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2009-0166-S

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2024-0050-S

FOIA MARKER

**This is not a textual record. This is used as an
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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: 90662
Folder ID Number: 90662-002

Folder Title:
Tuesday, March 17, 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. Memo	James A. Baker III to The President Re: [Libya...] (1 pp.)	3/13/16/92	(b)(1)	S
02. Report	Re: [Government Report] [originally closed as 02c] (1 pp.)	2/19/92	(b)(1)	C

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, March 17, 1992 [2]

Pinksheet Number: cap6023

OA/ID Number: 90662-002

Date Closed: 8/23/2019

FOIA/Sys Case #: 2009-0166-S[4]

Re-review Case #:

P-2/P-5 Review Case #:

THE WHITE HOUSE
WASHINGTON

March 13, 1992

MEMORANDUM FOR HENSON MOORE
DORRANCE SMITH
MARLIN FITZWATER
DAVID DEMAREST

FROM: PAUL LUTHRINGER *DL*
MIA KELLY *MK*

SUBJECT: WEEK AHEAD MEDIA REPORT

Below please find a list of open press and media activities scheduled for Cabinet secretaries and senior administration officials for the week beginning March 16, 1992. Any updates will be sent to you through OASIS.

AGRICULTURE

March 20: Secretary Madigan conducts a live radio hook-up with farm broadcasters, USDA studio.

AID

March 17: Administrator Roskens will conduct an interview with the Baltimore Sun on how A.I.D. works with U.S. business.

COMMERCE

March 17: Press Release: Housing Starts and Building Permits, February 1992

Press Release: Summary of International Transactions, 4th Quarter 1991

March 19: Press Release: Advance Report on U.S. Merchandise Trade, January 1992

DEFENSE

No information available at this time

EDUCATION

March 16: Secretary Alexander travels to New York for a luncheon meeting with the editorial board of The Wall Street Journal. The secretary will also meet with the editorial board of Newsday and conduct an interview with The New York Times.

ENERGY

No scheduled press activities

EPA

No information available at this time

HHS

March 18: **Secretary Sullivan** will meet with the editorial board of the Huntington Herald-Dispatch on health care reform issues.

March 20: **Secretary Sullivan and Secretary Kemp** will hold a press conference to release a report on "Homelessness and Severe Mental Illness," and announce a new initiative to address homelessness among the mentally ill.

HUD

March 20: **Secretary Kemp** press conference with Secretary Sullivan (see above).

INTERIOR

March 17: **Secretary Lujan** will tape a promotional video for the National Savings Bond Program.

JUSTICE

No information available at this time

LABOR

March 14: **Secretary Martin** is scheduled to appear on CNN's "Crossfire." (Taped)

NASA

March 17: **Admiral Truly** will testify on the President's FY 1993 Budget request for NASA before the Senate Committee on Commerce, Science and Transportation. This hearing will be carried on NASA Select TV.

March 18-19: **Admiral Truly** will testify on the President's FY 1993 Budget Request for NASA before the House Subcommittee on VA-HUD-Independent Agencies, Committee on Appropriations. This hearing will be on NASA Select TV.

March 23: Scheduled launch of STS-45, the Atlas mission on Space Shuttle Atlantis. This will be Admiral Truly's final launch as Administrator of NASA.

ONDCP

No scheduled press activities

OPM

No scheduled press activities

RNC

March 19: **Chairman Bond** will be a guest at the Sperling Breakfast in Washington, D.C. where he will engage in a roundtable Q&A with 30 political reporters.

SBA

March 20: Administrator Saiki will appear on "Good Morning America."

STATE

No information at this time

TREASURY

No information at this time

USIA

No scheduled press activities

USTR

March 16: Ambassador Hills will be a guest on the Coalition for America Broadcasting Network's "Kingston Live" program to discuss trade issues.

VETERANS AFFAIRS

March 18: Secretary Derwinski conducts an editorial board meeting with the Buffalo News, in Buffalo. The Secretary is also scheduled to engage in an interview with WKBW-TV (ABC).

March 20: Secretary Derwinski will speak to the National Newspaper Association's Government Affairs Conference in Washington, D.C.

**cc: Maria Sheehan
Bobbie Kilberg
Leigh Ann Metzger
Dan Casse**

All "media report" information should be faxed to Paul Luthringer or Mia Kelly by C.O.B. Thursdays. Our fax number is 456-1651. Thank you.

###

file

Tuesday, March 17, 1992
4:45 p.m.

PERSONAL/CONFIDENTIAL
PHONE CALL FROM
JIMMY WALKER

THE PRESIDENT HAS SEEN

In an ABC conference phone call this morning a statement was made that they are blocking **exit polling** because "someone was leaking it to the White House." (Jimmy said that maybe someone was leaking it to Dorrence Smith.)

PLEASE PROTECT THIS INFORMATION:

MICHIGAN:

Bush - 70%
Buchanan - 23%

Clinton - 49%
Tsongas - 30%
Brown - 15%

ILLINOIS: (Dixon is losing - speculation -- due to his stand on Anita Hill)

Bush - 74%
Buchanan - 26%

Clinton - 54%
Tsongas - 23%
Brown - 13%



Patty Presock

MATERIALS FORWARDED TO THE PRESIDENT
March 17, 1992

ACTION

1. Kittani Letter on UNCED
2. Reply to Juan Carlos on US Participation in a Quincentennial Regatta
3. Establishing Bilateral Copyright Relations with China
4. Response to Lawton Chiles re his Draft Mass Immigration Emergency Plan
5. Military Nominations: Lt Gen. Michael Spiegelmiere, USA; Maj Gen Robert Tiebout, USMC; Adm Jerome Johnson, USN; LtGen Robert Beckel, USAF
6. Reply to Letter from Mr. Yung Soo Yoo Concerning Korean Family Reunions
7. S.J. Res. 176 - National Women in Agriculture Day
8. Nomination of Russell T. Lloyd to be U.S. District Judge for the Southern District of Texas
9. Recommended Telephone Call to Illinois Bush-Quayle Election Night Party
10. Recommended Telephone Call to Michigan Bush-Quayle Election Night Party

CLASSIFIED

1. Telephone call to Prime Minister Michael Manley of Jamaica for 03/17 at 5:00 p.m.
2. Telephone Call with Prime Minister Constantine Mitsotakis of Greece

INFORMATION

1. Holiday memo attaching memo from Secretary Alexander with a copy of Alexander's memo to Sam Skinner re What the President can be doing and saying about education from Super Tuesday through the Convention

2. Petersmeyer Memo re Distinguished Judges for 1992
President's Annual Points of Light Awards
3. Letter from Senator Helms Regarding the Oregon Inlet
4. Congressional Reading File - Senator Dick Lugar
5. Updated information regarding the President's phone calls to
Michigan and Illinois Bush/Quayle primary night parties
6. Block schedule

REMARKS

1. Sam Walton/Medal of Freedom, Bentonville, Arkansas -- cards

SCHEDULE

1. And accompanying briefing papers

3/17/92

MR. PRESIDENT:

Ron Kaufman called 4:15 with the following numbers

Illinois

Bush	74	76
Buchanan	26	24
Clinton	54	
Tsongas	23	
Brown	13	

Michigan

Bush	70	71
Buchanan	24	23
Duke	2	2
Uncommitted	4	4
Clinton	48	
Brown	29	
Tsongas	16	

DIXON IS LOSING THE PRIMARY IN ILLINOIS TO A BLACK WOMAN,
CAROL MOSLEY BRAUN

RZ

Ailes Communications, Inc.

MEMORANDUM

OT
cc: Bob Teeter

TO: President Bush
FROM: Roger Ailes
DATE: March 17, 1992
RE: Congressional Check Bouncing

The Congressional check bouncing scandal is bad because it's symbolic of how Congress treats money.

They don't take money seriously. That's why their check books are out of control.

Congressional spending is out of control and the deficit is out of control.

RA/bws

FAX COVER SHEET

TO: Patty Presock

FAX NUMBER: 202-456-2397

FROM: Roger Ailes

DATE: 3/17/92

TIME: :

NUMBER OF PAGES (INCLUDING THIS COVER) 2

IF YOU DO NOT RECEIVE THE TOTAL NUMBER OF PAGES LISTED
ABOVE, PLEASE PHONE (703) 683-TEAM AS SOON AS POSSIBLE

NOTES:

Patty: Please forward to the President.

Thank you;

Roger

Rose
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

Recommended Telephone Call

TO: Judge Russell T. Lloyd

TELEPHONE: Home: (713) 667-4794
Office: (713) 755-7793

DATE TO CALL: March 18 or 19, 1992

RECOMMENDED BY: The Attorney General, Samuel K. Skinner,
Nicholas E. Calio, C. Boyden Gray, and
Constance Horner

PURPOSE: To ask him to serve as United States District
Judge for the Southern District of Texas

TOPICS OF DISCUSSION

1. Since 1989, Judge Lloyd has served on the 334th District Court for Harris County. Before that he was an attorney with the law firm of Brown, Sims, Wise & White, 1985-1989; an associate with the law firm of Hoover, Cox & Shearer, 1984-1985; an Assistant District Attorney for Harris County, 1980-1984; a sole practitioner, 1979-1980; and a law clerk to Judge Wendell Odom of the Texas Court of Criminal Appeals, 1978-1979.
2. He received a B.A. degree (1969) from the University of Houston and a J.D. degree (1978) from the University of Texas.
3. Judge Lloyd is 44 years old, married, his wife's name is Mary Sue, they have two children and reside in Houston, Texas.

DATE OF SUBMISSION: March 16, 1992

ACTION

GD 3-17
OK ✓
622

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

02 MAR 17 12:58

March 16, 1992

901
3-17

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *mg*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Russell T. Lloyd to be United
States District Judge for the Southern District
of Texas

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Russell T. Lloyd to be United States District Judge for the Southern District of Texas. Since 1989, Judge Lloyd has served on the 334th District Court for Harris County. Before that he was an attorney with the law firm of Brown, Sims, Wise & White, 1985-1989; an associate with the law firm of Hoover, Cox & Shearer, 1984-1985; an Assistant District Attorney for Harris County, 1980-1984; a sole practitioner, 1979-1980; and a law clerk to Judge Wendell Odom of the Texas Court of Criminal Appeals, 1978-1979. He received a B.A. degree (1969) from the University of Houston and a J.D. degree (1978) from the University of Texas. Judge Lloyd is 44 years old, married, has two children and resides in Houston, Texas. The American Bar Association has reviewed Judge Lloyd's qualifications and found him to be qualified for this position.

RECOMMENDATION

1. That you call Judge Lloyd (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

daily

March 17, 1992

MEMORANDUM FOR THE FILE

Subject: Prime Minister Manley

The President's note on classified Baker memo of March 16, 1992:

"File. I discussed this with Jon (Howe) a.m. 3-17.

Brent/Jon Howe: I want to do 'something' for Manley before he leaves, supper and Kennedy Center?? Upstairs dinner??"

tb:RAM

CC:

Brent Scowcroft

Jon Howe (Action)

Kathy Super (FYI)

Laurie Firestone (FYI)

Patty Presock (FYI)

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	James A. Baker III to The President Re: [Libya...] (1 pp.)	3/13/16/92	(b)(1)	S

Collection:

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Series: Daily Files

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WHORM Cat.:

File Location: Tuesday, March 17, 1992 [2]

Date Closed: 8/23/2019	OA/ID Number: 90662-002
FOIA/SYS Case #: 2009-0166-S[4]	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

- (b)(1) National security classified information
- (b)(2) Release would disclose internal personnel rules and practices of an agency
- (b)(3) Release would violate a Federal statute
- (b)(4) Release would disclose trade secrets or confidential or financial information
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
- (b)(7) Release would disclose information compiled for law enforcement purposes
- (b)(8) Release would disclose information concerning the regulation of financial institutions
- (b)(9) Release would disclose geological or geophysical information concerning wells

Deed of Gift Restrictions

- C(1) Closed by Executive Order 13526, governing access to national security information
- C(2) Closed by statute or by the agency which originated the information
- C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
- PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-2 Relating to the appointment to Federal office [(a)(2) 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]

Daily

THE WHITE HOUSE
WASHINGTON

02 MAR 13 P12:37

March 11, 1992

63
11

MEMORANDUM FOR THE PRESIDENT

FROM: RON KAUFMAN 

SUBJECT: Ebbie Spivey

FYI: I spoke with Ebbie yesterday. Apparently, she felt that people who did not support Fordice were getting the cold shoulder, and I reassured her that was not the case.

I told her that I would talk to the campaign folks and make sure she is plugged in.

She wanted to let you know that she was in Jackson last week for the event and thought it was a huge success.

THE WHITE HOUSE

WASHINGTON

March 11, 1992

Dear Ebbie:

Just a quick note to let you know how much I enjoyed talking with you yesterday.

Last week's event in Mississippi was spectacular, and our Super Tuesday numbers are true testimony to the enthusiasm we received there.

Regarding your kind offer to help out, I'll be sure to give the campaign folks another nudge.

You're a great friend, Ebbie, and I know the President and First Lady really appreciate your unfailing loyalty and support.

Warm regards,



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

Ms. Ebbie Spivey
357 East North Street
Canton, Mississippi 39046

THE WHITE HOUSE
WASHINGTON

DATE: 3/3/92

NOTE FOR: RON KAUFMAN

The President has reviewed the attached, and it is
forwarded to you for your:

Information ☐

Action ☒

MAR 4 1992

Thank you.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
(x2702)

cc:

Call
Subbie

5-3
~ I
got her
letter

From the desk of
George Bush

3-3

Ron
Tell her I
just got her
letter

THE WHITE HOUSE
WASHINGTON

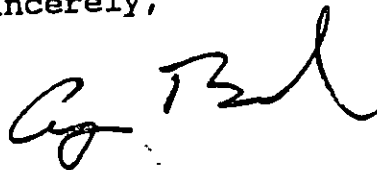
Dear Ebbie:

It was great to get your thoughtful letter.
Thanks for that steadfast support -- it really
means a lot.

I'm sharing your letter with my political people,
and someone will be in touch. There's a tough
year ahead, but I am confident.

Barbara joins me in sending warm regards.

Sincerely,

A handwritten signature in dark ink, appearing to be "Lyndon B. Johnson", written in a cursive style.

Ms. Ebbie Spivey
357 East North Street
Canton, Mississippi 39046

Ebbie Spivey
357 East North Street
Canton, Mississippi 39046

January 31, 1992

The Honorable George Bush, President
The United States of America
The White House
Washington, D. C.

Dear Mr. President,

I had the opportunity to visit with our mutual good friend, Gil Carmichael, at the recent inaugural ceremonies for our first Republican governor in 117 years, Kirk Fordice. (Can you believe it???)

Gil mentioned that you had asked about me and I was delighted to hear that you remembered. I have written you on many occasions and do receive a response, however the letters are addressed to Mr. Ebbie Spivey and start off with "Dear Sir"... deep down I knew that someone else was writing me and not my special friend, George Bush!!

First let me tell you how very proud I am of you, this administration, the extraordinary Barbara Bush, and the overall leadership qualities exhibited by your team. This is indeed a proud time to be an American and I am forever grateful for you, your wisdom, and your vision for our country.

I am writing at this particular time to tell you that I would like very much to be involved in your reelection campaign in Mississippi. I have the time, the desire and the commitment to work for your continued guidance and direction. I can think of no better goal than to help assure your presidency for four more years.

I was delighted to hear that Bob Teeter, Mary Matalin and Will Feltus are heading reelection efforts in your campaign. What a class act! With that team, and with the combined efforts of millions of Americans who support and applaud your leadership, we will be victorious in 1992.

My warmest and best personal regards to you and your family. Know that you are in my prayers and thoughts.

Sincerely,

Ebbie

PRESIDENTIAL PHONE CALL

Illinois Bush-Quayle
Election Night Party
Headquarters
(9:15 p.m., Tues, 17 Mar)

Michigan Bush-Quayle
Election Night Party
Headquarters
(9:00 p.m., Tues, 17 Mar)

Done

Document Originally
Attached to
Following Page

daily*OK*
W

32 MAR 16 P6:28

March 16, 1992

RECOMMENDED TELEPHONE CALL

TO: Illinois Bush-Quayle Election Night Party
Headquarters

DATE AND TIME: March 17, 1992
9:15 pm (EST)

RECOMMENDED BY: Mary Matarazzo
Jill Hanson, Regional Political Director
Great Lakes Region

PURPOSE: To address Illinois' core group of supporters, leadership, and volunteers, and thank them for their support and hard work leading up to the Illinois Primary.

To ask for their help in sending a message to Congress to pass the President's economic package so we can get the American people back to work.

BACKGROUND: Governor Edgar is planning to attend the election night party at headquarters.

This conference call is designed to allow the President to address the Illinois Bush-Quayle supporters and volunteers at the election night celebration and thank them for their hard work and support. This will be a two-way call so that Governor Edgar will be able to communicate with the President from the event site. The call will be broadcast through the sound system to all the event participants.

This conference call will generate media attention on the night of the Illinois Primary and help reinforce the President's message.

RECOMMENDED TELEPHONE CALL
Page Two

Present at each location will be the core group of Bush-Quayle '92 volunteers and supporters, as well as State Legislators, local state Republican Party officials, and the local media.

The election night party will occur at the Hyatt Regency in Chicago.

PRESS PLAN:

OPEN PRESS

TOPICS OF
DISCUSSION:

- 1) Thank Governor Edgar for his overwhelming support, and thank the volunteers across Illinois for their tireless work in the campaign.
- 2) The nation is going through some tough times. It is clear today more than ever that we are competing with the world for jobs.
- 3) To remain the economic leader of the world, we have to:
 - Freeze regulations that cost us jobs;
 - Prepare our children with better educations;
 - and most important, reduce government spending.
- 4) The only solution coming out of the Congress is to raise taxes. A tax increase is absolutely the wrong thing for our economy at this time.
- 5) Forty-nine days ago, an action plan was proposed to create jobs and get the economy moving again, and for forty-nine days, Congress has done nothing. If Congress had acted, people who are unemployed today in Illinois would have a brighter prospect for a job tomorrow.
- 6) It is more important than ever to get Congress to pass the President's plan by March 20. We have only three days to go.

RECOMMENDED TELEPHONE CALL
Page Three**CONTACT PERSON****AND PHONE NUMBER:**

Governor Edgar

Bush-Quayle Election Night Party

Hyatt Regency Hotel

Conference call contact number:

(312) 565-4276

(312) 565-4277 (back-up number)

Governor Edgar contact number:

(312) 565-1234

Extension 3474 (Governor's private party)

DATE OF SUBMISSION: March 16, 1992**ACTION:**



32 MAR 16 P 6:28

OK
Lub

March 16, 1992

RECOMMENDED TELEPHONE CALL

TO: Michigan Bush-Quayle Election Night Party Headquarters

DATE AND TIME: Tuesday, March 17, 1992
9:00 pm (EST)

RECOMMENDED BY: Mary Matafil
Jill Hanson, Regional Political Director -
Great Lakes Region

PURPOSE: To address Michigan's core group of supporters and thank them for their support and hard work leading up to the Michigan Primary.

BACKGROUND: Governor Engler is planning to attend the election night celebration at headquarters.

This conference call is designed to allow the President to address the Michigan Bush-Quayle supporters and volunteers at their election night celebration and thank them for their hard work and support. The call will be two-way so that Governor Engler will be able to communicate with the President from the event site. The call will be broadcast through the sound system to all of the event participants.

This call will generate earned media and help reinforce the President's message.

Present at this location will be Bush-Quayle '92 leadership, volunteers and supporters, as well as State Legislators, local state Republican Party officials, and the local media.

RECOMMENDED TELEPHONE CALL
Page Two**PRESS PLAN:****OPEN PRESS****TOPICS OF
DISCUSSION:**

- 1) Thank Governor Engler for his overwhelming support, and thank the volunteers across Michigan for their tireless work in the campaign.
- 2) As the President is aware, Michigan has been through tough times. It is clear in Michigan, perhaps like no other state, that we are competing with the world for jobs. Voters in Michigan know that this Administration will lead the American people to economic recovery.
- 3) The only solution coming out of the Congress is to raise taxes. A tax increase is absolutely the wrong thing for our economy at this time.
- 4) Forty-nine days ago, an action plan was proposed to create jobs and get the economy moving again, and for forty-nine days, Congress has done nothing. If Congress had acted, people who are unemployed today in Michigan would have a brighter prospect for a job tomorrow.
- 5) It is more important than ever to get Congress to pass the President's plan by March 20.

**CONTACT PERSON
AND PHONE NUMBER:**

Governor Engler
Bush-Quayle Election Night Party
Holiday Inn South
517-694-8123 (Operator)
Extension #562

DATE OF SUBMISSION: March 16, 1992**ACTION:**

THE WHITE HOUSE

WASHINGTON

March 17, 1992

02 MAR 17 P8:44

MEMORANDUM FOR RON KAUFMAN

FROM: ANDY FOSTER *BF*

SUBJECT: MICHIGAN/ILLINOIS PRIMARY PHONE CALLS

For your information, updated information regarding the President's phone calls to the Michigan and Illinois Bush-Quayle primary night victory parties.

Let me know if you have any questions.

MICHIGAN

Event: Bush-Quayle '92 primary election victory celebration

Location: Holiday Inn Hotel, Lansing Michigan

Time: 9:00 p.m. (Eastern)

Participants: Governor and Mrs. John Engler (Michelle)
Lt. Governor Connie Binsfeld
GOP Chairman Dave Doyle
National Committeewoman Ronna Romney
MI Agriculture Director Bill Schuette
Ms. Laura Kopack - B-Q Co-Chair

- o This margin of victory was larger than expected, reaffirming Michigan's strong support of the President
- o Buchanan's protectionist, isolationist message was soundly rejected by Michigan Republicans

ILLINOIS

Event: Illinois Bush-Quayle '92 primary victory celebration

Location: Hyatt Regency Hotel, Chicago, Illinois

Time: 9:15 p.m. (Eastern)

Location: Governor Jim Edgar
Lt. Governor Bob Kustra
Secretary of State George Ryan
GOP Senate Nominee Rich Williamson
Secretary Ed Derwinski
Cook County GOP Chairman Dick Siebel

- o Illinois is a critical state for the general election, this strong victory creates momentum for the fall.
- o The real task in Illinois lies ahead -- the general election campaign will be hard fought. Mayor Daley's political organization was very supportive of Bill Clinton, and will be a serious force to deal with. Former Illinois Attorney General Neil Hartigan is a Clinton National Co-Chair.
- o Rich Williamson will be elected to the U.S. Senate in November. Dixon's poor showing tonight opens the door for a Republican win. It will take a lot of hard work, but the President and Williamson will be a winning combination on November 3rd.

daily

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

March 16, 1990 ⁹²16 P7: 15 *by*

To: The President

From: Mike Boskin *MB*

Re: Housing Starts; Industrial
Production; Consumer Price Index
(all for February)

GOOD NEWS! Housing starts rose 10 percent in February to their highest level since March 1990. Starts of single family residences rose 15 percent to their highest level since January 1989. Applications for building permits also increased. The recent backup in mortgage interest rates, which were at a 19-year low of 8-1/4 percent in January, may be a problem down the road but the housing market clearly has picked up noticeably.

Industrial Production--the output of the nation's factories, mines and utilities--increased 0.6 percent in February following large decreases the previous two months. The gain in February was not quite as large as had been expected.

The consumer price index rose 0.3 percent in February, about what was expected.

I hope you had a good trip. Chris and I really appreciate your gracious offer of a Camp David retreat--We are greatly looking forward to it.

Michael J. Boskin
Chairman



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

March 16, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *MJB*

SUBJECT: February Housing Starts, Commerce Department
Release, Tomorrow Morning, 8:30 a.m.

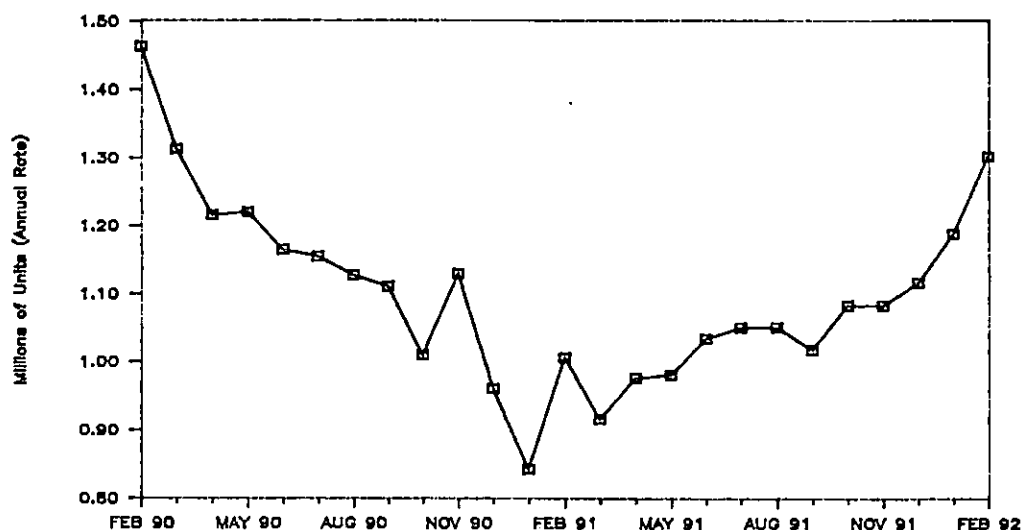
Housing starts rose 9.6 percent in February to an annual rate of 1.304 million. The increase in February follows a 6.4 percent increase in January and a 3 percent increase in December. Private analysts had expected a smaller increase of about 2 percent in February. Starts were up 29 percent since February of last year.

Single-family starts rose nearly 15 percent in February. Multi-unit starts fell back about 17 percent after surging 31 percent in January. Starts increased in all major regions of the country in February.

Building permits--often an indicator of future housing starts--rose 4.4 percent in February, following a 5.3 percent increase in January and a 6.2 percent increase in December. Almost all of the increase in permits for February was for single-family housing. Permits rose in all major regions of the country except the Northeast where they fell slightly.

The graph below shows that housing starts have turned up markedly in recent months, establishing a strong upward trend from the trough in January 1991. Starts are 55 percent higher than they were at the trough.

HOUSING STARTS





EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

March 16, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *MB*

SUBJECT: Industrial Production and Capacity Utilization in February, Federal Reserve Release, Tomorrow Morning, 9:15 a.m.

Industrial production--the output of the Nation's factories, mines, and utilities--rose 0.6 percent in February, after falling 0.8 percent in January and 0.6 percent in December. Last month's release showed industrial production declining 0.9 percent in January and 0.4 percent in December. Private analysts had expected a 0.7 percent increase in February.

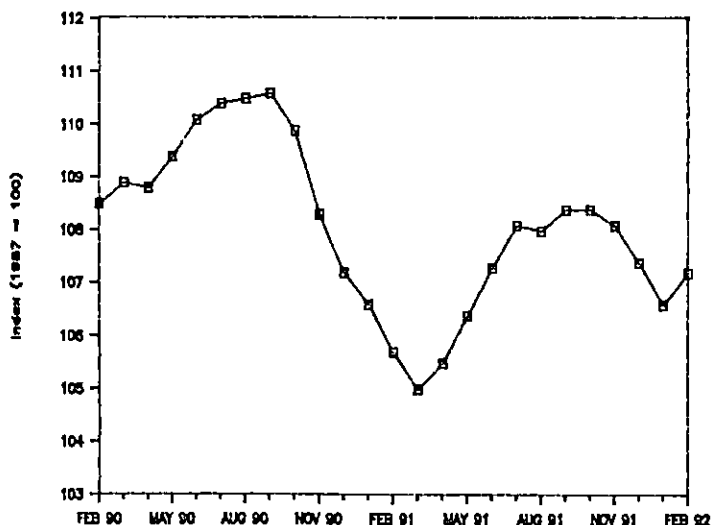
Manufacturing production rose 0.7 percent in February after falling 0.7 percent in January. Production of motor vehicles and parts rose 7.1 percent in February; excluding motor vehicles and parts, manufacturing output rose 0.4 percent.

Mining production rose 0.3 percent in February, while the output of utilities fell 0.5 percent.

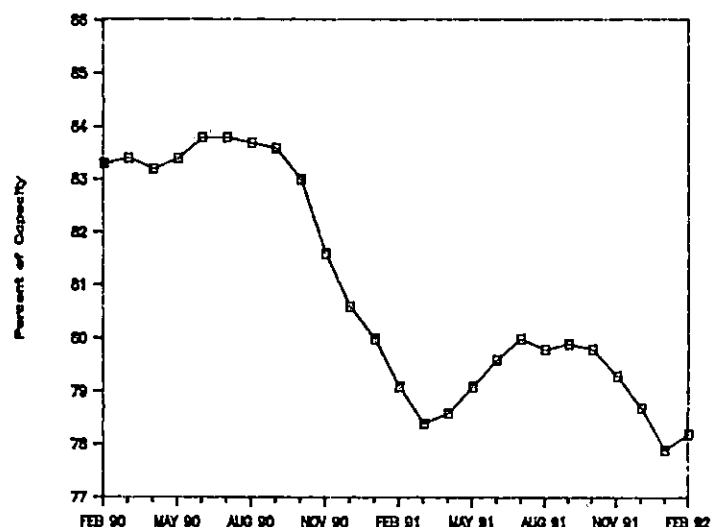
For all industry, capacity utilization rose 0.3 percentage point to 78.2 percent in February; in manufacturing, capacity utilization increased to 77.4 percent.

The graphs below show that the increases in February were the first monthly gains in industrial production and capacity utilization since last September.

TOTAL INDUSTRIAL PRODUCTION



TOTAL CAPACITY UTILIZATION





EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

March 16, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *MJB*

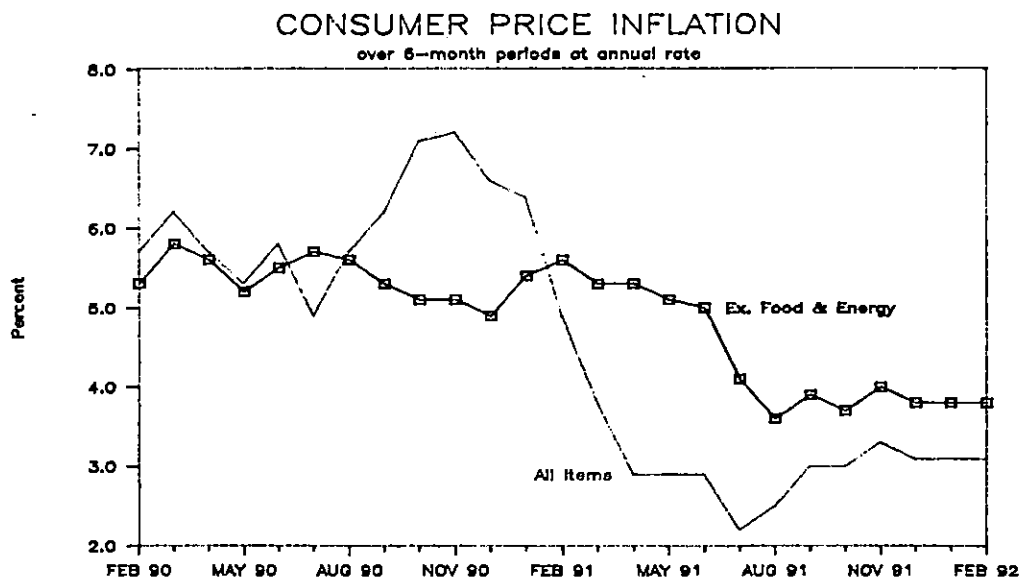
SUBJECT: Consumer Price Indexes for February, Labor
Department Release, Tomorrow Morning, 8:30 a.m.

Consumer prices rose 0.3 percent in February, following a 0.1 percent increase in January. Over the past year, consumer prices increased 2.8 percent.

Food prices rose 0.3 percent in February with prices of fruits and vegetables rising 1.5 percent. Energy prices fell 0.9 percent; gasoline prices fell 0.5 percent. Core inflation, that is, consumer price inflation excluding food and energy items was 0.4 percent in February. Core inflation was 3.8 percent over the past year; the last time core inflation over a 12-month period was lower was 1983.

By major expenditure category, the largest percentage increase occurred in apparel and upkeep where prices rose 1.5 percent. Some of that increase is seasonal, resulting from early introduction of spring and summer clothing. Medical care prices continued to rise faster than the total index and increased 7.9 percent over the past year.

The graph below shows that consumer price inflation and core inflation over 6-month periods remain at relatively low levels in comparison to the past 2 years.



daily



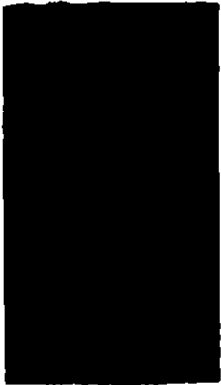
From the desk of
George Bush

3/17/92

Jon Howe

Please Discuss

This with me.



THE PRESIDENT HAS SEEN
3-18-92

INTERNATIONAL NEWS

IRAQIS RESIGNED TO MORE WARFARE

BAGHDADH -- Iraq braced Monday for the possibility of renewed allied air strikes against suspected nuclear, chemical and biological weapons targets in the face of Saddam Hussein's refusal to dismantle those sites.

Iraqis expect an attack, and President Bush did nothing Monday to soothe those fears.... Headlines in Iraqi papers prominently display U.S. and British warnings of renewed air strikes. Further, Saudi Arabian newspapers, which reflect government thinking in Riyadh, have begun to back a U.S. show of force against Hussein, Reuters news agency reported from Dubai, United Arab Emirates....

Many said they think U.S. military action of some sort is inevitable before the U.S. presidential election in November.

(Michael Hedges, Washington Times, A1)

WHITE HOUSE CURBED RELEASE OF DATA ON PREWAR SUPPORT OF IRAQ, HILL TOLD

The White House last year set up an elaborate mechanism to review and restrict the release of information concerning the Bush Administration's support for Iraq prior to Iraq's invasion of Kuwait, according to documents released in Congress Monday.

Rep. Gonzalez said in a floor speech that the mechanism was set up under the National Security Council's legal adviser, Nicholas Rostow, and prescribed a series of increasingly difficult hurdles to stifle congressional requests for information.

The disclosure provided new insight into how the Administration, embarrassed by having miscalculated Saddam Hussein's intentions and his susceptibility to U.S. enticements, sought after the Persian Gulf War to limit investigation of its earlier policy towards Iraq. While the broad outlines of prewar U.S. efforts to assist Iraq had been known, congressional probes and news reports have in recent weeks revealed the lengths to which senior Bush Administration officials went to sustain the assistance despite warnings from others in the government.

"It used to be that cover-ups were sort of ad hoc events -- a mad scramble to provide damage control," said Gonzales. "The Rostow Gang advances the notion that cover-up mechanisms have become an integral cog in the machinery of the Bush Administration." Gonzales used the phrase "Rostow Gant" to describe the group of top government lawyers who first convened April 8 last year to review congressional requests for information and coordinate approaches. (George Lardner, Washington Post, A14)

BUSH SAYS IRAQ STILL HAS MANY BALLISTIC MISSILES

CHICAGO -- The U.S. believes Iraq still has many ballistic missiles in violation of U.N. sanctions and all options are open in dealing with Baghdad, President Bush said Monday....

In comments to reporters and in a written report to Congress, Bush accused Saddam Hussein of continuing to resist U.N. cease-fire rules.

(Steve Holland, Reuter)

*We need
a factual
reconstruction
of all
this!
Michael
when I
was in P*

THE WHITE HOUSE

WASHINGTON

March 13, 1992

Clayton
I want to
talk about
32 MAR 13 17:38 with you
Hus
JB
3-17

MEMORANDUM FOR THE PRESIDENT

FROM: CLAYTON YEUTTER *CY*

Mr. President, you may already know all this, but I thought I'd give you an oversimplified summary of what three recent policy debates are all about.

Mini vans

The first relates to whether "mini vans" are autos or trucks. If they are autos the duty on imports is 2.5 percent; if they are trucks, the duty is 25 percent. That's a huge difference, so our auto industry has been making a pitch recently to have them categorized as trucks. Canadian, Japanese and other exporters of mini vans to the United States charge that our industry is engaged in blatant protectionism.

In concept, this is a simple issue. All major trading nations are operating under a GATT harmonized system of tariff nomenclature, and the operative question here is whether the principal purpose of the vehicle is to haul people or cargo. If it is to haul people, then it is classified as a car; if it is to haul cargo, then it is classified as a truck. Most mini vans sold in the United States today are used principally to haul people, and that is why our industry is having a hard time building its case.

As Sam Skinner and I have told them, if some classes of mini vans really are principally for cargo, they should build their case and get those vehicles reclassified. If they persist in going beyond that legitimate argument, they simply are not going to get anywhere.

The Honda Audit

The Honda audit dispute involves "rules of origin" under the U.S.-Canada FTA. The reason for such rules is to keep outsiders from improperly sharing the benefits of a free trade agreement. For example, in eliminating duties on the movement of autos between Canada and the United States, there is a temptation on the part of Japanese or other foreign manufacturers to attempt to avoid the duty on their exports to the United States by shipping partial autos to Canada, adding a few pieces there, then slipping them across the border as "Canadian" cars. The rule of origin is

-2-

intended to prevent that from occurring by requiring that at least 50 percent of the auto be North American, i.e., either Canadian or American. The U.S. customs decision in the Honda case was that the Honda autos shipped from Canada to the United States had less than 50 percent North American content, so were not entitled to duty free treatment.

What makes this case murky is that the Canadian customs people and our customs people have different rules for defining what is "North American." If they had worked out identical rules, we wouldn't have had this dispute but, for some reason, they didn't.

A major part of this dispute centers on the manufacture of engines in Ohio that are shipped to Canada and installed in Honda autos, which are then exported to the United States. The Canadians say these engines are "North American" since they were manufactured in Ohio. Our customs people ruled that they were only partially North American because they include parts that were manufactured outside the United States and incorporated into the engines in Ohio.

Where do we go from here? The Canadians will appeal the customs decision, of course, under Treasury's appeals procedures, and they'll also challenge the customs decision under the GATT and under the dispute settlement procedures of the FTA. While all of that is going on over the next several months (or longer), the hope is that the whole issue will be resolved by Carla Hills and her team in the NAFTA negotiations.

Canadian Lumber

I've already given you a memo on this one, so this will just be explanatory.

Part of the dispute involves stumpage, i.e., the value the Canadians apply to their raw timber. But the subsidy calculated by Commerce for stumpage isn't very large. The Canadians don't like it, but this will have little, if any, impact on their exports to the United States.

The more contentious issue relates to the Commerce calculation of a significant subsidy based on Canada's export controls on logs. In theory, Commerce is correct. When Canada precludes logs from being shipped to Japan or the United States through export controls, that increases domestic supply, and the price of logs will be lower than would otherwise be the case.

But this is by no means a traditional export subsidy, such as our export subsidies on grain, and those of the European Community on grain, meat, dairy products, and lots of other things. What the Canadians are doing amounts to something on the order of an

-3-

"indirect" subsidy, and such subsidies have not traditionally been subject to sanctions under international trade rules. In addition, it is a bit awkward for us to challenge these subsidies as an "unfair trade practice" when we have log export controls of our own.

Part of the reason for the Canadians' strong reaction is that Commerce has used a different rationale each of the three times it has considered the lumber issue over the past ten years. Nevertheless, Commerce believes it has a plausible defense, and what they've done is very popular with the domestic lumber industry. While it would make me a lot more comfortable if Commerce and USTR can hammer out an agreement with Canada to resolve this issue, the Canadians may choose to take their chances by challenging us in the GATT or in the dispute settlement procedures of the U.S.-Canada FTA.

THE PRESIDENT HAS SEEN
3/17/92 8839

THE WHITE HOUSE

WASHINGTON

February 24, 1992

MR. PRESIDENT:

Sec. Yeutter concurs.

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT (B)
SUBJECT: Kittani Letter on UNCED

Purpose

To reply to Ismat Kittani's letter urging an active U.S. role in the forthcoming U.N. Conference on Environment and Development (UNCED) and urging your participation (Tab B).

Background

Kittani, former Iraqi Ambassador to the U.N., is currently working as a consultant to Maurice Strong, Secretary General of UNCED, handling protocol issues.

Kittani's concern about the lack of U.S. leadership in UNCED preparations is overstated. We are taking a very active role in shaping a substantive, nonconfrontational agenda. There still are several issues separating us from our G-7 colleagues, notably on global warming and financing of global environmental projects. However, your senior officials have been discussing proposals to resolve the impasse on these issues.

The line we have been taking with other countries, and with President Collor who has invited you formally to attend the UNCED meeting in Rio in early June, is that you hope to be able to attend but cannot make a commitment at this time because of uncertainties about your schedule.

RECOMMENDATION

That you sign the letter to Ismat Kittani at Tab A.

Attachments

Tab A Reply to Kittani
Tab B Letter from Kittani

From the desk of

George Bush

*Send my note
with this letter*

*This incoming
is a dated*

NOV 18 '91

4 months ago !!!

Please Kick the System !

THE PRESIDENT

3-17-92

Dear I smart,

Sorry about the long
delay in replying.

Barbara & I think of
you often and hope all goes
well with you. Sincerely, *Log*

THE WHITE HOUSE

WASHINGTON

Dear Mr. Kittani:

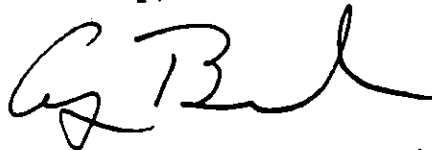
Thank you for your letter on the forthcoming U.N. Conference on Environment and Development.

The United States considers UNCED to be an important undertaking, and we are devoting considerable resources to helping ensure that the meeting will be successful and productive.

While much has been accomplished in the preparatory meetings to date, there remains a lot of hard work in order to have a manageable agenda in Rio. At the forthcoming preparatory meeting in New York, I can assure you that the U.S. delegation will endeavor to bridge remaining differences on key issues.

It is extremely important that the preparatory work be successful in order that there can be a productive and meaningful outcome in Rio. I will try my best in this very demanding year to arrange my schedule in order to participate.

Sincerely,

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

Mr. Ismat Kittani
United Nations Conference on
Environment and Development
Room S-3060
United Nations
New York, New York 10017

United Nations Conference on
Environment and Development



Conférence des Nations Unies sur
l'environnement et le développement

Room S-3060, United Nations, New York, New York 10017
Telephone (212) 963-5959 Fax (212) 963-1010
E-mail: UNCEDNY@IGC.ORG or UUNET!PYRAMID!CDP!UNCEDNY

18 November 1991

PERSONAL

Dear Mr. President,

Since last spring I have been a Consultant to Maurice Strong, the Secretary-General of the United Nations Conference on Environment and Development. Many of us, especially the oldtimers, believe that next June's gathering of world leaders in Brazil, aptly called "The Earth Summit", is the most important Conference ever convened by the United Nations. Its comprehensive agenda, established by the General Assembly two years ago, the thorough preparations since then under the leadership of Mr. Strong and the high level of participants (Head of State and Government) provide a unique opportunity to make it a truly historic breakthrough on the long road to a sustainable world order.

The final stages of the preparatory process are now under way with the final session of the Preparatory Committee to be held in New York next March. Much progress has been made but a great deal remains to be done during the few remaining months in order to reach consensus on some major issues on the agenda.

Mr. President,

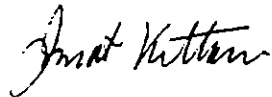
I am taking the liberty to write you this letter because of my deep personal conviction that the world community cannot afford to miss this opportunity to take a major step to ensure a better future for the coming generations. I am equally convinced that the active leadership of the United States (which frankly, Mr. President, has not been in evidence thus far) is essential for the success of the Conference. Your own commitment to the goals of the Conference and an early decision regarding your intention to attend the Conference will, I am sure, truly galvanize the final stage of its preparations and augur well for its success.

President George Bush
White House
Washington DC

This was a main reason for my recent request through Ambassador Pickering to have a few minutes with you despite my full awareness of the tremendous demands on your time.

With highest personal regards and esteem, I remain, Mr. President.

Yours Sincerely

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

Ismat Kittani

Mr. and Mrs. George H. Plau, Jr.
2298 Vallejo Street
San Francisco, California 94123

3/11/92

Dear George + Barbara

I am about to impose on
your friendship by asking a

favor for a good cause. G.I.I.'s
(our son George) school has an

annual fund raiser to help make
ends meet. The school is the

Cathedral School for Boys and is
connected with Grace Cathedral

on Nob Hill San Francisco.
We have been besieged with

requests to get your signatures
on a base ball - George on one -

Barbara on the other. We think
we can auction them off on

the auction for real money for the
school, a test of your poll

standing in San Francisco, - anyway,
would you please sign and

Best

daily 3/17

return to us. We trust it will be
good PR too - Deadline April 15!
Anne tried to smuggle ~~the~~ two
balls in for your signatures when
you were here, but those crafty cypd
Secret Service gents confiscated them
for their own kids. So let's try to
get it right this time and strike
a blow for the good guys!

Thanks a million for your
help and lots of love from us
both.

All the best

Love
George III

P.S. Moseley's coming here for
the Bohemian Spring clix in
early June.

3/17/92 - I talked
with Mr. Pfam
and told him per
Council the
to him and if he
donates them to the
school, it was his
option

Pf

THE WHITE HOUSE
WASHINGTON

DATE: March 18, 1992

TO: Mr. Pfau

FROM: ROSE ZAMARIA
Deputy Assistant to the President

Per our phone conversation yesterday.

*one signed
Barbara Bush
one George Bush*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable George H. Pfau, Jr.
Senior Vice President
Paine Webber Incorporated
Suite 320
100 California Street
San Francisco, California 94111

(Personal)

BASEBALL
The Official National League

A FIGGIE INTERNATIONAL COMPANY



BASEBALL
The Official American League

A FIGGIE INTERNATIONAL COMPANY



Rose
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

32 MAR 16 AM 11

March 13, 1992

7-17
9 31

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *om*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Percy Anderson to be United States District Judge for the Central District of California

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Percy Anderson to be United States District Judge for the Central District of California. Since 1985, Mr. Anderson has been an associate and then a partner with the firm of Bryan, Cave, McPheeters & McRoberts. Before that, he was an Assistant United States Attorney for the Central District of California, 1979-1985; a Lecturer at Law for the University of California at Los Angeles Clinical Education Program, 1977-1978; and Directing Attorney for the San Fernando Valley Neighborhood Legal Services, Inc., 1975-1979. He received a B.A. degree (1970) and a J.D. degree (1975) from the University of California at Los Angeles. Mr. Anderson is 43 years old, single and resides in Inglewood, California. The American Bar Association has reviewed Mr. Anderson's qualifications and found him to be well qualified for this position.

RECOMMENDATION:

1. That you call Mr. Anderson (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

02 MAR 16 AM: 11

March 13, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *CBG*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Linda H. McLaughlin to be United
States District Judge for the Central District of
California

920
3-17-
very pleased!

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Linda H. McLaughlin to be United States District Judge for the Central District of California. Since 1982, Judge McLaughlin has served on the Orange County Superior Court. Before that, she served as a Judge of the North Orange County Municipal Court, 1980-1982; as a partner in the law firms of Bergland & McLaughlin, 1976-1980, Bergland, Martin & McLaughlin, 1973-1976, and Richards, Martin & McLaughlin, 1970-1973; and as an associate with the law firm of Keatinge & Sterling, 1966-1970. She received a B.A. degree (1963) from Stanford and an LL.B. degree (1966) from the University of California at Berkeley, Boalt Hall. Judge McLaughlin is 50 years old, married, has five children and resides in Santa Ana, California. The American Bar Association has reviewed Judge McLaughlin's qualifications and found her to be well qualified for this position.

RECOMMENDATION:

1. That you call Judge McLaughlin (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

32 MAR 16 AM: 11

March 13, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *gmh*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Lawrence O. Davis to be United
States District Judge for the Eastern District of
Missouri

*got him
9-27 EST
3-17*

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Lawrence O. Davis to be United States District Judge for the Eastern District of Missouri. Since 1975, Judge Davis has served as a Circuit Judge for Division II of the 20th Judicial Circuit of Missouri. Before that, he was a magistrate for Franklin County, 1971-1974; Franklin County Prosecuting Attorney, 1967-1970; a partner in the law firm of Jenny, Cole and Davis, 1963-1967; an associate with the law firm of Mann, Walter, Powell, Burkart and Weathers, 1962-1963; an Assistant Prosecuting Attorney for Franklin County, 1958-1959; and an associate with the law firm of Jenny and Cole, 1957-1958. He received an A.B. degree (1956) from the University of Missouri at Columbia and a J.D. degree (1958) from the University of Missouri School of Law. He served in the United States Air Force, Judge Advocate General Corps, from 1959 to 1962, when he was honorably discharged from active duty. Mr. Davis is 57 years old, married, has two children and resides in Union, Missouri. The Standing Committee on Federal Judiciary of the American Bar Association has reviewed Mr. Davis's qualifications and found him to be well qualified for this position.

RECOMMENDATION:

1. That you call Mr. Davis (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

92 MAR 16 AM 11

March 13, 1992

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MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *mg*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Lee H. Rosenthal to be United States District Judge for the Southern District of Texas

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Lee H. Rosenthal to be United States District Judge for the Southern District of Texas. Since 1978, Mrs. Rosenthal has been affiliated with the law firm of Baker & Botts as an associate, 1978-1985, and a partner, 1985-present. Before that, she was a law clerk to the Honorable John R. Brown of the United States Court of Appeals for the Fifth Circuit, 1977-1978; and a summer law clerk with the law firm of Phelan & Pope, 1977. She received a B.A. degree (1974) from the University of Chicago and a J.D. degree (1977) from the University of Chicago Law School. Mrs. Rosenthal is 39 years old, married, has four children and resides in Houston, Texas. The American Bar Association has reviewed Mrs. Rosenthal's qualifications and found her to be well qualified for this position.

RECOMMENDATION:

1. That you call Mrs. Rosenthal (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

02 MAR 16 AM 11:11

March 13, 1992

3-17
9 22

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *am*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of John F. Walter to be United States
District Judge for the Central District of
California

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate John F. Walter to be United States District Judge for the Central District of California. Since 1976, Mr. Walter has been a partner in the law firm of Walter, Finestone & Richter. Before that, he was an Assistant United States Attorney for the Central District of California, 1970-1972; and a law clerk, 1969-1970, and an associate, 1972-1976, with the law firm of Kindel & Anderson. He received a B.A. degree (1966) and a J.D. degree (1969) from Loyola University of Los Angeles. Mr. Walter is 47 years old, married, has two children and resides in Pacific Palisades, California. The American Bar Association has reviewed Mr. Walter's qualifications and found him to be well qualified for this position.

RECOMMENDATION:

1. That you call Mr. Walter (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE WHITE HOUSE
WASHINGTON

The President talked
w/him 851am 3/17
THE PRESIDENT HAS SEEN
3/17/92

32 MAR 16 P4:22

March 13, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *CBG*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Joe Kendall to be United States
District Judge for the Northern District of Texas.

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Joe Kendall to be United States District Judge for the Northern District of Texas. Since 1987, Judge Kendall has served on the 195th Criminal District Court for Dallas County. Before that, he was in the private practice of law in Dallas, 1982-1986; and an Assistant District Attorney with the Dallas County District Attorney's Office, 1980-1982. He received a B.B.A. degree (1977) from Southern Methodist University and a J.D. degree (1980) from Baylor University School of Law. Judge Kendall is 38 years old, married, has three children and resides in Dallas, Texas. The American Bar Association has reviewed Judge Kendall's qualifications and found him to be qualified for this position.

RECOMMENDATION:

1. That you call Judge Kendall (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

THE WHITE HOUSE
WASHINGTON

The President talked
w/ him 8:45am 3/17
THE PRESIDENT HAS SEEN
3/17/92

02 MAR 16 AM 11

March 13, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *CBG*
COUNSEL TO THE PRESIDENT

SUBJECT: Nomination of Andrew S. Hanen to be United
States District Judge for the Southern District
of Texas

The Attorney General, Samuel K. Skinner, Nicholas E. Calio, C. Boyden Gray, and Constance Horner recommend that you nominate Andrew S. Hanen to be United States District Judge for the Southern District of Texas. Since 1979, Mr. Hanen has been affiliated with the law firm of Andrews & Kurth as an associate, 1979-1986, and as a partner, 1986-present. Before that, he was a law clerk to Chief Justice Joe Greenhill of the Supreme Court of Texas, 1978-1979. He received a B.A. degree (1975) from Denison University and a J.D. degree (1978) from Baylor University School of Law. Mr. Hanen is 39 years old, married, has one child and resides in Houston, Texas. The American Bar Association has reviewed Mr. Hanen's qualifications and found him to be qualified for this position.

RECOMMENDATION

1. That you call Mr. Hanen (Telephone recommendation attached at Tab A).
2. That you sign the nomination at Tab B.

Attachments

REVISED

PARTICIPANTS

U.S

The President
Mrs. Barbara Bush
~~Samuel K. Skinner, Chief of Staff~~
Jonathan Howe, Assistant to the President and Deputy for National
Security Affairs
James A. Baker III, Secretary of State
Thomas M.T. Niles, Assistant Secretary of State for European and
Canadian Affairs
Barry F. Lowenkron, Director for European Security Affairs,
National Security Council (Notetaker)

Ireland

David Andrews, Minister for Foreign Affairs
Mrs. Annette Andrews, Foreign Minister's Wife
Dermot Gallagher, Irish Ambassador to the U.S.
Mrs. Maeve Gallagher, Irish Ambassador's Wife
Sean O'Huigin, Assistant Secretary of the Department of Foreign
Affairs of Ireland
Brendan Scannell, Political Director, Embassy of Ireland
Dermot Mahoney, Private Secretary to the Minister for Foreign
Affairs

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

R2

1984

THE WHITE HOUSE

WASHINGTON

March 16, 1992

FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *MS*

SUBJECT: Telephone Call to Prime Minister Michael Manley of Jamaica *(G)*

DATE: March 17, 1992

PURPOSE: To wish Manley well on leaving office, and to express understanding for his decision to step down and concern over his health.

SECURE OR OPEN: Open line call.

INTERPRETER: None required.

PHONE NUMBER: 809-927-9642

CONTACT PERSON: None

TIME DIFFERENCE: (Same as Washington, D.C.)

SUGGESTED TIMES: 5:00 p.m. EST March 17, 1992

TOPICS OF DISCUSSION: Prime Minister Manley's resignation, health, and future plans; possible invitation to dinner at the White House.

Date of Submission:

Action:

Attachments

Tab A Points to be Made

Tab B Briefing Paper

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER NSC WAIVER, #2021-02
By me NARA, Date 7/16/01

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER MICHAEL MANLEY

- I understand that you will be stepping down soon, and I wanted to call and wish you the very best for the future.
- How are you feeling?
- I am sure that you won't miss the stresses and strains of the constant 18 hour workdays. I know how demanding it can be.
- The Jamaican people will surely miss you and so will I. You have accomplished so much for your countrymen and served them so well.
- Barbara and I would like to invite you to the White House for dinner. I know you will be very busy during the next few weeks, but I hope we can see you soon.
- Again, I want to wish you the best. I look forward to seeing you.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER NSC WAIVER, #2021-02
By MC NARA, Date 7/16/21

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

BACKGROUND PAPER FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER MICHAEL MANLEY

Prime Minister Manley announced on March 15th (Sunday) that he will resign on March 28th as Prime Minister and as President of his People's National Party. He also indicated that he would be taking a leave of absence from the Parliament.

Manley cited health reasons and his doctor's advice for his decision. It is unclear what health condition has prompted Manley to resign. He had surgery for prostate cancer in August 1990, but there have been no indications of a recurrence.

In his address to the nation, Manley indicated that there was no basis for calling new elections. He emphasized that there would be no change in Jamaica's economic or foreign policy.

You last met with Manley on May 15, 1991, at the White House. The Prime Minister last wrote to you on February 25, 1992, thanking you for your letter of January 22, 1992, and wishing you the best in the campaign--which he mentions he has been following on CNN. In your letter to him on the 22nd you praised his economic program, and told him that we would be providing Jamaica with an additional \$7 million in ESF funds.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED

PER NSC WAIVER, #2021-02,
By MC NARA, Date 7/16/21

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

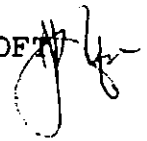
1963

THE WHITE HOUSE
WASHINGTON

March 16, 1992

MEETING WITH
IRISH FOREIGN MINISTER DAVID ANDREWS

DATE: March 17, 1992
LOCATION: Oval Office
TIME: 4:00 p.m.

FROM: BRENT SCOWCROFT 

I. PURPOSE

To accept the traditional bowl of Shamrocks from Ireland in honor of St. Patrick's day.

II. BACKGROUND

- To support the Brooke initiative aimed at reaching a political settlement in Northern Ireland.
- To emphasize the importance of achieving a breakthrough on agriculture in order to bring the Uruguay Round to a successful conclusion.

As you know, it has been a tradition for the President to receive a bowl of shamrocks flown in from Ireland in honor of St. Patrick's day. This year's bowl will be presented by Irish Foreign Minister David Andrews who assumed the post last month in the newly installed government of Albert Reynolds. Andrews has been critical in the past of US foreign policy, particularly of our role in Desert Shield/Storm. (Andrews was one of three Irish MPs who travelled to Iraq in November 1990 to secure the release of Irish citizens.)

Although the format of the event makes it difficult to engage in bilateral issues, we recommend that you take the opportunity of Andrews' visit to reiterate US support for the Anglo-Irish Agreement, and for the Brooke Initiative (named after the current Secretary of State for Northern Ireland Affairs) to bring peace to Northern Ireland. (Possibly in an attempt to convey the bond between Ireland and Northern Ireland, Andrews has opted for presenting the shamrocks in a bowl of Tyrone crystal -- which comes from Brooke's constituency in Northern Ireland -- rather than the traditional Waterford crystal.)

A second point you may want to raise is the Uruguay Round. Next to the French, the Irish have been the most obstreperous in the Uruguay round on agriculture --

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2

particularly on beef. You should emphasize the compromises you have made, and the progress we will still need from the EC in order to bring the round to a successful conclusion this Spring.

III. PARTICIPANTS

List at Tab B

IV. PRESS PLAN

Open photo, writing pool

V. SEQUENCE

Shamrock presentation and photo opportunity followed by a brief discussion.

Attachments

Tab A	Points to be Made
Tab B	Participation List
Tab C	Andrews Bio

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1963

POINTS TO BE MADE FOR MEETING WITH
IRISH PRIME MINISTER DAVID ANDREWS

PRESENTATION OF SHAMROCKS

- I am delighted to welcome you to the White House to continue the wonderful tradition of the presentation of the shamrocks from Ireland.
- I accept the shamrocks on behalf of the millions of Americans of Irish descent.
- St. Patricks day is not only a time of celebration, but an opportunity to reflect on the close historical, cultural and political ties between our two countries.

NORTHERN IRELAND

- We are deeply concerned about the increasing violence in Northern Ireland.
- I want you to know that we support fully the efforts of Ireland working with the UK to promote reconciliation between the two communities of Northern Ireland.

GATT/URUGUAY ROUND

- Let me underline the importance I attach to concluding successfully the GATT round. This is one of the most important issues on our common agenda.
- We have not given up on securing a GATT agreement this year, and I remain fully engaged in efforts to bridge US-EC differences.
- I am aware of Ireland's agriculture interests. That is one of the reasons why we have made a special effort to

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2

accommodate the EC's desire to proceed with CAP reform consistent with a Uruguay Round accord.

- I am committed to beating back protectionist pressures in this country. We will need Ireland and other key countries to do the same so that we can advance global economic trade and prosperity.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PARTICIPANTS

U.S.

The President
Mrs. Barbara Bush
Samuel K. Skinner, Chief of Staff
Jonathan Howe, Assistant to the President and Deputy for National Security Affairs
James A. Baker III, Secretary of State
Thomas M.T. Niles, Assistant Secretary of State for European And Canadian Affairs
Barry F. Lowenkron, Director for European Security Affairs, National Security Council (Notetaker)

Ireland

David Andrews, Minister for Foreign Affairs
Mrs. Annette Andrews, Foreign Minister's Wife
Dermot Gallagher, Irish Ambassador to the U.S.
Mrs. Maeve Gallagher, Irish Ambassador's Wife
Sean O'Huiginn, Assistant Secretary of the Department of Foreign Affairs of Ireland
Brendan Scannell, Political Director, Embassy of Ireland
Dermot O'Halloran, Private Secretary to the Minister for Foreign Affairs

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Report	Re: [Government Report] [originally closed as 02c] (1 pp.)	2/19/92	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, March 17, 1992 [2]

Date Closed: 8/23/2019	OA/ID Number: 90662-002
FOIA/SYS Case #: 2009-0166-S[4]	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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Presidential Records Act - [44 U.S.C. 2204(a)]

- P-2 Relating to the appointment to Federal office [(a)(2) 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]

MEDAL OF FREEDOM CEREMONY FOR WAL-MART CHAIRMAN SAM
WALTON \ MARCH 17, 1992

THANK YOU, DAVID [DAVID GLASS, WAL-MART CEO]
GOOD AFTERNOON. IT IS TRULY A PLEASURE TO BE IN
AMERICA'S HEARTLAND. IT'S MOST APPROPRIATE THAT I
SHOULD COME TO ARKANSAS TO PARTICIPATE IN THIS
CEREMONY.

YOU KNOW, I GOT A LETTER LAST YEAR FROM A YOUNG
EIGHTH GRADER, JOHN QUINTON BAGLEY IN NASHVILLE,
ARKANSAS. HE WROTE, "YOU AND MRS. BUSH COULD STAY
WITH ME AND MY FAMILY. WE DO NOT HAVE MANY REPORTERS".
SMART KIDS, HERE IN ARKANSAS.

- 2 -

FIRST, MY RESPECTS TO SAM WALTON, AND TO HELEN
WALTON, ONE OF GOD'S TRULY SPECIAL PEOPLE. ALSO MY
RESPECTS TO BUD WALTON. MY OLD FRIEND JOHN PAUL
HAMMERSCHMIDT, ALSO SENATOR DAVID PRYOR. THIS FOR ME
IS A VERY SPECIAL DAY -- BARBARA AND I BROUGHT OUR
GRANDSON SAM ALONG TO MEET ANOTHER SAM.

02 MAR 17 A12:11

I COME HERE TO HONOR A MAN WHO SHOWS THAT THROUGH HARD WORK, AND VISION, AND TREATING PEOPLE RIGHT, MANY GOOD THINGS CAN HAPPEN.

THIS VISIT IS NOT ABOUT SAM WALTON'S WEALTH. HE HAS EARNED HIS MONEY AND THAT IS HIS BUSINESS. HE HAS BEEN GENEROUS WITH HIS FORTUNE AND THAT IS IN THE GREAT TRADITION OF AMERICA'S COMMITMENT TO THIS CONCEPT I CALL, "A THOUSAND POINTS OF LIGHT".

NO, IT'S NOT ABOUT MONEY, NOR EVEN PHILANTHROPY. THIS VISIT IS ABOUT WHAT IS FUNDAMENTALLY GOOD AND RIGHT ABOUT OUR COUNTRY. IT'S ABOUT DETERMINATION, AND LEADERSHIP, AND DECENCY.

HIS NATION HONORS HIM TODAY AS THE OUTSTANDING EXAMPLE OF AMERICAN INITIATIVE AND ACHIEVEMENT. AT THE SAME TIME WE TAKE NOTE THAT AS HE BECAME MORE AND MORE SUCCESSFUL HE NEVER TURNED HIS BACK ON HIS ROOTS.

HIS SUCCESS NEVER ALTERED A LIFESTYLE THAT KEPT HIM CLOSE TO HIS FAMILY, HIS FRIENDS, AND HIS COMMUNITY.

I READ SOMEWHERE THAT AT ONE TIME MR. SAM THOUGHT HE WANTED TO BE PRESIDENT OF THE UNITED STATES -- TWO COMMENTS ON THAT ONE: I'M GLAD HE'S NOT RUNNING TODAY, AND TWO, I'VE SAID HE'S SMART, NOT RUNNING PROVES IT!

HIS STORY IS KNOWN TO EVERYONE HERE, BUT LET ME MENTION JUST A FEW OF THE HIGHLIGHTS.

AFTER COLLEGE AT THE UNIVERSITY OF MISSOURI, SAM WALTON BEGAN A CAREER IN RETAILING. HE STARTED AS A TRAINEE FOR THE J.C.PENNEY COMPANY IN DES MOINES, IOWA. AFTER A STINT IN THE ARMY DURING WWII, IT WAS ON TO NEWPORT, ARKANSAS, WITH A BEN FRANKLIN STORE IN 1945. OVER THE YEARS, SAM BECAME THE LARGEST FRANCHISEE OF BEN FRANKLIN VARIETY STORES, OPERATING FIFTEEN OF THEM UNDER THE NAME OF WALTON'S FIVE AND DIME.

YOU SEE, SAM HAD HIT UPON A COMBINATION THAT WAS TO FORM THE BASIS OF THE STRATEGY OF TODAY'S WAL-MART STORES -- SMALL TOWN MARKETS FOR NAME-BRAND MERCHANDISE SOLD AT A DISCOUNT. WHEN THE FOLKS AT BEN FRANKLIN'S CHICAGO HEADQUARTERS DIDN'T JUMP AT THE VISION SAM PUT BEFORE THEM, HE DECIDED TO GO HIS OWN WAY. THAT WAS BACK IN 1962 WHEN SAM STARTED WITH ONE WAL-MART STORE IN ROGERS, ARKANSAS.

I DID HEAR A STORY ABOUT THE OPENING OF HIS SECOND WAL-MART OVER IN HARRISON. IT WAS A BIG DAY. THE WAY DAVE GLASS TELLS IT, SAM HAD WATERMELONS FOR SALE ON THE SIDEWALK, AND OFFERED DONKEY RIDES IN THE PARKING LOT. THE ONLY PROBLEM WAS THE HEAT -- ALL 110 DEGREES OF IT.

WELL, THE WATERMELONS POPPED AND WATERMELON JUICE WAS EVERYWHERE. THE DONKEYS DID WHAT DONKEYS DO AND THE CUSTOMERS WERE TRACKING STUFF ALL OVER THE PLACE.

AND ACCORDING TO DAVE, WHO HAD A NICE SUCCESSFUL BUSINESS OF HIS OWN, SAM'S TURNED INTO THE WORST LOOKING STORE HE'D EVER SEEN. DAVE WENT SO FAR AS TO SUGGEST TO SAM THAT HE OUGHT TO FIND SOME OTHER LINE OF WORK!

NOW MORE PEOPLE WORK FOR SAM'S COMPANY THAN LIVE IN TULSA, OKLAHOMA -- 380,000 AT LAST COUNT. THIS INCLUDES THE MAN WITH THE CAREER ADVICE -- DAVE GLASS.

YOU KNOW, SOME ACCUSE ME OF ALWAYS EMPHASIZING THE GOOD NEWS -- WELL, MAYBE SO. BUT I THINK IT'S IMPORTANT THAT ALL AMERICANS KNOW THAT SOME THINGS ARE GOING VERY WELL IN THIS COUNTRY. ONE OF THOSE THINGS IS WAL-MART. WHO WOULD HAVE THOUGHT WHEN SAM BOUGHT THAT FIRST BEN FRANKLIN STORE THAT HIS LITTLE VENTURE WOULD GROW INTO A TOP-RATED STOCK ON WALL STREET, RACKING UP \$44 BILLION IN SALES LAST YEAR?

WAL-MART IS THE LARGEST AND MOST PROFITABLE RETAILER IN AMERICA -- NOW WITH OVER 1700 STORES -- ENHANCING THE LIVES OF MILLIONS.

TO SAM, OR MR. SAM AS HE IS KNOWN THROUGHOUT HIS COMPANY, PEOPLE DON'T JUST PUNCH A TIME CLOCK AND DRAW A PAYCHECK. AS THE PEOPLE HERE KNOW, SAM'S EMPLOYEES ARE KNOWN AS HIS "ASSOCIATES" -- NO WONDER THEY ALL THINK OF HIM AS A PARTNER. WHEN SAM IS ASKED ABOUT THE SECRET OF HIS SUCCESS, HE CREDITS HIS PEOPLE.

HE SAYS, "THE ATTITUDE OF OUR EMPLOYEES, OUR ASSOCIATES, IS THAT THINGS ARE DIFFERENT IN OUR COMPANY, AND THEY DESERVE THE CREDIT." IT'S NOT HARD TO SEE WHY THEY BELIEVE IN THE COMPANY. AND IT'S JUST PLAIN EASY TO SEE WHY THEY BELIEVE IN ITS UNPRETENTIOUS LEADER.

THERE ARE ALSO THE QUIET THINGS ABOUT SAM WALTON -- THE THINGS BEYOND THE BOTTOM LINE. THERE'S NOTHING CORNY ABOUT CALLING THEM WHAT THEY ARE: GOOD DEEDS.

THEY ARE THE RELIEF FUNDS SET UP WHEN TRAGEDY STRIKES AN ASSOCIATE'S FAMILY; SCHOLARSHIPS IN EVERY COMMUNITY WHERE THERE'S A WAL-MART STORE; THE WALTON NATIONAL LITERACY CENTER IN BOLIVAR, MISSOURI; EDUCATION GRANTS FOR SOUTH AMERICAN STUDENTS TO STUDY IN AMERICA AND THEN RETURN TO HELP THEIR OWN COUNTRIES.

THESE ARE THE THINGS THAT ENHANCE THE SPIRIT OF THE COMMUNITY. YES, SAM'S A GREAT BUSINESSMAN.

BUT ALONG WITH MAKING A GOOD PROFIT, SAM WALTON HELPS MAKE GOOD CITIZENS OF HIS PEOPLE BY ENCOURAGING THEM TO HELP ONE ANOTHER.

WHEN YOU ASK ABOUT SAM WALTON, MUCH OF WHAT YOU HEAR IS FROM FRIENDS OF MANY YEARS. SOME ARE WONDERFUL STORIES THAT TELL YOU SOMETHING IMPORTANT ABOUT SAM'S ENERGY AND COMPETITIVE SPIRIT.

LIKE GEORGE BILLINGSLEY, WHO USED TO FLY WITH SAM IN THE EARLY DAYS. THEY'D BE IN A LITTLE PIPER CUB HEADING OUT TO CHECK OUT ONE OF HIS STORES, AND SAM WOULD DECIDE TO CHECK OUT THE COMPETITION AS WELL. HE'D FLY LOW OVER A K-MART OR SEARS, TIP ONE WING AND MAKE A WIDE-EYED GEORGE COUNT THE CARS IN THE PARKING LOT!

I COULD GO ON AND ON. ABOUT HIS LOVE OF THE OUTDOORS. HIS SHARP EYE FOR QUAIL. HIS LOVE FOR RIDING AROUND WITH HIS "GONE BUT NOT FORGOTTEN" CLOSEST ADVISOR, HIS DOG OL' ROY , IN THAT OLD RED PICK-UP TRUCK. OR PERHAPS HIS LEGENDARY DRIVING RECORD. SINCE '88 HE'S HAD A WHITE PICK-UP, BUT I HEAR HIS DRIVING IS ABOUT THE SAME.

I COULD ALSO TALK ABOUT HIS LOVE OF FAMILY, SUCH A MAINSTAY OF HIS LIFE. BUT IT ALL SAYS THE SAME THING. THE STORY OF SAM WALTON IS AN ILLUSTRATION OF THE AMERICAN DREAM. HIS SUCCESS IS AMERICA'S SUCCESS.

WHEN SAM'S GRANDCHILDREN READ ABOUT WHAT MAKES AMERICA GREAT, THEY'LL READ ABOUT PEOPLE WHO HAVE GRAND IDEAS AND GREAT DREAMS; RESOURCEFUL PEOPLE WHO MAKE IMAGINATION COME ALIVE WITH ACCOMPLISHMENT.

THEY'LL READ ABOUT ADVENTUROUS PEOPLE WHO HAVE THE DRIVE, AMBITION, AND TALENT TO TAKE BIG RISKS, AND ACHIEVE GREAT THINGS; PEOPLE WHO BRING PROSPERITY TO THEIR COMMUNITY AND THEIR COUNTRY. SAM'S GRANDKIDS -- LIKE MY LITTLE GUY OVER HERE -- WILL READ ABOUT PEOPLE LIKE SAM.

SAM, YOU ARE GENUINE AND GENEROUS -- TIRELESS AND TENACIOUS. YOU TOOK RISKS AND HELPED OUR COUNTRY GROW VIGOROUS AND STRONG.

YOU BROUGHT OUT THE BEST IN PEOPLE. YOU AND HELEN HAVE HONORED THE IMPORTANT THINGS IN LIFE -- FRIENDSHIP, FAITH, AND FAMILY. AT A TIME WHEN YOUNG AMERICANS LOOK FOR ROLE MODELS, THOSE ARE NOBLE VIRTUES.

YOUR LIFE WILL HELP THEM APPRECIATE THAT OURS IS THE FREE-EST, MOST BLESSED COUNTRY ON THE FACE OF THIS EARTH. MR. SAM, I SALUTE YOU FOR YOUR VISION. I AM PROUD TO GIVE YOU YOUR BELOVED NATION'S HIGHEST CIVILIAN HONOR WHICH YOU HAVE EARNED.

BUT AS WE SALUTE YOUR SUCCESS, I WANT MY GRANDSON SAM TO UNDERSTAND THAT WE HONOR A MAN WHO LOVES HIS COUNTRY, WHO LOVES HIS FAMILY -- A MAN WHO HAS GIVEN FAR MORE THAN HE HAS GOTTEN.

NOW IF MAJOR CANCELLA WILL READ THE CITATION, I WILL PRESENT TO SAM WALTON, THE MEDAL OF FREEDOM.

#

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Rose

1945

THE WHITE HOUSE

WASHINGTON

March 16, 1992

32 MAR 16 P2:39

FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *JK*

SUBJECT: Telephone Call to President Carlos Salinas of Mexico

DATE: March 17, 1992

PURPOSE: To review the status of the North American Free Trade Agreement

SECURE OR OPEN: Open

INTERPRETER: Not required

PHONE NUMBER: To be provided

CONTACT PERSON: None

TIME DIFFERENCE: Mexico City, -1;

SUGGESTED TIMES: 4:15 p.m.

TOPICS OF DISCUSSION: NAFTA negotiations

Date of Submission:

Action:

Attachments

Tab A Points to be Made

Tab B Background Paper

Tab C Ambassador Hills' Status Memo to the President dated March 12, 1992

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By MC NARA, Date 7/16/21

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1945

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT CARLOS SALINAS

- I understand that Jose Cordoba, your Chief of Staff, and Brent Scowcroft had a good conversation on Friday.
- I am encouraged that progress has been made on some issues, although we have yet to achieve any major breakthroughs.
- I agree that we should continue to push hard for an agreement, and have asked Ambassador Hills to keep working hard to reach an agreement as soon as possible. As we discussed at San Antonio, we need a comprehensive agreement if we are to get Congressional support.
- I understand she and your negotiator, Jaime Serra, will assess progress around the end of the month and give us a status report on which to base a decision regarding next steps.
- Does this make sense to you?

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By MC NARA, Date 7/16/21

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BACKGROUND PAPER FOR
TELEPHONE CONVERSATION WITH
PRESIDENT CARLOS SALINAS

During your meeting with Mexican President Salinas at San Antonio, he suggested that you and he review the status of the NAFTA negotiations on March 16. Subsequently, on March 8, Prime Minister Mulroney called and told you he had talked to President Salinas about the possibility of a three-way conference call.

We have since learned through Jose Cordoba, Salinas' Chief of Staff, that Salinas agrees a three-way conference call should be delayed until we are closer to an agreement on the NAFTA. However, he would still like a bilateral conversation with you.

Salinas' original purpose in proposing a telephone conversation with you was to take stock on whether enough progress had been made to assure a deal was possible. Since then, although there have been no major breakthroughs, progress has been achieved on a number of issues. Salinas has told us (again through Cordoba) that the main purpose of the call on March 16 will be to assure that intense negotiations continue and to urge that Ambassador Carla Hills and Mexican negotiator Jaime Serra meet on April 1 to assess prospects for a final agreement. We believe that such a meeting will be needed if we are to reach final agreement. In her March 12 memo to you (Tab C) she contemplates such a meeting in early April.

~~CONFIDENTIAL~~

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20508

MAR 12 1992

MEMORANDUM FOR THE PRESIDENT

FROM: Carla A. Hills *CAH*
SUBJECT: Update on NAFTA Negotiations

At your meeting in San Antonio with President Salinas on February 27, it was agreed that we would continue to push hard on the North American Free Trade Agreement (NAFTA), but that too many issues were still unresolved to agree to Mexico's request to set a March deadline for conclusion. We agreed that trade ministers would separately report back by mid-March, with a view to a possible phone conversation among you, Salinas, and Mulroney. Here is where we currently are on the NAFTA, should that conversation take place.

State of Play

Progress continues to be made across the board, but at uneven rates. We have nearly agreed on textiles, and we may be close to conclusion on intellectual property, business travel, trucking/rail services, and telecommunications. We remain far apart on agriculture; Mexico has still not tabled a promised revised proposal on automobiles; and there are significant obstacles remaining in investment, financial services, tariffs, and energy.

For a negotiation of this complexity, and considering that we will likely use the NAFTA as the basis upon which to build free trade agreements throughout the hemisphere (the Enterprise for the Americas Initiative), I believe the negotiations are proceeding well. Whether we can conclude the negotiations late in April -- the most optimistic scenario -- depends primarily on Mexico.

There continues to be speculation on whether we can legislate, as opposed to sign, a NAFTA this year. At this stage, friends on the Hill advise that it is unlikely that we will have the necessary cooperation of the Congressional leadership to cut the fast track procedures short and guarantee a vote on NAFTA. Nonetheless, we continue to work as hard as we can to finish an agreement as soon as possible.

DECL: OADR

Classified by *[Signature]*

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PER NSC WAIVER, #2021-02
By MC NARA, Date 7/16/21

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MEMORANDUM FOR THE PRESIDENT
PAGE TWO

Next Steps

In the three weeks between your San Antonio meeting and March 23, all of the 21 negotiating groups and sub-groups will have met again. During the week of March 23, Chief Negotiators (Jules Katz on our side) will be holding a series of oversight meetings with the negotiating groups. Some time in early April, we will likely hold a Ministerial meeting to review all of the issues.

I will provide a further report after the Chief Negotiators' session the week of March 23, when we should be in a better position to estimate a schedule for concluding negotiations.

~~CONFIDENTIAL~~

Robin - Keep handy

Daily Mar 1

THE WHITE HOUSE
WASHINGTON

LT
/

March 12, 1992

MEMORANDUM FOR DAVID DEMAREST

FROM: MICHELE NIX

SUBJECT: YOU KNOW

Here's some preliminary info. I spoke this afternoon with Dave Glass --who's the CEO of Wal-Mart. He had such wonderful things to say about Mr. Walton. We had a long, wonderful conversation about him. Because the award has not been announced, he said only he and a few staff members knew about it. Nevertheless, he got them to fax me some info today and I should receive more tomorrow.

Here's what Glass had to say: "He's truly a unique individual -- a one of a kind. He's the best retailer I've ever known. He has an unbelievable drive to improve. He never had a day in his life when he didn't try to improve something." "He's the epitome of free enterprise." "He always had a willingness to fail. Most of us spend all our time trying to succeed and covering ourselves so that no one will know about our failures, but Sam was always willing to accept the failures along with the successes." "He has a way of involving everyone -- whether it be an hourly worker or an executive. He has 380,000 employees -- all of whom believe they are Sam's partner." "I first met Sam when he was opening his second store in Harrison, Arkansas. I was running my own business, which was more successful than his. Sam had watermelon for sale on the sidewalk and donkey rides in the parking lot. But what he didn't account for was summer weather; the temperature that day was 110 degrees. So the watermelon popped and juice went everywhere. And the donkeys did what donkeys do. Customers were tracking stuff everywhere. His store was the worst looking store I'd ever seen. So I was honest with him and told him so and I told him he should get into a different line of work."

Walton has been in the retail business since 1945 (with Ben Franklin stores) and with Wal-Mart since 1962.

Some quick color: Many Arkansans refer to him as "Uncle Sam." His employees refer to him as "Mr. Sam." Walton has four children (Rob, John, Jim, and Alice). He and his wife Helen celebrated their 49th wedding anniversary this past Valentine's Day. He drives an old pickup truck when hunting. Has hunted

with the President before. He carries a voice activated tape-recorder wherever he goes. He once carried it into a store and asked a customer what she thought of Wal-Mart. She told him she liked it except that she couldn't find a product she was looking for. The store no longer carried the product as the supplier could not meet the demand. So Walton arranged to have the product delivered to her doorstep the next week. There are many, many stories like this.

I talked to Glass about names and numbers of his closest friends. He gave me three that he thought would work best. I'll call them down the road, after the announcement.

For the time being, I've included the following:

- Bio material -- This includes a Fortune 500 cover story and other news magazine articles, NEXIS bio stories, and a bio from the Wal-Mart corporate office. The story datelines are spread over the past few years -- to give you a sense of what's been said then and now.
- About the company -- Re treatment of employees: Nothing bad about that. However, we did find an article about a Wal-Mart store and a run-in they had with some hot dog vendors. The press wasn't good, but the stories were few in number. I've also included a few NEXIS stories about the company and some info from the corporate headquarters.

daily

March 17, 1992

MEMORANDUM FOR THE FILE

Subject: Prime Minister Manley

The President's note on classified Baker memo of March 16, 1992:

"File. I discussed this with Jon (Howe) a.m. 3-17.

Brent/Jon Howe: I want to do 'something' for Manley before he leaves, supper and Kennedy Center?? Upstairs dinner??"

*done
mon
mar. 23*

tb:RAM

CC:

Brent Scowcroft

Jon Howe (Action)

Kathy Super (FYI)

Laurie Firestone (FYI)

Patty Presock (FYI)

daily Feb 23

Mr President:

An interim reply.
We have been tracking.

good → Robin

THE WHITE HOUSE
WASHINGTON

March 17, 1992

32 MAR 17 P7:23

MEMORANDUM FOR THE PRESIDENT

FROM: C. GREGG PETERSMEYER *GP*

SUBJECT: NICK NICHOLAS *CS / sba*

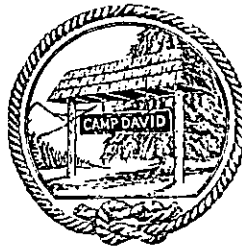
Dick Munro, the current chair of the Points of Light Foundation, and Ray Chambers plan to have lunch with Nick Nicholas to explore opportunities for him to become involved in the Points of Light movement. Dick Munro knows Nick Nicholas well as they were colleagues at Time Warner for many years.

After they meet for lunch, if there is something to report, I will let you know.

5/19/92 *(Update)*

GP

Gregg Petersmeyer's office just heard back from Dick Munro. Dick Munro and Dick Kearns met with Nick Nicholas and apparently Nick Nicholas said he couldn't make a commitment at this time to the Points of Light or America 2000.



February 23, 1992

To: Gregg Petersmeyer

Is there some place for ~~Nick~~ Nicholas ?

Is he good?

I note he is about to be unemployed, since Time Board is putting him out to pasture.

CA

cc: Chief of Staff

FROM THE PRESIDENT

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Samuel M. Walton
Wal-Mart Stores, Inc.
702 Southwest Eighth Street
Bentonville, Arkansas 72716

ATTN: BECKY ELLIOTT

✓cc: (1 copy)
Rose Zamaria

Dear Helen -

*This was a moving day - a fitting tribute to your
beloved husband. With family love
A. Bush*

3-17-92



Mrs. Helen
Walton

(17 March 1992)

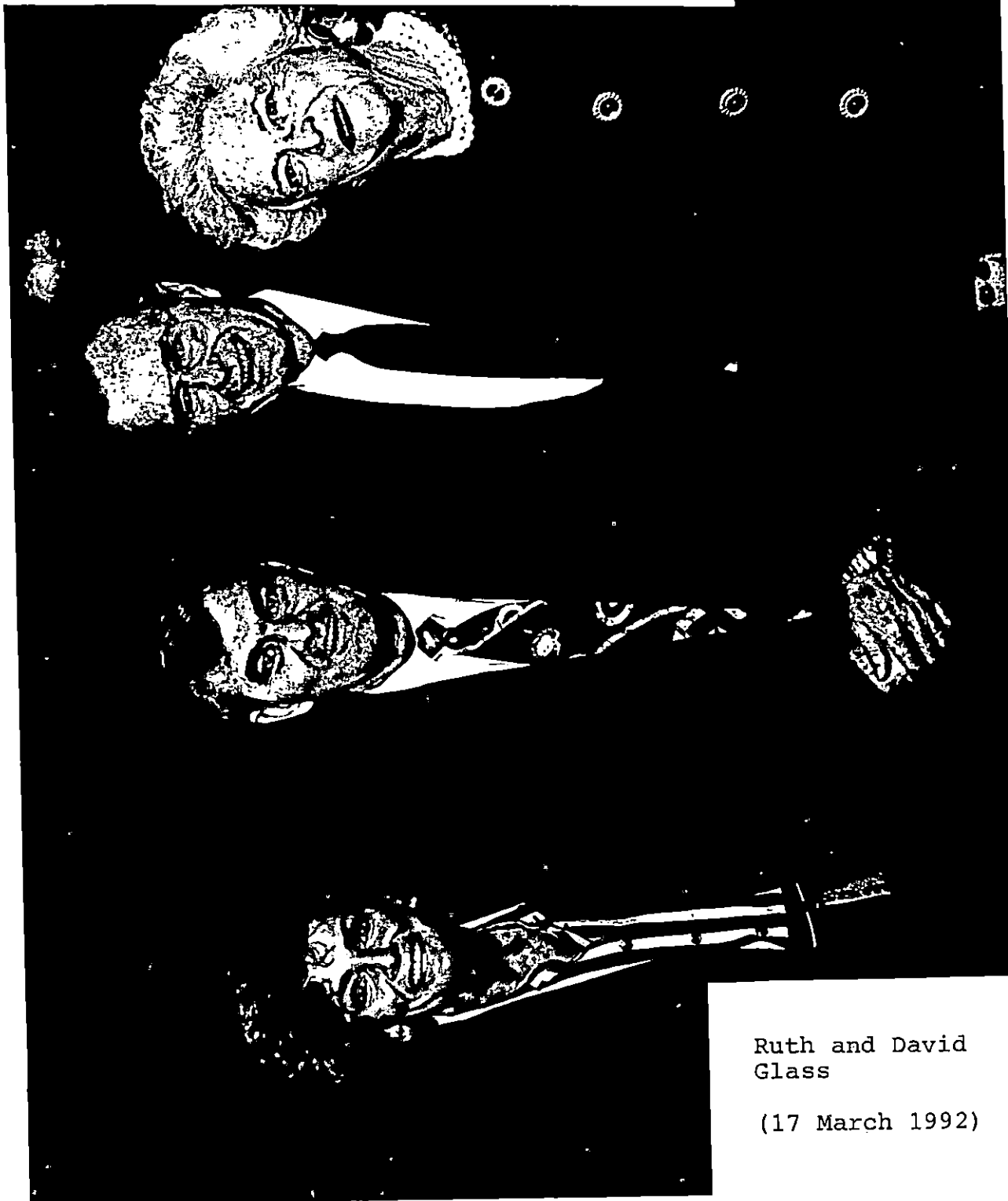
17 MAR 92 P30105-19DV

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. David Glass
President and
Chief Executive Officer
Wal-Mart Stores, Inc.
Corporate Offices
Bentonville, Arkansas 72716-0001

✓cc: (1 copy)
Rose Zamaria

17 MAR 92 P30094-03A DV



Ruth and David
Glass

(17 March 1992)

3-17-92
David & Ruth Glass
with Respect and Best Wishes on the Special Day
Cuz Bush

From the desk of
George Bush

Did we
sue to Walters
I do want to
sign for Helen,
- Dad Glass
- Bud
(brother)

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Enrico Rotondo
Sabatino's Italian Restaurant
901 Fawn Street
Baltimore, Maryland 21202

CC: (entire pkg)
✓ Rose Zamaria (1 copy)
Nikki Richnow, Gift
Unit (1 copy)

3-17-92



THE PRESIDENT

Dear Enrico,

Thanks so very
much for the Salad dressing
passed along by Bill
Sessions. The only thing
better would be to come

to Sabatino's in person.

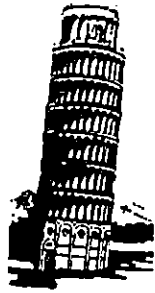
May my thanks

Ag Bush



The President

To Enrico Rotondo and all at Sabatinos
With Warm Best Wishes, *Cyrus Bunk* March 17, '92



Sabatino's

Italian Restaurant

901 Fawn Street

Baltimore, Maryland 21202

Open 7 Days 11:30 A.M. - 3:00 P.M.

727-9414 727-2667

Enrico Rotondo

From the desk of

George Bush

*Attach
picture*

I'll sign



DIRECTOR
FEDERAL BUREAU OF INVESTIGATION

MARCH 14, '92

DEAR MR. PRESIDENT,

LAST EVENING AT SABATINO'S IN
BALTIMORE, ENRICO ROTONDO ASKED
ME IF I WOULD DELIVER SOME

BOTTLES OF SALAD DRESSING
WHICH HE BELIEVED YOU AND
MRS BUSH ENJOYED.

HERE IT IS — I HOPE
YOU DO.

Bill

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

daily

Mrs. Edes Gilbert
c/o Mr. George H. Walker III
Stifel, Nicolaus and Comapny, Inc.
500 North Broadway
Saint Louis, MO 63102



THE PRESIDENT

March 17, 1992

Dear Mrs. Gilbert,

Barbara and I learned that you will celebrate your 60th birthday on March 25th and wanted to join with your family and friends in sending best wishes. We hope that your day is filled with joy and that the year ahead is a blessed one.

Sincerely,

A handwritten signature in cursive script, appearing to read "G. H. Walker III".

CC:
✓ Rose Zamaria
(1 copy of entire
pkg)

Stifel, Nicolaus & Company, Incorporated.

500 N. Broadway

Saint Louis

GEORGE H. WALKER III
CHIEF EXECUTIVE OFFICER

63102

342-2109

November 4, 1991

Ms. Jan Burmeister
Correspondence Department
The White House
Washington, D. C. 20500

Dear Jan:

Thanks loads for getting the great autographed picture for George Penner. It was most appreciated.

I do not want to impose and ask that you ignore this letter if it is in anyway taking advantage of my relationship with the President or with you. However, I have three requests as follows:

do
after
1st
of
year

notation
has been
made in
pending
file for 1992.

First, a close personal friend, Edes Gilbert, is celebrating her 60th birthday March 25. She is Headmistress of Spence School in New York. Her son is putting together a scrapbook with letters saluting her on her 60th birthday and asked me if I could possibly include a brief note from the President. Earlier, she was headmistress of Mary Institute, and she met the President once in Kennebunkport.

Second, Dr. Wilson West in Belleville, Illinois, has asked for an autographed picture for his wife, who is an invalid. Apparently, he received one earlier, but it had only a stamped autograph. Dr. West is a big fund raiser in Southern Illinois and a long-time devotee of the President and the Republican Party. Mrs. West's full name is Sarah Mildred West.

Third, my partner, James D. Sumption, would very much like an autographed picture. Jim is a Senior Vice President of our company, lives in New York City, and has long been a great admirer of George Bush.

Many thanks for your consideration of these requests, Jan. Again, please disregard this letter if it is an imposition.

Sincerely yours,

Ben

Robin,

This is a request for a birth-day letter from Mr. Bert Walker The President's first cousin from St. Louis. Please see note that he wrote. This is to receive a GB sig. Thanks
des

Mrs. Edes Gilbert is a close, personal friend of Bert Walkers. She will turn 60 the end of March. Her son is making her a scrap book.

From the desk of

George Bush

(Photos already mailed-
no action necessary per
Jan 3/17/92)

R Z

- 1 I do want to send pictures as requested by Bert
- 2 put on my desk -

Rosa

THE WHITE HOUSE

The Honorable Orrin G. Hatch
and Mrs. Hatch

Flying to Arkansas
3-17-92



THE PRESIDENT

Dear Orrin & Elaine,
Every once in awhile
something very special happens.
Your supportive, understanding
handwritten letter really hit
a responsive chord. Many
thanks for taking

the time to check in
in such a wonderful
way.

Barbara - I am fine
and the bashing, political
journalistic, will eventually
change. Thanks again

Your friend

Cez

Thanks to
you and Skins
Barbara

THE PRESIDENT HAS SEEN
3/17/92

THE WHITE HOUSE
WASHINGTON

MARCH 16, 1992

12 MAR 16 P 1: 29

MEMORANDUM FOR: THE PRESIDENT
FROM: NICHOLAS E. CALIO *NEC*
SUBJECT: LETTER FOR YOUR READING FILE

Enclosed is a letter which you recently received from a Member of Congress.

Sen. Orrin Hatch (R-UT)
and wife Elaine

"The past few months have been very wearing and difficult to both of you and your family. Don't let the naysayers get you down. You will be strengthened in the end by these present difficulties. There are millions of people out there who hold you in high regard and who will be with you when it counts. Both of you have served this country courageously and well. Elaine and I are very proud of you both. We pray for you and God will continue to be with you."

The White House
3-17-92

To
Buzzy Davis

With Warm Best
Wishes - And with
Pride in your son,
my Friend Will

Sincerely,

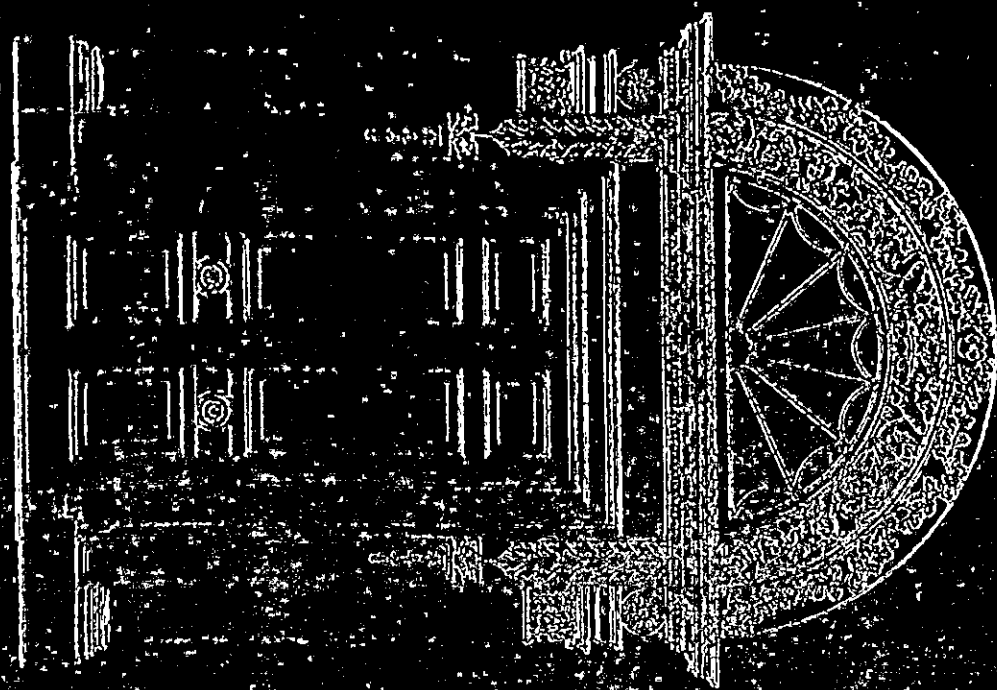
Ed Earl

RESIDENTS HOUSE

VOLUME

W. H. P. 1880
Set 18

W. H. P. 1880
Set 18



REPUBLICAN NATIONAL FINANCE COMMITTEE
310 FIRST STREET, SOUTHEAST WASHINGTON, D.C. 20003 202-863-8720

William C. Nixon
Director, Team 100

March 17, 1992

*He is a friend
of Mammie's*

President George Bush
The White House
Washington, D.C.

Dear Mr. President:

I want to take this opportunity to tell you how much I am enjoying my duties here at the RNC and how much I appreciate your support and friendship.

It's hard for me to describe the feeling of pride working on your team has given me.

I also want to thank you for signing a copy of The President's House for my mother, Buzzy Davis. Her birthday is next week and she will be beside herself to have such a special present.

Belinda, William and I are all healthy, very happy and want you to know how much we appreciate the job you are doing.

Sincerely,

Will

Will C. Nixon

WN: cng

Cape Cod TIMES 27 Feb. '92

President's sister stumps for re-election effort

By PEGGY EASTMAN
SENIOR STAFF WRITER

HYANNIS — President Bush's sister, Nancy Bush Ellis of Lincoln, says she believes the current economic problems faced by this country are largely a matter of readjustments as the world changes from a economy based on military buildup to one based on peace.



ELLIS

"This seems to me to be a price we are paying for peace, this readjustment from military and weapons buildup to a peacetime economy," she said.

"The issue of this campaign is whether we are going to turn our backs and say 'America First' and disregard everyone else, or say this is one world ... a global economy

... and we're there, we're part of it, which is the president's position."

Mrs. Ellis was on the Cape yesterday for a visit with her late husband's mother, who at 93 is a patient in a Cape nursing home. Interviewed at the Times' office, she was accompanied by Cliff DeMotte of South Yarmouth, a longtime family friend and active Cape Republican.

Mrs. Ellis said much of her time in these days preceding the March 10 presidential primary is taken up with speaking engagements and working with other Republicans for her brother's renomination for president.

"Of course you know what I think of him," she said, grinning broadly. "I think he's magnificent ... and those running against him ... the five Democrats and one wild man (Pat Buchanan) are abusing him badly."

Asked what spurred the abuse, Mrs. Ellis said, "I think probably because for so long he was invinci-

ble in the polls, and the Democrats are so desperate to get back in the White House, when this recession came along they jumped on it because they think they have something that can turn people against him."

Mrs. Ellis said criticism of the president's handling of domestic programs is unfounded. "I know he's worked very hard on all these things — the environment, the economy, education ... obviously, he cares very, very much about the well-being of his country."

"Times are tough, but I'm finding people have a good attitude — a changed attitude, a change for the better. They aren't talking about how to spend all their leisure time as they did in the '80s. Now they're talking about getting back to work and working these problems out," she said.

She said her brother's administration has helped foster volunteerism, noting that 557 people and programs have been recognized

under the president's "Thousand Points of Light" program.

"Americans are hard-working, generous people," she said. "They like being that way. They're not nasty, narrow people. There's been a huge increase in volunteerism in this country."

"Another thing, I don't think people have given the president credit for keeping inflation under control. For people like me — widows and retired on fixed incomes — that means a great deal," she said.

Her relationship with her older brother and his family is a close one. Mrs. Ellis said she visits the White House frequently and talks with the president and Barbara Bush by telephone.

"And I still get a thrill when I answer the telephone and the operator says, 'The White House is calling — the president wants to speak to you.'"

Not sure my facts are right, but my spirit is right on.

From the desk of

George Bush

3-17
Flying to Ark.

Nan -

Loved it!

Accurate, too.

I will do Honduras
May 7 if in town
GB

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Alexander Ellis, Jr.
Sandy Pond Road
Post Office Box 327
Lincoln Center, Massachusetts 01773

CC:
Kathy Super (FYI-
Pending action)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 17, 1992

STATEMENT BY THE PRESIDENT

Tonight, the people of Illinois and Michigan have added their voices to the nation's call for Congressional action on our plan to get this economy moving. The March 20th deadline is Friday. To the Democrats on Capitol Hill, I say it again -- pass my plan to get the economy growing and Americans working. Do something good for the American people.

We must reinvent our schools, transform welfare and health care. We need housing that is affordable and plentiful. We need safer neighborhoods and job security. We need to compete internationally for world markets.

The voters of Michigan and Illinois have endorsed my approach to change in America. They have pushed the delegate count to a level where my nomination is virtually assured. As the nominee of the Republican party, I will seek the support of everyone who believes that we can change America as we changed the world.

Barbara and I thank the voters of Michigan and Illinois for placing their confidence in me. We appreciate the hard work of Governor Edgar in Illinois and Governor Engler in Michigan in making this win possible.

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THE WHITE HOUSE

Office of the Press Secretary
(Bentonville, Arkansas)

For Immediate Release

March 17, 1992

TO THE CONGRESS OF THE UNITED STATES:

I am very pleased to submit the Science and Technology Report and Outlook: 1989-1990 as required by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6615).

The report reinforces and highlights that strong and vigorous support for our Nation's science and technology has been one of the central policies of this Administration. In addition to providing a general record of accomplishments, the report also suggests a number of possibilities in the form of an outlook for the future in key areas of science and technology.

The Federal Government's science- and technology-related activities support our Nation's quest to ensure a high quality of life for current citizens and future generations by meeting national needs, investing for the future, exploring intellectual, social, and physical frontiers, building on the fundamentally international character of science and technology, and strengthening math and science education.

The various chapters illuminate selected areas essential for meeting national needs. There is a focus on international competitive advantage, national security, global environmental needs, foreign policy, biotechnology, and information technology. Each chapter describes the area's key features, its policy relevance, and major components for which detailed strategies, policies, programs, and budgets have been or are being designed and implemented.

Science, as Vannevar Bush pointed out nearly half a century ago, is an endless frontier. Exploiting the opportunities of that frontier has helped to strengthen this Nation and the entire world in the past and can continue to in the future. This Administration believes that seizing these opportunities in science and technology and securing their benefits to the United States require policies that are forward-looking and reflect a rapidly evolving world. This Administration also believes that these objectives require vigorous initiatives in the private sector, continued excellence in academic research, and sustained progress in education.

In many ways, investment in science and technology reflects a deep-seated American belief in the possibility of a better future. With concerted action, that future -- that endless frontier -- lies within our reach.

GEORGE BUSH

THE WHITE HOUSE,
March 17, 1992.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 17, 1992

EXTENDING UNITED STATES COPYRIGHT PROTECTIONS
TO THE WORKS OF
THE PEOPLE'S REPUBLIC OF CHINA

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

Section 104(b)(5) of title 17 of the United States Code provides that when the President finds that a particular foreign nation extends, to works by authors who are nationals or domiciliaries of the United States of America or to works first published in the United States, copyright protection on substantially the same basis as that on which the foreign nation extends protection to works of its own nationals and domiciliaries and works first published in that nation, the President may extend protection under that title to works of which one or more of the authors is, on the date of first publication, a national, domiciliary, or sovereign authority of that nation, or which are first published in that nation.

Satisfactory assurances have been received that as of March 17, 1992, as provided in Article 3(9) of the Memorandum of Understanding Between the Government of the United States of America and the Government of the People's Republic of China on the Protection of Intellectual Property (hereinafter the "Memorandum of Understanding"), China will grant to works of United States nationals and domiciliaries and works first published in the United States protection in the People's Republic of China on the same basis as works of Chinese nationals and domiciliaries and works first published in China which are not in the public domain.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by the authority vested in me by section 104 of title 17 of the United States Code, do find and proclaim that effective March 17, 1992, the conditions specified in section 104(b)(5) of title 17 of the United States Code have been satisfied in the People's Republic of China with respect to works of which one or more of the authors is, on the date of first publication, a national or domiciliary of the United States of America, or which are first published in the United States, and as of March 17, 1992, works of Chinese nationals and domiciliaries and works first published in the People's Republic of China are entitled to protection under title 17 of the United States Code.

I hereby request the Secretary of State to notify the Government of the People's Republic of China that the date on which works of Chinese nationals and domiciliaries and works first published in the People's Republic of China are entitled to protection under title 17 of the United States Code, is March 17, 1992, 60 days after the date of signature of the Memorandum of Understanding.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth 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

#

THE WHITE HOUSE

Office of the Press Secretary
(Bentonville, Arkansas)

For Immediate Release

March 17, 1992

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of a proposed Agreement for Cooperation Between the United States of America and the Republic of Poland Concerning Peaceful Uses of Nuclear Energy with accompanying annex and agreed minute. I am also pleased to transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with the Republic of Poland has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978, and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides a comprehensive framework for peaceful nuclear cooperation between the United States and Poland under appropriate conditions and controls reflecting our strong common commitment to nuclear non-proliferation goals.

Poland has consistently supported international efforts to prevent the spread of nuclear weapons. It was an original signatory of the Non-Proliferation Treaty (NPT) and has strongly supported the Treaty. It is committed to implementing a responsible nuclear export policy, and declared in January 1978 that it intended to apply a full-scope safeguards nuclear export requirement. Poland supports the work of the NPT Exporters ("Zangger") Committee and adheres to the Nuclear Supplier Guidelines. It is a member of the International Atomic Energy Agency (IAEA) and has played a positive role in the Agency's safeguards and technical cooperation activities. It has also cooperated with the United States and other like-minded members in working to prevent the politicization of the Agency. Poland is a party to the Convention on the Physical Protection of Nuclear Material.

I believe that peaceful nuclear cooperation with Poland under the proposed agreement will be fully consistent with, and supportive of, our policy of responding positively and constructively to the process of democratization and economic reform in Eastern Europe. Cooperation under the agreement will also provide opportunities for U.S. business on terms that fully protect vital U.S. national security interests.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

more

(OVER)

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE BUSH

THE WHITE HOUSE,
March 17, 1992.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 17, 1992

NATIONAL WOMEN IN AGRICULTURE DAY, 1992

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

As we Americans observe Women's History Month this March, we remember in a special way women who were pioneers in their respective fields -- including women who were the first to pursue jobs and degrees traditionally held by men. Women have always played leading roles in American agriculture, however, and today they remain full working partners on our Nation's farms. On this occasion, we gratefully recognize their contributions and achievements.

In every generation, in times of adversity as well as in times of plenty, women have demonstrated the hardy spirit and the finely honed skills necessary to ensure the survival of the American farm. On the frontier, women helped to raise crops and care for livestock while meeting the numerous demands of home and family. During periods of conflict in our Nation's history -- and, in particular, during the long and difficult years of the Second World War -- women played critical roles in the management and operation of our farms and ranches.

Today new challenges confront American farm women as they strive to apply innovative agricultural methods and technology while meeting demands for better business practices. Women in agriculture are meeting those challenges with an increasing array of new skills and knowledge -- and with the remarkable resilience and resolve that have long characterized the American farmer.

Through the grace of Almighty God and through the daily labors of the men and women who till the soil, plant the seeds, nourish the tender shoots, and reap the harvest, our Nation's farms are the most efficient and most productive in the world. In fact, America's farmers produce enough food and fiber to meet our Nation's needs and those of millions of people around the globe.

On this occasion, we offer special thanks to the women who serve on our Nation's farms. In agriculture as in virtually every other field of endeavor, women are making vital contributions to our families, communities, and country.

The Congress, by Senate Joint Resolution 176, has designated March 19, 1992, as "National Women in Agriculture Day" and has authorized and requested the President to issue a proclamation in observance of this day.

more

(OVER)

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim March 19, 1992, as National Women in Agriculture Day. I invite all Americans to observe this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth 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

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 17, 1992

REMARKS BY THE PRESIDENT
AND FOREIGN MINISTER DAVID ANDREWS
IN PRESENTATION OF SHAMROCKS IN HONOR OF ST. PATRICK'S DAY

The Rose Garden

4:13 P.M. EST

THE PRESIDENT: May I just say to Minister Andrews, how delighted I am to be here. I missed the traditional lunch on Capitol Hill -- a lunch of genuine friendship between not only the parties here, but normally Ireland is so well represented as they were today. And as I think everyone knows, I was down in Arkansas for a Medal of Freedom ceremony. But may I say to our friends from Ireland, particularly the Minister, how sorry I am to miss the luncheon. But how pleased I am to receive you here.

It gives me an opportunity to express, once again, the feeling I have and the feeling the American people have about the Irish-American relationship. It is strong. It is good. And it is very, very important to us. And this ceremonial occasion gives me a chance to extend through the Minister to the people in Ireland our respects, our love and our affection on this very special day.

So Mr. Minister, I'm glad you came our way, sir. And I'm delighted to have had this short visit.

MINISTER ANDREWS: Thanks a lot. Appreciate it.

Mr. President and Mrs. Bush, just 200 years ago a distinguished Irish architect, James Hoban, designed this beautiful house. I understand that his design was inspired by another fine house in Dublin, namely the Houses of Parliament. Today that house that inspired Hoban is the seat of Ireland's Parliament.

In the year in which we celebrate the bicentury of the laying of the cornerstone of the White House, I think it's a particular privilege to be here with you, Mr. President, and Mrs. Bush to cerebrate the national day of James Hoban's country of birth.

It has, I suppose, become something of a cliché to say that St. Patrick's Day is a symbol of the enormously close bonds which bind our two countries together. But it is difficult to find new language to express something so deep-seated and enduring. They are bonds which reach back into the centuries. In many ways, both literally and metaphorically, they are really bonds of the family, Mr. President.

We have been with each other through good times and bad with James Hoban as just one example. We have helped each other build up our respect of nations. In a world that is changing with such extraordinary rapidity, these are not things to be taken for granted. As our presence here today demonstrates, I think it is fair to say that neither of us do take these things for granted. Each of us values deeply the quality of the ties which, today as in the past, bind us together.

Mr. President, we are very conscious of your deep concern about the situation, as you have stated, in the northern part of our island. We welcome the strong support of the United States for the Anglo-Irish agreement, and for the efforts to get wide

MORE

ranging political talks underway. We also greatly appreciate America's generous contribution to the International Fund for Ireland; and more recently, your new immigration legislation.

For our part, we are delighted to note the satisfaction that over 300 U.S. companies operate profitably from our island, and providing many jobs, not just for Irish workers but thousands of Americans as well, and marketing their goods and services into the important European market.

In conclusion, Mr. President and Mrs. Bush, to ensure that I honor the sacred Irish tradition of the short speech, let me conclude by conveying to you the greetings of our President, our Taoiseach, our government and indeed the people of all Ireland. And to crystalize those greetings, in a manner of speaking, may I present you on this day of tradition with a gift steeped in tradition, an Irish Tyrone crystal bowl filled with the Irish shamrock.

May it bring to you, Mr. President, and to you, Mrs. Bush, and indeed to the American people everywhere, good fortune, good health, peace, hope and happiness.

Thank you very much indeed.

THE PRESIDENT: Thank you very, very much. (Applause.)

Q Mr. President, will the luck of the Irish be with Pat Buchanan on this day? (Laughter.)

MINISTER ANDREWS: Yes and no, he asked me to say.

THE PRESIDENT: I've got to put a little shamrock --

MINISTER ANDREWS: Did you want to say something, Mr. President?

THE PRESIDENT: No -- (Laughter.)

Q How about Secretary Cheney, Martin and Madigan bouncing checks, Mr. President?

THE PRESIDENT: No, I have no comment on all that. I just got home and am looking about it. I heard that Secretary Cheney, as would be expected, did an outstanding job. I haven't seen the testimony but needless to say I have great confidence in him -- total confidence in his integrity and I just haven't heard anything about any of the others.

What I've decided to do is let this matter unfold. It's a matter of considerable agony for good people on the Hill. And let's get the facts out, and then I think the American people are very smart. They will be able to make a determination as to what was wrongdoing and who were simply victims of a system that obviously has failed everybody. And so we'll just wait and see how that works out. But I have no further comment on that subject at all, so spare yourselves the agony of asking, because I simply will not take any more questions on it on this marvelous St. Patrick's Day.

Q (Inaudible.)

FOREIGN MINISTER ANDREWS: Irish journalist here.

THE PRESIDENT: Sure.

Q Mr. President, what role can the United States play in bringing forward the progress for peace in Northern Ireland?

THE PRESIDENT: Well, I'm not sure. I think heretofore we've tried to be a catalytic role, tried to support, as the Minister generally said, certain funds. But we've got to be in close touch with the government. But it is not a problem that we ourselves can work out. It is a problem that because of our -- the many Americans of Irish heritage we are vitally interested in and because of Ireland's own substantial role in the EC that we're vitally interested in, and as Ireland-U.S. relations that we're vitally interested in.

But we simply are not in a position to dictate a solution to in any way be the sole arbiter of this difficult situation. But I've told the Minister we would like to help in any way he deems possible. But, again, it isn't easy as he and I both know.

Q Mr. President, the Israeli loan guarantees, are they dead?

THE PRESIDENT: What did you say?

Q The Israeli loan guarantees, are they dead now?

THE PRESIDENT: Well, I don't think they're dead. We have always wanted to go forward with loan guarantees. Our administration has been in the forefront of bringing and encouraging people to go home to Israel, whether it be from the Soviet Union, for Ethiopia. We have a longstanding policy that feels that settlements are counterproductive to peace. This is not a new policy. This is a longstanding policy. And I am determined to see that that policy not be altered.

However, if there's room within that policy to do what we'd like to do, which is to support the people coming home, why we'd like to do that. But settlements are counterproductive to peace and everybody knows that. So we'll just have to wait and see. I have made my position very, very clear to the Congress, and Secretary Baker has done the same thing. And we have close, historic relations with Israel. And they will always be that way. But we have a difference now, it appears, in terms of these settlements. But I have said over and over again that we want to help, we want to help in a humanitarian way, but that we simply are not going to shift and change the foreign policy of this country.

Yes, Brit? And then I've got to go because I don't want to be rude to our guests. I want to say hello to our other friends here.

Q What is your view, sir, of the compromise that was discussed yesterday on the Hill that's been offered there? I understand you're about to meet with Senator Leahy.

THE PRESIDENT: Well, I'm not sure which one you're talking about.

Q Well, what do you -- do you have something to say to Senator Leahy that might --

THE PRESIDENT: No, I'm listening. They asked for a meeting with me, and I'm very glad to have a meeting with him. Secretary Baker has had many meetings with Senator Leahy. I talked to him over the weekend, and I look forward to the meeting. But we'll see what it is that he has on his mind. But our policy is very, very clear, Brit, and I just hope everybody understands that. It's not that we're shifting ground. And it's not that we are being -- in my view, I don't think we're being difficult, we're being consistent.

Yes? Then I've got to go, I really do.

Q Why are you confident that you, yourself, did not bounce any checks? Were you able to go through your own records during your time?

THE PRESIDENT: Well, I'll tell you, I went through whatever I've got. I was in Congress 1967 to 1970. You were about four at the time. (Laughter.) And I don't -- I can't find checks back that long -- most people in America don't save them. I did find a ledger sheet that shows I have positive balances at the beginning -- from four years, my own bookkeeping -- have positive balances at the beginning of every month, at the end. And I take great pride in the fact I don't bounce checks. But heavens knows with the way the operation went up there whether there's anything to it or not. I don't believe so. I'd like to be able to say I didn't do it. But I just don't know yet.

Q Do you sympathize though with some members of Congress who say the same things you did? They said they don't bounce checks either; they didn't bounce checks --

THE PRESIDENT: Yes, I do. I --

Q -- and then they found out that they did.

THE PRESIDENT: Yes, I can understand it. If, in other words, somebody writes a check and then he puts a stop order on it, and they go ahead and transfer the check, and he's overdrawn -- absolutely. Of course, I sympathize with that. And I think there's a major institutional problem. The bank's been closed now. But I'll have more to say about that when the facts are out there. But I will, in the meantime, grunge through every file I can find stored away in little cubby holes here or in Houston, Texas, and try to find checks from 1966 -- 1967 to 1970. And I challenge everybody out here to try to do the same thing so his conscience or hers will be clear when they're asking these questions. And all you young ones can't go back that far. But for us, please, all my vintage, go back and see if you can find those checks from 25 years ago.

Q Does that mean there's some question in your mind then, sir, that --

THE PRESIDENT: What?

Q Does that suggest there's some question in your mind whether you did bounce a check?

THE PRESIDENT: No, I have no question, but when I hear the fact that checks were stopped and then they went ahead and didn't stop them, why, who knows? But I don't think I ever did that. I really do feel very -- my conscience is very clear on this. And I hope I can satisfy this understandable inquiry to go back that far.

Q What about Pat Buchanan, sir? When and how do you make peace with him, or does he have to talk to you?

THE PRESIDENT: Well, I just keep my sights on these elections. And I think we'll do well today. It's a little early to tell. But what I've got to do is lead this country, and then in the meantime, take care of these primaries that crop up every Tuesday. And so far I'm very, very pleased with the results. And I'm going to keep plodding ahead and not criticize the opponent, just keep shooting for victory.

And I hope that we achieve that today in Michigan. I hope I achieve that today in Illinois. I felt good when I was in those two states, but it's a strange year. So we're taking nothing

for granted. And, yet, I cannot be out there campaigning. I was in each state one day. And I can't spend any more time doing that because I have responsibilities here and duties here, one of which is most pleasurable today, I might add, that I'm determined to fulfill.

Q Can you and Pat make peace after all that's gone on?

THE PRESIDENT: Well, I have a -- I think so, yes -- I really do.

Q If Buchanan loses, should he get out?

THE PRESIDENT: Let's go down and say hello.

END

4:25 P.M. EST

THE WHITE HOUSE
Office of the Press Secretary

Internal Transcript

March 17, 1992

STAKEOUT OF SENATOR LEAHY

The North Portico

5:20 P.M. EST

SENATOR LEAHY: Happy St. Patrick's Day.

Q Hello, Happy St. Patrick's Day.

Q You're not wearing enough green.

SENATOR LEAHY: We have -- the President and I have just had a wonderful discussion on Ireland, thank you very much. Goodbye. (Laughter.)

Q (Inaudible.)

SENATOR LEAHY: I'm, frankly, very, very discouraged. We've had people in both parties, worked with good faith, to try to bring the parties together. I thought we had a compromise that would work. I'll be glad to give all of you copies of the general outline of what my compromise was. The so-called Leahy-Kasten compromise would have authorized up to \$10 billion over five years. That could be a different period of time if that was -- if that was the critical point. It would have authorized some money immediately.

Q How much?

SENATOR LEAHY: Well, it would depend upon how much was the Leahy dollar-for-dollar reduction. We estimate the Leahy dollar-for-dollar reduction for the completion of current settlements to be in the neighborhood of \$400 million -- not the \$150 I read in the paper -- in the neighborhood of about \$400 million. So we would have reduced the Leahy dollar-for-dollar amount from the initial years amount and would have given an initial loan guarantee for the absorption of the tens of thousands of formerly Soviet citizens who have emigrated to Israel along with the Ethiopians. It would have given around \$800 million in the -- automatically.

Now that's not a figure anybody -- the administration that said \$300 million. That's a figure that could have easily been compromised to something. The Leahy dollar-for-dollar, the \$400 million, everybody agreed on doing. They gave complete discretion for the President each year to determine how much he would give on loan guarantees up to a maximum of \$2 billion. It also allowed the President the authority to cut off loan guarantees for further settlement activities. The President said he wants settlement activities stopped. He does not want American tax dollars, directly or indirectly, to subsidize settlements. I agree with the President on that.

It has been the U.S. policy since 1967, and the Leahy-Kasten proposal gave more discretion and ability to the President to cut that off than any foreign aid bill that I've seen in 18 years in the U.S. Senate. I think with some of the other major --

Q So why are you discouraged?

SENATOR LEAHY: This language is not acceptable to the President.

MORE

Q What reasons were given, sir?

SENATOR LEAHY: We have had -- well, we've had a number of discussions over the weekend. I'll let them discuss their reasons, and I -- Eric, if you have copies of the basic Leahy-Kasten proposal, go ahead and -- go ahead and pass it out.

Q What is the situation now? Will you propose a compromise to your committee --

SENATOR LEAHY: I don't know. Frankly, I don't know. I want to discuss this with Senator Mitchell, the Majority Leader. I'll discuss it further with Senator Kasten and decide to go from there. The foreign aid bill is sort of tied around this. I don't want members of the Senate to vote on things that may not go anywhere. I don't want them to vote on items that go contrary to U.S. policy. We have a lot of issues pending. I would like very, very much to get on with an overall comprehensive package involving the Commonwealth of Independent States. I think that we have a tremendous opportunity now. We ought to take advantage of it. I believe former President Nixon addressed himself to that, and I think rightly so. But it is tied up in this.

What bothers me is that there can still be disagreement when there's obviously so much agreement. And I agree with the President that the settlements go contrary to what has been stated U.S. policy since 1967. I agree with the President that we should not have U.S. tax dollars be used contrary to U.S. policy. And I don't believe in giving a blank check in foreign aid to any country, no matter where it is, anywhere in the world. I'm totally opposed to that.

But having done that, I would hope that just for the matter of wording that we don't fail to put together something that is needed for strong humanitarian reasons and something that would allow us in the Middle East to state U.S. policy through our foreign aid program in a way it's never been stated before.

I come here as the Democratic chairman of this committee, willing to give a Republican President unprecedented discretion.

Q Senator, did he tell you what portion of your proposal was a pending portion --

SENATOR LEAHY: I think the President is very concerned that, as written, there will still be a loophole and guarantees will be used for further settlements beyond those already on the ground. I don't believe that is so. I think that --

Q (Inaudible.)

SENATOR LEAHY: Well, I'd prefer to let him speak to that. I will just speak to my position. I've tried to write this in a way, in a way that can pass the Senate. You know, it's not just a case of what I might want. I can stop a bill from coming out of my committee, but I cannot pass a bill. No chairman can. A chairman can usually slow something up or stop something, but they can't automatically pass it. I'm trying to get something that will bridge this gap. When we started off, we had something where many who thought they want to have an absolute, immediate, then and there cutoff of all settlements. And you had others in the Congress who said we can't anyway get into that question.

What I've done is try to bring people together to say that there can be at least completion of what was on the ground January 1st, but even that would require the Leahy offset -- a dollar-for-dollar offset. And then the President can cut off further

guarantees if there are further settlements. Now for those of you if you follow how foreign aid bills go and all this whole issue usually goes in the Hill, that's a quantum leap of where we were last fall.

Q Do you have a promise that that would happen?

SENATOR LEAHY: Well, what we have now --

Q I mean, is that what the stumbling block is? Do you have an actual promise?

SENATOR LEAHY: It may be a moot point. You know, the thing we do is put -- we put the money. The question is, if you want further settlements, you don't get the money. I think that's been written in the legislation.

Q But has there been any commitment --

SENATOR LEAHY: Obviously, the --

Q -- vocally?

SENATOR LEAHY: But it's -- I won't go into that because that's really immaterial to it. The fact is, is the money going to be allowed or not?

Q Senator, wasn't there a counterproposal over the weekend and was there any -- from the administration --

SENATOR LEAHY: There was a counterproposal and --

Q -- and was there any merit in it at all?

SENATOR LEAHY: And I will look at that counterproposal again. I'll read it again. But I think that the counterproposal was one that could not pass the Senate.

Q What was the problem with that?

SENATOR LEAHY: Well, again, I'll let the administration describe their counterproposal. But I --

Q Can you describe your objections to it?

SENATOR LEAHY: It take it -- it comes into a question -- I'm afraid in many ways it comes in more of a question of language than it does otherwise. I think that it also goes into a question of whether the settlement -- the issue of settlement guarantees is based on -- or not -- back that up.

We have always spoken of the loan guarantees as being used for humanitarian purposes; that's what they were requested for because of the tens of thousands of immigrants who have moved into Israel. Many feel that the proposal from the administration goes beyond that and speaks of loan guarantees on other foreign policy issues, and I don't believe the votes are there to pass it.

And with that, I really should go back up where several senators --

Q One last question?

SENATOR LEAHY: -- Happy St. Patrick's Day.

Q So that's the next step. You're going to talk to your colleagues about the --

SENATOR LEAHY: I'll go talk with Senator Mitchell --

now? Q Is this whole business dead, do you think -- for

SENATOR LEAHY: It's dead today.

Q And tomorrow?

SENATOR LEAHY: I don't know.

Q Senator, was the \$3 billion for appropriations talked about this afternoon? The \$3 billion given annually to Israel, did that come up?

SENATOR LEAHY: No, no --

THE PRESS: Thank you.

END

5:35 P.M. EST

THE PRESIDENT HAS SEEN
3/17/92

1965

THE WHITE HOUSE
WASHINGTON

March 16, 1992

92 MAR 16 P8:35

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK *b7/c*

FROM: BRENT SCOWCROFT *[Signature]*

SUBJECT: Establishing Bilateral Copyright Relations with
China

MR. PRESIDENT:

Counsel has no legal
objection.

Purpose

To establish bilateral copyright relations with the PRC.

Background

Our Special 301 investigation into China's protection of intellectual property rights was successfully concluded January 17 with the signing of a Memorandum of Understanding. The Memorandum obligates the U.S. and China to establish bilateral copyright relations by March 17 in order to initiate protection under our respective national laws for copyrighted works.

You have the authority to establish copyright relations under Section 104 of the Copyright Act, 17 U.S. C. Section 104 (b) (4).

RECOMMENDATION

That you sign the proclamation at Tab A.

Attachment

Tab A Proclamation of Bilateral Copyright Relations with
the PRC

cc: Vice President
Chief of Staff

EXTENDING UNITED STATES COPYRIGHT PROTECTIONS
TO THE WORKS OF
THE PEOPLE'S REPUBLIC OF CHINA

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

Section 104(b)(5) of title 17 of the United States Code provides that when the President finds that a particular foreign nation extends, to works by authors who are nationals or domiciliaries of the United States of America or to works first published in the United States, copyright protection on substantially the same basis as that on which the foreign nation extends protection to works of its own nationals and domiciliaries and works first published in that nation, the President may extend protection under that title to works of which one or more of the authors is, on the date of first publication, a national, domiciliary, or sovereign authority of that nation, or which are first published in that nation.

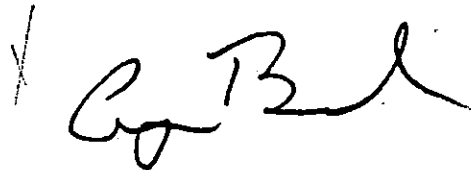
Satisfactory assurances have been received that as of March 17, 1992, as provided in Article 3(9) of the Memorandum of Understanding Between the Government of the United States of America and the Government of the People's Republic of China on the Protection of Intellectual Property (hereinafter the "Memorandum of Understanding"), China will grant to works of United States nationals and domiciliaries and works first published in the United States protection in the People's Republic of China on the same basis as works of Chinese nationals and domiciliaries and works first published in China which are not in the public domain.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by the authority vested in me by section 104 of title 17 of the United States Code, do find and proclaim that effective March 17, 1992, the conditions specified in section 104(b)(5) of title 17 of the United States Code have been satisfied in the People's Republic of China with

respect to works of which one or more of the authors is, on the date of first publication, a national or domiciliary of the United States of America, or which are first published in the United States, and as of March 17, 1992, works of Chinese nationals and domiciliaries and works first published in the People's Republic of China are entitled to protection under title 17 of the United States Code.

I hereby request the Secretary of State to notify the Government of the People's Republic of China that the date on which works of Chinese nationals and domiciliaries and works first published in the People's Republic of China are entitled to protection under title 17 of the United States Code, is March 17, 1992, 60 days after the date of signature of the Memorandum of Understanding.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth 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.

A handwritten signature in black ink, appearing to be "C. B. L.", with a vertical line to the left of the first letter.

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

TUESDAY, MARCH 17, 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)

ERMA BOMBECK

If there's one thing Americans are unhappy about, it's their age.

If they're young, they want to grow up. If they're old, they want to look young. If you want to get a woman to stop talking, ask her age.

I was watching "Star Search" a while back and heard a tender love song, "I Don't Have the Heart to Love You the Way I Should." The lyrics were seductive and romantic. They would have stirred feelings were they not being sung by a 4-year-old kid in a tuxedo.

Here was a little person who was lucky to cut up his own meat singing about love.

Youth was born with impatience. Children want to baby-sit themselves before they can flush, drive a car before their

feet can touch the brakes, wear makeup before they need it, drink before they can handle it, and spend money before they know how it's made.

It's the Doogie Howser syndrome.

Beauty pageants bear a warning label, "Contestants must be toilet trained." Diplomas are awarded to little people who have met two requirements: They are able to color in the lines and are short enough to walk under coffee tables.

On the other end of the spectrum, we cut to the chase. Older men and women are in pursuit of youth like they're apprehending a felon.

It's the war of the decade. Terminate those chins. Bombard that gray hair. Knock out that cellulite. Bring that body up to attention, soldier! Wipe those wrinkles off your face. Count off

the days till cosmetic surgery. I can't hear you!

I was watching Cher the other night and realized her lips now weigh more than my right thigh. This is disturbing.

Actually, we are as bad as youth. We want what most of us never had in the first place. We covet short skirts, challenge knits and line eyes that are lost in corduroy skin.

If jeans manufacturers had any guts, they'd name Barbara Bush as a spokesperson for "No Excuses" ads. She's one of the few public persons I know who acts, dresses and admits to her age.

Until youth and old age are able to come to terms with the benefits of where they are, we will continue to play the game of "How old are you?" with the answer being a coquettish, "How old do you think I am?"

Home-Grown Grandmasters

Laszlo Polgar's Daughters Were Pawns in an Experiment That Changed the Chess World

By Peter Maass
Special to The Washington Post

BUDAPEST

Nearly two decades ago, Hungary's communist regime was tempted to throw Laszlo Polgar into a mental institution because he refused to send his daughter to grammar school.

Polgar wanted his 4-year-old daughter, Zsuzsa, to stay at home so he could teach her to become one of the greatest chess players in the world, hopefully the best. Never mind that Polgar was a mediocre chess player and his wife didn't know the game at all. Forget about the premise that chess geniuses are born, not educated. And ignore the fact that maybe 1 percent of the top chess players are women.

Polgar was going to change all that.

His meticulous educational experiment, conceived after extensive research on the lives of famous geniuses, called for five to eight hours of chess instruction every day by the best experts available, plus a few hours of general classes in languages and history. There would be a regular time slot for swimming or table tennis to ensure good physical conditioning, and a 20-minute breather for joke-telling to ensure a healthy sense of humor. Nothing would be left to chance.

The government initially told Polgar, a teacher and Communist Party member, to forget about using his daughter as a guinea pig. But somehow he persuaded the authorities to give it a shot. Perhaps he was helped by the fact that the country's communist leader, Janos Kadar, was a chess fan. Perhaps too the government saw that East Germany's dabbling in human engineering was creating athletic champions—so why not try the same thing in chess?

Most people were dismissive. Instead of creating another Bobby Fischer or Gary Kasparov, Polgar seemed destined to turn into a tyrannical father who would shackle his unwilling daughter to the game of chess. She could not be a grandmaster, of course. She would be ruined psychologically by the experience. He was a madman, a Hungarian Daddy Dearest.

Today, Zsuzsa Polgar is 22 years old—and she is a star. She is the first female chess player to gain the rank of grandmaster, and she achieved that feat three years ago, while still a teenager. She has earned more money than most Hungarians can dream of earning in a lifetime. She has traveled all over the world. She has met President Bush. She speaks about half a dozen languages, including English, German, Russian and Esperanto. She is outgoing and has lots of friends. She loves her father and mother. There is only one other woman who has achieved more in chess than Zsuzsa Polgar.

Her younger sister, Judit.

In December, Judit Polgar became the youngest chess grandmaster ever. She qualified for grandmaster status—the highest in chess and held by only about 350 people worldwide—at the age of 15 years, 5 months. She beat the previous record of American prodigy Fischer, who was a month older when he became a grandmaster in 1958. Fischer went on to become the world champion, and Judit Polgar, the Mozart of chess, hopes to do the same. She would become the first female champion of world

chess—and the ultimate vindication of Laszlo Polgar's controversial experiment.

"She is the most promising young player," said Maxim Dlugy, president of the U.S. Chess Federation. "I think it's possible for her to become world champion. She's playing extremely well at a young age. She can only improve."

The story of the Polgar family stretches the bounds of reality and even imagination. The success of Zsuzsa and Judit, plus their sister Zsotia, 17, who is ranked No. 10 among female chess players, overturns the notion that it is impossible to teach intellectual greatness, otherwise known as genius. They have triumphed over a communist regime that soured on their father's experiment and for many years prevented them from traveling to the West. They have faced antisemitism, according to Laszlo Polgar. And their triumphs have stirred up the deeply chauvinistic chess world, which is littered with men who balk at playing women. Even though physical contact in chess is limited to a handshake at the end of play, most women compete in separate tournaments and are ranked in a separate division. The Polgars are the first to break out of this female ghetto.

The girls are described by people who know them as charming, outgoing and delightful. Their father is another story. He seems to make enemies as easily as his daughters win chess matches. He is described as aggressive, prickly and stubborn. That's what his allies say. His opponents—and there are many in Hungary's ego-filled chess world—consider him arrogant beyond toleration. Some question whether a father has the right to control a child's life and destiny in the way that Polgar has.

His detractors portray him as a Dr. Frankenstein. His admirers say he is a Houdini.

Polgar, who has proven his point that grandmasters can be trained and that they can just as easily be women as men, now wants to break the racial barriers in the virtually all-white chess world. He says there is a "50-50" chance that he and his wife, Klara, will adopt a black infant from the Third World and train the child, like his daughters, to become a chess genius.

"He has ideas in his head that he wants to achieve whether they are right or wrong," said Zoltan Ribli, 40, a Hungarian grandmaster and former tutor to the Polgar girls. "He does not like it when other people contradict him. He thinks it is a personal attack." Ribli, who lost to Judit a few months ago, has fallen afoul of Polgar for saying Judit is not good enough to become world champion. "If [Laszlo Polgar] is feeling gentle, he says my statements have no value," Ribli said with a smile.

It can be difficult to find out what Laszlo Polgar thinks about his critics, or what his daughters think about their success. That's because he often demands several thousand dollars for interviews. He asked for \$2,000 from The Washington Post, explaining that this would buy two hours not only with him but also his daughters. The Post, which does not pay for interviews, declined.

A week later, Polgar agreed to a free interview, though only with himself.

"Our profession is not to be interviewees but to play chess," he said. "If journalists were fairer and took less of the children's time, today they would be playing [chess] several categories higher."

The Polgars live in a modest apartment in the heart of Budapest. Their narrow living room is cluttered with chess books, and an entire wall is lined with sketches of chess scenes from centuries ago. Polgar, 45, sits in a worn lounge chair, a short, compact man with a bristling beard. His thoughts and moods shift quickly. One moment, he is as predictable and gentle as a pawn. The next second, his mood jumps at jerky angles like a knight, or moves stealthily, obliquely, like a bishop.

Polgar, who has published a book called "Educate a Genius!," does not disagree with accusations that he is experimenting with his own children. That's precisely the point, he says.

"A genius is not born but is educated and trained. When a child is born healthy, it is a potential genius," Polgar said.

Even before marrying, Polgar knew he would try such an experiment. In 1965, he met Klara, a fellow teacher who was to become his wife. Klara did not live in Budapest at the time, and she recalls in the book that they sent letters to each other "not about love but about the pedagogical experiment." Their first child was Zsuzsa, and though they knew they would "specialize" her, they could not decide what the discipline should be. Mathematics? Business? Languages? The question was answered when toddler Zsuzsa opened a drawer one day and found a chessboard. She asked her father to show her how to play.

Bingo.

A few years later, Zsafia and Judit were born, and almost as soon as they could walk they became curious about what was going on in the closed room where their older sister was receiving her intensive instruction. According to the Polgar book, the younger girls wanted to go inside to see, but their father said they could do so only if they also studied chess. Zsafia and Judit eagerly agreed. By the age of 5, Judit was beating her father.

But troubles emerged. The Hungarian Chess Federation wanted the girls to play other women, which their father opposed. Laszlo Polgar argued that his girls could become the best only by playing the best, which meant men. The dispute with the communist-controlled Chess Federation became bitter, and in 1981 Laszlo Polgar quit the Communist Party. Citing a threat to something called "public order," the communist government refused to allow his family to travel to tournaments in the West until 1988.

That year, Polgar agreed that his daughters would play for Hungary in the women's Chess Olympiad in Salonika, Greece. The women's Olympiad, a major international chess tournament held every two years, had been dominated until then by the Soviet Union. Each country is represented by four players, and Hungary's squad included the three Polgar sisters. Judit was 12 years old. For the first time, Hungary beat the Soviets and won the Olympiad, a feat that thrilled their homeland and shocked the chess world. They were on the map.

The Polgars regularly beat male grandmasters who are twice their age, and this can be unsettling for the victims. Some men don't think women should play in the same league with them, and others, while believing there should be no separation, nonetheless have trouble adjusting to looking across the board at a woman or, in the case of Judit, a girl barely into her teens. Pal Benko, an American grandmaster who used to train the girls intensively and still does on an occasional basis, recalls with a laugh that he suffered a mild bout of nerves when he played Judit in a tournament.

"It's a no-win situation," said Benko, 63. "It's nothing special if you win, but if you lose it's a shame—other players may make jokes about it."

Things did not go well for him during the match. He was nervous and blundered in the opening but improved as the game wore on. He offered a draw but Judit, known as a combative player, refused. The game continued for hours, and then Judit offered a draw. This time Benko refused. Midnight neared and Benko began feeling ridiculous: "This was a small kid. I felt like I was torturing her."

They agreed on a draw.

The girls have no trouble taking care of themselves on the chessboard. Laszlo Polgar takes care of everything else. He is their father, trainer, manager and protector. Whenever he thinks their interests are challenged, he attacks with even greater vigor than Judit displays in chess. Some people in the Hungarian chess world do not give on-the-record interviews about Polgar because they are afraid they might say something he does not like—and thereby earn a spot on his blacklist. "I don't know why I am an enemy," said a perplexed Hungarian who has incurred the wrath of Polgar. "I never hurt him."

Most probably, the girls would not be where they are if their father was a pushover. A person with less audacity would not have started the unorthodox experiment or been able to win its battles. The Hungarian Chess Federation is cooperative these days, tournament organizers invite the girls to play, and there is no problem with passports or money. Now, Polgar's enemies are the people who dare to criticize his daughters and jeopardize their fragile self-confidence. In the high-pressure world of grandmaster chess, there is no room in a player's mind for self-doubt. Already, according to Laszlo, his daughter Judit erupts into tears when she reads statements from Hungarian grandmasters that she is not good enough to become the best. Polgar has described current world champion Gary Kasparov as the "Stalin of chess" because he belittles the notion of female chess players.

"These people have committed a million unfair acts against us," Polgar says. "It is not only through physical violence that you can hurt children but also through psychological means. I'm constantly struggling with the problem that my children must have confidence."



The Bushes with Laszlo Polgar and his daughters Zsuzsa, Judit and Zsafia.

The Reliable Source

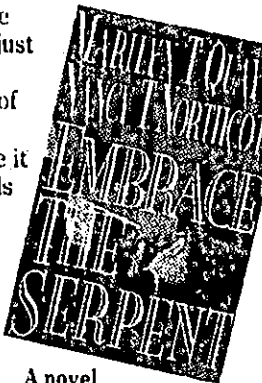
By Lois Romano

Stable Fit for a Senator

■ Apparently Marilyn Quayle understands that all senators can't live in river-view Chain Bridge Road spreads. "He lives in my little itsy bitsy teeny weeny house?" cried National Public Radio congressional reporter Mara Liasson when told that Quayle and her sister, Nancy T. Northcott, chose Liasson's A Street NE address to house Sen. Bob Grant, a central character in their new novel, "Embrace the Serpent."

"It's incredibly charming," said Liasson of the converted turn-of-the-century stable she calls home, "but he must be a very humble senator." Liasson wonders whether the authors actually inspected the house—or "just picked the address out of the hat."

"She made it up," responds Quayle pal and Hallmark Card executive Rae Evans. "It's fiction, fiction, fiction."



A novel look at local digs.

WE'VE HEARD THAT



BY HARRY DALY JAYAKI THE WASHINGTON POST



Left, King Hussein and Queen Noor of Jordan and above, a burger fit for a king.

■ When the normally whole-grain-eating King Hussein and Queen Noor of Jordan arrived in their suite at the Willard last week, they immediately asked the hotel to fetch two Big Macs (hold the cheese) and fries. The food was appropriately delivered to their room on gold platters with silver dome covers.

■ After receiving a copy of "Tried and Trousseau" from author Jennifer Rogers, Doro LeBlond wrote back, "Seeing as my wedding is the only thing I can think about these days, this will be my bedtime reading. I especially like the part that the President's popularity skyrockets after a White House wedding."

NEWSTAB Mon 16-Mar-92 14:49 EST

By Michael Posner

WASHINGTON, Reuter - Bill Clinton is standing by his woman but allegations the Arkansas governor threw state business to his wife's law firm spotlights the quandary of spouses who combine high-powered careers and the role of political wife.

In one of the most emotional moments of the 1992 presidential campaign, Clinton fumed at Democratic nomination rival Jerry Brown during a televised debate Sunday and branded a lie Brown's claim that "he is funneling money to his wife's law firm for state business."

Clinton's rebuff -- "You ought to be ashamed of yourself for jumping on my wife!" -- was a turnabout in a campaign where Hillary Clinton has had to step in to protect him from whispers his alleged infidelities had hurt their marriage.

"This is not a case of Mike Dukakis not being able to defend his wife and foundering when asked ... if he favored the death penalty if his wife were raped and murdered," said one former Clinton aide, who asked not to be identified.

His reference was to a cold, politically inept response given by Dukakis, then the Democratic presidential nominee, to a question in a 1988 campaign debate with George Bush.

Mrs. Clinton, like her husband, graduated from Yale law school. She is now an extremely successful attorney and has said that, while she will defend him staunchly and work hard for his election, she also has her own life and is "not just some little woman ... standing by my man."

The remark drew her widespread plaudits -- and got her husband off a hook that was hurting him politically -- although it also got a rebuke from entertainer Tammy Wynette, who sings the popular song "Stand By Your Man."

As for the alleged conflict-of-interest issue raised by Brown's attack, most political analysts say any harmful fallout would most likely come only in the general election campaign if Clinton wins the Democratic nomination. The judgment is the Republican candidate, presumed to be President Bush, will exploit any weakness available on among the "character issues" that supposedly make Clinton vulnerable.

Nevertheless, the dual professional and private roles of Hillary Clinton revive questions as to whether a White House candidate's wife can have a high-powered career without facing scrutiny almost as rough as that her husband undergoes.

In U.S. politics this reflects a relatively new situation where candidates wives are prominent in their own right.

Although examples are now becoming more common -- Democratic contender Paul Tsongas's wife is also a lawyer, for instance -- Americans have been accustomed to first ladies who stick to the traditional role of homemaker and campaign supporter, such as Barbara Bush and Nancy Reagan.

Hillary Clinton handles the situation with wry toughness.

Campaigning with her husband in Illinois Monday, she quipped: "I suppose I could have stayed home and baked cookies and had teas."

Said her husband, of Brown's allegation: "It's just a typical thing men do to professional women."

Hillary Clinton, at 44 a year younger than her husband, is used to weathering political storms, having been at his side since he was first elected governor in 1979.

Aquaintances call her a strong woman going back to suburban Chicago high school days, where she now says she was "a Goldwater girl" -- a backer of Republican conservative icon Barry Goldwater -- before she converted to a liberal Democratic philosophy.

Stephen Hess, a Brookings Institution political analyst, said Hillary "has made herself an issue -- she has chosen to be a political player and it goes with the territory. She opens herself up."

Mike McCurry, a Democratic political consultant and top aide in the now-defunct nomination campaign of Nebraska Sen. Bob Kerrey, said: "The whole issue of working spouses is well accepted. Hillary is a tremendous asset, smart, tough."

Greg Lebel, a former Democratic operative and now assistant dean at George Washington University, said the charges should not stop Clinton from getting the nomination if he wins big as expected in Illinois and Michigan primaries Tuesday.

As far as Hillary is concerned, Lebel added, "We're breaking new ground here with the role of political wives."

"For the first time we are seeing wives of presidential candidates who have had careers. The examples of Jackie Kennedy and Lady Bird Johnson are gone, for all intents and purposes with the exception of Babara Bush."

"I think gone are the days when the woman's job is to just look adoringly at her husband as he makes a speech."

>

PEOPLE, PARTIES AND POLITICS

Bush bash a no-profile affair

It's no wonder the Bush-Quayle re-election effort hasn't been quite the steamroller many expected. The folks at Bush-Quayle '92 didn't see fit to send any representative to address a group of 200 former and current campaign workers who gathered for a Thursday-night fund-raiser at the Kennedy Warren.

There was no Doro Bush LeBlond, as expected. Definitely no Robert Mosbacher, who was invited. The campaign couldn't even dig up a spokesperson or a deputy assistant something-or-another to greet the group of local businessmen and Capitol Hill staffers who, despite their youngish faces, had volunteer canvassing and press-advance experience reaching as far back as three presidential campaigns.

"It was a bit of a surprise," admitted **Bob Nelson**, a Virginia busi-

nessman and the event's organizer. "If I hadn't been involved in politics for so long, I would have been bothered by it. But these things happen."

"It's a chance for young professionals to get together and celebrate," said a campaign spokesman who was reached by telephone the next day. "It's very informal. . . . They do it on their own impetus."

So the crowd had to content itself with a life-size cardboard cut-out of the president, brought by advertising executive **Heather Beldon**.

"Have some respect will ya!" she said, swatting a passer-by who nearly knocked over the "president."

In many respects the lack of big-name guests seemed to sum up the theme of the event. The fund-raiser was billed as a "Team 20" party, a joking reference to "Team

100," the real-life list of big-bucks Republican contributors from around the country who shell out at least \$100,000 apiece.

This night, each guest paid \$50 to attend, with congressional workers getting a discount. Mr. Nelson said they hoped to raise \$20,000 for the president's re-election effort.

Donna Summer tunes boomed from the disc jockey's booth but attendees were more interested in trading business cards than dancing. The Kennedy Warren ballroom was festooned in red, white and blue bunting, flags, and, inexplicably, a ceramic pig under which a "Bush-Quayle '92" sign was propped.

"Bush is a real fighter and he hasn't even begun to fight yet," said guest **Frank Enten**, launching into spin-doctor mode. He dismissed challenger Patrick with this: "Pat's a nice guy and all, but he's not going to go very far."

Most Republicans present agreed with that assessment, although "gung-ho" isn't a word **Michelle Woodward**, another organizer, would use to describe them.

"A lot of these people were in the trenches, in the '80, '84, and '88 [presidential] campaigns," she said. "They aren't the \$1,000-check guys."

Others, such as **Lou Cordia**, executive director of the Reagan Alumni Association, a local group of 2,500 ex-Reagan White House and campaign staffers, had additional election theories.

"Of the Reagan alumni," he cautioned, "the split is 50-50. Fifty percent for George Bush and 50 percent for Pat Buchanan."

For conservatives, he said, "What Buchanan is articulating is much closer to their souls." But, he said, "every Reagan alumni in this room is for Bush." — **Anne Gowen**



Bush/Quayle Team 20. From left: Heather Beldon, Bob Nelson, the Man, Michelle and Pat Woodward and Scott Lane

Photo by Willard Volz/The Washington Times

The Reliable Source

By Lois Romano

WE'VE HEARD THAT...



Sen. Warren Rudman.

■ New Hampshire Sen. Warren Rudman has told a number of people that he doubts he can be talked into running for a third term, saying he's fed up with his inability to accomplish much in the Senate, and would like to get out and make some money. Rudman says he'll make a final decision and an announcement within a month.

■ Marilyn Quayle and her sister Nancy Northcott kicked off a promotional tour for their new novel, "Embrace the Serpent," at a private Red Sage luncheon yesterday. Budget Director Richard Darman, an early reader of the manuscript; producer Heidi Berenson, who helped the sisters prepare for TV interviews; and Sheila Tate were among those on hand for the send-off. And, of course, let's not forget Dan himself. Appropriately, Marilyn ordered the quail salad.

■ Rep. George Miller is at Bethesda Naval Hospital recovering from



Marilyn Quayle and sister Nancy Northcott.

pneumonia. His office reports that the California Democrat, admitted Monday, is "resting and undergoing standard treatment" for the illness, which is likely to keep him there most of this week.

■ Richard Nixon is in town today, delivering a speech on "The New World" at a luncheon in his honor at the Four Seasons Hotel and later attending a dinner for President Bush.

■ Sen. Edward Kennedy first took up painting with his brother John 40 years ago, when JFK was recovering from back surgery. And so proud is the senator of his work that he shows off a photo album filled with his landscapes. Tonight he'll be joining several colleagues, including Sens. Paul Simon, Dennis DeConcini and Daniel Inouye, and Reps. Glenn English and Dennis Eckart, in one of a series of painting sessions at the Capitol. The idea is to get the pols to complete works for a June auction to benefit the National Museum of the American Indian.

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

March 17, 1992

The President today recognized Jhoon Rhee of Arlington, Virginia, as the 721st Daily Point of Light for the Nation. Mr. Rhee, a long-time martial arts instructor, helps Washington-area youth develop good character and values.

Mr. Rhee, 60, has been a martial arts instructor in the United States for over 30 years. Although his methods are similar to most tae kwan do and karate masters, his style and objectives are unique. As a philosopher and teacher, Mr. Rhee volunteers two hours a week at seven area elementary schools, promoting and teaching the basic elements of martial arts: concentration, respect, and discipline. Adhering to these qualities helps young people become better students.

Mr. Rhee sees martial arts as a means to an end, which is to instill in young people self-confidence, strong values, and good habits. By teaching them to develop positive attitudes, to motivate themselves, to make responsible choices, and to concentrate on learning, he helps them become more accountable for their actions and more respectful of themselves, their parents, teachers, and friends.

Mr. Rhee's instruction focuses initially on the physical, mental, and emotional fitness of first grade students. It then follows their progress through elementary school, fostering individual growth and development. Mr. Rhee has shared his knowledge and philosophy with youngsters attending Amidon, Bowen, Wilkinson, Brookland, Clark, Ft. Lincoln, and Raymond elementary schools.

The President salutes Jhoon Rhee 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

WAL--MART event to Airfield to Andrews 3/17/92

TARMAC TALK but first from the event—you heard the award ceremony, which was open, but what you may not have been able to see from your berths on the riser was the intense emotional reaction of Wal-Mart employees and Walton family members on Mr. Sam's entrance in the wheelchair. Many people we saw, who had been laughing and applauding only minutes before, were teary-eyed and crying when they saw Mr. Walton wheeled in by his son. Men and women alike, all through the audience, could be seen trying to hold back tears and in most cases, not succeeding. Michael Busch told the pool it was the first time many employees had seen him in a weakened condition (he has bone cancer), although he did make an appearance at the company's last quarterly meeting. And although I cannot swear to it, I think both Mr. and Mrs. Bush seemed near tears at points throughout the ceremony.

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Michael Duffy, TIME

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Andrews AFB-Bentonville
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The 25-mile motorcade was uneventful; one of the limos never made it out of the airport. It apparently overheated before Bush arrived.

Sullivan, USIA

Duffy, Time

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 17, 1992

REMARKS BY THE PRESIDENT
AND FOREIGN MINISTER DAVID ANDREWS
IN PRESENTATION OF SHAMROCKS IN HONOR OF ST. PATRICK'S DAY

The Rose Garden

4:13 P.M. EST

THE PRESIDENT: May I just say to Minister Andrews, how delighted I am to be here. I missed the traditional lunch on Capitol Hill -- a lunch of genuine friendship between not only the parties here, but normally Ireland is so well represented as they were today. And as I think everyone knows, I was down in Arkansas for a Medal of Freedom ceremony. But may I say to our friends from Ireland, particularly the Minister, how sorry I am to miss the luncheon. But how pleased I am to receive you here.

It gives me an opportunity to express, once again, the feeling I have and the feeling the American people have about the Irish-American relationship. It is strong. It is good. And it is very, very important to us. And this ceremonial occasion gives me a chance to extend through the Minister to the people in Ireland our respects, our love and our affection on this very special day.

So Mr. Minister, I'm glad you came our way, sir. And I'm delighted to have had this short visit.

MINISTER ANDREWS: Thanks a lot. Appreciate it.

Mr. President and Mrs. Bush, just 200 years ago a distinguished Irish architect, James Hoban, designed this beautiful house. I understand that his design was inspired by another fine house in Dublin, namely the Houses of Parliament. Today that house that inspired Hoban is the seat of Ireland's Parliament.

In the year in which we celebrate the bicentury of the laying of the cornerstone of the White House, I think it's a particular privilege to be here with you, Mr. President, and Mrs. Bush to cerebrate the national day of James Hoban's country of birth.

It has, I suppose, become something of a cliché to say that St. Patrick's Day is a symbol of the enormously close bonds which bind our two countries together. But it is difficult to find new language to express something so deep-seated and enduring. They are bonds which reach back into the centuries. In many ways, both literally and metaphorically, they are really bonds of the family, Mr. President.

We have been with each other through good times and bad with James Hoban as just one example. We have helped each other build up our respect of nations. In a world that is changing with such extraordinary rapidity, these are not things to be taken for granted. As our presence here today demonstrates, I think it is fair to say that neither of us do take these things for granted. Each of us values deeply the quality of the ties which, today as in the past, bind us together.

Mr. President, we are very conscious of your deep concern about the situation, as you have stated, in the northern part of our island. We welcome the strong support of the United States for the Anglo-Irish agreement, and for the efforts to get wide

MORE

ranging political talks underway. We also greatly appreciate America's generous contribution to the International Fund for Ireland; and more recently, your new immigration legislation.

For our part, we are delighted to note the satisfaction that over 300 U.S. companies operate profitably from our island, and providing many jobs, not just for Irish workers but thousands of Americans as well, and marketing their goods and services into the important European market.

In conclusion, Mr. President and Mrs. Bush, to ensure that I honor the sacred Irish tradition of the short speech, let me conclude by conveying to you the greetings of our President, our Taoiseach, our government and indeed the people of all Ireland. And to crystalize those greetings, in a manner of speaking, may I present you on this day of tradition with a gift steeped in tradition, an Irish Tyrone crystal bowl filled with the Irish shamrock.

May it bring to you, Mr. President, and to you, Mrs. Bush, and indeed to the American people everywhere, good fortune, good health, peace, hope and happiness.

Thank you very much indeed.

THE PRESIDENT: Thank you very, very much. (Applause.)

Q Mr. President, will the luck of the Irish be with Pat Buchanan on this day? (Laughter.)

MINISTER ANDREWS: Yes and no, he asked me to say.

THE PRESIDENT: I've got to put a little shamrock --

MINISTER ANDREWS: Did you want to say something, Mr. President?

THE PRESIDENT: No -- (Laughter.)

Q How about Secretary Cheney, Martin and Madigan bouncing checks, Mr. President?

THE PRESIDENT: No, I have no comment on all that. I just got home and am looking about it. I heard that Secretary Cheney, as would be expected, did an outstanding job. I haven't seen the testimony but needless to say I have great confidence in him -- total confidence in his integrity and I just haven't heard anything about any of the others.

What I've decided to do is let this matter unfold. It's a matter of considerable agony for good people on the Hill. And let's get the facts out, and then I think the American people are very smart. They will be able to make a determination as to what was wrongdoing and who were simply victims of a system that obviously has failed everybody. And so we'll just wait and see how that works out. But I have no further comment on that subject at all, so spare yourselves the agony of asking, because I simply will not take any more questions on it on this marvelous St. Patrick's Day.

Q (Inaudible.)

FOREIGN MINISTER ANDREWS: Irish journalist here.

THE PRESIDENT: Sure.

Q Mr. President, what role can the United States play in bringing forward the progress for peace in Northern Ireland?

THE PRESIDENT: Well, I'm not sure. I think heretofore we've tried to be a catalytic role, tried to support, as the Minister generally said, certain funds. But we've got to be in close touch with the government. But it is not a problem that we ourselves can work out. It is a problem that because of our -- the many Americans of Irish heritage we are vitally interested in and because of Ireland's own substantial role in the EC that we're vitally interested in, and as Ireland-U.S. relations that we're vitally interested in.

But we simply are not in a position to dictate a solution to in any way be the sole arbiter of this difficult situation. But I've told the Minister we would like to help in any way he deems possible. But, again, it isn't easy as he and I both know.

Q Mr. President, the Israeli loan guarantees, are they dead?

THE PRESIDENT: What did you say?

Q The Israeli loan guarantees, are they dead now?

THE PRESIDENT: Well, I don't think they're dead. We have always wanted to go forward with loan guarantees. Our administration has been in the forefront of bringing and encouraging people to go home to Israel, whether it be from the Soviet Union, for Ethiopia. We have a longstanding policy that feels that settlements are counterproductive to peace. This is not a new policy. This is a longstanding policy. And I am determined to see that that policy not be altered.

However, if there's room within that policy to do what we'd like to do, which is to support the people coming home, why we'd like to do that. But settlements are counterproductive to peace and everybody knows that. So we'll just have to wait and see. I have made my position very, very clear to the Congress, and Secretary Baker has done the same thing. And we have close, historic relations with Israel. And they will always be that way. But we have a difference now, it appears, in terms of these settlements. But I have said over and over again that we want to help, we want to help in a humanitarian way, but that we simply are not going to shift and change the foreign policy of this country.

Yes, Brit? And then I've got to go because I don't want to be rude to our guests. I want to say hello to our other friends here.

Q What is your view, sir, of the compromise that was discussed yesterday on the Hill that's been offered there? I understand you're about to meet with Senator Leahy.

THE PRESIDENT: Well, I'm not sure which one you're talking about.

Q Well, what do you -- do you have something to say to Senator Leahy that might --

THE PRESIDENT: No, I'm listening. They asked for a meeting with me, and I'm very glad to have a meeting with him. Secretary Baker has had many meetings with Senator Leahy. I talked to him over the weekend, and I look forward to the meeting. But we'll see what it is that he has on his mind. But our policy is very, very clear, Brit, and I just hope everybody understands that. It's not that we're shifting ground. And it's not that we are being -- in my view, I don't think we're being difficult, we're being consistent.

Yes? Then I've got to go, I really do.

Q Why are you confident that you, yourself, did not bounce any checks? Were you able to go through your own records during your time?

THE PRESIDENT: Well, I'll tell you, I went through whatever I've got. I was in Congress 1967 to 1970. You were about four at the time. (Laughter.) And I don't -- I can't find checks back that long -- most people in America don't save them. I did find a ledger sheet that shows I have positive balances at the beginning -- from four years, my own bookkeeping -- have positive balances at the beginning of every month, at the end. And I take great pride in the fact I don't bounce checks. But heavens knows with the way the operation went up there whether there's anything to it or not. I don't believe so. I'd like to be able to say I didn't do it. But I just don't know yet.

Q Do you sympathize though with some members of Congress who say the same things you did? They said they don't bounce checks either; they didn't bounce checks --

THE PRESIDENT: Yes, I do. I --

Q -- and then they found out that they did.

THE PRESIDENT: Yes, I can understand it. If, in other words, somebody writes a check and then he puts a stop order on it, and they go ahead and transfer the check, and he's overdrawn -- absolutely. Of course, I sympathize with that. And I think there's a major institutional problem. The bank's been closed now. But I'll have more to say about that when the facts are out there. But I will, in the meantime, grunge through every file I can find stored away in little cubby holes here or in Houston, Texas, and try to find checks from 1966 -- 1967 to 1970. And I challenge everybody out here to try to do the same thing so his conscience or hers will be clear when they're asking these questions. And all you young ones can't go back that far. But for us, please, all my vintage, go back and see if you can find those checks from 25 years ago.

Q Does that mean there's some question in your mind then, sir, that --

THE PRESIDENT: What?

Q Does that suggest there's some question in your mind whether you did bounce a check?

THE PRESIDENT: No, I have no question, but when I hear the fact that checks were stopped and then they went ahead and didn't stop them, why, who knows? But I don't think I ever did that. I really do feel very -- my conscience is very clear on this. And I hope I can satisfy this understandable inquiry to go back that far.

Q What about Pat Buchanan, sir? When and how do you make peace with him, or does he have to talk to you?

THE PRESIDENT: Well, I just keep my sights on these elections. And I think we'll do well today. It's a little early to tell. But what I've got to do is lead this country, and then in the meantime, take care of these primaries that crop up every Tuesday. And so far I'm very, very pleased with the results. And I'm going to keep plodding ahead and not criticize the opponent, just keep shooting for victory.

And I hope that we achieve that today in Michigan. I hope I achieve that today in Illinois. I felt good when I was in those two states, but it's a strange year. So we're taking nothing

for granted. And, yet, I cannot be out there campaigning. I was in each state one day. And I can't spend any more time doing that because I have responsibilities here and duties here, one of which is most pleasurable today, I might add, that I'm determined to fulfill.

Q Can you and Pat make peace after all that's gone on?

THE PRESIDENT: Well, I have a -- I think so, yes -- I really do.

Q If Buchanan loses, should he get out?

THE PRESIDENT: Let's go down and say hello.

END

4:25 P.M. EST

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March 17, 1992

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DATE: March 17, 1992

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

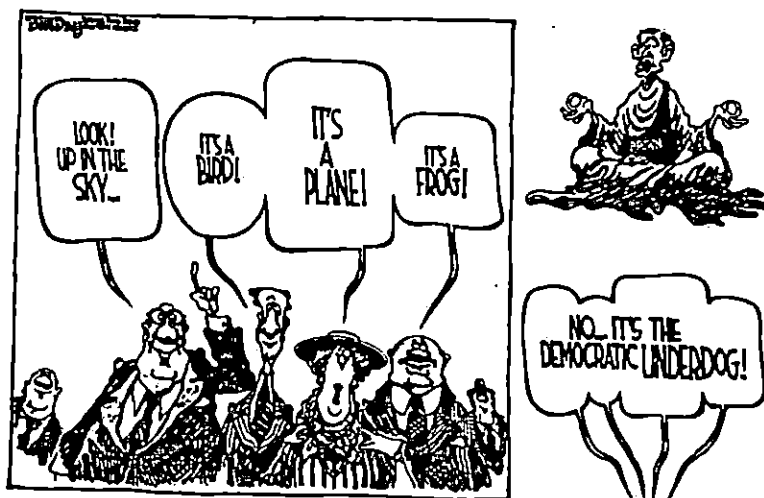
USA Today

The New York Times

Office of Media Affairs

THE DAILY NEWS CLIPS

MARCH 17, 1992



THE OFFICE OF MEDIA AFFAIRS

TUESDAY, MARCH 17, 1992

The Washington Post

Reporters' Phone Records Subpoenaed in Leak Probe

2 Who Broke Hill-Thomas Story Will Appeal

By Helen Dewar
Washington Post Staff Writer

The special Senate counsel investigating leaks of Anita F. Hill's charges of sexual harassment against Supreme Court Justice Clarence Thomas yesterday subpoenaed all telephone records of the two journalists who first reported the allegations for the two-week period before the charges were disclosed.

The action prompted strong protests from attorneys for Timothy M. Phelps of Newsday and Nina Totenberg of National Public Radio, who said they were considering asking the Senate Rules and Administration Committee or a federal court to intervene and block the special counsel's action. The subpoenas cover the journalists' home telephones and those of their news organizations.

"This is a very, very dangerous precedent," said Theodore Olsen, attorney for Phelps, who added that he probably will appeal first to the Rules Committee and then the Senate itself, if necessary.

"If a journalist cannot use her telephone without fear of government surveillance . . . the First

Amendment is imperiled," said Floyd Abrams, attorney for Totenberg. "We view it as a dangerous assault on First Amendment liberties and we will challenge them before the Senate Rules Committee or in the courts."

The subpoenas were issued to the Chesapeake and Potomac Telephone Co., which will have to turn the records over to special counsel Peter E. Fleming Jr. unless authority for the subpoenas is revoked, Olsen said. Both Olsen and Abrams said there is little if any precedent in law dealing with cases of this kind.

Fleming, who was hired by the Senate to investigate leaks of confidential documents about Thomas during his confirmation hearings last fall, subpoenaed all phone records for the period Sept. 23 to Oct. 6, 1991.

Ken Pitt, spokesman for Bell Atlantic Corp., which owns C&P, said company practice is to comply with "a legitimate subpoena." He said that while long-distance calls made from numbers under the subpoena would be recorded, "there would be no surviving records" of local calls.

See LEAKS, A9, Col. 5.

LEAKS, From A1

Oct. 6 was the day that Phelps and Totenberg ran their stories disclosing Hill's allegations that Thomas sexually harassed her while she worked for him at the Education Department and Equal Employment Opportunity Commission during the 1980s.

The stories created an uproar, resulting in a second round of hearings on Thomas's nomination. Thomas, who denied the allegations, was subsequently confirmed by a close vote of the Senate. Under pressure from Republicans who were furious about the charges against Thomas, the Senate then voted to investigate the leaks.

Earlier this year, Phelps and Totenberg appeared before Fleming in response to subpoenas, but refused to disclose sources of their stories or to turn over any records. Officials of several outside advocacy groups that opposed Thomas's nomination also have been questioned by Fleming, as have several senators and a number of Senate staff members.

Although Fleming can issue subpoenas, he needs specific enforcement authority from the Senate Rules Committee or the Senate itself if there are objections to them. Many senators, including Ted Stevens (R-Alaska), ranking minority member of the Rules panel, have said there is little if any support on the committee or in the Senate for

compelling the testimony of journalists.

Neither Fleming nor Rules Committee leaders were available for comment late yesterday.

In a statement issued in response to the subpoenas, Robert M. Johnson, publisher of Newsday, a Long Island-based newspaper, urged the committee and the Senate as a whole to "bring an immediate and complete stop to this reckless endeavor."

"In essence, Mr. Fleming, using the power and authority of the Senate, has said that if we do not voluntarily disclose our source or sources, he will compile a record for the Senate that will include every person who was called by reporters from Newsday and every person who Mr. Phelps called from his private phone. This constitutes a violation of the privacy of every individual contacted by Newsday or Mr. Phelps for any reason whatsoever during this period," Johnson added.

"I think it's outrageous," said Totenberg. "In my view there should be no right to rummage through my phone records or my husband's records, when there's not even an allegation of criminal activity."

"These are police-state tactics and are all the more outrageous because there is no charge that I or anyone at Newsday broke any laws or violated any Senate rules in the reporting of this story," said Phelps.

Staff writer John Burgess
contributed to this report.

TUESDAY, MARCH 17, 1992

The Washington Post

Bevis Longstreth

CEO Pay: Don't Let the Government Decide

Are American corporate executives paid too much? President Bush's controversial trip to Japan brought the issue to the forefront, and then the Securities and Exchange Commission announced some actions that are likely to keep it there awhile.

SEC Chairman Richard Breeden announced proposals to change proxy rules that will give shareholders a clearer picture of how executive pay is doing in relation to a company's performance and also will provide them with information on what the firm's criteria are for compensation awards. In addition, the SEC reversed its policy of excluding shareholder proposals relating to compensation from proxy statements; shareholders will thus be permitted an advisory vote on issues of executive and board compensation. The chairman left no doubt, in announcing these changes, that he was reacting to widespread public concern over these issues.

Is the concern justified? I think it is. And in an atmosphere suffused with recession fears and election-year non-

sense, the natural attractions of the subject are magnified. There are three aspects to the problem:

First, the relationship of the CEO's compensation to that of other employees. Plato recommended a maximum ratio of 5 to 1 for the highest-paid member of a community compared with the lowest. Peter Drucker suggested limiting CEOs to 20 times what the lowest-paid employee receives. But in fact, recent studies show this ratio to be 160 to 1 or more.

Second, the inadequate linkage between pay and performance. Economist Robert Reich reports that while average corporate profits dropped 7 percent in 1990, average CEO compensation rose 7 percent. ITT's Rand Araskog earned \$11 million as ITT's stock price fell by almost 20 percent. UAL's Steven Wolf netted \$18 million while corporate profits dropped 71 percent.

Third, the high level of CEO compensation in absolute terms. In the celebrated case of *Rogers v. Hill*, Circuit Judge Swan's dissenting opinion was para-

phrased as, "No man can be worth \$1 million a year." The average 1991 compensation of the dozen CEOs traveling with President Bush to Japan was more than \$2 million. By comparison, Japanese CEOs average \$350,000 and are subject to sharply higher tax rates. U.S. levels also far exceed those in the European Community.

The dilemma of executive pay is how to achieve a balance between two sets of rewards: what executives and directors are paid to serve and what their service does to benefit the company and its shareholders. In a market economy, a solution is theoretically achievable through private ordering within a competitive environment. But in practice, the marketplace for CEOs and directors is not elastic. Nothing in our recent experience would lead one to believe that a marketplace solution will work.

Then what about "guild standards," imposed by the elite associations of business men and women and lawyers and reinforced by the press, public inter-

est groups and investors? In fact, we do have something like this now in many areas, but experience to date suggests guild standards aren't working either.

The American Law Institute's Corporate Governance Project recommends that every large publicly held corporation have a compensation committee composed exclusively of directors who are not officers or employees and at least a majority of whom have no significant relationship with senior executives. Compensation committees substantially meeting these recommendations have been in place for some time among a large number of publicly held corporations. Nevertheless, excesses in executive compensation persist.

If market forces and guild standards fail to curb these excesses, in a country where the Madisonian imperative of checks and balances is never out of mind, can government regulation be far behind? There are growing indications in this election year that point to a shift beyond the confines of the private sec-

tor. One is Sen. Carl Levin's (D-Mich.) bill to "reduce federal barriers to effective stockholder action on excessive executive pay." Another is Rep. Martin Sabo's (D-Minn.) bill (introduced with due credit to Plato and Drucker) that would deny corporate deductions for executive compensation in excess of 25 times the compensation of a company's lowest-salaried employee.

And tucked away in the "FDIC Improvement Act of 1991," which is now law, there is the new and (to date) little-noticed requirement that federal banking agencies prescribe by Aug. 1, 1993, standards for compensation, fees and benefits paid by banks and S&Ls, and that they define what constitute excessive levels, the payment of which will be deemed an "unsafe and unsound practice."

It's ironic to find within our market-oriented system such growing pressure for government control of compensation, especially at a time where we are applauding the global turn away from

command economies, government-run businesses and government-imposed levels of price and compensation.

Excesses in executive and board compensation plainly exist and are causing harm. Averting governmental controls—with all their thorny problems of implementation and their unhappy side effects—is a difficult but compelling task to which the private sector must now turn full attention.

SEC Chairman Breeden struck the right note in favoring market forces over government regulation. A solution should be found in better guild standards that are more vigorously applied and publicized by leaders of business, the bar and the investment community. The SEC has given an important boost to this solution with its recently announced changes.

The writer, a New York lawyer, was a member of the Securities and Exchange Commission from 1981 to 1984.

OMB's Logic: Less Protection Saves Lives

Letter Blocking Health Standards for 6 Million Workers Shocks Officials at Labor Dept.

By Frank Swoboda
Washington Post Staff Writer

The Office of Management and Budget has blocked new health standards for more than 6 million workers in the construction, maritime and agricultural industries on the theory that less protection may save more lives than adding regulatory costs to employers.

The novel theory, outlined in a letter from OMB to the Labor Department last week, argues that added regulatory costs could force an employer to either lower wages or cut employment. If this happens, OMB asserts, it could have a negative impact on workers' health because, it says, higher-paid workers tend to take better care of themselves and if they can no longer afford to do so, more may be killed than saved.

At issue are standards proposed by the Labor Department's Occupational Safety and Health Administration to set permissible exposure limits (PELs) for more than 1,000 substances used in the three industries. The standards, which were approved nearly four years ago for all other industries, are designed to protect workers from excessive exposure to hazardous substances in the workplace.

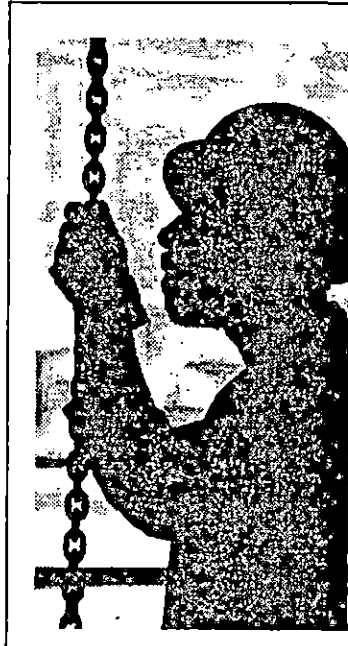
OMB said it would not consider the proposed regulations until the department completes an analysis showing whether the new rules would have an adverse effect on wages and employment levels in the affected industries. Departmental sources predict such a study could take several years and still would be inconclusive.

The letter has caused an uproar in the Labor Department, where officials warn it could have an impact on all federal regulatory agencies. "If this is the new approach OMB is going to take, it's not going to just affect OSHA," a Labor Department source said.

OMB officials said yesterday the letter represents OMB policy and would apply to all federal regulatory agencies.

Peg Seminario, director of health and safety for the AFL-CIO, called the OMB position "really looney." She said the "analysis they're asking for sort of comes out of thin air and is not required by law. This goes well beyond anything required and it would be impossible to do."

The OMB directive comes as the White House has declared a 90-day



The OSHA standards are designed to protect workers from excessive exposure to hazardous substances. OMB wants an analysis of whether the rules would adversely affect wages and employment.

moratorium on new federal regulations. It also coincides with an announcement by President Bush during a campaign trip to Detroit last week that the auto industry would not have to build cars that would keep gasoline fumes from escaping during refueling.

A senior department official said OMB has put Labor Secretary Lynn Martin in an "incredibly awkward position." Any showdown with OMB is apt to be a major, public test of how much clout Martin has with Bush. Martin, a 10-year veteran of Congress, often has traded on her close ties to the president in dealing with department issues. "This is going to be hot," a department source said.

OMB last Friday refused a formal department request to withdraw the letter. Yesterday, under Martin's direction, the department was drafting a reply to OMB. It questions OMB's legal authority to force OSHA to weigh safety benefits against economic risks for federal health standards. The Supreme Court ruled in 1981 in a case involving cotton dust standards that cost-benefit analysis was illegal in determining health standards.

The draft, being circulated in the department, also suggests that if OMB wants to create a new policy such as the one outlined in the OSHA

letter, it should publish a proposal in the Federal Register and let all the regulatory agencies comment on it.

James B. MacRae Jr., acting administrator of OMB's Office of Information and Regulatory Affairs, wrote: "The positive effect of wealth on health has been established both theoretically and empirically. Richer workers on average buy more leisure time, more nutritious food, more preventive health care and smoke and drink less than poorer workers.

"Government regulations often have significant impact on the income and wealth of workers. To the extent that firms cannot pass on regulatory compliance cost increases to consumers, firms will absorb these costs by cutting wages and by reducing employment."

Therefore, MacRae wrote, "OSHA should estimate whether the possible effect of compliance costs on workers' health will outweigh the health improvements that may result from decreased exposure to the regulated substances." He said he was sending the proposed draft regulations back to the Labor Department for further analysis "to compare the health effects of these income changes to the health benefits that OSHA attributes to reduced exposure."

In requesting the analysis, MacRae cited a recent federal appeals court case involving OSHA

and the United Auto Workers union. He cited research asserting that every \$7.5 million in additional regulatory expenditures may result in an additional death from lowered worker income. Because the proposed OSHA regulations would add an estimated \$163 million in annual employer costs, MacRae argued in his letter, the new rules could result in an additional 22 deaths. Because OSHA estimates the new regulations would save 8 to 13 lives a year, MacRae reasoned, there would be a net increase of 8 to 14 deaths a year.

MacRae's letter came as a complete surprise to top managers at the Labor Department. "It came totally out of the blue," a senior official said.

Other department sources used words such as "bizarre" and "ridiculous" to describe the MacRae letter. "I've never seen anything like it from OMB," said a source. "The majority of the people who looked at it in the department were absolutely shocked."

What worries policymakers at the Labor Department is the fact that MacRae, a career civil servant who has been acting head of his division for nearly four years, has the last say on most federal regulations. "He is essentially the final word," said a department source. Department officials said that under normal circumstances, negotiations between OSHA and OMB are conducted at a lower staff level, with MacRae hearing any appeals when there is disagreement. This time, a department source said, "there were no phone calls from the OMB staff and suddenly there's a letter. There's no indication why anything like this happened."

In an interview yesterday, MacRae said "the letter stands by itself" and represents OMB policy. "I'm not on my own. I do what I'm told to do," MacRae said. He said the analysis requested in his letter to the Labor Department was "certainly something that's worthy of all [regulatory] agencies to take note of."

MacRae said that if OSHA was so concerned about further delay, it would have completed standards for the three industries years ago, shortly after the general industry standards became final. "As far as I'm concerned, it is a valid consideration and we're awaiting a reply from the Department of Labor," MacRae said.

White House Curbed Release of Data On Prewar Support of Iraq, Hill Told

By George Lardner Jr.
Washington Post Staff Writer

The White House last year set up an elaborate mechanism to review and restrict the release of information concerning the Bush administration's support for Iraq prior to Iraq's invasion of Kuwait, according to documents released in Congress yesterday.

House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) said in a floor speech that the mechanism was set up under the National Security Council's legal adviser, Nicholas Rostow, and prescribed a series of increasingly difficult hurdles to stifle congressional requests for information.

The disclosure provided new insight into how the administration, embarrassed by having miscalculated Iraqi President Saddam Hussein's intentions and his susceptibility to U.S. enticements, sought after the Persian Gulf War to limit investigation of its earlier policy toward Iraq. While the broad outlines of prewar U.S. efforts to assist Iraq had been known, congressional probes and news reports have in recent weeks revealed the lengths to which senior Bush administration officials went to sustain the assistance despite warnings from others in the government.

"It used to be that coverups were sort of *ad hoc* events—a mad scramble to provide damage control," said Gonzalez, a leading critic of the administration's previous policy toward Iraq. "The Rostow Gang advances the notion that coverup mechanisms have become an integral cog in the machinery of the Bush administration."

Gonzalez used the phrase "Rostow Gang" repeatedly yesterday to describe the group of top government lawyers—from the White House, the CIA and the depart-

ments of State, Justice, Defense, Treasury, Commerce, Agriculture and Energy—who first convened April 8 last year to review congressional requests for information and coordinate approaches.

Rostow could not be reached for comment yesterday, and attempts to reach some of the other government lawyers at the meetings with Rostow were also unsuccessful. But CIA spokesman Peter Earnest said of the group that it "is not uncommon at all to coordinate the release or disclosure of information when you've got more than one department involved."

Under the arrangement agreed to by the group, the general counsels for each agency were to review congressional requests to see if they could be withheld on grounds of executive privilege. Congressional access to documents that passed this hurdle was to be limited to members only, and then only for note-taking. The notes were to "be marked for classification by the department or agency in question," according to an April 8, 1991, memo by Rostow that was among the documents released yesterday.

Rostow was in charge of coordinating responses, according to another memo, so that "agencies do not pursue inconsistent approaches."

Gonzalez said the ostensible purpose of the process was "to ensure cooperation" with Congress, but in reality, he added, it put the White House in charge of limiting congressional oversight. He said the only way to overcome the hurdles was to use subpoenas. But even with the issuance of about 100 subpoenas by his committee, Gonzalez said, important records are still being withheld by one agency. Several other agencies, he added, "conveniently could not find" subpoenaed documents.

Among the documents that the administration withheld on the basis of executive privilege, Gonzalez said, was an October 1989 National Security Decision Directive signed by Bush—known as NSDD 26—which ordered "pursuit of improved economic and political ties with Iraq."

Gonzalez also voiced suspicions that NSC officials had a hand in altering Commerce Department information supplied to Congress last year about the licensing of goods shipped to Iraq. The changes, which affected 66 export licenses, included deletion of the phrase "military use" from five truck licenses worth more than \$1 billion. The trucks were never shipped.

Under policies initiated in 1982 during the Iran-Iraq war, the Reagan and Bush administrations undertook a number of measures to assist Iraq, including approval of Export-Import Bank loan guarantees, expansion of Commodity Credit Corporation (CCC) credit guarantees up to \$1 billion a year and sharing of intelligence information.

But officials at Agriculture and other agencies grew uneasy about the CCC guarantees following disclosure in August 1989 of a scandal involving the Atlanta office of the Italian-owned Banca Nazionale del Lavoro and \$4 billion worth of unauthorized BNL loans to Iraq, including \$900 million guaranteed by the CCC.

Nonetheless, the State Department and the NSC continued to press in the fall of 1989 for a \$1 billion CCC program on grounds that providing additional farm credits was crucial to maintaining U.S.-Iraqi relations. The program was approved in two installments, but the second installment of \$500 million was subsequently suspended in May 1990 as relations with Iraq were deteriorating.

Cooperation Sought in Aiding Republics

Mitchell Asks Bush to Join in Formulating Non-Partisan Policy

By Helen Dewar
Washington Post Staff Writer

Senate Majority Leader George J. Mitchell (D-Maine) urged President Bush yesterday to join Democratic and Republican leaders of Congress in developing an "effective, non-partisan policy" to help emerging democracies in the former Soviet Union.

Mitchell issued the appeal for cooperation in a speech to the Los Angeles World Affairs Council that was otherwise critical of key aspects of Bush's foreign policy, including the president's response to proposals from Russian President Boris Yeltsin for deep cuts in nuclear arms and a nuclear test ban.

"Our nation recently has been drifting in the international area, unsure of itself, its capabilities and its goals," Mitchell said in urging what he called a "new and broadly supported policy to guide America's behavior in the 21st century."

Mitchell's speech, a copy of which was released by his office in Washington, followed a series of appeals to Bush from other members of Congress from both parties for more assistance to the former Soviet republics and criticism from some of the lawmakers about the president's efforts thus far.

The Senate Democratic leader caused the speech to outline his case for a new foreign policy whose emphasis is based on American "ideals" rather than specific geopolitical interests. That policy should include promotion of an expanded right for the United Nations to intervene in countries engaged in "gross abuses of human rights," he said.

While calling for a "new world order" based on such ideals, Bush failed to push for democratic reforms in Iraq and Kuwait, Mitchell said. The president's support for most-favored-nation trading status for China in the face of that nation's human rights violations also contradicts basic American values, he added.

In pursuit of a policy based on democratic and other ideals, Mitchell said, the United States should concentrate more on economic aid than military assistance and finance military aid, including support for U.N. peacekeeping operations, from the Pentagon budget.

"We should remove the Cold War agenda from foreign assistance, abandoning the practice of providing aid to support regimes just because they're anti-communist. We should instead target resources to meet humanitarian needs or larger political principles that we support," he said.

While offering no specifics about how the United States should increase assistance to the former So-

viet states, Mitchell referred in general terms to long-term, multinational aid through the International Monetary Fund as well as a more supportive U.S. response to Yeltsin's nuclear proposals.

"I invite President Bush to sit down with the bipartisan leadership of Congress to discuss our common goals," he said. "I believe that together we can adopt an effective, non-partisan policy to help the Commonwealth [of Independent States]. This is perhaps the ultimate opportunity to act on our principles, and it is very much in our interest," he said.

Bush Rejects Hill Move On Israeli Loan Plan

By John M. Goshko
Washington Post Staff Writer

Israel's bid for \$10 billion in U.S. loan guarantees appeared on the verge of collapse yesterday after President Bush rejected a congressional proposal that would have eased the linkage between the guarantees and a freeze on Jewish settlements in occupied territories, administration and congressional sources said.

Failure to break the impasse between the White House and key senators came as Israeli Defense Minister Moshe Arens, who is visiting here, reiterated that Israel will not accept linking the guarantees to the settlements, which he called "a key element in Israel's security doctrine." Israel has sought the guarantees to help cover the costs of absorbing tens of thousands of Jewish immigrants from the former Soviet Union.

"We will not beg or crawl for help," Arens told a national gathering of more than 3,000 youth volunteers for the United Jewish Appeal. "We hope our friends in Washington will help us shoulder the guarantees burden . . . But if that is not to be, without rancor and with continuing friendship for the United States, we shall have to do it ourselves."

The sources said that over the weekend Secretary of State James A. Baker III told the two senators overseeing the foreign aid bill that a compromise plan they had offered was not acceptable to Bush. The proposed legislation would have exempted the first \$1 billion in loan guarantees from a halt in new settlements but made disbursement of the remaining \$9 billion subject to terms set by Bush.

The two senators—Patrick J. Leahy (D-Vt.), chairman of the Appropriations subcommittee on foreign operations, and Robert W. Kasten Jr. (R-Wis.), the subcommittee's ranking minority member—are scheduled to meet with Bush today in a last-ditch effort to find another compromise formula. Administration officials said Baker had given them some counterproposals to consider.

But congressional sources de-

scribed these ideas as falling far short of what Leahy and Kasten are willing to accept. These sources said that the White House appears determined to veto any legislation granting the guarantees so long as Israeli Prime Minister Yitzhak Shamir's government does not agree to an immediate freeze on new construction in the West Bank and Gaza Strip.

As a result, the sources added, Leahy and Kasten have all but given up hope of reaching an agreement with Bush that would incorporate the guarantees in foreign aid legislation this year.

The guarantees dispute is coming to a head as U.S.-Israeli relations have become enmeshed in another controversy about whether Israel, which receives more U.S. military aid than any other country, illegally supplied sensitive American technology to other countries. The dispute includes questions about whether Israel shared with China technology from Patriot missiles, provided by the United States last year to protect Israel against Iraqi Scud missile attacks.

"There is not a grain of truth in these allegations," Arens said in his speech. "I don't know who are the individuals or officials, who prefer anonymity, who are floating these allegations, but they do not have the best interests of the United States and Israel at heart."

Earlier, following a Pentagon meeting with Defense Secretary Richard B. Cheney, Arens said that his government is ready "to allow the United States to do what they think is necessary to verify that these allegations are totally groundless." He left unclear whether Israel intends to limit any U.S. inquiry to the Patriots or would open all aspects of its technology transfers to examination.

State Department spokesman Margaret Tutwiler said later that a team of U.S. experts will visit Israel "to ensure that there are not any misunderstandings on technology transfer questions, including on the Patriot missile." White House press secretary Marlin Fitzwater, responding to questions about whether the administration leaked the allegations to harm Israel's image, said: "No, that's not true. . . . We've worked long and hard for good relations with Israel."

On the loan guarantees issue, the sources said that Leahy and Kasten had proposed that the foreign aid bill authorize \$2 billion in loan guarantees each year for five years. Under their plan, the first \$1 billion would be disbursed immediately, but \$150 million would be deducted as a penalty to cover the cost of continued work on housing in Israeli settlements already under construction.

Disbursement of the remaining \$9 billion would be left to the president's discretion. That would have enabled Bush to hold up additional guarantees if at any time he determined the level of Israeli settlements activity in the territories to be "inappropriate."

■ When the normally whole-grain-eating King Hussein and Queen Noor of Jordan arrived in their suite at the Willard last week, they immediately asked the hotel to fetch two Big Macs (hold the cheese) and fries. The food was appropriately delivered to their room on gold platters with silver dome covers.

■ After receiving a copy of "Tried and Trousseau" from author Jennifer Rogers, Doro LeBlond wrote back, "Seeing as my wedding is the only thing I can think about these days, this will be my bedtime reading. I especially like the part that the President's popularity skyrockets after a White House wedding."

■ Wear your greenest greens to the 7:20

showing of the Irish romantic comedy "Hear My Song" at K-B Paris tonight, and admission is on Miramax Films.

■ Actor Mickey Rourke did not go unnoticed in his ponytail and white suit when he swept into a Brooklyn courtroom yesterday to visit his friend, reputed mobster John Gotti, on trial for murder and racketeering. "I do roles that are urban-type roles. He knows that stuff," explained Rourke.

Arnold S. Trebach

Lessons From Needle Park

Like The Post, I too have long been skeptical of the Swiss experiment in Platzspitz, also known as "Needle Park." However, it was wrong for The Post to take the recent closing of the park as evidence that all drug-policy reform proposals—in particular, clean needle exchange and legalization—are equally ill-conceived [editorial, Feb. 29].

Needle Park evolved as a compromise between addicts who congregated at Platzspitz and local officials. The Swiss attempted to "ghettoize" the drug problem in Zurich by isolating drug users at a location away from the main parts of the city. Within the confines of the park, a drug free-for-all flourished. Outside Needle Park, possession, sale and use of drugs were still illegal.

This localized decriminalization plan served the city's interest in reducing the number of drug dealers and users on the streets. It also made it possible to focus addict-outreach programs in one central locale. But many aspects of the plan were not managed effectively. For instance, the plan did not deal with how addicts would get their drugs or who could come into the park. The result: Drug users and dealers of all ages and nationalities were free to join the chaos at Platzspitz.

Things could have been done differently to stem the major problems before they happened. Switching drug strategies to any form of discrimination or legalizing should not mean having no laws or restrictions. Indifference to age limits for

entry to Needle Park was clearly one of the worst mistakes made by the Swiss. Failure to ensure that park users were residents of Zurich also created huge problems.

Planners could have removed the financial incentive for drug dealers to frequent the park in search of customers. The Swiss might have employed a system similar to the one I have seen

Taking Exception

work in Liverpool, England, where clean needles are given out to all, and some doctors provide medicinal drugs to their addict patients. This strategy curtails the spread of AIDS through needle sharing, eliminates the drug dealer from the equation and ensures that a minimum number of nonaddicts will begin using drugs.

But these criticisms of Needle Park are secondary to its major flaw. Because of the Swiss desire to isolate drug users from the rest of society, planners opted to allow *public drug use* in the park. While there are advantages to bringing the drug problem above ground in order to deal with it, the Swiss went too far. The spectacle of strung-out addicts lying on benches and on the grass oblivious to the world is clearly unfit for a public place.

Still, to construe this scene as an example of what drug legalization or even needle exchange

programs would bring to the United States is disingenuous at best and maliciously deceptive at worst. No responsible advocate of drug policy reform I know—and I know many such people worldwide—supports allowing the public use of drugs as part of the transition to a new policy. Indeed, many of the proposed legalization and decriminalization plans I have seen call for harsh sanctions against those who use drugs in public or work or drive while intoxicated. Most plans would discourage the rise of "drug pubs" similar to alcohol bars.

While reformers would not emulate most aspects of the Swiss experiment, we would not choose to make denial of the realities of drug use, addiction and AIDS a national policy either. Outreach programs such as sterile needle exchanges, which played a role at Needle Park, bring addicts into contact with health care workers and help prevent the spread of AIDS. They should be part of our drug policy.

The Bush administration refuses to consider needle exchange programs because it fears creating an American Needle Park. Administration officials need only look at the needle exchange programs in New Haven; Tacoma, Wash.; San Francisco and other U.S. cities to see that such programs can be run effectively without increasing drug use and without allowing public use. In addition to the Liverpool program, I have also seen firsthand the successful needle exchange

programs in Amsterdam. In contradiction to The Post editorial, Dutch policy never duplicated the Needle Park scene by allowing public drug use. In fact their needle exchanges are operated out of nondescript buildings.

Unlike those who would like to use the closing of Needle Park to rebuke proposals for conscientious drug policy change, I believe we can learn from the mistakes of the Swiss. We can hardly feel vindicated by their failure, as deaths from drug-trade homicides and AIDS are at much higher levels in the United States. We need to find ways to respond to these problems. The lesson of Platzspitz is simply that frustration with total prohibition can breed bad models of drug-policy reform.

The addicts of Zurich are still there. American addicts are wandering our streets. They all need our help, and we need to find ways to bring them in. As long as we continue defining them as despised outlaws, they will keep living outside the law. One thing is certain: As the Swiss are again faced with the prospect of drug dealers and addicts wandering the streets of their cities, they will not be looking to the United States for guidance on what to do about the problem.

The writer is a professor of criminal justice at American University and president of the Drug Policy Foundation, an independent think tank on drug policy alternatives.

By Lois Romano

Stable Fit for a Senator

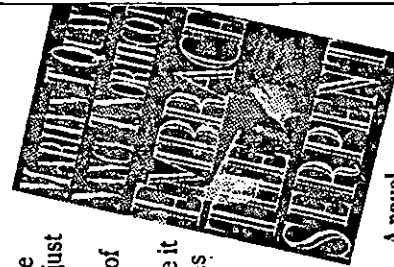
■ Apparently Marilyn Quayle understands that all senators can't live in river-view Chain Bridge Road spreads. "He lives in my little itty bitsy teeny weeny house?" cried National Public Radio congressional reporter Mara Liasson when told that Quayle and her sister, Nancy T. Northcott, chose Liasson's A Street NE address to house Sen. Bob Grant, a central character in their new novel, "Embrace the Serpent."

"It's incredibly charming," said Liasson of the converted turn-of-the-century stable she calls home, "but he must be a very humble senator." Liasson wonders whether the authors actually

inspected the house—or "just picked the address out of the hat."

"She made it up," responds Quayle pal and Hallmark Card executive Rae Evans. "It's fiction, fiction," fiction.

A novel look at local digs.



David S. Broder

House at Play

CHICAGO—The House bank scandal is one of those stories that seemingly require no explanation. Everybody can understand penalty-free check-bouncing. That's what makes it so damning—and so easily distorted.

What's known at this point strongly suggests that dozens of members of Congress have taken advantage of the laxness of operations at their checking-and-deposit service to float themselves large, interest-free loans. It's also clear that scores of others are facing embarrassment—if not worse—for sloppiness no more sinister than the kind of checkbook-balancing errors most of us often make.

The primary contests and November election will tell us how shrewd the voters are in separating the sheep from the goats in this mess. Meantime, commentators are using the scandal as a metaphor for everything they dislike about Congress. Like the \$640 toilet seat, which came to symbolize Pentagon waste, the check-bouncing story seems certain to become a shorthand symbol of a Congress that is relentlessly undisciplined in far larger fiscal matters.

The situation is both better and worse than it's being made to appear. As scandals go, this one is penny ante. There was no damage to national security, no breach of the Constitution and no significant loss to the taxpayers. Yet it is both phony and futile for members of Congress to insist that this was "a private matter" that involved no misuse of public funds and therefore should be of no concern to their constituents.

The bank was in the Capitol building, which both symbolically and legally belongs to the nation and all its citizens. The clowns who ran it were on the federal payroll, supported by our taxes.

Moreover, the operation which Speaker Thomas S. Foley finally and belatedly shut down last year was not an anomaly. If it did not reflect the "institutional corruption" Minority Whip Newt Gingrich (R-Ga.) alleges, it was certainly symptomatic of a legislative branch that—in far more serious ways—has become dangerously overindulgent of its individual members.

That pattern—of individual self-interest prevailing over collective responsibility—is what's wrong with Congress. It is the end product of a political system that in almost every way has exalted individual self-aggrandizement over party and institutional responsibility.

Tommy Robinson, the former Arkansas congressman who popped up on one list as the alleged bouncer of a record 996 checks,

was welcomed at the White House three years ago by President Bush when he switched from the Democratic to the Republican Party. No one in the GOP hierarchy was under any illusions about Robinson; he was an opportunist who jumped parties in return for a promise of the GOP gubernatorial nomination in 1990 against Gov. Bill Clinton. In the end, the Washington GOP power brokers were unable to deliver on their end of the deal, and Robinson fell in the Republican primary.

But his cavalier attitude toward his party affiliation is only marginally worse than many other members of Congress, just as his check-bouncing apparently exceeded the norm. Far too many of today's House members are individual entrepreneurs, in political business for themselves, and they have

made the House a place that is run—like the defunct bank—for the benefit and convenience of its individual members, not for any larger purpose.

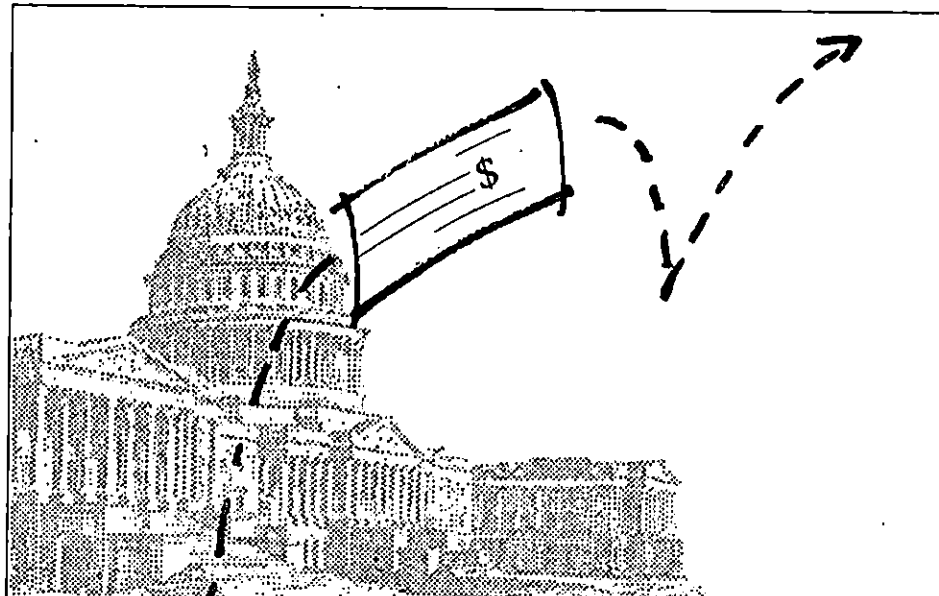
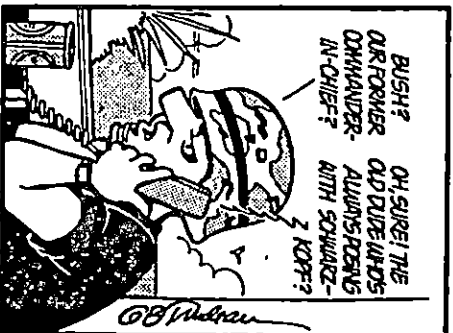
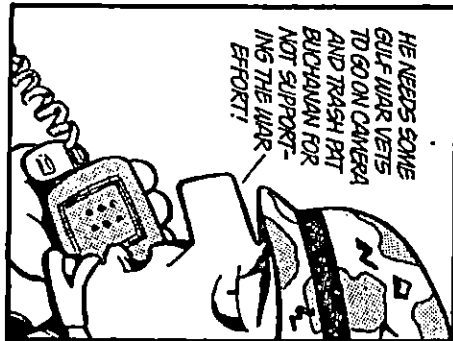
The House works a Tuesday-to-Thursday schedule, so the members can conduct their constituency-building business at home four days a week. It has expanded its staff—especially in home-district offices—to give its members a publicity and personal-service operation that few challengers can match. It has spawned so many subcommittees that almost any third-term member can be called "Mr. Chairman," enjoying additional staff and perks, even though this undergrowth of subcommittees interferes with the work of legislation. And, of course, it has developed the art of individual fund-raising to epic proportions.

Gingrich is right in saying that this pattern of excessive individual self-indulgence has grown under long years of one-party Democratic rule. But as the list of bank offenders shows, the exploiters of these advantages are by no means confined to Democratic ranks. The politics of selfishness—in all its aspects—knows no partisan bounds.

Some say the answer to all this is term limits, but rotating people in and out of office is no guarantee of higher standards—and certainly not of party and institutional responsibility. Far better for the voters to accept their responsibility to deal with the flagrant offenders at election time. If they do, everyone in Congress will understand that earning back public trust requires them not only to keep their checkbooks straight but to make the House once again an effective and accountable legislative body—not a personal plaything for its members.

By G.B. Trudeau

DOONESBURY



Clinton's Wife Finds She's Become Issue

Arkansas Lawyer Denies Impropriety but Vows to Rethink Her Role

By Dan Balz and Edward Walsh
Washington Post Staff Writers

CHICAGO, March 16—On the sidewalk outside the Busy Bee restaurant this morning, Hillary Clinton stood surrounded by reporters—defiant, feisty and, she said, confused.

Through two months of adversity this winter, she never flinched, defending her husband in the face of charges of infidelity and evading the draft. Juggling career, family and political ambition, she seemed to embody a new generation of political spouse. But today she seemed unsure of herself as she answered questions about her role as a partner in Arkansas's biggest law firm and denied that she had benefited from the fact that her husband Bill is the state's governor.

"I must say that the events of the last week have certainly raised a lot of questions . . . for me, and I haven't sat down and focused on it," she told a reporter who had asked her if she would practice law if her husband were

elected president. "Right now I'm a little confused about what the rules are."

Last summer, as her husband was in the final stages of deciding whether he would run for president, the 44-year-old Yale Law School graduate acknowledged in an interview that the American people might not be ready for a woman who had her own high-powered career. She had been studying Marilyn Quayle, she said, like herself a lawyer, but one who had never practiced—in deference to her husband's political career. That seemed unacceptable to her.

On Sunday night, the "new generation" woman and her career became issues in the campaign when former California governor Edmund G. "Jerry" Brown Jr. accused Clinton during a televised debate of funneling state business to his wife's law firm. Clinton angrily denied it. Today, on the eve of the Illinois and Michigan primaries, Brown not only did not let up on the charges, but accused the Democratic front-runner of "hiding be-

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Hillary Clinton Finds She's Become a Campaign Issue

CLINTON, From A1

hind his wife" in defending himself against charges of "bush-league cynicism."

"Just like Nixon, he brought out Pat and talked about the cloth coat," Brown said in Hamtramck, Mich., referring to Richard M. Nixon's legendary 1952 "Checkers" speech in which he cited his wife while fending off charges of impropriety. "It's a diversion. There's only one issue here: It's Mr. Clinton and his electability and what we are going to do about this scandal-a-week."

The Arkansas governor returned the fire as he moved on from Chicago to appearances in several Michigan cities, dismissing Brown's charges as "absolutely false" and a "typical thing to say [by] a person who doesn't respect the fact that women can have their own world and do their own jobs."

"When Governor Brown attacked my wife . . . I thought he should have been ashamed of himself and that's why I stood up for her," Clinton told students at Wayne Memorial High School near Detroit. "If he does it again, I'll stick it to him again."

Brown based his accusation Sunday on a story published that day in The Washington Post. The story described the relationship between the Rose law firm where Hillary Clinton works and the Arkansas state government, including the firm's lucrative work as bond counsel for state agencies, and its representation of private business clients who are regulated by the state. The story did not suggest that Clin-



The Clintons make a campaign stop at a Wayne, Mich., high school yesterday.

ton had personally directed any state business to the firm.

Bill Clinton said "it was really insulting and . . . unfair" that Brown had "misrepresented the Washington Post article." Hillary Clinton described the former governor, more in sorrow than anger, as "sort of desperate and sad."

Her aides were tugging on her to leave, to join her husband and the voters, safely behind the flimsy rope line that forms the barrier between candidate and press. But she stood and talked.

"Every time Bill Clinton gets ahead, the people who are running against him attack him," she said, "and I think that's because the issues of this campaign really will cause changes in this country . . .

I'm out there, and I don't think a lot of the people who are making decisions and forming opinions and running against my husband understand what's at stake."

Hillary Clinton said the dispute over her professional life in Little Rock "is the sort of thing that happens to women who have their own careers." Asked if there was an appearance of impropriety in the law firm's relationship with the state government, she replied—the defiant feminist—with a comment that caused aides to shudder:

"I suppose I could have stayed home, baked cookies and had teas, but what I decided was to fulfill my profession, which I entered before my husband was in public life."

Moments later, she was the more

sional women. "You know," she said, "the work that I've done as a professional, as a public advocate, has been aimed in part to assure that women can make the choices that they should make—whether it's full-time career, full-time motherhood, some combination, depending upon what stage of life they are at—and I think that is still difficult for people to understand right now, that it is a generational change."

But what clearly bothered her as she stood on the sidewalk in the cold air was the suggestion of impropriety, both because of her involvement as a lawyer for a savings and loan owned by someone she and her husband owned property with and more broadly because of her partnership in the Rose law firm.

Hillary Clinton has said in the past that she did not represent clients before the state government and that she has made it a habit of declining her share of the firm's fees from such cases.

"As far as I know I'm the only lawyer related to a public official that I'm aware of in the country who had actively practiced law who has never even shared in a penny of state funds that have ever gone to my firm," she said. "I thought that was above and beyond the call . . . From my perspective I've done what I thought at the time was absolutely appropriate and beyond what I thought anybody else had done that I was aware of. So I'm going to have to really think through what the rules are, because right now I'm confused."

And then, lest anyone think the controversy would slow her down, she added, "But I put all that on the back burner anyway. I'm in this campaign full time . . . because I really care about the issues that are confronting people and I want to help solve those anyway."

Staff writer E.J. Dionne Jr. in

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Bank Scandal Spurs U.S. Criminal Probe

Staff Practices Reviewed for Possible Fraud

By Michael York
and Kenneth J. Cooper
Washington Post Staff Writers

Federal prosecutors are trying to determine whether any criminal laws were violated when 355 current and former House members wrote checks with insufficient funds in their House Bank accounts, a spokesman for U.S. Attorney Jay B. Stephens said yesterday.

"We are reviewing allegations of possible criminal conduct involving the House Bank," said Mark Liede, a special counsel to Stephens. Later, Stephens's office said in a statement that "we are conducting a preliminary inquiry."

A law enforcement official said Stephens's office wants to see if federal mail and wire fraud laws were violated by the House Bank or its managers and employees who were aware of the overdrafts.

The announcement of the inquiry stopped short of declaring a full investigation of overdrafts at the House Bank, a check-cashing facility that operated casually and without a charter for more than 150 years until it was closed last December. Some members understood overdrafts up to the amount of the next month's pay were permissible under the bank's informal rules. No taxpayers' money was di-

rectly involved in the bank's operation.

The House voted last week to identify within about three weeks 296 current members and 59 former ones who overdrawed their accounts, including 24 the ethics committee said had kited checks that involved substantial sums during a 39-month period ending last October.

Word of the preliminary criminal inquiry came as House aides streamed into the ethics committee's office to inspect members' bank records, three top check-kitters confirmed receiving official notice from the committee and House Republican leaders continued to cast the House Bank scandal as an example of Democratic misrule.

At the White House, a new review began into whether any administration officials who served in the House—including Cabinet and sub-Cabinet rank—had written bad checks at the bank.

White House Chief of Staff Samuel K. Skinner said he would be "very, very surprised" if any former House members now in the administration were serious offenders but said it was unclear whether their bank accounts ever had been overdrawn.

Spokesmen for three House Democrats said yesterday the See BANK, A7, Col. 1

it became obvious some administration officials shared the same problem confronting many House members—that the bank's slipshod records made it difficult to reconstruct accounts and say definitely that no bad checks had been written.

In an interview last week, White House spokesman Marlin Fitzwater had said that all Cabinet members who had served in the House were "clean." Yesterday, Fitzwater said his original statement "turned out to be wrong."

Fitzwater added, "I know of some comments made [to White House counsel C. Boyden Gray] and I don't want to go into it until we have it all sorted out."

Among administration officials who served in the House are Defense Secretary Richard B. Cheney, Labor Secretary Lynn Martin, Agriculture Secretary Edward R. Madigan, Housing and Urban Development Secretary Jack Kemp, Interior Secretary Manuel Lujan Jr. and White House deputy chief of staff W. Henson Moore. Secretary of Veterans Affairs Edward J. Derwinski, a longtime representative from Wisconsin, told an Associated Press reporter, "I made damn sure I didn't write a bum check."

Staff writers Ann Devroy, Sharon LaFraniere, Eric Pianin, Tom Kenworthy and Guy Gugliotta contributed to this report.

U.S. to Probe House Bank For Criminal Practices

BANK, From A1

members had been informed they were among the top 24 bad check writers. The trio—Rep. Robert J. Mrazek (N.Y.), a Senate candidate; Rep. Charles Hatcher (Ga.) and Rep. James H. Scheuer (N.Y.)—were on a purported list of the top 21 Democrats that news organizations obtained from unofficial sources over the weekend.

Appearing on CNN's "Larry King Live" last night, Mrazek said a reconstruction of his account showed he was overdrawn in only two of 39 months, fewer than the eight that would qualify him for the top 24. The bank, he said, held 136 deposits for two to seven days, causing the appearance of overdrafts. Mrazek's accountant and lawyer were to have met with General Accounting Office investigators yesterday to compare records.

Questions about the list's accuracy were raised by some Democrats yesterday. The unofficial list, for example, includes former majority whip Tony Coelho, who resigned his California seat in June 1989, 12 months into the 39-month period that was investigated by the GAO and the House ethics committee. But Coelho noted the ethics panel report indicates that the top 24 "abusers" had bank accounts for at least 18 months of that time. Former members were not allowed to keep their accounts, and a former aide said Coelho's was closed promptly.

But Rep. Guy Vander Jagt (Mich.), chairman of the National Republican Congressional Committee, accepted the purported list as accurate in a news release yesterday. It said one reason Democrats are to blame for the scandal is "at least 20 of the 24 names of the worst offenders are Democrats," a count that subtracts one Democrat-turned-Republican on the list.

"We've got a big mess in the House, and it's a Democratic mess," Vander Jagt said at a news conference. He said overdrafts were not customary at the bank when Republicans last controlled the House in 1953-54, according to William Bonnell, who as sergeant-at-arms directed the bank that session.

"My point is you can't reform it, unless you put it under new management," Vander Jagt said, echoing House Minority Whip Newt Gingrich (R-Ga.). Guy Vander Jagt.

Majority Whip David E. Bonior (D-Mich.), who has acknowledged

an undetermined number of overdrafts, said yesterday the House Bank scandal was not a one-party affair. "All I know is a substantial number of Republicans and the Republican leadership had overdrafts as well," he said.

Gingrich has said he had about 20 and Rep. Mickey Edwards (Okla.), chairman of the Republican Policy Committee, has confirmed being among the top 24. So has Rep. Robert W. Davis (R-Mich.).

In its statement, the U.S. attorney's office said, "We have reviewed the GAO audit while awaiting completion of the House report. We now have obtained a copy of the House report and are reviewing it to determine what, if any, additional action may be appropriate."

One criminal offense possibly involved in the overdrafts, a law enforcement official said, would be a violation of a District law that prohibits knowingly writing a check with insufficient funds to cover it.

If the check was for more than \$100, the offense is a felony, with penalties of up to three years in prison and a fine of up to \$3,000 for each check. Proof of fraudulent intent would be needed. The ethics committee did not explore possible criminal behavior.

Some House members on the purported list of the top 21 disputed their overdrafts were anywhere near the large numbers and amounts indicated. A statement issued by a Scheuer aide questioned whether the bank promptly posted deposits and declared he will not be in the top 24 once such mistakes are corrected. Members have 10 days to appeal the accuracy of the House ethics committee's findings.

Rep. Joseph D. Early (D-Mass.) said a review of his bank records indicated his balance was always positive, dipping to a low of 77 cents in June 1989.

An aide to Rep. John Conyers Jr. (D-Mich.) said he was rechecking his bank records to see whether his overdrafts would rank him among the top 24.

"It was my fault—careless book-keeping—but this was another of what I considered to be our perks," said former representative Jim Bates, a California Democrat who is campaigning to return to the House. "I feel like we were set up or had, to some extent, by the leadership, the speaker, the bank people, the system. Why did they set it up, if it wasn't a perk?"

The White House renewed its internal review, Skinner said, when

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MARY McGRORY

Zen and the Art of Politicking

Give Jerry Brown his due. He's a politician, which is to say someone who sees—or thinks he does, anyway—a sliver of light and dives for it. This is also known as opportunism, and separating politicians from it is as hard as dividing Siamese twins.

Brown gave a definitive demonstration of his instincts and powers in an exceptionally spirited debate in Chicago on the eve of the Illinois and Michigan primaries. He went toe to toe with Gov. Bill Clinton, who is also a whatever-it-takes politician—and one with truly awesome recuperative powers.

The midwestern reporters on the panel Sunday night provided a bracing air to the proceedings. They treated the candidates like erring Chicago aldermen. The sub-theme of their questions was, "Do you seriously expect to get away with . . . ?"

This year's most inflammatory word is "electable" and a question about the electability of Clinton gave Brown his opening. A compulsive over-reacher, he tried to make it the size of the Grand Canyon. The stretch of his charges, and the casual way in which he learned of them—Ralph Nader called him up and read him a Washington Post story about Hillary Clinton's law firm and its business with the state—were breathtaking. Clinton's answers were no more edifying.

Paul E. Tsongas, who used to be Clinton's big worry, was strictly a spectator at the heated exchange. "Can I get a word in edgewise here?" he asked plaintively of the two gladiators, who were standing so close to each other at adjoining lecterns they almost crossed wagging fingers.

Brown began by making an unjustified charge that Clinton had "funneled state business" to his wife's Little Rock law firm. Nothing in the Post story remotely suggested that this was the case. The story said that in the small state of Arkansas, there were close relations between the state and one of its largest law firms, but it also pointed out that Hillary Clinton forewent fees from state cases.

But with Brown, an inch is as good as a mile. He is skillfully exploiting his rivals' weaknesses with labor in Michigan. Labor was pledged to Iowa Sen. Tom Harkin, who dropped out last week and gave his followers no instructions except to "get to the convention however you can."

Tsongas supports a striker-

replacement bill, which cooks his goose in the union halls. Clinton comes from a right-to-work state, which brags about the fact in brochures inviting corporations to come in. Clinton's position on the issue is slippery. He has said that if Congress were to repeal the right-to-work provisions of the Taft-Hartley Act, President Clinton would sign the bill.

Brown, wearing a United Auto Workers jacket, is bearing down on Michigan, spilling ideas on glum workers. Sometimes he makes sense; sometimes he babbles on about "empowerment" and guff from the '60s. He is not an automatic favorite with labor despite his record as governor of California. The number of turtlenecked Zen scholars in the ranks is not large. The message is mainstream, the messenger is not. "The candidate from Pluto," Clinton disparagingly calls him.

Brown is militantly anti-Washington, against its mores, its pundits, its pay raises. He feels that the bouncing checks of Congress have landed right in his court. His cry is that money has poisoned politics and only a purge of the system can purify the process.

Tsongas intermittently tackles the Clinton character issue, but he is too inhibited to exploit it. He tried negative ads in Georgia, and the South rallied to Bubba. Tsongas—who runs as Jack Horner: "What a good boy am I"—looked like just another politician.

He looked more so in the Chicago debate, when he promised to support the nominee who has wronged him in campaign ads.

Clinton gave as good as he got in the studio punchup. He said Brown "reinvents himself every year or so," which is a fair statement. Brown not so long ago was trying to lift limits on campaign spending.

Clinton used the opportunity to defend his wife, proving he is no Michael S. Dukakis, who listened to the theoretical rape and murder of his wife without lifting a finger. "You ought to be ashamed of yourself for jumping on my wife."

Considering the charges of infidelity against Clinton—he seems to have beaten them, too—and the fact that Hillary Clinton is a hard-nosed corporate lawyer, the "You cad, sir" response was not quite on the money.

For his part, Nader thinks that saying Clinton "funneled" business to the law firm was "a rhetorical exaggeration" but that "it's all part of the swirl of intrigue between corporations and government." It's enough for Brown, anyway.

The TV Column

By John Carmody
Washington Post Staff Writer

CBS Entertainment announced yesterday that "The Trials of Rosie O'Neill" will return to the schedule for an indeterminate run starting Saturday, April 11, at 10 p.m. . . .

Rosie will replace "The Boys of Twilight," not because it's the right thing to do but because The Boys will have completed their "initial run of five shows" by that date . . .

The first three episodes of the Returning Rosie will guest star Robert Wagner as R.J. and Rosie become an item . . .

On this Saturday past, The Boys delivered a 7.0/13, down from the 8.8/17 average of their first two appearances. Rosie returns after averaging a 9.0/14 in nine outings . . .

Coverage of the Illinois and Michigan primaries on C-SPAN begins tonight at 10 and will include simulcasts from WBBM, the CBS-owned station in Chicago, and WDIV, the Post-Newsweek Station (yay!) and NBC affiliate in Detroit. Plus interviews, open phones, analysis. (C-SPAN was spoofed on "Saturday Night Live" this past weekend and they are *soooo proud* over there!) . . .

You just got C. Airwaves' vote, Bill! Democratic presidential contender Bill Clinton said last week in Warren, Mich., that television was glorifying "violence and destruction" and that parents should restrict their children's viewing! . . .

Channel 26 reports that after 10 days and nights the annual spring cleaning has so far unearthed \$440,948.76 from 7,347 pledges . . .

Biggest night so far: last Thursday when M. Poirot (David Suchet) himself showed up to attract \$85,513 in pledges from local "Mystery!" fans . . .

A year ago, the first 10 days had yielded \$519,000, 14 percent over the 1992 total so far . . .

But Sue Richmond, vice president for membership, said a year ago WETA had already had two nights of the three tenors, which had been worth more than \$100,000 a night . . .

Richmond doesn't think the recession has had much impact on fund-raising so far, pointing out that the WETA-FM drive earlier this year hit a record \$400,000-plus . . .

More importantly, the three tenors—Carreras, Domingo and Pavarotti—will finally show up tomorrow night—which could even things up . . .

And for Thursday, WETA has prepared a one-hour special from the "Shining Time Station" series when Brian O'Connor, who plays "the lovable rogue Schemer," makes an appearance to take questions from viewers who call in . . .

This year's goal is \$700,000; the drive ends Sunday . . .

Meanwhile, over at Maryland Public Television, they're \$399,500 toward a goal of \$600,000 after Sunday. Biggest producer so far was the Saturday lineup that included John Bradshaw, "Anne of Green Gables" and a trailer on the making of "Gone With the Wind," which was good for \$105,000 . . .

Last Thursday, a "Motor Week Live" special netted \$5,000 on 74 pledges in a half-hour. Like the WETA drive, MPT's drive began March 6 and will also end Sunday . . .

In Other News

The local ratingzzz of those network public affairs shows can matter considerably in the battle for big-name Washington guests on Sunday mornings . . .

A couple of weeks ago, NBC News's "Meet the Press" at 10:30 beat ABC's "This Week With David Brinkley" at 11:30 here and the president of NBC News, Michael Gartner, let everybody in the division know about it . . .

Which is why "This Week" wants you to know that because of ACC basketball on Sunday, Channel 7 here moved the network show back to 10:30, for a rare head-to-head contest with "Meet the Press." And the results were a little different . . .

"This Week" averaged a 4.1 Nielsen rating and a 13 percent share on Seven, while "Meet" did a 2.6/8 on Four. CBS's "Face the Nation" at 11:30 on Nine averaged a 3.4/11. The ABC show had

Tom Foley and Newt Gingrich; the NBC show, out of Chicago, had Paul Tsongas. "Face" had Jerry Brown . . .

Art Buchwald will be on "Good Morning America" at 7:15 this morning . . .

Francis Ford Coppola's complete "Godfather" saga will finally hit TV early next month when Home Box Office airs the debut of "The Godfather Part III" on Sunday, April 5, at 8 p.m. . . .

To warm up viewers, HBO will show "The Godfather" on Friday, April 3, starting at 8 and "Godfather II" on Saturday night . . .

The 1990 film—in which Michael Corleone (Al Pacino) tries to leave the family's criminal enterprises behind but is drawn back to the old ways—got a lukewarm reception from critics but did manage seven Oscar nominations . . .

Among the winners of the 1992 national GLAAD Media Awards, to be presented at ceremonies in Los Angeles and New York next month: ABC's "Roseanne" has been named outstanding TV comedy series; FOX's "Roc" won as outstanding comedy episode for "Can't Help Loving That Man"; and NBC's "L.A. Law" won as outstanding dramatic episode for its "The Nut Before Christmas" . . .

Two ABC News "20/20" segments called "Cracker Barrel" and "Gays in the Military" were named outstanding broadcast news segments . . .

This is the third year of the Gay & Lesbian Alliance Against Defamation awards. Phil Donahue, James Woods, Susan Sarandon, Ted Danson and B.D. Wong will "join the New York and Los Angeles chapters" in announcing the winners at ceremonies on April 6 in New York and April 11 in Los Angeles, according to GLAAD . . .

Weekend Ratingzzz Roundup

The local popularity of Billy Graham Crusade telecasts on NBC and CBS affiliates Friday night apparently cut into the national Nielsen numbers for those two networks . . .

ABC won with a 13.5 national Nielsen rating and a 24 percent audience share. The big producer was "20/20," which included an interview with Joan Lunden and a feature on a small town with an unusual number of autistic children, and averaged a 17.5/32. The last Friday appearance of "Billy" was worth a 10.3/18 . . .

NBC averaged only an 8.4/14. "I'll Fly Away" was earthbound at 9.2/16, and "Nightmare Cafe" had a scary 6.0/11 . . .

Then there was CBS, which averaged a 6.4/11 for the night as "Scorch" did a 6.9/13, "Fish Police" 6.3/11, "Tequila & Bonetti" 6.5/11 and "Hearts Are Wild" 6.2/11 . . .

FOX averaged a 6.0/10 . . .

On Saturday night, according to Nielsen overnights in 25 major markets, NBC was the winner with a 12.5/22. "The Powers That Be" averaged an 11.8/20 at 8:30. The Bob Hope special at 10 did a 12.0/22 . . .

FOX was second for the night with an 8.7/15. ABC was third at 7.3/13 as the already-gone "Capitol Critters" averaged a 6.1/11 . . .

CBS averaged a 7.0/12. An Ice Capades special slid into a 7.0/12 . . .

Sunday, also in the overnights, CBS was, as usual, the overwhelming winner, averaging an 18.3/28 . . .

"60 Minutes," with Jay Leno, averaged a 23.1/38; the movie "Taking Back My Life" did a 15.9/25 . . .

ABC averaged a 14.5/23. A new Columbo movie averaged a 17.7/27 (raising hopes at the network it can win in the weekly ratings, to be announced today) . . .

FOX did a 9.3/14, as "In Living Color" led with a 14.9/22 . . .

Then there was NBC. It aired all repeats, except for "Eerie, Indiana," which opened the lineup with a 3.9/7. From there on, "The Torkelsons" did a 4.1/7, a short repeat of "First Person With Maria Shriver" averaged a 5.3/8, and "Back to the Future" did a 10.3/16 . . .

At the risk of getting you all disturbed before the Wheaties have settled, we have to remind you that each national ratingzzz point represents 921,000 TV households; a Nielsen overnight point, 431,028; and a Washington point, 18,199 . . .

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The Washington Post

Jim Hoagland

All About Jobs

All politics may be local, as the professionals love to say, but all economics is not. The global economic downturn of the past year is undermining public support for incumbent national leaders throughout the industrial world.

Voters could turn out conservative incumbents in America and Britain this year largely because of the pain of recession and concern about jobs. France's Socialists and Japan's Liberal Democrats, though not facing national elections, have lost control and credibility at home as their economies sag. Germany's entrenched Christian Democrats also face surprising economic-based discontent as growth drops into the one percent range.

Today's global political malaise resembles the agonizing months after the Iranian revolution of 1979, when the decade's "second oil shock" sent inflation rates soaring and destabilized the world economy. Governments in Britain, America and France were swept away, and Helmut Schmidt's slow-motion downfall, completed in 1982, began in West Germany.

This time the thread that unites disparate national concerns is not oil prices (thanks in part to Operation Desert Storm) or inflation, but unemployment, real and feared.

Americans have waked up with anger in recent months to a reality Europeans long ago confronted: High unemployment rates threaten to become a permanent and ubiquitous feature of the global economic landscape.

Such a development poses a question that is un-American in its lack of confidence: What is a nation's responsibility toward people for whom the economy has no meaningful work? What does a society do with the "excess" people economic transformation creates?

The first response in America has been to blame George Bush, the Democratic Congress, Detroit's auto executives, Japan or all of the above. But a provocative letter from Frederick C. Thayer, professor emeritus of international affairs at Pittsburgh University, suggests that the problem calls for a broader and more serious response than Bush-, Japan- or other-bashing.

"We have had unusually high unemployment, at 6 to 7 percent, since 1975, the third worst period in 100 years," Thayer writes, asserting that Republicans, Democrats, economists and the media have quietly encouraged a "bipartisan policy that holds that high unemployment, as a means of capping wage increases, is an indicator of prosperity, so long as there was no *technical* recession" measured by negative gross national production.

Thayer's point on unemployment cannot be easily dismissed. Jobless rates that were once considered unacceptable and economically damaging are now seen by policy-makers and establishment economists as "natural" tools in combating inflation.

Europeans have responded to the long-term transformation of the global economy (begun by the "first" 1973 oil shock) by accepting that 6 to 10 percent of the labor force will have to receive a decent salary, health insurance and other family support for years—perhaps forever—even though unemployed.

Higher taxes pay for a much higher safety net. But the burden Europe's taxpayers have willingly carried for a decade and more grows heavy and produces significant political discontent.

Americans, buoyed in troubled waters by their faith in their economy's regenerative capacity, have usually resisted even thinking about such an approach.

But this year's U.S. primaries reflect a sharp erosion in that confidence. The protest vote against Bush reflects growing concern that most of the jobs lost in this downturn have been lost forever. Hundreds of thousands of jobs were permanently eliminated in the 18 months before the U.S. recession began. Productivity will edge back up (and the recession will technically end), but these jobs will not be recovered.

Which brings us to Thayer's next point: There is a global overcapacity of production of goods "that is greatly in excess of the amount that can possibly be sold. Another way of addressing the issue is to ask, 'If America is to become more competitive, who should become less competitive, and what is that country to do with its unemployed workers?' In a world of all-out competition, everyone ultimately becomes a loser." Japan is the next economic power "about to go down," Thayer predicts.

"Germans, Italians, French, Japanese are closing or slowing down auto production facilities, along with Americans. Have all these managers become stupid, and all the workers unproductive?" Are Bush and Lee Iacocca really to blame for all this?

Thayer blames government underspending of the last three decades more than any single other factor. That probably overstates the case. But I think he is articulating an iconoclastic version of what is bothering voters so much in this year's presidential primaries.

Without a Soviet threat to distract attention from the economy, the candidates have been forced to confront the devastating question of how a society provides dignity and hope to those to whom it cannot provide meaningful work. That is the question that voters in Illinois and Michigan should focus on today and the question the nation will have to answer with finality in November.

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HIGHLIGHTS

- The Illinois and Michigan presidential primary returns on WRC, WJLA, WUSA, C-SPAN and CNN.
- The People's Choice Awards on WUSA.
- Two episodes of "Reasonable Doubts" on WRC.
- "An Astronaut's View of Earth" on WETA.
- Plus the movie "Midnight Run" on WDCA.

News Special

Primary Returns. Results from the Illinois and Michigan primaries on C-SPAN starting at 10. With reports on Channels 7 and 9 at 11:30 p.m., Channel 4 at 11:35 and CNN.

Public Broadcasting

Nova: An Astronaut's View of Earth (CC). Scenes of the Earth from the space shuttle; with music by David Byrne (Channel 26 at approx. 8).

Creation of the Universe. Examining scientific attempts to come up with a unified theory to explain the birth of the universe (Channel 26 at approx. 9).

Awards Special

People's Choice Awards (CC). The 18th annual ceremony, hosted by Kenny Rogers, with presenters Richard Dean Anderson, Laura Dern, Louis Gossett Jr., Lily Tomlin, Waylon Jennings and Willie Nelson; live. Approx. two hours (Channel 9 at 9 p.m.).

Primetime Movies

Darby O'Gill and the Little People (1959). An Irish caretaker (Albert Sharpe) manages the land of the leprechauns (Channel 5 at 8).

Midnight Run (1988). Robert De Niro is a bounty hunter who drags a mobster's embezzling accountant (Charles Grodin) from New York to L.A. (Channel 20 at 8).

Oliver Twist (1948). Charles Dickens's tale of an orphan's survival in the underworld of London; with Alec Guinness, Robert Newton, Kay Walsh and John Howard Davies (Channel 50 at 8).

Series

In the Heat of the Night (R) (CC). Virgil and Althea clash when he arrests a young drug

pusher, tearing apart the family of one of her prize students (Channel 4 at 9).

Full House (CC). Danny abandons his obsession with cleanliness (Channel 7 at 8).

Home Improvement (CC). Tim is threatened when Jill moves her pottery operation into his garage and Al challenges him for his TV host job (Channel 7, 8:30).

Rescue 911 (CC). A paramedic treats his father during a heart attack, a gunman holds his ex-girlfriend hostage, and a teenager suffers a strong electric shock (Channel 9 at 8).

Reasonable Doubts (CC). Parts II and III of three. Tess learns that her admirer is a key figure in the hate crime case; and Dicky presses a key witness to testify while his ex-wife solicits his help to locate her son by another man (Channel 4 at 9).

Roseanne (CC). Roseanne hesitates to accompany Jackie to her new psychiatrist and Arnie persuades Dan to hire a tattoo artist to boost business (Channel 7 at 9).

Coach (CC). Hayden is shocked to discover that Christine sold his Johnny Unitas-autographed football shoes (Channel 7, 9:30).

Civil Wars (CC). Sydney ponders accepting a date with Charlie; and a woman plays down her divorce for documentary filmmakers (Channel 7 at 10).

Late Night

The Tonight Show Starring Johnny Carson. Jay Leno with actors Pierce Brosnan and Michael Jeter, actress Kate Nelligan and singer Chris Whitley (Channel 4, 11:35).

Wednesday Morning

Today (CC). With the results of the Illinois and Michigan primaries, columnist Edna Buchanan and director Paul Verhoeven (Channel 4 at 7 a.m.).

Good Morning America (CC). With primary results and actress Victoria Principal (Channel 7 at 7).

CBS This Morning (CC). With primary results, country singer George Jones and actress Glenn Close (Channel 9 at 7).

Hoyer Faults House Bank Official

By Kent Jenkins Jr.
Washington Post Staff Writer

Rep. Steny H. Hoyer (D-Md.) said yesterday he discovered he had written four bad checks at the now-defunct House Bank two months after the bank's top official assured him he had written none.

Hoyer, disputing Republican allegations that he tried to cover up his overdrafts, said his discovery of the overdrafts late last week followed an assurance by then-House Sergeant-at-Arms Jack Russ that "checks drawn on your account did

not in any instance exceed your available balance of funds."

Meanwhile, a second member of Congress from Maryland, Rep. Beverly B. Byron (D-Frederick), said yesterday her experience with the House Bank was strikingly similar to Hoyer's. Byron said she has discovered four overdrafts in her account despite an earlier letter from Russ saying she had written no bad checks.

Several Washington area lawmakers said yesterday that the problems of Hoyer and Byron underscore the increasing confusion

and political risks facing incumbents as the bank scandal unfolds.

Hoyer was harshly criticized yesterday by his Republican opponent, Prince George's County real estate broker Larry Hogan Jr., who said Hoyer's previous statements about his bank account raise doubts about his integrity. Hoyer, an 11-year incumbent, is running against Hogan in a newly redrawn district that includes some of his old base in Prince George's County, as well as new territory in Calvert, Charles and St. Mary's counties.

Although Hoyer and Byron are

the only lawmakers from Maryland, Virginia and the District who say they have written bad checks, other House members from the area say they cannot rule out the possibility that they too may uncover unexpected overdrafts.

Hoyer, whose race with Hogan is expected to be among the most competitive in the Washington area, said that he is "more angry than embarrassed" that the bad checks were discovered after he had declared publicly that his bank record was clean.

See HOYER, D4, Col. 1

Hoyer, Byron Cite 4 Overdrafts Each

HOYER, From D1

"I'm ticked that we made a mistake," Hoyer said. "I'm disappointed that the correct information was not given to us. I've been in public office for 25 years, and people are going to have to make a judgment as to whether this affects their opinion of me . . . I don't think I lied."

Hoyer said that the bad checks he wrote ranged from about \$60 to \$160, and were written from 1986 to 1991. On one occasion, he said, the overdraft was covered in less than an hour.

Hoyer said that he discovered one of the overdrafts while going over his personal records last weekend, and that he disclosed it voluntarily even though it does not show up in House Bank records.

Byron, who was defeated two weeks ago in a Democratic primary by state Del. Thomas H. Hattery, of Frederick, said she was outraged that sloppy record-keeping had made it difficult for her to determine the exact status of her account.

Byron said that she used her House Bank account only for direct deposit of her biweekly paycheck and that she then transferred her money to a commercial bank. "I've been here 13 years," she said, "and I've written 611 checks" on the House Bank account.

On several occasions, Byron said, her paycheck was deposited several days later than she expected it would be, creating overdrafts.

"I always thought our checks were deposited on the last day of the month," she said. "But they were supposed to be deposited on the first. And on several occasions I've found that the check did not clear until the second or third or fourth."

"Nowhere was I ever notified that I was overdrawn," Byron said. "Many innocent people are being caught up in this. We are taking a rap for those individuals who milked the system, and who should be dealt with."

Hoyer also displayed a hint of sarcasm at the attention his finances are attracting. As he started his news conference, he told reporters: "I told [staff members] that if the U.S. marshal came in the course of this press conference, I'd turn myself in immediately . . . I wouldn't want to interrupt this media event."

He added later, "I don't think I'm making a confession. I don't think I'm entering a plea. I'm sorry about it . . . I hope all of you think this is relatively minor. I do."

Hogan continued to question Hoyer's explanation, saying that because of Hoyer's and Russ's positions in the Democratic Party establishment, Russ's letters "aren't worth the paper they are printed on."

CHECKING CLOSE TO HOME

When The Washington Post contacted all House members in the District, Maryland and Virginia to ask about the possibility of overdrafts, several said slipshod record-keeping at the House Bank could lead to discrepancies as more audits are completed. House members offered the following accounts based on what they know to date.

House member	Overdrafts
DISTRICT OF COLUMBIA	
Del. Eleanor Holmes Norton (D)	None
MARYLAND	
Steny H. Hoyer (D-Pr. George's)	4
Constance A. Morella (R-Mont.)	None
Tom McMillen (D-Anne Arundel)	No House acct.
Wayne T. Gluchrest (R-E. Shore)	None
Beverly B. Byron (D-Frederick)	4
Benjamin L. Cardin (D-Balt.)	None
Kwesi Mfume (D-Balt.)	None
Helen Delich Bentley (R-Balt.)	None
VIRGINIA	
Frank R. Wolf (R-Fairfax)	No House acct.
James P. Moran Jr. (D-Alexandria)	None
George F. Allen (R-Charlottesville)	None
Thomas J. Bliley Jr. (R-Richmond)	None
Owen B. Pickett (D-Va. Beach)	None
Rick Boucher (D-Abingdon)	None
Herbert H. Bateman (R-Npt. News)	None
Norman Sisisky (D-Petersburg)	No House acct.
Jim Olin (D-Roanoke)	None
Lewis F. Payne Jr. (D-Nellysford)	None

THE WASHINGTON POST

Hoyer is chairman of the House Democratic Caucus, the chamber's fourth-highest position, and Russ, the former sergeant-at-arms, was hired by House Democrats.

"Steny arrogantly tried to use his power and influence to cover things up," Hogan said. "The number of checks he wrote and the amount of the checks is not as bad as other members. It's the way it was handled that bothers me."

Hoyer said: "If anybody thinks it would make sense for me to cover up . . . you have different judgment than I do. Obviously I regret that a mistake was made. But I don't think anybody will think this is particularly egregious."

Tsongas Vows to Go On Even if He Loses Today

Brown Ebullient After Row With Clinton

By Maralee Schwartz
Washington Post Staff Writer

Paul E. Tsongas seemed the forgotten Democrat yesterday—lost in the volley of charges exchanged by Bill Clinton and Edmund G. "Jerry" Brown Jr.—but he said that suited him.

"To the extent Jerry Brown and Bill Clinton have at each other, that's fine," Tsongas said. "Just give me the chance to get my message out." He added that it appeared the relationship between Brown and Clinton "had deteriorated."

The polls seem to indicate that Tsongas's support in today's key battlegrounds of Illinois and Michigan also has deteriorated. But Tsongas said losing in these two major states would have little consequence on his campaign.

"I believe the longer we are in this race, the stronger we get," Tsongas told reporters at a airport news conference in Moline, Ill.

"We're in this until the convention. We're going to get to the convention after I have had my chances in New York, California and other states," he said. "And at the convention there will be one question: Who can beat George Bush, who is electable and who has an economic message that can attract independents and Republicans? That is the question. You're looking at the answer."

While Tsongas said his plan was "to stay above the fray," that apparently did not mean giving Clinton a pass. Referring to Clinton's proposed middle-class tax cut, Tsongas said the Arkansas governor "will take the resources of this country to buy votes."

At a rally at the state capitol in Springfield—the site of Abraham Lincoln's 1858 "a house divided" speech opposing slavery—Tsongas invoked Lincoln's political spirit, and said that his task as president would be to heal and unify the country.

There was no move to heal and unify between the two other Democrats. Former California governor Brown continued to take swipes at Clinton, and seemed to relish the attention from the bitter exchange at Sunday night's debate.

Brown was in an ebullient mood as he campaigned, from a Polish neighborhood in Chicago to an Arab neighborhood in Dearborn, Mich., to a Baptist church in River Rouge, Mich., near the site of a Ford plant that

was the object of a legendary union organizing drive in the 1940s.

Everywhere he went, Brown attacked Congress's grant of fast-track authority to President Bush to negotiate a free-trade treaty with Mexico. He said it was a defining issue between him and Clinton.

"Clinton: jobs there," Brown said. "Brown: jobs here. It's real simple. Don't complicate this vote. Don't get too much into the personalities. . . . This is a referendum on economic survival."

Clinton, meanwhile, looked for a silver lining in the latest question about his candidacy. Bristling with indignation, the Arkansas governor yesterday said his ability to fight back against the charges of his Democratic opponents showed that he has the toughness to defeat Bush in the fall.

Clinton said the Democrats need a candidate who is "tough enough" to take on Bush.

"I've tried to demonstrate in this campaign that I'm tough enough to fight George Bush, to take a punch and to land one," he said.

Bush, meanwhile, was raising money. He went from a \$1,000-a-plate fund-raiser in Wisconsin to a similar event in Illinois, with a total take for the day of about \$1 million.

In between, Bush touted a minority business enterprise and addressed a Polish-American rally in a string of ho-hum speeches. Bush predicted victory in both the Illinois and Michigan primaries today and kept to his rule of never mentioning challenger Patrick J. Buchanan by name.

Buchanan campaigned in Michigan and gave no hint of abandoning the race if he fares poorly in today's elections.

"It is not my intention to injure Mr. Bush for the general election, if he and Mr. Quayle are the nominees," Buchanan said.

Bush had kind words—sort of—for Tsongas.

Accusing congressional Democrats of "coming along with a great big tax increase" in their economic proposals, Bush added that Tsongas says "this is purely political. I think he's right about that."

Staff writers Ann Devroy with the Bush campaign and E.J. Dionne Jr. and Edward Walsh in Michigan contributed to this report. Schwartz reported from Chicago.

The Media Team That Put Kerrey on Ice

Senator's Decision to Turn to Celebrated Consultants Failed to Ignite Presidential Candidacy

By Howard Kurtz
Washington Post Staff Writer

When Sen. Bob Kerrey's staff saw the first commercial produced by David Doak and Robert Shrum, his K Street headquarters exploded with applause.

Here was the Nebraska Democrat striding confidently across a hockey rink, stopping at the net, facing the camera and vowing to "tell Japan that if we can't sell in their market, they can't sell in ours." Doak and Shrum, the celebrated media team, had done it again.

It seemed like the perfect political marriage: Kerrey was the charming and charismatic Vietnam War hero, an unconventional politician with vast, untapped potential. Doak and Shrum were the "hot" Washington consultants with the populist message, the strategists who pulled off a huge upset two months earlier in helping Harris Wofford win a Senate election in Pennsylvania. Once Doak and Shrum worked their 30-second magic, the thinking went, Kerrey would be unstoppable.

Out in Omaha, Tom Monaghan, a longtime Kerrey confidant who was running his presidential campaign back home, was not so sure.

"That wasn't Bob Kerrey," he recalls thinking. "Kerrey's not a protectionist. It was Doak and Shrum's message. It was pulled out of their footlocker and Bob was stuck with it."

In the end, when Kerrey's campaign finally sputtered to a halt March 5, Monaghan would seem prescient. In an era when high-priced consultants are credited with Pygmalion-like powers to transform would-be senators and presidents, even the slickest media blitz can't rescue a candidate who fails to articulate a clear message.

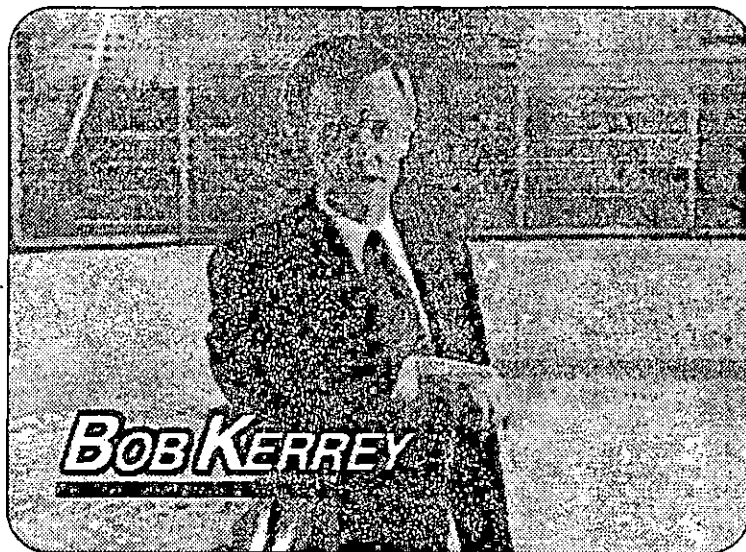
"I don't believe an advertising campaign can be any better than what the candidate himself is doing," Kerrey said last week. "I don't buy the argument that we would've done better if the ads were better. . . . The general problem I had was probably not solvable with television."

While detractors say Doak and Shrum were recycling their old clients' slogans, it was Kerrey who laid out the themes for the media campaign, even rewriting many ads himself.

"Anybody who's spent more than five minutes with Bob Kerrey knows that nobody can impose anything on Bob Kerrey," Doak said. "He's a guy who has strong beliefs."

But Shrum is willing to concede some tactical errors. "I have never been involved in a campaign where I don't think I made some mistakes," he said. But, he added, "We're not going to sit here and make excuses. We play in the big leagues."

Shrum, 48, is the poetic words-



Sen. Bob Kerrey (D-Neb.) got tough with Japan in controversial hockey rink ad.

mith. A Harvard Law School graduate, Shrum worked for George McGovern in 1972 but quit Jimmy Carter's campaign in 1976, charging that Carter was deceitful. After a stint as a magazine writer, Shrum became a spokesman and speech writer for Sen. Edward M. Kennedy (D-Mass.).

Doak, 44, is the master tactician. A University of Missouri Law School graduate, Doak worked as a prosecutor and public defender before joining Carter's two White House campaigns. Doak and Shrum formed their firm in 1984.

Their 24th-floor Arlington office is decorated with banner headlines from their winning campaigns, from Mayors David N. Dinkins of New York and Tom Bradley of Los Angeles to Sens. Paul Simon (D-Ill.), Howard M. Metzenbaum (D-Ohio), Alan Cranston (D-Calif.) and Barbara A. Mikulski (D-Md.).

Kerrey's original media consultant, Joe Rothstein, handled his two Nebraska campaigns. For the presidential race, Rothstein's footage captured Kerrey at his warm and witty best, talking to a coffee shop full of people. But campaign officials felt Rothstein's spots lacked a clear theme.

Just before New Year's Day, Kerrey dumped his old campaign manager in favor of Tad Devine, who in turn dismissed Rothstein. Devine's first move was to hire the Doak firm.

"The campaign was very much on the ropes," Devine said. "It was not in good financial shape." Without the credibility provided by Doak and Shrum, "We simply would not have been in play."

On Jan. 4, Doak, Shrum and their partners arrived in Portsmouth, N.H., for a three-hour sit-down with Kerrey. It was only the second time Doak or Shrum had met Kerrey. They plotted the outlines of a New Hampshire media campaign that would cost Kerrey \$1 million.

On a cold, rainy Saturday, Kerrey spent an hour outlining his views on economics, trade and health care. Doak and Shrum asked questions, taking copious notes.

Since former Massachusetts senator Paul E. Tsongas and Arkansas Gov. Bill Clinton had already offered detailed economic proposals, Doak and Shrum argued, they needed another issue to separate Kerrey from the pack. There was some talk of running campaign ads exclusively on health care.

Kerrey, who lost part of a leg in Vietnam, had been pilloried in the press for running too heavily on his Medal of Honor background. He agreed with Doak and Shrum that they should not begin with a biographical ad.

The conversation turned to trade. The candidate's brother, Bill Kerrey, said no one in New Hampshire had been asking him about Kerrey's position on trade. But Shrum said voters might feel differently if they were told about unfair foreign competition.

Doak and Shrum had played that card before. They had produced a celebrated 1988 ad in which Rep. Richard A. Gephardt (D-Mo.) threatened South Korea with tariffs that would boost the price of a Hyundai automobile to \$48,000. "It's your fight, too," the ad said.

Doak and Shrum debated whether the ad might backfire if reporters jumped on the Gephardt parallel. It even had a similar tag line: "Fight back, America!"

Nevertheless, they filmed the commercial at a Manchester hockey rink that Wednesday, edited it Thursday and put it on the air Friday.

But many analysts said Kerrey, who had voted for putting the proposed free-trade agreement with Mexico on a fast track, was unconvincing in the role of Japan-basher. "There was a feeling you could take something that had worked before and drop it on Kerrey like a new suit, without a fitting," said Democratic media consultant Robert Squier.

"People are trying to warm up to the guy, and they start off with this ice-cold hockey ad," Monaghan said. "The thing Bob does so well is connect with people. In most of the

commercials he was by himself, just him talking to a TelePrompTer. He didn't feel comfortable and it came through."

Kerrey taped the first of several pleas for national health insurance, but the issue never caught on. Next came a biographical spot, another trade ad and one on Kerrey's alleged electability.

Slogans came and went: "Courage for a change." "A decorated war veteran—no one can question his patriotism." "Bob Kerrey—he'll put America back to work." "For him politics is a cause, not a career." But Kerrey kept dropping in the polls.

Several ads seemed disconnected from Kerrey's campaign. One spot said Kerrey was for a middle-class tax cut, although that was Clinton's issue and Kerrey had been lukewarm about it. Other ads said Kerrey "helped his state through a farm depression." The problem was that Kerrey rarely talked about his record as governor.

"Kerrey went on the air with gimmicks and attacks on the other candidates," Rothstein said. He said Doak and Shrum "tried to create an image that came out looking very political, very harsh, somewhat mean."

Kerrey said his media advisers "did a good job under difficult circumstances." But, he said, "It's probably true that the ads didn't identify the top on-the-street issue," the recession.

Kerrey also acknowledged he had failed to introduce himself to the voters. "The problem with the hockey ad is it was run without any kind of personal context," he said. "We should have run an ad first saying, 'Here's who Bob Kerrey is.' Your first ad becomes who you are."

After finishing third with 11 percent of the New Hampshire vote, Kerrey moved on to South Dakota, where Doak and Shrum launched a negative ad criticizing Clinton because an unpaid Clinton adviser had called for an end to farm subsidies. Kerrey won South Dakota, but he was almost out of money. He made a final \$50,000 media buy, enough for a few days' worth of ads in Colorado.

"Under Bill Clinton, Arkansas dumped more toxic waste into rivers and lakes per capita than any other industrial state," the new spot said. Tsongas, it said, "was a paid lobbyist for one of Massachusetts's worst air polluters." Kerrey finished fourth in Colorado.

There was a telling moment at the Democratic debate in Denver when Tsongas accused Kerrey of being afraid to run the hockey ad in Colorado. "It's a lousy ad. . . . Why would I want to put something on the air that didn't work?" Kerrey replied.

A reporter later asked Kerrey if he liked his new ads. He smiled, shrugged and said: "They didn't bring tears to my eyes."

DEROY MURDOCH

The unlikely supply-sider

NEW YORK While President Bush scrambles aimlessly for a campaign message and challenger Pat Buchanan refights the Civil War, the traditionally Republican vision of a high growth opportunity society propelled by supply side tax cuts has languished like a flag on the sidewalk. Astonishingly, the supply side banner has been seized and hoisted proudly by a highly unlikely candidate: Democrat Jerry Brown.

The former California governor has placed a flat tax at the core of his economic program and also endorses enterprise zones and welfare vouchers to curb urban poverty. Mr. Brown's message is working. Despite a winless Super Tuesday, he has won contests in Maine, Colorado and Nevada and emerged a solid second in Utah, Washington and Wyoming. Thanks at least partially to these issues, Mr. Brown's rag-tag campaign, laughed at just three weeks ago, has transformed the Democratic race into a three-way tussle between Mr. Brown, Bill Clinton and Paul Tsongas.

Qualified observers are now do-

Deroy Murdoch is a New York writer and President of Loud & Clear Communications, a marketing and media consultancy.

ing everything but laughing at Mr. Brown. "Jerry Brown has a very rational, well-thought out economic program," says Arthur Laffer, a California supply-side economist and father of the "Laffer Curve" that inspired Ronald Reagan's 1981 tax cuts and the dynamic growth they created. Mr. Laffer sees Mr. Brown's flat tax and enterprise zones as economic rocket fuel: "In terms of competitiveness, I think his proposals right now would take America soaring into the 21st century." What exactly does Mr. Brown prescribe? He would scrap the income, corporate, capital gains, Social Security, gas and other federal taxes and replace them with a flat levy of 13 percent on individuals and businesses. Only deductions for home mortgage, rent, and charity would be allowed for individuals. Companies would pay taxes on sales revenue minus purchases from other firms, bad debts, and charitable donations. Businesses also would discard the tangled web of depreciation schedules and instead expense capital items 100 percent the year of purchase.

Mr. Brown favors enterprise zones where companies would receive tax incentives to invest in high unemployment areas. He also would permit welfare recipients to use their checks as vouchers that companies could supplement with jobs and salaries.

While Jerry Brown may look like a born-again supply-sider, in fact, he actively cut taxes as California's chief executive. He eliminated the business inventory tax and the capital gains levy on small business. After initially opposing the Proposition 13 property tax reduction in June 1978, Mr. Brown backed the measure. That year, Proposition 13 author Howard Jarvis endorsed Mr. Brown's re-election. As governor, Jerry Brown moved California from the third most-taxed state to the 24th. "From an economic stand-

point, he stands out as the single best governor we've had," Arthur Laffer says glowingly. "He was to California what Reagan was to the U.S."

Stephen Moore, a supply-sider and fiscal policy director at the libertarian Cato Institute, is bullish about Mr. Brown's ideas: "It's probably the soundest economic strategy of any of the candidates, Republican or Democrat," Mr. Moore believes. If implemented, he predicts, "The '90s would be a decade of explosive economic

growth and the U.S. tax code would become a model for the world."

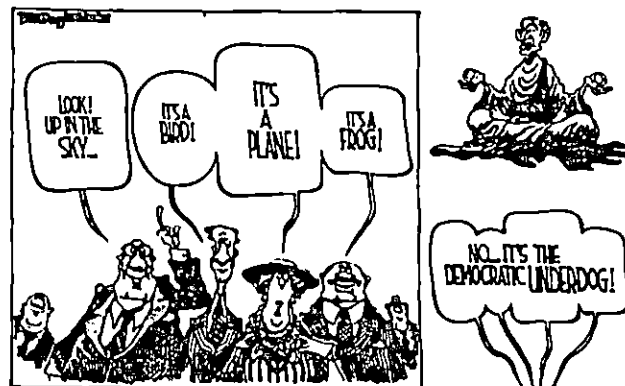
Beyond a rising gross domestic product, a rare sight in the Bush years, Mr. Brown's supply-side vision should reduce the underground economy and other distortions of the status quo. A flat tax will encourage investments that create earnings rather than write-offs and tax shelters. Also, a flat tax would force America's squadrons of slick tax lawyers and crafty accountants to do something productive with their lives. Mr. Brown sees his flat tax profoundly changing the U.S. political structure. He has denounced the "constant reworking of the tax code [which] stokes up the crooked Washington fund-raising machine that routinely auctions off loopholes to the highest bidder." A flat tax would eliminate these special-interest goodies and allow the Congress "to focus on more pressing needs" rather than curry favor with lobbyists and PAC men.

Paul Craig Roberts, a supply-side economist at the Center for Strategic and International Studies and a columnist for The Washington Times, thinks Mr. Brown is mining a rich political vein with these issues. "It doesn't surprise me that a thinking Democrat who is in tune with the mood of the people ... would try to identify with a pro-growth opportunity program rather than the 'share the wealth' stuff from the New Deal days." Mr. Roberts makes the following prediction about November: "If a Democrat gets the nomination who has a pro-business, pro-growth theme, he's going to win the election

because Bush has dropped that theme. What Bush has done for three years is run against Ronald Reagan, and that's political suicide."

To be sure, Mr. Brown still faces major hurdles. The largest is being taken seriously despite the fact he outpaced Gov. Doug Wilder and Sens. Tom Harkin and Bob Kerrey. His recent victories and near-wins aside, much of the press still giggles at Mr. Brown and his seemingly unshakeable "Gov. Moonbeam" image. But Mr. Brown's recent guest shots on NBC's "Meet the Press" and CNN's "Newsmaker Saturday" suggest he may have turned the corner on this problem. Meanwhile, Mr. Brown's embrace of national health insurance and his zealous environmentalism, and his offer to pick the Rev. Jesse Jackson as his running mate may excite leftish Democratic primary voters but dampen support among moderates and free marketeers now and, perhaps, in the fall.

But to his credit, Mr. Brown has captured the hallowed ground of low taxes and high economic growth that King George's GOP has abandoned so thoroughly. This liberal Democrat has expropriated and won on what used to be old-time Republican religion. As an opportunity Democrat, Jerry Brown is reminiscent of John F. Kennedy, whose large tax cuts catalyzed the dramatic economic expansion of the 1960s. If neither George Bush nor Pat Buchanan has the sense to stand on issues like these, Republicans, libertarians, and supply-siders alike just might confront this ironic phenomenon; and shout, "Run, Jerry, Run!"



PAUL CRAIG ROBERTS

Political erosion from within

The Bush administration has been running against Ronald Reagan for three years, and the results are in: President Bush's approval rating has fallen to 39 percent, and, for the first time, poll results show that as of March 8, Mr. Bush could lose the 1992 presidential election to Bill Clinton or Paul Tsongas.

Mr. Bush owes his amazing descent and self-destruction to the voodoo economics of the Republican Establishment. The crowd that used to be called "Rockefeller Republicans" has never accepted the pro-growth message of Jack Kemp and Ronald Reagan, who see government as more often the problem than the solution. Rockefeller Republicans are defensive about the private sector, equated with greed. They believe in

Paul Craig Roberts, an economist at the Center for Strategic and International Studies, is a columnist for The Washington Times and is nationally syndicated.



government and seek its offices to boost their own confidence.

Many of them regard government spending as an extension of the philanthropic activities of the Rockefeller and Ford foundations. Just as donors are supposed to provide for worthy causes, so are taxpayers. Public-spirited Republicans, especially those with Ivy League indo-

ctrinations, disapprove of supply-side economics, because they believe it appeals to people's selfishness and encourages them to shun their public responsibility to fund the budget of the U.S. government.

The economics espoused by liberal Republicans is consistent with their acceptance of ever-expanding government. Republicans like

George Bush, Nicholas Brady, Richard Darman and Michael Boskin do not mind big government as long as the budget is balanced. They give lip service to the principle that spending restraint is preferable to higher taxes, but their real concern is to cut the deficit. In their economic model,

see ROBERTS, page F4

ROBERTS

From page F1

the important variable is the interest rate, and it is determined by the size of the deficit. A government that does not have to borrow blesses the economy with low interest rates — a benefit for which taxpayers should willingly pay.

Never mind that no evidence supports this interest rate theory of prosperity. Republicans cling to this theory because they believe it epitomizes responsibility. When he was chairman of President Reagan's Council of Economic Advisers, Martin Feldstein hit the high-water mark of erroneous economic forecasting by predicting that large deficits would raise interest rates and crowd out investment, thus preventing any recovery from the 1982 recession. The record economic expansion that Mr. Feldstein failed to see has not cost him any credibility in Republican circles.

The Bush administration's belief that it could not deal with the economy until it dealt with the budget has backfired. By killing the economy, Mr. Bush's policies have caused the deficit to explode. In a vicious downward cycle, this in turn has led Mr. Bush's economic advisers to conclude that higher taxes will be needed in a second term as the price of another "historic budget deal."

Under political pressure, Mr. Bush tried to disassociate himself from the disastrous budget agreement, but his economic advisers are

determined to rehabilitate it. The word has gone out from the White House to the campaign that Mr. Bush cannot resurrect his pledge against new taxes. According to Budget Director Richard Darman, Treasury Secretary Nicholas Brady, and Council of Economic Advisers Chairman Michael Boskin, it was wrong for Mr. Bush to admit that the 1990 budget agreement was a mistake, because he will have to negotiate another as soon as he is re-elected.

As part of the rehabilitation, hapless GOP staffers on the Senate Budget Committee are claiming that tax increases and spending reductions enacted by the 1990 budget agreement have cut \$35 billion from last year's deficit, with more savings to come. This ludicrous claim shows GOP willingness to be good soldiers for Mr. Bush's economic team, but it is totally contradicted by Mr. Darman's own budget, which shows that higher spending and lower tax receipts have raised the 1992 structural deficit by \$120 billion.

Mr. Bush has to choose between rehabilitating himself or allowing his advisers to rehabilitate the budget agreement. If he decides to save himself, he will have to go beyond admitting that the budget agreement was the worst political mistake of his presidency and disavow the economics underlying it — something the Republican establishment will not permit. Therefore, the odds are that a second Bush term would be as big a failure as the first and bring to an end the Republican domination of the presidency.

FRANK GAFFNEY JR.

Aid to Russia: Is it doable . . .

Last week, President Bush pleaded poverty when criticized by former President Richard Nixon for his "pathetically inadequate" assistance to democratic forces in the former Soviet Union. Contending that "we're living in a time of constrained resources," Mr. Bush averred that "there isn't a lot of money around" with which to help Boris Yeltsin and others struggling to consolidate the political and economic transformation of the old Soviet Union.

There is, however, one initiative that is readily available, that would have an immediate and powerful effect in Russia and other qualifying former republics, and that would not cost the American taxpayer another dime in new outlays: substantial long-term debt rescheduling and selected forgiveness. Not surprisingly, such debt relief featured prominently on the list of actions recommended by Mr. Nixon in a memorandum he recently circulated on the eve of an extraordinary conference sponsored by his presidential library on March 11-12.

Once the Soviet regime that incurred the bulk of this debt — some

\$50 billion under the stewardship of Mikhail Gorbachev alone — was formally supplanted by a democratically elected government in Russia and a commonwealth of sovereign states, it became appropriate to consider immediate action on debt relief. Indeed, generous, multiyear rescheduling of the inherited debt would be the single most important, near-term and affordable step the West could take to give tangible expression to its solidarity with the struggling democratic and free-market reformers in the former Soviet Union.

Unfortunately, to this point the Bush administration has evinced little willingness to lead a coordinated Western effort on Soviet debt relief. Instead, it appears to be toadying to the German bankers and foreign governments who foolishly and irresponsibly lent Moscow center the bulk of its foreign debt. For example, Ed Hewett — the senior director for Russian and Eurasian Affairs at the National Security Council and a longtime enthusiast for Western lending to the Gorbachev regime — intimated at the Nixon Library Conference last Wednesday that the administration was reluctant to push for debt relief lest it jeopardize the opportunity for new borrowing by Russia and other reforming suc-

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Frank J. Gaffney Jr. is the director of the Center for Security Policy and a columnist for The Washington Times.

SAMUEL FRANCIS

Is it America's responsibility . . .

It tells you a good deal about the quality of George Bush's stature as a foreign policy leader that he finds it useful to wrap himself in Richard M. Nixon. Last week, on the occasion of a foreign affairs gab-e-cue hosted by the former president, Mr. Bush brushed off the bothersome business of having to govern America and expatiated on his favorite theme of how to run the world. It also tells you much that Mr. Nixon stole the show anyway.

At Washington's Four Seasons, Mr. Nixon and Mr. Bush addressed an audience made up of the usual suspects who long ago checked into the foreign policy elite's hotel and never bothered to check out. They've been running our foreign policy since before either president entered public life.

Conspicuously absent from this mutual admiration club gone multinational were any of the plain taxpayers of America who have no influence on foreign affairs but wind up paying the bills and the consequences of their leaders' hobbies anyway. There were no unemployed steelworkers or auto workers, no millhands or housewives, no GIs, wounded veterans or MIAs, in the audience. They weren't invited and

wouldn't have been welcome if they'd been there.

The speech of Mr. Bush, a man for no season at all, was replete with his usual platitudes, niceties and political innuendoes thinly disguised as statesmanship, and it bears no more scrutiny than anything else he says and promises. It was Mr. Nixon who served the red meat.

The former president thinks we're not giving enough money to

help Russia evolve into a free market democracy. If we don't meet these "international responsibilities," he intoned, we may face a "new despotism" as Russia and the other states of the Commonwealth of Independent States succumb to authoritarian, nationalist rule. The "new despotism" there would be the fruit of what he calls the "new isolationism" here that appears "across the political spectrum."

When Mr. Bush whines about this sort of thing, it can best be ignored, but when someone like Mr. Nixon, who actually knows something about international power, worries,

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Richard Nixon

Samuel Francis, a columnist for The Washington Times, is nationally syndicated.

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sor states in the future.

That pretext for denying Mr. Yeltsin and like-minded reformers relief from the crushing costs of even the \$44 billion provided just in 1990-91 — Mr. Hewett noted ruefully "no one is quite sure where it went" — is, at best, disingenuous and, at worst, self-fulfilling. With their vast natural resources and economic potential, Russia and Ukraine at the very least are unlikely to be denied Western future loans, particularly if they are project-specific or collateralized.

Were the United States and other Western governments now to exercise leadership with respect to long-term debt rescheduling and selected forgiveness, other lenders (virtually all of whom are believed, sensibly, to have begun discounting or writing off these devalued assets) will follow suit without prejudice to new money flows. On the other hand, if sovereign lenders fail to exercise such leadership, the banks and inordinately exposed governments naturally will press their claims.

The inevitable result: Billions of dollars in precious hard currency — money that could otherwise go toward importing needed consumer goods or critical investment — will be sluiced from the former Soviet republics to Western creditors. It may even be, ironically, that some of whatever new money flows the West does provide now will wind up going to pay German bankers and taxpayers instead of appreciably helping the Russian people!

While the party line on debt relief for qualifying Soviet successor states is concern about their future borrowing potential, another consideration is probably determinative for the Bush administration. The president's men may fear that any action that focuses attention on the \$3.75 billion in U.S. taxpayer resources loaned to Mr. Gorbachev during his last year in office would vindicate Mr. Bush's critics — who said at the time the money would be misspent, constitute life-support for a communist regime and never be repaid.

Under present circumstances, however, Mr. Bush cannot afford to let such considerations preclude action on debt relief. As Mr. Nixon and some on Capitol Hill have properly observed, the costs of failing to act decisively on behalf of those engaged in wholesale structural reform in the former Soviet Union may prove unacceptably high.

An initiative on debt relief, moreover, should enjoy a higher priority for the United States and other governments than some of the steps being considered, notably a \$4 billion to \$6 billion ruble convertibility fund. After all, such a fund (assuming it works as it is supposed to) will not be expended. By contrast, were \$40 billion to \$60 billion worth of cumulative principal and interest payments to be generously rescheduled or partially forgiven, it would mean that that money would be physically in the hands of the reformers — and available, therefore, to be spent in a disciplined way to meet other pressing needs.

Two other considerations argue for a prompt adjustment in the relative priority being accorded by the Bush administration to debt relief on the one hand and a new fund to prop up the old Soviet ruble on the other. First, the former would cost the West no new money, whereas the latter will require substantial new contributions from the already beleaguered American taxpayer. And second, generous, multiyear rescheduling or debt forgiveness can alleviate otherwise intense pressure to generate hard currency revenues through the export of advanced Soviet-designed weaponry; something a partially convertible ruble is unlikely to accomplish.

Western creditors who knowingly bet their taxpayers', shareholders' and depositors' money on an unworkable, centrally controlled economic system for political or commercial reasons — should be accorded little sympathy in weighing appropriate rescheduling or forgiveness. Such creditors entered into these transactions with their eyes wide open concerning the dubious prospects for full repayment. It is only sensible and fair — and in the West's long-term interests — that the true democratic forces in the former Soviet Union not now be penalized by the very creditors who did so much in the past to perpetuate the detested communist ancien regime.

FRANCIS

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it's time to get a few things straight. To wit:

- The United States has no "international responsibilities" other than those it has constitutionally adopted as legally approved and ratified treaties. The United States at the present time has no treaty with Russia or other C.I.S. nations to provide them with money, aid or troops, and we have no obligation or "responsibility," legal or moral, to do so.

- It is not part of the American mission to save the rest of the world from itself, promote democracy or capitalism, teach Sunday school or help the heathen. It may occasionally be in our interest to do these or other things, but that's something to be determined by ourselves, our circumstances and our other national needs.

Any mission we have as a nation or a government is defined explicitly in the Preamble of the U.S. Constitution. The rest of the Constitution is merely the instrument or means by which these ends may best be achieved. Spreading democracy is definitely not there, nor is any commitment to fret about, fix or tinker with the internal arrangements of other countries so that they will wind up in the glorious condition the United States is now in.

- Sometimes it is in our interest to influence the internal affairs of other countries — such as during the Cold War, when the internal character of Soviet communism determined its external aggression and subversion against other countries, including us and our allies to whom we were legally committed.

- The Cold War — and Soviet communism — are over, and Mr. Nixon's fond recollections of its beginnings and his analogy of present world problems to those of the 1940s are misplaced. At the end of World War II, the Soviets were prepared to launch attacks on Western Europe and support subversive campaigns elsewhere, including this country. Today there is not a single country in the world that behaves like that.

- Authoritarian nationalism has never been a threat to the United States. The strongmen of yesterday — Francisco Franco, Augusto Pinochet, Ferdinand Marcos, Fulgencio Batista, Chiang Kai-shek, Anastasio Somoza, the Shah of Iran, etc. — were our friends and allies against the Soviets. We did support them; we should have supported them; and we should have stood by them more than we did. If similar gentlemen pop up in Moscow or Kiev, so what?

- What responsible critics of "New World Order" globalism such as Pat Buchanan advocate today is not isolationism but a foreign policy based on the new realities of the post-Cold War world and present-day America, not a nostalgic pining for the policy of good old Harry Truman and the Marshall Plan.

But our foreign policy elites, assembled in all their plumage at the Nixon gala, can't accept that. Their professional interests, their habits of thought and their positions as global policy gurus lock them into preserving the same old foreign policy fixations of the last 40 years. If the Americans who weren't invited to the Four Seasons really want a foreign policy that reflects their interests, they'll have to check into a different hotel.

Give him a grant

The truly civilized are obliged to revere art for art's sake, as John Frohnmayer kept telling us, and there's one artist the National Endowment for the Arts overlooked in its never-ending campaign to seek out the avant-garde.

A Japanese artist and writer has become an arts celebrity in Amsterdam, the world fruitcake capital, for his cannibalism as art.

Artist Issei Sagawa is the subject of a film — cinema verite, you might say — in which he details how he ate his Dutch girlfriend in Paris 11 years ago. He is obsessed with beautiful Western women, whom he finds, well, appetizing.

Sagawa, a literature student at the Sorbonne at the time, was found insane and imprisoned for three years before his wealthy family persuaded the French to have the persecuted artist transferred to a Japanese mental institution.

In 15 months, Sagawa was released after Japanese doctors, arts lovers all, judged him cured. He lives in Yokohama where he is a celebrity, writing books and articles recounting his cannibalism and hunger for Western women.

"Cannibalism has been my obsession since I was very young, it is a pleasure lying deep in the human spirit," he wrote in a recent article in an arts magazine.

The Dutch, who seem to be about as sophisticated in these matters as, say, Jesse Helms, are alarmed by the news that the Japanese intend to issue a passport to the hungry artist to travel to Hamburg to appear on a TV program to discuss his art.

Not only is there concern over a rather haphazard sense of crime and punishment, there is some fear that Sagawa may wish to extend himself socially and, as Hannibal Lecter would observe, have a friend for dinner.

Sagawa has been the subject of prize-winning plays and best-

INSIDE THE BELTWAY



Candidate Jerry Brown finds his bachelorhood a disadvantage.

selling books in Japan, and Scripps Howard reports the Japanese are fascinated by the "artistry of his tale" as an example of low crime redeemed by high art.

Memories of Elvis

Memphis, where Graceland is a historic home and the memory of blue suede shoes is a business incentive, has voted.

The Memphis Commercial Appeal has released the results of a mail-in poll on the proposed commemorative stamps, and it reveals that among those who knew him best, it is young Elvis 2 to 1.

To universal excitement, the Postal Service is conducting a vote on two designs for a first-class stamp to be issued next summer — one of the young hip-swiveling rockabilly; the other of an older, er, more rhinestone version.

If the Commercial Appeal's survey is any indication, Elvis the elder hasn't got a prayer. As of Friday, young Elvis received 1,070 votes while the older edition got 472. Fifteen readers suggested both likenesses — or neither.

While one writer complained about a stamp depicting a "drug addict," Beatrice Chipman of Paragould, Ark., seemed to speak for most when she cast her choice for the younger model. "This was the Elvis we all loved," she said.

There was of course the traditionalist school that objected to the stamp on the grounds that it will violate the custom of portraying only the dead on U.S. postage. Just remember, "the King lives."

Foley must go

Two conservative leaders have decided that the recent scandals in the House require the resignation of Speaker Tom Foley.

David A. Keene, American Conservative Union chairman, calls on him to surrender his post for "a cover-up of criminal actions" in the House bank and hiding "illegalities" in the House post office.

Floyd Brown, chairman of Citizens United, echoed the plea, say-

ing, "Clearly, Speaker Foley has engaged in an ongoing and active effort to prevent public scrutiny of the less than ethical behavior of the House of Representatives."

How's that again?

The Media Research Center quotes under the headline "Cause and Effect" the following observation attributed to USA Today columnist Barbara Reynolds:

"On the road I travel to the mall in Wheaton, Md., two white men severely beat two black women Tuesday. One was doused with lighter fluid, and her attacker tried to set her afire. Both men cursed the women for being black. I couldn't help but shudder: That could have been me. This heinous act happened only hours after Pat Buchanan voters gave him 30 percent of the vote in the Maryland GOP presidential primary."

House Bank fallout

Unique in the annals of corrections, this example of Quotegate:

"ALBANY, Ga. (AP) — The Associated Press on Friday misidentified a shoeshine attendant who was critical of Rep. Charles Hatcher, D-Ga., for overdrawing on checks at the House bank in Washington. The man gave a reporter a false name.

"The attendant, Johnathan Fuchs, said Monday he gave the name of Elija Williams, the shop's owner, instead of his own when he criticized Hatcher. Williams was out of town at the time."

Today's quote

The Political Hotline noted this Jerry Brown quote in the Orlando Sentinel: "Every time I pick up the paper, there's Clinton hugging his wife in front of an American flag. That's hard to compete with, especially if you don't have a wife."

— Alan McConagha

Novello's nose under the camel's tent

Last week, U.S. Surgeon General Antonia C. Novello demanded the abandonment by R.J. Reynolds Tobacco Co. of its "Old Joe" commercial advertising cartoon featuring a fetching dromedary. Dr. Novello's fervent remonstrance was provoked by the more than 50 percent name recognition of "Old Joe" as a cigarette ad among children aged 3-6.

Dr. Novello's tirade against "Old Joe" follows a sustained and systematic series of denunciations of the cigarette industry by Dr. Louis Sullivan, secretary of the Department of Health and Human Services. The transparent goal of the Sullivan-Novello vituperations is the de facto elimination of cigarettes as an article of commerce through obloquy and ostracism.

But is that goal either proper or legitimate? The sale of cigarettes is legal. The nation's lawmakers, learning from the euphemistically styled "noble experiment" with Prohibition, have chosen against a ban. Aren't Drs. Sullivan and Novello seeking circumvention of that legislative decision by employing their executive branch pedestals to drive cigarettes from the marketplace? Aren't the two also creating a dangerous precedent in targeting for destruction a lawful industry that they idiosyncratically despise?

There is a multitude of goods and services that, like cigarettes, appeal largely because they elicit sensual pleasure and may detract from physical, moral and mental perfection: rock music; alcohol; Hustler magazine; cosmetics; corsets; haute

couture; haute cuisine; and sugar-coated cereal. The list might be as lengthy as the pope's erstwhile Index Librorum Prohibitorum if its composition were entrusted to Savonarola. Would executive branch officials be justified in targeting any industry on the list for systematic verbal condemnation with the intent

Executive officials need instructing that the future destinies of lawful enterprises in the U.S. are none of their proper business.

to destroy its commercial viability? An affirmative answer seems difficult to maintain.

The legislative branch determines which products should be lawful and which should not. Executive officials are entitled to influence those decisions through recommendations, testimony and the public distribution of accurate information. But the Sullivan-Novello maledictions of the cigarette industry fall outside this range. They are not intended to rally public support behind an administration bill to prohibit the sale or use of cigarettes. They do not enlarge the store of knowledge regarding the health re-

sults of smoking, or the influence of advertising on cigarette consumption. Their remarks are condemnatory for the sake of condemning.

That would be undisturbing if Drs. Sullivan and Novello were private citizens. Freedom of speech both permits and encourages the citizenry to appraise publicly goods or services in the marketplace and to persuade others to think and act accordingly. But Drs. Sullivan and Novello are speaking as the voice of government. Their views, therefore, are subsidized by taxpayers, and receive a prominence and credibility denied to the ordinary citizen. Their status as high-ranking executive officials enables them to injure private business through animadversion, an improper government objective.

That practice is worrisome on several counts. Private business will be loath to criticize government official or their policies because fearful of retaliatory campaigns of denunciation. In other words, the practice chills the exercise of First Amendment rights of free speech and petition.

On the other hand, private business may seek to flatter or lionize officials in hopes of either avoiding denunciation or eliciting praise of their goods or services. If government executives are permitted to condemn particular businesses or industries, there seems nothing in principle that would frown on selecting particular goods or services for laudation.

In sum, political speech would be as skewed and chilled if it became accepted practice for executive officials to selectively condemn or to promote a firm or industry with the hope of either depressing or bolstering sales. The practice would also create acute conflict-of-interest problems for executive officeholders. They might seek to curry favor with particular corporations or organizations through their denunciations or praises of private industry in anticipation of a lucrative job after their service terminates. For instance, it is not implausible that Drs. Sullivan and Novello might be handsomely rewarded through consulting arrangements or employment by anti-smoking organizations after leaving office. And the commerce secretary might systematically denounce foreign car manufacturers or dealerships in the United States in the expectation of a future job with Lee Iacocca.

At present, neither the Constitution, statutes, nor ethical rules forbid anti-cigarette or other comparable vendettas against private business conducted by executive officials a la Drs. Sullivan and Novello. Congress should act to prevent such abuse of government office. A statute should prohibit any high-level official of the executive branch from attempting, through a pattern of either condemnation or laudation, to destroy or to favor particular businesses or industries. The prohibition should not apply to the dissemination of accurate health, safety or other information. Neither should it apply when the speech pertains to pending or anticipated legislation or regulations. But executive officials need instructing that the future destinies of particular lawful enterprises in the United States, as a rule, are none of their proper business.

Bruce Fein is a lawyer and freelance writer specializing in legal issues.

GEORGIE ANNE GEYER

... and what tools could Bush use?

Into the spurious moralizing of this unfortunate political season, there suddenly has been thrust a genuine moral issue. Ironically, the president most often accused of the most cynically immoral behavior is the one who has placed it before us.

Richard Nixon has long been a serious practitioner of the art of the memo. (Remember his famous 1959 memo on how Fidel Castro could not be trusted?) Well, Mr. Nixon has again written a memo, which was circulated among political friends, and it has galvanized even those parts of Washington that usually despise him.

Though the former president tried to downplay his criticism of George Bush, the fact is that the memo is bitterly critical of the president. Mr. Nixon claims that the Bush administration is treating the collapse of the Russian empire "as if

*Russians ask,
"Where is Bush?
Where is America?"
The president thinks
there is nothing more
he can do, but he is
wrong.*

it were a penny-ante game" that we were playing with Upper Volta.

We face one of the great historic opportunities in history, argues Mr. Nixon, and we are missing it: "What seems politically profitable in the short term may prove costly in the long term. The hot-button issue in the 1950s was, 'Who lost China?' If Yeltsin goes down, the question 'Who lost Russia?' will be an infinitely more devastating issue in the 1990s."

see GEYER, page F4

Georgie Anne Geyer is a nationally syndicated columnist.

Success story told by Bush overlooks the role of politics

By Frank J. Murray
THE WASHINGTON TIMES

MILWAUKEE — President Bush supplied only part of the story when he asked national reporters yesterday to carry the story of a "start-up, minority-owned firm" with \$11.8 million in sales before its second anniversary.

"We're waging a battle today in America... and Steeltech is the kind of success story that points the way to victory," he said in a speech at the mill, without describing the political ties and financial sweethearts who make Steeltech tick.

Net sales for Steeltech in four years should exceed \$62 million in minority-preference contracts for the Army, said its top executive, pleased at opening employment to newly trained, inner-city workers who had been called unemployable. Mr. Bush didn't say that the \$800,000 invested by minority shareholders — less than 20 percent of the total \$5 million equity — includes loans from non-minority participants, among them Fred Lubber, Mr. Bush's campaign finance co-chairman in Wisconsin.

Mr. Lubber wasn't on stage at the Steeltech speech, but he sat at the head table later for a \$1,000-a-plate fund-raising lunch, along with Eugene Goodson, chairman of the board of Oshkosh Truck Corp., also a player in Steeltech.

Operating and start-up loans came from Oshkosh Truck, the company holding the main Army truck contract, and it buys Steeltech's full output.

Mr. Bush also didn't mention that the "minority-owned" company, Steeltech, rents space at \$26,000 a month from Super Steel Products Corp. and assembles components bought from the same firm, which

Mr. Lubber owns.

The \$62-million Army contract, much of Steeltech's operating capital, its construction loan, and a start-up \$1.2 million federal grant, came to Steeltech because 60 percent of its \$2 million in common stock is in the name of 10 blacks and two Hispanics. An additional \$3 million investment from non-minority corporations is carried as subordinated debentures, thus avoiding offsetting the minority stock.

Mr. Bush credited Republican Gov. Tommy Thompson, Secretary of Housing and Urban Development Jack Kemp and Small Business Administrator Patricia Saiki with clearing the way for Steeltech in Wisconsin.

"There are always political links. That's a fact of life," said Steeltech President G. David Guerrero, himself a minority shareholder who refused to disclose his percentage.

Mr. Guerrero acknowledged that money to start Steeltech and keep it running while its new plant is being built in Milwaukee's inner city were orchestrated through Mr. Lubber, in collaboration with Super Steel and Oshkosh Truck Corp.

At least two aldermen have questioned the reality of calling Steeltech minority-owned, but one said that concern is offset by the number of jobs provided for otherwise hopeless blacks. Unemployment among Milwaukee blacks is 17.5 percent; 2 percent of whites are jobless.

Steeltech employs about 75 people and expects to hire another 125 by October. Most workers are described as previously unemployable welfare clients, ex-prisoners and former drug users who have taken a six-week cram-course in welding. Trainees are hired without regard to experience or criminal records, so

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Then he makes six very specific proposals: provide humanitarian food and medical aid; create a "free-enterprise corps" to send thousands of Western managers to Russia to advise and teach; reschedule Soviet debt; allow greater access to Western markets for Russian exports; work with other Western countries for ruble currency stabilization; create a single Western-led organization to coordinate all aid.

Now, all of these are sound, work-

able ideas. But the first problem is that President Bush immediately dismissed them with his usual demurrer that the United States simply doesn't have the necessary money to invest so much in Russia. A bigger problem — for all of us — is that the administration is cavalier in its election opportunism without understanding that real "aid" to the post-communist Russian and related states could be done on a moral level; and that would help Russia and also answer many of the growing Bush critics at home.

What are the real problems in the Soviet Union? They are moral ones. What underlie the real problems in America today? Moral issues. Yet,

the Bush administration, with all of its bright men and women, cannot see the potential link. Start with the axiomatic rule that good diplomacy operates on many levels. In America, in any truly operational foreign policy, the moral level has always been among the top factors, alternating with the political, the economic, the military and the psychological (John F. Kennedy saw this clearly with, for instance, his idealistic-realist policy of the Alliance for Progress.) Such a diplomacy does not necessarily require a great deal of money; it requires a lot of vision and some small amount of courage.

Now consider the fact that the people of the former Soviet Union today are going through a singular and humiliating psychological experience. Not only did their ideology and their empire lose, they themselves, in order virtually to survive, now need to adopt "the enemy's" system. But they were not conquered, so they have to do it on their own, without the faintest idea of how.

Russians actually tell American journalists repeatedly that they wish they had been conquered by America; over and over on my recent five-week trip to the new republics, people asked repeatedly, "Where is Bush? Where is America?" The president thinks there is nothing more he can do, but he is wrong. He does not understand how to use the moral dimension of foreign policy. And there are so many tools he could use.

He could give regular broadcasts to Russia and the new republics; he and his people could employ the Voice of America, Radio Free Europe, our embassies, the new Russian newspapers, etc., to instruct the former Soviets in the system that we have, to help them make it work, to explain democracy and free enterprise. Moreover, in addressing them, he would also be addressing America and its need for a moral compass. By confirming the moral worth of our system to the Russians, he would be confirming it to Americans. He also would be saying to Americans, "Hey, I know I am criticized for spending too much attention abroad, but I am your leader for now, and I am not going to lose this gigantic, historic opportunity."

This is what a secure leader would do, and in so doing, he would also lift his own people's comprehension of the historical importance of their lives to a new level. This is what George Bush, unquestionably a moral man, is not doing; and this is what Richard Nixon, who unquestionably has a streak of deceit, would do. But, then, stranger things have happened.

Tsongas to stay in race regardless of today's vote

By J. Jennings Moss
THE WASHINGTON TIMES

SPRINGFIELD, Ill. — Paul Tsongas could become a victim of his own expectations. Last week he said today's Illinois and Michigan primaries were critical, but his message failed to catch hold and yesterday he prepared for the worst. The question no longer is whether Mr. Tsongas will win but whether he will edge out former California Gov. Jerry Brown for second place. The answer could determine how long he will be in the race for the Demo-

cratic presidential nomination. On his campaign plane, waiting to take off for a hectic day of last-minute campaigning in both states, Mr. Tsongas would not play the speculation game. "Let's see what the numbers show, and I'll comment more tomorrow," the former senator from Massachusetts said. "There's something out there, and people are coming up and saying, 'You've got to stay in this race.' I have to be the alternative" to Arkansas Gov. Bill Clinton. At a later press conference in Moline, Ill., Mr. Tsongas vowed to stay in the race until the Democratic

convention in July, saying he would be willing to have his campaign go into debt to achieve that goal. Mr. Tsongas' victories in New England as well as in non-regional states like Maryland and Washington have yet to lift concerns that he is not a national candidate. And as each so-called "neutral" battleground comes and goes without a Tsongas victory, those questions grow stronger. The Tsongas campaign first said Florida was the place but then backed off and said Mr. Clinton was better organized, had a regional advantage and had obscured Mr. Tsongas' message

with negative attacks. Mr. Clinton beat Mr. Tsongas 52 percent to 34 percent. Tsongas campaign officials then said Illinois and Michigan were the real tests because they were in neither candidates' back yard. But yesterday, they said Mr. Clinton still had an organizational advantage and Mr. Tsongas had problems communicating his message until near the end of last week. Polls show Mr. Clinton with a commanding lead in both states. "Will he win? No. But he's moving forward. It's a long campaign. We don't stop with Illinois," said Tsongas spokeswoman Peggy Connolly. The campaign hopes to do well on March 24 in Connecticut and the following week in Vermont before focusing on New York's April 7 derby. "Whoever wins Illinois and Michigan is the pre-emptive favorite to get the nomination," said George Stephanopoulos, Mr. Clinton's deputy campaign manager. "Whoever loses is going to have a tough time convincing voters that they have a national rationale." Mr. Tsongas says the key to setting himself apart from Mr. Clinton is to stress the differences in their approach to rebuilding the nation's economy. Both men favor higher

taxes for the wealthy, but Mr. Tsongas also would cut capital gains taxes; Mr. Clinton would concentrate on a middle-income tax cut of about \$350 a year. "To say that we [Democrats] are going to give out a middle-class tax cut is to say that \$55 billion is not being used to provide jobs. If that's the approach we take, we don't deserve the White House," Mr. Tsongas told about 300 people at the statehouse in Springfield, Ill. But his jobs-building message did not catch on fast enough with union members and blacks, two key constituencies in the Northern industrial states.

Senate battle in Illinois overshadows big race

By Ronald A. Taylor
THE WASHINGTON TIMES

A three-way battle over a Senate seat is nearly eclipsing the presidential primary in Illinois as the first Democratic incumbent faces voter anger for supporting confirmation of Supreme Court Justice Clarence Thomas. Last-minute polls yesterday predicted Sen. Alan Dixon will be the Democratic candidate this fall, but only after major challenge from a black woman supported by feminists and a white Chicago lawyer who spent \$4 million of his own money in

a losing campaign. Even before all the votes are counted, the black woman, Carol Moseley Braun, "should consider herself a victor," said Don Foley, political director of the Democratic Senatorial Campaign Committee. "She has drawn a considerable amount of attention and certainly has a future role in politics at the national level," Mr. Foley said. Public opinion polls conducted two days before the primary gave 29 percent of the vote to Ms. Braun, former state legislator and Cook County Recorder of Deeds. She is the first black woman to win a

countywide election. That put her a solid second to Mr. Dixon's 41 percent and ahead of millionaire attorney Al Hofeld's 21 percent. The undecided vote is about 9 percent, according to the Chicago Sun-Times poll. "I'm running against one candidate who thinks he can buy the Senate seat and another who thinks he owns it," she told interviewers last month. "I'm going to earn it." While Mr. Hofeld spent an estimated \$4 million of assets said to total \$14 million, Ms. Braun has spent much less than \$1 million. Her challenge to Mr. Dixon fo-

cused on his frequent support of President George Bush and his vote to confirm Supreme Court Justice Clarence Thomas. "Here is someone who looks attractive and given the anti-incumbent mood has rapidly moved onto the political scene," said Ronald Walters, a Howard University political scientist and the author of a 1990 book on black voters and presidential politics. He said yesterday that Ms. Braun "seemed to come out of nowhere" but explained that she easily tapped the stream of voter discontent. "It's a question of having the pro-

file of somebody who is not from Washington," Mr. Walters said. "You've got this atmosphere out here that is just ripe for all kinds of upsets." The Braun candidacy grows out of Democratic interest-group bitterness after the long, contentious battle over the nomination of then-federal appeals Judge Thomas to replace retiring Justice Thurgood Marshall. After Justice Thomas won Senate confirmation, feminists — led by the National Organization for Women — vowed to target for election-year retribution Democratic senators who

voted with supporters of President Bush. As if to restate that promise, prominent feminist Gloria Steinem campaigned with Ms. Braun last week. Ms. Braun's campaign took off in the last month, only after she appeared — and competed well — in a televised debate that allowed voters to see that she is black and a woman, local political analysts said. With money that came in after the televised debates, she bought air time for three sets of TV ads. The first spot "attacks her opponents as millionaires," the second targets the incumbent's tenure in the Senate and the third billboards Ms. Braun's record as a state legislator.

Autoworkers jeer Buchanan, slam door in his face

By Ralph Z. Hallow
THE WASHINGTON TIMES

FLINT, Mich. — The most visible failure of Pat Buchanan's inexperienced campaign came in Michigan yesterday as he was snubbed at a General Motors plant and booed by United Auto Workers members outside.

The incident, the nastiest of his campaign, illustrated how poorly his "America First" trade-protectionism message was getting out to his targeted voters here — the blue-collar Reagan Democrats and ethnic workers hit hard by foreign competition.

Plans to talk to workers at the GM plant — which he said is scheduled for shutdown by 1995 — went awry. Mr. Buchanan was told by plant officials that angry workers were in no mood for the scheduled campaign stop.

After he left the plant, he tried to talk to jeering autoworkers at a union hall across the street.

"We don't want any politicians" and "Don't you come over here, driving your BMW," the auto workers shouted as Mr. Buchanan boldly broke away from his Secret Service protectors to cross the street in a vain effort to talk to them. They retreated and then slammed the door in his face.

They misidentified the candidate's normal line of work and the brand of foreign car he owns, but their anger served as a wake-up call for his murky message and an outlet for their frustration with what they view as an unresponsive system.

"I understand guys being very angry," the shaken but still-game Mr. Buchanan said afterward, on the eve of the Michigan and Illinois primaries.

"I understand their anger and their bitterness. They've been through a recession for a couple of years. They see one plant after another closing and they don't see any stopping it and they see a loss of hope. They see a loss of jobs coming up," said the conservative columnist.

"They're very bitter and angry and they don't see any hope. And they take it out on somebody who shows up," he said.

"I was astonished that they wouldn't simply argue it out or talk it out — they're UAW guys," he said.

Mr. Buchanan then left his campaign caravan car to ride in the press bus, where he proceeded to hold a candid, impromptu news conference as the bus plowed on for another hour to its overnight rest stop in Dearborn.

Mr. Buchanan admitted that President Bush's television ads making him out to be a hypocrite for owning a German-made Mercedes-Benz luxury car were hurting him in a state tailor-made for his protectionist message.

Some supporters privately complain that the only ad he is running here, like so many others in his campaign, steps on his middle-American revolution theme by not telling Michigan workers what he would do as president to save their jobs.

The sole Buchanan ad here talks about "foreign agents" who advise Mr. Bush and attempts to blame them for the loss of 73,000 jobs in the state.

Asked why he spent so many days in low-population places such as the Bay City-Saginaw area, with little free media available, he said, "We spent an awful lot of time on the bus and in cars, when maybe we ought to be getting out at more stops and doing more hits [greeting voters]."

Hoyer bounced 4 checks in 11 years, he says

By Janet Naylor
THE WASHINGTON TIMES

Maryland Rep. Steny Hoyer said yesterday he bounced four checks at the House bank during his 11-year tenure in Congress but declared the matter nobody's business "but my own."

At a morning news conference, Mr. Hoyer, 52, said only three of the checks fell under the 39-month period studied by the House ethics committee that documented thousands of penalty-free overdrafts from the bank.

But the six-term Democrat said the bounced checks are not a reflection of his integrity or leadership ability.

"I don't think that most of what I have said today is any of your business. I think it's my personal finances," he said during the 45-minute news conference. "I don't think that anybody's going to think it's particularly egregious."

Three checks — one for \$542 and two for \$100 each — were written last year.

Mr. Hoyer said he was told only once that he had overdrawn his account by \$106. The bank called him July 26, 1991, saying he did not have enough money in his account to cover a check written three days earlier.

A \$120 deposit was made to cover the amount "within an hour" of the July 26 phone call, he said, denying that the phone call was yet another "perk" of office.

The fourth check, for approximately \$101, was written in May 1986, Mr. Hoyer said, sarcastically referring to the information as "the shocking fact."

Mr. Hoyer laid blame for the overdrafts on the widely publicized shoddy management at the closed bank. He said he was assured verbally and in writing by Jack Russ, the former sergeant-at-arms who ran the bank, that his account was in order.

"I believed the statements given to me by the bank were accurate statements," Mr. Hoyer said. "I was wrong but I was not attempting to, nor did I think I, misrepresent it."

Mr. Hoyer, the fourth-highest-ranking House member, also denied that his daughter, Stefany, worked for the House bank. He said that she works for the sergeant-at-arms office that ran the bank before it was closed.

Miss Hoyer's name could not be found on any personnel payroll records for last year, but her father said she has worked for the House for five years.

When asked what his daughter's duties are, Mr. Hoyer said, "I'm not



Rep. Steny Hoyer

sure exactly what she does. ... She does secretarial and clerical duties."

Despite the small amount of the checks, Mr. Hoyer said that he expects the issue to haunt him at the polls in November.

"Am I embarrassed? I've thought about that question. I think I'm more angry than embarrassed," he said. "I think it's going to have some effect. ... I don't know the magnitude of that effect."

Mr. Hoyer has said for months that he faces his first tough campaign battle, even though his opponent, Larry Hogan Jr., has never held public office.

Mr. Hogan — an Upper Marlboro real estate broker and son of a former Prince George's County congressman and county executive — began his attacks on Mr. Hoyer weeks before winning the March 3-Republican primary.

At a candidates' forum in Charles County in early February, Mr. Hogan urged Mr. Hoyer to answer "one way or the other, did you or did you not bounce checks? Did you or did you not run out on restaurant tabs, because the people have a right to know."

In response, Mr. Hoyer said, "by the way, on bounced checks, the answer's no. On restaurant tabs, the answer's no. Is that the issue?"

Mr. Hoyer acknowledged yesterday he knew about the July 26 check during the debate but said, "I frankly don't consider that a bounced check."

Mr. Hoyer also said he would disclose his restaurant bill at a future date, saying that a \$2,778.07 overdue tab reported in The Washington Times in December was incurred by a committee he serves on and was paid off in about a month.

Brown told to ease up on Clinton

Party chiefs: Attacks 'out of line'

By Major Garrett
THE WASHINGTON TIMES

Democratic leaders implored Jerry Brown to soften his attacks on Bill Clinton on the eve of two Midwestern primaries today that may give the Arkansas governor a virtual lock on the nomination.

Party Chairman Ron Brown and former chairman John White yesterday moved to muffle Mr. Brown's shrill accusations of wrongdoing by Mr. Clinton.

Both asked the three leading candidates in the race for the Democratic presidential nomination to focus their venom on President Bush and treat each other with greater civility.

Meanwhile, analysts and county party leaders in Illinois and Mich-

igan agreed Mr. Clinton will sweep these key industrial states today with victories that will add mightily to his huge delegate advantage and relegate his opponents to also-ran status.

Mr. Clinton has 707 delegates to 347 for former Massachusetts Sen. Paul Tsongas and 81 for Mr. Brown. A total of 288 delegates are "uncommitted." To get the nomination, a candidate must win 2,145 delegates. Illinois will award 164 delegates; Michigan, 131.

For his part, Mr. Brown was gaining in Michigan. Analysts and county chairmen throughout the state predicted a strong second place for the former California governor and a disappointing third for

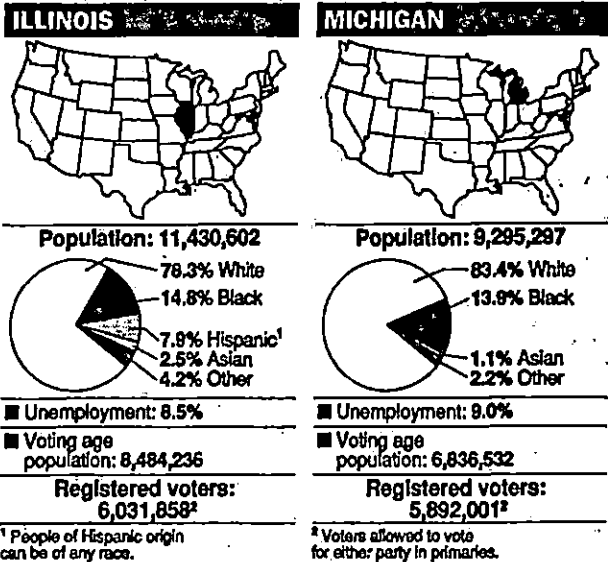
see PRIMARY, page A6



Sign of Tsongas: Paul Tsongas autographs a campaign worker's poster while seeking votes yesterday outside a commuter station in Chicago.

295 DELEGATES AT STAKE

A look at the states of Michigan and Illinois as they hold primaries today. Figures are for 1990, except for unemployment, which are seasonally adjusted rates from February. Percentages may not add to 100 due to rounding.



PRIMARY

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Mr. Tsongas.

"Jerry Brown really has been gaining ground," said Dave Rohde, professor of political science at Michigan State University in Lansing. "There is a good chance he will finish ahead of Tsongas."

Mr. Brown has not caught fire in Illinois and neither has Mr. Tsongas. Both are expected to finish far behind Mr. Clinton, who benefits from support from Chicago's Mayor Richard Daley, near-unanimous support from urban blacks and strong backing in rural southern Illinois.

While campaigning yesterday in both states, Mr. Tsongas would not even venture a guess about today's outcome.

Ron Brown yesterday criticized both the tone and accuracy of Jerry Brown's assault on the front-runner during Sunday's televised debate in Chicago. "Jerry Brown was out of line last night," the chairman said. "And he was inaccurate."

Mr. Brown inaccurately said Mr. Clinton "funneled" \$115,000 in "bond business" from the state of Arkansas to the law firm of the governor's wife, Hillary, Ron Brown said. In fact, the state paid the firm \$115,000 for representing it in a dispute over a nuclear plant built in Mississippi.

Venting campaign outrage at the slightest whiff of conflict of interest, Jerry Brown said the relationship between Mrs. Clinton's law firm and the state government represented a "scandal of major proportions."

The governor labeled Mr. Brown's assault a "lying accusation" born of desperation, adding his opponent "ought to be ashamed ... for jumping on my wife."

Mr. White said Mr. Brown's aggressive tactics could alienate voters just as they are beginning to focus on Mr. Clinton — the party's likely nominee.

"All these personal attacks ... and snide remarks about each other are harmful," Mr. White said. "They are not things people want to see in our candidates. These primary battles are intramural campaigns. We ought to save our gunfire for the presidential campaign."

identical campaign."

Polls show Mr. Brown and Mr. Clinton picking up support from formerly undecided voters. Voters moving to Mr. Brown tend to be those of college age and some frustrated union workers. Those tilting to Mr. Clinton tend to think of themselves as middle class, either white collar or blue collar.

In Washtenaw County, where the General Motors Corp. announced the closure of the Willow Run plant in Ypsilanti, Mr. Brown's pro-labor message has captured a strong following.

"It's rather surprising, but there's a real push for Brown," said Jean King, chairwoman of the Washtenaw County Democratic Party. "This is an angry state. People are very angry. Willow Run fuels that."

Mrs. King said the Brown effort will likely overcome Mr. Tsongas' early strength among well-educated voters in the academic community around the University of Michigan in neighboring Ann Arbor.

In the bellwether county of Macomb, Mr. Clinton's message of rescuing the middle class has reached voters recently turned off by Democratic liberalism. Macomb is a large suburb northeast of Detroit and home to more than 700,000 white, middle-class voters.

"Bill Clinton more than anyone else is articulating middle-class issues," said Leo Lalonde, chairman of the Macomb County Democratic Party. "And that will play well out here."

Mr. Clinton never lost momentum in Illinois, where he began organizing in the fall after a stellar performance before a convention of state party chairmen. He has stitched together farmers and laborers in the south, blacks in Chicago and most of the labor vote in areas such as Moline and Peoria.

Farther north in Du Page County, a upper-income suburb of Chicago, Mr. Clinton's middle-class emphasis on the economy and education have connected. "Clinton is seen as more of a moderate [and] will be received more favorably than [1988 Democratic presidential candidate Michael] Dukakis was," said Michael Donohue, chairman of the Du Page County Democratic Party.

Financial probe at House bank

U.S. attorney confirms 2nd investigation of Hill scandals

By Paul M. Rodriguez
THE WASHINGTON TIMES

U.S. Attorney Jay B. Stephens is investigating whether House members committed criminal fraud in their dealings with the now defunct House bank by deliberately passing thousands of bad checks.

The preliminary inquiry, confirmed yesterday by Mr. Stephens' office, is the second ongoing federal investigation into possible criminal activity in the House. Mr. Stephens' office is also investigating allegations of criminal wrongdoing at the House Post Office.

The bank investigation includes allegations of federal campaign law violations stemming from the interest-free loans that many members received by virtue of free check cashing and overdraft protection, according to federal law enforcement officials.

In addition, Mr. Stephens' office is looking at possible income tax violations by the current and former members who received no-interest loans by floating checks at the House Bank, the officials said.

The officials, who spoke with The Washington Times on condition that their identities not be revealed, said

it was an "ongoing preliminary criminal probe."

Current and former employees of the House bank are also expected to be interviewed by Mr. Stephens' office.

Mark Liedl, a spokesman for Mr. Stephens, confirmed the office is "reviewing allegations of possible criminal conduct" but would not elaborate.

A preliminary inquiry is an early-stage probe that includes reviewing documents and conducting voluntary interviews but does not involve presentation of evidence to a grand jury, surveillance or compelling tes-

timony or documents.

The officials who spoke with The Times said the inquiry was started in September shortly after the General Accounting Office released an audit in which it found that lawmakers had bounced or floated 8,331 checks in a one-year period ending last July.

"This is a very serious review" by the U.S. Attorney's Office, said one of the officials.

"Besides looking at local statutes involving check kiting, investigators are looking at felony charges involving intent to defraud the U.S. government and general fraud violations,"

a second official said.

The officials said the Federal Reserve Board already has begun preliminary inquiries into the check cashing scandal to determine if any banking regulations were violated by either the House bank or other institutions involved with the congressional facility.

The House ethics panel, formally called the Committee on Standards of Official Conduct, said in a 60-page report released last week that it found no criminal conduct on the part of either members or operators of the House bank.

What the ethics report, prepared

by committee members in both parties, did not divulge was that there were "substantial questionable practices" found by the GAO that the agency said ought to be subject to criminal investigation.

Rep. Matthew McHugh, New York Democrat and chairman of the ethics panel, and Rep. James V. Hansen of Utah, the committee's ranking Republican, confirmed to reporters that their recommendations were based on compromises but denied that there was a coverup.

Mr. McHugh was unaware of the

see BANK, page A6

BANK

From page A1

federal criminal probe, a spokesman said yesterday.

The House, on a vote of 426-0 in the early morning hours of last Friday, ordered the bipartisan ethics panel to release the names of all current and former House members who bounced or floated a check at the House Bank in the 39-month period from July 1, 1988 to Oct. 7, 1991.

The vote followed attempts by the House Democratic leadership, including Speaker Thomas S. Foley of Washington, to garner support for the ethics committee's recommendation to limit public disclosure to the top 24 "abusers" at the bank, which was closed in December.

After protests by House Republicans, supported by thousands of calls to congressional offices from angry voters, and growing defections in their own ranks, the Democratic leaders caved in to demands to make public all the names of current and former House members who wrote the bad checks.

For the top 24 "abusers," their names and account histories at the House Bank will be released on March 23. Ten days later, the names of the remaining bad-check writers will be made public along with the number of bad checks written and their face values.

In total, according to documents obtained by The Times and data from the ethics committee and the GAO, the face value of all checks bounced or floated by 355 current and former lawmakers exceeded \$25 million.

The documents said the top 66 current and former lawmakers alone wrote nearly 20,000 bad checks with an estimated face value of \$10.8 million during the 39-month period under review.

After The Times listed the congressional bank accounts and total number and amounts of the bad checks on Thursday, House Democrats told Mr. Foley and his lieutenants that "the dam had broken, and we better release everybody's names or get tagged with trying to cover up this mess," a senior House Democrat said in an interview.

The senior Democrat, who requested anonymity, said Mr. Foley also was told by several Democratic leaders that "it was his fault that the banking scandal had mushroomed the way it had."

Although dubbed a bank, the House facility acted more like a large petty cash drawer where members' salaries were deposited and checks or cash were drawn from individual accounts. No interest was ever paid and no service fees were charged for use of any of the money.

Bush fires barb at House for bank scandal

By Frank J. Murray
THE WASHINGTON TIMES

MILWAUKEE — President Bush yesterday called the House bad-check scandal "an institutional thing" that outrages voters.

"What's going on in Capitol Hill right now gives new meaning to 'The check's in the mail,'" Mr. Bush told an appreciative audience at a \$1,000-a-plate Bush-Quayle fund-raising lunch here.

Aboard Air Force One, Mr. Bush went beyond last Wednesday's call for full disclosure in the House bank scandal, telling reporters: "I'm waiting and watching it unfold."

He urged that members of Congress be given the chance to argue

their own cases.

"People are outraged by it, and I think each individual case has to be viewed as to its contents," he said.

"I think people are very concerned, but I'm not jumping on any individual and I think everyone has his or her own case to make to their constituents, to the people," the president said.

The "institutional thing" comment was Mr. Bush's latest jab at Congress in a re-election campaign aimed almost exclusively at Capitol Hill Democrats.

Mr. Bush also hinted that he may be able to sign a tax bill, despite his vow to veto a Democratic House version of the measure. He said he expects a House-Senate conference

Bush also hinted that he may be able to sign a tax bill.

committee to change the objectionable features of the bill.

The Senate included several of Mr. Bush's pet provisions, including a \$5,000 tax credit for first-time home buyers, easing of rules on IRA withdrawals and a capital gains tax cut. He insists he does not want a tax surcharge on millionaires in exchange for lower capital gains rates, but he has said GOP defections could make him abandon that stand.

Yesterday, Mr. Bush praised Paul Tsongas, saying the Democratic

presidential candidate "is on to something" in terming the House tax action political. "I definitely will veto it if it comes down too close to what they did in the House," he said.

And he announced plans for a visit today to Democratic front-runner Bill Clinton's native Arkansas, the only state he has not been to as president.

He called it "a purely non-political" trip in which he will give the Presidential Medal of Freedom to Wal-Mart founder Sam Walton,

one of America's richest men who is reported to be terminally ill with bone cancer.

"I have a very high regard for Sam Walton and what he's done and the way in which he's done it. Some will say it's political. It is purely non-political. It is to honor a great American," Mr. Bush said. Medals of Freedom normally are given in major White House ceremonies but Mr. Bush delivered one personally to Florida's Democratic Rep. Claude Pepper on his deathbed at Walter Reed Army Hospital.

In rounding out his 50-state presidential tour of America, he also plans a speech to Wal-Mart employees. White House officials, who said earlier that Mr. Bush certainly

would use the occasion to talk about family values, did not say yesterday whether that topic would come up. The focus on values is seen as a jab at Arkansas Gov. Bill Clinton.

Asked what results he wanted in today's primaries in Michigan and Illinois, Mr. Bush said, "Victory!" He would not estimate the scope of today's vote but said, "This seems to be getting better and better."

He sought emphatically to get the vote in Wisconsin, which he lost in 1988 to Democrat Michael Dukakis.

"Now we're approaching an hour of decision. Don't wait until November. I am asking you to vote on April 7 in the Republican primary and give me your vote," Mr. Bush told 400 backers at the luncheon.

On My Mind
A. M. ROSENTHAL

The Hard Corps

In Washington, the Government of Israel received two pieces of information from the United States on the same day.

First the Israelis were told at the State Department that the United States had intelligence reports that Israel had transferred technology about American Patriot missiles to China.

At the same time the Israelis were informed that the story would break within 24 hours in the American press and TV. It did.

It is difficult to say which piece of information more startled and angered Israelis — and American officials who think a little dirty work is well afoot in Washington.

Israel issued repeated denials — and suggestions of American spot verification. Defense Minister Moshe Arens left no loopholes in a talk with me in New York: no transfer of Patriots or Patriot technology to any nation.

Imperiling U.S.-Israel alliance.

A couple of days later, The Wall Street Journal said Israel had transferred other American military technology or materiel to other third parties. Again the Israelis issue denials. So many subtleties about origin of technology and weapon devices are involved that it will take time to check them all out.

Dove or hawk, Israelis say they must have an arms industry, or surrender their freedom. They say Israel cannot carry a defense industry without foreign sales and that since much of the world market is closed by the Arab boycott they cannot eliminate other customers, like China.

Perhaps — but perhaps Israel relies too much on arms revenue as some of her friends believe. In any case, Israel's friends have the duty to say that any arms sale to Communist China is contrary to Israel's interests and stature as a democratic country — as were shipments to South Africa during apartheid. Washington's unswerving appeasement of Beijing is a far greater disservice to hopes for China's freedom from Communism.

But all that is the tip of the latest Israel-U.S. nastiness. Many Israelis are convinced that there is a conspir-

acy in Washington against them. They are right.

But it is not the kind of government conspiracy distant Israelis may imagine — orders from the White House to go get them. That really does not happen often in the government. It is not necessary.

Most frequently, the tone of information from anonymous government sources comes from signals, not orders — signals that an Administration is hostile or favorable to some foreign leader or country.

Take Jordan — please. Jordan backed Iraq in the Persian Gulf war. But President Bush never seemed very mad; he was excruciatingly moderate.

So the U.S. bureaucracy never disclosed the full details of the U.N.-embargoed materiel that flowed through Jordan to Iraq during the war and ever since. Now, with the President resuming his public romance with the King, here come leaks that the supply line the U.S. never publicized is all over. Believers may raise their hands.

But Israel's role in the war and as an ally of the U.S. is forgotten or belittled. Bush-Baker attitudes toward Israel run the full gamut from icy to rude.

The State and Defense departments are not staffed only with Israeli-bashers. Some Government hands are strong supporters. Others find fault with Israel but use their positions to work out problems before they become wounds, as they would with any other ally.

But, to face it plain, now as even before Israeli independence, there is a hard corps of officials in whom the name, the very concept, of Israel sets off an incurable rash, poor fellows. They scratch it by doing as much harm to Israel as their bosses allow. (In the Beltway now, pro-Israel can be synonymous with anti-career for diplomats, specialists and journalists.)

The hard corps correctly interprets months of Bush-Baker signals as meaning that emotionally and politically the U.S.-Israel alliance is tottering. They figure with a good shove it can be sent into the grave.

So, if you believe that undisclosed officials working harmoniously toward an undisclosed goal of damaging a particular foreign country is a conspiracy, why, there you have one.

It does not infest the whole Government. And it is not a criminal conspiracy. It is just one of ethical diplomatic conduct. If you will forgive the expression.

It's Official at Chrysler; G.M. Man Will Be Chief

By DORON P. LEVIN

Special to The New York Times

DETROIT, March 16 — The Chrysler Corporation, as expected, named Robert J. Eaton, a 29-year employee of the General Motors Corporation, to replace Lee A. Iacocca as chairman and chief executive when Mr. Iacocca steps down at the end of the year.

Mr. Eaton, 52, who was elected vice chairman and chief operating officer unanimously on Saturday night by the directors of Chrysler, met with 25 top Chrysler officers this morning at the company's headquarters in Highland Park, Mich. He will join Mr. Iacocca in a newly formed office of the chief executive. Mr. Iacocca will be 68 in October and plans to remain a Chrysler director and chairman of the board's executive committee.

Robert A. Lutz, Chrysler's president, said he would remain as president, though he was disappointed that he did not get the top job. He had been Chrysler's chief operating officer, but that title will immediately go to Mr. Eaton.

"I respect the decision of the board," Mr. Lutz said. "Being a team player means you don't sulk or quit when someone else is named captain of the team."

Age Was an Advantage

Mr. Iacocca explained that Mr. Eaton had been chosen "because the board thought Mr. Eaton was the most qualified." Mr. Eaton's age

The company's president, who lost out, says he plans to stay on.

seemed to be an advantage, too, over Mr. Lutz, who is 60. Mr. Iacocca introduced Mr. Eaton at a news conference here today as "the right man to lead Chrysler through the 90's and into the 21st century."

The Chrysler chairman said he had been impressed with Mr. Eaton's performance as president of G.M. Europe. "Under him G.M. became the low-cost producer and is making 25 percent more cars with 10 percent fewer people," he said.

Because Mr. Eaton was recruited from outside Chrysler — indeed, from one of its rivals — several new questions now arise:

Will Mr. Eaton be able to attract and maintain the loyalty of those Chrysler executives, engineers and managers who had rallied behind Mr. Lutz? Mr. Lutz built a team of executives responsible for a vast array of tasks including new vehicle development, sales and manufacturing.

Will Mr. Lutz receive job offers, as often happens when an executive is passed over for a top post, and would he take one?

How active will Mr. Iacocca be in Chrysler's business in retirement, especially if Chrysler is not able to put its finances on a more solid footing?

Trying to ease the sting of Mr. Lutz's defeat, Mr. Iacocca called him "a 400 hitter," adding: "He deserves all the accolades he gets. The two will complement each other beautifully."

But the company still faces the possibility of Mr. Lutz's departure. Mr. Eaton dodged the question of whether Mr. Lutz would be restored as chief operating officer on Jan. 1, saying the board would decide.

"In some sense, it's an admission of defeat when a monarch like Mr. Iacocca must go outside his company to find a successor because one of his most important jobs is to groom one," said Jeffrey Sonnenfeld, director of the Center for Leadership and Career Studies at Emory University in Atlanta. Still, Mr. Sonnenfeld said: "Mr. Iacocca is to be commended for working with board to find a strong, independent successor that wasn't being brought in just to pay homage to the Iacocca legend. It could have been a public brawl."

'Best Job' in the Industry

Mr. Eaton, a mechanical engineer by profession who worked in mostly technical positions at G.M., said "having a chance to lead Chrysler at this point has to be the best job in the automobile industry, period."

The hiring of Mr. Eaton puts to rest, at least temporarily, widespread concern among dealers, investors and Chrysler employees over the lack of an executive succession plan. Mr. Iacocca said he was relieved the 18-month search had ended. He said the board had considered about a dozen executives from inside and outside Chrysler, and that Gerald Greenwald, a former president, had been a candidate.

When asked what he would be doing as chairman of Chrysler's execu-

tive committee, Mr. Iacocca answered: "Playing golf." Elaborating, he said, "I will not be a big force."

He also does not want to appear in any more commercials for Chrysler — the No. 3 auto maker after G.M. and the Ford Motor Company — beyond one he is filming now. "It's a hundred takes, eight hours, and I don't get paid," he said.

In inheriting the mantle at Chrysler, Mr. Eaton could become a spokesman for protectionism and managed trade, policy viewpoints that have been favorite subjects of Mr. Iacocca. That would be a departure from G.M.'s official free-trade stance, but Mr. Eaton explained: "I haven't been a free trader for 20 years. You've got to have a level playing field; there is a lot of work to be done in the area of trade."

Will Loyalties Shift?

Mr. Sonnenfeld of Emory University said the most uncertain aspect of the transition might be the transfer of loyalty from those within the company who had expected Mr. Lutz to be named chief. Mr. Iacocca, acknowledging the sensitivity, said he conducted several explanatory meetings with key Chrysler officials at his home on Sunday.

In an industry known for nasty rivalries, G.M. offered unexpected felicitations. Robert C. Stempel, G.M.'s chairman, issued a statement offering "Bob Eaton best wishes on his move to Chrysler," and complimenting him on his career at G.M. Mr. Iacocca said he had called Mr. Stempel as a courtesy.

BMW's Auto Recycling

WOODCLIFF LAKE, N.J., March 16 (AP) — BMW of North America Inc. announced today that it would start a pilot automobile recycling program in California, New York and Florida. The program will be conducted at Hunts Point Auto Parts in New York City, Lakeron Auto Salvage in Santa Fe Springs, Calif., and Michael Auto Parts in Orlando, Fla. Recyclers in the program will drain junked BMW's of all fluids and remove batteries and air bags for disposal elsewhere. Salvageable components are to be resold as recycled replacement parts or raw material. The remaining shells will be shipped for scrapping.

Newsman in Peril

By Guillermo Martinez

MIAMI — The hotel phone woke me up in the middle of the night. Bernadette Pardo, a reporter, and Carlos Corrales, a cameraman, at television station WLTV, Univision's Miami affiliate, had been the target of an assassination attempt in Medellin, Colombia. They had been covering the war on politicians, judges and journalists in narco-terrorists' desperate effort to prevent the extradition of drug dealers to the United States.

On Sept. 5, 1989, Miss Pardo and Mr. Corrales narrowly escaped becoming two more victims. The image of a blood- and debris-covered Miss Pardo at a demolished restaurant haunts me to this day. She suffered two fractured vertebrae, a broken collar bone, and flying glass slashed the tendons in her right arm. Mr. Corrales suffered a broken ankle.

The shock of the attack soon gave way to a deep anger. This was a clear assault against the free press — an attempt to silence critics by crass intimidation, a tactic that all too often succeeds in many countries. This tactic would not work in the U.S., where a vigilant media would demand an investigation and not rest until the culprits were brought to trial.

I was certain the U.S. media would take action on behalf of Miss Pardo and Mr. Corrales. They were U.S. journalists covering a foreign war. American journalists always protect their own. But hardly anyone published the story or mentioned it on the air. No journalistic organization joined the battle. Newspapers did not demand that justice be done.

The silence was deafening, maybe because these were Hispanic journalists who work in the Spanish language. Maybe because the incident happened in Colombia, where more than 50 Colombian journalists have died, where attacks on journalists and politicians are common and a bomb destroyed a newspaper building.

Guillermo Martinez is vice president for news operations at Univision.

It just couldn't happen here. But last week it did. An assassin with a gun again struck in a restaurant. The victim was also a Hispanic journalist, Manuel de Dios Unanue, the former editor of El Diario-La Prensa. This time the crime did not take place hundreds of safe miles away from the U.S.: Mr. de Dios was killed in Queens — too close for American journalists' and politicians to ignore.

A free press cannot function in a climate of fear. Journalists cannot,

Feds should act on de Dios murder.

exercise their constitutional right of free speech if a well-paid assassin is in effect immune to prosecution.

It is not crucial whether Mr. de Dios was killed by a narco-terrorist, militant anti-Castro groups or a Puerto Rican group fearing his latest investigation. He was killed because he was a journalist and somebody did not like what he was saying. Whether anyone agreed or disagreed with his politics and liked or disliked his professional style is irrelevant.

The U.S. media and journalism associations should demand that the killer be brought to justice. We should demand that Federal officials enter the case, because an attempt to intimidate the press by murder is an attack on the constitutional guarantee of free speech and because only the Government has the resources for a full-scale investigation.

It is gratifying that Representative Charles Rangel, Democrat of New York, has asked Attorney General William P. Barr to join the investigation, a request the Justice Department said yesterday was under review. And perhaps the New York Police Department's request for Federal cooperation will bear fruit.

If, after early coverage, the media treat the de Dios murder the way they ignored the assassination attempts in Colombia, Mr. de Dios may well not be the last journalist in the U.S. to die for a free press.

Political Week

Top Candidates Duck And Hope Nothing Hits

By HOWELL RAINES
Special to The New York Times

CHICAGO, March 16 — With the voting here and in Michigan on Tuesday, the first wave of big primaries will be over, and the big news is that the backwash has left both parties with cold feet. Indeed, the front-runners look more like shipwreck victims who have washed up on the beach than sure-handed captains of the ship of state. As a result, a make-the-best-of-it mood has gripped Democrats and Republicans alike.

The rolling psychodrama of Gov. Bill Clinton's campaign has been a blessing for President Bush because it has diverted attention from an equally striking spectacle of the early primaries — the tattering of a reputation for political competence that he had spent three decades building.

Mr. Bush's image of rudderlessness now seems as rooted in the public mind as President Ronald Reagan's out-to-lunchness or President Jimmy Carter's vacillation. To prevent further damage, the Republican hierarchy has signaled Patrick J. Buchanan that enough is enough. After a

former Gov. Edmund G. Brown Jr. of California nicks Mr. Tsongas for second place in Michigan on Tuesday, the Beltway Democrats will look toward the New York primary on April 7 and keep chanting "More time for Paul." But they will begin thinking, "Get the hook."

The party leadership does not have the stomach to take Mr. Brown seriously and, as was the case with Mr. Carter in 1976, will do so only if the voters demand it. Should Mr. Brown do well in Michigan, look for a major effort later in the week to discredit him as the champion of lathered grumps, tree-huggers, latter-day hippies and wealthy trend-heads.

Showing the way, Mr. Clinton reached into his Southern trick bag in the debate Sunday night to club Mr. Brown as the candidate of "family money and \$1,500 suits." But the more telling line came when he denounced Mr. Brown as the mouthpiece for Patrick H. Caddell, the former Carter poll taker who is widely regarded in Democratic circles as a Svengali wannabe.

The primary season may yield no winners, only survivors.

few face-saving growls, Mr. Buchanan must strike the tent of his medicine show or risk permanent labeling in his own party as the G.O.P.'s snake-oil salesman.

With Mr. Buchanan tamped down, the White House could drag Mr. Bush back to the dressing room, give the public time to forget his squeakiness and try to bring him back at convention time with one of speechwriter Peggy Noonan's patented paeans to mainly politics. The political press still bet that Mr. Bush will be bailed out by the economy and Democratic crashes, but the dispirited Bushies all know that the magic is gone.

If the members of the Washington Democratic establishment could say publicly what they say privately today, it would be this: Even if Clinton wins big in Illinois and Michigan, let's keep Paul E. Tsongas alive. There is near universal agreement that the party has to maintain a fallback candidate in case the Clinton campaign collapses. A smaller number of Democrats keep clinging to the hope that they can inflate the former Senator from Massachusetts into a credible national candidate.

So far, Mr. Tsongas has not managed to convert an image for honesty and his civic-club economics into a salable mainstream campaign message. At this point, future political scientists can credit him with proving that it is hard to win a plurality of Rustbelt Democrats by advocating tax cuts for top contributors to the Republican National Committee. If

If nothing else, Mr. Clinton has enlivened the campaign season by emerging as the political equivalent of Hank Williams Sr. — that is, a son of the South whose flaws are as large and fascinating as his talents. Big margins for Clinton here and in Michigan would deepen the admiration that set in last week among professionals in both parties for the Clinton campaign's three-pronged plan for damage control.

One element is to label any inquiry into Mr. Clinton's veracity, finances or performance as Governor of Arkansas as "an attack by the press." Prong 2 is to depict the ordeals brought on by Mr. Clinton's youthful indiscretions as character-building exercises that have prepared him for the Presidency. Prong 3, which has emerged as a major theme in Mr. Clinton's speeches, is to depict "perfection" in personal conduct as a prurish and ultimately disqualifying personality tic in his opponents.

Four weeks ago, no political consultant in Washington thought those lines would sell. Now they are tipping their hats to the Clinton team. But these people are realists. After Tuesday, their gossip du jour will switch to discussion of what the Republicans have on Mr. Clinton in the way of an October Surprise. That is because everyone believes that the minute Mr. Clinton becomes the nominee, the Democratic Party will have the same motto as a 12-step program: One day at a time.

Anticipating this, Clinton supporters are already stepping up their pressure on the press to look searchingly into President Bush's past in an effort to give their man a level playing field on the character issue. That is the kind of elevating year it has been so far. If Mr. Bush and Mr. Clinton are the winners tomorrow, they will leave the Rust Belt carrying the kind of cuts and bruises that normally show up on the losers.

Today's Primaries

ILLINOIS		
Delegates	Dem. 164	Rep. 85
Polls close	8 P.M. Eastern time	
Voter registration	5,864,125	

Who can vote
Anyone can vote in either primary.

Winners in '88 primaries	Vote
Dem. Paul Simon	42%
Rep. George Bush	55%

MICHIGAN		
Delegates	Dem. 131	Rep. 72
Polls close	8 P.M. Eastern time	
Voter registration	5,793,029	

Who can vote
Democratic primary:
All voters who declare in writing that they are Democrats.

Republican primary: All voters.

Winners in '88 caucuses	Vote
Dem. Jesse Jackson	54%
Rep. George Bush	57%

Hillary Clinton Defends Conduct in Her Law Firm

By GWEN IFILL
Special to The New York Times

CHICAGO, March 16 — Hillary Clinton said today that she did not earn "a penny" from state business conducted by her Little Rock law firm and that she never intervened with state regulators on behalf of a failed Arkansas savings and loan association.

Campaigning here with her husband, Gov. Bill Clinton of Arkansas, Mrs. Clinton said the questions, raised by former California Gov. Edmund G. Brown Jr. near the end of a Democratic candidates' debate on Sunday, were a "pathetic and desperate" attempt to derail the Clinton Presidential campaign.

The Clintons invested in an Ozark vacation property deal in 1978, in partnership with James B. McDougal, a friend who went on to become a Clinton administration appointee and then owner of a savings and loan institution that later failed. The New York Times has reported that Mrs. Clinton and her law firm had been retained to represent the savings and loan, Madison Guaranty.

Mrs. Clinton said today that she had done legal work for Madison Guaranty but that it was not related to the S.&L.'s dealings with state regulators.

"For goodness' sake," she said, "you can't be a lawyer if you don't represent banks."

Mrs. Clinton said the dispute over the propriety of the business she did as a lawyer while her husband served as Arkansas Attorney General and then Governor raised questions for all dual-career couples.

"I suppose I could have stayed home and baked cookies and had teas," she said. "But what I decided to do was pursue my profession, which I entered before my husband was in public life."

"You've got to remember that I have tried the best way that I know how to be as careful as possible. Now, in hindsight, I suppose people can say 'You should have done this, you should have done that.' I didn't presume that anybody would presume anything other than that I was trying to do the right thing all the way down the line."

Mrs. Clinton said she refused to accept her share of earnings from any state business that the Rose law firm might have earned since 1978, when her husband first attained statewide office.

Asked if she would continue to practice law if her husband was elected President, Mrs. Clinton said she would now have to "really think through what the rules are, because right now I'm confused."

Can Democrats Do Better on Race?

The issue of race has long divided American society and does so today. Republican exploitation of the issue simply made matters worse. Yet the Democrats who aspire to the White House, with one exception, have paid little attention to race. Bill Clinton has addressed the issue more shrewdly and boldly than his opponents, but even he focuses mainly on cures for the sagging economy.

That's an understandable preoccupation: the economy is Topic A. But while the dangerous racial climate may not be as corrosive as the recession, it surely runs a close second. And it surely deserves far more attention than the people who aspire to lead a united nation give it.

When not wholly ignoring the issue, Republicans from Ronald Reagan on have often exploited it for partisan advantage. President Bush's stubborn opposition to the civil rights bill, which he falsely labeled a quota bill, is a recent case in point. And Mr. Bush has hardly responded at all to the divisive fulminations of Patrick Buchanan.

Among the Democrats, Mr. Clinton was first to recognize the need for a message of conciliation that would apply equally to worried whites and blacks. On Super Tuesday, poor blacks and blue-collar white voters supported him, suggesting that Americans can transcend racial divisions and look to their mutual interests.

By contrast, race has hardly been mentioned in Paul Tsongas's campaign. Though he has long demonstrated a personal commitment to racial harmony and justice, he has chosen now to stress his program for economic growth instead. Jerry Brown also has excellent credentials as a conciliator, but he too has emphasized economics.

In Chicago, even Mr. Clinton seemed to dodge. The Windy City is the most segregated of America's major cities. Demographers call it "hypersegregation." The city's dismal race relations could well become the norm across the nation. Mayor Richard M. Daley inflames matters further by promoting a redistricting plan that's brazenly aimed at diminishing black political power.

The three Democrats waltzed through Chicago, oblivious to the circumstances around them. Apart from Mr. Brown's brief criticism of Mayor Daley's plan, race scarcely came up at all. Mr. Clinton closed the first debate by underscoring efforts he had made in Michigan to bring white and black communities together. Those efforts were laudable. But his comments in the debate ignored dramatic racial divisions right before his eyes.

The Democrats are correct to assume that the recession is topic A. But they are terribly wrong if they've decided to soft-pedal race. The nation's racial climate has deteriorated in the last 10 years. That damage will only grow worse if the Democrats shrink from the task of repairing it.

Israel Denies It Sold U.S. Missiles to China and Agrees to Inspection

By ERIC SCHMITT
Special to The New York Times

WASHINGTON, March 16 — Defense Secretary Dick Cheney pressed Defense Minister Moshe Arens of Israel today to explain United States intelligence reports that Israel had illegally shared American-made Patriot missile technology with China, senior Pentagon officials said.

In a 30-minute meeting at the Pentagon, Mr. Cheney presented Mr. Arens with intelligence indicating that Jerusalem had shared the technology in violation of United States-Israeli agreements that ban such sales.

Israeli officials have strongly denied such technology leaks since reports about them came to light last week. Speaking to reporters after meeting Mr. Cheney, Mr. Arens repeated the denials and said Israel had agreed to cooperate with American experts to will travel to Israel to investigate claims.

The State Department spokesman, Margaret D. Tutwiler, told reporters today that Israel had agreed to the weekend to accept inspectors, said the makeup of the team and when it would leave had not been decided.

The Defense Department had no official comment on the meeting today, but a senior Pentagon official, speaking on condition of anonymity, said he believed that Israel had transferred some Patriot technology to China, but that "it wasn't a serious loss."

American officials have expressed concern that Patriot technology could improve China's ability to build missiles, many of which are sold abroad, that are less vulnerable to counterattack. The Patriot missiles were used to destroy Soviet-designed Scud missiles fired by Iraq at Israel and Saudi Arabia in the Persian Gulf war.

The assertions that Israel may have illegally diverted Patriot technology

have coincided with reports that the State Department's Inspector General, Sherman M. Funk, has found that Israel re-exported other advanced United States arms technology without Washington's permission.

Other Possible Recipients

A draft report by the Inspector General criticizes the State Department's Bureau of Politico-Military Affairs for failing to act on American intelligence reports that Israel was engaging in unauthorized arms transfers.

Details of the report were first disclosed last week in The Wall Street Journal, which said the weapons that Israel had improperly transferred include air-to-air missiles sold to China,

anti-tank missiles sold to South Africa and cluster bombs sent to Ethiopia and Chile.

The Assistant Secretary of State who heads the Bureau of Politico-Military Affairs, Richard A. Clarke, is being transferred from his job.

But some State Department officials said the transfer was part of a normal rotation and not a punishment, and Miss Tutwiler denied today that Mr. Clarke was "being fired." Mr. Clarke has the full confidence of Secretary of State James A. Baker 3d, she added.

Reports that Israel has improperly transferred American-made arms technology have circulated repeatedly in recent years, and Israel has strongly

By CHRISTOPHER S. WREN
Special to The New York Times

JOHANNESBURG, March 16 — A mood of trepidation and foreboding has gripped South Africa as whites prepare to vote on Tuesday in the referendum that President F.W. de Klerk has called to gain a mandate to negotiate an end to minority rule.

The proponents and opponents of political change have both played to white fears in the referendum campaign, leaving some potential voters jittery or confused. Others are expected to vote no to protest rising crime and economic stagnation as well as to show their discontent with the course of negotiation that Mr. de Klerk has chosen.

A newspaper advertisement showed a white beggar in a business suit holding a piece of cardboard with the handwritten plea: "No work. No money. No food. Please help. Family starving."

'Vote Yourself Out of a Job'

"You can vote yourself out of a job," read the accompanying message from the governing National Party. "Or you can vote 'Yes' for a solution that will work."

Tonight, on the eve of the referendum, Mr. de Klerk made a final appeal for white participation and support.

"This is a decision that can make or break South Africa," he said. "Nobody will be able to avoid the consequences."

denied the charges each time.

Israeli officials have complained in recent days that they are the victims of calculated leaks by Bush Administration officials aimed at embarrassing Jerusalem.

The White House today denied assertions in Israel that the Administration was trying to undermine relations by leaking damaging information.

"No, that's not true," said the White House spokesman, Martin Fitzwater. "We've worked long and hard for good relations."

Administration officials said Mr. Fitzwater's comments were also intended to help paper over a pitched battle inside the Administration between pro-Israeli and anti-Israeli officials. Some officials contend that the reports of Israel's technology sales are false, while others, more critical of Jerusalem, insist that some Adminis-

tration officials have ignored improper Israeli arms exports for years.

Mr. Arens, speaking to reporters at the Pentagon, addressed only the allegations about the Patriot missiles.

When asked whether such a transfer could have been a rogue operation carried out without official Government knowledge, Mr. Arens said he had checked that possibility and rejected it.

"There's a readiness to allow the United States to do what they think is necessary to verify that these allegations are totally groundless," he said.

But officials inside and outside the Government expressed skepticism that American inspectors could get to the bottom of the problem.

"The issue at hand is what kind of inspections would the Israelis permit," said a former Government official familiar with both the Administration and Israeli positions.

Therefore, nobody can afford to sit on the sidelines, uninvolved."

If the President loses, he has promised to resign and run in a new election against the right-wing Conservative Party, a vote that he could lose, too. If he carries the referendum with a slim majority or if a large number of whites do not vote, the Conservatives may contend that he lacks a sufficient mandate to press ahead with change. Consequently, Mr. de Klerk has appealed for a landslide to give him the authority to negotiate change with black leaders.

The polls will close at 9 P.M. on Tuesday, but complete results of the voting will not be announced in Cape Town until Wednesday afternoon.

The outcome of the referendum is considered too close to predict.

"A no vote cannot bring about justice," the President told whites tonight.

"White security cannot be built on injustice, racism, discrimination or impracticable dreams of separation."

The political anxiety extended to the segregated townships, where black South Africans, who are not allowed to vote in the referendum, worried that a defeat that would embolden the Conservative Party and its allies to resurrect apartheid. Concern was also reported that white extremists might take random reprisals against blacks if the referendum was passed.

The Conservative Party has forecast chaos under radical black majority rule if Mr. Klerk wins. This warning has been matched by predictions from Government supporters of civil war and economic collapse under the weight of intensified sanctions should whites reject negotiations.

The Conservatives have been outspent by referendum supporters and so

are relying on rallies, door-to-door canvassing and campaign fliers. A tabloid distributed to white households equates a vote for Mr. de Klerk with support for the African National Congress, which would face the President's delegates in any negotiations.

A right-wing group calling itself The United Front for a Better South Africa ran an ad today showing a red banner with hammer and sickle being raised by a new army that it said would be formed if Mr. de Klerk succeeded in gaining political change.

Churchgoers, too, have been bombarded with conflicting messages. The South African Council of Churches warned Sunday that the referendum's defeat would lead to civil war. A right-wing group, the Christian League of Southern Africa, threatened divine retribution if it passed.

"To vote 'yes' would be to vote against God and in the same direction as the Antichrist," the league said. "This will be unfaithful to Jesus Christ and lead to eternal damnation."

Ian Smith Backs de Klerk

The Conservatives tried to exploit former President P.W. Botha's calls for a no vote, but this does not seem to have impressed many whites. The National Party gained unexpected backing from Ian D. Smith, the former Prime Minister of white-ruled Rhodesia, who said from Harare, Zimbabwe's capital, that approval of the referendum would strengthen Mr. de Klerk's hand in negotiations.

The National Party has even revived the specter of the "swart gevaar," or black danger, which it formerly used to justify apartheid. A recorded message on a party phone-in line warned of black violence if there is a "no" vote.

As Prospects Dim, Tsongas Turns From Attacks to Old Theme

By RICHARD L. BERKE
Special to The New York Times

ANN ARBOR, Mich., March 16 — After days of being knocked off balance by punches and counterpunches, Paul E. Tsongas announced today that he was returning to his old message.

So as he stumped in this college town and in cities like Moline and Springfield, Ill., Mr. Tsongas talked more about his own vision for the nation and less about Bill Clinton's perceived flaws.

But whatever political benefit could come from sticking to the original script, it may be too late. Polls show that Mr. Tsongas has little chance to win either Michigan or Illinois in the Democratic primaries on Tuesday.

Coming less than a week after the candidate warned that he would no longer quietly sit back and take hits from his rivals, the shift in strategy reflects a still maturing campaign that is searching for an identity as it bounces between message and attack.

Since the heady days last month when Mr. Tsongas won the nation's

first primary in New Hampshire, the former Massachusetts Senator has turned to a growing cadre of advisers. The problem is, they cannot agree on what he should do.

"One of the things about being a viable candidate is that I'm getting conflicting advice," Mr. Tsongas said in an interview between campaign stops last weekend. "The difficulty we've had in this campaign is for the longest time we were not considered viable. Now, there are more outsiders trying to help out, and the advice could not be more contradictory."

Some tell him to get nasty. Others tell him to play Mr. Nice Guy. The result? A candidate who flails back and forth, tortured over how best to run for the White House.

So as Mr. Tsongas took the high road today, his campaign was still running commercials that tear into Mr. Clinton. And despite his focus on message, Mr. Tsongas could not resist seizing upon questions from reporters to again raise the issue of the Arkansas Governor's ties to a savings and loan operator.

The candidate gets conflicting advice, and then uses it.

The ambivalence was all too clear in a debate on Sunday night in Chicago. As former Gov. Edmund G. Brown Jr. of California and Mr. Clinton bitterly attacked one another, Mr. Tsongas was left on the sidelines, and only once joined the attacks with a half-hearted denunciation of literature the Clinton campaign had passed out shortly before the Florida primary last week.

Defending his performance, Mr. Tsongas said his instinct was to "remain above the fray," so that he could be perceived as the alternative candidate that voters could turn to.

But even some Tsongas partisans questioned that strategy. "He seems

reluctant to jump into the fray — like that debate last night," said Tim Anderson, a 38-year-old salesman who heard Mr. Tsongas speak in Moline this morning. "He could have jumped in more as a peacemaker. He's got a heck of a good message, but he hasn't been a fighter."

Peace Corps Links Recalled

There was evidence today that Mr. Tsongas was getting his message across. To hundreds of students who packed the University of Michigan Student Union here, he evoked the memory of President John F. Kennedy, who announced his plans to form the Peace Corps here 32 years ago. Mr. Tsongas recalled his own service in the Peace Corps in Ethiopia and the importance of national service.

Although Mr. Tsongas said that he had been surprised by how much advice, often unsolicited, he received, he added that he ultimately listens to Dennis Kanin, a longtime confidante who is his campaign manager. But he acknowledged that all the assorted sug-

gestions have taken their toll.

"It's important to have people around you who are tuned in to what you want to say, because you generally get people who are political veterans interested in always fighting the last war," he said. "That doesn't work."

Gerald Austin, one of Mr. Tsongas's new advisers who ran the Rev. Jesse Jackson's campaign in 1988, is one of those who has pressed Mr. Tsongas to be more aggressive.

Other newly hired senior advisers include Scott Miller, a New York-based media strategist; Jim King and Ed Jessor, who are Boston-based operatives; Ted Van Dyk, a longtime Washington political adviser, and Michael Kail, a Washington lawyer who is a close friend of Mr. Tsongas.

While he insisted that he has not been unduly influenced by these people, Mr. Tsongas said he has rejected advice that he directly attack Mr. Clinton on "things like family values," adding, "Weakening him in a personal way just isn't my style."

A Clear Signal

By Paul Muldoon

Now that the living outnumber the dead
I turn from Ireland, from the tit-for-tat
murders (one of "theirs" for one of "ours")
that characterize that most civil of wars
where large ambition's backed up by small arms.
I turn from violent action that confirms
the suspicion, held on both sides of the pond,
that we Irish are a little people bent
on the goal of self-extermination.
I turn to our Irish-American cousins
in the hope that's fond, albeit faint,
that on the feast-day of our patron saint
they'll send a signal, kindle a flame
as Patrick did when he first came
among us, and lead us by a kindly light
out of our present plight
as a nation which, in one recent diagnosis,
is undergoing a "very deep crisis."

Lest there be some misapprehension
as to which "crisis" Mary Robinson
meant, let me remind them
of the case of the fourteen-year-old victim
of an alleged rape whom a court forbade
to follow the thousands who've taken the boat
for an abortion clinic in England.
This tended to substantiate the notion,
to which so many are inclined,
that we are indeed a backward nation
with far to go and much to learn:
and yet, not only did our Supreme Court overturn
the original High Court injunction
but the Irish bishops, while not about to sanction
abortion, are said to have given "a clear
signal" that the clause defending "as far
as practicable" the life of the unborn
is open, as they say, to interpretation.
This flexibility, that's come only of late
to us, is so long-fixed in the United States —
whose Supreme Court would never, surely, be swayed
to upset the balance of Roe versus Wade? —
that I feel almost churlish in taking this occasion
to appeal to our Irish-American cousins
never again to be seen to rain
on their own parade, not to be heard to cry "Aryan
Go Bugh." As for the "Hibs" standing in the way
of Irish Lesbians and Gays,
would they have stopped Casement when he tried to land
a boatload of guns on Banna Strand?
The ghost of Roger Casement would now call "enough"
to the claymore and Kalashnikov
and, lest the green
flag should come to stand chiefly for gangrene
or some corrosive bile,
would join me in one last appeal
to our Irish-American cousins: let them show
they heard what Gerry Adams said only weeks ago —
that "there's a need to end
all acts of violence": let them send
a clear signal to the President of Sinn Féin
that his clear signal wasn't sent in vain —
now that the living outnumber the dead
we ought to quit while we're still ahead.

Paul Muldoon, a poet from Northern Ireland, is author
of "Madoc." He teaches creative writing at Princeton.

The Right Message

By William Julius Wilson

CHICAGO
Three years ago on this
page I argued that the
promotion of pro-
grams to unite, not di-
vide, racial minorities
and whites would
strengthen the Democratic Party's
position in the 1992 Presidential elec-
tion. Bill Clinton's campaign provides
an interesting test case for this strat-
egy. He drew a clear majority of
lower- and middle-income white and
Hispanic voters and an overwhelm-
ing majority of black voters across
the South. Recent opinion polls indi-
cate a similar pattern for today's
Illinois and Michigan primaries.

Many point to the modest success of
Jesse Jackson's "rainbow coalition"
four years ago to argue against the
idea that race can be removed as an
obstacle in a political campaign. But
the Arkansas Governor built this bira-
cial coalition during a time of intense
racial tension in this country. The
media, more concerned about his per-
sonal past than with substantive is-
sues, are only beginning to grasp the
significance of this accomplishment.

If Mr. Clinton is able to hold this
coalition together in the remaining pri-
maries, he will pose a far more serious
challenge to President Bush than any-
one thought possible before the cam-
paign. Why has he been able to bring
together antagonistic racial groups
even in Louisiana where a majority of
white voters supported David Duke in
last year's gubernatorial election?

I first got a clue to the answer while
watching a televised speech Mr. Clin-
ton gave in a church in Houston this
month. His message to the all-black
audience could have been delivered to
a solely white one. It included two
important aspects: an explicit ac-
knowledgment of the racial tension in
America and the need for leadership
to unite, not divide, the races; and a
discussion of programs intended for
all low- to moderate-income groups,
not just minorities.

It is important that leaders channel
the frustrations of citizens in positive
or constructive directions when times
are hard. But just the opposite has
been more likely to occur in the last
few years: the negative populist ap-
peals of a David Duke and the black
solidarity oratory of an Al Sharpton
have exacerbated racial tensions.

The Clinton message has been a
sharp contrast for those who have
grown weary of destructive racial
rhetoric. In his campaign speeches,
he argues that demagoguery forces us to
turn on each other — race against
race — instead of associating our
declining real incomes, increasing
job insecurity and growing pes-
simism with the failed policies of the
White House. He points out that peo-
ple who are employed are working
more hours for less money and people
who are unemployed are looking

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University of Chicago.

harder for work with less satisfac-
tory results. Americans are paying
more for housing, education, health
care and taxes while services have
been cut. Mr. Clinton's success in the
primaries makes it clear that both
whites and blacks of low to moderate
incomes relate to this approach.

They also relate to his proposed
solutions that include job creation
and training, education, support for
the working poor, tax relief for lower-
and middle-income groups and af-
fordable health care for all. Other
candidates have stressed these issues
and have proposed similar solutions.
But only Mr. Clinton has integrated
them into a vision to promote racial
unity.

Mr. Clinton has destroyed the myth
that blacks will only respond if a
candidate highlights race-specific is-
sues and programs. African Ameri-
cans, devastated by unemployment
and concerned about adequate
health-care coverage and education,
have reacted favorably to his ap-
proach. It has allowed blacks to dis-
play their political sophistication and
show their willingness to identify with

How Clinton has bridged the racial divide.

a candidate who addresses them
without narrowly focusing his mes-
sage on race. Likewise, Governor
Clinton's interaction with black vot-
ers reflects respect for their judg-
ment and an understanding of the
depth and breadth of their concerns.

This is not to suggest that he does
not boast about his own civil rights
record and equal opportunity accom-
plishments in Arkansas — including
reducing the number of unemployed
black youth and adults by 24 percent
between 1983 and 1991. But this is not
the core of his message when ad-
dressing black audiences.

Some observers believe that race is
so divisive in America that whites,
especially the poor and working class,
will not support a candidate who re-
ceives overwhelming support of the
blacks who vote. But this fails to con-
sider what draws minority support. If
the message is tailored to a black
audience, whites draw back, just as
blacks draw back when the words are
tailored to a white audience. But if the
message emphasizes issues and pro-
grams that concern the families of all
racial and ethnic groups, whites will
see their mutual interests and join in a
coalition with minorities to elect a
progressive candidate.

There is a general view today that
the Democrats will once again self-
destruct with a weak candidate in
November. Those who express such
an opinion may be in for a surprise.
They may have failed to appreciate
the significance of Mr. Clinton's re-
markable biracial coalition.



House's Top Officers Act As Adept Politicians, Too

By MARTIN TOLCHIN
Special to The New York Times

WASHINGTON, March 16 — The five officers who minister to and manage Congress are as politically adept as the members they serve.

They have quaint titles, like doorkeeper, postmaster and sergeant-at-arms, but their staffs total more than 1,100 people and their budgets exceed \$35 million a year.

Their duties include chores like disbursing the payroll and furnishing office supplies. In reality, they are the fixers, whose daily ministrations serve to protect those in Congress from the unwanted demands and intrusions of the real world. The favors they dispense range from the mundane, like facilitating visits by constituents, to the

Amid scandals, fixers become scapegoats.

ethically questionable, like fixing speeding tickets or turning a blind eye to overdrawn checks.

Not surprisingly, this system — so pointedly oriented toward protecting their keepers — is steeped in patronage. Most House officers rose through the ranks with the aid of powerful Congressional mentors.

Now, with the House riddled by a series of scandals, the fixers have become the scapegoats. The House ethics committee report on the chronic overdrawn checking accounts at the House bank said the buck stopped with Jack Russ, who as sergeant-at-arms oversaw the scandal-tainted institution. The bank closed down in December, and Mr. Russ resigned last Thursday.

"We must radically change the management of this House," Representative Robert H. Michel of Illinois, the Republican leader, said last week.

And Representative Charlie Rose, a North Carolina Democrat who is chairman of the House Administration committee, said: "We need to professional-

ize the operation. We would not be in the fix we are in now if we had done this much earlier."

Leaders of both parties are proposing to reorganize the management of the institution by appointing professional administrators to replace the officers who, like Mr. Russ, are elected by the full House upon nomination by their leaders.

Democrats have proposed the appointment of a House administrator to oversee the "financial and organizational structure" of all five officers of the House. Currently, each officer is elected to the \$119,120-a-year job at the beginning of each Congress. Specifics of the plan have not been made public.

The Republicans, on the other hand, have proposed eliminating two officers, the doorkeeper and postmaster, replacing the sergeant-at-arms with a "nationally respected law-enforcement professional," and appointing a chief financial officer to assume jurisdiction of the financial responsibilities of the clerk of the House. The office of the Rev. Dr. James D. Ford, the House chaplain, would remain unchanged.

The two proposals, which could reach the House floor this week, were prompted by accounts of House members failing to pay their bills at the House restaurant and cocaine sales at the House Post Office in addition to the banking scandal.

Many of the abuses are steeped in a management style oriented toward providing favors to House members. Indeed, the culture of the institution made it perilous for a House officer to refuse to perform a requested favor, and thereby incur a member's wrath.

Center of the Scandal

The 46-year-old Mr. Russ, who came to Washington from Mississippi in 1967 as a part-time doorkeeper, is at the center of the banking scandal. With the help of former Representative William Colmer, a Mississippi Democrat who was chairman of the Rules Committee, Mr. Russ advanced to head page. And with the strong helping hand of former Speaker Jim Wright, Mr. Russ was elected sergeant-at-arms in 1983.

Mr. Russ oversaw 23 employees and a budget of \$1.3 million. As the House's



The House doorkeeper, James T. Molloy, at right in glasses, is one of the five officers who minister to and manage Congress. He is shown in January as President Bush arrived for his State of the Union Address.

chief law-enforcement officer, he enforced the House rules, insured the safety of the House buildings, served on the board of the Capitol Police, handled matters relating to members' salaries and benefits and ran the House bank.

The House doorkeeper, 55-year-old James T. Molloy, is another creature of politics. He became a protégé of Joseph F. Crangle, then the Buffalo Democratic leader, who sent him to Washington in 1969 to work in the House's finance office under the patronage of Representative John J. Rooney of Brooklyn. In 1974, with the behind-the-scenes help of Speaker Carl Albert and the majority leader, Thomas P. O'Neill Jr., Mr. Molloy ousted the incumbent, William Miller.

Mr. Molloy oversees 384 employees and a budget of \$10 million. The doorkeeper is responsible for supervising the doormen, pages and barbers; the cloakrooms and document room; the

page school and residence hall, and the publications distribution service, and for escorting dignitaries on their visits to the Capitol.

"We're a service organization, so guys come to us all the time," Mr. Molloy said in an interview.

Last Thursday, for example, Mr. Molloy was asked by a Congressman to provide gallery seats for a large group of elderly visitors. Another Congressman, who was visited by a group of 25 bankers, asked Mr. Molloy to provide each banker with a copy of the last banking bill.

Climbing the Ladder

Donnald K. Anderson, 49, clerk of the House, came to Washington in 1960 as a page, and became an elevator operator, a clerk in the House's finance office and finally obtained his present position in January 1987. His mentors have included George H. Mahon of Texas,

who was chairman of the Appropriations Committee until he retired; Hale Boggs, the Louisiana Democrat who was majority leader until he was lost in a plane crash in Alaska in 1972, and Speakers Albert, O'Neill and John W. McCormack.

Mr. Anderson oversees a staff of 559 and a budget of \$20 million. The clerk of the House processes all legislation, furnishes office supplies and equipment, disburses the payroll, compiles lobby registration information and supervises the library, recording studio, document rooms and repair services.

Robert V. Rota, 56, the postmaster, is a Pennsylvanian who began his career by working in the cloakroom and rose to his current post 20 years ago under the patronage of Representative Thomas Morgan, a Pennsylvania Democrat who retired in 1976 after serving 32 years. He oversees a staff of 160, and a budget of \$4.4 million.

U.S. Prosecutors Begin an Inquiry Into House Bank

Several Types of Crime Are Being Investigated

by DAVID JOHNSTON
Special to The New York Times

WASHINGTON, March 16 — Federal prosecutors have begun a preliminary inquiry into possible criminal wrongdoing involving financial transactions at the House Bank, a spokesman for the United States Attorney here said today.

"We are reviewing allegations of possible criminal conduct involving the House Bank," said Mark Liedl, a spokesman for Jay B. Stephens, the United States Attorney for the District of Columbia.

Mr. Liedl declined to discuss the specific accusations involved nor would he identify any lawmakers who may be the focus of the inquiry. But he said the review started last fall after the General Accounting Office, an investigative arm of Congress, completed an audit of the bank.

The audit found that 355 current and former Representatives had written more than 8,000 checks from July 1989 to June 1990 without enough money in their accounts to cover their drafts. In nearly all cases, the bank covered the overdrafts and the money was repaid before the bank was closed in December.

Nature of Inquiry Unclear

The exact nature of the Federal inquiry was not immediately clear. Senior law-enforcement officials said the Federal Bureau of Investigation had not been brought into the review nor have agents from the bureau's Washington field office been assigned to conduct a full criminal investigation.

Some criminal-justice experts suggested that several categories of criminal acts may have been committed by the Representatives, including fraud, tax evasion or campaign financing violations.

Representative Newt Gingrich of Georgia, the minority whip, has said the bank should be investigated to determine whether the overdrafts were, in effect, interest-free loans that the legislators should have reported as income.

Tax lawyers said that the failure to report such loans as income would not likely be viewed by prosecutors as a criminal violation unless they could

Representative Bob Mrazek vowed to stay in the New York Senate race, although he acknowledged that his role in the bank scandal would hurt him. Page B2.

establish that the lawmakers knew they were violating the tax laws and intended to use their overdrafts to evade paying income taxes.

Other Republican lawmakers have said that investigators should determine whether the lawmakers wrote checks without sufficient funds in their accounts to help finance their political campaigns, a use of the money that might violate Federal election laws.

Other officials said Mr. Stephens may be examining the activities of the bank to determine whether there were widespread fraudulent practices under District of Columbia statutes against financial fraud and laws that make it illegal to knowingly write checks without adequate funds in an account.

The anxiety that gripped the House over the issue also seemed to make its way from Capitol Hill to the White House today. Marlin Fitzwater, the Presidential spokesman, said that C. Boyden Gray, the White House counsel, was reviewing the check-writing practices of the six former Representatives who are now in President Bush's Cabinet.

The former House members in the Bush Cabinet are Edward Madigan, Agriculture Secretary, Republican of Illinois, 1973-1991; Lynn Martin, Labor Secretary, Republican of Illinois, 1981-1991; Manuel Lujan, Jr., Interior Secretary, Republican of New Mexico, 1969-1989; Jack F. Kemp, Housing Secretary, Republican of New York, 1971-1988; Edward J. Derwinski, Republican of Illinois, 1959-1983; Dick Cheney, Republican of Wyoming, 1979-1989.

"Boyden's making a check," said Mr. Fitzwater, who added that so far, none had been found to be abusers of the House Bank.

Mr. Bush seemed to keep his distance from the affair. "I'll tell you, what's going on on Capitol Hill right now gives new meaning to the phrase, 'The check's in the mail,'" said Mr. Bush, drawing laughs and applause at a campaign stop in Milwaukee.

How Bank Operated

While Mr. Stephens has jurisdiction over crimes committed in the District of Columbia, because of constitutional questions his authority to investigate a fraud within Congress may be as muddled as the accounting practices it used in keeping track of lawmakers' money.

The bank, which does not draw from public funds, has never operated as a full service commercial bank. It did not issue credit cards, it paid no interest on accounts and was exempt from Federal banking regulations and technically was not Federally insured, although it has been bailed out on occasion when a shortage developed.

Opened not long after the Republic's founding, the bank began as an intermediary between the Treasury and the legislators, to pay salaries and expenses of public officials who worked far from their local banks and sources of credit.

Salaries were deposited into the bank accounts of members, who could then draw against those accounts by writing checks. Gradually the small, cash-box operation expanded with more services, like check cashing and sophisticated services like wire transfers.

Chrysler Is Betting on a Risk Taker

By ADAM BRYANT

By giving up a 29-year career at General Motors to succeed Lee A. Iacocca as Chrysler's chairman, Robert J. Eaton is taking the biggest risk yet in a career marked by calculated chances.

Most recently, the chief of G.M. Europe delivered sizable profits to bolster G.M.'s ailing domestic operations and quickly pushed the auto maker into new manufacturing and sales operations in Poland and Hungary, where G.M. introduced its first car last week.

In the early 1980's, Mr. Eaton was vice president of advanced engineering at G.M. and prodded G.M. to take a chance on new engine-making technology for the fledgling Saturn division. Jay Wetzel, vice president of engineering at Saturn, recalled Mr. Eaton's words from an important strategy meeting: "We need to operate outside our comfort zone to make this thing work."

At the Chrysler Corporation, long Detroit's weakest player, Mr. Eaton will work almost entirely outside his comfort zone. Yesterday, as expected, he was named the vice chairman and chief operating officer of Chrysler and will succeed Mr. Iacocca as chairman and chief executive when Mr. Iacocca retires at the end of the year. [Page D5.]

In announcing Mr. Eaton's selection, Mr. Iacocca praised Robert A. Lutz, the president of Chrysler who had wanted the top job. Mr. Lutz said he was a team player and would remain at Chrysler but some analysts questioned whether the new arrangement on the executive floor would last.

From the start, Mr. Eaton faces a fleet of important executives who were the allies of Mr. Lutz. Even Mr. Iacocca said yesterday that Mr. Lutz, who was stripped of the title of chief operating officer, should be credited with bringing to market Chrysler's promising new models like the Dodge



Peter Yates for The New York Times

One of the many challenges facing Robert J. Eaton at Chrysler is motivating a staff that has many supporters of Robert A. Lutz, right, with whom Mr. Eaton appeared yesterday at a news conference after being named as the successor to the chairman, Lee A. Iacocca.

Viper and the Jeep Grand Cherokee and a series of midsize cars that will roll into showrooms later this year.

If that kind of politics is not enough for Mr. Eaton, Chrysler also faces large debts in the next few years and an uncertain economy that may continue to dampen auto sales.

But to Mr. Eaton, the risks were worth the chance to run one of Ameri-

ca's Big Three auto makers, industry experts said. As one of 35 G.M. vice presidents, the 52-year-old Mr. Eaton probably saw little possibility of ever running the General Motors Corporation.

"It's a numbers game; there are a

Continued on Page D5

Robert J. Eaton

Born Feb. 13, 1940, in Buena Vista, Colo.

Education: B.S. in mechanical engineering, University of Kansas, 1963; executive program, Dartmouth College, 1981.

Career highlights: Joined General Motors as a college graduate-in-training in 1963; rose through a variety of engineering jobs to executive engineer by 1974; moved to Oldsmobile in 1979; became vice president in charge of the advanced engineering staff in 1982; named vice president and group executive in charge of technical staffs in 1986; appointed president of G.M. Europe in 1988; named yesterday to succeed Lee A. Iacocca as chief executive of Chrysler.

Other: director of Saab Automobile, Saab-Valmet, Group Lotus, Swiss-American Chamber of Commerce and the Society of Automobile Engineers; member of a University of Michigan industry committee, a Stanford advisory board and the National Academy of Engineering; a fellow of the Society of Automobile Engineers and the Engineering Society of Detroit.

Chrysler Is Betting on a Risk Taker

Continued From First Business Page

lot of good people ahead of him at G.M.," said Jack V. Kirman, an auto analyst at Kidder, Peabody & Company.

In Detroit, Mr. Eaton is considered first and foremost a "product guy," an engineer who thoroughly knows and loves cars. Shortly after settling into his position as head of G.M. Europe in Zurich in 1988, Mr. Eaton told Ward's Auto World magazine: "It's a frustration here that I'm not driving cars," referring to the fact that he was not regularly testing cars as he did as an engineering executive.

'A Very Strong Impact'

Although the considerable progress G.M. Europe made in the last decade in lowering its manufacturing costs and improving its productivity did not begin under Mr. Eaton, he had maintained the momentum.

"The bottom line is Bob did have a very strong impact on the success of G.M. Europe and left a lasting impression; nobody could deny that," said Thomas R. Mason, vice president for sales, service and parts for G.M. Europe.

Some G.M. executives described Mr. Eaton as a friendly, open-minded and thoughtful manager. Charles M. Jordan, G.M.'s vice president for design, said that official visits to his boss's office always made him nervous because a thorough questioning inevitably awaited him. He added that Mr. Eaton typically consulted many people before he made an important decision.

As head of G.M.'s technical staffs in the mid-1980's, Mr. Eaton had to pick the company's head of design. Mr. Eaton spoke to many people throughout the design staff, including Mr. Jordan's secretary, before select-

The heir apparent faces questionable office loyalty and looming debts.

ing Mr. Jordan. "You feel like you've been treated fairly," Mr. Jordan said.

In a memo to Chrysler managers yesterday, Mr. Eaton said, "I believe in participatory management, not consensus management." He described "participatory management" as a leadership style that consults a wide array of views and data and then makes a decision. Consensus management, he said, is not acceptable. It results in decisions "of the lowest common denominator," he added.

Not everyone applauded Mr. Eaton's style. One executive of G.M. Europe, who insisted on anonymity,

French Retail Sales Off

By Bloomberg Business News

PARIS, March 16 — French retail sales declined in February after strong growth in January, but remained above December's sales figures, the Bank of France said in its monthly report on the French economy. Retail sales in January and February 1992 were up 3.7 percent in gross revenue from the corresponding period last year, which included one less Saturday, according to the report. The volume of sales for this period was up 1.1 percent from a year before.

said Mr. Eaton was occasionally impatient and autocratic. He added that Mr. Eaton had sometimes demonstrated impatience with the team-work approach in making decisions.

But quick decisions are often required by top executives, as one analyst noted. "Anybody who achieved that kind of success has to be a bit autocratic and a decision maker, but he also seems to be more of a listener than many people at that level," said Jean-Claude Gruet, an analyst at UBS Securities.

A Unusual Style

Indeed, many people who know him said Mr. Eaton was an unusual executive because of his low-key style. "He's the least flamboyant guy you'd meet at that level," said David E. Davis, editor of Automobile magazine and a former G.M. executive.

Analysts note that much of the groundwork for G.M.'s revival in Europe was set before Mr. Eaton arrived. The European arm is the most profitable among its competitors there, contributing \$1.00 billion in earnings last year that offset record losses by G.M. in North America.

They said Mr. Eaton's marketing European products would only begin to be apparent with new models that will be introduced starting next year.

Mr. Eaton's career is not entirely bright. He headed G.M.'s much ballyhooed but ill-fated X-car program, which involved G.M. in a lawsuit by the Federal Government in 1984. He contended that a brake defect caused the rear wheels to lock in the models, the Pontiac Phoenix, Chevrolet Citation, Oldsmobile Omega and Buick Skylark. After a lengthy trial, G.M. won the case, but sales withered, and the cars were redesigned.

What's Sunday without The Times?

New York

Focus of Presidential Race Now Turns to New York, Democratic Stronghold

By MICHAEL SPECTER

Gov. Bill Clinton has a big New York office overlooking Times Square. When he arrives here on Saturday the Arkansas Governor will probably move right into the Regency Hotel until the state's primary on April 7.

Paul E. Tsongas's campaign has its New York headquarters in the dark basement of a SoHo brownstone. When the former Massachusetts Senator shows up later this week, he will stay upstairs in the same building. In the guest room of his New York chairman, Jim Armenakis.

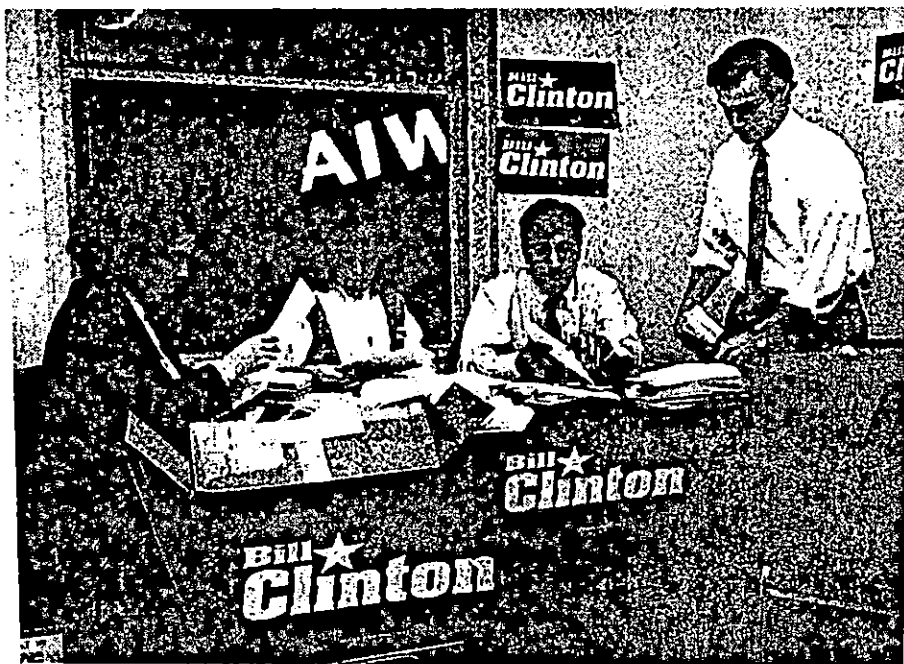
"It's so much easier that way," said Mr. Armenakis, whose apartment and law offices are above the campaign headquarters on Greene Street in Manhattan. "That way Paul can take a walk in a nice neighborhood and be right on top of the campaign machinery. And Paul is definitely not a guy who likes hotels much."

Edmund G. Brown Jr., the former Governor of California, has not even decided where he will stay or exactly when he will come to New York, campaign aides said yesterday. But, whenever possible, the cash-strapped candidate tries to stay with friends.

244 Delegates at Stake

Although Mr. Tsongas and Mr. Clinton have been busy dueling in the Midwest, officials from both of their campaigns describe success in the New York primary as crucial, for 244 delegates to the Democratic National Convention will be selected and the national spotlight of media attention always shines harshly here. And although Mr. Brown has only his "800" number and a growing band of volunteers to fortify him, he also hopes to do well in New York, where labor leaders who are disenchanted with the other two Democratic candidates have begun to embrace him.

"People say it could all be over by New York," said Carter Eskew, a Washington media consultant who



The accommodations of the Democratic Party contenders will vary from a Regency Hotel suite to the basement of a SoHo brownstone. For the front-

runner, campaign workers of Gov. Bill Clinton yesterday were already sending out campaign literature from offices in Times Square.

works in New York frequently but is not representing a Presidential candidate this year. "But it's never totally over before New York. It's too important a state for the Democrats. The media is so aggressive, and the attention can force candidates to make errors that will hurt them down the road."

If Mr. Clinton turns in a strong showing today in the labor-oriented, financially bruised states of Illinois and Michigan, many political analysts have said the Democratic race will have essentially ended. Mr. Armenakis disagrees.

"Clinton has done nothing outside his

region," the Tsongas campaign manager said. "There will be a pitched battle over New York, and New York is a state with so many different kinds of voters. It's not a single issue, or single region. If you get away from the interpretations put out by our opponents for a moment, it seems clear that this race

can go all the way to the convention."

Even if it did, many New Yorkers now say Mr. Clinton will have to defeat himself to lose the nomination. He has raised at least twice as much money as Mr. Tsongas, and if New York State is any indication, his political power remains far greater. Ask Harold Ickes Jr., Mr. Clinton's campaign manager in New York, who in the state has endorsed Governor Clinton and an aide immediately provides computer-generated lists that are updated weekly. Dozens of city and state officials have endorsed Mr. Clinton, including Representatives Stephen J. Solarz of Brooklyn and Thomas J. Manton of Queens.

Ask Mr. Armenakis for a similar list, and he replies: "We are not ready yet to distribute a list of endorsements. We do not feel that political structure or advertising or pollsters are what the campaign is about. We feel it will be about votes."

True. But votes have a way of following dollars and the support of established political leaders. The Clinton organization has worked harder in New York than any other, as the nearly 60,000 signatures they gathered for the state primary ballot would indicate. Mr. Brown got fewer than 20,000 and Mr. Tsongas barely rounded up the 10,000 signatures needed to appear on the ballot.

Mr. Tsongas also has another problem in New York: Mr. Brown has begun to supplant him among certain constituencies in his quest to appear as the lone voice of courage and iconoclasm. And in New York, where labor remains strong and Democrats like to believe that big government can still be good government, the Clinton message that at least some regulation and government assistance remains essential has found a following.

"Clinton has worked hard and earned a lot of support here," said the state Democratic Party chairman, John A. Marino, who like his boss, Gov. Mario M. Cuomo, will not make any endorsement in the primary. "He did

well with African-Americans down South. Now it will be interesting to see how well he can do in places like Chicago and Detroit. That will give us a sense of his support here I think."

High Expectation for Brown

Mr. Marino said Governor Cuomo would almost certainly be pleased to see all three of the Democratic candidates if they should wish to travel to Albany. And each candidate has said he would be "interested" in visiting Mr. Cuomo, who has had a testy relationship with Mr. Clinton but who has become more accommodating as Mr. Clinton seems the likely nominee.

But none of the candidates would say for certain that they wished to see Mr. Cuomo, fearing that the Governor would be "busy" on the day they wished to see him.

Several state politicians, including Mr. Marino, said they expected Mr. Brown to gather the most support over the next few weeks, particularly if he does well in Michigan, where public opinion polls show him steadily gaining support. New York is one of the last bastions of organized labor in the nation, and union support can be particularly valuable in primaries because members tend to vote in blocks and in large numbers.

"The truth is neither Bill Clinton or Paul Tsongas has descended from heaven," said Jan Pierce, vice president of the Communication Workers of America in charge of the eight-state region that includes New York. "I have personally decided to endorse Governor Brown, and I will recommend to my members that they do the same. Of the three remaining candidates he is by far the best for labor."

Asked if he minded supporting a candidate who is given little chance of actually becoming President, Mr. Pierce laughed.

"I don't believe a real leader should compromise his principles in a primary," he said. "There will be plenty of time for that in the general election."

RUSSIAN PRESIDENT MOVES TO CREATE A SEPARATE ARMY

DEFENSE MINISTRY SET UP

Yeltsin's Order Casts Doubt on
Commonwealth's Ability to
Keep Unified Command

By CELESTINE BOHLEN
Special to The New York Times

MOSCOW, March 16 — President Boris N. Yeltsin ordered the creation of a separate Russian Ministry of Defense today and named himself its acting head, thus taking the first step toward the establishment of a potentially powerful Russian army.

Mr. Yeltsin's decision, which follows repeated failures within the Commonwealth of Independent States to resolve the fate of the former Soviet armed forces, appears to raise serious questions about the possibility of keeping a unified military command when the commonwealth heads of state meet in Kiev, the Ukrainian capital, on Friday.

At a news conference today, Sergei Shakhrai, Russia's Deputy Prime Minister, said the new Russian Defense Ministry would set up armed forces on Russian territory "with the view that these forces are part of the joint commonwealth armed forces and are subject to its operational command."

The Message Is Clear

Yet the clear message in Mr. Yeltsin's decree, issued on his return to Moscow after a two-week vacation, is that Russia, along with several other former Soviet republics, is now ready to press its claim to the remnants of the former Soviet armed forces and to answer for its own security.

After the formal breakup of the Soviet Union last December, the leaders of the republics who formed the Commonwealth of Independent States agreed that the 3.7 million-strong former Soviet armed forces would remain unified under the command of Marshal Yevgeny I. Shaposhnikov. This was viewed as particularly important for control of the nuclear weapons spread around the former Soviet Union.

But Marshal Shaposhnikov's authority has been repeatedly challenged by Ukraine, which has set out to form its own large force, and Azerbaijan, Belarus and Moldova, all of which have taken steps to form their own military forces.

Russia Moves In Germany

Ukraine's insistence on putting the important Black Sea fleet under its jurisdiction has riled Mr. Yeltsin, and it is thought that by forming his own Russian armed forces he will be in a better position to bargain with Leonid Kravchuk, the Ukrainian leader, at the commonwealth meeting on Friday.

It is always possible that an agreement can be reached by the commonwealth leaders for some form of joint military command, in which the various republican contingents under their own flags could work together, but in the current atmosphere, marked by Ukrainian independent fervor, this is seen as increasingly hard to achieve.

Russia has already moved to assume jurisdiction over former Soviet troops still in Germany and others in Poland, Mongolia and Cuba, a spokesman at



A Ukrainian officer of the Commonwealth of Independent States demonstrating yesterday in Kiev to be allowed to complete his military service in

Ukraine. The disintegration of the commonwealth's armed forces continued as President Boris N. Yeltsin created a separate Russian Defense Ministry.

Russian Leader Moves to Set Up a Separate Army

Continued From Page A1

the headquarters of the western group of troops told the Itar-Tass agency. "However, before the Russian Defense Ministry is formed, they will continue to be subordinate to the Commander in Chief of the Commonwealth armed forces," the spokesman was quoted as saying.

Russia is also sending a delegation to other commonwealth states to negotiate the status of troops on their territory, the television news reported this evening.

In the Russian Parliament today, Gen. Dmitri Volkogonov, a military aide to President Yeltsin, said Russia could have 1.5 million men under its command within two years.

Russia is now following a trend that became apparent shortly after the commonwealth was formed late last year, when Ukraine, Moldova and Azerbaijan declared their intention to maintain independent armies. Belarus is also considering setting up its own armed forces, and today the President of Kazakhstan, Nursultan A. Nazarbayev, issued a decree setting up republican guard units, a special military force subordinate to the President.

Until now, Russia has pressed for a unified command over conventional forces. While these are largely dependent on Russia for financial support, the idea created the impression of a com-

Russia appears ready to press its claim to the remnants of the Soviet military.

mon defense and ducked the tricky question of how to divide up the powerful Soviet military machine.

But Ukraine has argued that Russia is simply using the commonwealth as a cover for its own ambitions. Indeed, Ukraine's proposal to take over the nonstrategic part of the Black Sea Fleet, based in the Crimean port of Sevastopol, turned into a bitter dispute with Russia, where many people still regard Crimea and the fleet as Russian property.

Ukraine Is Distrustful

Ukraine again displayed its distrust of Russia's handling of military matters last week when President Kravchuk suspended the transfer of tactical nuclear weapons to Russia, where they are to be destroyed in accordance with treaties with the United States. Mr. Kravchuk said he was given no guarantee that the weapons were in fact being destroyed, and pointed to the danger that they might "fall into the wrong

hands."

Military issues are once again the main matters to be discussed when the heads of the commonwealth states gather in Kiev. According to Russian press reports, an agreement is unlikely to be forthcoming.

"Again, as at previous summits, there is not enough time for anything serious," said a commentator in the newspaper Nezavisimaya Gazeta. Most experts agree that the mutual suspicions, particularly between Russia and Ukraine, have already overwhelmed the military debate, leaving "presidents to issue decrees, commanders to issue orders and the resulting contradictions to be decided according to the evolving C.I.S. tradition: by use of force," the commentator concluded.

As the heads of state gather to discuss the fate of the military, its future has already been decided in many parts of the former Soviet Union by individual commanders, who have begun to turn over their forces to local political leaders and in some cases are reported to have put their weapons up for sale.

An armed forces spokesman in Moscow today denied reports that two nuclear warheads had been sold to Iran from a base in Kazakhstan. Kazakhstan is one of four former Soviet republics holding nuclear weapons.

Continued on Page A12, Column 4

The 1992 Campaign

"There are more outsiders trying to help out, and the advice could not be more contradictory." PAUL E. TSONGAS

White House

Bush Works Party's 2 Sides: The Blue and White Collars

By MICHAEL WINES
Special to The New York Times

CHICAGO, March 16 — President Bush worked both sides of the Republican political coalition today with elan, acting like a man who believes he has put his political rivals and his campaign's problems behind him.

By and large, both sides seemed to believe so, too.

To urban steelworkers in Milwaukee and Polish-Americans in Chicago, the President was the caring and concerned candidate who first surfaced last December, at the depths of the White House's concern that the economy could be the President's undoing.

Before well-dressed and almost exclusively white Republican contributors in hotel ballrooms in both cities, Mr. Bush was his partisan, anti-Democratic self. He lambasted Congress and exhorted the cheering crowds to embrace cuts in the capital gains tax, track down alimony cheats and shun the isolationism and protectionism of his rivals in both parties.

Today's speeches were all organized and paid for by Mr. Bush's re-election committee.

For his labors, the President today collected \$400,000 in Milwaukee and an additional \$900,000 in Chicago, all from donors who paid \$1,000 a plate to see and hear him.

That raises to almost \$18 million the amount that Mr. Bush and Vice President Dan Quayle have collected for their primary campaign in the last five months.

Under Federal law, the President can raise and spend roughly \$27 million on his re-election bid before the general election legally begins in August.

Today's fund raisers presented an arresting contrast to the scene in Milwaukee, where Mr. Bush delivered a speech on industrial policy to blue jeans- and T-shirt-clad steelworkers at the huge Steeltech Manufacturing Inc. factory outside of town.

"I want the media here to carry your message into every living room in this nation," Mr. Bush said, "because we're

waging a battle here in America, a battle for jobs and for our economic future. And Steeltech is the kind of success story that points the way to victory."

The factory, owned by Super Steel Products Corporation, leases space to the unusual Steeltech venture, which hires and trains inner-city minority workers to weld and assemble steel products like truck flatbeds.

Steeltech, a minority-controlled business, has prospered with millions of dollars in financial aid from the city, state and Federal governments and help from local banks.

The company is a subcontractor on a major Pentagon contract to build a new line of trucks for the military. It was founded two years ago by three Milwaukee men, including Mr. Bush's chief political fund-raiser in Wisconsin.

The crowd, which included a mix of community leaders as well as steelworkers, responded diffidently to Mr. Bush's remarks. But many of the \$7-to-\$12-an-hour welders at the scene indicated that they liked what Mr. Bush offered, and would vote for him in November.

"Bush is trying to get some jobs going. The Democrats want to help the people, but it looks like they want to tax us, too," said Alex Ruiz, 30, who had worked there for four years.

Later, in a Chicago suburb, the President gave about 250 members of the Polish National Alliance jammed into a tiny meeting hall a paean to democracy and the end of Communism.

"The Communists persecuted believers and demolished the houses of worship," Mr. Bush said, reciting the crimes of the old Communist regime against Poland in the 1980's.

"They imprisoned the Cardinal, Cardinal Wyszyński, and murdered Father Popieluszko. But all the while, believers — believers — kept on believing; stubborn believers, who suffered every sort of torment in prisons and labor camps, patient believers, who thought they'd never live to see the answer to their prayers."



President Bush addressing employees of Steeltech Manufacturing Inc. in Milwaukee, which hires and trains inner-city minority workers to weld and assemble steel products. Mr. Bush was framed by military cargo beds, a company product used to carry large loads.

Political Memo

In Clinton's Speeches, Echoes of Competitors

By GWEN IFILL
Special to The New York Times

CHICAGO, March 16 — The apparent success of Bill Clinton's Presidential campaign stems, at least in part, from his skill in appropriating the best ideas of his opponents and incorporating them into his plans and promises.

It is not wholesale thievery, and it is a technique used by other candidates. By making a deft selection of emphasis, the Arkansas Governor sharpens his message in areas that have proved popular for other Democrats and presents himself as the best of every candidate — an effort to win over his opponents' former supporters. Especially in Michigan and Illinois, this approach is a way to woo traditional, mainstream Democrats and to cast his rival, former Senator Paul E. Tsongas of Massachusetts, as conservative.

Mr. Clinton has taken a cue, for instance, from Senator Bob Kerrey of Nebraska, who dropped out of the Presidential race two weeks ago, and increased the number of times he now refers to himself as the candidate who can bring the most change to Washington. At a Texas debate last week, Mr. Clinton even borrowed Mr. Kerrey's most-used phrase to say he is for "fundamental change."

Mr. Clinton's portrayal of himself as an outsider owes a debt as well to former Gov. Edmund G. Brown Jr. of California, who has won the Colorado primary and who could manage a strong finish in Michigan with an outsider's message that rails against the monied and the powerful. Speaking to an audience in Macomb County, Mich., on Thursday, Mr. Clinton picked up that theme.

"The executives continue to raise their pay and their perks while the workers get the shaft," he said.

Borrowing From Harkin

Echoes of Senator Tom Harkin, who dropped out of the campaign a week ago, also turn up in Mr. Clinton's speeches and debate appearances. When he spoke at a rally in the Southern Illinois city of Carbondale

last week, Mr. Clinton, like the Senator from Iowa, praised ethanol, a grain byproduct that is touted by farmers as a substitute for gasoline.

Mr. Harkin's exit from the race has also provided Mr. Clinton with an opportunity to redefine Mr. Tsongas. Early in the campaign, it was Mr. Clinton who had to defend himself against attacks from Mr. Harkin, who campaigned as a voice for liberals. Mr. Harkin asked whether the Governor's centrist views made him a "real Democrat." Now it is Mr. Clinton who is making the argument, this time over whether Mr. Tsongas is a "real Democrat," in an apparent effort to push Mr. Tsongas to the right on social issues.

Mr. Clinton's aides resist the notion that the Governor is using anybody else's ideas, though they concede that when a useful distinction is made by another candidate, it is not a bad idea to keep it in mind.

"The point of distinction changes as the field changes," said Paul Begala, a top Clinton adviser. "That's true."

George Stephanopoulos, Mr. Clinton's deputy campaign manager, asserted that the essentials of his candidate's message have not changed, and disavowed any notion that Mr. Clinton was unfairly borrowing from Mr. Tsongas. The former Senator, he said, "stole the 'new idea' mantle from us. We're snatching it back."

Renewed Focus on Economics

That is especially true of Mr. Clinton's economic proposals, which got lost in all the attention to the character question in New Hampshire. But beginning in Georgia, as Mr. Clinton regained his footing, he has been able to focus the economic discussion on three or four issues.

Instead of relying on the booklet containing his economic plan, which was distributed widely to the detail-oriented New Hampshire voters, the Clinton campaign is now attacking Mr. Tsongas's economic ideas, painting the former Senator in a 30-second television advertisement as a friend of business, a foe of the elderly and a fan of nuclear power.

Many of Mr. Clinton's strongest statements, of course, remain exclusive to him. No other candidate speaks in as much detail about social issues like the need for racial unity, child support enforcement and welfare reform. And he is not alone in the game of appropriating ideas.

Mr. Brown, for instance, in a Friday night debate here, used a line borrowed from the Rev. Jesse Jackson to say that building enterprise zones in poor neighborhoods would curb the drug trade and make "hope blossom and dope decline."

And in Mr. Tsongas's new advertising, he has claimed Mr. Kerrey's call for "fundamental change" as well.

Mr. Clinton and his aides say the true test of their constantly evolving message is in the truth of their words.

"I think that it's pretty hard to turn reality into unreality if there's any factual basis, anything for the voters to tie it to," Mr. Clinton said recently.

He was talking about negative advertising at the time, but his observation could apply to his front-runner's message as well.

Baker Rebuffs Compromise Plan By Congress on Israel Loan Issue

**Aid Bid May Be Doomed
— Settlement Freeze
Still Sticking Point**

By THOMAS L. FRIEDMAN
Special to The New York Times

WASHINGTON, March 16 — The Bush Administration has rejected key elements of a Congressional compromise proposal for granting loan guarantees to Israel, possibly dooming the Israeli aid request, Congressional and Administration officials said today.

Secretary of State James A. Baker 3d, in discussions over the weekend with Senator Patrick J. Leahy, the Vermont Democrat who is chairman of the Senate Appropriations subcommittee responsible for foreign aid, made clear that the Administration opposed important parts of the compromise.

These provisions, Mr. Baker argued, would give Israel some of the \$10 billion in housing loan guarantees it is seeking without insisting on a freeze on Israeli settlements in the occupied West Bank and Gaza Strip.

Today, Israel's Defense Minister, Moshe Arens, said here that his country would rather abandon its quest for the loan guarantees than "renounce the right of Jews to live in Judea and Samaria" — the biblical names for the West Bank.

Refusal to 'Beg or Crawl'

Israel would "not beg or crawl for help" to absorb Russian immigrants, Mr. Arens said, adding: "We are a small people, but we are a proud people. We shall have to do it ourselves. I know we can do it, and I know we will do it."

Mr. Arens was in Washington for talks with Defense Secretary Dick Cheney. Pentagon officials said Mr. Arens rebutted United States intelligence re-



Defense Minister Moshe Arens in Washington yesterday.

ports that Israel illegally shared American-made missile technology with China. [Page A6.]

Senator Leahy, along with Senator Bob Kasten, a Wisconsin Republican and the ranking minority member of the Appropriations subcommittee on foreign operations, are scheduled to meet with President Bush on Tuesday in a last-ditch effort to salvage a deal.

While Congressional and Administration officials say the chances of an understanding are increasingly remote, it cannot be ruled out that both sides are posturing for an eleventh-hour compromise.

According to a senior Administration official, though, there are still significant differences between the Kasten-Leahy compromise and what the Bush Administration will accept.

The compromise would grant Israel

Continued on Page A6, Column 1

BAKER REBUFFING ISRAELI AID PLAN

Continued From Page A1

\$1 billion in loan guarantees immediately, without linking these to a freeze on settlements, and give the President the authority to provide the rest of the guarantees on the condition that Israel restrict its settlement activity in the West Bank and Gaza.

Administration officials say Mr. Bush and Mr. Baker are not willing to accept the granting of any loan guarantees without restrictions on settlements. They are still saying that Israel can have all \$10 billion in guarantees, spread over five years, if it freezes its settlement activity entirely, or that it can have a lesser amount for a shorter period if it freezes all housing starts.

Mr. Arens, speaking here to delegates to a United Jewish Appeal Leadership Conference, said Israel could not accept the President's demand that it freeze settlement building because it considers the settlements critical to its security.

Terms of Argument

Officials said Senator Leahy had argued with Mr. Baker that the Administration, by not accepting the compromise, would be giving up an unprecedented opportunity to have Congressional approval for linking assistance for Israel to a five-year settlement freeze. This, they said, would come only at the cost of \$1 billion in loan guarantees being made available immediately.

With loan guarantees, Israel could go to private banks and investors and raise the \$10 billion at lower than normal interest rates. Israel would be responsible for paying back the money. The United States, however, would have to set aside several hundred million dollars in case of an Israeli default.

If Tuesday's talks at the White House between the President and the two Senators produces no last-minute compromise, it sets up three options.

One is that Mr. Leahy and Mr. Kasten will go back to the subcommittee, reshape their proposal incorporating the Administration's terms, and then push ahead with the foreign aid bill that they were to start drafting Tuesday.

A second option is that they will ignore the Administration's demands, put their compromise into the foreign aid bill as it now stands, and challenge Mr. Bush to veto the bill. The Administration has already warned that the President would cast a veto if necessary, and pro-Israel lobbyists say it is very unlikely that they could muster the two-thirds required in both houses to override a veto.

This veto would come at a price for the Administration, since without a new foreign aid bill, the President will not get the aid for Russia and money for United Nations peacekeeping operations that he is seeking as part of the legislation.

The third option is that Mr. Kasten and Mr. Leahy will drop the request for loan guarantees from the foreign aid bill, but it is extremely unlikely that the bill could then be passed without the votes of Israel's supporters in Congress.

Provisions of Draft

The latest draft of the Leahy-Kasten compromise has these elements:

1 Authorization of \$2 billion in loan guarantees for Israel each year for the next five years.

2 Release of the first \$1 billion in guarantees within 30 days of passage of the legislation. Out of that \$1 billion, though, \$150 million would be deducted. This represents the pro-rated amount Israel is expected to spend, between the date of enactment of the legislation and the end of the fiscal year, Sept. 30, on new construction activity in the West Bank and Gaza.

3 Release of a second \$1 billion in guarantees for 1992, as well as \$2 billion a year for the four years after that, would be at the President's discretion. He would be able to hold up the guarantees any time he determined that the level of Israeli settlement building in the territories was "inappropriate."

4 Permission to Israel for a certain amount of "natural growth" in the West Bank and Gaza Strip, even under a total freeze. This means that roads could be built, wells dug and other development carried out — provided that they are for the use of both Arabs and Jews.

5 There are two other building exemptions in the draft legislation. Israel would be allowed a certain amount of "security-related infrastructure," as well as "scattered dwellings built to accommodate expanded families of those persons living in the territories."

Democrats

Brown's Big Gamble: Risking Ridicule for a Victory in Michigan

By R. W. APPLE JR.

STERLING HEIGHTS, Mich., March 16 — Former Gov. Edmund G. Brown Jr. of California rolls the dice on Tuesday here in Michigan.

He hopes that an upset victory in this state's Presidential primary, or at least a strong second-place finish, will send the campaign of former Senator Paul E. Tsongas of Massachusetts into a tailspin, establish himself as the logical alternative to Gov. Bill Clinton of Arkansas and set up several credibility-building successes culminating in a California sweep.

The trouble with that, of course, is that Mr. Clinton holds a solid lead in the Michigan polls, even if Mr. Brown is closing fast. If he does poorly here, after drawing so much attention and making so much fuss, he will look silly.

'Don Quixote Role'

Even if Mr. Brown does well, Mr. Clinton will emerge from Tuesday's voting here and in Illinois with a huge lead in delegates, and Mr. Brown will run the risk of peaking when the issue is already nearly settled, just as he did in 1976, when he won California after Jimmy Carter had the nomination all but locked up. Once again, said David Rohde, a political science professor at Michigan State University, "he'll be left with the Don Quixote role."

Still, in only a few days, Jerry Brown, the once-derided insurgent candidate with the 800 number, has moved smartly into the void on the party's left, where Senator Tom Harkin of Iowa used to stand before withdrawing. In Michigan at least, from all the available evidence, he is hot, hot, hot.

Today Mr. Brown visited a virtually all-white high school here, partly populated by the children of "white flight" parents who moved north from Detroit out of fear of blacks, and talked about working-class unity. Bill Clinton and Paul Tsongas, he said, both support giving the President "a blank check, quasi-dictatorial authority, to go down to Mexico in secret with a lot of paid lobbyists and negotiate the export of American jobs, Michigan jobs." He



Edmund G. Brown Jr. talking with customers at the Polish Village Cafe in Hamtramck, Mich. He hopes that an upset victory in today's primary will send

the campaign of former Senator Paul E. Tsongas of Massachusetts into a tailspin and establish himself as an alternative to Gov. Bill Clinton of Arkansas.

said he opposed such fast-track trade negotiations, which he said could cost "an additional 400,000 good-paying jobs."

This is Macomb County, one of the places where the Republican revolution of the 1970's and 1980's was made, as socially conservative blue-collar voters, many of Balkan and Slavic origin, left the Democratic Party for Richard M. Nixon, Ronald Reagan and George Bush. It is the kind of place the

Democrats need to retake.

It is also car country. Just a few blocks from Sterling Heights High School, not far from the sprawling American-Polish Cultural Center, stand immense Chrysler, Ford and General Motors plants. People here are gripped with fear that some of these plants will close, like many of the auto factories in Flint, on the road a bit, which has lost 40,000 jobs in a single decade.

Roger Robinson, one of Mr. Brown's organizers in this depressed and disheartened state, said, "The class issue — the fear that you'll be next, the hatred of the system — is overcoming the social issues." To make sure no one missed the point, Michigan's Attorney General, Frank Kelley, an old-line Irish politician, stood behind the candidate, along with Art Blackwell, the president of the Wayne County (Detroit) Commission, who is black.

"It's a nightmare, that state," commented Robert Squier, a leading Democratic strategist, "and Jerry Brown can really draw the lightning. He's a pure protest candidate, a Democratic Pat Buchanan. He appeals to people who are mad at the rich guys."

Of course, Mr. Brown sees it going well beyond protest. He said in an interview that he was pulling together students, ethnic groups, union members and environmentalists here, and would do so in a series of primaries in Rust Belt states with problems like Michigan's — Wisconsin on April 7, Pennsylvania on April 28, Ohio on May 2 — along with New York's primary on April 7.

"You build it in the heartland, show you're a credible candidate here," he said, "then score big in California," which votes June 2.

Mr. Brown said he had raised \$100,000 in contributions of \$100 or less on Sunday night after his sharp exchanges with Mr. Clinton in a television debate, and aides said \$500,000 had been received in the last week.

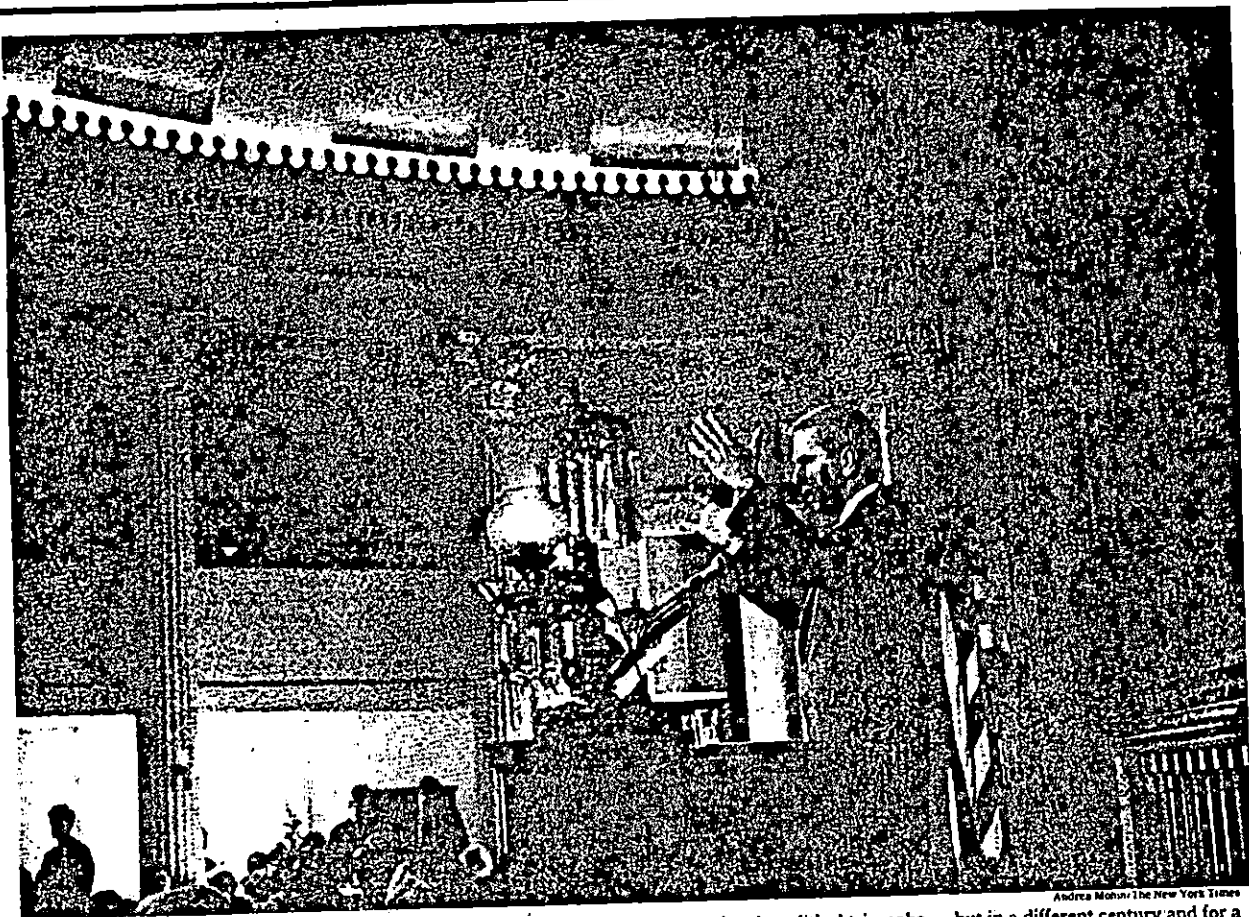
Clearly, the former Governor's strategy is to ignore Mr. Tsongas, in the belief that he will not last much longer. Mr. Tsongas sought to counter that today by declaring that come what may, he would stay in the race until the convention, and he described himself as "the only alternative" to Mr. Clinton. In a Brown-Clinton showdown, Mr. Brown would seek to keep Mr. Clinton from assembling a majority of delegates and hope that further disclosures about the Governor's finances or private life would stop him.

He fairly hurled insults at Mr. Clinton today, apparently in the belief that he had him rattled, calling him the "scandal-a-week candidate," comparing him to Mr. Nixon for allegedly counterattacking rather than answering charges against him, accusing him of "running a second-rate operation down there" as Governor and asserting that "in Arkansas, down in the minor leagues, they have a kind of good old boy network" for sharing governmental contracts and patronage that

The New York Times

NEW YORK, TUESDAY, MARCH 17, 1992

"He's a pure protest candidate, a Democratic Pat Buchanan." ROBERT SQUIER



Paul E. Tsongas yesterday in the Old State Capitol in Springfield, Ill., the scene of early political triumphs — but in a different century and for a different political party. The New Hampshire primary winner is already being cast as a fallback in case Gov. Bill Clinton's campaign collapses.

Media

On the Campaign Trail: From Dullness to Tedium

By ELIZABETH KOLBERT
Special to The New York Times

CHICAGO, March 15 — Ever since "The Selling of the President" appeared in 1969, it has been a common complaint among voters that they are not getting the real story of the Presidential campaign.

In fact, there is some truth to this complaint. But instead of griping, voters probably ought to be grateful for the omission.

The dirty secret that reporters are reluctant to share with them is that the campaign, seen up close, quickly grows stultifyingly, mind-numbingly dull. Following it is like spending several months on a high school field trip.

By now, many reporters have been traveling with the same candidate for more than six weeks of 14-hour days. They rarely have direct contact with the candidate they are covering anymore; the press corps has grown too large for that. But this hardly matters. In addition to the candidate's position on every major issue and answer to every question, the reporters have already learned to anticipate his moods and his blarney.

"Campaigns are like mini-cultures," said Ken Bode, a political analyst for CNN. "After awhile they become like families."

For those who still feel they have

been cheated of the "real" story of the 1992 campaign, the following is a full account of one day — Saturday — as experienced by a reporter on Bill Clinton's campaign plane:

6:30 A.M. — According to the press schedule, this is the time to meet in the lobby of the Palmer House Hotel in Chicago and board a bus to the airport. Some reporters actually show up at this time. Others, knowing that the Clinton campaign operates on what is known as "Elvis time," arrive later.

7:40 A.M. — The bus finally departs. On the way to the airport, newcomers to the campaign plane bone up on Clinton minutiae. A reporter from one of the Chicago papers shares the latest Illinois poll results, which show the Arkansas Governor far in front. Reporters agree that Mr. Clinton is unlikely to say anything during the day that might make news, since this could only jeopardize his standing in the polls. "So why are we here?" one of the reporters asks.

8 A.M. — Board the campaign plane, a noisy 50-seater that one reporter suggests is on loan from the Illinois prison system. Some of the regulars have marked their places with masking tape. Breakfast, an eerily yellow omelet and an assortment of fruit slices, is waiting on the seats. The candidate, red-faced and bleary-eyed, arrives car-

A day that goes smoothly, having produced no news.

rying a beat-up "Clinton for President" bag and a copy of The Chicago Sun-Times.

9:15 A.M. — Disembark in Alton, Ill., where a crowd of local Democrats is waiting on the tarmac. The candidate makes a beeline for the first available baby. Some enterprising reporters interview people in the crowd. Most head inside to the airport coffee shop.

10:30 A.M. — Arrive at the Alton Square Mall. More than 1,000 people have gathered in the atrium for a "citizens' forum" with the candidate. Before Mr. Clinton even begins to speak, reporters rush to make phone calls from a press table that has been set up outside Lerner's. "What city is this?" a reporter for The Associated Press asks a passing shopper.

12:15 P.M. — Return to the Alton airport. Another crowd has gathered. Reporters rush to the bathroom, predicting (accurately) that Mr. Clinton

will stop to shake hands.

12:30 P.M. — Reporters reboard the plane and find lunch waiting on their seats. As expected, there is no sign of news, and the mood of the press corps is beginning to mellow. The candidate pulls out a book, "Guardian Angel" by Sara Paretsky, and falls asleep.

1:40 P.M. — Mr. Clinton makes his first trip to the back of the plane — to go to the bathroom. On the way back to his seat he chats with Joe Klein of New York magazine about authors. The candidate's favorites include P. D. James and Robert Ludlum.

Brief Tremor of Anxiety

2:20 P.M. — The press bus arrives at the union hall of Local 659 of the United Automobile Workers in Flint, Mich. A sign outside the hall warns: "The parking of any foreign-made autos on Local 659 property is absolutely prohibited." The candidate has mysteriously disappeared.

3:20 P.M. — Mr. Clinton has still not arrived. Reporters have a brief tremor of anxiety, wondering if he has been waylaid by a new scandal. To fill the time, speeches are offered by a county commissioner, two state representatives and the former president of the Flint City Council. The local sheriff leads the crowd in a chorus of "God Bless America."

4 P.M. — Mr. Clinton finally arrives. Reporters, standing in a special roped-off area, never learn why he was late. But they decide among themselves that speculation about a new scandal has been unfounded.

4:30 P.M. — Mr. Clinton winds up his speech. "I could stay here till the cows come home, but my folks tell me it's time to move on," he says. Local television crews surround the candidate as he tries to leave. But the traveling press corps is more interested in talking to Michael Moore, the director of "Roger and Me," the 1989 film about the demise of General Motors in Flint. Mr. Moore, who is supporting former Gov. Edmund G. Brown Jr. of California, says, "Let's face it — we're in the sorriest election year of our adult lives."

A 'Very Moving' Event

4:55 P.M. — Return to the airport. Mr. Clinton makes a brief foray to the back of the plane. Reporters cram the aisle to hear him. "It was very moving to me," he says of the event in Flint.

6:00 P.M. — Arrive in Detroit. Two thousand Democrats are eating dinner in the auditorium of Cobo Hall. The reporters speculate on the risks of leaving the hall and going out to dinner, then decide to go out anyway.

8:10 P.M. — Mr. Clinton rises to speak. Most reporters are past early deadlines, and hope the candidate does not say something newsworthy. He does not. Instead, he gives his standard speech, saying this election is about whether voters are going to stay with the failed policies of the 80's or try something different in the 90's.

8:45 P.M. — Back on the plane, there is general agreement among reporters that the day has gone smoothly, having produced no news. Mr. Clinton walks back to give Morton Kondracke of The New Republic a pamphlet on the auto industry, saying it raises points he would like to discuss.

10 P.M. — Land in Chicago. Mr. Clinton and Mr. Kondracke are still discussing American auto policy, and refuse to get off the plane.

10:15 P.M. — Mr. Kondracke leaves the plane, to cheers from the press corps waiting in the bus.

10:45 P.M. — Reporters arrive back at the Palmer House Hotel. The schedule for the next day is already waiting for them, under their doors.

Gingrich's Attack Takes House Bank Down and Himself Up

By CLIFFORD KRAUSS
Special to The New York Times

WASHINGTON, March 12 — Above the low confessional groan coming forth from Capitol Hill in the aftermath of the House bank scandal, one ebullient war cry rings out.

It is the voice of Newt Gingrich of Georgia, the Republican whip, who is described even by his friends as a bomb thrower, a pit bull, a guerrilla. For Mr. Gingrich, the vote to make public the names of hundreds of House members who overdrew their House bank checking accounts was a dramatic personal victory. But it was something more — the triumph of a militant style of Republican leadership that the House has not seen for decades.

Unlike the nonconfrontational Republicans who have led the minority party in the House, Mr. Gingrich says the best way to save Congress is to destroy its reputation by any means necessary. That is what the bank scandal is mostly about for Mr. Gingrich, and why he is seemingly unconcerned that Republicans will be embarrassed by the disclosure that they too overdrew their accounts.

When his Republican ally, Representative Mickey Edwards of Oklahoma, was disclosed today as being one of the 24 most egregious offenders at the bank, Mr. Gingrich accused Democrats on the ethics committee of "rigging" the list "to get him."

Advising the Gang of Seven

Mr. Gingrich, who has admitted to having written 20 overdrafts, began his campaign to link the bank scandal to the Democrats five months ago by quietly encouraging a group of insurgent freshmen Republicans who call themselves the Gang of Seven to offer a resolution to close the bank and start an ethics investigation.

From his perch as the No. 2 Republican in the House, he counseled them on parliamentary procedures and on tactics like how to get the attention of the media, until public opinion forced a reluctant Speaker Thomas S. Foley to support the initiative.

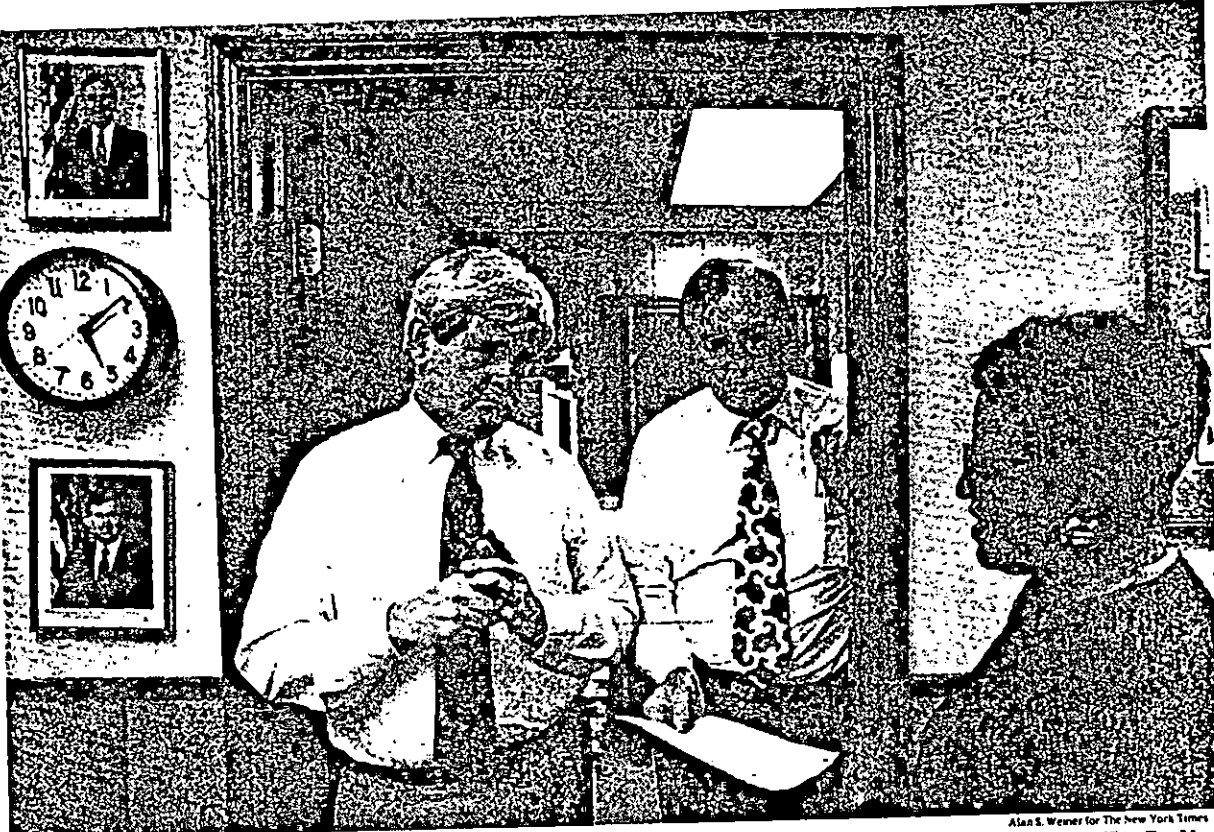
Mr. Gingrich eclipsed his minority leader, Robert H. Michel of Illinois, who had hoped to work with Mr. Foley to limit disclosure of members who had merely overdrew their accounts by a few dollars. And once the extent of the scandal became known, Mr. Gingrich embarrassed a majority of Democratic members into abandoning Mr. Foley and demanding a full accounting of all members who wrote overdrafts, by accusing them of promoting a cover-up.

"He seized the moment," said Representative Jim Nussle of Iowa, one of the freshmen, who calls Mr. Gingrich an inspiration. "He came to his leadership role by being a grenade thrower. Unlike Bob Michel, he can be part of the leadership one moment and be a freshman backbencher the next."

Neatness Does Not Count

Now Mr. Gingrich hurls an attack a day on national television and on the House floor with little regard for such niceties as evidence. Speaker Foley, he asserts, tried to cover up the bank scandal and presided over a House post office where an employee reportedly sold cocaine.

"This is about systemic, institutional corruption, not personality," he said in one of two interviews held in



Newt Gingrich, left, the House minority whip, talked with Loula Davenport and Jeff Wansley, staff members, in his Morrow, Ga., office. For Mr. Gingrich, the vote to make public the names of House members who overdrew their House bank checking accounts was a personal victory.

the last two days. "To ask the Democratic leadership to clean things up would be like asking the old Soviet bureaucracy under Brezhnev to reform itself. It ain't going to happen."

He described the Democratic Party as "a reactionary liberal system made up of a coalition of bankrupt big-city machines, out-of-touch union bosses, trial lawyers, left-wing activists and professional politicians."

He compared his role in the bank affair to the actions of Vaclav Havel of Czechoslovakia, Lech Walesa of Poland and Boris Yeltsin of Russia in bringing down Communism. "I'm going to the Gdansk shipyards," he said. "I can't tell you when we will win. Every year is a make-or-break moment until the system collapses. We'll know that when it happens."

'Replace the Welfare State'

Then, he says, he and the Republicans can pick up the pieces and "replace the welfare state and install an honest Congress responsive to the American people."

Mr. Gingrich's slash-and-burn language and tactics are, not surprisingly, anathema to House Democrats, who say they are praying his constituents in the suburbs of Atlanta catch the anti-incumbent fever Mr. Gingrich promotes to vote him out of office. In 1990, he won re-election by only 9745 votes, in part because he had challenged President Bush on the

Even some in the G.O.P. fear that its whip might upset the shop.

budget agreement.

His greatest moment as a thorn in the sides of Democrats until now came in 1988, when his accusations that Jim Wright, then the Speaker, had violated House rules by earning unusually high book royalties drove Mr. Wright to resign. Mr. Gingrich's victory led to his election as minority whip in 1989, a rise to leadership that until now blunted somewhat his bomb-throwing tendencies.

Asked to comment on Mr. Gingrich, Mr. Foley said in an interview: "I don't believe in name calling. There is no truth to his innuendos."

'Not to Act Like Piranhas'

But there are also Republicans who worry about the long-term price of victory, even as they share the excitement of triumph. "We have to be very careful not to act like piranhas," said Representative Jim Leach of Iowa.

Mr. Gingrich's destructive power, and the contrast between him and Mr. Michel, were clearly drawn dur-

ing the floor debate before the vote for full disclosure on Friday. Mr. Michel spoke of his love for the institution he had served for more than three decades, and hundreds of Democrats rose to applaud more vigorously than the Republican members did.

Then Mr. Gingrich walked to the lectern amid a loud and steady hiss from his Democratic enemies. Emboldened by their catcalls, he made an attack on the Democrats that was incendiary even by his standard.

After speaking of "the chutzpah, the hubris, the gall of Democratic leader after Democratic leader," he suggested without offering any evidence that Werner W. Brandt, the newly appointed acting sergeant-at-arms, "may have been involved in actions stopping the Capitol police from investigating cocaine selling in the post office."

'Gave Me No Other Choice'

Mr. Gingrich was roundly criticized for attacking a man who could not defend himself on the floor, a charge the Georgia Republican dismissed in an interview. "They gave me no other choice," he said, because Mr. Foley did not consult with the Republican leadership before appointing Mr. Brandt. "I assume they must be frightened if hissing is the closest to language they can come."

Mr. Gingrich, who is 49 years old,

has tried to highlight Democratic improprieties since he arrived in Congress in 1979. He accused the House ethics committee of "trying to cover up homosexual improprieties alleged against Representative Barney Frank, a Massachusetts Democrat. When a group of House Democrats wrote a letter to Daniel Ortega, then President of Nicaragua, calling for a peaceful settlement to the war against rebels there, he accused them of illegally negotiating with a foreign power."

A close adviser to Mr. Gingrich, referring to the bank scandal, said the downfall of Mr. Wright "was the hole in the dike; this could be the washing away of the dam."

Mr. Gingrich says he will now push to have the ethics committee dig deeper into the worst bank abusers. He contends that members who consistently overdrew their accounts should have reported what were in effect interest-free loans to the Internal Revenue Service and on their Congressional forms. Also of interest to him is what members did with the money, especially whether they used it to finance their campaigns.

"Until someone is prepared to lay out the systemic problem," he argued, "we will simply go through cycles of finding corruption, finding a scapegoat, eliminating the scapegoat and relaxing until we find the next scandal."

"I could have stayed home and baked cookies and had teas." HILLARY CLINTON

Primaries

Brown and Tsongas Trying To Cast Doubt on Clinton

Continued From Page A1

That is the question; you are looking at the answer."

Mr. Clinton, whose aides seem at once flustered by the latest attacks and euphoric over the prospect of taking a major step toward the nomination on Tuesday, fought back today against Mr. Brown, as Mr. Clinton did in the debate on Sunday night in the most venomous exchange of the campaign.

Campaigning in Chicago, Mr. Clinton asserted, "If somebody jumps on my wife, I'm going to jump them back."

Hillary Clinton, with more of a new age appeal, sought to make it an issue of women's rights. "I suppose I could have stayed home and baked cookies and had teas," she said. "But what I decided to do was pursue my profession, which I entered before my husband was in public life."

Mr. Brown's attack, stemming from a Washington Post article on Sunday, revolves around Mrs. Clinton's position as a partner with the Rose law firm, a major institution in Little Rock, Ark., that represents numerous business clients with potential interests before the state, as well as, on occasion, the state government itself.

Mr. Brown maintained that Mr. Clinton "funnels" state business to his wife's law firm and that the fact of her

Clinton's challengers seek to slow his momentum.

being a partner is an inherent conflict of interest.

The Clintons flatly dismiss the accusation that the state funnels business to the firm and maintain that there is nothing wrong with Mrs. Clinton's position because she accepts no income from the firm's direct representation of state agencies. They also maintain that Mrs. Clinton does not lobby the state or its agencies, although she was listed on one occasion as representing a friend's savings and loan that was subject to state regulation. Clinton campaign officials say she did not play an active role in the case.

The bitterness of today's exchange reflects the intense struggle under way to slow Mr. Clinton, who had a double-digit lead in both states in polls released this past weekend. There are 285 pledged delegates up for grabs on Tuesday, and Mr. Clinton enters the contest with an already formidable lead from his Super Tuesday sweep: According to a compilation by The New York Times, he has 728 delegates to Mr. Brown's 89 and Mr. Tsongas's 343.

The Clinton campaign manager, David Wilhelm, said Mr. Clinton could emerge from Tuesday with nearly half the 2,145 delegates needed to win the nomination and, because of Democratic primary rules, would be hard to overtake. The rules of proportional representation make it difficult for a candidate to catch fire late in the game, win several big states and catch up with the front-runner, Mr. Wilhelm and several other analysts said.

Many Democrats agree that twin victories for Mr. Clinton on Tuesday will begin a new phase of the campaign. "We're at a transition point in the campaign," said Geoffrey Garin, a Democratic poll taker, "where the process becomes much more of a referendum on Bill Clinton than a choice among candidates."

Mr. Clinton's rivals are trying to make "electability" an important part of this referendum. Mr. Brown, in particular, argues that Mr. Clinton has been embroiled in far too many controversies to be a strong opponent against President Bush. "What are we supposed to do?" Mr. Brown demanded. "Wait for George Bush to bring it up?"

The Clinton campaign counters that it has shown, again and again, its ability to take punches and keep on winning. For example, Mr. Wilhelm asserted that Mr. Clinton's angry defense of his wife on Sunday night, when he seemed close to veering from finger-jabbing to actual contact with Mr. Brown, would serve Mr. Clinton well with the voters. "Here's a guy who at the 11th hour does a cheap shot of going after Bill Clinton's wife, and Bill Clinton forthrightly defends her," Mr. Wilhelm said. "He certainly does not have Mike Dukakis's problem."

In a 1988 debate, Michael S. Dukakis was thought to be badly hurt by his cerebral response to a hypothetical question about how he would react to the rape and murder of his wife, Kitty.



Jose R. Lopez/The New York Times

Gov. Bill Clinton and his wife, Hillary, answering questions yesterday at a student forum at Wayne Memorial High School in Wayne, Mich., as the Democratic candidate prepared for the Michigan primary.

CLINTON'S FOES ASK IF HE'S ELECTABLE

Lead in Michigan and Illinois Prompts Renewed Attacks

By ROBIN TONER

Special to The New York Times

CHICAGO, March 16 — The Michigan and Illinois primary campaigns roared to an angry close today with former Gov. Edmund G. Brown Jr. and former Senator Paul E. Tsongas struggling to raise doubts about Gov. Bill Clinton's ability to win in a general election.

Mr. Brown, who some Democrats believe could knock Mr. Tsongas out of second place in Michigan, pressed a fierce new attack on the ethics of Hillary Clinton's working for a law firm that does business with the State of Arkansas.

"There is only one issue," he told reporters outside Detroit today, pushing accusations that he raised at fever pitch in Sunday night's debate. "It's Mr. Clinton and his electability and what are we going to do about this scandal a week."

Tsongas Looks to Northeast

Mr. Tsongas, trying to take the edge off expected losses to the Governor from Arkansas in both states on Tuesday, told reporters in Moline, Ill., today that he would stay in the race until the Democratic National Convention.

"At the convention, there will be one question: Who can beat George Bush?" said Mr. Tsongas, who is already trying to redirect attention to the next major contests in the Northeast, the March 24 primary in Connecticut and the April 7 vote in New York. "Who has an economic message that can attract Republicans and Independents?"

The sniping among the candidates today took place at a distance, as all three embarked on a final swing of the Industrial Midwest. Mr. Tsongas, whose campaign faltered badly last week on Super Tuesday and had hoped to right itself here, began his day in Chicago, then headed on to Moline and Ann Arbor, Mich. He reiterated his call for a leadership willing to make "hard choices" on the economy, and once again assailed the idea of a middle class tax cut, a pet proposal of Mr. Clinton's.

"I don't want to buy your vote," he told a rally at Moline. "I want to build your future."

Mr. Brown, who has sought to harvest the discontent of many blue-collar voters in Michigan, campaigned around Hamtramck today. If he finishes strongly in that state, some analysts said, he could be a wild card yet again in the New York primary and a vehicle for those who want to stop Mr. Clinton.

"If Brown has a solid second in one of the two, then just like 1976, Brown becomes the un-Clinton," said Sam Popkin, a professor of political science at the University of California at San Diego. That year, Mr. Brown ran strongly in the later primaries, al-

though not strongly enough to stop at other Southern front-runners, Jimm Carter.

John A. Marino, chairman of the New York Democratic Party, said today, "If Brown shows some strength tomorrow, he'll come into New York with a little head of steam."

Mr. Clinton, meanwhile, was poised for passing a major threshold. "It's not conclusive," said Ronald H. Brown Jr., chairman of the Democratic Party. "But certainly if Bill Clinton does what those polls, it would be a giant step toward the nomination."

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Continued on Page A20, Column 2

House trying to bounce back

By Richard Wolf
USA TODAY

House lawmakers took to the campaign trail and the airwaves Monday to contest accusations of check-bouncing.

After a weekend of apologies, members with overdrafts large and small reviewed their records and came out fighting.

► Ex-representative Tommy Robinson of Arkansas, listed as top kiter with 996, denied he wrote \$250,000 in "hot checks" and demanded a hearing.

► Rep. Robert Mrazek, D-N.Y., whose Senate candidacy was dealt a major blow when he turned up second on the leaked list with 972 overdrafts, said he never bounced a check and arranged for a lawyer and accountant to get involved.

► Rep. William Clay, D-Mo., one of two House committee chairmen listed as among the 24 worst offenders, denied "abusing the system."

► And Rep. Mary Rose O'Kear, D-Ohio, the only woman on the list, called it "just a terri-

ble, terrible mistake."

But lawmakers may have a tough defense. The General Accounting Office reviewed the records of the worst 66 offenders "check by check, deposit by deposit," said Rep. Matthew McHugh, D-N.Y., who chaired the ethics panel probe.

"They have a high degree of confidence in the accuracy of their 66," McHugh said. But he added: "We have reason to believe there are mistakes."

Dimensions of the scandal: 355 current and former mem-

bers had overdrafts during a 39-month period. Some members came out fighting. Others were conciliatory.

► Rep. Charles Wilson, D-Texas, said he'd donate more than \$2,000 to charities — \$25 for each of 81 overdrafts.

► Rep. David Obey, D-Wis., said he paid \$1,300 to the House clerk to cover costs for 64 bad checks.

► Rep. Marilyn Lloyd, D-Tenn., said she'd pay the Treasury \$25 for each bad check. Rep. Jim Cooper, D-Tenn.,

made it \$75, the highest fee he could find at any bank.

Also Monday, two members said earlier reports on their checking were incorrect.

► Rep. Fred Upton, R-Mich., had one bad check, aide Joan Hillebrands said, not 20 overdrafts as reported.

► Rep. Kweisi Mfume, D-Md., had "zero bounced checks," said aide Tom Rosshirt, not one as reported.

► Criminal probe, 1A
► Editorial, 10A

Today's debate is on **TRADE WITH CHINA** and Congress' attempts to aid Chinese democracy.

Protest China's abuses; override trade bill veto

COMMENT

OUR VIEW A soft touch is not enough to push China's leaders toward democratic reforms.

Congress will try again this week to stop President Bush from sending roses to China's authoritarian leaders when their scandalous acts cry for outrage.

The Senate is expected to try to override a Bush veto and restrict trade with China, unless China:

- accounts for and releases dissidents imprisoned after the 1989 Tiananmen Square massacre.

- makes "significant progress" in improving human rights, slowing weapons sales and reducing trade barriers.

Those restrictions make sense. Doing less would put the USA's stamp of approval on continuing Chinese outrages.

So far, Bush's quiet diplomacy has failed to bring deep-seated change.

Requests for release of 800 Tiananmen Square activists have been rebuffed. Arrests of dissidents continue.

On weapons sales, recent reports suggest China has sold missiles to Pakistan, Syria and Iran, helping to destabilize the world's most dangerous region.

Chinese trade barriers persist, feeding a \$12 billion trade deficit, the USA's second largest after Japan.

Instead of condemning those actions, the president eased sanctions imposed after Tiananmen Square, such as limits on high-level contact with Chinese officials and international lending to China.

The time to increase pressure is now, and Congress offers a sensible, middle-ground approach.

China would lose most-favored-nation trading status — an unfortunate term that really means "normal" status — if the president says by July 3 that it has failed to meet Congress' conditions.

That would leave China facing tariffs damaging to its sales here.

China promises to do better. It even has made a few positive gestures — accepting missile and nuclear controls while agreeing to small requests for trade concessions. But they are not enough.

Congress was right all along. The House already has voted to override Bush's veto. The Senate should follow.

The USA cannot comfort China's leaders as they crush democracy. Congress and the president should speak with a unified voice of outrage.

Economy, ideology: Parties trade places

While Democrats uncharacteristically argue about economics, Republicans compete over ideological purity.

A funny thing has happened on the way to the 1992 presidential election: The two political parties seem to have traded places.

Democratic candidates Bill Clinton, Paul Tsongas and Jerry Brown are debating whose economic policy makes the most sense for the largest number of Americans, while Republicans George Bush and Pat Buchanan compete for the favors of the smallest, most ideological wing of their party.

That kind of competition used to be a Democratic specialty. Contenders for the Democratic presidential nomination were expected to campaign by wooing the party faithful. But this year, the struggle for the hearts and souls of true believers is taking place on the other side of the partisan fence.



By Ann Lewis, a Boston-based commentator for Monitor Radio and TV, political consultant and former Democratic National Committee political director.

When Buchanan accuses Bush of behaving like a moderate, the president rushes to prove him wrong. That's why the president pledged to veto the Freedom of Choice Bill, which would write into law the principles of the Supreme Court's 1973 *Roe vs. Wade* decision.

These principles are supported by the great majority of Americans, an inconvenient reality overlooked by candidates desperate to please a vociferous minority.

Voters who care more about their economic future, meanwhile, are tuning in to the Democrats, who are talking seriously about economics in ways that — dare I say it? — Republicans used to do better.

Would middle-class Americans be better off with a targeted tax cut, by investing in manufacturing, or an across-the-board flat tax? I don't know what voters will decide, but I suspect those questions are of more concern to more families than what cultural standards should be enforced by the National Endowment for the Arts.

Actually, debate about that particular issue revealed a lot about this year's presidential choices. Buchanan went on the attack first in the South, running over and over again a commercial that showed a scene he found offensive. Bush promptly dumped the man he had appointed as head of the NEA, announcing the gentleman had resigned.

Meanwhile, the issue has not even arisen in the Democratic debates, which have focused on different approaches to economic growth.

Not only are the two political parties talking about different issues in 1992, they seem to be talking in different time zones.

This presidential election takes place against a background of tremendous change: the collapse of the Soviet Union abroad and prolonged recession at home. But while Democratic candidates debate how to meet today's challenges, their Republican opponents seem stuck in the past, arguing about who can take us backward faster. (What a commentary on Republican politics that Richard Nixon has become their responsible voice!)

After years of reacting to conservative policies, Democratic candidates have regained the economic initiative with campaign messages that emphasize how best to reverse a contracting economy that has cost millions of hard-working, middle-class Americans their jobs. Let Bush and Buchanan battle over buzzwords; this year, the Democrats' specific, positive economic policies are just what most voters want to hear.

Wrong way to press China

OPPOSING VIEW Continuing China's most-favored-nation status is in the USA's national interest.

Some in Congress have again mounted their high moral perch to take partisan aim at George Bush on the issue of most-favored-nation status for China. As usual, they'll end up missing the president and shooting themselves in the foot.

The issue is not who deplores China's human rights, trade and arms-sales abuses. We all do. The real issue is whether MFN trading status is the right tool to do something about it.

Let's remember these basic facts:

- Despite its name, MFN is not some great benefit Uncle Sam bestows on others. We deny MFN to fewer than 10 countries. Even Iraq, Libya and Iran have MFN. We have legitimate concerns about China's arms sales, and we'll continue to take a hard line, but every



By Senate Minority Leader Robert Dole, R-Kan.

nation buying Chinese arms has MFN.

- Through a policy of engagement instead of isolation, we are making encouraging progress with China. The human rights situation has improved, we have new agreements to lower China's barriers to our exports, and China has now signed the most important international agreement regulating arms proliferation. Denying MFN would spark a backlash, jeopardizing all that progress.

- Denying MFN would actually be counterproductive. It would harm most the forces inside China which are the strongest advocates of reform — the younger, entrepreneurial class. Moreover, since no one else is contemplating sanctions, China would find other consumers for its goods. Who would suffer? The American consumer — through higher prices on products such as shoes, apparel, toys and certain foodstuffs.

China also would retaliate by denying us its markets, costing billions in exports and, in this recession, wiping out hundreds of thousands of American jobs.

The fact is, we can "feel good" by denying MFN, or do some real good — continuing MFN in America's national interest.

Michigan vote: Labor weighs in

INTERVIEW

Publisher William Ballenger says halting plant closings and loss of jobs is key issue for labor today.

Q: What do you see as the big issue — particularly for labor — in Michigan today?

A: Stopping the hemorrhaging of plant closings by major auto manufacturers. General Motors made an announcement about 2½ weeks ago that it was going to close five more plants. And that's just the latest of a string of plant closings.

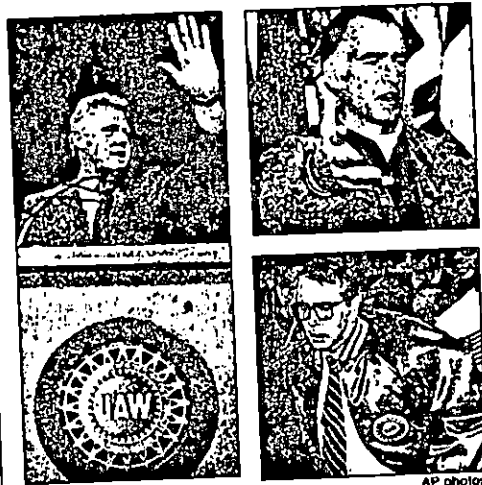
Q: Any other big issues?

A: The deal on fast-track trade between the USA and Mexico is a major issue. The

unions are very concerned, almost paranoid, about decisions by GM, Ford and Chrysler to dismantle Michigan's heavy manufacturing base and take jobs away and give them to other states or countries.

Q: Now that Sen. Tom Harkin is out of the race, where will labor's support go?

A: Paul Tsongas has opposed the bill to stop management from hiring replacement workers in strikes, which is kind of like waving a red flag in Michi-



THE UNION LABEL: The strong influence of the United Auto Workers in Michigan is evident by the lengths candidates go in order to woo members' votes. Here Bill Clinton (left) speaks to a union local, and Jerry Brown (top) and Paul Tsongas wear UAW jackets while campaigning.

gan. And he's got a very sophisticated economic argument. You have to take a few advanced courses in economics to appreciate it. Most union members don't have that, so their gut reaction is one of suspicion and hostility to Tsongas.

Q: Who's the one to watch?

A: The real question is whether Jerry Brown can beat Tsongas for second place. A lot of people think Brown is going

to do very well here. I don't think he's going to threaten Bill Clinton, but he's really got a pretty good profile for labor. In fact, he's got the best of the three.

Q: What about Clinton?

A: Clinton is getting some support from locals that he's picked up in the wake of Harkin's decision to drop out. But union brass like Frank Garrison, president of the UAW in

Michigan, and Owen Bieber, the national head, have refused to stake out a new candidate preference.

Q: What about on the Republican side?

A: I think it's over. The real question for Pat Buchanan is whether he can come anywhere close to what he thought he could do — get more than 40%, or maybe win. You've got to remember the Republican Party organization is a pretty strong hierarchical organization. There is not a widespread discontent with Bush.

Q: How powerful is labor now as a voting force?

A: Organized labor is nowhere near as powerful a force as it was 30 years ago. At that time, labor basically owned the Democratic Party lock, stock and barrel. At least that was the perception. As the unions have diminished in influence nationally, so obviously has that happened in Michigan.

Q: What are the differences between voters in Michigan and Illinois?

A: Michigan has got a slightly heavier black population, and it's got a heavier union membership population, but the states are remarkably similar. They're like doors swinging on the hinge of Lake Michigan. There's a lot more similarities than there are differences, and I think Clinton's going to win in both states.

► Vote preview, 1A

Illinois vote: Royko sees 'enormous indifference'

Unlike Michigan, where jobs are on everyone's mind, there's no one issue gripping Illinois voters, says Chicago Tribune columnist Mike Royko.

"They're talking about everything," he says, yet there's "enormous indifference."

While Illinois' economy could be better, the state's diversification — from the urban, industrial north to the farm-belt south — has buffered it against the beating that auto-dependent Michigan took.

Royko sees a "very, very tight turnout, which will give some idea what voters think of the present batch of candidates."

The pundit sees a Clinton victory but not one so big that it appears "he's someone Illinois has been waiting for."

Clinton's early hard work to win over local political leaders will pay off, Royko says. "Paul Tsongas hasn't really worked Illinois. Clinton has smart people ... some of the best political manipulators."

It hasn't hurt Clinton that wife Hillary is from Illinois or that he's mentioned Chicago Mayor Richard Daley as a possible running mate, a notion that "is nonsense but will still influence people," Royko says.

"Clinton has already said things here he would never say down in Arkansas. He said he might favor some forms of gun control," a no-no among Southern voters.

One thing in Clinton's favor, Royko says, is a slew of "genuine horse races" in local primaries. Democrats "will get their precinct workers out to get the voters to the polls and most of them will vote for Clinton."

On the Republican side, Royko predicts Pat Buchanan will "do OK" in Chicago's blue-collar suburbs and downstate. Still, despite "not much enthusiasm for Bush," Buchanan isn't expected to take more than 25% of the vote.

So who could voters get excited about?

"Had Mario Cuomo run, Illinois would have been a landslide" for him, Royko says. "He's a charismatic, practical liberal who would have gone over very well in Illinois."

— Andrea Stone



ROYKO: Predicts tight voter turnout.

TUESDAY, MARCH 17, 1992

**USA
TODAY**



Ballenger

William Ballenger is the publisher of the newsletter Inside Michigan Politics. He was interviewed about today's Michigan primary by USA TODAY's Andrea Stone.

ELECTION '92

A LOOK AT THE CANDIDATES AND THE ISSUES

Bush milestone: Every state visited

President Bush sets a personal milestone today when he visits Sam Walton, ailing founder of the 1,600-store Wal-Mart chain, in Bentonville, Ark. More than three years into his presidency, he'll have visited all 50 states.

Bush will present Walton with the Presidential Medal of Freedom, the nation's highest civilian honor. "I know some who say it's political. It is purely non-political," Bush said Monday. "It is to honor a great American."

Presidential medals usually are awarded in Washington, but Bush is making an exception for Walton, 73, who is suffer-

Election coverage

- ▶ Key votes today, 1A
- ▶ Check-cashing scandal, 1A, 4A
- ▶ One win assured, 2A
- ▶ Clinton takes aim, 3A
- ▶ Opinion USA, 11A

ing from bone cancer.

Walton, his wife and five family members contributed to Arkansas Gov. Bill Clinton's campaign. Hillary Clinton, the governor's wife, owns between \$50,000 and \$100,000 in Wal-Mart stock and is on the company's board of directors.

But there'll be no Clintons waiting to greet the president. Board members weren't invited, and the governor and his wife will be off trying to ensure that Bush's first visit to Arkansas as president is among his last.

UNSUITABLE: In the midst of Sunday night's Democratic debate imbroglio, Bill Clinton fired at Jerry Brown, "Jerry comes here with his family wealth and his \$1,500 suits and makes a lying accusation about my wife." So the question occurs: Really? A suit that cost \$1,500? No way, says the Brown campaign. The candidate actually paid \$350 for the well-tailored double-breasted model. What was the price tag on the suit Clinton wore for the debate? His staff didn't know. Neither did Paul Tsongas' staff, in case you were wondering about his suit. But his press office volunteered that the racy Speedo bathing suit Tsongas wears in a TV commercial featuring his swimming stamina cost \$29.95.

THE FIRST TEST: Today's Illinois primary offers voters the first referendum on the House bank scandal. Identified check-bouncers on the ballot: Democratic Rep. Charles Hayes — among top offenders, with 716 bad checks — and Republican Rep. Dennis Hastert. Michigan's vote today is a presidential primary; the congressional primary is Aug. 4.

Also in jeopardy in Illinois: Democrat Gus Savage, facing three-time challenger Mel Reynolds, a college professor who's expected to have a better shot this year. Savage's district was redrawn to add whites and suburban voters. The campaign took a last-minute turn for the bizarre when Reynolds was hurt — by flying glass — after someone shot at his car Thursday. Also facing tough challenges: veteran Democrats Sen. Alan Dixon and Rep. Dan Rostenkowski.

CAMPAIGN COMMENT

"As far as the union members go, it's not the survival of the union. It's the survival of personal lives. The very real issues facing many of these workers include not knowing whether they'll be working this time next year — and if they lose their job, losing everything they've worked hard for, having the bank foreclose their mortgage, having their car repossessed, losing whatever meager savings they've been able to accumulate in their bank accounts to get by. In a place like Flint or Detroit, it's not as simple as being able to pack up and move. You can move to Texas or to California, but who buys your home? Who's moving to Michigan? So if you move, your alternatives are (to) pay on two mortgages or default on the one in Michigan, ruining your credit record, thereby making it impossible to purchase things elsewhere. So there's a sense among the average worker of being trapped. There's nowhere, really, to go."

— Filmmaker Michael Moore, whose *Roger & Me* chronicled the effects of autoworker layoffs in Flint, Mich., and who has endorsed Democrat Jerry Brown

THIS JUST IN: Bill Clinton gets the votes of at least 16 of 20 pledged Hawaii delegates to the Democratic National Convention after last Tuesday's party caucuses. Jerry Brown gets two, and two are pledged to Tom Harkin, no longer in the race. With the addition, leader Clinton has 766.25 of 2,145 delegates needed to win the nomination.



Warner Bros. Inc.
MOORE



FUNNY PAGES: Taking a page from the comic book of negative advertising, Pennsylvania state Rep. Stephen Freind is battling his foe. His message to Republicans in his challenge to U.S. Sen. Arlen Specter in the April 28 primary is in a comic book called "Arlen's Clubhouse."

The 16-page handout depicts Specter perched in a private treehouse called the "U.S. Senet." A quote on the cover blares to voters below "Go away! This is MY club... and you can't come in!" and "No Gurls Allowed!" — a reminder of Specter's pointed questioning of Anita Hill at Clarence Thomas' Supreme Court confirmation hearing.

Not funny, says the Specter campaign. "This book marks a new low in political mudslinging," said spokesman Dan McKenna. "When Pennsylvania faces a serious recession with many people without jobs and health insurance... this is no time for a comic book."

WHERE CANDIDATES ARE TODAY

Democrats: Jerry Brown: Detroit; Madison, Wis. Bill Clinton: Chicago. Paul Tsongas: Chicago; Hartford, Conn.

Republicans: George Bush: Bentonville, Ark.; White House. Pat Buchanan: Detroit; Plymouth, Mich.

Compiled by Gwen Flanders. Contributing: Robert Davis, Judy Keen and Brian O'Connell.

IN WASHINGTON

OPTIONS ON IRAQ: President Bush said Monday that "all options are open" to force Iraq to destroy its weapons of mass destruction as demanded by the United Nations. However, as to the recent movement of the aircraft carrier America into the Persian Gulf, Bush said: "I wouldn't read too much into the movement of a carrier." Bush also accused Iraqi Deputy Prime Minister Tariq Aziz of using delay tactics during a U.N. appearance last week, a performance that Bush described as "bobbing and weaving."

PRESS RELATIONS: The Reporters' Committee for Freedom of the Press, accusing the Bush administration of hostility toward the press, released a report listing 340 administration actions last year that it said were aimed at stifling editorial freedom and limiting public oversight of governmental affairs. "Despite the end of the Cold War, the policy is still 'secrecy as usual' for the Bush administration," said Jane Kirtley of the journalistic watchdog group.

NUCLEAR WEAPONS: The State Department said that after a weekend meeting in Kiev with Ukrainian officials it was reassured that the republic is committed to its pledge to complete the transfer of tactical nuclear weapons to Russia by the end of June. The department also played down reports that two or three nuclear weapons from Kazakhstan may have been transferred to Iran.

MISSILE TEST: In a partial setback for the Pentagon's missile defense project, a ground-based interceptor fired from a test range in the South Pacific failed to destroy a mock warhead in space. The Associated Press reported.

His big black book: Manual for combat

By Adam Nagourney
USA TODAY

SAGINAW, Mich. — When Bill Clinton heard that Paul Tsongas was criticizing him for his private dealings with a savings and loan operator, Clinton's campaign was ready with a counterattack.

A Clinton aide, armed with a black book larger than the Detroit phone book, approached reporters. Grinning, he pulled out a copy of a letter a lobbyist wrote Tsongas' Senate office in 1982 thanking him for helping the savings and loan industry.

Taking a page from what in recent years has been a Republican playbook, Clinton has put together what appears to be the most formidable negative research operation any Democratic presidential campaign has assembled in years.

Four people, including a former Spy magazine reporter, work full time searching newspapers, computer files, campaign contribution records and other sources for information that can damage an opponent.

They went so far as to dispatch researchers to Tsongas' hometown of Lowell, Mass., where they found — in public papers in his library — the savings and loan letter.

And the fruits of their labor were put on display again Monday morning. Reporters were given 10 years of newspaper clippings critical of former California governor Jerry Brown.

They included quotes in which Brown appeared to favor free trade with Mexico, in contrast with his present position, and stories about how he had once battled campaign fi-



OUT ON THE CAMPAIGN TRAIL: Bill Clinton and wife Hillary meet voters at the Busy Bee Cafe on Monday in Chicago.
By Tom Holubek, Agence France-Presse

nance reform, now his theme.

"Here we go: Forbes magazine, 1979," Clinton aide Paul Begala told reporters. "We'll have copies for all of you."

The onslaught — the Clinton campaign normally waits for some excuse before unleashing its forces — was prompted by Brown's accusations that Clinton funneled state business to wife Hillary's law firm.

As Clinton's deputy campaign manager, George Stephanopoulos, put it: "This is

combat and you have to be armed for combat."

Clinton's opposition research is one more sign of his sophisticated campaign operation.

It began in November when he hired Begala and James Carville, Washington consultants known for tough campaigns. They brought their own staff of "propeller heads," as they are known: "Guys sitting in windowless rooms wearing beanies with propellers on top," Begala said.

Brown triggers spat with conflict-of-interest charge

The spark behind two days of Democratic word-slanging was Jerry Brown's charge that Bill Clinton "funneled" work to the Rose Law Firm in Little Rock, where his wife, Hillary Clinton, is a partner.

Brown cited a Washington Post article that stopped short of such conclusions, though it did say the firm has considerable clout with Arkansas government, which it called "one of Rose's most lucrative clients."

Records from the past seven years show Arkansas' Department of Finance and Administration paid the Rose firm about \$136,000 for work on six contracts. In addition, state officials estimate the firm collected tens of thousands of dollars in legal fees from other state agencies.

Media scrutiny of Hillary Clinton's legal work accel-

erated after reports of a complicated real estate deal between the Clintons and a savings and loan executive whom the Rose firm represented before a state agency.

Hillary Clinton said Monday she scrupulously avoided even the appearance of conflict of interest, and "never, ever shared in a penny of state funds" paid the firm. She said she declined to accept "probably hundreds of thousands of dollars" — her share of fees.

Rose senior partner Webb Hubbell said, "Mrs. Clinton wasn't involved in any" Rose dealings with state agencies. He acknowledged she was listed as the firm's contact on the case involving the savings and loan executive, but insisted that a lawyer other than Clinton "did all the work."

— Patricia Edmonds

have. There's nothing wrong with legislation; what was wrong was deregulation."

Susan Estrich, who managed Michael Dukakis' 1988 campaign — gutted in part by GOP research — is impressed by Clinton's opposition research:

"Clinton is the only major-league campaign on the Democratic side this time. They've got half the Democrats in Washington who have been out of office for 11 years waiting to work on something like this."

Clinton aims for key wins today

By Richard Benedetto
USA TODAY

Bill Clinton — if he pulls off projected victories in Illinois and Michigan primaries today — stakes an undeniable claim as Democratic front-runner.

But even decisive victories are unlikely to push Paul Tsongas and Jerry Brown out of the Democratic presidential race.

While Midwest wins would make Clinton the odds-on favorite for nomination, both rivals say he's unelectable.

"At the convention, there will be one question: 'Who can beat George Bush?'" Tsongas said. "I am the answer."

Clinton's wins have all been in his home region, the South.

Monday, he continued his fight with Brown, who charged that Clinton, as Arkansas governor, funneled state contracts to his wife's law firm.

He angrily denied wrongdoing and hit back at Brown: "If somebody jumps on my wife, I'm going to jump 'em back."

Hillary Clinton said Brown's remarks are typical of attacks men make on women who have careers. "I suppose I could have stayed home and baked cookies and had teas."

But Brown accused Clinton of hiding "behind his wife," and compared him to former president Richard Nixon:

"He's got his fingers in the cookie jar and now, just like Nixon, he brought out Pat and talked about the cloth coat," Brown said. "It's a diversion."

Brown's reference is to Nixon's use of wife Pat's "cloth coat" as a defense in 1952 against charges of accepting gifts from political pals.

On the Republican side, President Bush expects lopsided victories in Illinois and Michigan to finally end Pat Buchanan's sputtering challenge. But Buchanan still shows no sign of giving up.

TUESDAY, MARCH 17, 1992

USA TODAY

"I'm trying to show that I'm tough enough to fight George Bush... to take a punch and land one."
— Bill Clinton

CLINTON TAKES AIM

By Bill Nichols
and Adam Nagourney
USA TODAY

Ask Bill Clinton's friends and family about him, and you will hear about an "aw shucks" Southern gentleman who sings in his church choir and is a soft touch for his 12-year-old daughter, Chelsea.

But lurking beneath the Arkansas governor's silky smooth exterior is a canny, sometimes brutal politician who will mix it up with anyone.

Sunday's TV debate in Chicago, which concluded with a finger-pointing feud between Clinton and Jerry Brown, some feared might even turn to a fist-fight, is the latest example that Clinton is no shrinking violet.

Some observers question if Clinton is suggesting to voters — already aware of charges of draft dodging and adultery against him — that he's got a shockingly short fuse.

Confronted by a protester from the gay activist group ACT UP Monday at Wayne Memorial High School near Detroit, Clinton shouted: "You're not a student here," and said he'd talked about AIDS in Chicago the night before.

"But you weren't there to harass me, so you don't know."

Others say his shows of force make a vital point as a potential nominee: Watch out Republicans, this guy fights back.

"I'm trying to show that I'm tough enough to fight George Bush, that I'm tough enough to take a punch and land one," Clinton said Monday at the beginning of a six-stop, five-city tour of Illinois and Michigan.

"He jumped on me, I jumped him back," he said of his tiff with Brown. "And I still feel good about it this morning."

Clinton's verbal scrap with Brown began when Brown, citing a Washington Post story consumer advocate Ralph Nader had read to him over the phone, said Clinton was "funneling money to his wife's law firm for state business."

Clinton, visibly angry, retorted: "You ought to be ashamed of jumping on my wife. You're not worth being on the same platform with my wife."

Democratic analysts, who still shudder when they remember Michael Dukakis's unemotional response when CNN's Bernard Shaw asked him in 1988 how he'd react if his wife, Kitty, had been raped and murdered, applaud Clinton's combativeness.

"People like a little bit of passion in their candidates when their wives are attacked," says Democratic consultant Mark Mellman.

"They don't like people to lose their cool and become irrational, but people understand the provocation and the response here."

University of Virginia political scientist Larry Sabato thinks the exchange also could help Clinton "with the womanizing problem because he appears gallant, standing up for his wife."

Others see a down side, an image of Clinton — with chief

aide James Carville billed as the tough-talking Democratic answer to the late Lee Atwater — as angry and mean-spirited in a year when anti-politician sentiment is raging.

First, two weeks ago, Clinton had to apologize for going ballistic against Jesse Jackson after being incorrectly told that Jackson was endorsing Iowa Sen. Tom Harkin.

Then, increasingly, Clinton's proposals have been augmented by a hard-nosed political style more expected from a Chicago ward captain than a Rhodes scholar reformer.

Clinton last weekend apologized for leaflets — question-

ing Paul Tsongas' support for Israel — that blanketed heavily Jewish south Florida neighborhoods, admitting they were inaccurate but were produced by local supporters.

Some even questioned whether Clinton's biting rebuke of Brown hadn't been part of a pre-planned strategy.

"I happen to think he is a pretty cool performer," said Bush adviser Charles Black. "What I saw on the news, the way he handled it, appeared to be calculated."

Clinton's suggestion that Brown "chill out" in a previous TV debate turned out to be a pre-debate suggestion from

wife Hillary.

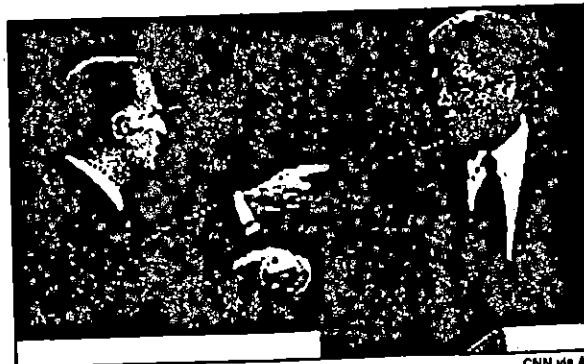
But many Democrats, assuming that Clinton, if he's the nominee, is in for a frontal assault from Republicans, seem delighted that Clinton returned Brown's fire.

"One of the problems Democrats have had is they've had this wimp image," says Mason-Dixon pollster Brad Coker.

"So, if Clinton doesn't fight back he's another (Michael) Dukakis who'll be chewed up by the Republicans in the fall. He doesn't have any choice."

Contributing: Chuck Raasch, Gannett News Service

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"YOU OUGHT TO BE ASHAMED": Bill Clinton, right, responds angrily to a comment made by Jerry Brown during Sunday's debate in Chicago.

Illinois, Michigan political landscapes

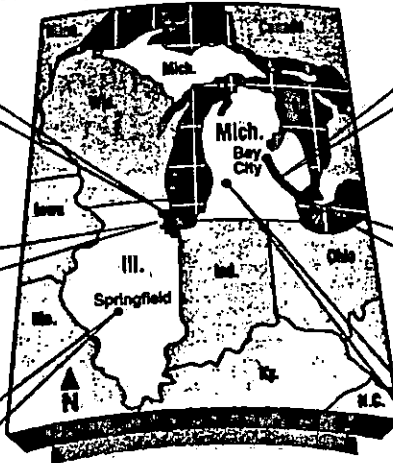
The presidential primaries in Illinois and Michigan will determine about 7% of the Democratic and Republican delegates for the national conventions. Here's a look at some of the political and economic factors that will influence today's voting:

ILLINOIS

CHICAGO: Cook County provided more than 55% of Democratic primary votes in 1988. Bill Clinton is backed by black leaders who helped Jesse Jackson win the city that year. Clinton won a coveted photo opportunity with popular Chicago Mayor Richard Daley. Jerry Brown expects growing union support to help here.

"COLLAR COUNTIES": Ring Chicago and brim with Republican suburbanites. Strong backing for George Bush here in '88 finished off Bob Dole's campaign. Peziz Tongas country; better-educated, wealthier voters, backbone of his support.

DOWNSTATE: Vast agricultural area with Republican ties, smaller industrial cities filled with Democrats. Bush retains elegance of the mostly-moderate Republicans here. Clinton expects big boost from southern Illinois, closer to Arkansas than to Chicago.



MICHIGAN

INDUSTRIAL CORRIDOR: Arc stretching through Bay City-Saginaw-Ft. Pontiac-Detroit, hit hard by layoffs at auto plants. Organized labor strongest here. Brown wore a union jacket he past week, harvesting labor backing after Tom Harkin dropped out of race.

DETROIT: Clinton, endorsed by Detroit Mayor Coleman Young, expected to do well among city's black and overwhelmingly Democratic voters. In the GOP primary, wealthy suburbs partial to Bush, who beat Ronald Reagan 2-1 here in 1980 primary. Bush, in Detroit Friday, promised not to sign any new environmental legislation that would burden automakers.

GRAND RAPIDS: Western Michigan is bedrock of state GOP. Grand Rapids sent Jerry Ford to Congress for 25 years. Pat Buchanan and Bush each made visits here. Democrats in this furniture-producing area are less likely to be union members.

Democratic presidential delegates

Total: 4,288

Chosen so far: 1,743

To be chosen: 2,250

Chosen today: 295

Republican presidential delegates

Total: 2,209

Chosen today: 157

To be chosen: 1,440

Chosen so far: 612

Fewer Michigan auto jobs

1980	328,300
1990	278,700

Fewer farms in Illinois

1980	107,000
1990	83,000

Delegates at stake today

Democrats Republicans

Illinois	164	Michigan	131
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Illinois	85	Michigan	72
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Population growth, '80-'90

Illinois	0%
Michigan	0.4%
USA average	0.8%

Unemployment (Feb. '92)

Illinois	6.5%
Michigan	6%
USA average	7.5%

Source: U.S. Census Bureau; Bureau of Labor Statistics; Department of Agriculture; Michigan Employment Security Commission; The Associated Press. Research by Brian O'Connell, Cheri Pryor, Mary Smaragdis and Jennifer Campbell, USA TODAY

By Ron Coddington, USA TODAY

Yeltsin to Form Russian Defense Ministry; Move Seen as Step Toward Separate Army

By ADI IGNATIUS

Staff Reporter of THE WALL STREET JOURNAL

MOSCOW—In a move seen as the first step toward a separate Russian army, President Boris Yeltsin issued a decree establishing a Russian Ministry of Defense with himself as acting defense minister.

Russia's decision to set up the ministry, announced at a news conference by Deputy Prime Minister Sergei Shakhrai, is likely to further weaken the fragile Commonwealth of Independent States, the 11-nation union of former Soviet republics.

Russia still supports a joint military force under the Commonwealth's command, Mr. Shakhrai said. But by creating its own defense ministry, Russia seems to be positioning itself to provide for its own security needs if and when the Commonwealth finally collapses. The decree "doesn't mean that Russian armed forces have been formed," Mr. Shakhrai said. "Although, virtually, they already exist."

At least five other republics—Ukraine, Azerbaijan, Uzbekistan, Belarus and Moldova—have declared their intention to maintain their own armed forces. If Russia, which dominates the three-month-old



Boris Yeltsin

Commonwealth, decides to go it alone militarily, the faltering union is all but finished as a collective security instrument. By forming its own military, Russia would leave little of military significance to the rest of the Commonwealth. And yesterday's move appears to make a political statement as to Russia's own dwindling faith in the Commonwealth military structure.

"There seems to be a recognition that there isn't much logic behind the continuation of a C.I.S. military," said a Western defense attache, who requested anonymity. "The military itself is confused now as to whom it takes its orders from."

Senior officers of the former Soviet military are likely to oppose Russia's decision to form its own army, the Western attache said. Generally, these officers have argued that the U.S.S.R. military structure must be preserved under the Commonwealth. But there isn't any sign that the military plans to take any action to protest the breakup of the former Soviet force.

Mr. Yeltsin made no comment on the decree. The Russian ITAR-Tass news service reported that Mr. Yeltsin returned to the capital Monday from a brief "working holiday" in the Georgian resort city of Sochi.

Russia's announcement comes on the eve of a critical meeting of Commonwealth leaders scheduled for Friday in Kiev, the Ukrainian capital. In preliminary talks, Commonwealth officials have made progress on potentially divisive issues, includ-

ing how to share responsibility for the former Soviet Union's foreign debt. But solutions to disputes over military matters have proved elusive.

Ukraine stunned Russia and international observers Thursday when President Leonid Kravchuk announced that Ukraine would cease, at least temporarily, transferring nuclear weapons to Russia for dismantling. Mr. Kravchuk contended that Russia hasn't been able to guarantee that the weapons are being disposed of safely.

Prior to Mr. Kravchuk's announcement, the 11 Commonwealth members had been able to agree that, while republics could form conventional armies, they would keep all nuclear weapons under a single command in Moscow. Russia and Ukraine officials now are seeking a solution to the latest impasse.

Ukraine and Russia also have failed to resolve a long-running dispute over who controls the Black Sea Fleet, which is based in the Crimea, a Russian-populated enclave in Ukraine. Marshal Yevgeny Shaposhnikov, who heads the Commonwealth's joint armed forces, said the fleet "is part of C.I.S. strategic forces and doesn't belong to any particular state." Kiev has declared that the fleet, or at least a big chunk of it, belongs to Ukraine.

That issue, too, is likely to be debated at the Kiev meeting, a gathering that some observers in Moscow conjecture could be the Commonwealth's last.

Cost of OSHA Rules Affects Health, Budget Office Says

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The White House budget office, in a novel and potentially far-reaching formulation, said that workplace health regulations actually can endanger workers' health by cutting their income.

The argument arrived in a letter to the Labor Department from James MacRae, acting head of the budget office's regulatory-affairs unit. In the letter, Mr. MacRae sidetracked rules proposed by the department's Occupational Safety and Health Administration to lower workers' permissible exposure to many substances used in agriculture, construction and other industries. He said the proposals ignore how compliance would "affect workers' employment, wages and, therefore, health."

Mr. MacRae's argument, quickly criticized as unrealistic by union and some Labor Department officials, would dilute a 1981 Supreme Court ruling that said the government can't kill health regulations simply because of their cost. Under the theory, the administration might kill rules on the ground that their very cost would have adverse health consequences. Even so, the theory still could run afoul of the high court decision because it would involve evaluating health regulations according to cost.

The letter from Mr. MacRae, which was first disclosed by the New York Times, wasn't directly related to the Bush administration's current moratorium on many federal regulations.

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TUESDAY, MARCH 17, 1992

U.S. Is Conducting a Criminal Inquiry On House Bank, Lawmaker Overdrafts

By JEFFREY H. BIRNBAUM

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The U.S. attorney's office here is conducting an inquiry into the now-closed House Bank and its slew of overdrafts by lawmakers to determine whether any laws have been broken.

"We are reviewing allegations of possible criminal conduct involving the House Bank," said Mark Liedl, a spokesman for U.S. Attorney Jay Stephens. Mr. Liedl declined to say whether any members of Congress are targets of the study, which was characterized as a preliminary inquiry, not a full-scale investigation.

The criminal inquiry, which began five months ago, was prompted by the same General Accounting Office study that led to a recent report by the House Ethics Committee. The GAO found last fall that present and past House members had written 8,331 checks on insufficient funds over nearly a year's span in 1989-90.

Mr. Liedl wouldn't indicate when a decision will be made on any possible prosecutions.

In the meantime, some of the biggest abusers of the now-defunct House Bank might find that they will be hounded by the Internal Revenue Service as well as by angry constituents.

Some tax experts contend that if the lawmakers' overdrafts are big enough, they might owe significant back taxes to the federal government. Under the law, those experts said, the overdrafts could be considered as interest-free loans from the government. In that case, the amount of interest that should have been charged for the loans should be counted as income.

As a result, the largest offenders in the House could owe the federal government thousands of dollars in taxes.

"The big offenders are likely to find they have a reasonably substantial tax problem as well as a public relations problem," said Don Alexander, a former IRS commissioner under three presidents and now a lawyer with Cadwalader, Wickersham & Taft. "They might well hear from the IRS."

Some tax experts also questioned whether the House Bank itself might be exposed to liability for failing to properly notify the IRS about the transactions.

The IRS declined to comment on the matter.

Most of the 355 present and former House members who have had overdrafts in recent years won't have a tax problem. The back-taxes law generally affects only individuals who have \$10,000 in overdrafts at any one time.

But at least some of the biggest abusers may fall into that category. The 24 worst "abusers," who will formally be named by the House Ethics Committee next week,

were overdrawn by more than their next month's payroll deposit for eight or more months during the 39 months that ended Oct. 3, 1991. Two months of deposits would exceed the \$10,000 limit because the net monthly pay for most members was about \$7,000 during the period.

Lawmakers might escape paying extra taxes by asserting that the overdrafts were used for business or investment purposes and that the interest would be deductible. But that argument isn't a strong defense. The overdrafts were from personal checking accounts and probably were used for personal expenses. Besides, saying the overdrafts were used to make business profits probably would create an even larger furor for a politician than being overdrawn.

Separately, White House press secretary Marlin Fitzwater said administration aides are inquiring into whether any top Bush administration officials who are former House members wrote bad checks at the House Bank. But he said that "at the moment, we don't know."

Cabinet members who served in the House include Defense Secretary Dick Cheney, Housing Secretary Jack Kemp, Veterans' Affairs Secretary Ed Derwinski, Labor Secretary Lynn Martin, Agriculture Secretary Ed Madigan and Interior Secretary Manuel Lujan. Deputy White House Chief of Staff Henson Moore and Small Business Administration chief Patricia Saiki also served in the House.

Though a preliminary review by White House counsel Boyden Gray didn't indicate any problem for top administration officials, Mr. Fitzwater added that Mr. Gray is "making a check" of the matter one more time.

Mr. Fitzwater declined to say whether the White House had received specific new information indicating that any Cabinet member had bounced checks. "We aren't going to comment on any individual or what anyone has told us . . . until we've checked with everybody," Mr. Fitzwater said. He did say that Mr. Bush didn't overdraw his account when he served in the House in 1967-71. Separately, Vice President Dan Quayle didn't bounce any checks as a House member "as far as he can remember," according to spokesman Jeff Nesbit.

Congressional critics meanwhile seized on the House Bank scandal to call for changes in the way Congress operates. Consumer activist Ralph Nader wrote to House Speaker Thomas Foley (D., Wash.) and House Minority Leader Robert Michel (R., Ill.) warning of a "citizen revolt" and seeking repeal of recent pay increases and an end to congressional perquisites.

—Joe Davidson in Washington and John Harwood in Chicago contributed to this article.

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WHITE OAK, MARYLAND



EASTERN EDITION

TUESDAY, MARCH 17, 1992

News Corp.'s Fox Forms News Unit Headed by Chao

By RICHARD TURNER

Staff Reporter of THE WALL STREET JOURNAL

LOS ANGELES—News Corp.'s Fox Inc. said it would form Fox News, a unit to coordinate all news-related activities at the company, including the building of a national news organization for the Fox Broadcasting Co. network.

The company named Stephen Chao, known as a protege of Chairman Rupert Murdoch and an architect of what some call "tabloid television," to head the unit. It initially will coordinate all local news broadcasts on the seven stations that Fox owns and operates, run the Fox News Service and produce a prime-time news magazine for the Fox network for airing within the next 12 months. But Fox plans a larger news presence for the network.

Mr. Murdoch said in a statement: "We plan to harness the strength of the Fox owned-and-operated stations to ultimately create a successful national news operation for Fox Broadcasting Co. and its affiliates. . . . It is time to add the strategic imperative of both local and national news to our focus." Mr. Murdoch, who is News Corp. chairman, will assume day-to-day responsibility for Fox when Barry Diller leaves next month.

Fox Broadcasting has never had a network-wide news show, and Mr. Chao said in an interview that such a thing is "much farther down the road," adding, "We have to crawl before we can walk."

Mr. Chao, 36 years old, was a classics scholar at Harvard who worked briefly for the National Enquirer before returning for a master's degree in business administration. Known to have close ties to Mr. Murdoch, he worked for him in New York before coming to Fox, where he has held a variety of positions since 1985, most recently executive vice president, Fox Television Stations. Mr. Chao developed several "reality-based" TV shows such as "America's Most Wanted" and "COPS" which began airing on the Fox-owned stations, then moved on to the entire network. Some critics called the whole genre "tabloid television," but the shows were inexpensive to produce, popular and widely emulated.

With News Corp.'s news-gathering assets in Europe and Australia, Fox's international news abilities potentially could rival those of Cable News Network. Mr. Chao wouldn't speculate about such plans.

Of the earlier shows he developed, he said: "I'll stand behind 'America's Most Wanted' and 'COPS.' . . . But it's important to draw a distinction. They're part of Fox's entertainment schedule, and the challenge of a news organization is different and involves the public trust."

Drawing the Pyongyang Line

Maybe the White House was distracted by the primaries. No better explanation has appeared to account for how U.S. surveillance managed first to find the North Korean ship Dae Hung Ho, and then lose track of it just before the ship delivered its cargo of medium-range Scud missiles to the Iranian port of Bandar Abbas. The U.S. fulminated against North Korea, a rogue communist state that over many years under Great Leader Kim Il Sung has sinned frequently against international peace and security. But in the end it did nothing.

This was not an especially good signal to send, considering that Great Leader Kim is now, according to sources such as CIA Director Robert Gates, close to producing his own nuclear weapons. Surely any North Korean arms traffic, once noticed, ought to command the unblinking attention and clear opposition of any country patrolling the seas in the name of peace.

Israeli intelligence had disclosed that the Dae Hung Ho as well as a second North Korean ship, the Dae Hung Dan, were en route to either Syria or Iran and were believed to be carrying new Scuds. These are missiles enhanced with more precise, longer-range delivery systems than those launched by Iraq against Israel and Saudi Arabia during the Gulf War.

It's hard to accept the explanation of Defense Department spokesman Pete Williams that the U.S. located the first ship in the Indian Ocean, but then lost it again: "We were certainly looking for it. I don't know why we never found it." This is America's high-tech Navy?

Our suspicion is that Washington, trying right now to chivvy Pyongyang toward a nuclear-disarmament deal, simply didn't want to make waves by stopping that ship. Our own sources suggest that, as do Mr. Williams's further comments. "We were aware of the ship, curious about where it was going," he said, "but there was a limit to what we could have done."

It is unlikely the U.S. would have acted even if these ships had sent up flares en route and passed out T-shirts. There is a U.N. arms embargo against Iraq, but not against Syria or Iran, however much mischief-making they might have in mind. So there was a good excuse for inaction.

But what about any prospects that North Korea will comply with the accords of the U.N.'s International

Atomic Energy Agency? That process is inching forward, sending out SOS signals as it goes. Pyongyang signed a deal in January with the IAEA that would in theory permit inspections of North Korean nuclear facilities, but set no timetable. Pyongyang signed another deal yesterday with Seoul to set up a North-South Korean commission to monitor a ban on nuclear arms on the Korean peninsula. But among the unresolved details: The North wants access to all suspected nuclear sites in the South, but offers access to only one complex in the North.

Pyongyang's credibility has bombed often. In recent years it has reneged on billions of dollars' worth of foreign debt and lied about its terrorist attacks on the South. Now it is denying that it just delivered missiles to Iran. The U.S., which has no diplomatic relations with North Korea, wants to hurry the nuclear accords along because observers such as CIA chief Gates have warned that North Korea is rushing to stockpile weapons-grade plutonium that it can hide before inspection crews arrive.

The question for U.S. policy makers is what they intend to do should North Korea sign all the nuclear accords and then—in the tightly controlled recesses of Kim's Stalinist kingdom—violate them.

Not until the collapse of Mr. Kim's regime is there any chance that North Korea can be a friendly and remotely trustworthy nation. Until that day, the best way to deter North Korea from savaging anyone else is to send the clear message that if North Korea makes the slightest move toward violating the free world's interests, North Korea will get hurt. There are political risks in stopping Scud shipments. But appeasement is riskier still.

The second North Korean ship is still out there somewhere. If President Bush believes the U.S. can locate and stop such ships only by way of U.N. resolutions, then it's time to float such a resolution sending North Korea the message that arms traffic is an impermissible way of shoring up either its ugly alliances or its emaciated economy. There might be objections from such quarters as China, given Beijing's embarrassing position as another covert arms purveyor to the Middle East. But if America's goal is to promote world peace, then American policy makers have got to find ways to draw the line long before nations such as Iraq or North Korea push their luck to the point where they can be stopped only by all-out war.

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WHITE OAK, MARYLAND

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★ ★ EASTERN EDITION

Congress Tilts to West's Cities, Wildlife, Away From Farms in Water-Policy Bills

By CHARLES MCCOY

Staff Reporter of THE WALL STREET JOURNAL

Congress is moving closer to approving a basic overhaul of the way the U.S. parcels out water in the arid West: a new policy favoring cities and wildlife over Western farmers.

The current water-management system, which costs taxpayers hundreds of millions of dollars a year in subsidies and has led to severe environmental damage in many parts of the region, has withstood critics' assaults for almost 90 years. But a confluence of unusual factors—ranging from drought to the waning influence of Westerners on the congressional committees that control federal water—is propelling Congress toward a historic shift in federal water policy.

Tomorrow, the Senate's Committee on Energy and Natural Resources is scheduled to act on proposals that would force changes in the way the federal Bureau of Reclamation operates the Central Valley Project. The project, known as the CVP, is a sprawling complex of dams, canals and pumps in California that annually channels hundreds of millions of gallons of inexpensive, taxpayer-subsidized water to farmers, mostly in Southern California's arid scrublands.

The proposals, written by committee Chairman Bennett Johnston (D., La.), would eliminate the subsidies on much of the water. Currently, the subsidies cost taxpayers about \$400 million a year. Moreover, the proposals would make more farm water available to cities and require the bureau to hold as much as 20% of the CVP

water usually delivered to farmers in reserve to help restore fish runs and waterfowl habitat damaged by the project's dams and pumps.

The proposals are part of omnibus water legislation that the committee began marking up last week. They are anathema to California's politically potent growers and are under attack from Calif. Sen. John Seymour and the state's Gov. Pete Wilson. But the plans have crucial support on the committee from Sen. Johnston and Sen. Bill Bradley (D., N.J.), the Senate's leading proponent of a new Western water policy. Congressional aides believe the committee will approve some version of the provisions soon, and that the full Senate will pass it this year.

The House version of the bill passed overwhelmingly last fall; it too would trim subsidies and free up federal farm water for use by cities and for environmental restoration, in California and elsewhere in the West. Congressional aides believe the full Congress may pass by summer a bill forcing changes in Western water practices.

The White House hasn't weighed in on the effort yet, but President Bush probably would hesitate to use a veto to derail it; for one thing, the proposals would be stitched into legislation that includes other water projects politically popular in other parts of the country. "The planets are aligned," said one committee aide.

The new proposals would stand the government's traditional approach to the West's limited water resources on its head, with far-reaching economic and social consequences for the region.

Formed in 1902, the Bureau of Reclamation was vital to the settlement of the West, because it provided cheap irrigation water to farmers. But today agriculture is far less important to the economy of the increasingly urban West, and the bureau's system frequently has been abused: Water meant to go only to small individual farmers has been siphoned off by huge, wealthy corporate farm operators. "Double dipping"—using subsidized water to grow crops like cotton and rice that are also sub-

Please Turn to Page A4, Column 4

Water-Policy Bills For the West Tilt To Cities, Wildlife

Continued From Page A2

sidized because of chronic oversupply—costs taxpayers hundreds of millions of dollars a year. Some bureau operations, such as dams in California that federal officials say have nearly wiped out some salmon runs, have wreaked environmental havoc.

In the past, a powerful alliance of wealthy growers and influential Western congressmen always beat back efforts to

change Western water practices. Now, however, key water-policy committees are headed by urban congressmen, some from outside the West. The leading campaigners for new Western water policies are George Miller, a California Democrat from the San Francisco Bay area who is chairman of the House Interior Committee, and New Jersey's Sen. Bradley, chairman of the Senate's subcommittee on water and power.

Both the House and Senate proposals seek to end some of the more flagrant water abuses. For example, the House version would prohibit big landowners from carving their holdings into small pieces, to beat laws enacted in the early 1980s and meant to assure that cheap water only go to farms covering 960 acres or less.

Of course, farmers might find ways

around any new water restrictions, too. However, if passed, the current proposals would likely cost Western farmers billions of dollars, and would drive some out of business. California officials say Sen. Johnston's proposals alone would cost state farmers \$1 billion a year. Still, California generates about \$18 billion a year in farm revenue and \$750 billion a year of total economic output. California farmers, meanwhile, annually soak up 85% of the state's water, even during droughts like the current six-year dry spell.

Enacting the water proposals would also signal the passing of a time when agricultural interests could pretty much call the tune on Western water. "These policies are rooted in a bygone era when agriculture was the predominant industry in the West," said one congressional aide.

Brown's Chaotic California Salad of a Campaign Proves Surprisingly Tasty as He Looks Beyond '92

By JAMES M. PERRY
Staff Reporter of THE WALL STREET JOURNAL
FLINT, Mich.—The planets are finally aligned for Jerry Brown.

Whether debating Democratic front-runner Bill Clinton or fencing with reporters on network TV or simply taking his existential campaign from one chaotic event to the next, the feisty Mr. Brown is getting the kind of attention he covets.

The former California governor isn't going to win his party's nomination—he knows that—but he insists he's not going to drop out of the race either. He's convinced he'll finish second, behind Gov. Clinton, in today's Michigan primary, and that he will go on to even better showings in Indiana, Connecticut and Wisconsin. He says he'll win the California primary on June 2.

But that's not what he's really up to. He thinks that he's on his way to forming an insurgent movement within the Democratic Party that will keep him busy well beyond the November election.

"I'm not going to go away," he says in an interview, as his volunteer minivan driver careens down icy highways en route to another rally featuring cheering college students. "I'm going to keep working at it, like Ralph Nader or (Jesse Jackson's) Rainbow Coalition."

Help From an 800 Number

He's building this coalition with the help of his now-legendary 800 number. He estimates that 100,000 voters have called the 20 operators standing by to ask for information. Of these callers, about 20,000 have actually made cash contributions. Although he raised millions in hefty contributions in his last political incarnation, as party chairman in California, he says he won't take more than \$100 from anyone in this campaign.

He travels with a press secretary and with French-born Jacques Barzaghi, a kind of campaign symbol in his all-black outfit—black beret, black leather jacket, black chinos, black boots. Mr. Barzaghi, who once served in the French army and has four children from his marriages to three American women, has been with Mr. Brown for 20 years. No one is quite sure what his exact role is. "I talk to him," says Mr. Brown.

"When we ran for president before [in 1976 and 1980], it was always boom, boom, boom, and then it was over," says Mr. Barzaghi. "This is a real campaign." When Mr. Brown gives one of his stem-winding speeches—they often run for 50 minutes—Mr. Barzaghi crouches on the floor in front of the podium. Sometimes even he gets enough, and he signals the "cut" sign, fingers sawing across his throat.

Inspired and Chaotic

Mr. Brown's campaign reminds political veterans of a Jesse Jackson enterprise—extemporaneous, highly personalized, sometimes inspired, sometimes demagogic, usually chaotic.

Every now and again, Mr. Brown decides to change his schedule while his eight-seat aircraft is in the air. Aides—volunteers for the most part—and reporters and TV crews fly in two or three other little planes; they typically arrive at rallies after Mr. Brown has finished speaking. The candidate usually sleeps in the homes of supporters who have been tracked down because they used the 800 number to call in contributions. Everyone else scrambles for accommodations.

Late last week, as the 53-year-old candidate was wooing Michigan auto workers by hitting hard on his opposition to fast-track legislation on a free-trade agreement with Mexico, he set out in a fleet of three little planes on a 600-mile flight to Marquette, a frozen outpost at the northern tip of Michigan's Upper Peninsula. Even the folks in Marquette wondered a little what he was doing there.

To almost everyone's surprise, his campaign put together an effective TV ad last week. Mr. Brown was just as surprised as everyone else: As it went on the air, he admitted he hadn't seen it. "It just shows I can delegate authority," he said. He was pretty sure the commercial attacks his opponents for favoring the fast-track legislation. (It does.)

The campaign spent \$150,000 to put the ad on the air, a huge investment for this bargain-basement campaign. It shows pictures of Arkansas Gov. Clinton and Mr. Brown's other major Democratic rival, former Sen. Paul Tsongas, along with President Bush, and it charges that they want to send Michigan jobs to Mexico. "Stop them," Mr. Brown says. "Keep Michigan jobs in Michigan."

Who made the TV ad? "Joe Trippi's wife," says Mr. Brown. Well, not exactly. Mr. Trippi, a veteran Washington-based political consultant, says a number of people got together as volunteers and produced the ad. He says his wife, Katie, made the "buy" with Michigan TV stations to put it on the air.

Mr. Brown works wonders with his campaign issues. Before he came to Michigan, he ran a campaign attacking "special interests" for corrupting U.S. politics with their big cash contributions to members of Congress. He still talks about that, and the timing is serendipitous: Much of the country is talking about how 355 members or former members of the House of Representatives kited checks at their own bank.

But here in Michigan he switched easily into another gear. With organized labor's choice, Sen. Tom Harkin of Iowa, out of the race, Mr. Brown began working on voters' fears by attacking the trade agreement with Mexico. In his ad, he says the agreement "could cost Michigan workers their jobs." Unemployment is high here—

9%—and auto workers have been stunned by plant closings.

"It's a job program for Mexico," Mr. Brown told a typically large and enthusiastic audience at the University of Michigan campus here in the heart of Buick country. "We need a jobs program for America."

But it never seems to occur to Mr. Brown that the audience he is targeting is the United Auto Workers—a union that has long had its own special interests and pursued them with campaign contributions to members of Congress as part of the very system Mr. Brown says is corrupt. In the 1990 elections, the UAW's political action committee doled out \$1.8 million to Democratic congressional candidates.

Mr. Brown says this campaign, and the group he plans to put together after it's over, is aimed at recapturing the Democratic Party for ordinary Americans.

But then there's Mr. Brown's proposal to replace individual and corporate income taxes, Social Security taxes and gasoline taxes with a flat-rate 13% income tax, with deductions for mortgage interest, rent and charitable contributions. He would also impose a 13% value-added tax on goods and services. The tax package grows out of his talks with Jude Wanniski, a longtime booster of supply-side economics.

Robert S. McIntyre, director of Citizens for Tax Justice in Washington, says Mr. Brown's program, if taken literally, would increase the federal budget deficit by more than \$200 billion a year, triple the taxes of poor families and cut the effective tax rate on the very rich by a third.

Mr. Brown says he doesn't accept Mr. McIntyre's figures, but he offers no figures of his own. If it turns out there is a prob-

lem for poor people under his program, Mr. Brown says, "We can create social equality. The federal government can assist people. You can do it in a direct expenditure for families who don't have adequate income."

CAMPAIGN
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Jerry Brown

Going It Alone

As He Builds a Nation, Ukraine Chief Becomes Thorn in Yeltsin's Side

Kravchuk Defies the Russians On Rubles and Nukes, Is Slow to Reform Economy Shifting With Political Winds

By LAURIE HAYS

Staff Reporter of THE WALL STREET JOURNAL

KIEV — In 1989, two years before Ukraine made its final break from the Soviet Union, the Communist Party selected Leonid Kravchuk, a little-known apparatchik, for a special mission. His job: confront the group that was pushing for Ukrainian independence, discredit its leaders and stop the movement.

A gifted public speaker, Mr. Kravchuk slammed the nationalists in private meetings and on television. He became known, as the man who hated nationalism. He said Rukh, the group leading the independence movement, was ruining the ideals of the Communist Party.

But behind the scenes, the affable bureaucrat was playing a clever game. Unlike other party officials, he saw the future in the independence movement. He switched to speaking Ukrainian instead of Russian and began a private dialogue with independence leaders, secretly arranging for Rukh to hold its first mass convention.

Today, Mr. Kravchuk is the president of an independent Ukraine and arguably the most powerful figure in the new Commonwealth of Independent States after Russia's President Boris Yeltsin. Whatever happens next in the former Soviet empire is likely to bear the mark of this crafty, unpredictable politician.

The one-time servant of Moscow played a key role in finally bringing an end to the Soviet Union's agonies last fall. Now, on the eve of an important meeting of Commonwealth leaders this Friday, he is setting an agenda that could push the alliance close to a breaking point. He is establishing Ukraine's own army and its own currency, thus putting pressure on other republics to do the same. (Russia took a step toward a separate army yesterday; see page A10.)

Mr. Kravchuk also has challenged Mr. Yeltsin's leadership by refusing to continue sending nuclear weapons stored in Ukraine to Russia for dismantling. Moscow's Independent Newspaper recently named him "nemesis of the month" for stirring up so much trouble.



Leonid Kravchuk

Balancing Act

Reforming Ukraine will require considerable juggling skills. Ukraine's industries aren't internationally competitive. Like the other former Soviet states, the region faces food shortages. In Kiev, some cars sit idle for lack of gasoline. Buildings are often chilly and dark as a result of efforts to conserve heating fuel and electricity.

Meanwhile, Mr. Kravchuk must placate Ukraine's 15 different political groups. Most of them united behind him after his election, yet any one of them has the potential to pull the country apart. Mr. Kravchuk also faces the possible secession of Crimea, a Russian-dominated peninsula on the Black Sea.

All this has Ukrainians—and the rest of the world—wondering whether Mr. Kravchuk is up to the task. In person, he is disarmingly charming. Trim and of medium height, he wears nicely tailored double-breasted suits. His thick white hair is carefully coiffed. His dark eyes make warm contact and he gives the impression of caring about people. He plays chess as cautiously as he plays politics, often pitting himself against a computer partner. Once, as part of a group of players taken on simultaneously by former world champion Anatoli Karpov, he managed a draw.

But many here question who is the real Mr. Kravchuk. Will he prove to be a closet

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Communist, a nationalist, a democratic reformer or simply an opportunist? Such questions surround many of the pliable former Communists now in charge, even Mr. Yeltsin. "Such a man [as Kravchuk] is born only on the ruins of the Soviet empire. He is not the only one of his kind," says Yuri Shcherbak, Ukraine's environmental minister.

But Mr. Kravchuk in particular defies easy definition. The only thing consistent about him is how inconsistent he has been. "This comes from Mr. Kravchuk's philosophy that a leader should feel the nation and go with the nation," says Ivan Plush, chairman of Ukraine's parliament. "I think a leader should lead the nation."

At times the new president has shown himself capable of great cunning and grit. That came through in the way he helped engineer the breakup of the Soviet Union last year. For months, Mr. Kravchuk, then chairman of the Ukrainian Soviet republic's parliament, refused to support a new union treaty Mikhail Gorbachev was proposing as a way to preserve the U.S.S.R. In private, Mr. Gorbachev repeatedly told Mr. Kravchuk there could be no union without Ukraine. He threatened to squelch Ukrainian independence moves. Then came the August coup attempt. After it failed, Mr. Gorbachev began pleading publicly for Ukraine's support. Mr. Kravchuk had his opponents where he wanted them.

"I wanted them to say it out loud," Mr. Kravchuk recalls. "Once they said the union couldn't exist without Ukraine, I said, 'Okay, Ukraine is out.' I just had to wait for the right time to say this."

But many Ukrainians still mistrust Mr. Kravchuk for the way he waffled during

the coup. Before it failed, Mr. Yeltsin climbed atop a tank to denounce the plotters; Mr. Kravchuk initially went on television and merely repeated the statement of coup leaders.

When a group of parliamentarians called on him to condemn the plotters, his response was, "What can I do?" recalls Serheiy Molavaty, who was part of the group. Only on the second day, when it looked as if the coup would fail, did Mr. Kravchuk condemn it.

A top aide to Mr. Kravchuk, who was also there, says Mr. Kravchuk was waiting for the right time to make a move. But much bitterness remains. "I don't trust him," says Mr. Molavaty, "even though he led us to independence. People... may change their behavior, but they don't change their internal nature."

In just the past week, Mr. Kravchuk surprised Western nations by changing his position on Ukraine's nuclear arms, announcing he wouldn't send any more weapons to Russia for dismantling. Instead, he suggested Western countries should help Ukraine build its own dismantling facility. In another turnaround, he went back on his agreement to participate in a joint military force for the commonwealth, saying instead Ukraine will set up its own army.

Mr. Kravchuk recognizes that a lack of convictions has colored much of his life. He tells the story of how his mother used to try to get him to reflect on the icons she kept in her living room. "She would say, 'Sonny, sit down in the corner,'" he recalls. "I knew why she wanted me to sit there. Because of the icons. She wanted me to sit at least for a little while." He adds tenderly, "She was a very religious person."

The new president confesses that, until recently, he was afraid of Communists. He was born into Stalin's forced collectivization of Ukrainian peasants, in the former Polish village of Velykyi Zhytyn. His father died in World War II. His mother joined one of the first collective farms in the region when his village was annexed after the war.

Mr. Kravchuk took the normal path of party members in school, eventually becoming his republic's ideology chief. He would gather news editors in Kiev to dish out articles on birthdays of various party leaders and instructions on such matters as how to play statements by Leonid Brezhnev. Nationalist-leaning editors got chastised. "He was the normal executioner" of the party line, recalls Vitaly Korotich, who edited a Ukrainian magazine back then.

Mr. Kravchuk says he reached a turning point in 1967. Some scientists asked him for permission to research the great famine of the 1930s, in which an estimated seven million Ukrainians perished. Against party wishes, he ordered up thousands of documents and read them. In 1990, he permitted publication of "The Famine of 1932-33," a book that documented Stalin's efforts to starve the Ukraine's population into submission.

"For the first time in my life—and I was no longer a young man—I felt the horror. I couldn't believe this had happened," Mr. Kravchuk says.

Today, he does his best to distance himself from his years with the party. He says it was never his job to dream up party ideology. Opinions were "poured into" him, he says, until he no longer had ideas of his own. "Even if you didn't believe completely in what the party was saying, you begin to think that this does have some sense and nothing any different exists," he says.

When Ukraine finally got its chance to elect a president last year, Mr. Kravchuk drew 55% of the vote in a field of six candidates. John Hewko, an American lawyer who is helping the new nation draft a constitution, contends that Mr. Kravchuk's ability to play all sides makes him the right man for the job. "He is best for Ukraine now because this is a very complex society and this is not a time for radical political positions," Mr. Hewko argues.

Right now, Mr. Kravchuk is riding a wave of good will over independence. Last December, 91% of the people voted to end almost a thousand years of domination by others, including Russia, Poland, the Austro-Hungarian empire and for a short time Nazi Germany.

Mr. Kravchuk has played the nationalist role effectively. Ukrainians leapt to his defense recently when he refused to speak Russian on a recent trip to Germany. Mr. Kravchuk wouldn't proceed until a Ukrainian interpreter could be found.

He has whipped up the most support defending Ukraine's interests against Russia. It isn't clear whether Mr. Kravchuk sees the Commonwealth as a divorce court, as some Ukrainians would like, or a permanent relationship, which others favor. He often says he won't let Russia impose any "imperialist positions" on Ukraine. He wants Ukraine to get a 16% share of the former Soviet Union's property, including gold, embassies and armed forces. In return for paying 16% of its \$65 billion foreign debt.

Mr. Yeltsin's advisers say they don't doubt Ukraine will leave the Commonwealth if Mr. Kravchuk feels the relationship with Moscow is too big-brotherly. "He wants to be independent of the Commonwealth, and we understand this," says Galina Staravoltava, Mr. Yeltsin's adviser on ethnic affairs.

So far, Mr. Kravchuk hasn't proposed severing relations. But many Ukrainians believe the tensions with Russia are making life worse here. Ukraine is subsisting on a chaotic system of emergency coupons. Newspaper editors are forced to go begging to Moscow with Ukrainian sugar to exchange for paper. Russia reduced oil shipments to Ukraine last year. In a desperate move, Ukraine signed an oil deal with Iran.

For all his nationalist bluster, Mr. Kravchuk has yet to lay out a far-reaching economic reform the way Mr. Yeltsin has in Russia. Mr. Kravchuk was forced into following Russia's lead in freeing prices to prevent a run on Ukraine products. But most former Communist officials still hold their old government posts here. Mr. Kravchuk continues to support Prime Minister Vitold Fokin, a conservative who is seen as holding up moves toward a market economy.

The slow pace of reform riles some members of the Rukh independence group. "If you look at a map of Ukraine to see how democratic it is, then three-quarters of the territory should be painted red or pink because, even today, they are under control of our sovereign Ukraine communism," Rukh leader Vyacheslav Chornovil said to great applause at a recent convention. Mr. Chornovil is trying to build the opposition against Mr. Kravchuk.

But so far, Mr. Kravchuk's grip on this fledgling nation remains secure. And he remains confident of his ability to adapt to any situation that arises, just as he changed from Communist functionary to independence fighter. "The older one gets, the more one changes," he says, "The more one's thinking can become profound."

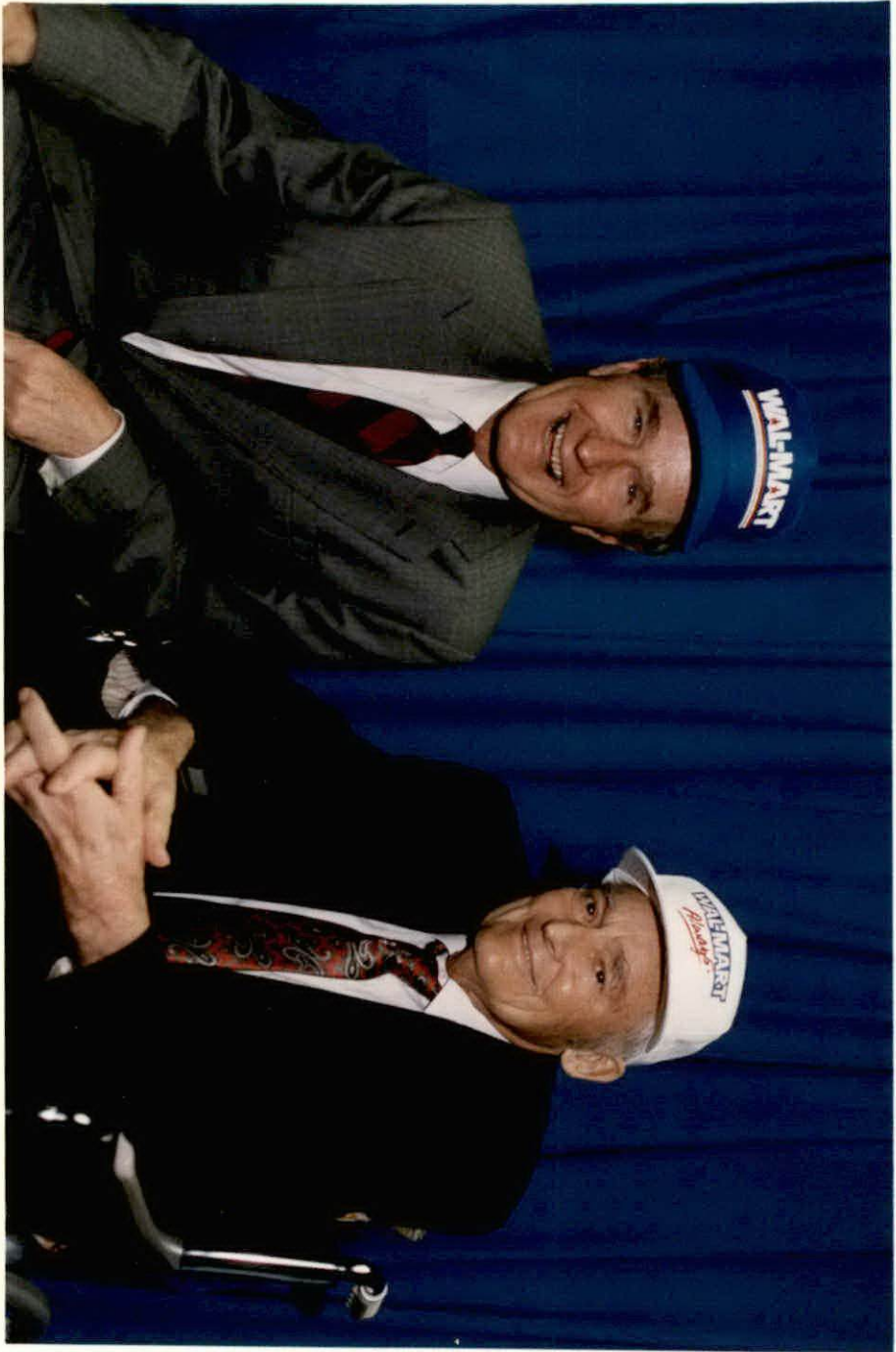
Chess Master

In the past, Mr. Kravchuk has been able to outsmart his opponents. The question now is whether the 58-year-old leader, an accomplished chess player, will prove as clever at moving around the political pieces left over from the Soviet Union's breakup.

Mr. Kravchuk's task is to remake Ukraine as an economically viable democracy, free of Russia. "It won't be easy to defend our statehood. It means defending its culture, its land and everything that's connected to our life," the president says, seated at a round table in the capital building as bodyguards stand at the door. His plan, he says vaguely, is to employ "wise, balanced policies. We must be wiser than Moscow. Only then can we win."

Of all the new nations born on the Soviet Union's ash pile, Ukraine has perhaps the best chance of thriving. To the West, it represents the potential of a major new trading partner. It has rich farmlands, coal and other minerals and a broad industrial base.

The region is important for another reason: 7% of the former Soviet Union's nuclear weapons are stored there. Mr. Kravchuk shares control over the entire nuclear arsenal with Mr. Yeltsin and the presidents of two other "nuclear" republics. He vows to destroy Ukraine's nuclear weapons by 1994.





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