism.

has been rapid economic growth, often at the expense of a long list of social concerns. And Japanese society discourages grass roots political activism, which in other countries is the source of support for green movements; Japanese tax law discourages donating to such groups. The Nature Conservation Society of Japan recently noted in its 40th anniversary report that it has only 17,000 members, compared with 5.5 million members in the U.S.

Shocked by Criticism

So foreign pressure is the main force for change. Such pressure forced Japan into joining the endangered-species convention in 1980, but it quickly became the group's biggest renegade. The convention advocates a total moratorium on trade in several hundred species it considers on the brink of extinction. But the group's power is weak, and members are allowed to "reserve" species they want to continue buying. By the mid-1980s, Japan had 14 reservations, more than any other nation, ranging from Himalayan musk deer to desert monitor lizards. In addition, Japan didn't require permits for imports of wild plants

U.S. Agrees to Give \$50 Million for Fund On Global Warming

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The Bush administration agreed to give \$50 million to an international fund designed to help developing nations combat global warming.

The action, which will be announced at the United Nations today by U.S. negotiators at climate-change talks, marks a step forward in international efforts to deal with the problem. Third World nations have contended that they can't afford to take the steps needed to reduce emissions of carbon dioxide and other so-called greenhouse gases without assurance of financial support from the developed world.

The move also provides a new indication that the U.S. is serious about trying to seek an agreement on a treaty that would call for a stabilization of greenhouse gases. Many scientists believe that the buildup of these gases threatens to cause a disastrous warming of the Earth's climate. The U.S. is the only major industrial nation that hasn't pledged such a step, which is a major impediment to agreement on a treaty.

The money will go to the core fund of the Global Environmental Facility, which will be affiliated with the World Bank. The fund is eventually expected to total several hundred million dollars and include contributions from many countries. The \$50 million comes on top of \$150 million the U.S. plans to contribute to individual countries over three years for environmental projects. However, environmentalists have argued that this spending isn't a real step toward fighting global warming.

Administration officials said the negotiators also will agree to contribute \$25 million over two years to help Third World nations develop computer models to measure emissions and better estimate the effect of their policies.

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THURSDAY, FEBRUARY 27, 1992

The Bookies Beat Mr. Gallup

By DAVID RANSON

Opinion polls are the traditional instrument for predicting election winners. But interpretation of polls hinges on many assumptions, and the interval between polling and publication is sometimes long enough for the result to be obsolete by the time the poll is broadcast.

Luckily there's little-used but independent source of timely information: market judgments as reflected by betting odds. In the markets, whatever the media say, Mr. Bush is still above water—at least, so far. According to Ladbrooke's, a London bookmaker, the odds on a Republican presidential victory in November are 4:9, and for a Democratic victory 13:8. This translates into probabilities of 64% and 35% for the respective parties.

Mr. Bush has slipped nonetheless: from odds of 1:4 at the beginning of September (74% chance of a Republican victory) to 8:13 (58%) after New Hampshire. In the past few days he has been rebounding.

Betting is illegal in this country, although quoting odds is not. Mike Roxborough of Las Vegas, responding to the South Dakota primary, quotes Bill Clinton's chances at winning the Democratic nomination as 4:5 (44%), Paul Tsongas's as 2:1 (26%), Bob Kerrey's as 7:2 (18%), Tom Harkin's as 7:1 (10%) and Jerry Brown's as 40:1 (2%).

Betting odds don't necessarily conflict with the polls. But when they have disagreed, the odds have usually been right. And they give more timely notice of sudden swings in opinion. Consider the record of the London bookmakers in the past three elections:

1988: Bush vs. Dukakis. The Gallup Poll suggested two exciting turns in the candidates' fortunes sometime in May, from George Bush to Michael Dukakis, and sometime in August from Mr. Dukakis back to Mr. Bush. The odds in London also picked up these shifts, but provided more specific information, identifying a dead heat on May 17 and again on Aug. 15. Then

on Aug. 18, a significant and permanent Republican lead reappeared. As late as the second week of October, the Gallup poll placed Mr. Bush only six points ahead of Mr. Dukakis. Betting odds reflected a two-to-one Bush advantage.

1984: Reagan vs. Mondale. Polls suggested a close race early in the 1984 campaign, yet bettors had decisively favored the Reagan team from the summer of 1983 onward. For example, in a January Gallup poll, Mr. Reagan had a minimal one percentage point advantage, while betting odds at the time gave him the nod by a margin of 70% to 30%.

Making Book

Odds on 1992 presidential candidates

	ODDS	PROBABILITY
Bush	4:9	58%
Clinton	5:2	24
Tsongas	6:1	12
Buchanan	33:1	2.5
Kerrey	50:1	2
Harkin	50:1	2
Brown	100:1	1

Source: Ladbrooke's, London.

1980: Carter vs. Reagan. Early in the year, both Gallup and Time magazine portrayed Jimmy Carter as strongly ahead, and nearly even through the rest of the campaign. Even the final Gallup poll, released the day before the election, still suggested a result too close to call. The odds painted a different and more turbulent picture. In March, Mr. Reagan was already the market's frontrunner. By May 1, bettors had clearly identified Mr. Reagan as the probable victor (46% to 36%, with 18% for other candidates). The odds suddenly narrowed in early September, and for a few weeks Mr. Carter was ahead again. But the tide turned one more time, and the

margin in Reagan's favor became an overwhelming 77% to 23% at election time.

How could foreigners be so accurate? They are hardly well placed to give the most informed assessment of domestic political probabilities. But as with prices for any globally traded commodity, the odds of a particular wager tend toward agreement everywhere. Anytime betting odds differ materially between two localities, the difference can be converted to an arbitrage profit by a smart operator. So there's no reason to expect the odds in Britain to differ much from those in the illicit American market.

Polls reflect local opinion, while betting odds reflect universal information. And poll reliability is hampered by many slipshaps, quite apart from the usual problems of sampling size and technique:

- Not all voters bother to respond;
- Not all respondents bother to vote;
- A given question may mean different things to different people;
- Polls do not give explicit estimates of the probability of success; and, above all,
- The respondent has no vested interest in the consequences of his reply.

That is why different polls can widely disagree, even when the target population is the same. In October 1984, the Harris poll estimated that Mr. Mondale was eight percentage points behind Mr. Reagan in the presidential race. The Washington Post/ABC poll made it 11 points, the New York Times reported a 12 point gap, and the NBC estimated 24 points! Such ambiguities cannot survive in a market, where arbitrage makes prices converge.

Betting odds reflect the estimates of people who are willing to back their forecasts with capital, and have every reason to predict with all the objectivity they can muster. There's a reward for being right, and a penalty for being wrong. Which is why one should trust in market estimates, wherever the market might be.

Mr. Ranson is president of Wainwright Economics in Boston.

Big Brother's New Weapon — Rust v. Sullivan

Last year the Supreme Court issued a decision that, while roundly criticized by liberals, pro-choice advocates and doctors, received scant attention from those who concern themselves with the perils of communism. Yet the case, *Rust v. Sullivan*, may have set the stage for our government to engage in activity the critics have long decried in Communist regimes: indoctrination of the citizenry.

Earlier this month, in a case charging the National Endowment for the Arts with politically motivated censorship, the Justice Department relied on *Rust* to argue that government officials have untrammeled discretion to dictate the content of publicly funded art. Now the White House has forced NEA chair John Frohnmayer to resign, reportedly because he was not sufficiently eager to use his discretion to halt funding of controversial art. Nor has the

sions about their reproductive options. But the decision's implications potentially extend much further, for its reasoning appears to authorize the government to commit unlimited resources to propagandizing and indoctrinating its citizens. The court's rationale was straightforward: The First Amendment does not affirmatively entitle anyone to government support for speech, and therefore where the government is footing the bill it may decline to pay for speech without infringing speech rights.

If the court meant that government can control the content of any speech it pays for, its decision would have devastating consequences for free expression as we know it. Government resources support speech in a vast array of settings. When the Post Office provides second-class mailing privileges to the press, it subsidizes speech. Public universities, health facilities, legal services and libraries offer government-subsidized speech. So do public broadcasting stations and municipal auditoriums. Indeed, every rally in a public park is supported by government funds.

Under the Supreme Court's reasoning, the government could control the content of speech in all of these settings. If, for example, the postal service denied mailing privileges to the New Republic because the magazine criticized the administration, the magazine would have no claim because the government would be merely declining to subsidize its circulation. If a state forbade the teaching of pro-choice philosophies in public university ethics classes, refused to stock its libraries with books critical of the welfare state, barred legal-services lawyers from advising clients about their right to privacy, or limited public broadcasting to pro-democratic programming, then students, book-borrowers, clients and listeners would have no judicial recourse, because they have no right to subsidized in-

reads *Rust*. In cases involving publicly funded research, education and art, Justice has taken the position that no First Amendment concerns are raised when the government restricts the content of the speech it funds. It is currently defending requirements that funded academic research not be discussed until the government approves the results; that subsidized AIDS education not be "offensive" to the majority of U.S. adults, even if targeted to a group that needs explicit instruction; and that art supported by the National Endowment for the Arts not violate "general standards of decency." A requirement that funded speech be inoffensive may not seem offensive, but empowering a govern-

If mailing privileges were denied to the New Republic because it criticized the administration, it would have no claim—the government merely would be declining to subsidize its circulation.

ment official to define "offensive" is granting an unlimited license to censor.

What the Supreme Court overlooked in *Rust*, and what the Justice Department ignores in its reading of the case, is precisely what anti-Communist critics have long denounced in the Soviet Union: the danger of government indoctrination. If the government can freely allocate its vast resources to support one side of a controversial issue in every forum that it funds, from the academy to the press to the streets, it can sharply skew public debate. It can turn government-funded art into

In a setting like medical or legal counseling, or any setting where captive audiences are dependent upon the advice they are given, the danger of indoctrination is especially acute. The strong public disapproval of the court's *Rust* decision—71% of Americans thought it was wrong—may well be attributable to the court's failure to acknowledge this danger.

The First Amendment is designed to ensure a vigorous and uninhibited public debate. In today's world of widespread government funding, First Amendment doctrine cannot overlook the central role that public institutions play in maintaining that debate. The constitutional issue is not whether speakers have a right to government support for their speech, but whether audiences have any protection against government indoctrination. In the past, the court has acknowledged that in some settings, such as public parks and universities, the fact that government is supporting speech does not mean it can control the message. While the *Rust* court nodded to these precedents, it failed to square them with its reasoning. And now the Justice Department is urging the courts to extend *Rust* as far as possible.

If we are to be free from official indoctrination, the government must be barred from using its funds to skew those spheres of speech that are central to our cultural and political life—the press, universities, parks and streets, the arts and professional counseling. These spheres flourish only when free of the chilling oversight of government officials. Yet all of these institutions are dependent on public support. The First Amendment must ensure that we can collectively subsidize the arenas for public debate without getting tied up in the strings of official censorship.

Mr. Cole is a professor at Georgetown University Law Center and a volunteer

Counterpoint

By David Cole

administration limited this principle to arts funding. It has also cited *Rust* to justify unprecedented control over the content of publicly supported education and academic research, spheres historically accorded substantial freedom from government regulation.

The *Rust* case itself involved a different issue, pregnancy counseling. The court upheld regulations that required doctors in federally funded family-planning programs to inform pregnant women about the option of childbirth, barred them from talking about abortion, and instructed them to provide a one-sided referral list for prenatal care. The doctor could not even hand the patient the Yellow Pages, because they list clinics that provide abortions.

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THURSDAY, FEBRUARY 27, 1992

Russia Reported Near Accord With IMF That Would Help It Get Substantial Aid

By GERALD F. SEIB
And DAVID WESSEL

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—Russia and the International Monetary Fund are close to an agreement on a preliminary economic program that would move Russia a significant step closer to receiving billions of dollars in IMF assistance, U.S. and fund officials said.

The agreement is known in IMF parlance as a "shadow program" to distinguish it from a final IMF agreement, which couldn't be enacted until Russia becomes a full member of the IMF. But Russia is expected to be granted full membership in the spring, and the shadow program could be converted into an official agreement quickly after Russia's membership is complete, IMF and Bush administration officials said.

The officials said negotiations on the program have progressed far enough that John Odling-Smee, a former British Treasury official heading the IMF delegation to the former Soviet Union, has returned to Washington to consult with officials at IMF headquarters here. One official said the shadow agreement could be finished in a matter of days, but others estimated that

two weeks more may be needed.

Under an IMF agreement, a nation agrees with fund experts on a program of economic reform in return for eligibility for financing from the IMF and its sister institution, the World Bank. In the shadow agreement being completed, said one official familiar with its contents, Russia commits itself to various kinds of steps to liberalize its centrally controlled economy, including raising subsidized energy prices closer to world-market rates. Russia also officially promises to show fiscal restraint.

Issue of Ruble

But officials said the agreement doesn't resolve the important question of how to stabilize the ruble. Russian and IMF officials haven't decided on the best strategy for supporting the ruble, officials said, and aren't sure that establishing a widely discussed, multibillion-dollar stabilization fund is the best course.

A shadow agreement would be significant for Russia, because its officials could use the existence of even a preliminary agreement with the IMF as a way of inspiring confidence among potential private investors. In addition, the completion of a shadow agreement now, even though it doesn't include all the details of a final agreement, would shorten the time Russia would have to wait before getting access to IMF financing. One U.S. Treasury official estimated that IMF funds could begin flowing as soon as early summer.

Though the U.S. has cast a cloud over long-term IMF assistance plans by refusing so far to approve a promised \$12 billion increase in contributions to the IMF, officials said that gap wouldn't interfere with the early stages of an aid program for Russia.

U.S. officials familiar with the IMF negotiations said they have been pleasantly surprised by both the flexibility and sophistication of economic advisers to Russian President Boris Yeltsin.

Timetable for Membership

U.S. officials hope to reach a consensus among IMF board members on granting Russia membership in the IMF in early April, with formal membership to follow later in the spring. Several other former Soviet republics also are likely to be admitted to the IMF.

The former Soviet republics are expected to receive a total stake of about 4.25% in the IMF, with Russia getting a 2.5% interest. The size of a nation's stake in the IMF determines how much it can borrow.

Separately, the European Bank for Reconstruction and Development said it plans to admit Russia and 10 other former Soviet republics as full members, in place of the Soviet Union. The bank's board has recommended dividing the former Soviet Union's 6% share of the bank's capital among the republics, with Russia taking 4%. The proposal is subject to approval by the EBRD's board of governors.

Bentsen to Offer Tax Package That Cuts Benefit for Children, Capital-Gains Levy

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Sen. Lloyd Bentsen will propose a tax package with a scaled-back version of his tax credit for children, a capital-gains tax cut, expanded tax benefits for retirement accounts and variations of President Bush's economic plan—paid for with tax increases on the wealthiest Americans.

Final details rest on cost considerations. The Texas Democrat, chairman of the tax-writing Senate Finance Committee, vows that his bill won't add to the deficit in any year. With his panel scheduled to begin voting Tuesday, Sen. Bentsen is struggling to include popular tax cuts that he and other senators want while limiting the proposed tax increases enough to keep skittish lawmakers on board.

Meanwhile yesterday, after hours of partisan bickering, the House voted 427-1 against a package of Mr. Bush's tax proposals that Democrats had compiled and the administration had disavowed. The Republicans instead back a seven-point package that includes Mr. Bush's proposed capital-gains cut, but not his proposed middle-class tax cut. The Democrats wanted a vote on Mr. Bush's overall tax proposals, which include some business-tax increases anathema to GOP lawmakers, to dramatize the lack of support even in his own party. But Republicans voted as a bloc with Democrats in hopes of rendering the tally meaningless. The sole supporter was a Democrat, Bill Orton of Utah.

In preparation for today's vote, House Democratic leaders continued to hustle for support for their tax package. Private head counts showed them short of a sure majority; most Republicans are expected to oppose the Democratic plan, because it taxes upper-income individuals to finance tax cuts for other individuals and business. That means Democrats need support from all but about 50 of their 266 members to pass the plan.

In any event, the vote is virtually certain to show that Congress couldn't override the president's threatened veto of any bill that raises taxes. A statement from Treasury Secretary Nicholas Brady last night urged House Democrats to stop the "political shenanigans" and pass the president's economic plan. But House Speaker Thomas Foley (D., Wash.) disputed suggestions that Democrats were playing politics, knowing their bill wasn't likely to become law. Democrats can't "all fall down and obey his injunction not to rise in opposition," he said. "If that were

the case, the president would totally control the legislative agenda."

Sen. Bentsen said his package would be smaller than the House Democrats' measure, which includes tax cuts valued at \$79.5 billion over six years and \$93.5 billion in higher taxes. The tax increases mostly come from a new top rate of 35% and a surtax on millionaires.

The senator said his proposal also will include a millionaires surtax, but a new top rate will affect individuals of much higher income than would be taxed by the House bill. While the House Democrats' proposal would apply to individuals with taxable income of at least \$85,000 a year, Sen. Bentsen indicated his proposal would start with individuals making well over \$100,000.

Bush Predictions Dismissed

He dismissed Mr. Bush's recent predictions that Democrats would end up taxing everyone with income above \$35,000, saying, "We're talking about a tax starting at approximately four times as high as that."

Sen. Bentsen, who last fall proposed a \$300-a-child tax credit for all taxpayers, said he would limit such a credit to middle-income families. That would help satisfy Democratic critics, who complained that such tax relief shouldn't go to the rich. It also would help hold down the proposal's cost. Sen. Bentsen's initial proposal would have cost \$60 billion over five years, and he is trying to cut it to something over \$30 billion.

He has resisted some Democrats' calls to make the credit refundable, so that it could benefit poor workers who pay little or no taxes. Sen. Bentsen argues that past legislation provided relief to the poorest taxpayers, and this year's bill is aimed at the middle class.

The chairman said his proposal will embrace several provisions in Mr. Bush's seven-point economic plan, with modifications.

The provisions include some investment incentive for businesses, limited restoration of "passive loss" deductions for real estate developers, a reduced tax rate on capital gains from the sale of assets, an allowance for early, penalty-free withdrawals from Individual Retirement Accounts, and perhaps a tax credit for first-time home buyers. The House Democrats' bill doesn't include a home buyers' credit, an omission that Mr. Bush and Republicans have attacked.

Yachts and Airplanes

Sen. Bentsen also will propose to repeal a 10% luxury tax on yachts and private airplanes. A number of popular tax incentives, such as credits for business research and development and for low-income housing, would be extended, although it's unclear whether the extension would be temporary or permanent given cost constraints.

A major part of the package will be Sen. Bentsen's personal priority, a liberalization of IRAs. He wants to restore the full deduction to all taxpayers; now the benefit is limited to lower-income families and those without other retirement plans. Also, he would create a version of the IRA that gives taxpayers a break when their money is withdrawn, instead of an up-front deduction. And savers with existing IRAs could roll over their accounts into the new type, if they paid taxes on amounts previously deducted. The revenues raised from this last rollover provision would help to offset some of the proposal's overall cost, though the revenue loss to the government in future years would be greater than under current law.

—Jeffrey H. Birnbaum contributed to this article

COVER STORY

Critical mass of delegates up for grabs

Candidates jockey for position; voters say Bush can't relate, 2A

By Adam Nagourney and Bill Nichols
USA TODAY

ATLANTA — The Democratic presidential race — contested by an unwieldy cast of regional winners — has entered a critical three weeks that will determine how long the party waits for a nominee.

A nominating process that was supposed to quickly produce a winner has created four top contenders who have yet to win outside their backyards. The race is in such turmoil that the first candidate who does well beyond his home turf could rocket to the top.

The candidates are sprinting through three of the zaniest weeks on a political calendar: Twenty-four states, from New England to the Deep South to the Northwest, hold contests that will determine 37% of convention delegates.

The stakes were demonstrated Wednesday when Nebraska Sen. Bob Kerrey landed here and immediately launched an attack on Arkansas Gov. Bill Clinton on an issue that Kerrey had just two weeks ago declared out-of-bounds: Clinton's avoidance of the draft during Vietnam.

"This is one messed-up race," says Iowa Sen. Tom Harkin's spokeswoman Lorraine Voles. "It's been so wacky you

Please see COVER STORY next page ►

Continued from 1A

just have to wait every day and see how the next day plays out." But the coming weeks should clarify whether the race heads in one of two dramatically different directions:

Either Clinton will sweep the South, along with one or two non-southern states, producing an avalanche of support from party leader "superdelegates" that makes him the putative nominee.

Or the candidates will continue posting regional victories, setting up such a war of attrition that "this thing could go all the way to the convention," says Maryland Chairman Nathan Landow.

Democratic Chairman Ron Brown admits he's not as hopeful as he once was that an early nominee could immediately start going after President Bush, which "would be good for the party."

This race has become more difficult to chart than others in recent years. The candidates are all comparatively short of money and either not well-known or dogged by notoriety, such as the womanizing and draft-evasion allegations against Clinton. And no single state contest has emerged as the defining event mandating an all-out effort by the five top candidates, including former California Gov. Jerry Brown.

The stakes were raised here Wednesday when Kerrey — boosted by his impressive 40% victory in South Dakota — stepped into Clinton country and warned that if Clinton is nominated, Republicans will "open him up like a soft peanut" because of the draft.

Kerrey, a Vietnam War hero, told Spelman College students: "I know an awful lot of people right now who are watching this race who are afraid to tell the truth. Well, I'm here today to tell the truth ... Bill Clinton is a friend of mine and he's been a great governor in the state of Arkansas. But if he is the nominee of the party, he will be the issue ... Bill Clinton should not be the nominee of our party because he will not be able to win."

Clinton deputy campaign manager George Stephanopoulos shot back that the statement marked an about-face for Kerrey, who just two weeks ago angrily dismissed his pollster for sending information on Clinton's draft status to news organizations.

At just that moment, Clinton was launching a television ad campaign attacking former Massachusetts Sen. Paul Tsongas as a pro-business candidate who supports cutting capital gains taxes, slashing some benefit cost-of-living adjustments and raising the gasoline tax 5 cents.

There are two critical, multiprimary dates to watch now. The first is March 3, particularly for Maryland. This is a critical place for Tsongas to demonstrate that he's more than a New England hero who won New Hampshire.

"Clinton has a leg up on the field organization here," said state Chairman Landow. "But my gut tells me that Tsongas is catching on," because voters respond to his call for fiscal sacrifice.

The second important state that day is Georgia. Clinton — whose advisors have managed to position him as a front-runner, although he has yet to win a single race — is portraying that as his first big test. But it's hard to see how Clinton couldn't win, says Hastings Wyman, publisher of the *Southern Political Reporter*.

Tsongas started late here. He has no paid staffers in Georgia and a call to his headquarters got a recorded message. That might be a mistake: "If he had started earlier, he would have given Clinton a run for his money," says state Sen. Charles Walker.

Indeed, Tsongas, campaigning in Atlanta with Oklahoma Sen. David Boren at his side, got a warm reception here even as he joked about the Boston Red Sox with crowds more attuned to the Atlanta Braves. "David said I don't have a southern accent, but I'd like for you to know I grew up in south Lowell," Tsongas said.

A third key state is Colorado, where Kerrey, Clinton and Tsongas have all made major efforts. Clinton and Tsongas could use a win to proclaim themselves the only candidate with national appeal. But a Kerrey win might coalesce a budding "A.B.C.T." — anybody-but-Clinton-or-Tsongas — movement behind him.

Finally, liberal Minnesota is holding caucuses that day, a fire wall for Harkin who, in the view of many party leaders, is living on borrowed time after his poor second-place showing in South Dakota. But Kerrey has begun making some moves here. His aides met Wednesday with labor leaders to woo the foundation of Harkin's support.

The second day to watch is March 10, "Super Tuesday" — which includes seven southern and border states and explains why Clinton is such a formidable presence, despite his lackluster vote totals so far.

"I think Clinton is a front-runner in every southern state," says University of South Carolina political scientist Earl Black. "If Clinton can come out with a substantial delegate lead, as I think he will after Super Tuesday, it will be very difficult for another Democrat to stop him."

Kerrey and Tsongas have made small waves in Florida. But Clinton advisors said that at the slightest sign of Tsongas taking off they would begin airing TV ads portraying him as in favor of cuts in cost-of-living increases for Medicare.

The irony is that even though Clinton is poised to sweep here, many analysts suggest that this is only because a strong candidate didn't emerge sooner. "You've got Clinton, a neighbor and a friend, versus a bunch of outsiders who no one knows," says Wyman. As a result, the real test of the draft and womanizing allegations might not come until the fall.

"I think he would have a lot of problems in the general election," says Black. "The Republicans would find a great deal of ammunition, particularly in terms of questions of judgment and character."

The primary calendar was set up to help the Democrats settle early on a candidate. But the possible result has irked some party leaders who think Clinton is a potentially weak candidate.

"What state chairmen are interested in is someone who can show broad support," says New York State Democratic Chairman John Marino said. "No one has come close to doing that. No one region should determine who the nominee is: I think the present system stinks."

'Woman troubles' haunting George Bush

COMMENT

Republican women have sent a clear signal: Their vote is the president's to lose.

Bill Clinton may have his woman troubles, but they could turn out to be minuscule compared to those of George Bush.

There was a significant gender gap in the New Hampshire primary. Far fewer women than men voted as Republicans, but those who did favored Bush over Patrick Buchanan by 64%-33%.



By Martha Burk, a political psychologist who heads the Center for Advancement of Public Policy in Washington.

Republican men gave the president a bare 51% plurality. The gender gap in support for Bush was almost identical in the South Dakota primary Tuesday.

So why does this spell "woman trouble" for Bush? First, it means the party is losing women's support, and second, Bush couldn't have won without the women's vote.

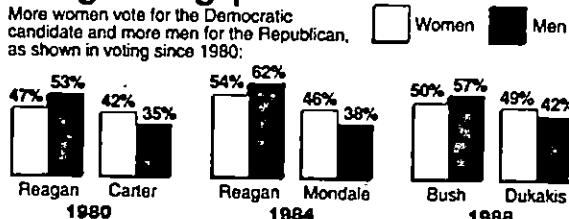
This presents a dilemma: The campaign must become more conservative to answer Buchanan's challenge. But if it also becomes more anti-woman in the process of wooing male conservatives, greater numbers of women voters will be alienated.

The dwindling ranks of GOP women may have given the president a big majority because they feared Buchanan's mad-dog conservatism more than the uncertain economy. If this is so, one would think Bush campaign strategists would start paying attention to women.

Well they have, sort of. Vice President Dan Quayle is going around warning of a liberal Democratic victory in November if Republicans stick with Buchanan. But

The gender gap

More women vote for the Democratic candidate and more men for the Republican, as shown in voting since 1980:



Source: Center for the American Woman and Politics, Rutgers

By Marty Baumann, USA TODAY

the liberals he uses to scare deserters back into the fold also happen to be women.

Last week, he snidely suggested Kate Michelman, executive director of the National Abortion Rights Action League, would become secretary of health and human services, and Rep. Patricia Schroeder, a senior member of the House Armed Services Committee, would be secretary of defense, cutting the boy-warrior budget by \$150 billion.

There is a not-so-subtle ridiculing of women here that will not go unnoticed by female voters.

Women are already displeased with George Bush's record. He vetoed family and medical leave. While signing a civil rights bill that consigned women to second-class status in damage recovery for job discrimination, he tried to dismantle affirmative action singlehandedly by fiat.

Then there was the Clarence

Thomas thing. George Bush's lackeys roughed up Anita Hill while the administration gleefully jumped on "feminists" as the bogeywomen of the confirmation hearings.

Add the constant pandering to the anti-abortion crowd, coupled with the certainty that Roe vs. Wade will be overturned, and the recipe for a backlash is complete.

Women are now 53% of the electorate and turn out in greater numbers than men. They have the power to control any election. Republican women have sent George Bush a clear signal that their vote is his to lose. Will he read their lips?

► Cover story, 1A

N-power to charge up Dem race

By Rae Tyson
USA TODAY

In a campaign relatively free — so far — of environmental issues, the politics of nuclear power await in the thicket of primaries over the next two weeks.

Most on the spot is Democrat Paul Tsongas, who gets praise from environmentalists for his overall record, but loses points for his defense of nuclear power.

"His environmental record is outstanding except for one glaring example," says Reid Wilson, the Sierra Club's political director.

Analysts say Tsongas' pro-nuclear position was a main factor among Maine voters last Sunday when Jerry Brown nearly pulled an upset by exploiting the nuclear issue. Brown says he would close all 112 of the nation's nuclear plants within a decade.

In contrast, Tsongas stood alone during a pre-New Hampshire debate when he defended nuclear power. "If you take out all your nuclear power plants, by definition you're going to have more fossil fuel and add to the greenhouse effect," Tsongas said.

Tsongas has served on the board of Boston Edison Co. since 1985 and says he helped the utility improve its safety record at the Pilgrim nuclear plant in Massachusetts.

Nevertheless, some activists say the issue could haunt Tsongas again as it did in Maine. "If nothing else, the other candidates will bring it up," said Wilson.

In Washington state — host to the government's troublesome Hanford reactor — it could surface during Democratic caucuses next Tuesday. "Given the history out here, people are going to evaluate (Tsongas) very, very carefully," said Seattle activist Jim Beard.

Analysts also predict serious trouble for Tsongas in California — a state with a long history of opposition to nuclear power. "It's going to be a big issue when he gets

Nuclear issue in 4 states

The politics of nuclear power:

Colorado: Government's Rocky Flats plant near Denver an environmental nightmare for nearby residents; nuclear waste cleanup could take decades. Primary: Tuesday.

Washington: One of government's biggest nuclear reactor sites at Hanford, where radioactive waste is handled. Primary: Tuesday.

South Carolina: Host to East Coast's only low-level radioactive waste site; also site of Savannah River reactor. Primary: March 7.

Nevada: In legal battle over choice of Yucca Mountains as site for nationwide nuclear waste facility. Democratic caucus: March 8.

to California," said Thomas Dougherty of the National Wildlife Federation in Boulder, Colo.

Despite their concerns, environmentalists credit Tsongas for the sincerity of his position, which calls for conservation and increased use of renewable energy sources. He favors construction of new nuclear plants only after smaller, safer designs are developed.

Energy America, a coalition of New England environmental groups, ranks two candidates higher than Tsongas — Brown and Gov. Bill Clinton.

Despite the criticism, nuclear industry officials — unable to build a new plant since the Three Mile Island accident in 1979 — welcome renewed interest in the issue.

Tsongas has "brought the nuclear issue into the debate," says Scott Peters of the U.S. Council for Energy Awareness, a nuclear industry group.

Tax plan showdown is today

By Richard Wolf
USA TODAY

The House began congressional debate over tax cuts Wednesday by voting 427-1 against a plan disowned by Democrats and Republicans.

It was a fitting start to a fiercely partisan struggle pitting President Bush's effort to boost an ailing economy against Democratic attempts to cut taxes on the middle class.

The rejected bill threw together all of Bush's proposed tax cuts but excluded the spending cuts to pay for them.

The showdown comes today: Bush's seven-point package of business and investment breaks against the Democrats' six-year, \$93.5 billion plan, with a two-year middle-income tax cut of up to \$800 total, and higher rates on the rich.

Both sides are wary: ► House Democrats late Wednesday were about 30

votes short of the 218 needed to pass their plan, the only one with a chance of reaching the Senate.

"We will have the votes," said House Speaker Thomas Foley, D-Wash.

► Senate Republicans, smelling defeat, met with White House officials amid signs Bush's shelved middle-income tax cut plan — a \$500-per-child boost in the personal exemption — may be revived. "It would be all right by me if we could pay for it," said Senate Minority Leader Robert Dole, R-Kan.

► Senate Democrats, aware they could have trouble passing a tax-redistribution plan similar to the House, said they would push for a smaller children's tax credit financed by tax hikes on the very rich.

The House Democratic plan would hit individuals with taxable income above \$85,000 and couples above \$145,000. The



By John Duricka, AP

"There's really only one question worth asking: 'Whose side are you on?'"

— Rep. David Bonior, D-Mich.

Senate plan would start at higher incomes.

"I'm talking about a tax bracket that affects less than 1% of the people," said Senate Finance Chairman Lloyd Bentsen, D-Texas.

The House debate resumed today broke down along party lines: Democrats billed it as a choice between helping the middle class or the wealthy, while Republicans billed it as a choice between economic

growth and malaise.

"When you strip away the rhetoric, there's really only one question worth asking: Whose side are you on?" said House Majority Whip David Bonior, D-Mich.

House Ways and Means Chairman Dan Rostenkowski, D-Ill., said Bush "showers the wealthy with a flood of more and more tax breaks" while the middle class "are not even damp" after a decade of "trick-

le-down economics."

The Democrats took the debate beyond Washington, paying for TV ads in seven states that are to hold presidential and congressional primary elections soon.

But Republicans charged the Democratic bill would eliminate jobs, increase taxes and add \$30 billion to the \$400 billion deficit in two years.

"The only thing that will grow under the Democrats' bill is more taxes," said House Republican Conference Chairman Jerry Lewis, R-Calif.

The lone lawmaker to vote for Wednesday's bill was Rep. Bill Orton, D-Utah. "If I could write the bill, it wouldn't look like any of these three," said Orton, a tax lawyer.

He wasn't alone in ripping the plans. Said Rep. Anthony Beilenson, D-Calif.: "We have no business cutting taxes."

► Opinion USA, 11A

Today's debate is about **FIGHTING DRUGS**, and whether education or legalization makes the most sense.

Kids hold key to drug war

OUR VIEW On the home front, winning the drug war is a matter of winning over children's minds.

President Bush and six Latin American presidents are meeting today in a quest for a common strategy to combat drugs. While they grapple with the supply side of the world's drug problem, some lower-profile U.S. efforts are scoring gains against home-grown demand.

Overall drug use has been declining steadily, with notable success among the young. High school seniors saying they had used drugs dropped from 54% to 29% between 1979 and 1991 in a University of Michigan survey.

What works: Aiming anti-drug messages at the smallest targets — young kids. By reaching them while they're forming opinions, education campaigns are convincing kids drugs are dangerous and unnecessary for social success.

According to the private consortium, Partnership for a Drug Free America, advertisements, classes and conversations with parents have an effect. Large majorities of children and teens have been exposed to all three with impres-

sive results.

Between 1987 and 1991:

► Twenty percent fewer 9-12 year olds agreed "popular kids use drugs," and 46% more agreed "smoking marijuana is okay sometimes."

► Nineteen percent more 13-17 year olds said they "don't want to hang around people who use drugs," and 11% more said, "People who use drugs are boring."

► Eleven percent more teens admitted that taking drugs scares them.

Much progress. But much remains to be done.

The USA remains home to the biggest drug demand in the world. There are 900,000 frequent cocaine users, including rising numbers of minorities and low-income whites in large cities.

Keeping drugs illegal has to be part of the fight to change those numbers. Knowing that society condemns drug use reinforces the anti-drug messages children get elsewhere.

The rest of the battle will be won by helping children make up their minds not to try drugs.

► Drug summit, 5A

Quit war, legalize drugs

OPPOSING VIEW Using the criminal laws to save people from themselves is no answer.

An interesting thing happens when drug warriors fight: They prove each other wrong.

Shortly before President Bush's drug summit in San Antonio, Rep. Charles Schumer, D-N.Y., released a report that noted the failure of efforts to interdict and eradicate supplies of illegal drugs. Although spending on such programs increased from \$417 million in 1981 to \$2.9 billion this year, "cocaine is as cheap, as potent and as readily available on American streets as ever."

Supply control is stymied by a few basic facts. Suppressing drug production or trafficking in one area simply pushes it elsewhere. Because the volume of drugs

is huge and it's impossible to seal the borders, interdiction can realistically reduce consumption only by imposing added costs on traffickers and thereby raising retail prices. But drugs are cheap to produce and easy to replace; most of their ultimate cost is added during distribution. So seizing or destroying them before they get here is a very inefficient way to increase prices.

Instead of wasting so much money on a futile effort, drug-war "doves" like Schumer want to spend more on "treatment and prevention." But as former drug czar William Bennett has pointed out, there's very little evidence that conventional drug-abuse treatment or anti-drug "education" is effective. We might feel better about throwing money away on such milder programs, but we would still be throwing it away.

Despite their tactical disagreements, both the doves and the hawks want to continue sending Americans to jail for buying and selling certain mind-altering substances. They both want to use the power of the state to save people from themselves. That's why they're both wrong.



By Jacob Sufum, associate editor of Reason magazine, Los Angeles.

CAPITAL LINE

USA TODAY'S BRIEFING ON WASHINGTON

Israel hasn't 'ruled out a compromise'



USA TODAY
SHOVAL: Won't talk about ultimatum

Israel offered Palestinian Arabs control over much of their daily lives on the West Bank and Gaza but was accused Wednesday of trying to "consolidate the occupation" of the disputed territories. "We start with the assumption that we are human beings with rights, national rights and rights on the ground," Hanan Ashrawi, the Palestinian spokeswoman said, in rejecting the Israeli offer. "They start with an assumption that they want to consolidate the occupation. Obviously, we are working at cross purposes." Even so, the two sides

met again at the State Department where a spokesman said they were getting down to the issues.

One of the goals of the talks, now in a fourth round, is to devise interim arrangements for Palestinian self-rule. But Israeli proposals would not end Jewish settlements nor Israel's military control over the land the Arabs hope to recapture through negotiations. Also Wednesday:

► Syrian delegate Bushra Kanafani said there was no progress in talks with Israel and she blamed the impasse on Israeli refusal to discuss the return of the Golan Heights, which Israel captured during the 1967 Arab-Israeli War.

► Israel still hopes to find a compromise with the Bush administration over \$10 billion in U.S. loan guarantees, Israel's Ambassador Zelman Shoval said. Washington wants Israel to first stop Jewish settlements in the occupied lands.

— Lee Michael Katz

PENTAGON CUTS: House Armed Services Committee Chairman Les Aspin, D-Wis., called on his Democratic colleagues to support his call for deeper cuts in military spending than President Bush has proposed. The proposals, he said, "take into account the fact that we've had two revolutions in the Soviet threat. The first one marked the end of the Warsaw Pact, the second the end of the Soviet Union itself." Aspin said he endorses a five-year defense cut of \$91 billion. Bush asked for \$50 billion over six years.

BILINGUAL ASSISTANCE: The Bush administration told Congress it supports a 15-year extension of a federal law requiring bilingual voting assistance in areas with large numbers of minorities that do not speak English well. House and Senate bills would extend and expand the provision for 15 years. It is to expire in August.

NATIONAL DEFENSE STOCKPILE: The Pentagon wants lawmakers' permission to sell two-thirds of its \$9 billion stockpile of materials stored in the event of war. Congress has ordered that the Pentagon maintain the stockpile, but Pentagon officials say it contains unnecessary items and is much too large to maintain in the age of post-Cold War budget cuts. It includes such basic materials as nickel, aluminum and lead. Also included: quinine, once used to battle malaria, and mica, once used in radios with vacuum tubes, an anachronism in the age of transistors.

1992 WEAPONS SALE: The Bush administration told Congress it's considering new weapons sales totaling \$35 billion this year. The Associated Press reported. Patriot air defense missiles make up \$16 billion of the sales, AP said. Requesting the missile systems: Kuwait, Bahrain, the United Arab Emirates, Qatar and Turkey.

THURSDAY, FEBRUARY 27, 1992



BUSH SUPPORTERS: Restaurateurs Nancy and Tommy Bruce say President Bush is doing the best he can.

On Georgia's mind: Health care costs, jobs

By Dennis Cauchon
USA TODAY

SOCIAL CIRCLE, Ga. — Truck driver Melvin Swim is eating a \$2.70 cheeseburger platter at a local Waffle House as the jukebox plays *The King Is Gone (And So Are You)* by country music legend George Jones.

"Don't get me wrong, I like George Bush," Swim says. "But the president, he don't know what's going on here in Georgia, in the real world." Fellow truck driver Leroi Taylor adds: "And even if he did, his advisers wouldn't let him do anything about it."

These tractor-trailer drivers from Macon, Ga., are typical: They like George Bush but fear he doesn't understand the problems of working people.

The "out-of-touch" issue could haunt the president, who received a message of discontent from South Dakota voters Tuesday when 31% of Republicans voted for "uncommitted."

Patrick Buchanan is counting on Georgia's conservative voters to send the strongest message yet in the state's March 3 primary.

USA TODAY talked to 22 people in several towns east of Atlanta to find out what's on voters' minds. It's a method mastered by the late Lee Atwater, Bush's former campaign manager, who roamed bowling alleys and bars to find out what was in the hearts of voters.

The 22 voters don't expect Bush to be a good ol' boy. "Of course, he's out of touch," exclaims waitress Carolyn Sommes, 27. "He eats in the White House, not the Waffle House!"

But they say he's not even talking the same issues. Example: Bush's push for a capital gains tax cut. "What is that?" asks mechanic Ralph Richey, 33, of Conyers.

What is on their mind: health care costs, jobs. What's not: foreign policy, abortion.

Don't get these people wrong. They don't have the rage and resentment of New Hampshire voters. The economy here isn't that bad. They're just worried.

"I've never seen people as on edge as now," says Sam Ramsey, a furniture store owner in Covington, where TV's *In The Heat Of The Night* is filmed.

"Sometimes (Bush) seems more concerned with the other side of the world," says Terry Williams, 32, a Republican truck driver.

Williams, who likes Bush, is worried about losing work hours. A few months ago, his job hauling grass seed slipped to 32 hours a week. He got a new job, hauling insulation, and worked 60 hours last week.

Many Bush loyalists say the president understands their concerns. But when asked to list them, they mention issues that the Bush campaign is not emphasizing.

Take small-business owners Tommy and Nancy Bruce, classic Bush supporters. They just created 35 jobs by opening Cowboy's Feed Lot Steaks & Stuff.

"The president is doing a great job," says Tommy Bruce, in his restaurant with a sawdust-covered floor. But he is most worried — as a businessman and personally — about health care costs.

Last week, he got a large bill for worker's compensation and medical insurance. Then, his son needed five stitches that cost \$500. Finally, his sister — cured of cancer two years ago — had her medical insurance premium increased to more than \$2,000 a month.

"I like making money as much as anyone, but doctors and insurance companies need to be controlled," says Bruce. "It's a ripoff," says Nancy Bruce.

Even business owners seemed unenthused about a capital gains tax cut, which is aimed at them.

"If we do anything, it should be aimed at giving purchasing power back to the middle class," says Ramsey, a Democrat who voted for Bush in 1988.

Like other voters, he thinks a capital gains tax cut favors the rich.

Voters loved Bush's role in the gulf war, but stressing it could backfire.

"Desert Storm was great," said Johnny Crowley, 49, who works at an egg processing plant. "But it's past. We've got to move on, get the economy going."

Keneesha Thomas, 18, a student at Emory's Oxford College campus, complains: "He doesn't know about America because he's too busy worrying about Iraq."

Ursula Carter, 19, still owes \$1,000 to Emory. "The cost of education is killing me," says Carter, who wants to be a doctor and learn Japanese. "Does George Bush care? I doubt it."

But Phil Cohen, 58, who runs his family's 100-year-old clothing store in Covington, is more generous. "The president neglected the economy because we were in an armed conflict." Now, Bush will make the economy work: "The economy is like a great, big jet airplane parked on the runway, ready to take off."

Voters don't seem to think the Democrats or Buchanan are much better than Bush.

Howard Stone, 58, believes "they ought to put Bibles, not condoms, in schools." But he stands by the president, not Buchanan. As he paces his daughter's used-furniture store, Bubba's Place, he growls that Congress blocks major changes: "If Pat Buchanan was elected today, he couldn't do anything different."

Dexter Garrison, 50, a farmer and service station owner, taking a break from mending a fence, says: "They're all crooks, but he's the best we got."

He got on his tractor and drove away.



CROWLEY: Manager at an egg-processing plant worries about health insurance costs.

Quayle chides Buchanan for 'liberal' views

By Richard Benedetto and Judy Keen
USA TODAY

ATLANTA — Vice President Quayle marched through Georgia Wednesday trying to link conservative challenger Pat Buchanan to liberal Democrats, including George McGovern and Jesse Jackson.

The Buchanan campaign fired back with a new TV ad charging the Bush administration "has invested our tax dollars in pornographic and blasphemous art, too shocking to show. This so-called art has glorified homosexuality, exploited children and perverted the image of Jesus Christ."

Tuesday's primary here — first in a series of Southern contests — will determine the future of Buchanan's challenge. His political director, Paul Erickson, said the state is among those Buchanan needs to win.

Quayle, on stops in Savannah and suburban Atlanta, accused Buchanan of "masquerading as a conservative" and espousing isolationist and protectionist causes that led him to oppose the president on the deployment of troops in the Persian Gulf.

"Our friend Pat," Quayle said, "has embraced the foreign policy of George McGovern, the Middle East policy of Jesse Jackson and the protectionist policies of Dick Gephardt. ... No true conservative would do that." McGovern, the 1972 Democratic presidential candidate, opposed the Vietnam War. Jackson has advocated a pro-Palestinian Middle East policy, and Gephardt, the House majority leader, has called for restrictions on imports to protect U.S. industries.

Quayle visited the Port of Savannah to underscore the importance of free trade. Speaking to cargo handlers and other port workers, he said the Georgia shipping industry accounts for 60,000 jobs, while \$7 billion in Georgia exports passed through the port last year.

"Protectionism is a dead-end policy," he said. "It doesn't protect jobs. It loses jobs."

But Buchanan, who called Bush "weak as a kitten" after the president lost 31% of the South Dakota GOP vote Tuesday to an uncommitted slate of delegates, is focusing on social issues in the South.

Buchanan's ad continues his assault on National Endowment for the Arts funding for controversial art. Bush has supported letting the courts, not the NEA, decide whether art is obscene.

Buchanan also was endorsed by Louisiana GOP Chairman Billy Nungesser — the first state party chief to break with Bush.

Quayle used the dock visit to drum up Georgian pride in the Persian Gulf war victory, noting that 14,000 troops of the 24th Army Division from nearby Fort Stewart embarked for the gulf from that dock.

He said a solid Bush win here could stop Buchanan: "Our opponent has said this is his best state. His people are putting out the idea he may win. ... He certainly needs a win somewhere. We're going to win Georgia."

Asked about losing nearly a third of South Dakota Republicans, Quayle said, "People are fed up, fed up with Washington, fed up with high taxes, fed up with too much regulation, fed up with a bad economy. We happen to agree with that message and we're doing something about it."

Bush will do better when voters stop sending messages and "get serious about electing a president."



By Jeff McSwaney, AP

QUAYLE: Buchanan is 'masquerading as a conservative' by espousing protectionist, isolationist policies



THURSDAY, FEBRUARY 27, 1992

Ex-chief: NASA in 'jeopardy'

By Paul Hoversten
USA TODAY

Outgoing NASA chief Richard Truly, who resurrected the shuttle program after the 1986 Challenger tragedy, says "the cheap shots must end" if the space program is to survive.

Truly's warning came Wednesday in a speech to the National Space Club.

He was forced to resign Feb.

12 in a power struggle with the National Space Council, headed by Vice President Quayle.

Council reports have criticized NASA's space station program and its "midlife crisis."

Truly leaves April 1; no successor has been named.

After Challenger, the former astronaut said, "I thought my job was to discover the cause, fix it, ensure future safety and reliability and return the space

shuttle to safe flight.

"I quickly discovered politics, budgets and a critical re-examination of NASA, all surrounded by a media zoo."

He said he "learned much in Washington," but "I'm not sure where I could ever apply it."

Other comments:

► "Our space program is as American as apple pie, Jack Kennedy, Lyndon Johnson, Ronald Reagan and George

Bush. We can build on that."

► Without solid funding for NASA, "our space program is in jeopardy ... and it is not helped by what passes in this town for analysis. The cheap shots must end. Without teamwork, there is nothing."

He also recited a poem by Robert Frost: *The Objection to Being Stepped On*.

The club, an industry group, gave him a standing ovation.

17% receive inadequate health care

By Kevin Anderson
USA TODAY

The USA's health-care system fails to serve more than one person in six — and not just because they can't get insurance, says a study out today.

"Health insurance is vital, but it alone doesn't do the job," says Daniel Hawkins Jr. of the National Association of Community Health Centers, which authored the study.

About 43 million people, 17% of the U.S. population, are not getting adequate health care, the report says.

Most have no health insurance at all. But at least 8 million are covered by Medicare or Medicaid and still can't get adequate care. Cited:

► Patients live in communities with high health risks, especially urban slums.

► They can't find doctors to take Medicare or Medicaid.

► There aren't enough primary-care doctors, especially in poor communities.

► Doctors, hospitals and clinics don't do enough to break barriers of language, culture, poverty and ignorance.

About 51 million people are either medically underserved or at risk, says the study.

Of those underserved:

► 33% are children.

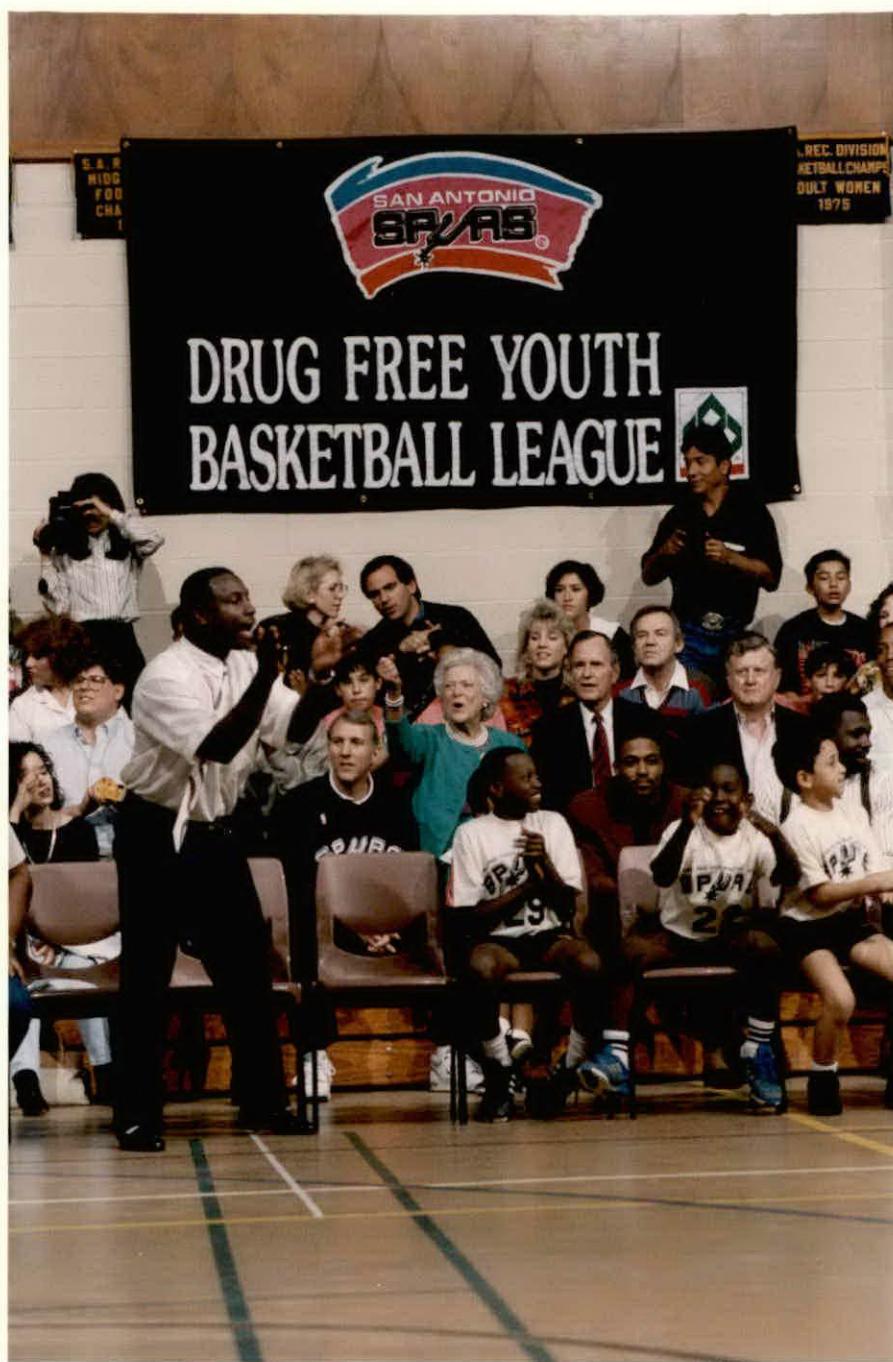
► 25% are disabled or seniors.

► 20% are women of child-bearing age.

The study questions reformers who focus on the 35 million without insurance, rather than the larger number without adequate care.

"Real reform will not happen until every American has access to basic health care regardless of who they are or where they live," he says.





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Shenyang
Summit







Drug Summit
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