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Thursday, June 11, 1992 [4]

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THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Thursday, June 11, 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)

ELECTION '92

A LOOK AT THE CANDIDATES AND THE ISSUES

Clinton wants, and gets, his MTV time

The TV campaign war may have only just begun. On Wednesday alone, presidential candidates firmed up four new unconventional appearances, including Bill Clinton, who wants his MTV — an hour of it.

Fresh from his loved-it or hated-it saxophone gig with Arsenio Hall, Clinton Tuesday takes to MTV airwaves normally filled by Metallica and Bruce Springsteen. Clinton will spend 60 minutes taking questions from 200 18- to 24-year-olds from the Los Angeles area.

"People are not voting," said MTV creative director Judy McGrath in describing the program. "And they have to do some unconventional and untraditional things to get their attention."

Clinton — who also accepted an invitation from CBS *This Morning* to answer two hours of questions Monday — is the only presidential candidate so far to accept MTV's invite. Name of the show: *An MTV Choose or Lose Special: Facing the Future with Bill Clinton*.

Facing the Future with Bill Clinton.

This is no small market: MTV executives say they reach 15 million 18- to 24-year-olds in 56 million households. "We don't pretend to be CNN," said McGrath. "But we take it very seriously."

CNN, meanwhile, made its own moves Wednesday, landing President Bush Monday upon his return from the Rio Earth Summit for an interview on its *International Hour* with former White House correspondent turned anchor, Frank Sesno.

ABC, not to be outdone, announced Bush and his wife, Barbara, would be interviewed by Barbara Walters on *20/20* June 26, NBC's *Today* show, which featured Clinton earlier this week, airs Ross Perot taking viewer calls early today. More, as they used to say, to come.

CANDIDATES ON TV

► **Today, NBC, Today, 7 a.m.:** Perot answers viewer calls.

► **Friday, NBC, paid 30-minute ad, 8 p.m.:** Clinton answers viewer calls.

► **June 15, CBS *This Morning*, 7 a.m.:** Clinton talks with groups by satellite.

► **June 15, CNN, *International Hour*, 3 p.m.:** Bush interview.

► **June 18, MTV, 10 p.m.:** Clinton talks with Los Angeles teens.

► **June 21, NBC, paid 30-minute ad, 7 p.m.:** Clinton answers viewer calls.

► **June 26, ABC, *20/20*, 10 p.m.:** George and Barbara Bush interview.

1 — All times Eastern

The Washington Times

★ THURSDAY, JUNE 11, 1992 /

BERRY'S WORLD / Jim Berry



The Boston

WEDNESDAY, JUNE 10, 1992

Teen-age gun deaths soar

By Richard A. Knox
GLOBE STAFF

US cities experienced a dramatic increase in gun-related homicides among teen-agers in the late 1980s, according to studies being published today.

Teen-age black males in major American cities are dying from gunshot wounds more often than from any other cause, and at rates that have recently been rising at

up to 72 percent a year, federal researchers found.

While homicide by firearms among all US teen-agers shot up 61 percent from 1979 to 1989, gun-related deaths jumped 233 percent among black teen-age males in major cities over that period. The violence accelerated in the latter part of the decade.

Factors behind the surge of gun-related teen-age homicides, the researchers said, include the

arrival of crack cocaine in US cities in the late 1980s, an increase in the killing power of guns available on the street and worsening urban poverty.

"The current levels and recent rates of increase in firearm homicide ... are unacceptably high and need to be reduced," Lois A. Fingerhut and colleagues from the National Center for Health Statistics concluded in an article in this

GUNS, Page 10

■ GUNS

Continued from Page 1

week's Journal of the American Medical Association.

A companion study by the same researchers ranked firearm homicide rates among black male teen-agers in 79 US counties plus the District of Columbia. The project was designed to help target violence prevention funds and programs.

The District of Columbia topped this ranking with more than 227 homicides by firearms among black males aged 15 to 19 per 100,000 population for the three-year period from 1987 to 1989. Boston ranked 13th among the top 20 urban counties on this measure, with 130 gun-related homicides among black teen-age males per 100,000 population.

Nearly 1,000 black males between the ages of 15 and 19 are murdered with firearms annually across the nation. A million Americans die prematurely each year as the result of homicide or suicide, the AMA journal said.

Boston, where recent homicide rates seem to be bucking the national trend, has probably improved its ranking in the last year or so, though more up-to-date national statistics are not yet available.

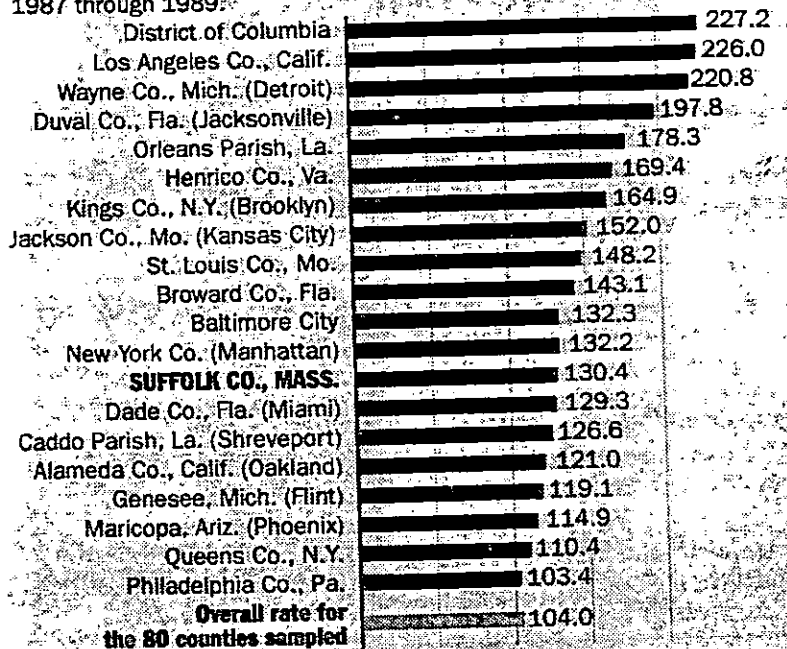
So far in 1992, Boston has counted 20 homicides, of which two involved teen-agers. By contrast, last year at this time there had been 55 homicides, including 13 teen-agers, according to Boston Police Department spokesman Vincent Loporchio.

"Two years ago when we had a major outbreak of homicides, we began a concentrated effort of prosecution," said Capt. Edward McNelley, chief of the Boston Police homicide unit. "A lot of people involved in violence are now in jail. But I'm sure there are other factors."

Dr. Deborah Prothrow-Stith of the Harvard School of Public Health, a specialist in violence prevention, said community efforts, along with better policing and prosecution, contribute to the recent downturn in local homicides.

Gun toll for black male teenagers

Core areas of major cities with the highest rate of firearm homicides among black males aged 15 to 19 per 100,000 population, 1987 through 1989.



SOURCE: Journal of the American Medical Association

GLOBE STAFF GRAPHIC

"A number of forces have come together," Prothrow-Stith said. "For us to go against the national trend suggests that prevention has started to pay off. It's a hopeful thing."

If get-tough strategies alone worked to stem urban violence, Prothrow-Stith added, the alarming US increase in gun-related homicides among teen-agers would not have occurred during the 1980s, a time when the prison population nearly doubled.

The heavy exposure of young children to televised violence contributes to American violence, said Dr. Brandon S. Centerwall, a Seattle psychiatrist, in another study published in the journal. Reviewing numerous studies of the television-violence link, Centerwall concluded that if television had not been invented "there would be 10,000 fewer homicide each year in the United States, 70,000 fewer rapes and 700,000 fewer injurious assaults."

Gun-related homicides, the easiest marker of urban violence to track statistically, only hint at the larger problem of firearm violence and injuries among American teen-agers, Fingerhut and her colleagues noted. The rate of firearm assaults among black teen-agers is nearly 100 times higher than the rate of gun-related homicides, they said.

Even in nonmetropolitan areas, where US rates of firearm homicide are lowest, the federal researchers found gun-related homicide rates among white teen-age males 10 times higher than the average for 12 industrialized nations.

The new data "paint a grotesque picture of a society steeped in violence, especially by firearms, and so numbed by the ubiquity and prevalence of violence as to seemingly accept it as inevitable," write former Surgeon General C. Everett Koop and Dr. George D. Lundberg, editor of the AMA journal, in an editorial.

Koop and Lundberg, calling violence an American "public health emergency," urged stringent regulation of who may own or operate a

gun, based on the way states license citizens to drive a motor vehicle. They said gun licensees should demonstrate physical and mental fitness, pass a skill test, be monitored in their gun use and forfeit the gun license if conditions are not met.

Other studies in this week's AMA journal underscore American youths' ready access to guns and their increasing disposition to use them.

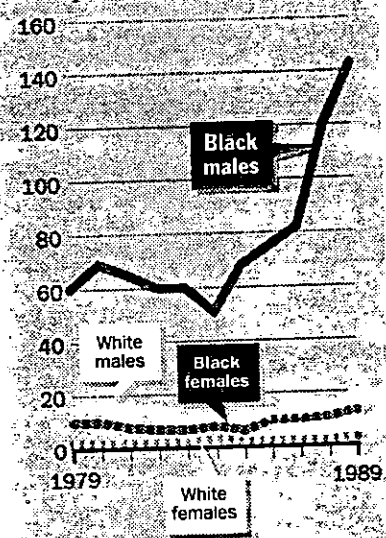
For instance, a study of Seattle high school students found that one-third had easy access to handguns. Of the 6.4 percent who said they owned a handgun, 33 percent said they had fired at someone, 6 percent of boys said they had carried a gun to school and nearly 10 percent of girls reported a gun-related homicide or suicide among a family member or friend.

Most handgun owners do not keep their firearms locked up, and 40 percent of those who sometimes or always keep their guns loaded do not lock them up, according to a national survey of gun owners conducted by Douglas S. Weil and David Hemenway of the Harvard School of Public Health.

Instruction in handgun safety, which stresses keeping weapons unloaded and locked away, did not make much difference in whether

Gun homicides

Deaths caused by firearms per 100,000 people aged 15 to 19, in major metropolitan counties



SOURCE: Journal of the American Medical Association

GLOBE STAFF CHART

such precautions were followed, Weil and Hemenway found, apparently because nearly two-thirds of handgun owners said they needed the weapon for protection against crime.

"Only a small percentage of firearm deaths in the home are the result of an incident requiring self-protection," the Harvard researchers noted.

YOUTHS: THEY'RE GAMBLING

THE FUTURE AWAY

'Kids betting anything, everything'

By Rachel Shuster
USA TODAY

The captain of a high school football team loses \$5,000 gambling. He contemplates selling drugs to cover his losses.

A college student, 20 hours shy of graduating, drops out of school because he has gambled away his funds.

A woman calls a New Jersey hot line, wondering what to do about her 17-year-old grandson's \$8,000 gambling debt.

Isolated examples? Not according to emerging studies on problem gambling among youths — an addiction so new that parents and counselors have trouble identifying it, let alone treating it.

"This is no illusion. We're finding kids in trouble from gambling a very long time," said Durand Jacobs, clinical psychologist and professor at Loma Linda (Calif.) University Medical School and a leading expert on teen-age betting.

Jacobs and others estimate 7 million youths participate in some form of gambling — and 1 million are problem bettors.

Sen. Dennis DeConcini, D-Ariz., cited those statistics recently in shepherding a bill through the U.S. Senate to ban state-sponsored gambling on sports. The vote: 88-5.

Mix in cards, games of skill, sports betting, and the lure of lotteries in 32 states and the District of Columbia, and no wonder more than 80% of youths surveyed say they have gambled for money by age 15 — a third by age 11.

"Gambling feeds people's competitiveness. There is a thrill in succeeding," said Ken Winters, director of the Center for Adolescent Substance Abuse at the University of Minnesota-Minneapolis. "But gambling might be a bit more social, more peer-driven, for teens than adults."

Studies also show that when parents are gamblers, youths are likely to follow suit.

"Not only is gambling more available today, it's also socially sanctioned and promoted by the states," said New York psychotherapist Linda Berman. Youths are 10% of her compulsive-gambling practice.

Berman and Mary-Ellen Siegel, a lecturer at New York's Mount Sinai School of Medicine, discuss youth gambling in

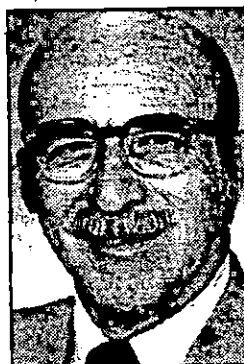
a forthcoming book, *Behind the 8-Ball: A Guide for Families of Gamblers*. As with most experts, Berman and Siegel are not against gambling and recognize not every youth will have betting problems.

But they want families to know about the addictive potential.

"This Nintendo generation of

kids, they're growing up with an ease for computers and statistics, so they're trying gambling at a younger age," said Siegel, who notes the advent of student bookies. "It used to be much harder to run a big 'book' than it is today with computers."

Indeed, betting on sports seems most on the rise among 21-and-under gamblers. Experts expect to see more cases like the one developing in



JACOBS: Estimates that 1 million youths are problem bettors.

Rhode Island, where indictments are expected on a gambling ring that operated between Bryant College and the University of Rhode Island.

USA TODAY oddsmaker Danny Sheridan hears from enough college students — and Las Vegas bookies — to say that "every college campus has a

bookmaker."

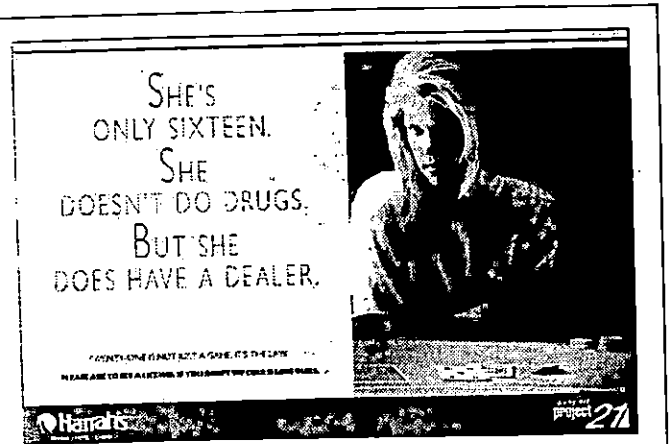
Jacobs agrees: "Kids are betting anything and everything ... be it national, college, even local" sports.

"I got a call from a kid in seventh grade asking for help in a debate on gambling. 'I'm supposed to do the con,' he said. And the one doing the pro was a kid they caught making book. Here we have junior high school students involved in an activity that's illegal in most

1 of 3



PROJECT 21: Harrah's, Claridge and Trop World casinos joined forces with the National Council on Problem Gambling to deter underage betting. Scholarship money is awarded students for the best posters addressing the problem, such as the two above. The project began after a 14-year-old checked into a casino, ordered three beers from room service and gambled undetected for hours.



WARNING: A casino advertisement stresses that gambling can be a problem among younger people.

Gambling habits in 5 states

Types of gambling by high school youth in previous year. Researchers surveyed more than 3,700 high school youths in five states in the first studies of underage gambling history in the USA:

Type of game	N.J. (1987)	Calif. (1987)	Va. (1987)	Conn. (1988)	Minn. (1990)
Cards	48%	40%	36%	66%	57%
Lottery	45	40	27*	51	23*
Skill games (pool, bowling)	42	33	30	34	50
Betting on teams	45	34	24	26	47
Bingo	18	13	24	66	46
Dice	18	9	13	23	25
Horse/dog races	29	14	12	6	20

* — Type of gambling by high school youth in their life
 * — In-state lottery did not exist at time of study; youth bought tickets in other states

Source: Durand F. Jacobs, Ph.D./Ken C. Winters, Ph.D.

states and doubly so for kids."

In Boston, a hotbed of sports, about 35%-40% of calls to the gambling hot-line number come from people under 25.

"I've always said sports betting is the worst form of gambling," said Thomas Cummings, executive director of the Massachusetts Council on Compulsive Gambling.

"We're all a little macho; we've all played sports. And we only have to pick one of two teams. Unfortunately, the odds are stacked so much against us. First, you have to pick the winner. Second, you have to know how much they can win or lose by. Then you have to pay just to make the bet. That's three strikes before the game starts. It blows my mind sometimes how the young people can get so deeply in debt."

The problem is only getting worse, said Jean Chasen-Falzon, executive director of the National Council on Problem

Gambling.

"Because of the tremendous education going on about drugs and alcohol and AIDS, you talk to teens and they say, 'It's only gambling. It's only fun. That's OK, isn't it?'" Chasen-Falzon said. "That's because the teachers and schools don't recognize this as a problem, and it is a monstrous problem."

Helping to hide the problem is alcohol and drug use among young gamblers. In a 1990 study of Minnesota high school students, 72% of problem gamblers admitted to at least monthly drug use.

"There's not an awareness or identification of the warning signs that would lead parents and school professionals or counselors to say, 'Oh yeah, this kid has a problem,'" said Winters, who ran the Minnesota survey. "Some schools are even reluctant to add another layer to their (counseling) curriculum. They're feeling flooded by everything else."

About this page

The National Conference on Gambling Behavior starts today in Cleveland. Topics include teen betting. USA TODAY examines this growing problem.

Where you can call to get help

The National Council on Problem Gambling is a good starting point for help and information. Call 800-522-4700 (212-765-3833 in New York City).

Elsewhere, try these outlets (toll-free numbers are good only in-state):

- ▶ California Council on Compulsive Gambling — 800-322-8748
- ▶ Connecticut Council on Compulsive Gambling — 203-453-1729
- ▶ Delaware Council on Gambling Problems Inc. — 302-655-3261
- ▶ Florida Council on Compulsive Gambling Inc. — 407-875-2425
- ▶ The Council on Compulsive Gambling of Illinois Inc. — 312-321-3012 (day)/312-889-0015 (night), ask for Jerry Grace
- ▶ Maryland Council on Compulsive Gambling Inc. — 301-879-8460
- ▶ Massachusetts Council on Compulsive Gambling — 800-426-1234
- ▶ Minnesota Council on Compulsive Gambling — 218-722-1503
- ▶ Council on Compulsive Gambling of New Jersey — 800-426-2537 (available also for people in Philadelphia, New York City and Westchester County, N.Y.)
- ▶ Council on Problem and Compulsive Gambling of North Dakota — 701-293-1887, ask for Robert Hazeltine
- ▶ Ohio Council on Problem Gambling — 800-457-7117
- ▶ Council on Compulsive Gambling of Pa. — 215-744-1880
- ▶ Texas Council for Compulsive Gambling — 800-742-0443
- ▶ Washington State Council on Problem Gambling — 206-527-0146, ask for Charles Maurer

Some of the warning signs to look for in your child

Gambling therapists Linda Berman and Mary-Ellen Siegel, authors of *Behind The 9-Ball: A Guide for Families of Gamblers*, offer these questions to ponder if you suspect a child is betting:

- ▶ Has the youngster been asking you for more money than you think he/she needs?
- ▶ Do you have reason to think the youngster has borrowed money from other family members, friends or even strangers?
- ▶ Has the youngster withdrawn from family and old friends? Does the youngster have new friends who you think have little in common with him/her?
- ▶ Have there been unexplained absences from school, less time spent studying or withdrawal from after-school activities?
- ▶ Does the youngster receive calls from strangers?
- ▶ Has the youngster been using the telephone more often or become extremely secretive about his calls? Is there a pattern to the calls?
- ▶ Has the youngster displayed unexplained "wealth"?
- ▶ Has the youngster been stealing?
- ▶ Has the youngster had problems with the law that relate to a need for money?
- ▶ Have you come across gambling paraphernalia such as racing forms, lottery tickets, betting sheets, betting advice literature or souvenirs from gambling places?
- ▶ Does the youngster show intense interest in waiting for the final score of a sporting event if it is clearly one-sided?

CORPORATE FOCUS

For-Profit Firm to Manage Public Schools in Baltimore

Education Alternatives' Move May Open the Door Wider for Private Sector

By ALEX KOTLOWITZ

Staff Reporter of THE WALL STREET JOURNAL
There's money to be made in public school education, or so thinks Education Alternatives Inc.

The small publicly held Minneapolis concern, signed a letter of intent to manage nine Baltimore public schools—its second such contract since last fall—possibly opening the door wider for private business to become more involved in the operations of public schools.

The Baltimore contract follows Whittle Communications Inc.'s recently announced plans to build a network of for-profit private schools. But there are big differences between the two companies' intentions.

Education Alternatives believes it can manage public schools more efficiently, with the understanding that its profit will come from some of the savings. Whittle, on the other hand, hopes to construct private facilities that the Knoxville, Tenn., company can then operate at a profit.

"We work with the system to improve the quality of public education," says John T. Golle, chairman and chief executive officer of Education Alternatives.

Baltimore has hired his company to run eight elementary schools and one middle school, all situated in poor, inner-city communities. The concern intends to use a new education model it has developed, which it calls Tesseract, after a fictional dimension in the book "A Wrinkle in Time." The program calls for a smaller student-teacher ratio, continuing teacher training and increased use of technology, something Whittle also hopes to emphasize.

"We've got to try a lot of different things to see what works, to be as pragmatic as we can about it," says Ted Kolderie, a senior associate at the Minneapolis-based Center for Policy Studies. Mr. Kolderie is encouraged by Education Alternatives' efforts to build on the public school system instead of creating competing alternatives.

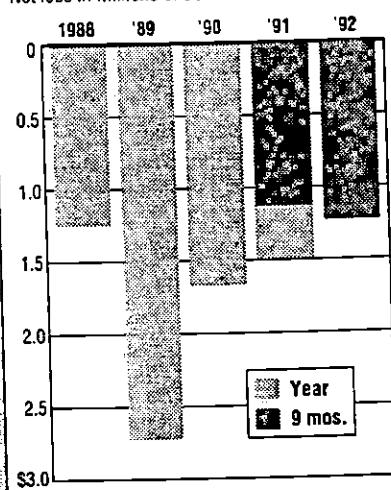
Sparse Record

Education Alternatives was acquired by Mr. Golle from Control Data Corp. in July 1986. At the time, he says, the Minneapolis computer company was researching ways to apply technology to perfecting schools. Initially, Education Alternatives built two private Tesseract schools, one in Paradise Valley, Ariz., and the other in

Education Alternatives Inc. by the Numbers

The Profit Picture

Net loss in millions of dollars



The Fundamentals

	1991	1990
SALES (\$ millions)	\$2.3	\$2.2
NET INCOME (LOSS) (\$ millions)	(\$1.50)	(\$1.70)
EARNINGS (LOSS) PER SHARE	(\$1.06)	(\$1.39)

MAJOR OPERATIONS:

The company provides private management of public schools as well as consulting services to public and private schools; it is developing a line of proprietary education products. In December 1991, the company formed an alliance with Johnson Controls World Services Inc. and KPMG Peat Marwick to market their services for the private management of public schools.

Eagan, Minn. Mr. Golle then decided to implement his model in the public schools.

Its track record admittedly is sparse. It attempted to contract with the school district in Green Brook, N.J., but parents elected a school board opposed to the idea. "A lot of people saw Educational Alternatives as a glitz-and-glitter type of program, not a program that had a lot of substance or history," says Ronald Bollandi, who was elected Green Brook's school board president on a platform opposing hiring the company.

Last year, it was hired to run South Pointe Elementary School in Miami, which has been operating since September. Its efforts there have been met with much enthusiasm.

The school is divided into minischools where students have the same teachers during their six years there. The learning program is geared to each individual student, and there has been a reduction in the student-teacher ratio to 15-1 from the 32-1 of most Dade County schools by hiring graduate education students.

"This is a true inner-city school and if it can work here it can probably work just about anywhere," says Linda Lentin, one of two lead teachers at South Pointe. "And oh, boy, is it working here." Mrs. Lentin

says she has given tours of the school this year to more than 1,000 interested teachers.

"So far so good," says Bella Rosenberg, assistant to the national president of the American Federation of Teachers. The union worked closely with Education Alternatives to set up the South Pointe model.

But Education Alternatives' 46-page prospectus for a recent 1.1 million-share offering provides a glimpse of just how difficult it is for a for-profit company to operate public schools. For example, the company's five-year contract with the Dade County school board provides that the company, with the cooperation of the schools, must raise from the private sector about \$2.5 million by June 30, 1995, to cover additional costs of implementing the Tesseract system and to pay the company's \$1.2 million fee. Through April 30, the company had only raised about \$349,000. In addition, the company is obligated to advance up to \$98,000 to Dade County to cover incremental teacher costs for the current school year if adequate funds aren't raised from the private sector.

"We are as confident as ever that we will meet the funding requirements of South Pointe," says Mr. Golle.

Education Associates has yet to turn a profit. Since its inception six years ago, the

1062

company has had losses totaling about \$8.5 million. In fiscal 1991, ended last June 30, the company had a \$1.5 million loss on revenue of \$2.3 million; for the most recent nine months ended March 31, the company has a loss of \$1.2 million on revenue of \$2.1 million.

Expects Further Losses

In its prospectus, filed June 2 with the Securities and Exchange Commission, the company said that it foresees further losses ahead and that "there is no assurance that the company will be able to achieve or maintain profitable operations." It also emphasized that an investment in the shares is "highly speculative and involves a high degree of risk."

In its agreement with the Baltimore public schools, Mr. Golle is bringing in the assistance of KPMG Peat Marwick and Johnson Controls World Service, a unit of Johnson Controls Inc. Last December, the three companies formed a group for such ventures. Peat Marwick will look at putting in an improved accounting system; Johnson Controls will consider trimming non-instructional costs, such as transportation, food and energy. The alliance also hopes to make money by using the school building for other purposes, such as day care and providing food for the elderly. Profit will be split evenly between the school district and the three-company venture, Mr. Golle says.

Under the proposed five-year contract, according to Mr. Golle, Education Alternatives will be given the average annual cost per student that the city currently spends, which is \$5,415. In turn, the company will be required to produce measurable gains in student test scores, which Mr. Golle expects to be at or above grade level after the five years.

Education Alternatives' efforts have received a mixed response. In Chicago, where the schools are facing grave financial problems, Martin Koldyke, chairman of the School Finance Authority, says "experiments like this must be considered." But Henry Levin, a professor of education and economics at Stanford University, suggests that "making gains [in education] is a lot harder than just getting the private sector involved."

Education Alternatives "hasn't delivered the goods yet and until they do, we have to just sit back and learn," he says. "I suspect what we'll learn is that it ain't easy."

National Report

The New York Times

Private Group Hired to Run 9 Public Schools in Baltimore

By WILLIAM CELIS 3d

The Baltimore City Public Schools has signed a tentative agreement with a Minneapolis education management concern to oversee the day-to-day operation of nine schools. The pact is part of a growing trend of private management of public schools that is worrying some educators.

The tentative agreement, details of which are still being worked out, would allow the concern, Education Alternatives Inc., to manage 8 of the district's 121 elementary schools and one of the system's 11 middle schools. All of the schools are in inner-city neighborhoods. A contract is expected to be signed this summer, said Dr. David A. Bennett, the company's president.

The city's superintendent of schools, Dr. Walter G. Amprey, told The Associated Press, "We are not handing our schools over to the private sector." He called the agreement "a major step in our efforts to revitalize and improve our school system through use of sound educational and business practices."

The company has contractual arrangements with public schools in Dade County, Fla., where it operates a Miami Beach elementary school, and in Duluth, Minn., where it is temporarily supervising the administration of the entire public schools system. It also runs two private schools, in New Mexico and in Minnesota.

Trimming Some Services

Education Alternatives maintains that it can teach students better than the public system does for the same amount of money.

In Baltimore, the district spends \$5,415 for each student, approximately the national average. Dr. Bennett said the company could offer students a better education at the same price by trimming non-instructional expenses, like janitorial and clerical services, and putting those savings into instructional programs.

But there has been considerable skepticism among educators around the country that the company can meet its promises of delivering a better education for the same amount of money. For example, the company itself said it plans to raise additional money in Baltimore, through grants and private donations, to implement its ideas. Among them are smaller classes and programs for retraining teachers.

While some education analysts assert that it sometimes take an outside force to bring change in public schools, Baltimore teachers assert that Education Alternatives has proposed programs teachers could do without outside intervention if it were not for bureaucracies that often stifle change.

Teachers Have Doubts

The president of the Baltimore Teachers Union said she agreed with many of the ideas being used by Education Alternatives, but she expressed doubt about the possibility of the company's success. "They haven't been in the business of managing schools long enough" to establish a track record,

said Irene B. Dandridge, president of the union. "At this point there are lots of questions about their involvement."

Dr. Bennett, speaking of the teachers' assertion that they could be as successful as the company, said, "My response is that I hope they are right."

Dr. Bennett, who was in public education for 23 years, most recently as superintendent of schools in St. Paul, Minn., said, "One of the theories to improve education is to heighten competition."

Although the company said it would honor the terms of the current contract the district has with its teachers, Ms. Dandridge said the union planned to closely scrutinize the final contract between the company and the school board. She also said the union hoped to participate in the negotiation of the contract with Education Alternatives to insure that its members were not compromised by the company's management.

Chris Pipho, director of state relations with the Education Commissioner of the States, a Denver education research and policy organization, said "If they can literally produce a better education at the same rate and that is really the case, without a sleight of hand in bookkeeping, then this is going to put a great deal of pressure on public schools to investigate what they have been doing."

Rescue Schools, Turn a Profit

By David A. Bennett

AMINNEAPOLIS
merica's public school system is on the verge of radical change. The question facing reformers is whether the system will be reinvented or circumvented.

The loudest shot across public education's bow was fired by Christopher Whittle, who induced Benno C. Schmidt to quit as Yale's president to head the Edison Project, which seeks to create a national for-profit private school system. More recently, on Tuesday the Baltimore public schools hired my company, Education Alternatives Inc., to run nine inner-city schools with 5,100 students.

The Edison Project and Education Alternatives face common criticism: Traditional educators say private business, being profit-oriented, has no business in public schools.

Nonsense. Schools have long purchased goods and services from the private sector. Other monopolistic public utilities are publicly regulated but privately managed for profit. In municipalities where public services have been successfully privatized, citizens don't care who delivers them, only that they are delivered well.

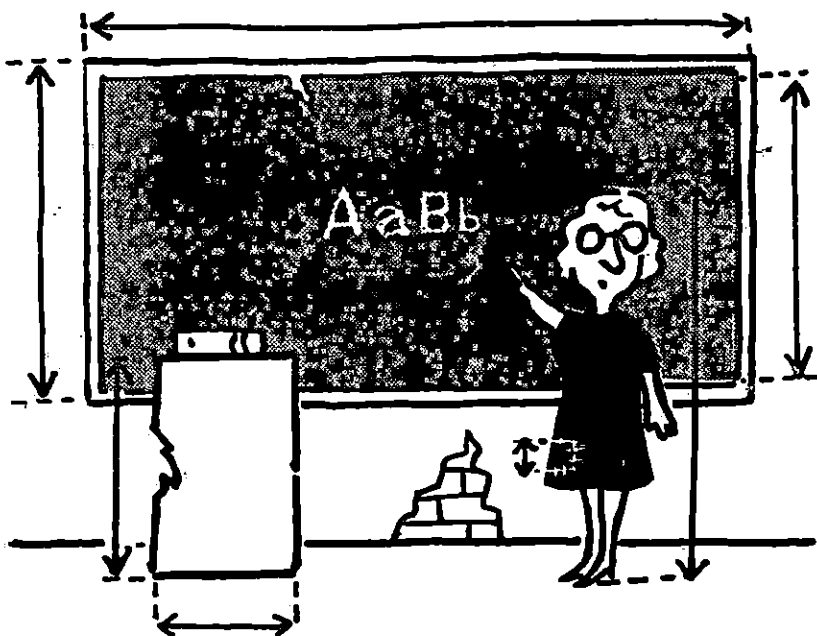
We agree with Mr. Whittle and Mr. Schmidt that the way most public schools are run frustrates the best efforts of school board members, su-

Public education can work.

perintendents, principals and teachers to provide taxpayers with a solid return on their money — a full and proper education for their children.

But we disagree with the Edison Project's plan to circumvent — to compete with (and unintentionally undermine) the public schools by needlessly building 1,000 profit-making technologically advanced schools that, Mr. Whittle and Mr. Schmidt hope, will serve as models for revolution in education.

David A. Bennett, a public school administrator for 20 years, is president of Education Alternatives Inc.



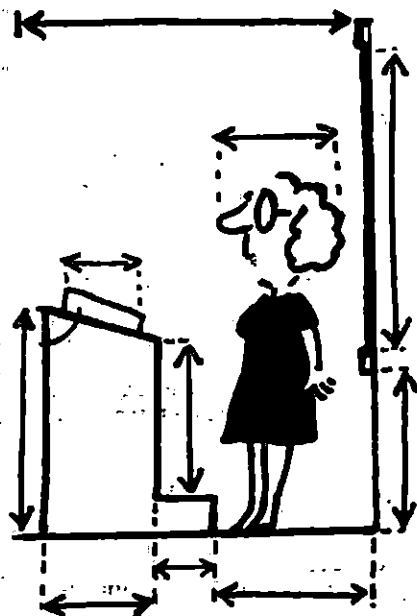
It is healthier in our democracy to save the public schools and their infrastructure — to reinvent the system — by a public-private arrangement. In Baltimore, we expect to improve student performance and attendance and decrease dropout rates for the same \$26.1 million the city has spent on the nine schools — and still turn a profit.

We are co-managing (with the Dade County school system) a South Miami Beach, Fla., elementary school and running private schools in Minnesota and Arizona. (In Duluth, Minn., we are concluding a short-term contract for managing the school district.)

Presumably, the Edison Project, in operating proprietary schools, will choose students it wants and reject others. But in working with public schools, we are obliged to work with all children: No elitism here.

How do you save schools, save money and increase revenues? Reduce the number and cost of noninstructional staff members; collaborate with government to avoid duplication (does a town need separate public and school libraries?); schedule a 12-month school year to maximize the use of facilities; rent excess space to private groups or public agencies; lease school technology for use after the school day is over; use cafeterias to feed the community; make buildings more energy-efficient; require students to help keep schools neat and clean, thus reducing custodial services. We've done some of these things, with no union problems, and plan to do the rest.

The Edison Project thinks it can



Nurit Karlin

operate schools at \$5,500 a student each year, just about the national average. We have shown we can. But the Edison Project apparently needs state legislation for a voucher approach that would enable parents to send children to public or private schools. We have done without vouchers.

Traditionally run public schools are sinecures that are often unresponsive to parents' and students' needs. But if we don't listen, we get fired. Baltimore hired us for five years; if it doesn't like our work, it can drop us after a year. The risk to both parties is worth it. And the children can't lose. □

Society must be responsive to the heat generated from Jennifer Crafts' kitchen.

The strain of work and family

SHARLENE HESSE-BIBER

The Chicopee Board of Health's decision, later reversed in court, to close Jennifer Crafts' tiny Chicopee restaurant because she violated the health code by keeping her 19-month-old son, A. J., with her as she worked, was a slight to every working mother.

The board was right to be concerned about health standards, but it went too far. Why did the board choose to single out a working mother for citation? There are many restaurants in the state that have repeatedly violated the health code, but have not been threatened with closure. Why all the fuss?

This case has violated society's traditional values about a mother's role. We don't get sick over mother's homemade food, as long as it's prepared in her kitchen at home.

As a society, we have an allergic reaction to mixing home and work. We pretend that the two are separate. We fail to acknowledge the fact that the majority of mothers are working and have need for adequate day care.

If she is still married (and a large number of working mothers are not), she cannot look forward to her spouse taking on a larger share of the household chores even when she goes out into the "paid" work force.

We rarely hear our government or the media talk about what society and its institutions might do to accommodate new family forms. We hear little about what individual corporations might do to enable women workers to combine their work and family demands. We do not hear very much about the defeat of a national day-care policy.

These are the real issues we should be talking about concerning the plight of the woman at work. What we do hear about is how working mothers have failed their children or have threatened society with food poisoning by opening up restaurants and finding creative ways to combine their work and family lives. Instead of being complimented and praised, they are punished.

Until now, working mothers have tried to find ways of adapting their lives to fit a society

whose institutions and values conform to a traditional family model — a full-time homemaker mother and full-time breadwinning father. Yet this family form comprises only 7 percent of what has come to be known as the American family.

The reality of the 1990's family is that over 50 percent of women 16 and over are in the labor force, up from over 34 percent in the '50s. The percentage of women with children under the age of six who are working has skyrocketed from 12 percent in 1950 to over 45 percent in the '90s. The number of single-parent families doubled in the last decade, reaching over 20 percent of all families. Despite these changes in the American family, social institutions continue to be geared toward the traditional model. For example, in many occupations the work demands are so high as to virtually assume the presence of a full-time partner at home to provide the support that makes the employee's work involvement possible.

In other cases, inflexible work schedules requiring that employees start work at a fixed time operate as though another partner were available to manage the often competing schedule of children and household.

Only by changing current institutional arrangements can we reduce the strain between work and family. The new family forms which have arisen in the last several decades will bring about changes in attitudes and consciousness. But, legislative changes are also needed to push society toward structural resolutions of work and family conflicts. Flexible hours at work, adequate child care, maternity- and paternity-leave policies in the work place are a good beginning.

Jennifer Crafts and her son, A.J., are part of a new breed of families who are struggling to survive in a society which is unresponsive to working mothers. The heat generated from Jennifer's kitchen must be handled with these new societal realities in mind. I suggest the Chicopee Health Department quietly leave Jennifer's kitchen.

Sharlene Hesse-Biber is associate professor of sociology at Boston College.

The Metro Section

The New York Times

THURSDAY, JUNE 11, 1992

Welfare Experiment Showing Signs of Success

By KEVIN SACK

Special to The New York Times

ALBANY, June 10 — A welfare experiment started four years ago in New York State is having significant success in providing welfare mothers with the work incentives needed to wean themselves gradually from dependency, a long-awaited study of the program has found.

The Child Assistance Program, which was started in seven upstate counties in 1988, encourages welfare mothers to work by allowing them to keep a large proportion of their welfare grants even though they are working. Because it dangles a financial carrot and does not wield the punitive stick being used in other states, the program typifies the Cuomo administration's approach to welfare reform.

The first major study of the program, which is known as CAP, shows that welfare recipients who were eligible for the program worked 25 percent more hours and earned 25 percent more in wages than those who were not. The study, which was commissioned by the state and conducted by Abt Associates Inc. of Cambridge, Mass., was released here today.

The State Department of Social Services projects that mothers of two who participated in the program in its first year received an average total monthly income of \$1,045, compared with an average income of \$765 for mothers of two who received Aid to Families With Dependent Children, the assistance program that would normally cover them. The State Social Services Commissioner, Mary Jo Bane, said the results were far more striking than anticipated.

Because the study examined only the first year of the pilot program, it could not determine whether the program achieved its ultimate goal of removing mothers from the welfare rolls. But state officials said they were very encouraged by the results, and they said that anecdotal evidence suggested that CAP participants would be more likely than A.F.D.C. recipients to stay off welfare once they left the rolls.

No state has a similar program, and Gov. Mario M. Cuomo portrayed it today as New York's answer to the radical steps being taken by other states to trim their welfare caseloads. Those measures range from New Jersey's decision to deny benefits to welfare mothers who have additional children to proposals by Gov. Pete Wilson of California to make severe cuts in grants to welfare recipients.

Mr. Cuomo urged the Legislature today to authorize an expansion of the program to other counties in the next two years. He said the results of the study should encourage New York City, where two-thirds of the state's 1.5 million welfare recipients live, to join the project.

"We believe New York City will be inspired to move more aggressively into this demonstration," he said. "New York City should be leading and not lagging."

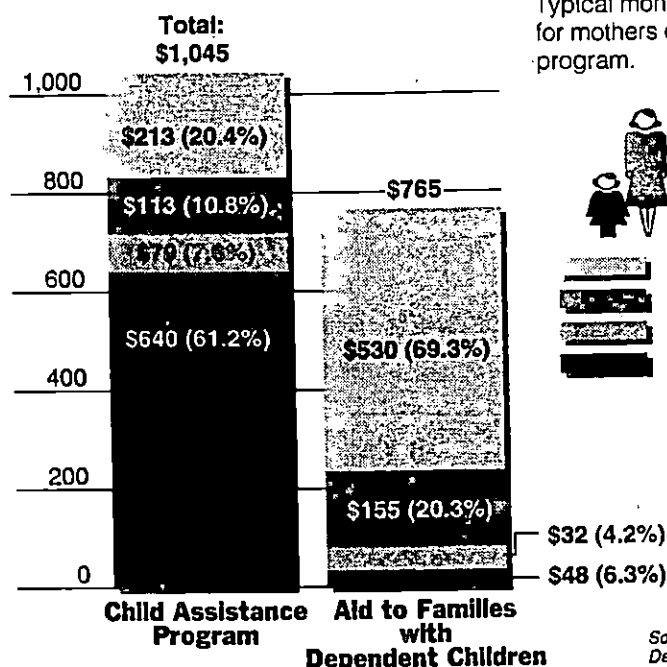
But the most poignant testimonials to CAP came today from its participants.

Continued on Page B4

FAMILY ASSISTANCE

Holding a Job on Welfare

\$1,200



Typical monthly family income for mothers on welfare in each program.



Child benefits
Money for food
Child support
Earnings

Source: New York State Department of Social Services

The New York Times

1 of 2

Albany Welfare Program Is Showing Signs of Success

Continued From Page B1

many of whom said the program had given them both the financial means and the self-esteem to combat lifetimes of welfare dependency.

"CAP is like weaning a baby off the bottle or off breast feeding," said Nancy K. Edwards, a 28-year-old mother of two from Kingston. "Slowly but surely you wean yourself off the program."

"At first I was insecure about if I can really make it out here on what I make. But CAP is not only supportive financially. They treat you like a person. Now I get this enjoyment in setting goals."

Under A.F.D.C., welfare recipients who have held a job for four months lose a dollar in welfare benefits for every dollar earned through work. That often gives them little financial incentive to find jobs or seek job training.

But under CAP the welfare grant is reduced between 10 cents and 67 cents for every dollar of earnings

Turning the chronically jobless into taxpayers.

until a family's income reaches 150 percent of the Federally defined poverty level. The poverty level is currently \$11,570 a year for a family of three.

Another important part of the program requires participants to have obtained child-support orders for their children, giving mothers added incentive to find and report absent fathers to local authorities. And the program emphasizes personal responsibility, giving participants cash rather than coupons for food and waiving the rule that prohibits A.F.D.C. recipients from accumulating more than \$1,000 in assets.

The program operates in seven counties — Albany, Allegany, Chautauqua, Monroe, Niagara, Suffolk and Ulster. There are now 1,648 families participating. In order for the program to be financially advantageous to a mother, she must have a job with monthly earnings of at least \$350,

according to the study.

The study by Abt Associates, a consulting firm, concluded that 21 percent of those who were eligible for CAP were employed in the last three months of the yearlong study period, compared with 17 percent of those who were not. Average monthly earnings for the eligible group were 25 percent higher than for the non-eligible group.

Twelve percent of those eligible began the 12-month period without child support orders but had won orders by the end of the period; the comparable number for those not eligible was 8 percent. The report covered 4,300 families on welfare over a 12-month period in 1989-90.

Costs About the Same

Ms. Bane said that the program currently cost the state about the same amount as A.F.D.C., but that it should save the state money as recipients gradually leave the rolls. Although the state spends less on welfare benefits for CAP participants than for A.F.D.C. recipients, CAP has higher administrative costs.

For instance, CAP caseworkers are expected to handle 50 families at a time while A.F.D.C. workers have caseloads of up to 200 families. It is that personal attention, often delivered in bright, attractive offices, that makes the greatest impression on many CAP participants.

"They feel they're really moving forward and that the system is working for them," said David T. Ellwood, an expert on welfare policy at Harvard's John F. Kennedy School of Government. "If you've ever been in a welfare office and seen the faces, that's a remarkable achievement."

Ms. Bane, who helped shape the CAP concept along with Michael J. Dowling, Mr. Cuomo's director of health, education and human services, said the program eventually could help a large percentage of the state's welfare recipients. But other welfare experts, including some supporters of CAP, believe it may only be useful for those who are already highly motivated and have held jobs in the past.

"You're not going to take the 17-year-old single male from inner-city Bronx and, with some exceptions, get him immediately into CAP," said Russell Sykes, senior policy associate for the the State Communities Aid Association, a nonprofit group that lobbies on welfare issues.

THURSDAY, JUNE 11, 1992

THE WALL STREET JOURNAL

MONEY & INVESTING

Wall Street Courts Women With Pitch They Have Different Financial Needs

YOUR MONEY MATTERS

By ELLEN E. SCHULTZ

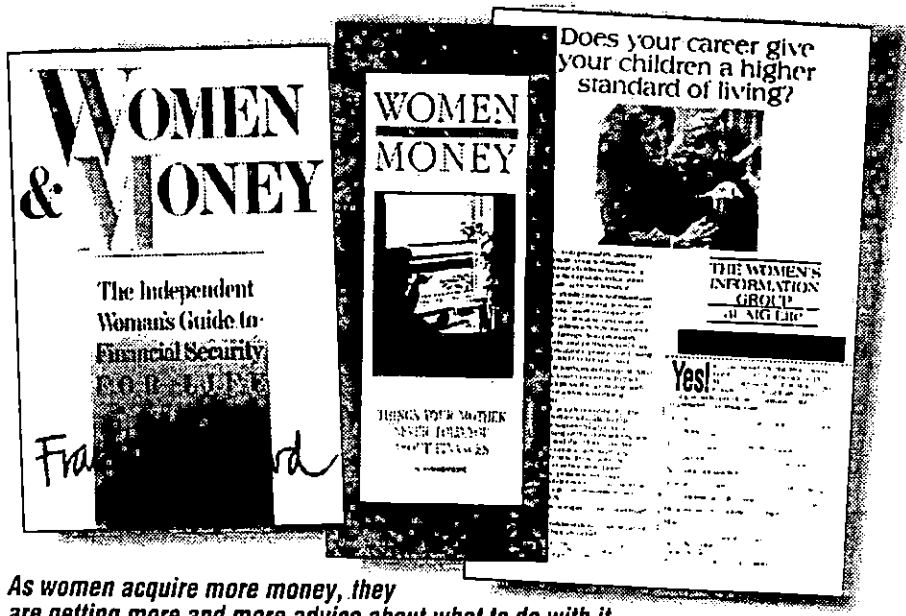
Staff Reporter of THE WALL STREET JOURNAL
Who's dumber about money, women or men?

If you answered "women," you wouldn't be alone. Many Wall Street brokerage firms and financial planners are pumping out the message that when it comes to investing, women only just recently fell out of trees.

Shearson Lehman Brothers Inc. recently released a survey concluding that women lack confidence making investment decisions, and Oppenheimer Management Corp. released a study saying that women lack knowledge and experience.

But not everyone agrees that women are any more adrift than men. "When it comes to investing, men are no better educated than women," says Mary Malgoire, a financial planner in Bethesda, Md. Adds her partner, Dave Drucker, "Men often don't understand investing issues, and are more likely than women to act on too little information."

Traditionally, when brokers and financial planners targeted women customers at



As women acquire more money, they are getting more and more advice about what to do with it.

all, they primarily zeroed in on widows and wealthy divorced women, since they tended to be the only women with substantial amounts of money to invest. But these days, lots of women have money, and financial firms have expanded their marketing efforts accordingly.

A major factor is the billions of dollars

working women have accumulated in employer-sponsored savings plans, such as profit-sharing and 401(k) plans. When women change jobs, get laid off, leave work to have a child, or retire, the money in these retirement plans can be cashed out, or rolled into individual retirement

Please Turn to Page C16, Column 4

1062

Wall Street Tries to Lure Women With a Pitch on Gender Needs

YOUR MONEY MATTERS

Continued From Page C1
accounts, and then invested in virtually anything.

These "lump-sums" are one of the hottest areas of new cash for brokers and planners, and a growing number are building their practice around capturing it. "There's absolutely no question that the heightened interest in women aged 35 to 50 comes from their having retirement-plan money to invest," says Christopher Hays, director of the Center for Women and Retirement Research at Long Island University.

The May issue of Registered Representative, a trade magazine for brokers, offers tips on targeting women: "Prospect work places, do seminars targeted at women business owners . . . hold investment classes for women only, distribute information for the newly single." Women's groups report an explosion in the number of requests they receive from financial salespeople to provide investment seminars and to rent lists of members.

Need for Financial Advisers

Often, "women-only" seminars deliver the message that because women have been ignored by the financial community in the past, they deeply need financial advisers to help them get up to speed.

Last year, for example, Lear's magazine hosted a series of investment seminars in New York for its readers, who are primarily women over age 40. Frances Lear, the magazine's founder, complained that financial advisers used to be "condescending" to women. Brokers from Merrill Lynch & Co. discussed investment strategies "for women" and handed out applications for brokerage accounts.

On closer examination, however, a lot of what looks like attention to "special needs" of women is merely marketing strategy. "Financial Fitness for Women: A Helpful Guide from Chemical Bank," includes mostly information about such things as loans, investing and estate planning that would be equally helpful for women or men.

That's as it should be, some financial advisers say. "Investing information is gender-neutral," says Victoria Felton-Collins, a financial planner in Irvine, Calif. "All investors need to consider questions of asset allocation, risk and needs for liquidity."

But while there's nothing wrong with targeting women as a marketing approach, women, as well as men, should be alert for appeals aimed more at the heart

than the brain, some financial advisers say.

Indeed, once in the door at some of those special seminars, women are pitched the same investments as men—insurance, mutual funds, limited partnerships and other investments. "It's equal opportunity when it comes to selling something and earning big commissions," says Mary Calhoun, a former broker who consults with securities arbitration lawyers.

AIG Life Insurance Co. in Wilmington, Del., has a Women's Information Group that offered a video, "A Mother's Guide to Life Insurance." One of the company's advertisements for life insurance asks, "Does your career give your children a higher standard of living?" It concludes, "Your children don't just depend on your income. They depend on you."

Caution on Life Insurance

While many people may need life insurance, women shouldn't let appeals to their family obligations make them soft touches, says Mr. Hays of the Center for Women and Retirement Research. "Brokers know women are socialized to address the needs of others" and often use this in their sales techniques, he says.

He and others also warn women to beware of brokers who tell them they are "too conservative" with their money, in order to get them to move their money into riskier investments that pay higher commissions.

One brokerage house survey concludes that women are too "risk-averse"—in part because they are less likely than men to own initial public offerings of stock and to borrow on margin.

While many investors need to build growth into their portfolios by having a percentage of their money in higher-return securities, says Mr. Drucker, the Maryland financial planner, investors who need to preserve principal and liquidity may be wise to stick with the conservative end of the investing spectrum.

"The idea that they're trying to 'educate' women to take on more risk is a chilling thought," says Ms. Calhoun, the former broker.

Finally, investors of both genders need to evaluate the financial adviser's qualifications. "Don't just trust an adviser because she's a woman," says Ms. Felton-Collins. "Check out the individual's qualifications." She recommends using fee-only advisers, who don't earn commissions on the investments they sell.

The nonprofit National Center for Women and Retirement Research at Long Island University hosts seminars across the country, and provides videos and free handbooks (800-426-7386).

The Philadelphia Inquirer

BUSINESS

THURSDAY
June 11, 1992

DISCRIMINATION

Gender bias pervades workplace, study says

By Andrea Knox
INQUIRER STAFF WRITER

A funny thing happened when a group of Philadelphia-area human-resource professionals asked its members to investigate bias against women in the workplace.

Only three men managed to assemble groups of other men to discuss the issue. However, 16 women members put together women's groups.

So it was not surprising to Kevin M. Mullin, who directed the project, that the women overwhelmingly reported discrimination in every important phase of their work lives.

"One of our most interesting findings was how difficult it is to get men to discuss this issue. And some tend to downplay it as being not that important," said Mullin, research chairman of the Philadelphia Human Resources Planning Group, the professional association whose members conducted the study.

Men tend to downplay the issue, said the project chief. Few helped in the study.

Results are to be presented to PHRPG members today.

The position of women in male-dominated organizations parallels that of African Americans in white firms, Mullin said. African Americans feel whites are

usually oblivious to and incapable of understanding the slights and discrimination they experience.

Male PHRPG members were less successful than women at assembling focus groups because they hesitated to discuss the issue with friends and were less able to persuade other men to participate, Mullin said.

This reluctance has serious implications for the elimination of bias in the workplace, according to Mullin.

"The male human-resource people are supposed to be the sensitive males within organizations. If it's like pulling teeth to get them to deal with the issue, you can imagine that a quantitatively oriented line executive just will not give it any time at all."

Nevertheless, workplace bias against women is pervasive — and interferes significantly with women's ability to do their jobs well and make the best possible contributions to their organizations, according to the 71 women who participated in the 16 focus groups.

Eighty-eight percent of the women said gender bias existed in their organizations, and 90 percent said women encountered career obstacles in the organization that men did not face.

Only 37 percent said their managers and

See BIAS on C15

On the job

A survey finds women in the Philadelphia area feel slighted within their companies.

Issue	Professional/managerial women who answered yes
-------	--

Women in my organization face more career obstacles than men	90%
--	-----

Managers and supervisors in my organization are sensitive to work-related women's issues	37%
--	-----

My organization is an equitable and supportive environment for women	30%
--	-----

Common signs of workplace gender bias

- Few or no women at high executive levels.
- Women who have earned responsibility aren't given the resources or power to effect change.
- Inequities in salary, performance ratings and grade levels among peers.
- Benefits don't cater to women's needs.

How gender bias harms an organization

- Distraction, frustration and loss of job focus.
- Underutilization of talent.
- Employee turnover.

SOURCE: Philadelphia Human Resources Planning Group

Bias fills workplace, women say

BIAS from C9

supervisors were sensitive to women's workplace issues; only 30 percent characterized their organizations as equitable and supportive environments.

As a result, women's talents are not fully developed and used, and women become frustrated and distracted, according to survey participants. This loss of motivation and productivity harms the organization, they said.

Mullin cautioned that the same results might not be obtained if a larger or more diverse group of women were interviewed, though he said he was certain the women in the survey represented a large body of opinion. The participants were friends and acquaintances of the PHRPG members; all were professionals, executives or managers, and most held undergraduate or graduate degrees.

While the 13 men in the study were almost as strong as the women in confirming the existence of bias, there were too few to be representative of any larger group of men, Mullin said.

Three-quarters of the participants work in Philadelphia, and the rest in the Pennsylvania and South Jersey suburbs or in Delaware.

The women in the focus group reported bias in what PHRPG calls "the four Ps" — position, policies, power and perception.

They said few women held high positions in their organizations; women were not considered for key positions or included in the decision-making power structure; benefit practices did not take women's needs (such as time to care for sick children) into account, and women who had earned responsibility were not given the resources or power to effect changes.

They also said that only "male Caucasian" behavior was valued and understood, yet women who adopted such behavior (such as raising their voices) were considered "bitches."

Overcoming male reluctance to confront bias against women will require human resource personnel to "clearly connect the issue of gender bias with the ability to compete in the marketplace and the ability of the organization to be fully productive," Mullin said.

Ironically, in many cases that task will fall to the very men who have trouble dealing with it. Even in human resources, very few women hold the top jobs, Mullin said.

Mullin, for example, is a manager of human resources at Merck Research Laboratories in West Point, Montgomery County. He reports to a head of resources, who reports to an executive director of human resources, who reports to a vice president of human resources — all of them men.

BUSINESS

THURSDAY, JUNE 11, 1992

Volvo Takes 'Family Values' for Test Drive

■ **Marketing:** More advertisers are expected to pick up themes from the presidential campaign. But some experts note that there are dangers.

By **BRUCE HOROVITZ**
TIMES STAFF WRITER

Volvo is taking Vice President Dan Quayle and his "family values" theme for a ride down Madison Avenue.

The auto maker has unleashed TV and print ads that address the vice president—as well as other politicians who want to preserve family values in America. "Vice President Quayle," says one ad featuring the off-camera voice of actor Donald Sutherland, "what do you think of these family values?" Sutherland then details Volvo's promotion—one aimed at selling Volvos fast by offering free maintenance and low finance costs.

In the season of campaign jingoism, it is common for advertisers to adopt popular political campaign themes as their own. By embracing the patriotism that flourished after the 1984 elections, everyone from Chrysler to the National Dairy Board waved the flag. One Dairy Board ad even featured ice cream lovers who sang the confection's praises to the tune of "America the Beautiful."

In a speech three weeks ago, Quayle set off the family values theme for Campaign '92 when he blasted the popular "Murphy Brown" TV series that featured a decision by the show's unwed, title character to give birth to a boy.

Quayle is not the only politician to espouse the nebulous theme; it is also a favorite of would-be independent candidate Ross Perot.

Now, marketers are also stepping in line. Although Volvo appears to be the first major advertiser to link itself with the Quayle hoopla, one regional carpet retailer in New York has been offering a half-price promotion under the theme-line, "How's

that for family value?" And more marketers are expected to soon join on.

"This issue will be dead in November, just like the Pledge of Allegiance issue died after the last campaign," said Gerald Celente, a trends forecaster and president of the Rhinebeck, N.Y.-based Socio-Economic Research Institute.

But in the meantime, Celente is advising his corporate clients to tie their messages into popular campaign themes—without taking political sides.

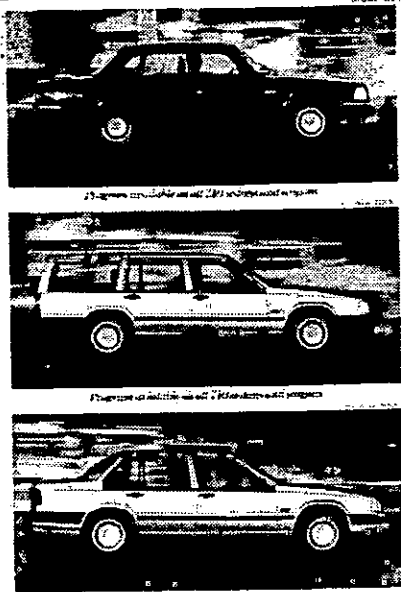
"Understand how politicians tap into the mass consciousness. Then use some of the positive elements that may miraculously emerge through the campaigns," he has suggested to clients.

Volvo executives say the campaign—which was created in four days—will continue through the end of July. And Volvo has a very specific reason for introducing the campaign now: Its sales are off 8% compared to last year.

"We saw this as an opportunity to link the public's front-of-mind concerns with

Please see **VOLVO**, B7

VICE PRESIDENT QUAYLE: WHAT DO YOU THINK OF THESE FAMILY VALUES?



\$295

1992 Volvo 740 GLE

\$359

1992 Volvo 740 GLE

\$369

1992 Volvo 740 GLE

VOLVO'S FAMILY VALUES PROGRAM NOW UNTIL JULY 31ST

Call 1-800-63-VOLVO for the dealer nearest you.

Volvo hopes to capitalize on the controversy over Vice President Quayle's criticism of "Murphy Brown."

VOLVO: 'Family Values' on Test Drive

Continued from B5
family values with our own summer promotion," Volvo spokesman Bob Austin said.

But some skeptics say Volvo may be blundering with this campaign.

"They're just being opportunistic," said Bob Kuperman, president of the Venice office of Chiat/Day/Mojo. "I don't see this as a campaign strategy. It's more

like a one-line joke."

By bringing up Quayle's name, even in a humorous way, "Volvo is associating itself with a negative," said Gary Frazier, chairman of the marketing department at USC.

But Quayle isn't complaining. Jeffrey Nesbit, communications director for Quayle, said: "We are honored that they thought enough of what we are saying to create this campaign."

And this may be just the beginning. Next week, Volvo will introduce ads that will feature a political humorist who will impersonate both Bush and Clinton.

After that? Well, Volvo officials say Gen. Colin Powell, chairman of the Joint Chiefs of Staff, owns a Volvo. Could Powell—who has been mentioned as a possible vice presidential candidate—ever be the subject of a Volvo ad. Said one Volvo executive, "One never knows."

TELEPHONE MEMORANDUM

92

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[illegible]

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

June 11, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	8:20 AM	8:29	Congresswoman Constance A. Morella Residence, Bethesda, Maryland 301-229-6601	Tlkd-ok 8:25 AM via Secure Satellite
INC	PM			
OUT	8:20 AM	8:32	Congressman Richard E. Neal Office, Washington, D.C. 225-5601	Tlkd-ok 8:31 AM via Secure Satellite
INC	PM			
OUT	8:20 AM	8:43	Congressman Robert G. Torricelli Office, Washington, D.C. 225-5061	Tlkd-ok 8:41 AM via Secure Satellite
INC	PM			
OUT	8:20 AM	8:51	Congressman Dante B. Fascell Office, Washington, D.C. 225-4506	Tlkd-ok 8:45 AM via Secure Satellite
INC	PM			
OUT	8:20 AM	8:59	Senator David Pryor Office, Washington, D.C. 224-7821	Tlkd-ok 8:52 AM via Secure Satellite
INC	PM			
OUT	8:20 AM	10:45	Congresswoman Marge Roukema Office, Washington, D.C. 225-4465	Tlkd-ok 10:42 AM via Secure Satellite
INC	PM			
OUT	AM		Congressman Eliot L. Engel Office, Washington, D.C. 225-2464	Tlkd-ok 3:54 PM
INC	3:44 PM	3:55		
OUT	AM		Congressman Benjamin A. Gilman Office, Washington, D.C. 225-3776	Tlkd-ok 4:50 PM
INC	4:40 PM	4:53		
OUT	AM		Conference Call: President Guillermo Endara Office, Panama City, Panama 27-4062	Tlkd-ok 5:38 PM via Secure Satellite
INC	5:21 PM	5:42		
OUT	AM		Mr. Cornelius F. O'Leary White House Situation Room White House Signal 7-2264	
INC	PM			
OUT	AM		Mr. Robert B. Morley White House Situation Room White House Signal 7-2264	
INC	PM			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

June 11, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		Mr. John Mc Shane White House Situation Room White House Signal 7-2264	
INC	PM			
OUT	AM		Congressman Henry J. Nowak Office, Washington, D.C. 225-3306	PRESUS Cancel 5:36 PM
~~INC~~	5:21 PM			
OUT	AM		Congressman Eliot L. Engel Office, Washington, D.C. 225-2464	PRESUS Cancel 5:36 PM
~~INC~~	5:21 PM			
OUT	AM		Congressman Owen B. Pickett Office, Washington, D.C. 225-4215	PRESUS Cancel 5:36 PM
~~INC~~	5:21 PM			
OUT	AM		Congressman John Oliver Office, Washington, D.C. 225-5335	PRESUS Cancel 5:36
~~INC~~	5:21 PM			
OUT	AM		Congressman Glenn M. Anderson Office, Washington, D.C. 225-6676	PRESUS Cancel 5:36 PM
~~INC~~	5:21 PM			
OUT	AM		Congressman Jim Olin Office, Washington, D.C. 225-5431	PRESUS CANCEL 5:36 PM
~~INC~~	5:21 PM			
OUT	AM		Conference call: Mayor Maria Correa Office, Washington, D.C. 641-546	Tlkd-ok 5:55 PM via Secure Satellite
~~INC~~	5:43 PM	5:57		
OUT	AM		Mr. Kevin M. O'Connell White House Situation Room White House Signal 7-2264	
INC	PM			
OUT	AM		Conference Call: Prime Minister Kiichi Miyazawa Office, Tokyo, Japan 409-088	Tlkd-ok 9:34 PM via Secure Satellite
~~INC~~	9:33 PM	9:42		
OUT	AM		Mr. Michael J. Mc Enroe White House Situation Room White House Signal 7-2264	
INC	PM			

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

June 11 , **19**92

[illegible]



SCHEDULE OF THE PRESIDENT

Thursday, June 11, 1992

6:30 am	The President and Mrs. Bush depart for <u>Panama</u>	South Lawn
6:45 am	B Departure Statement at <u>Andrews Air Force Base</u> (Scowcroft)	
11:15 am	B Arrival Ceremony at <u>Paitilla</u> <u>International Airport</u> (Scowcroft)	Panama City
11:50 am	B <u>Arrive Presidential Palace</u>	
11:55 am	Bilateral Meeting with <u>President Endara</u> (Scowcroft)	
12:30 pm	B Luncheon hosted by President <u>Endara</u> (Scowcroft)	
1:50 pm	B Arrive Porras Park for <u>"A Meeting of Friends"</u> (Scowcroft)	
2:45 pm	B Arrive Albrook Airfield <u>for American Community Greeting</u> (Scowcroft)	
3:35 pm	B Depart Panama City enroute <u>Rio de Janeiro</u>	
12:40 am	B <u>Arrive Sheraton Rio Hotel</u>	Rio de Janeiro
	B <u>RON Rio de Janeiro</u>	

UNP 06/10/92
6:00 pm



SCHEDULE OF THE PRESIDENT
Friday, June 12, 1992

Rio de Janeiro

9:00 am	Meeting with U. S. Briefers <u>at Hotel</u> (Scowcroft)	Rio de Janeiro
10:05 am	Meeting with U. S. Non-Govern- <u>mental Observers at Hotel</u> (Scowcroft)	
11:30 am	The President arrives <u>Riocentro Conference Center</u>	
11:45 am	Attend Morning Session of UN Conference on Environment and <u>Development</u> (Scowcroft)	
12:40 pm	Luncheon with Environmental <u>Leaders</u> (Scowcroft)	
2:20 pm	<u>Private Time</u>	
3:00 pm	B Address UN Conference on <u>Environment and Development</u> (Scowcroft)	
3:50 pm	B <u>Arrive Sheraton Rio Hotel</u>	
3:55 pm	B <u>Private Time</u>	
8:05 pm	B Depart Sheraton Rio Hotel <u>for Palacio Laranjeiras</u>	
8:30 pm	B Arrive Palacio Laranjeiras for Private Dinner with Pres- <u>ident and Mrs. Collor</u> (Scowcroft)	
10:30 pm	B <u>Arrive Sheraton Rio Hotel</u>	
	B <u>RON Rio de Janeiro</u>	

UNP 06/10/92
6:00 pm



SCHEDULE OF THE PRESIDENT
Saturday, June 13, 1992

Rio de Janeiro

10:40 am		<u>Staff Time in Hotel Suite</u> (Fitzwater)	Rio de Janeiro
11:00 am	B	<u>News Conference</u> (Fitzwater)	
11:50 am	B	<u>Private Time in Hotel Suite</u>	
12:15 pm	B	The President departs Sheraton Rio Hotel for Riocentre Confer- ence Center	
12:40 pm		Arrives Riocentro for UNCED Heads of State/Government Reception and Luncheon, and <u>Official Photo</u> (Scowcroft)	
4:00 pm	B	Depart Rio de Janeiro for <u>Washington</u>	
12:30 am	B	<u>Arrive White House</u>	South Lawn

UNP 06/10/92
6:00 pm

PRESIDENTIAL MOVEMENTS

Washington, D.C.
Panama City, Panama
Rio de Janeiro, Brazil

LOCATION

DATE 11 June 1992

TIME

MOVEMENTS

CST

AST

0659	Oval Office
0709	Cabinet Room
0730	Oval Office
0731	South Grounds
0735	Depart South Grounds via Marine One
0744	Arrive Andrews Air Force Base, Maryland
0805	Depart Andrews Air Force Base via Air Force One
1128	Arrive Tocumen International Airport,
	Panama City, Panama
1140	Depart Tocumen International Airport via Marine One
1154	Arrive Paitilla International Airport
1212	Depart Paitilla International Airport via Motorcade
1229	Arrive Presidential Palace
1432	Depart Presidential Palace via Motorcade
1439	Arrive Porras Park
1455	Depart Porras Park via Motorcade
1510	Arrive Albbrook Airfield
1557	Depart Albbrook Airfield via Marine One
1613	Arrive Tocumen International Airport
1630	Depart Tocumen International Airport via Air Force One
1123	Arrive Galeao International Airport,
	Rio de Janeiro, Brazil

DEPARTURE STATEMENT, RIO SUMMIT \ ANDREWS AFB PP
THURSDAY, JUNE 11, 1992 \ 7:00 A.M.

TODAY I TRAVEL TO RIO DE JANEIRO TO JOIN OVER 100 HEADS OF STATE AT THE U.N. CONFERENCE ON THE ENVIRONMENT AND DEVELOPMENT. INFORMALLY, THE RIO MEETING HAS BEEN CALLED THE EARTH SUMMIT -- BUT I WANT TO FOCUS FOR A MOMENT ON THE OFFICIAL NAME. I THINK IT'S CRITICAL THAT WE TAKE BOTH THOSE WORDS -- ENVIRONMENT AND DEVELOPMENT -- EQUALLY SERIOUSLY. AND WE DO.

- 2 -

ON THE ENVIRONMENT, AMERICA'S RECORD IS SECOND TO NONE. NO OTHER NATION HAS DONE MORE -- MORE RAPIDLY -- TO CLEAN UP THE WATER, THE AIR OR PRESERVE PUBLIC LANDS. NO OTHER NATION HAS DONE MORE TO ADVANCE THE STATE OF TECHNOLOGY THAT PROMISES CLEANER GROWTH. WE WILL PROPOSE TO DOUBLE FOREST ASSISTANCE. NO OTHER NATION HAS PUT IN PLACE STRICTER STANDARDS TO CURB POLLUTION IN THE FUTURE. WE'VE DONE A GREAT DEAL -- AND WE WILL DO MORE.

02 JUN 10 06:39

- 3 -

BUT LET ME SAY UP FRONT: I AM DETERMINED TO PROTECT THE ENVIRONMENT. I AM ALSO DETERMINED TO PROTECT THE AMERICAN TAXPAYER. THE DAY OF THE OPEN CHECKBOOK IS OVER.

I WILL GO TO RIO WITH A SERIES OF PROPOSALS DESIGNED TO FOSTER BOTH ENVIRONMENTAL PROTECTION AND ECONOMIC GROWTH. I WILL SIGN A CLIMATE CONVENTION THAT CALLS FOR SOUND ACTIONS -- LIKE INCREASED ENERGY EFFICIENCY AND CLEANER AIR.

- 4 -

I WILL OFFER TECHNOLOGY COOPERATION -- BECAUSE I BELIEVE AMERICAN TECHNOLOGY CAN HELP CLEAN UP THE WORLD'S ENVIRONMENT. I WILL PROPOSE TO SHARE U.S. SCIENCE -- THE MOST ADVANCED IN THE WORLD -- TO INCREASE UNDERSTANDING OF THESE COMPLEX ISSUES. I WILL BRING MY "FORESTS FOR THE FUTURE" INITIATIVE -- THE MOST CONCRETE AND EFFECTIVE PLAN FOR DEALING WITH THE PRESSING PROBLEM OF DEFORESTATION OF ALL THOSE PROPOSED AT RIO.

- 5 -

FINALLY, I GO TO RIO WITH A FIRM CONVICTION:
ENVIRONMENTAL PROTECTION AND A GROWING ECONOMY ARE
INSEPARABLE. NO MATTER WHAT SOME PEOPLE MAY WANT TO
PRETEND -- THEY ARE INSEPARABLE. IT IS COUNTER-
PRODUCTIVE TO PROMOTE ONE AT THE EXPENSE OF THE OTHER.

FOR THE PAST HALF CENTURY, THE U.S. HAS BEEN THE
GREAT ENGINE OF GLOBAL ECONOMIC GROWTH -- AND IT'S
GOING TO STAY THAT WAY.

- 6 -

EVERY AMERICAN KNOWS WHAT THAT MEANS FOR US. WHAT
MANY MAY NOT KNOW IS THAT THE WORLD ALSO HAS A STAKE IN
A STRONG AMERICAN ECONOMY: RIGHT NOW, ONE-HALF OF THE
DEVELOPING COUNTRIES' EXPORTS OF MANUFACTURED GOODS TO
ALL INDUSTRIALIZED COUNTRIES ARE SOLD IN THE UNITED
STATES. A WEAK ECONOMY IN THIS COUNTRY WOULD HARM
WORKERS IN OTHER NATIONS -- AND CUT THEIR EXPORT
EARNINGS TO A TRICKLE.

NATIONS STRUGGLING TO MEET THE MOST ELEMENTAL NEEDS OF THEIR PEOPLE CAN SPARE LITTLE TO PROTECT THE ENVIRONMENT.

MANY GOVERNMENTS AND MANY INDIVIDUALS FROM THE U.S. AND OTHER NATIONS HAVE PRESSED US TO SIGN A TREATY ON WHAT'S CALLED BIO-DIVERSITY AND I DON'T EXPECT THAT PRESSURE TO LET UP WHEN WE REACH RIO.

THE TREATY'S INTENT IS NOBLE: TO ENSURE PROTECTION OF NATURAL HABITAT FOR THE WORLD'S PLANT AND ANIMAL LIFE.

THE U.S. HAS BETTER PROTECTIONS FOR SPECIES AND HABITAT THAN ANY NATIONS ON EARTH. NO ONE DISAGREES WITH THE GOAL OF THE TREATY. BUT THE TRUTH IS, IT CONTAINS PROVISIONS THAT HAVE NOTHING TO DO WITH BIODIVERSITY.

TAKE JUST ONE EXAMPLE: THE PRIVATE SECTOR IS PROVING IT CAN HELP GENERATE SOLUTIONS TO OUR ENVIRONMENTAL PROBLEMS. THE TREATY INCLUDES PROVISIONS THAT DISCOURAGE TECHNOLOGICAL INNOVATIONS -- TREAT THEM AS COMMON PROPERTY THOUGH THEY ARE DEVELOPED AT GREAT COST BY PRIVATE COMPANIES -- WE KNOW WHAT WILL HAPPEN.

- 9 -

REMOVE INCENTIVES, AND WE'LL SEE FEWER OF THE TECHNOLOGICAL ADVANCES THAT HELP US PROTECT OUR PLANET.

MY "FORESTS FOR THE FUTURE" INITIATIVE WILL OFFER REAL ASSISTANCE TO PROTECT HABITATS -- A DOWNPAYMENT OF \$150 MILLION IN NEW U.S. ASSISTANCE TOWARD THE GOAL OF DOUBLING WORLDWIDE FUNDING FOR FORESTS. IT INVITES DEVELOPING COUNTRIES TO PROPOSE THEIR BEST PLANS FOR FOREST CONSERVATION, AND IT ENCOURAGES INNOVATION -- LIKE BIOTECHNOLOGY -- THAT WILL HELP US PROTECT BIO-DIVERSITY WORLDWIDE.

- 10 -

I CANNOT SPEAK FOR ACTIONS OTHER NATIONS MAY TAKE. BUT THIS I PROMISE: I WILL STAND UP FOR AMERICAN INTERESTS, AND THE INTERESTS OF A CLEANER ENVIRONMENT. AND IF THE UNITED STATES HAS TO BE THE ONLY NATION TO STAND AGAINST THE BIO-DIVERSITY TREATY AS NOW DRAWN -- SO BE IT. //

I BELIEVE DEEPLY IN PROTECTING OUR COMMON ENVIRONMENT -- AND I WILL PROUDLY PRESENT IN RIO THE U.S. RECORD IN DOING EXACTLY THAT. //

THANK YOU, AND MAY GOD BLESS THE UNITED STATES OF AMERICA.

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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 11, 1992
6:00 A.M. EDT EDITION

INTERNATIONAL NEWS

BUSH OFF TO RIO TO TOUT 'HARD TRUTHS' -- President Bush, who leaves Thursday for the U.N. Earth Summit, is planning a "fairly aggressive" statement to combat criticism of the U.S. (USA Today)

U.S. WEIGHS OPTIONS ON YUGOSLAVIA -- The Bush Administration is considering options for the U.S. military to help supply, escort and protect humanitarian relief efforts in Yugoslavia, according to officials involved in the discussions.

(Washington Post, Washington Times)

NATIONAL NEWS

CLINTON: BUSH PUTTING OFF DEALING WITH DEFICIT, PEROT'S TALK -- Bill Clinton on Wednesday accused President Bush of trying to avoid dealing with the federal deficit by backing a proposed balanced-budget amendment. (AP)

HOUSE PREPARES TO VOTE ON BALANCED BUDGET AMENDMENT -- With neither side certain of the outcome, the House prepared to vote Thursday on a balanced-budget amendment to the Constitution that proponents describe as the last great hope to eliminate deficits and opponents predict would create the ultimate in government gridlock.

(Washington Post, Washington Times)

NETWORK NEWS (Wednesday evening)

PANAMA -- There was anti-U.S. violence in Panama, and an American serviceman has been killed as a result.

RIO -- After Panama, Mr. Bush flies on to Rio where he will take what his spokesman calls an aggressive stance on U.S. environmental policy.

BALANCED BUDGET AMENDMENT -- The political battle revolved around a proposed amendment to balance the federal budget.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-9

NETWORK NEWS.....B-1

EDITORIALS.....C-1

INTERNATIONAL NEWS

BUSH OFF TO RIO TO TOUT 'HARD TRUTHS'

President Bush, who leaves Thursday for the U.N. Earth Summit, is planning a "fairly aggressive" statement to combat criticism of the U.S.

Facing charges of footdragging on two summit centerpieces, Bush will talk before leaving about the "hard truths" of environmental protection and economic development. He'll say the U.S.: Has the world's best environmental record; challenges others to match its specific actions; must balance the needs for jobs with environmental protection.

But political strategists say Bush also has his eye on a domestic audience: GOP conservatives he needs in November. "He does that not by whining and apologizing," said David Keene. "He... says, 'Where do you people get off?... To the extent that you've saved any of your animals and plants, it's because of us!'"

(Jessica Lee, USA Today, 1A)

U.S., THIRD WORLD REDUCE GAP AT RIO

RIO DE JANEIRO -- In the last day of closed-door committee talks at the Earth Summit, negotiators made unexpected progress Wednesday on a number of difficult but crucial issues, narrowing differences between the U.S. and some developing countries.

In Washington, the White House announced that the Administration had decided to accept the "Rio Declaration" of environmental principles without seeking changes, a move that brings the U.S. closer to other nations gathered here on at least one of the summit's major documents and paves the way for a more cordial reception for President Bush.

The White House said that while the U.S. still did not like some provisions of the Rio Declaration, it would accept the document without asking to reopen talks.

A working group trying to resolve the issue of how much developed nations will have to pay to fund an ambitious environmental blueprint called Agenda 21 -- and who will control how that money is spent -- came close to resolving an important sticking point: the demand by poor countries that rich nations promise to reach a U.N. target of 0.7% of GNP in foreign aid by the year 2000....

After meeting late Wednesday with William Reilly, Indian Environment Minister Kamal Nath said, "I think we are finding language we can agree on" concerning the statement of principles about forest preservation. Negotiators said the U.S. had agreed to remove or soften language referring to tropical forests in developing countries as "sinks" for absorbing polluting carbon dioxide emissions from industrialized nations.

(Eugene Robinson & Julia Preston, Washington Post, A1)

U.S. FINDS SUCCESS IN RIO WITH OCEANS PACT

RIO DE JANEIRO -- Just 150 feet beyond the waves that crash onto the rocky cliffs of Vidigal Beach, a line of brown froth rings the curving shore like bathtub scum. Up the mountain are crowded, ramshackle tin and brick homes that pour raw wastes into the ocean.

"That's what we're trying to stop," says Tucker Scully, head U.S. negotiator on oceans at the U.N. Earth Summit.

Ocean protection, a key chapter in the action plan called Agenda 21, has been a U.S.-led success story in an otherwise lackluster summit. For the first time, countries will agree to attack onshore sources of water pollution -- raw sewage, farm runoff, industrial effluent and soil erosion.

(Linda Kanamine, USA Today, 13A)

**PURSE-STRINGS ISSUE SNARLS
AMBITIOUS ENVIRONMENTAL PLAN**

RIO DE JANEIRO -- The U.S. and third world nations clashed Wednesday over how to preserve forests, as Earth Summit delegates put the finishing touches on pacts for environmental protection.

The delegates are also finishing conventions on climate control and protecting plant and animal species and forestry, and a blueprint for cleaning up the Earth, Agenda 21. Summit organizer Maurice Strong has said Agenda 21's goals would cost \$125 billion a year. Delegates were still debating Wednesday on how much developed countries would pay and how the aid should be dispersed.

Michael Young, deputy head of the U.S. delegation, said the U.S. would not contribute money to any fund until the issue of spending control is settled.

Young said the U.S. would likely agree to a suggestion by African nations to negotiate a treaty on limiting the deterioration of farmland. But he said the U.S. had reservations about the idea.

In summit discussions Wednesday, the U.S. was again at the forefront of discord, this time over forestry provisions of the Agenda 21 document. The U.S. does not want to commit itself to providing aid in exchange for protecting forests; Malaysia, which leads third world nations on forestry issues, insists that the forestry statement explicitly makes that link.

(Paul Raeburn, AP, Washington Times, A8)

CRITICS SAY U.S. BEHIND THE CURVE

RIO DE JANEIRO -- Lauded just a year ago as the master coalition builder who led U.S. allies to victory against Iraq, President Bush will face major allies who are unhappy with his environmental positions when he arrives at the Earth Summit.

Wednesday, White House officials were digging out of the latest controversy, resulting from a White House attack against Japan and Germany for indulging in "the guilty developed-world logic" of placating the Third World. A senior Administration official described the summit as a "Bush-bashing circus."

"Guilty about what?" an irritated German official said in response. "The war? The Nazis? The last 500 years? If it's wealth we should be guilty for, the Americans are the richest of all of us. But we are the ones who feel the responsibility to help others." A Japanese delegation spokesman said, "We have never engaged in Bush-bashing," adding that the importance of bilateral cooperation "transcends the difficulties that may arise in such conditions."

Reilly said only that the Germans have been "extremely helpful," and he described his contacts with Japan as "positive." But other members of the demoralized U.S. delegation were less circumspect. "The idiocy of it is that Reilly has to meet with those people (Japanese and Germans) to get them to show (through their support) that the President's forest initiative is successful," one senior official said.

(Michael Weisskopf, Washington Post, A1)

Bush And Rio

Only a year after claiming his role as leader of the new world order, President Bush leaves Thursday for Brazil and an Earth Summit where opposition to his environmental policies threaten to produce the kind of embarrassing diplomatic wrangles that marred his recent trade trip to Japan.

But White House advisers, reflecting both Bush's ideological opposition to regulation and the realities of campaign politics, say Bush is determined to take full election-year advantage of his uncomfortable new role in which he is seen by many as global environmental spoilsport.

Bush finds himself in this position because of the trade-off he made by placing economic and political needs, rather than diplomatic or scientific concerns, at the center of his Administration's environmental stance. In addition, because of budget restrictions, the Administration believes that it cannot afford to come up with the multi-billion-dollar aid packages that are being proffered in Rio by Japan and European countries.

(News Analysis, Michael Wines, New York Times, A1)

**RIO CLEANS UP ITS ACT FOR
VISITING HEADS OF STATE**

RIO DE JANEIRO -- This metropolis, which President Bush will visit for 40 hours starting Thursday night, has a reputation as one of the most violence-prone and crime-ridden in the world.

But the Rio de Janeiro that will receive Bush is very different from usual. In the seven days since the U.N. Earth Summit began, the stepped-up security in the streets has given many residents a taste of what it's like to live in safety.

During the conference, 15,000 police and soldiers are patrolling Rio's wealthier zones, around the beach-side hotels housing participants and the avenues where convoys of government limousines pass. That is at least 7,000 more than the city's normal police patrols. Army troops are wearing fatigues, carrying combat rifles and riding tanks in the streets.

(Julia Preston, Washington Post, A21)

VIOLENCE PRECEDES BUSH'S PANAMA TRIP

PANAMA CITY -- A uniformed U.S. soldier riding in an Army vehicle was shot and killed Wednesday in an atmosphere of political tension on the eve of a disputed visit by President Bush 2 1/2 years after he ordered the U.S. invasion of Panama.

The ambush by unknown assailants, in which the U.S. Southern Command said a second soldier was wounded, constituted a dramatic reminder of the resentment remaining among many Panamanians over the December 1989 invasion.

A U.S. military spokesman said the soldiers were in a military vehicle driving along the Transisthmian Highway from Panama City to Colon on a "routine" mission when the shooting occurred about 1:00 p.m., just north of a bridge over the Chagres River.

In Washington, President Bush condemned the assault, but officials said it would not affect his visit here. The White House said the U.S. believes that it is safe to travel to Panama.

Secondary students closed some downtown streets Wednesday for the second consecutive day, banging on passing cars and throwing rocks. "There was a massacre," shouted a 17-year-old girl. "So how can we welcome Bush, the man who ordered the attack?"

(Edward Cody, Washington Post, A1)

GI's Slaying Fails To Deter Bush

President Bush leaves Thursday for Panama, refusing to be scared away by drive-by shooters who killed an American soldier Wednesday to protest the presidential visit. "Any time an American serviceman is hurt, that's bad. Killed is worse," a grave Bush said after meeting with Brent Scowcroft about the shooting.

Panama promises that Thursday's crowds will be friendly. "I think Panamanians have wanted to express their appreciation for the actions President Bush ordered 2 1/2 years ago. I think they will come out to express that," Menalco Solis, director of public security and national defense, told the Washington Times.

Before leaving Andrews Air Force Base Thursday morning, Bush plans to deliver what White House officials call an aggressive statement, demanding action on plans to implement the treaty being signed Friday in Rio.

(Frank Murray, Washington Times, A1)

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U.S. WEIGHS OPTIONS ON YUGOSLAVIA

The Bush Administration is considering options for the U.S. military to help supply, escort and protect humanitarian relief efforts in Yugoslavia, according to officials involved in the discussions.

Some military and civilian officials are now edging reluctantly toward the view that the U.S. -- as part of an international coalition -- should use military assets to encourage and sustain a cease-fire.

No official is believed to be proposing a direct combat role for U.S. forces. Instead, the emerging proposal seeks to bring what one policy-maker called "enough pressure on the parties, especially the Serbs, to cease firing long enough that relief can be moved in.

In Washington, Sen. Lugar said Wednesday that "NATO should draw up plans for a comprehensive use of force as thorough as that formulated for air, sea and ground forces in Desert Storm."

Gen. John Galvin said in an interview that military options short of large-scale combat "are in circulation" in the Bush Administration. Galvin suggested a sequence of events in which humanitarian relief efforts gradually could lead to more direct control of events on the ground in Yugoslavia's civil war. Galvin said he did not seek to "start moving divisions into Yugoslavia" but said "that doesn't mean that it's impossible to do anything."

A senior Administration official Wednesday said that President Bush and his immediate advisers remain "extremely reluctant" to commit U.S. military forces to any Balkan operation because of the high risk of casualties, uncertainty of success and an overriding belief that Europeans should take the lead in their own back yard. Any U.S. military action, officials said, would have to be part of an international effort.

(Barton Gellman & Ann Devroy, Washington Post, A1)

U.S. May Back Use Of Force To Aid Sarajevo

U.S. officials Wednesday raised the possibility of using U.N. troops to forcibly open the airport in Sarajevo and escort emergency food supplies to the starving residents of the Bosnian capital.

Administration officials said various options are under study but emphasized that no decisions have been made to support the use of force under U.N. auspices.

"It's really coming down to a question of people recognizing, if we're going to make the new world order work, can you look aside any longer as this killing goes on?" a State Department official said Wednesday.

Western officials remain wary of sending in troops, with the Pentagon and some U.S. allies most adamantly opposed. "Let's be blunt: When we talk about peace enforcement operations, you're talking about sending in forces that have to be willing to kill and understand that they are going to suffer, or could suffer, substantial casualties," John Bolton, assistant secretary of state for international organizations, told Congress on Tuesday.

(Warren Strobel, Washington Times, A1)

**U.S. SEEKS STRATEGIC ADVANTAGE
IN ARMS TALKS, YELTSIN CHARGES**

MOSCOW -- Boris Yeltsin said Wednesday that the U.S. is trying to gain strategic advantage over Russia in negotiations on further deep reductions in the size of each country's nuclear arsenals.

"Russia continues to pursue the idea of strategic parity, while the American side is going along a somewhat different path," Yeltsin told senior army officers in the Russian Defense Ministry, explaining that Washington wants to eliminate Russia's land-based nuclear missiles with multiple warheads but is reluctant to significantly reduce its own submarine-based nuclear strike force. "If such a decision is adopted, the U.S. would be left in a more advantageous position," Yeltsin added.

At a meeting with his security council this evening, Yeltsin said he had sent a letter to President Bush Wednesday with the draft of an outline agreement on "the basic principles for cutting nuclear weapons" that could be signed in Washington. There was no immediate response from Washington.

(Michael Dobbs, Washington Post, A18)

Arms Accord Hits Yeltsin-Size Snag

MOSCOW -- Boris Yeltsin Wednesday accused the U.S. of seeking unilateral advantage in nuclear weapons, raising a cloud over his upcoming Washington summit with President Bush.

Yeltsin apparently fears that an unbalanced arms agreement would reinforce a perception that Russia is so weak it must trade away its strength for billions of dollars in aid.

A tough position in defense negotiations is also viewed as helping Yeltsin counter criticism from hardline nationalists, who hold him responsible for destroying the Soviet Union and abandoning ethnic Russians in other republics.

(Gerald Nadler, Washington Times, A1)

U.S. Unconcerned On Rebuff By Yeltsin On Nuclear Talks

Bush Administration officials said Wednesday that they viewed President Yeltsin's public rebuff of American demands in arms control negotiations as part of the public posturing that is common in such talks. They did not seem particularly worried about it - for now.

Indeed, as Yeltsin was challenging demands for the elimination of his country's land-based, multiple-warhead missiles in an address to senior officers at the Russian Defense Ministry, his foreign minister, Andrei Kozyrev, was continuing negotiations by telephone with Secretary Baker.

Commenting on Yeltsin's speech, one State Department official said: "He has his proposals and we have ours. He likes his proposals. We like ours. This sort of thing happens all the time in these negotiations." (Thomas Friedman, New York Times, A8)

BUSH INSTRUCTS BAKER TO WORK ON ARMS ACCORD

President Bush Wednesday dropped Secretary Baker from his trip to the Earth Summit and instructed him to step up his negotiations for a new agreement with Russia to reduce long-range nuclear missile stockpiles.

A trip to Moscow by Baker is not being ruled out by State Department officials. They told AP a decision was likely after Baker talks again by telephone on Thursday with Russian Foreign Minister Andrei Kozyrev. Baker and Kozyrev talked by telephone Wednesday, Richard Boucher said. He said he could not provide any information about the substance of the conversation.

Sen. Biden issued a statement Wednesday criticizing the Bush Administration's strategy. "Russian leaders have made clear their desire to negotiate deep mutual cuts," Biden said. "But the Administration persists with proposals where U.S. cuts would be minimal. This translates to Russian leaders as the pursuit of unilateral advantage."
(Barry Schweid, AP)

U.S. SAID TO THINK RUSSIA, IMF MUST COMPROMISE

The Bush Administration, which hosts Boris Yeltsin next week, believes Moscow and the IMF need to be more realistic about Russia's ability to move on economic reforms, U.S. officials say.

One U.S. official told Reuter both sides should modify positions so they can reach agreement on key issues that must be settled before Russia's \$4 billion IMF loan is granted.

Another senior official said the Administration was divided on how hard it should push Yeltsin during the summit. The official said Washington was acutely aware of the delicate balance involved in urging Russia to make the difficult transition from a command economy to capitalism.
(Carol Giacomo, Reuter)

HOUSE PANEL APPROVES AID FOR EX-SOVIET UNION

The House Foreign Affairs Committee with strong bipartisan support approved the Administration's aid bill for the former Soviet Union Wednesday, clearing it for action by the full House.

Several amendments were adopted in the mark-up session, but none, according to Administration officials, would cause serious difficulty if they survive final passage. One significant amendment adopted Wednesday, which was accepted by the Administration after negotiations with the Armenian community here, would bar aid to Azerbaijan unless that state "demonstrates progress" toward ceasing the blockade and stopping all offensive action against Armenia and the Armenian enclave of Nagorno-Karabakh.

Rep. Fascell anticipated the bill will have greater difficulty passing the full House than it did the committee. He declared that he would not ask colleagues "to jump through political hoops" by voting for a politically unpopular bill unless passage was a practical possibility.
(Don Oberdorfer, Washington Post, A10)

QUAYLE BOOSTS RUSSIAN ROCKET

The National Space Council, chaired by Vice President Quayle, is advising President Bush to permit a U.S.-built satellite to be launched on a Russian rocket, sources said Wednesday.

The President has not yet made a final decision, but a majority on the council urged him to approve the project, which would involve a communications satellite built by General Electric and owned by the Inmarsat consortium.

Many influential U.S. space planners and analysts are eager to buy Russian know-how. And if the INMARSAT launch proves a success, it could lead to the widespread use of Russian rockets to put up unmanned satellites. (Martin Sieff, Washington Times, A9)

**U.S. TOLERATED ARMS SALES TO IRAQ
AFTER IRAN WAR**

The State Department decided not to discourage foreign governments from exporting arms to Iraq in the year before Iraq's August 1990 invasion of Kuwait, Rep. Gejdenson said Wednesday citing an internal Bush Administration document.

Gejdenson gave reporters copies of a declassified November 1989 cable he obtained that instructs the U.S. ambassador in Indonesia not to protest a planned sale of Super Puma helicopters to Iraq. "Although the U.S. severely limits the sale of our own munitions list items to Iraq, we have not had a policy of discouraging other countries' arms sales to Iraq," said the cable, which was sent to the U.S. embassy in Jakarta under the name of Deputy Secretary of State Lawrence Eagleburger.

Asked to comment, a State Department official involved in decision-making on Iraq between 1988 and 1990 said the Bush Administration did not pursue restraints on foreign arms exports to Iraq because officials believed the idea would attract little foreign support.

"You have to concentrate your efforts where you think you can do some good," the official said. "There was not a major country that was not selling to Iraq. The French were selling Mirage fighters for a decade." (Jeffrey Smith, Washington Post, A19)

CHINESE NUKE TEST RELEASES GAS CLOUD

A large cloud of radioactive gas from China's biggest underground nuclear explosion was detected by U.S. intelligence agencies last weekend over the Sea of Japan, according to Bush Administration officials.

The radioactive gas was released into the atmosphere after the test of a huge nuclear warhead May 21 at the remote Lop Nur test facility in northwestern China, said officials.

(Bill Gertz, Washington Times, A5)

EDITOR'S NOTE: "Don't Sweat It At The Summit, Mr. President" by Sean Piccoli and "Now About That Birthday, Mr. Bush: Easy Does It" by Thomas Ferraro appear in the Washington Times, page E1.

NATIONAL NEWS

CLINTON: BUSH PUTTING OFF DEALING WITH DEFICIT, PEROT'S TALK

LITTLE ROCK -- Bill Clinton on Wednesday accused President Bush of trying to avoid dealing with the federal deficit by backing a proposed balanced-budget amendment.

In a series of broadcast interviews, Clinton also suggested Ross Perot's talk about change was "cheap" without detailed proposals.

"This is just a way that the President can put this responsibility off past a second term," Clinton said in an interview with AP Network News and other broadcasters. "And meanwhile, this President and his predecessor never presented anything that got close to a balanced budget."

Clinton also slapped at Ross Perot for lacking specific plans to reduce the deficit and spur the economy. "It's time we invested in our people for a change. If you don't have a plan to do that, all this talk about, 'I'm an outsider and I'll shake up the system' is cheap, unless you have a program to do something about it."

(Nancy Benac, AP)

BUSH SIDES WITH QUAYLE ON CULTURAL ELITE

President Bush sided Wednesday with Vice President Quayle in his latest attack against "the cultural elite."

"I support the Vice President, I'll tell you that," said Bush when asked about Quayle's speech in Indianapolis on Tuesday. Quayle, sitting across the table from the President, smiled.

(Nation, Washington Times, A2)

ADMINISTRATION DELAYS DECISION ON MINORITY SCHOLARSHIPS

Secretary Alexander agreed Wednesday to delay issuing final regulations on minority scholarships until the GAO completes a study requested by Congress.

Alexander had proposed in early December a general ban on race-specific scholarships, but said in a letter to senior members of Congress he accepted their "reasonable request" to defer issuing final policy guidance until after the study by the GAO.

"I would appreciate your encouraging GAO to move as rapidly as possible," said Alexander's letter. "The department believes it is important to move promptly to provide advice to colleges and universities on this subject."

(Tamara Henry, AP)

LABOR SHIFTS, OFFERS TO CURB STRIKE RIGHTS

Organized labor Wednesday offered to limit its ability to strike if Congress would restrict the use of permanent replacement workers by employers in contract disputes.

The proposal by the AFL-CIO represents the first time labor has agreed to restrict its basic ability to strike since passage of the National Labor Relations Act more than half a century ago.

Under the proposal introduced by Sen. Packwood, employers and unions would be asked to submit all unresolved issues in a contract dispute to a fact-finding panel appointed by the Federal Mediation and Conciliation Service.

If the employer accepted and the union rejected the panel's recommendations, the employer would be free to hire permanent replacement workers in the event of a strike. However, if the union agreed to the mediator's recommendations, the employer would be barred from hiring permanent replacements should a strike occur.

(Frank Swoboda & Helen Dewar, Washington Post, A1)

BANK EARNINGS HIT RECORD HIGH

The nation's commercial banks earned a record \$7.6 billion in the first three months of this year, up 36% from a year ago, despite continued large loan losses, particularly for commercial real estate, the FDIC reported Wednesday.

The banks improved their profits largely by cutting the interest rates they paid their depositors more deeply and more quickly than the rates they charged their borrowers, according to FDIC figures.

While the banks wrote off \$6.3 billion worth of loans as uncollectible, the institutions' earning power was great enough that they were able to set aside \$7.3 billion to cover future losses and still achieve their record profits.

Secretary Brady welcomed the FDIC report and said the Bush Administration now expects banks to be more forthcoming in lending. Brady said the banks will begin to sell some of the Treasury securities they have bought instead of making loans during the past two years. Now that the return on Treasuries is down, he said, banks will begin to compete to "make more industrial loans" that will yield a higher return. (John Berry, Washington Post, D10)

**LAWSUIT ASSERTS INTERIOR DEPT.
ACTED ILLEGALLY ON SPOTTED OWL**

Environmental groups sued the Bush Administration Wednesday over its decision to suspend the Endangered Species Act and allow logging on 13 Oregon timber tracts that are home to the northern spotted owl.

The suit was filed in the 9th Circuit Court of Appeals in San Francisco by the Sierra Club Legal Defense Fund on behalf of 10 conservation groups. The suit, announced here, charges that the Interior Department did not follow proper procedures when it convened a special panel to vote on the exemptions. It also said the government failed to look at alternatives to sale of the tracts that would be less harmful to the threatened owl.

(Reuter, Washington Post, A10)

**JUSTICE DEPT. TOLD TO PRODUCE
REPORT ON DEMJANJUK CASE**

A federal appeals court asked the Justice Department months ago for information that might show John Demjanjuk had been extradited and convicted incorrectly as a Nazi death camp guard, and ordered the department last week to turn over documents after receiving no response.

The 6th U.S. Circuit Court of Appeals wrote in January and again in May asking for documents filed with the Israeli Supreme Court that purport to show Demjanjuk was wrongly identified as "Ivan the Terrible." The court also asked for the results of the department's internal inquiry into its handling of the Demjanjuk case.

As of Wednesday, the 6th Circuit had received no information from the Justice Department, a court spokesman said. Paul McNulty, the department's chief spokesman, said: "It was our intention to cooperate completely and we were making preparations to comply when the court issued its order."

McNulty said the department's internal report is "substantially complete" but not finished, and the department wanted to send the report and the documents to the court simultaneously. (Sharon LaFraniere, Washington Post, A4)

**HOUSE PREPARES TO VOTE ON
BALANCED BUDGET AMENDMENT TODAY**

With neither side certain of the outcome, the House prepared to vote Thursday on a balanced-budget amendment to the Constitution that proponents describe as the last great hope to eliminate deficits and opponents predict would create the ultimate in government gridlock.

The bill's chief sponsors continued to express confidence Wednesday that they have support of at least 290 members, but Speaker Foley and a labor-led coalition apparently made some headway, working behind the scenes, to chip away at the support.

Republicans and Democrats agreed that the outcome would turn on the last-minute decision of five or six Democrats. The uncommitted included Reps. Whitten, Natcher, and Markey.

Three top House Democratic leaders, including Reps. Gephardt, Bonior and Hoyer, are backing an alternative that would allow expenditures to exceed revenues if Congress and the President agree. Hoyer, in a floor speech, surprised some colleagues by declaring his support for a balanced-budget amendment, saying that if the Gephardt amendment failed to obtain a two-thirds majority he would vote for Stenholm's amendment.

(Eric Pianin, Washington Post, A6)

Amendment Faces Close Vote In House Today

The House focused on a single word Wednesday -- responsibility -- as it debated amending the Constitution to require a balanced federal budget and prepared for a squeaker vote on the issue Thursday.

Said Rep. Michel: "We have tried to balance the budget from inside the Beltway without the force and the moral authority of a constitutional imperative to guide us.... We have to begin anew."

But opponents said if members want to be responsible they will make tough choices on spending cuts and tax increases instead of making a philosophical statement that deficits are bad. "This is designed to be a gun at our heads, a gun at our heads. I am not willing to take that risk... because I don't need a constitutional amendment to make the right choices," Rep. Panetta said.

(J. Jennings Moss, Washington Times, A3)

STAFF QUESTIONS LATEST FEMA MOVES

At a meeting of FEMA's top management last month, Director Wallace Stickney announced the transfer of the agency's third-ranking official to a job without a mission or a staff, inside an underground government complex in a mountain in Berryville, Va.

Colleagues said the meeting was the first the official in question, Executive Director Thomas McQuillan, had heard of his transfer. But they thought they knew the reason for it -- McQuillan was to be the fall guy for negative publicity about the agency after an openly gay employee was forbidden to take a business trip abroad unless the employee divulged the names of other gay employees at FEMA.

McQuillan's banishment resonated quickly throughout the 2,400-person agency where, a number of employees said, the schism between the Bush Administration's political appointees and the career staff has grown deep and wide. (Dana Priest, Washington Post, A25)

NETWORK NEWS

PANAMA

ABC's Peter Jennings: On the eve of a presidential visit to Latin America, we begin with a reminder of deep anti-U.S. feeling from Panama in Central America to Brazil in South America. Mr. Bush is going to stop in Panama tomorrow on his way to the Earth Summit in Rio de Janeiro. There was anti-U.S. violence in Panama today, and an American serviceman has been killed as a result.

ABC's Bob Zelnick: One American soldier was killed and a second injured when they came under fire driving along a highway. Their Army hum-vee was attacked from a passing Toyota and tumbled down a hillside. The Toyota got away. Earlier this week at the Albrook Air Force Station outside Panama City, gunshots were fired at soldiers guarding the rear gate. No one was injured. A group known as M-20, loyal to former strongman Noriega, claimed responsibility for that incident. Political demonstrations anticipating President Bush's visit have grown more intense. During a protest this morning in Panama City, some in the crowd set fire to a car occupied by U.S. servicemen. There were no injuries. Diplomatic sources say the demonstrators include Panamanians who lost homes during the 1989 U.S. invasion -- people who claim the U.S. has never acknowledged thousands of civilian casualties and students who see the President's visit as a threat to Panamanian sovereignty. Security at the Albrook Air Station, where the President will speak, has been beefed up, and officials here express confidence that Mr. Bush will be in no danger. (ABC-Lead)

CBS's Dan Rather: A U.S. soldier was shot and killed in Panama today and another was wounded. They were ambushed on a highway about 30 miles north of Panama City. The attack comes just hours before President Bush is to make an election-year visit to Panama -- his first visit to that country since he ordered the U.S. invasion two-and-half years ago.

Rather: ...Despite the killing, President Bush is determined to go ahead with this visit to Panama tomorrow and the six-hour stopover on his way to the Earth Summit in Brazil.

CBS's Susan Spencer: President Bush had only a few brief comments after word of the shooting came. He said, "Anytime an American serviceman is hurt that's bad. Killed is worse." But as you said, his schedule will not change. The White House is quite adamant about that. He will still speak in a city park outdoors at a rally, and he will also go to Albrook Air Force Base. The security for this trip was tight to begin with even before this happened -- with U.S. forces controlling Panamanian air space during the entire time of the visit, and also for the last week U.S. forces have been monitoring boarder crossings. Even though the White House is very much aware of anti-American sentiment in Panama it still clearly felt that this first foreign trip of a campaign season would be worth it for the President politically -- that it would enable Mr. Bush to showcase what has happened in Panama since Noriega, and that it would also show him more or less basking in the glow of a new and grateful democracy. Clearly that's going to be a much harder sell now. -more-

Rather: The view about the Rio trip -- is that trip worth it and necessary?

Spencer: That's looking a little problematic too. I asked a campaign aide yesterday just what was expected -- what did Mr. Bush hope to accomplish? I got back a one-word answer and a laugh: she said survive. The hope is he can persuade his critics that the American approach -- the balanced environmental approach considering jobs, etc. -- is the right way to go. The fear is that he is travelling 10,000 miles to basically be dumped on -- that this is going to be a fiasco and that Rio in the end is going to emerge as more evidence that the Bush campaign just doesn't know what it's doing. (NBC-6, CBS-Lead)

RIO

Jennings: After Panama, Mr. Bush flies on to Rio where he will take what his spokesman calls an aggressive stance on U.S. environmental policy to the Earth Summit. Mr. Bush should expect a less-than-enthusiastic welcome.

ABC's Barry Serafin: On the eve of his visit, President Bush was again the target of criticism by environmental activists who marched through Rio to the U.S. consulate calling on the President to make stronger environmental commitments. These people are not likely to be encouraged by the word out of the White House today that the President intends to take an aggressive stance on the need to balance environmental protection and economic growth, with the emphasis on maintaining jobs. The President's position is reflected by U.S. efforts to hold down the costs of environmental aid to developing countries. The head of the summit is trying to keep the peace in the face of criticism of Mr. Bush.

(Maurice Strong: "I hope he will receive a warm welcome here. I think it takes-- It is an important political commitment that he has made in agreeing to come here, knowing that some of the U.S. positions are very controversial.")

Strong's call for respect for the President may help Mr. Bush at least receive a polite welcome, but it is not likely to make the U.S. stance on almost all issues here any more acceptable to most summit participants. (ABC-2)

NBC's Tom Brokaw reports today the White House said it would accept the summit's declaration of moral principles on protecting the environment. (NBC-7)

YUGOSLAVIA

Brokaw reports NBC's Jim Miklaszewski is at the White House right now. Jim, what, if anything, is the Administration prepared to do to stop the killing in Yugoslavia.

NBC's Jim Miklaszewski: The U.S. will continue to push hard on those economic sanctions but reject the use of force. According to one U.S. diplomat, we're not about to shoot our way in. As the tragedy in Yugoslavia was being played out almost daily on American TV, Administration officials knew what was coming next. And today, Sen. Richard Lugar called for military intervention to stop the slaughter.

(Lugar: "The U.S. should step forward now to lead the U.N. and NATO to stern enforcement of a cease-fire in Yugoslavia before it is too late. The killing must stop.")

Lugar argued that current economics sanctions won't work. And tomorrow the Senate Foreign Relations Committee is expected to approve the use of U.S. military force but only in conjunction with the U.N. Advocates envision the same kind of international coalition used in the war against Iraq. But this time there is no international consensus for the use of force. And the U.S. will not go it alone.

(Secretary Baker: "We are not and we cannot be the world's policemen.")

Yugoslavia is more complicated than Iraq. Several factions are involved in the fighting, and there are no clear battle lines. And unlike the Gulf, the U.S. has no compelling economic interests in Yugoslavia.

(Madeline Albright, foreign policy analyst: "There are not oil interests here. It's frankly messier.")

If it gets even messier it could chip away at Bush's reputation on foreign policy.

(TV coverage of President Bush debarking Marine One.)

Bill Clinton accuses Bush of turning his back on Yugoslavia and human rights violations. But when asked earlier if he would commit U.S. troops, even he hedged his bet.

(Clinton: "If it were part of the U.N.'s effort, I might.")

And a continuing tragedy in Yugoslavia is not high on the American voters' agenda. A senior U.S. official said that ultimately sanctions will just have to do the job. But, he added, an awful lot of people will die in the meantime. (ABC-7, NBC-3)

BALANCED BUDGET AMENDMENT

Jennings: In Washington today, the political battle revolved around a proposed constitutional amendment that would force the Congress and the President to balance the federal budget. Our latest ABC News/Washington Post poll finds an overwhelming majority of the public believes there should be such an amendment [77 percent want one, 17 percent don't]. So does President Bush. But there are many who argue that it's a substitute for making tough choices to deal with the federal deficit.

ABC's Cokie Roberts: The deficit is a great evil that only a constitutional ban can wipe out. So said supporters of the amendment over and over today.

(Rep. Michel: "We've tried to balance the budget from inside the beltway without the force and moral authority of a constitutional imperative to guide it. And as the farmer said when he asked for directions, 'You can't get there from here.'")

Opponents argued that Congress could balance the budget right now without any amendment if members were ready to make the spending cuts and raise the taxes to do it.

(Rep. Panetta: "And if you're not willing to make those choices, there isn't a constitutional amendment in the world that's going to give you the guts to do it.")

In any case, it could take years to pass and implement the amendment. During that time the deficit could stay the same or even grow. Even so, the lobbyists, starting with the Lobbyist-in-Chief, are out in force.

(President Bush: "I need your help to encourage your congressmen to do the right thing: pass this balanced budget amendment.") Backing the President are some anti-tax and pro-business groups that went door-to-door in the capital today. Organized labor is working hard against the amendment. But lobbying campaigns in this election year have less effect on nervous House members than the voters back home. And with public opinion polls showing overwhelming support for the balanced budget amendment, that's the argument likely to make the difference. (ABC-3)

ECONOMY

Rather: President Bush's number one problem here at home is the economy. The official line of the Bush-Quayle campaign is: "It's getting better -- the economy." But ask people on the job line and you get a different answer.

CBS's James Hattori says on Chicago's State Street long lines lead to a chance at a steady paycheck. More than 3,000 unemployed workers have shown up this week to interview for 350 jobs with an airport hotel: determination despite one of the bleakest job outlooks in recent times. Unemployment rose to 8% in Illinois last month -- a half point higher than the national rate. For many here, trying to find a job has been so frustrating that they don't buy the Bush Administration's assessment that the economy is finally turning around.

(unidentified man: "The President must be wearing Blue-Blocker shades because he's seeing totally different.")

(unidentified man: "After this election maybe things will turn for the better because right now we're not getting anywhere.") (CBS-2)

VICE PRESIDENT SPEECH/FAMILY VALUES

Jennings: Vice President Quayle got some support from his boss today for his latest attack on what the Vice President calls the cultural elite. Mr. Bush said he hadn't read all of Mr. Quayle's speech to the Southern Baptists yesterday, but he'd liked what he'd seen. In that speech, Mr. Quayle presented the 1992 political campaign as a fight between this supposed elite and those who he says support traditional values. It's a message the nation has heard before.

ABC's Jim Wooten: The Vice President's theme is that the country is divided between those who honor flag, family and faith -- people like him -- and those who don't: much of the media, Hollywood producers and college professors.

(Vice President Quayle: "Talk about right and wrong and they'll try to mock us in newsrooms, sitcom studios and faculty lounges across America.")

But the rest of America is applauding, he says, so he doesn't mind the criticism or the jokes.

(Vice President: "I wear their scorn as a badge of honor." [applause])

None of this is new, of course. In 1969, another vice president also went after the media.

(Vice President Agnew: "The views of a majority of this fraternity do not -- and I repeat not -- represent the views of America.")

(Victor Gold, Washingtonian Magazine: "People forget that before the '69 speech on the media, Vice President Agnew was a, I may say, a laughed-at figure.")

Victor Gold was Agnew's press secretary. He says what was politically good for that vice president is good for this one, too. But today in New York Quayle dismissed the Agnew comparisons as exactly what he'd expected.

(Vice President: "When you take on the powerful, when you take on the elite, when you take on the people that have money, when you take on the people that have influence, you're going to get ridiculed, because they think that they are above everyone else.") The Vice President's objectives are fairly simple. He means to rally the Republican right, re-claim those who are leaning toward Ross Perot, and refocus public attention from a faltering economy and government gridlock to the sins of the media elite.

Jennings: Beyond the political implications of Mr. Quayle's speech, is there merit to his charge of cultural elitism? ABC's Judy Muller has been asking some of the people who produce movies and television entertainment.

ABC's Judy Muller: Dan Quayle's latest attack has raised hackles in Hollywood.

(Steve Sunshine, TV producer: "It's not only a bad rap, it's inaccurate and irrelevant.")

Steve Sunshine is the producer of a new sitcom, "Julie", which certainly presents old-fashioned values. "Julie" is languishing at the bottom of the ratings, while another rougher-edged story about family values ["Roseanne"] is at the top. It's true that Roseanne's family is a far cry from '50s families like Ozzie & Harriet, as are other family situations on TV. But even if the TV family is not traditional, says Sunshine, the moral messages do say something positive about American values.

(Sunshine: "Ninety percent of television, particularly half-hour television, is 22 minutes of morality play.")

TV producers also say Quayle's criticism was selective, ignoring such programs as Cosby. Film producers take issue with Quayle's claim that they represent a cultural elite out of touch with America.

(Linda Obst, Obst Productions: "I think what we reflect is America, the diversity of America, that there are fathers of the bride scenarios in which everything proceeds according to some Norman Rockwell plan, and there are other Americas that most of us live in.")

In other words, Hollywood producers see themselves not as a cultural elite, but rather as a cultural mirror reflecting the popular taste of all Americans.

(ABC-4)

QADAFFI

Brokaw reports Moammar Qadaffi has come under unprecedented attack from two Libyan newspapers urging him to give up on Arab unity and to end Libya's isolation.

(NBC-5)

PRESCRIPTION DRUGS

ABC's Dr. Tim Johnson says FDA Commissioner Kessler is moving to speed up the approval process for life-saving drugs. And in April, the Bush Administration announced plans to ease FDA approval standards, including the acceptance of evaluation by scientists and researchers outside the agency and studies of safety done in Europe and Japan. These changes were proposed by Vice President Quayle's Council on Competitiveness. The Vice President predicts the FDA reforms will save money and lives. But critics disagree and point to countries without extensive drug regulation as reason for concern. (ABC-9)

SECONDHAND SMOKE

Brokaw: Three major health organizations today launched an aggressive campaign against what they say is a killer part of American life -- tobacco smoke, second hand smoke. The American Heart Association, the Lung Association, and the Cancer Society teamed up to demand protection from tobacco smoke in the American environment.

(Lee Reichman, President of American Lung Association: "Clearly it is time for policy makers at all levels -- federal, state and local -- to catch up with public opinion by enacting and enforcing tough, comprehensive laws and regulations to limit exposure to tobacco smoke.") (NBC-Lead)

CBS's Edie Magnus reports the EPA is proposing to reclassify secondhand smoke as a known carcinogen -- a move that could provide the government with enough scientific ammunition to ban smoking in public places and in the workplace. (ABC-5, CBS-4)

-End of B-Section-

EDITORIALS/COLUMNISTS

ENVIRONMENT

The Earth Summit Shakedown -- "President Bush has refused to embrace the environmentalist agenda lock, stock and barrel. The President is right to resist pressure on him to do so; indeed, we're not even sure he should have agreed to go to Brazil later this week.... Reversing disturbing environmental trends will prove both necessary and expensive. But the Rio gathering has at least as much to do with the transfer of wealth as it does with the long-term well-being of the planet. As a result, President Bush's arm's-length attitude toward the Earth Summit in Brazil is more than justified." (New York Post, 6/9)

White House Posse Rides Again -- "Bill Reilly must be close to giving up. There is no reasoning with a government that would blithely undercut its top diplomat at a high-stakes conference overseas. There seems little way Reilly...can be effective in a White House run by officials so petty they would expose one of their own to embarrassment and ridicule [leaked memo].... Reilly evidently still enjoys President Bush's friendship. But he doesn't have his ear. Either that, or Bush isn't listening. He better clean out the wax soon, or the 'environmental president' will soon be without his Administration's only environmentalist."

(Cleveland Plain Dealer, 6/8)

Biodiversity Is The Goal -- "Objections...aside, the [biodiversity] treaty represents a sincere, needed effort to end the destruction of plants and animals that someday could be turned to human use for medicine and science -- as well as ensuring a rich variety of forms of life. It should be renegotiated so the U.S. and other countries that can cause irreparable harm to nature's inventory will have less cause to do so. And the Bush Administration should take the long view, not the shortsighted, profit-oriented view, and lead the way in protecting species." (St. Louis Post-Dispatch, 6/11)

CAMPAIGN

Stale Victory -- "The candidates are seriously flawed, at least in the view of sizable numbers of primary voters. Ironically, both Bush and Clinton seem to suffer from a similar malady: Both are consensus politicians, too eager to please every group they talk to, too fearful of offending any faction. As a result they seem to be calculating, disingenuous, slick politicians.... Bush and Clinton must now define themselves more sharply and let the American people know what they really stand for and believe in. This is more of a problem for Bush than for Clinton. The President's dilemma may be that he doesn't actually believe in anything beyond that which he thinks will get him elected. That is, the American people might have a very accurate view of Bush. After four years as President and eight years as Vice President, the people understand that what you see is what you get. But Bush still has the advantage of incumbency." (New York Newsday, 6/4)

What Will It Take To Jump-Start Bush? -- "In truth, Bush's campaign flounders because of Bush. The Rodney King verdict and L.A. riots had him dancing like a cat on a hot tin roof. His troubled-city rhetoric was hollow. When Dan Quayle scored against 'Murphy Brown,' Bush seemed confused. Bush's campaign speeches are dull, dated, out of ideas and gusto. No wonder Perot leaps out of the TV set like a hot-dealing salesman. And a leader."

(Sandy Grady, New York Daily News, 6/4)

Out With The Old, In With The New Politics -- "The endless political repositioning of President Bush, combined with oceans of special-interest cash, was more than enough to crush a rebellion on his right. Instead of elevating him, however, the Bush campaign has reinforced the impression that he is about politics and nothing else, that there are no grounds for confidence in his ability to govern, to get things done.... Between Bush's confidence gap and Clinton's credibility gap, a huge road has been opened up, down which Ross Perot is speeding. For a decade, the Republicans and Democrats in Washington have failed to govern the country well. Now they are failing (with help from the press) to put on a serious national campaign."

(Thomas Oliphant, Boston Globe, 6/3)

NUCLEAR TESTING

Nuclear Test Ban -- "Pressured by U.S. allies and Congress as well as the former Soviet Union, the Administration is considering reductions in nuclear testing.... President Yeltsin set the tone last October by announcing a unilateral moratorium on such tests. When President Bush meets next month with Yeltsin, we hope he will match Yeltsin's leadership on this issue."

(Seattle Post Intelligencer, 5/31)

Ease Off The Nuclear Trigger -- "There's no need for any hair trigger on America's nuclear arsenal, now that the superpowers are scaling back their Cold War stockpiles to less dangerous levels. Backing up its military pledges with diplomatic action, the U.S. can safely afford to join in a shrewd, verifiable arms-control initiative: a moratorium on nuclear weapons testing. The House this week endorsed a nuclear testing halt, voting 237-167 for a one-year moratorium -- just as long as the republics of the former Soviet Union continue observing their own self-imposed test ban.... With Yeltsin due to visit the White House on June 17, President Bush should respond to Congress' vote: He should greet the Russian president with a U.S. vow to match Moscow's voluntary testing halt."

(Cleveland Plain Dealer, 6/6)

President Bush's Atomic Theory -- "Unfortunately,...the Bush Administration has already announced its opposition to a test ban, although it can't cite any plausible reason for its position. It's as if the Administration is compelled to hang on to the past because it hasn't a clue about what national security entails in the post-Cold War world.... The U.S. has the largest, most lethal nuclear arsenal in the world -- and everybody already knows it. President Bush doesn't need even more testing to prove that U.S. bombs are the biggest and best around."

(St. Louis Post-Dispatch, 6/9)

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

June 11, 1992

REMARKS BY THE PRESIDENT
UPON DEPARTURE

Andrews Air Force Base, Maryland

7:50 A.M. EDT

THE PRESIDENT: Well, today I travel to Rio de Janeiro to join our 100 heads of state at the United Nations Conference on Environment and Development. Informally, the Rio meeting has been called the Earth Summit. But I want to focus for just a minute on the official name. I think it's critical that we take both those words -- environment and development -- equally seriously, and we do.

On the environment, America's record is second to none. No other nation has done more, more rapidly -- to clean up the water, the air, or preserve public land. No other nation has done more to advance the state of technology that promises cleaner growth.

We are proposing to double forest assistance. No other nation has put in place stricter standards to curb pollution in the future. We've done a great deal, and we are determined to do more.

But let me say up front: I am determined to protect the environment, and I'm also determined to protect the American taxpayer. The day of the open checkbook is over. I will go to Rio with a series of sound proposals designed to foster both environmental protection and economic growth. And I'll sign a climate convention that calls for sound action -- like increased energy efficiency and cleaner air.

And I'll offer technology cooperation, because I believe American technology can help clean up the world's environment. And I'll propose to share U.S. science, the most advanced in the world, to increase understanding of these complex issues. And I'll bring my Forests for the Future Initiative -- the most concrete and effective plan for dealing with the pressing problems of deforestation of all those that have been proposed at Rio.

And, finally, I go to Rio with a firm conviction: Environmental protection and a growing economy are inseparable. No matter what some people may want to pretend, they are inseparable. It is counterproductive to promote one at the expense of the other.

For the past half-century, the United States has been a great engine of global economic growth. And it's going to stay that way. Every American knows what that means for us. What many may not know is that the world also has a stake in a strong American economy. Right now, one-half of the developing countries' exports of manufactured goods to all industrialized nations are sold -- yes -- in the United States of America. And a weak economy in this country would harm workers in other nations and cut their export earnings to a trickle. Nations struggling to meet the most elemental needs of their people can spare little to protect the environment.

Many governments and many individuals from the U.S. and other nations have pressed us to sign a treaty on what's called "biodiversity." And I don't expect that pressure to let up when I reach Rio. The treaty's intent is noble -- to ensure protection of natural habitat for the world's plants and animal life.

MORE.

The U.S. has better protection for species and habitat than any nation on Earth. And no one disagrees with the goal of the treaty, but the truth is, it contains provisions that have nothing -- nothing to do with biodiversity.

Take just one example. The private sector is proving it can help generate solutions to our environmental problem. And the treaty includes provisions that discourage technological innovation, treats them as common property though they are developed at great cost by private companies and American workers. We know what will happen: Remove incentives and we'll see fewer of the technological advances that help us protect our planet.

My Forests for the Future Initiative will offer real assistance -- real assistance to protect habitat. A down payment of \$150 million in new U.S. assistance toward the goal of doubling worldwide funding for forests. It invites developing countries to propose their best plans for forest conservation, and it encourages innovation like biotechnology that will help us protect biodiversity worldwide.

I cannot speak for actions other nations may take. But this I promise: I will stand up for American interests and the interests of a cleaner environment. And if the United States has to be the only nation to stand against the biodiversity treaty as now drawn, so be it. I believe deeply in protecting our common environment, and I will proudly present in Rio the U.S. record that is second to none anywhere in the world.

So thank you all very much; and off we go to Rio. And may God bless our great country. Thank you.

END

7:56 A.M. EDT





arrival
Panama City

OFFICIAL WHITE HOUSE PHOTOGRAPH 11 JUN 92 P32432-01A DV

En route
Rio de Janeiro





American Community
Panama City, Panama



Pres. of Panama



DATE: June 11, 92

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

USA Today

The New York Times

Office of Media Affairs

Media's Arrows Don't Seem to Wound Perot

Skeptical Reports About Undeclared Candidate Lack Intensity of Press Assaults on Clinton

By Howard Kurtz
Washington Post Staff Writer

In March, when Bill Clinton acknowledged having played golf at an all-white club in Little Rock, Ark., the story was covered extensively in the press, with critics decrying the episode as evidence of Clinton's insensitive behavior.

Two weeks ago, Ross Perot admitted in an interview with ABC's Barbara Walters that he was a longtime member of a Dallas country club that excludes blacks and Jews, and said he had resigned only because of the presidential campaign. The story sank without a trace.

After a long primary season in which Clinton was battered relentlessly by the news media, potentially damaging stories about Perot are receiving far less attention, especially on television, and do not seem to be resonating with readers and viewers. The Texas billionaire, who frequently accuses journalists of trying to trip him up, has developed a kind of Teflon coating that has shielded him from their worst slings and arrows.

"He has been so good at talking past us that people are a little buffaloed," said Burl Osborne, editor of the Dallas Morning News. "There's a so-what answer that he frequently gives: 'That's just the press trying to put me down again.' It's a credibility contest between him and whoever is asking the question, and he's got a better chance of winning than we do."

The stark contrast in the media's treatment of Perot and Clinton tells a great deal about Perot's success at rewriting the political rule book. But it also suggests that journalists, whose performance during the 1992 campaign has been widely panned, may have become more self-conscious about appearing to treat another candidate unfairly.

Because Perot is not stumping the country, trailed by a plane full of reporters, he has not been subjected to the constant, microphone-in-the-face, flap-of-the-day questions that usually dog presidential candidates. His selective approach, granting occasional interviews from his Dallas office, has helped him retain control of his media image.

A tactical decision by President Bush and Clinton, the apparent Democratic nominee, to refrain from criticizing Perot also has shaped the news coverage. During the primaries, Bush's and Clinton's opponents often used critical news stories to attack them on the campaign trail, in debates and in television ads. With no rival amplifying the charges, negative stories about Perot have tended to fade after a day or two.

News reports that have questioned Perot's ethics, temperament and business dealings have been overshadowed by glowing accounts of the Perot "phenomenon," his surge in the polls and his thousands of volunteers.

"It simply isn't taking," Matthew Storin, executive editor of the New York Daily News, said of the negative stories. "People are saying, 'This guy is different and I want something different.'"



ROSS PEROT

... still enjoying a honeymoon period on the news?

Whatever I put in my paper and you put in your paper is not germane."

Nearly half of Perot's supporters said in a Washington Post-ABC poll that they would be less likely to support a hypothetical candidate with some of Perot's views, suggesting either that his appeal transcends particular issues, or that many voters simply aren't familiar with the candidate they say they support.

Perot recently told the New York Times that newspaper stories "don't matter" because of the overriding importance of television. "I think you could print any story you want on the front page of the New York Times and there's no reaction. It just blows away," he said.

For Clinton and other candidates, however, negative pieces in national newspapers quickly showed up in the television coverage, if only because they triggered a barrage of campaign-trail questions. That has been less true with Perot. According to the Center for Media and Public Affairs, 64 percent of the comments made about Perot on the network evening newscasts from April 7 through May 25 were positive, compared with 59 percent for Clinton and just 16 percent for Bush.

Larry J. Sabato, a University of Virginia political scientist and author of the book "Feeding Frenzy," accused television news of "out-and-out boosterism. They've just basically played along with the Perot script. . . . Generally it's been, 'God, these volunteers are enthusiastic! Isn't this wonderful!'"

"The press did Clinton great damage and he's still suffering from the scars. It's a completely different standard for Perot."

Some television executives say Perot is still enjoying a honeymoon period. George H. Watson Jr., Washington bureau chief for ABC News, said Perot has a slightly different status than Bush and Clinton because "it's still early, and he's not a declared candidate." Yet Perot's declaration is obviously a mere formality.

There has been no shortage of skeptical reports on Perot in recent weeks. Yet many news organizations have either ignored or played down these reports, depriving them of the intensity that Clinton faced during the deluge of stories about Gennifer Flowers, his Vietnam War draft status and his youthful experimentation with marijuana. For example:

The New York Times reported that Perot had talked about possible business dealings with Vietnamese officials while on a mission to Hanoi to discuss missing American servicemen. The Times also raised new questions about Perot's lobbying for a government-funded airport that will benefit the Perot family's land holdings near Fort Worth.

The Washington Post reported that Perot's supposedly spontaneous declaration of availability on CNN's "Larry King Live" Feb. 20 was preceded by dozens of conversations with two political activists about a possible campaign.

The Dallas Morning News reported that Perot, in a rent dispute with a tenant renting a luxurious home, won a court order allowing Perot's security guards to search the man's home three times a day. The paper also reported that Perot's former company, Electronic Data Systems (EDS), fired an orthodox Jew for refusing to shave his beard.

Perhaps no issue better illustrates the tenor of the coverage than Perot's effort to win early release from the Navy in 1955. The Associated Press unearthed a letter in which Perot told his congressman that he found the Navy to be a "Godless organization" where sailors were "taking God's name in vain," engaged in "promiscuity" and told "drunken tales of moral emptiness." But the story barely caused a ripple. Most newspapers carried a short news service report; The Washington Post and USA Today ran no story.

New York Times columnist William Safire later noted that Perot has offered conflicting explanations for wanting to leave the Navy: that he was dissatisfied with the seniority system, and that he had refused a captain's order to use ship funds to decorate the captain's cabin.

"Just imagine if that had been Clinton," Sabato said. "There would have been a feeding frenzy. It would have been constant and intense and reporters would have refused to let Clinton change the subject."

The widespread criticism of the press for digging into Clinton's personal life and magnifying the flaws of his record as Arkansas governor may have produced a backlash that benefits Perot. "We went through a phase," Storin said, "where everything about Clinton did catch hold and people said, 'Enough already.'"

The Washington Post

THURSDAY, JUN 1, 1992

Staff Questions Latest FEMA Moves

Schism Between Political Appointees, Career Employees Widens

By Dana Priest
Washington Post Staff Writer

At a meeting of the Federal Emergency Management Agency's top management last month, Director Wallace E. Stickney announced the transfer of the agency's third-ranking official to a job without a mission or a staff, inside an underground government complex in a mountain in Berryville, Va.

Colleagues said the meeting was the first the official in question, Executive Director Thomas McQuillan, had heard of his transfer. But they thought they knew the reason for it—McQuillan was to be the fall guy for negative publicity about the agency after an openly gay employee was forbidden to take a business trip abroad unless the employee divulged names of other gay employees at FEMA.

Although McQuillan, an 18-year federal worker, delivered the message to the gay employee, he was acting, according to internal FEMA documents, on instructions from Stickney, a political appointee.

McQuillan's banishment resonated quickly throughout the 2,400-person agency where, a number of employees said, the schism between the Bush administration's political appointees and the career staff has grown deep and wide.

"Employees are extremely unhappy," said Leo Bosner, a FEMA senior analyst and president of the American Federation of Government Employees, Local 4060, which has represented agency employees since a vote of workers in February. "The feeling is these political hacks have managed to screw the place up and embarrass us."

The union chapter itself is a product of poor communications between the appointees and the career staff. It was organized largely by senior-level employees—grades 12 through 15—angered at the sour state of relations.

"I don't know if any of us are really union people, frankly," said Bosner, who earns about \$52,000. "I didn't go to graduate school to come down here and run a union. I came to manage government programs. This is sort of an act of desperation."

President Jimmy Carter created FEMA in 1979. Its dual role is to



WALLACE E. STICKNEY
... transferred agency's No. 3 official

provide emergency assistance for natural and man-made disasters, and to plan and carry out civil defense, including protection of the public and government against nuclear attack.

What FEMA will become in the post-Cold War era is a question yet to be addressed by Congress and the administration. For the moment it is operating in a time warp, said employees and Capitol Hill staff members.

FEMA's budget this year is \$1.5 billion, with \$828 million requested for 1993. The decrease is due largely to extraordinary expenses last year from floods and the aftermath of the San Francisco area earthquake.

Many employees insist that FEMA's management turmoil has a lot to do with its political leadership. From 1990 to 1991, the number of political appointees at the agency increased from 23 to 35. The general counsel and deputy general counsel positions recently were turned into political slots. Political appointees fill the office of external affairs, which is headed by Thomas F. Kranz. Kranz, who contributed nearly \$83,000 to Republican candidates and election committees since 1987, was transferred to FEMA from his job as associate director of presidential personnel for national security affairs at the White House.

Agency officials asked to comment about the increase in the num-

ber of political appointees and other aspects of this article issued a three paragraph statement that said changes at the agency "were based on sound management principles and made after long and careful analysis. . . . We instituted them also knowing that there would be some voicing resentment and resistance."

McQuillan has protested his reassignment, and he and his attorney are negotiating with Stickney over the move.

Other recent incidents have further discouraged morale, said Bosner and other former and current employees.

■ Former associate general counsel Tom Ainora's annual performance rating last year was lowered after Ainora asked the inspector general to look into the use of official cars by Deputy Director Jerry D. Jennings, a political appointee. The rating was subsequently raised after a Senate committee staffer intervened on Ainora's behalf.

■ At a House Government Operations Committee hearing last month, chaired by Rep. John Conyers Jr. (D-Mich.), it was disclosed that Jennings used his official car and driver frequently to go to lunch, often at the Army Navy Club. It was at this hearing that the gay list was first disclosed.

At the hearing, Jennings said his official car was not a "perk," but "a tool. . . . The great majority of the time I am in that official vehicle, it is maintaining official contacts and, yes, sir, networking, which I think we all agree is vital."

■ The reorganization of several management-level offices, a move that has angered Sen. Barbara A. Mikulski (D-Md.), who will preside over an Appropriations subcommittee hearing on the 1993 FEMA budget request today.

In a letter to Stickney last week, Mikulski wrote: "Given the clandestine circumstances under which the reorganization took place, in clear violation of Appropriations Committee guidelines, and in light of reportedly widespread morale problems . . . I am adamantly opposed to this reorganization. . . . In my three-and-a-half years as chair of the Subcommittee, never [have] I seen an agency show such blatant disregard for Appropriations Committee directives."

Utility Industry Overhaul: Surprisingly Static-Free

Approving Energy Bill, House Acted in Rare Harmony to Jettison 57 Years of Regulatory Policy

By Thomas W. Lippman
Washington Post Staff Writer

When the House overwhelmingly approved a massive energy bill last month, there were predictable arguments about coal mine reclamation, nuclear power and states' rights, but the debate that didn't happen was of far greater importance.

Without a syllable of dissent, the House agreed to jettison 57 years of regulatory policy by restructuring the nation's electric utility industry. What could have been a bruising battle ended in harmonic convergence.

The uncontested vote followed 10 years of work by lobbyists, academics, true-believer congressional staff members, think-tank scholars, policy specialists and a handful of aggressive industry leaders. It showed that when an issue touches no hot buttons—has nothing to do, say, with abortion, taxes or endangered species—a long gestation period can produce policy consensus and bold action.

By the time the bill reached the House floor, after years of discussion among experts and after months of hearings, key committee chairmen and their staff advisers had reached agreement that the time had come to open up the utility industry to new competitors. Moreover, the industry recognized that passage of the bill was inevitable.

The 381 to 37 House vote followed 94 to 4 Senate approval of a similar measure.

This legislative achievement has many parents. They laid the groundwork that enabled Rep. Philip R. Sharp (D-Ind.) and Sen. J. Bennett Johnston (D-La.), chief sponsors of the bills, to obtain bipartisan consensus.

One parent is Washington lobbyist Dan Flanagan, a veteran of many deregulation campaigns, who was the strategist and public voice for the Utility Working Group, a coalition of utilities that supported the change.

"I've been working on this for 10 years. The key this time was in the White House," said Flanagan, crediting in particular Richard L. Schmalensee.

Schmalensee was a member of President Bush's Council of Economic Advisers when the administration prepared its National Energy Strategy. A specialist in utility economics, he has long advocated more competition and less regulation in the utility industry.

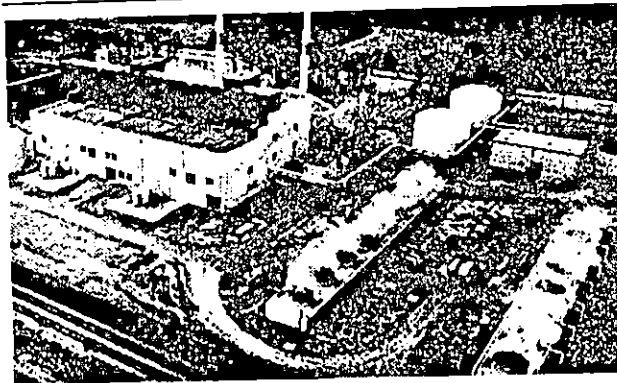
He found a kindred spirit in Linda G. Stuntz, formerly a congressional staffer who became policy director at the Energy Department responsible for drafting the National Energy Strategy.

The fight began in the early days of the Reagan administration and centered on whether to repeal or modify the Public Utility Holding Company Act (PUHCA) of 1935. This is the nation's basic protection against economic abuses by electric utilities, whose customers cannot choose their supplier.

Under the law, any corporation that generates electricity in non-contiguous states becomes subject to strict supervision by the U.S. Securities and Exchange Commission to ensure it is not using money from customers to finance unregulated business ventures elsewhere.

The law thus ensured that most of the nation's electricity would be generated by government agencies such as the Tennessee Valley Authority or by regulated utilities with limited service areas.

ABOUT THE INDEPENDENT ENERGY INDUSTRY



- There are 3,111 independent power projects in operation, accounting for 6 percent of total power.

- To date, more than \$40 billion has been invested in the independent power industry, which has approximately \$10 billion in power sales annually.

- 66 independent power projects are under development.

- Independent power has accounted for 39 percent of capacity brought on line since 1985 and is expected to account for between 35 percent and 40 percent of all new capacity brought on line by the end of the decade.

SOURCE: National Independent Energy Producers

In the early 1980s, the Task Force on Regulatory Relief headed by then-Vice President Bush supported outright repeal of the law to open the electricity market to competition. Schmalensee, then an economics professor at the Massachusetts Institute of Technology, was also writing theoretically about the need for repeal.

Moreover, some utility executives were receptive to major changes in their industry. State regulators had refused to allow them to recover the full costs of some very expensive power plants—mostly nuclear—that they had built in the 1970s, and they were reluctant to take on new construction projects, and preferred independent companies take the construction risk.

Also, a 1978 environmental law exempting some small independent power generators from the 1935 act—provided they used renewable fuels and sold their output to utilities—had demonstrated that power plants built by non-utility companies could be viable.

William W. Berry, then chairman of Dominion Resources Co., parent company of Virginia Power, thought Virginia Power could save money by having other companies compete for the right to generate power and sell it to his utility. Berry hired Flanagan to promote the idea on Capitol Hill, where the 1935 law had an entrenched constituency.

All involved agree that a few key Hill staffers, with years of work, convinced influential members of Congress that the 1935 law should be relaxed.

One such staffer was William B. Conway Jr., senior counsel to the Senate Energy and Natural Resources Committee, who converted Johnston into the most fervent advocate of what came to be known as "PUHCA reform." Two others were Jessica Lavery and Sue Sheridan, Republican and Democratic staff members of the House energy and power subcommittee. When Stuntz was on Capitol Hill, Lavery reported to her.

They were "part of a shadow group known as TUG, the Transmission Unbundling Group," one of them said. This group "encompassed an awful lot of folks at the Energy Department, the Federal Energy Regulatory Commission and the Hill who got together and talked

about electric policy. . . . The whole effort, the intellectual underpinnings, came out of TUG."

One member said Schmalensee was "a great influence." Another said "Schmalensee was irrelevant." But they agreed on the importance of J. Steven Herod. Herod is director of the Office of Electric Power Regulation at the Federal Energy Regulatory Commission, which regulates interstate sales of electric power. He reportedly inspired Martha Hesse, a Reagan appointee as FERC chairman, to try increasing competition by regulation, without waiting for changes in the law.

The attempt failed, but it legitimized the idea that partial deregulation might be acceptable to regulators.

"Martha got interested in creating competition in the industry," Herod said. "If competition is there and available, use it. It's good economics. The industry was never happy with it except for visionaries like Bill Berry."

By the spring of 1991, when the Bush administration endorsed PUHCA reform in the National Energy Strategy drafted by Stuntz after nationwide public hearings, Johnston had been shopping the idea among his Senate colleagues for two years and numerous House members were receptive, too, because many of their local utilities had embraced it.

Some conservative utilities remained opposed to restructuring, but momentum grew.

Industry sources credit Michael T. Woo, energy adviser to House Energy and Commerce Committee Chairman John D. Dingell (D-Mich.), with persuading Dingell, who had long resisted changing the law, to go along.

Lavery and David M. Nemtsov, legislative aide to Rep. Edward J. Markey (D-Mass.), are credited with forging a key amendment that cemented bipartisan support on the House side. The amendment would ensure that the new independent generators competing for customers for their power would have access to the existing transmission grid, at no expense to existing utility customers. Lavery works for Rep. Carlos J. Moorhead (R-Calif.), ranking minority member of the Energy subcommittee. Her predecessor left to work for Hesse at FERC.

THURSDAY, JUNE 11, 1992

Violence Precedes Bush's Panama Trip

U.S. Soldier Slain, Protests Held on Eve of Planned 4-Hour Visit

By Edward Cody
Washington Post Foreign Service

PANAMA CITY, June 10—A uniformed U.S. soldier riding in an Army vehicle was shot and killed today in an atmosphere of political tension on the eve of a controversial visit by President Bush, 2½ years after he ordered the U.S. invasion of Panama.

The ambush by unknown assailants, in which the U.S. Southern Command said a second soldier was wounded, constituted a dramatic reminder of the resentment remaining among many Panamanians over the December 1989 attack launched by Bush to destroy the military-based government of Gen. Manuel

Antonio Noriega and bring him to Florida on drug-smuggling charges.

It came two days after unidentified gunmen driving a civilian car sprayed bullets from an AK-47 assault rifle at an entrance to Albrook Air Base on the edge of Panama City, one of several U.S. military installations on Panamanian soil. No one was injured in that incident, a U.S. military spokesman said.

Panamanian President Guillermo Endara, who was sworn in at a U.S. base shortly before the U.S. invasion, has prepared a warm official welcome for Bush, including schoolchildren waving flags in one of Panama City's main squares. The U.S. president, who is to spend about four hours here Thursday, is to

meet and lunch with Endara, address Panamanians gathered in the square and visit with resident U.S. citizens and soldiers at Albrook before continuing on his way to the Earth Summit in Rio de Janeiro.

Today's shooting threw a pall over Endara's plans for a joyful popular reception. U.S. military personnel in Panama, who number about 10,000, were ordered to exercise caution outside U.S. bases and to avoid the Transisthmian Highway between Panama City on the Pacific side of the country and Colon on the Atlantic coast.

A U.S. military spokesman said the two soldiers were in a Humvee military vehicle driving along the

See PANAMA, A22, Col. 1

PANAMA, From A1

Transisthmian Highway from Panama City to Colon on a "routine" mission when the shooting occurred about 11:45 a.m., just north of a bridge over the Chagres River. One of the two soldiers was killed by what were described as "multiple" shots. The other was injured in the head, neck and arms by metal or glass shards from the impact of the bullets, a Southern Command commander said. The soldier was undergoing surgery at a military hospital, a spokesman added.

The victims' names were withheld pending notification of their families.

There was no indication as to what kind of weapon was used or who pulled the trigger, the spokesman said.

Carlos Landero, deputy director of Panama's U.S.-trained Technical Judicial Police, said the shooting came from an automatic rifle but that no group has asserted responsibility. Other Panamanian police told reporters the hail of automatic rifle fire, which also injured a passing 12-year-old Panamanian boy, came from three men in a gray civilian car. At the same time, some Panamanian officials speculated that today's attack may have been carried out by the same people responsible for Monday's AK-47 shooting incident at Albrook.

In Washington, Bush condemned the assault, but officials said it would not affect his visit here. Asked at the White House about the attack, the president said, "Any time an American serviceman is hurt, that's bad—killed is worse."

White House press secretary Marlin Fitzwater said the United States believes that it is safe to travel to Panama, although some officials said they anticipate demonstrations, both for and against Bush.

At least two U.S. soldiers have been killed in shooting incidents since the December 1989 invasion known as Operation Just Cause, the military spokesman said.

Since Bush's plans were announced here, several demonstrations have been held to protest his visit as an affront to Panamanian sovereignty and an untimely reminder of the traumatic military action. Secondary-school students blocked some downtown streets today for the second consecutive day, banging on passing cars and throwing rocks.

"There was a massacre," shouted a 17-year-old girl participating in a protest on one of the city's main arteries. "So how can we welcome Bush, the man who ordered the attack?"

Many Panamanians have continued to express disbelief in the official Pentagon death toll, which included 314 Panamanian military personnel, 202 Panamanian civilians and 23 U.S. soldiers. Some have claimed thousands were killed, particularly in the Chorillo slum that was badly damaged by U.S. forces during an attack on Noriega's nearby Panamanian Defense Forces headquarters.

"I live in Chorillo, and I know what happened," the teenage demonstrator asserted as she and her classmates shouted at approaching cars.

The independent Panama Human Rights Committee has estimated that 323 Panamanians were killed during the attack, including 183 civilians, 57 soldiers and 83 who could not be identified. Eighty others were said to have disappeared.

Aside from the debate about the invasion toll, a number of Panamanians have expressed reservations about whether it is appropriate for the Endara government to make a festive occasion of Bush's visit. With crime rampant, public services faltering and unemployment at about 16 percent, some Panamanians have begun to wonder about the benefits they were told would come with a democratic government and U.S. economic aid.

"Of course, they got rid of Noriega, but they also held up the country," said Isaac Abadi, who runs an electronics store in the city center.

Since the invasion, Panama has received \$1.28 billion in grants, credits and trade guarantees from the United States. The amount includes \$23.3 million to finance emergency shelters for Chorillo residents.

La Prensa, the anti-Noriega newspaper whose publisher Roberto Eisenmann was in exile in the United States during the final years of the general's regime, commented today in a front-page editorial:

"The visit of a head of state should be a beautiful opportunity to demonstrate that we have matured, keeping things to a sober reception followed by serious discussions between the leaders of the two countries. Instead, the people of the government and the mayor's office have resolved to transform Bush's welcome into a colossal small-town school pageant, with the bad taste and the corniness that both [institutions] put into all their actions."

With U.S. troops stationed here since the country's birth to protect

U.S. Tolerated Arms Sales to Iraq After Iran War

Declassified 1989 State Dept. Cable Instructed Ambassador Not to Protest Helicopter Deal

By R. Jeffrey Smith
Washington Post Staff Writer

The State Department decided not to discourage foreign governments from exporting arms to Iraq in the year before Iraq's August 1990 invasion of Kuwait, a Democratic congressman said yesterday citing an internal Bush administration document.

House Foreign Affairs subcommittee chairman Sam Gejdenson (D-Conn.), who has been investigating U.S. policy toward Iraq, gave reporters copies of a declassified November 1989 cable he obtained that instructs the U.S. ambassador in Indonesia not to protest a planned sale of Super Puma helicopters to Iraq.

"Although the U.S. severely limits the sale of our own munitions list

items to Iraq, we have not had a policy of discouraging other countries' arms sales to Iraq," said the cable, which was sent to the U.S. Embassy in Jakarta under the name of Deputy Secretary of State Lawrence S. Eagleburger.

U.S. officials have previously said that the policy of official U.S. tolerance for other nations' arms sales to Iraq was set during the 1980-1988 Iran-Iraq war, when Washington feared a possible Iranian triumph would spread Islamic fundamentalism antithetical to U.S. interests.

That policy—which attracted little criticism at the time—was illustrated by a 1984 cable sent by Secretary of State George P. Shultz to the U.S. Embassy in Seoul. The cable said that certain foreign arms

sales to Iraq should go forward in the interest of "maintaining a strategic balance between the belligerents in the interest of regional stability."

But Gejdenson, who obtained the 1989 cable last Wednesday along with 53 other declassified department documents relating to Iraq, said it proved that a U.S. policy of looking the other way on Iraqi arms purchases continued well beyond the 1988 close of the Iran-Iraq war, when fears of Iraq's defeat by Iran had dissipated.

"When there was no need to further strengthen [Iraqi President] Saddam Hussein because he was the most capable military force in the Arab world, America's policy with a wink and a nod was still to see that Saddam Hussein got the

weapons he needed," Gejdenson said.

Asked to comment, a State Department official involved in decision-making on Iraq between 1988 and 1990 said the Bush administration did not pursue restraints on foreign arms exports to Iraq because officials believed "the idea would attract little foreign support.

"You have to concentrate your efforts where you think you can do some good," the official said, speaking on condition that he not be identified. "There was not a major country that was not selling to Iraq. The French were selling Mirage fighters for a decade."

He noted that U.S. intelligence analysts did not expect Iraqi forces to invade Kuwait until shortly before their lightning raid in August 1990.

The Washington Post

THURSDAY, JUNE 11, 1992

Byrd vs. Balanced-Budget Amendment

Senator Lobbies Colleagues—and Lobbyists—to Reject Proposal

By Helen Dewar
Washington Post Staff Writer

Lobbyists usually lobby lawmakers. But these are not normal times, and Sen. Robert C. Byrd (D-W.Va.) is not your usual senator. When he is not lobbying fellow lawmakers these days, he is lobbying the lobbyists.

Alarmed at reports that a constitutional amendment to require a balanced budget was about to sweep through Congress, Byrd started several weeks ago to invite colleagues to drop by his office for a cup of coffee and constitutional chit-chat.

About the same time, Byrd drew up a list of advocacy groups with big grass-roots constituencies that could be expected to oppose the amendment and invited their representatives for separate gatherings that gradually grew in size from a dozen to 50 or more.

From the U.S. Conference of Mayors to the 3.4 million-member American Association of Retired Persons (AARP), all the groups have a big stake in fending off the massive spending cuts that could be required under the amendment, which is aimed at eliminating the \$400 billion deficit in five years.

"Byrd makes his case in terms of constitutional integrity," said a senior Senate aide. "But the groups read the message in more immediate terms: survival."

A supporter of the amendment as recently as a decade ago, Byrd turned against it as he became increasingly enmeshed in budget deliberations and assumed his now-familiar role as preeminent defender of Congress and its constitutionally bestowed powers, including the power of the purse.

In this capacity, the 74-year-old chairman of the Senate Appropriations Committee has been arguing against the amendment as a dangerous threat to the constitutional system of checks and balances and separation of powers and a "quick-fix . . . feel-good" substitute for the tax increases and spending cuts needed to reduce the deficit.

Before his coffee klatches and in speeches on the Senate floor, he warns of a constitutional crisis—a "Pandora's box of troubles" for the nation—that could result in judges dictating the nation's fiscal policy if the executive and legislative branches failed to meet the amendment's mandates. Within Congress, the three-fifths vote of both houses that would be required to exceed a



SEN. ROBERT C. BYRD

Byrd scoffs at suggestions from some foes that he may be dangling the prospect of favors to win votes against the amendment.

budgetary balance would lead to rule by a political minority, he charges. He sees this as the most important vote of his 39 years in Congress, he says.

"Very frankly, I've never seen him as determined about anything," observed Sen. Wyche Fowler Jr. (D-Ga.), a member of the Appropriations panel.

In dealing with major controversies, congressional leaders regularly huddle with colleagues in an attempt to sway their votes; some also reach out to influential constituency groups, as Byrd himself has done in the past in dealing with issues such as campaign finance reform.

But rarely has anyone mounted an "outreach" effort on such a grand scale, personally visiting with most Democratic senators and a handful of Republicans as well as some of

the most powerful constituency groups in Washington, ranging from Common Cause and the League of Women Voters to labor unions, civil rights groups, educational organizations and farmers.

While many of the groups were already prepared to fight against the amendment, Byrd "put us on a faster timetable . . . and gave us a feeling it wasn't hopeless," said the AARP's Judy Schub.

When Byrd asked the groups to spell out what they planned to do to defeat the amendment, "someone made an analogy to an old-time prayer meeting where you'd commit yourself to the congregation of fellow believers and if you failed everybody knew," said Lloyd Leonard of the League of Women Voters.

Although the meetings are held in the Appropriations Committee's suite, Byrd does not talk about his committee's stake in defeating the amendment and scoffs at suggestions from some foes that he may be dangling the prospect of favors to win votes against it. "I'd be dumb to do that . . . senators would laugh me out of the room," he said in a recent interview.

But everyone knows who Byrd is and whence all blessings flow. "There are not a lot of fellows around here who could call a meeting like that and have everyone come," observed Sen. Jeff Bingaman (D-N.M.).

If the House passes the amendment in a vote scheduled for today, pressure from all directions will increase on the Senate, where the measure is expected to be brought up later this month. Byrd has predicted that the Senate will eventually reject the amendment, but said Monday that he does not yet have the 34 votes necessary to assure its defeat.

While not explicitly threatening to filibuster, Byrd has said it will take "a lot of time" to explore all the ramifications of the proposal. "We should be very cautious" about rushing to a vote, he said.

Meanwhile, he and Majority Leader George J. Mitchell (D-Maine) and other opponents of the amendment are preparing possible alternatives, which could include a statutory deficit-reduction plan or a modified constitutional amendment.

But if Byrd had his way, there would be another fiscal cure. "What we really need," Byrd said the other day, "is a constitutional amendment that says, 'There shall be some spine in our national leaders.'"

House Prepares to Vote on Balanced-Budget Amendment Today

By Eric Pianin
Washington Post Staff Writer

With neither side certain of the outcome, the House prepared to vote today on a balanced-budget amendment to the Constitution that proponents describe as the last great hope to eliminate deficits and opponents predict would create the ultimate in government gridlock.

The amendment, once dismissed as a pipe dream of conservative Republicans and budget crackpots, suddenly has become the deficit-reduction scheme of choice of a majority of the members of Congress, the Bush administration and, according to a recent poll, three-quarters of likely voters.

The bill's chief sponsors continued to express confidence yesterday that they have support of at least 290 members, the two-thirds majority needed in the House, but Speaker Thomas S. Foley (D-Wash.) and a labor-led coalition apparently made some headway,

working behind the scenes, to chip away at the support.

A combination of factors, including stepped-up efforts by senior citizen groups fearful of possible cuts in Social Security, opposition to the amendment by the U.S. Chamber of Commerce and doubts about tampering with the Constitution, worked to the opponents' advantage.

Republicans and Democrats agreed that the outcome would turn on the last-minute decision of five or six Democrats. The uncommitted included Reps. Jamie L. Whitten (D-Miss.), William H. Natcher (D-Ky.) and Edward J. Markey (D-Mass.).

"It's right on the margin, it could go either way," Foley told reporters. "I think the momentum has been going against the amendment."

The White House announced that President Bush will delay his scheduled departure for the Earth Summit in Rio de Janeiro by about an

hour in order to have breakfast at the White House this morning with Democrats and Republicans who support the amendment.

On the House floor, amendment backers insisted they offer the only hope for forcing the government to do the right things, after years of frustration with budget-balancing laws and budget summits that did little, if anything, to halt deficit spending.

"It will give us a constitutional reason to find the courage to balance the budget," said Rep. Charles W. Stenholm (D-Tex.), chief author of the amendment, during nine hours of debate yesterday.

Without this change, Stenholm and others declared, their children and grandchildren will be saddled with trillions of dollars in public debt.

But opponents, including Budget Committee Chairman Leon E. Panetta (D-Calif.), argued that the amendment was a gimmick that would shift budgetary power to mi-

nority blocs in the House and the Senate or to the judiciary, which would be called upon to resolve constitutional disputes over the deficit.

"There are many members here who are willing to make a giant riverboat gamble with our economy and our Constitution in order to inject courage into cowards and to place a spine into the spineless," Panetta said.

"What happens if the Constitution doesn't work?" he asked. "Should we go and ask for a papal edict, or maybe we should ask for leeches to be placed on every member who does not do the right thing in terms of decisions."

Stenholm's amendment, which is identical to legislation pending in the Senate, would require Congress and the White House to limit spending to the projected receipts they agree to in any given year; that could only be exceeded by a three-fifths vote of both houses of Con-

See BUDGET, A7, Col. 1

than proposed in the president's budget.

The alternative amendment would exclude Social Security in reaching a balanced budget, a provision that underscores the concern of senior citizen groups that Stenholm's approach would inevitably result in deep cuts in their benefits.

"Stenholm's amendment is such a moving target. It's like trying to nail Jell-O to the wall."

—Rep. Patricia Schroeder

Hoyer, in a floor speech, surprised some colleagues by declaring his support for a balanced-budget amendment, saying that if the Gephardt amendment failed to obtain a

two-thirds majority he would vote for Stenholm's amendment.

"I have concluded that drastic action is necessary," Hoyer said, "and an amendment is the only alternative I see forcing the president, the Congress and the public to come to grips with the excruciatingly difficult decisions we must make to put our nation's finances in order."

Hoyer voted against balanced-budget amendment proposals in 1982 and 1990, but he said he has gradually come around to supporting it. Another factor may be that his congressional district was altered this year to include St. Mary's, Calvert and Charles counties, areas where the balanced-budget amendment is popular.

Aides to GOP leaders described lobbying for the bill as intense and said they were told by Democratic members that Foley and other Democrats were dangling seats on the Ways and Means and Appropriations committees as rewards for

HIGHLIGHTS OF PROPOSED AMENDMENT

- Total outlays for any fiscal year shall not exceed total receipts for that year, unless three-fifths of the whole number of each chamber of Congress provides for a specific excess of outlays over receipts.
- The public debt limit shall not be increased unless three-fifths of the whole number of each chamber provides by law for such an increase.
- Prior to each fiscal year, the president shall submit a proposed budget in which total outlays do not exceed total receipts.
- No bill to increase revenue shall become law unless approved by a majority of the whole number of each chamber.
- Congress may waive the provisions for any year in which a declaration of war is in effect, or in which the United States is engaged in military conflict that causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority.
- Total receipts shall include all receipts except those derived from borrowing. Total outlays shall include all outlays of the government except for those for repayment of debt principal.
- Effective date: fiscal 1998.

opposing the amendment, an assertion Foley denied at a news conference.

"I don't twist arms," Foley told reporters. "Talk to any member, ask any member if they have ever had but the politest and most gentle inquiry from me."

An offer of a new assignment was not a factor in a decision yesterday by Rep. Patricia Schroeder (D-Colo.), a co-sponsor of the Stenholm amendment, to throw her support to the Gephardt amendment.

Schroeder, who sits on the Armed Services Committee, said she was disappointed with a last-minute changes Stenholm made in his amendment that would make it easier for Congress to breach the budget for military necessities than to deal with domestic problems.

"These guys will declare a national emergency all the time—for the B-2 bomber," Schroeder said. "Stenholm's amendment is such a moving target. It's like trying to nail Jell-O to the wall."

The Washington Post

THURSDAY, JUNE 11, 1992

MARY McGRORY

Sitting at the Hand of Perot

Ross Perot's right-hand man, Tom Luce, looks rather like Russell Baker, the incomparable columnist and chronicler of life in the Depression. He has a similarly boyish face and uncluttered manner.

Luce, Dallas born and bred, says that Baker's memoir, "Growing Up," is the story of his life too. He was brought up by a strong-minded, single mother—his father, who drank, disappeared—who "worked her hands—and her feet—to the bone for us children." She had no college education, went to work in a dress shop. She rose to be a buyer. When she had to go to New York on her first buying trip, she had the difficult task of telling her father that she was working.

"I was brought up with loving concern and rules," he said. "When I got home from school, I had to walk to the dress shop and report in. I always worked."

He won an athletic scholarship to Virginia Military Institute, where he went mainly to be close to his high school sweetheart, who was going to Mary Baldwin College in nearby Staunton, Va. They both transferred to Southern Methodist University in Dallas, got married when they were 19, had their first child at 20.

Luce is graying now, grave, mannerly, and, improbably for a Texan, discreet and low-key. He seems an unlikely agent for the flamboyant, garrulous Perot, and it is a shock to learn that at SMU he was chief cheerleader for the football team and once faced impeachment for using profanity on the field.

"I actually said 'damn' on a mike in the Cotton Bowl," he explains. "The president of the university called me up on charges."

He escaped impeachment because of mitigating circumstances. The Student Senate felt that the school's unbroken record of losses and the score of the game—47-0—justified his outburst.

After college, the young father went to night law school at SMU, joined a large law firm, quit it to found his own small company. In 1974, a friend recommended him to Perot, who needed a lawyer to handle the liquidation of a stock company. Six months later, Perot made him his attorney for Electronic Data Systems (EDS). Luce didn't get swallowed up by the tycoon. He insisted that of the five lawyers in his firm only two should work on Perot's affairs.

They always got along. He says it's not a consigliere-to-don relationship. Luce ran for governor in the GOP primary in 1990, and some Texans think his current political prominence is almost

laughable, considering how he got clobbered by Claytie Williams, the wild cowboy who was later humbled by Democrat Ann Richards. Luce stubbornly stuck to issues during the whole campaign.

He's no yes-man, he says. He tells his volatile principal when he goofs—as when he turned nasty during a "Meet the Press" interview and barked at moderator Tim Russert for pressing him on information he had volunteered. When on "Face the Nation" Luce was asked how lately Perot had been told he was full of it, he quietly replied, "Yesterday."

Luce's title is that of campaign chairman, although there is not, as of now, any formal campaign. He and press man Jim Squires and old friend Mort Myerson work closely together and hunt down experts for Perot to consult. For instance, he came to Washington to consult with experts like Children's Defense Fund chief Marian Wright Edelman, who is an old friend and supporter of Bill Clinton.

Seen through Luce's eyes, Perot is a rescuer, a one-man Salvation Army who is always retrieving the lost—children lost to poverty and neglect, prisoners of war lost to their families, high school students lost to athletic ambition. One night Perot saw on TV a poor family whose child had been swept away in a flood. He was so moved he immediately sent a crew to help find the body.

"People say a lot of things about Ross, but they don't say he is a cynic. He had strong values instilled in him as a child, and never distilled as he went along. They are at the core of the man."

Luce knows that confounded Democrats and Republicans are expecting Perot to peak the day he announces. They look forward to temper tantrums from a self-made mogul who is not used to being challenged. Luce says they are wrong.

"I have known Ross for 20 years. He is not a yeller."

He knows there is "new hope" that Sen. John F. Kerry's upcoming inquiry into the fate of MIAs, where Perot will testify, will help break the spell that Perot has cast on the country. Perot's obsession with POWs and MIAs, his reported contention that some are still alive, strikes some as disqualifyingly paranoid.

All he is saying, Luce explains, is that "we left some of our men out there and we need to find out what happened to them. When I asked him if he thought any were alive, he said, 'I don't know.' Does that make him a kook?"

The Washington Post

THURSDAY, JUNE 11, 1992

Perot, Clinton Share Roots in a Corner of the Heartland

By David Von Drehle
Washington Post Staff Writer

TEXARKANA, Tex.—Trace the lives of the men who would be president along the convolutions of destiny and ambition, and two times out of three you will end up around here, where Interstate 30 jogs north through the timber and the Red River bends south toward the sea.

Locals call this rather remote frontier "The Four States Region," on account of the intimacy of Texas,

Arkansas, Louisiana and Oklahoma. In these parts, Texarkana is what passes for a cosmopolitan hub, with its shopping mall and its eight-screen movie house and its splendid public theater, the Perot. As in Ross Perot, native son.

A scant half-hour away, smaller and poorer, is Hope, Ark., birthplace of Bill Clinton. Around Hope, the 30-odd mile trip to Texarkana is called "going into town." Hope and Texarkana share the same phonebook.

It is an unlikely fact of this unlikely

year that such a place should breed a pair of presidential candidates. "We're at, well, the center of nowhere, some people might think," said Mary Nell Turner of the Hempstead County Historical Society in Hope. This year, Nowhere is where it's at. In this season of The Outsider, this is the outside.

American politics has always fed on tales of modest, heartland roots, but this double dose strains even the supple bounds of myth. Perot's

See HOMETOWNS, A16, Col. 1



HOMETOWNS, From A1

progress from the dusty streets of a little railroad junction to stunning wealth and presidential reveries would be fuel enough for one year's installment on the up-from-nowhere American Dream. Hard to imagine that he would actually be running against a man who began in even humbler circumstances just down the road.

"Maybe," a Texarkana writer, Jim Presley, ventured, "it is something in the water." Or maybe it is something in the wide, faraway sky that rises from the East Texas prairie and settles in the empty Arkansas hills. Under that sky, a huge land bears a small population, nurturing on good days the notion that a single person can make a difference. On bad days, such an isolated place can fire an ambition to break out, to make one's difference on a grander stage.

This place where Perot, and later Clinton, got started puts stock in the old, unambiguous, ways. "Family values, honesty in government, wanting government to stand for the people, truly," George Frazier, Democratic Party chairman in Hope, summed up. That, and independence; Bowie County, where Perot grew up, is named for a man who died at the Alamo.

While there are those, like Bonnie Marsh—a distant relative of Perot and a bit of a local iconoclast—who perceive in such simplicity a confining narrowness, the place always leaves its stamp. When Clinton speaks of personal responsibility, or when Perot decries a generation of deficit spending, it is hard to miss the echoes of home.

"It's Middle America, that's for sure," said Turner. "A steady society. I think about my dad—worked to 72, never had anything, never had a car. He was always in debt, to pay for our house. But if I borrowed a nickel, he said pay that nickel back right now."

By car, it is a quicker proposition to get from Perot's birthplace to Clinton's than to cross downtown Washington, D.C., at rush hour. Residents of Hope (pop. 10,290) read the Texarkana Gazette for the movie listings and department store ads. Along the 30-odd miles into town, they pass a migrant labor camp, cross the muddy river, sweep

by a truck stop. Residents of Texarkana—population about 60,000, counting both the Texas and Arkansas sides of town—sometimes call these visitors "hillbillies."

The two towns share a history steeped in King Cotton and the railroads, and also the modern plague of so many rural towns: downtowns half-deserted in favor of chain restaurants and discount stores clustered around the interstate.

But there are differences, too. Hayes McClerkin, a boyhood friend of Perot and one-time candidate for governor of Arkansas, laughingly calls Texarkana "Hooterville," but compared to Hope, it is a virtual Manhattan.

One of the ironies of the presidential campaign, a number of polls and focus groups have found, is that many voters see Clinton as a product of privilege, while Perot is understood to have come from nothing. In fact, their beginnings reflect their hometowns: Perot's modestly prosperous, Clinton's marginally poor.

In the Texarkana of Ross Perot's boyhood, few things meant more to the local economy than the business of cotton. Farmed on the fecund soil of the Red River Valley, the cotton was ginned, the seeds pressed for oil and the fiber bunched in town. Five rail lines came together at the Texarkana station to speed the crop to distant buyers.

Gabriel Ross Perot—known as "Big Ross," though he stood not much over five feet—was a cotton broker, buying from the farmers and selling to the buyers. His motto: "Sell It, You Can't Eat It." He had a small office across from the press and a comfortable house in the good part of town. Mornings he drank coffee and talked business with local oilmen at the Hotel Grim, the likeliest place in Texarkana to find an out-of-town newspaper, which Big Ross read for the stock market tables and political news.

Big Ross and his wife Lulu May were pillars of the First Methodist Church, and Mrs. Perot was a leader of the Ladies Garden Club. The Perots were, in short, substantial people. "The media makes me so mad making them out to be poor folks," said Ellen Crow, a childhood friend of Perot. "They were well-bred and genteel. They had a car

and a brick home. They were in the country club. They sent their children to a private school. In fact, some of us were kind of envious."

The oft-told story of "Little Ross" delivering newspapers from the back of a horse conjures up images of backwoods poverty, but in fact the horses were a luxury. Big Ross enjoyed trading them as a hobby, and kept six in a pasture across the street from his house. Being comfortable did not mean being spoiled, however, as friends of the Perots are quick to point out.

At an early age Perot learned discipline and hard work. He sold seeds, and newspapers, himself. An undistinguished student, he was always being elected to offices and chosen for honors.

He was an Eagle Scout and a life-guard and saved dimes to buy War Bonds. Of the Norman Rockwell paintings he now collects, Perot once said: "That is my life."

Rockwell did not paint Bill Clinton's childhood. He lived only his first five years in Hope, and they were hard times. Clinton's father was killed in a car wreck before the boy was born, and his mother left him for a time to be raised by her parents.

"Hope has never been, well, we just don't have many people here with money," Turner, the county historian, said recently. Hope's big event each year is the watermelon festival, and its tallest building is the Baptist church. The years just after World War II, Clinton's years in Hope, were particularly lean.

The cotton business had sagged and poultry farming had not yet taken its place. Clinton's grandfather, Eldredge Cassidy, eked a living from running a grocery store and the back-breaking work of delivering ice. His grandmother, Edith, hired out as a private nurse. Clinton often passed his days at the store where, he says often, he learned the value of work and the stupidity of racism. Grandpa taught him to love reading.

There wasn't any money, but there was stability in Hope that Clinton never found again in his youth. He left town when his mother married Roger Clinton and the family moved to an Arkansas farm with snakes in the outhouse. Roger Clinton was an alcoholic and prone to violence; family life at the Clintons' was a dark counterpoint to the warm and nourishing Perot home. One can see the contrast even now, as Perot espouses his wish that every American might have an ideal family, just like his, while Clinton urges audiences to remember that poor people aren't poor because they like it.

And so it is that Clinton bristles at descriptions of Perot as the "outsider" candidate. I'm the real outsider, he repeats whenever the subject comes up. But both towns are a long way from Washington.

Though it is probably just a coincidence that Perot and Clinton come from the same spot on the map, people here insist it is destiny that this year's challengers come from small towns in America's vast center.

"What goes around comes around," said Frazier, the Hope Democratic leader. "I guess what is happening is a kind of frontier rebellion against the liberalism of the East and far-right Republicanism. Some people think enough is enough. It's time to get one of our own in there."

The Washington Post

THURSDAY, JUNE 11, 1992

U.S. Weighs Options on Yugoslavia

Few Favor Direct Role In Yugoslavia

Emerging Proposal Sees Military Role in Humanitarian Relief

By Barton Gellman and Ann Devroy
Washington Post Staff Writers

The Bush administration, for the first time in months of internal debate, is considering options for the U.S. military to help supply, escort and protect humanitarian relief efforts in Yugoslavia, according to officials involved in the discussions.

The prevailing view among the president's top advisers is skepticism about the risks and prospects for success of any direct military involvement, and senior Pentagon officials are nearly unanimously opposed. There also is consensus among senior policy-makers that no outside force is capable of imposing a stable peace in the wreckage of the former Yugoslav federation.

But some military and civilian officials are now edging reluctantly toward the view that the United States—as part of an international coalition—should use military assets to encourage and sustain a cease-fire.

No official is believed to be proposing a direct combat role for U.S. forces. Instead, the emerging proposal seeks to bring what one policy-maker called "enough pressure on the parties, especially the Serbs, to cease firing long enough that relief can be moved in."

Once a cease-fire is in place, however briefly, humanitarian efforts would begin and a military coalition could undertake to support and protect the relief workers.

The current interagency review of U.S. policy on Yugoslavia coincides with growing calls outside the administration for the use—or threat of use—of U.S. military force. President Alija Izetbegovic of

See OPTIONS, A19, Col. 1

OPTIONS, From A1

the newly independent republic of Bosnia-Herzegovina pleaded Monday for an American attack on the Serbian artillery emplacements laying waste to his capital city of Sarajevo.

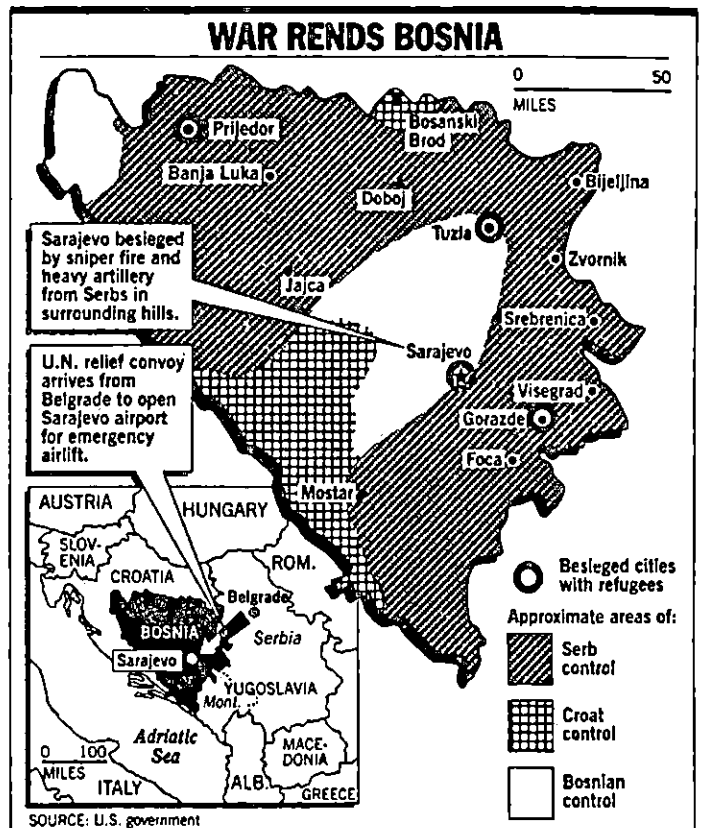
In Washington, Sen. Richard G. Lugar (R-Ind.) said in a statement yesterday that "NATO should draw up plans for a comprehensive use of force as thorough as that formulated for air, sea and ground forces in Desert Storm," the U.S.-led allied operation that evicted Iraqi forces from Kuwait last year.

Gen. John R. Galvin, who retires this month as the top U.S. and NATO commander in Europe, said in an interview that military options short of large-scale combat "are in circulation" in the Bush administration. Galvin met yesterday at the Pentagon and the White House with fellow regional commanders in chief, and discussed Yugoslavia this week with Gen. Colin L. Powell, chairman of the Joint Chiefs of Staff, and Adm. Jonathan Howe, the president's deputy national security adviser.

Galvin suggested a sequence of events in which humanitarian relief efforts gradually could lead to more direct control of events on the ground in Yugoslavia's civil war. Citing as an analogy the allied operation in northern Iraq to feed, shelter and protect ethnic Kurds from Iraqi retribution after the Persian Gulf War, Galvin said he did not seek to "start moving divisions into Yugoslavia" but said "that doesn't mean that it's impossible to do anything."

The Kurdish relief operation, Galvin said, "started out to be a humanitarian effort to feed the Kurds, but then we had to move the Kurds because it was a question of sanitation. In order to do that we had to create a security zone, so we had to move the Iraqis out. And so that was peace enforcement in addition to humanitarian efforts. Then there was conflict in there because the Kurdish PKK, the guerrillas, were fighting the Iraqis and the Iraqis were fighting back, and we had to get that stopped. And so you had a combination of humanitarian assistance, peacekeeping, peacemaking, conflict and deterrence. . . .

"I really don't run this building, and I really don't want to upstage the guys up here, what they're thinking about," Galvin said in his Pentagon office, "but basically if you look at an analogy here to what we did with the Kurds . . . there are



BY DAVE COON—THE WASHINGTON POST

some ideas and thoughts that come out of that that I think are in circulation here and will probably result in a better way to act than to start moving divisions into Yugoslavia."

A senior administration official yesterday said that President Bush and his immediate advisers remain "extremely reluctant" to commit U.S. military forces to any Balkan operation because of the high risk of casualties, uncertainty of success and an overriding belief that Europeans should take the lead in their own back yard.

There are also other uncertainties. For example, two key relief organizations—the U.N. High Commissioner for Refugees and the International Committee of the Red Cross—generally refuse to provide aid through armed convoys, although they may be willing to accept protection in the context of a cease-fire.

Any U.S. military action, officials said, would have to be part of an international effort. The Kurdish relief operation was an ad hoc coalition, using communications, logistics and combat assets drawn from NATO but with only some NATO member countries participating.

British Prime Minister John Major, who would be a critical ally in any Yugoslav operation, told Bush at Camp David over the weekend and Defense Secretary Richard B. Cheney on Monday that "it would be terribly dangerous to make the peace rather than to keep it," according to British and American sources.

Bush, an administration source

said yesterday, "shares that view" as well as the overall belief that "the Kurdish rescue situation was not analogous" because the Kurdish plight arose from the Persian Gulf War and the United States thus had a "moral responsibility" to respond.

As a military proposition, U.S. analysts said there are a great many risks to intervention by any outside power in Bosnia-Herzegovina. Ethnic Muslims, Serbs and Croats are intermingled throughout the republic, and they are clashing with a variety of regular and irregular forces ranging "from well-organized, well-equipped [federal army] units to out and out bandits," one analyst said.

Lacking distinct front lines and clear lines of authority, Bosnia's civil war resembles Lebanon more than northern Iraq, several analysts argued. Defense officials said they could not count on any central authority controlling the Serbian forces blamed by the administration as the aggressor in Yugoslavia's civil war.

One official said "you'd have to take the knives out of every kitchen" to stop the antagonists from turning on interlopers.

Yugoslavia's long-held concept of "all people's defense" against foreign aggression, used effectively against Germany between 1941 and 1944, has since led to creation of hundreds of depots and arms caches around the country. Even "a really massive [bombing] campaign," according to one ranking defense official, could not prevent ethnic Serbs from conducting a costly and draining guerrilla war against any foreign intruder.

The Washington Post

THURSDAY, JUNE 11, 1992



Convoy of U.N. vehicles carrying a team of about 50 French observers to besieged Sarajevo leaves Belgrade at dawn.

50 U.N. Observers Arrive in Sarajevo

By Slobodan Lekic
Associated Press

SARAJEVO, Bosnia, June 10—A U.N. team seeking to open Sarajevo's airport reached this besieged capital today, but a convoy involved in the operation came under fire and one U.N. soldier was injured.

Sarajevo residents spent another day huddled in basements to avoid intense shelling. The U.N. convoy has been charged with reopening the airport so that desperately needed supplies can be flown in.

Sarajevo radio said one person was injured when a U.N. Protection Force convoy was attacked outside Sarajevo after setting out to pick up Canadian Brig. Gen. Lewis Mackenzie, the force's chief of staff. Mackenzie had just arrived in the Sarajevo suburb of Lukavica, the radio said.

The radio report said the convoy "did not get far. The convoy was attacked near the southwestern suburb of Mojnilo just before 7 p.m." The convoy returned to Sarajevo, and talks were underway on bringing Mackenzie to Sarajevo on Thursday, it added.

Meanwhile today, the United States told its allies that it wants to block Serbia and Montenegro from taking over the old Yugoslav seat in the United Nations and other world bodies. And in Washington, Sen. Richard Lugar (R-Ind.) suggested President Bush should threaten Serbia and Montenegro with "sufficient military force" unless they yield in Bosnia.

The U.N. team of about 50 French technical observers drove to Sarajevo

in a convoy from the Serbian capital of Belgrade. The 250-mile trip took about 12 hours.

Serb militias controlling the airport agreed Friday to allow relief flights to bring food and medicine for the capital, but fighting in and around Sarajevo has since intensified.

Although Sarajevo radio reported that Serbs had withdrawn about a dozen tanks and artillery units, U.N. officials in New York said their observers in the capital reported continued fighting in the airport area.

Sarajevo's 300,000 people—about half its peacetime population—endured another day of artillery explosions and rocket attacks. Bosnian media said 31 people were killed and 129 wounded since Tuesday.

Belgrade television showed pictures of bodies hanging from cars demolished by explosions, and hospital workers treating elderly people for burns and shrapnel wounds.

"Sarajevo exists no longer as a

city," Belgrade radio proclaimed. "It is a heap of rubble."

In a sign that the costs of the war are beginning to weigh on Belgrade, Serbia's Red Cross began handing out free food to pensioners, jobless refugees and others. People on fixed incomes have been hit hard by hyperinflation that followed the Serbian government's extensive printing of money to finance the federal army campaigns in Croatia and Bosnia.

Fighting broke out in Bosnia after Slavic Muslims and Croats, who form the majority of the republic's population, voted for overwhelmingly independence from Yugoslavia on Feb. 29 in a referendum boycotted by Bosnian Serbs.

With the help of the Serb-dominated Yugoslav army, nationalist Serb militias opposed to independence seized two-thirds of Bosnia in fighting that has killed about 5,700 people and forced more than 1 million to flee their homes.

The Washington Post

THURSDAY, JUNE 11, 1992

Critics Say U.S. Behind The Curve

By Michael Weisskopf
Washington Post Staff Writer

RIO DE JANEIRO, June 10—Lauded just a year ago as the master coalition builder who led U.S. allies to victory against Iraq, President Bush will face major allies who are unhappy with his environmental positions when he arrives at the United Nations Earth Summit here Thursday.

Instead of the confident commander in chief who coordinated allied strategy and rallied support in the Persian Gulf War, Bush enters Rio appearing isolated and behind the curve. Critics charge his government has resisted key environmental goals of the summit, undercut his chief negotiator with a leaked document and now embarrassed nations that have tried to help Washington save face.

Today, U.S. officials were digging out of the latest controversy, resulting from a White House attack against Japan and Germany for indulging in "the guilty developed-world logic" of placating the Third World. A senior administration official described the summit as a "Bush-bashing circus."

The attack came as William K. Reilly, the Environmental Protection Agency chief who heads the U.S. delegation,

See POLICY, A20, Col. 1

POLICY, From A1

was appealing to Germany to help realize the single U.S. initiative here—establishment of a fund to protect forests.

"Guilty about what?" an irritated German official said in response to the White House blast. "The war? The Nazis? The last 500 years? If it's wealth we should be guilty for, the Americans are the richest of all of us. But we are the ones who feel the responsibility to help others."

Japan, which was expected to make its debut here as world environmental leader, has assumed a surprisingly low profile and refused every chance to upstage Washington. U.N. officials said Tokyo might even delay plans to pledge a multibillion-dollar package of environmental aid because it dwarfs the U.S. contribution.

A Japanese delegation spokesman said, "We have never engaged in Bush-bashing," adding that the importance of bilateral cooperation "transcends the difficulties that may arise in such cooperation."

A Japanese diplomat said he was puzzled by the White House attack because of the delegation's efforts not to further isolate the United States here.

The administration contends it has been unfairly criticized at Rio. Bush has argued that the United States has tougher environmental policies, spends more on cleanup, and gives more in environmental foreign aid than any other nation.

But U.S. environmentalist critics argue that Bush has run into problems with key allies because he has treated environmental issues at Rio as they charge he does at home, sponsoring broad-sounding but relatively painless initiatives that do not require major new commitments from American industry. Here in Rio, in contrast, Bush will face governments that are committed to tough measures and are eager for U.S. support.

"This is the first summit where there are no superpowers," said Laurens Jan Brinkhorst, the European Community's director general for the environment.

Billed as the first top-level international meeting on the environment, the conference has been dominated from the start by politics. The main attraction has been criticism of Washington for departing from other industrialized nations in opposing a tough treaty to control global warming and a treaty to preserve endangered plant and wildlife species in the world's forests.

The attack by the White House marked the second time in less than a week that it has complicated Reilly's efforts to put the best face on U.S. policy. A confidential cable that he sent to domestic policy counselor Clayton Yeutter was leaked to the press last Thursday embarrassing Reilly and Brazilian diplomats, who had offered to "fix" the treaty on biodiversity so that Washington could sign it.

Reilly, who had called the leak an effort by White House conservatives to undermine him and the summit, limited his response today to the latest attack. He said only that the Germans have been "extremely helpful," and he described his contacts with Japan as "positive."

But other members of the demoralized U.S. delegation who asked not to be identified were less circumspect. "The idiocy of it is that Reilly has to meet with those people [Japanese and Germans] to get them to

show [through their support] that the president's forest initiative is successful," one senior official said.

Another official noted Bush's fears that support of costly environmental measures during a recession could hurt his reelection hopes, but said the strategy here might backfire.

"Even people who don't care about the environment don't like to see the U.S. look incompetent and no longer able to lead," he said.

Most diplomats from the West understand the reelection concerns of Bush, although they do not agree with the White House calculation that support of the environment is politically risky.

"The big shame is that the conference is being held during an American election year," said Ros Kelly,

head of the Australian delegation here. "When you're negotiating about the future of the earth, it puts pressure on negotiations if your preoccupation is here and now."

For American observers here, the administration's resistance obscures a historically strong U.S. environmental record.

At the end of the daily U.S. briefing today, Sen. Tim Wirth (D-Colo.), took the microphone and recited a list of U.S. achievements that he said should be the message delivered at Rio.

"The U.S. has allowed itself to be isolated here because of its rigid adherence to the . . . right wing," said Wirth, who is a member of the congressional delegation to the conference.

The Washington Post

THURSDAY, JUNE 11, 1992

U.S., Third World Reduce Gap at Rio

Washington Backs Basic Declaration

By Eugene Robinson
and Julia Preston
Washington Post Foreign Service

RIO DE JANEIRO, June 10—On the last day of closed-door committee talks at the United Nations Earth Summit, negotiators made unexpected progress today on a number of difficult but crucial issues, narrowing differences between the United States and some developing countries.

Delegates said they had overcome all but a few sticking points in discussions on the critical matter of how—and with how much—to fund environmental projects in developing nations.

Negotiators also said they were near agreement on a statement of principles about forest conservation, in talks that had seemed close to collapse as recently as this morning.

In Washington, the White House announced that the administration had decided to accept the "Rio Declaration" of environmental principles without seeking changes, a move that brings the United States closer to other nations gathered here on at least one of the summit's major documents and paves the way for a more cordial reception for President Bush when he arrives in Rio on Thursday night.

"We're in the last little sprint," said Maurice Strong, the secretary-general of the conference. "I'm very encouraged at the progress."

On Tuesday, U.S. negotiators in Rio told U.N. officials that they would seek to derail the Rio Declaration—the only text on which there was full consensus before the summit began—unless language that Washington found offensive was removed from other agreements being worked out here.

But White House spokesman Marlin Fitzwater said that while the United States still did not like some

See SUMMIT, A21, Col. 1

SUMMIT, From A1

provisions of the declaration, it would accept the document without asking to reopen talks. Opening a new round of negotiations at this late date would effectively scuttle the declaration's chances of being approved.

A working group trying to resolve the issue of how much developed nations will have to pay to fund an ambitious environmental blueprint called Agenda 21—and who will control how that money is spent—came close to resolving an important sticking point: the demand by poor countries that rich nations promise to reach a U.N. target of 0.7 percent of gross national product in foreign aid by the year 2000.

During a meeting that began Tuesday and lasted until nearly 4 a.m. today, negotiators devised language that will call on reluctant nations, such as the United States and Japan, to increase their aid, but that does not hold them to the specific target.

Still unresolved, however, was the demand by developing countries that the funds be disbursed "without imposing conditionality." U.S. negotiators have balked at the idea of creating what U.S. Undersecretary of State Michael Young called "huge pots of money" before decisions are made on how the money is to be spent.

After meeting late today with William K. Reilly, chief of the U.S. delegation, Indian Environment Minister Kamal Nath said, "I think we are finding language we can agree on" concerning the statement of principles about forest preservation. In previous negotiating sessions, India has been one of the nations most opposed to U.S. views on forests. Bush had hoped that a forest agreement would be the centerpiece of the summit.

Negotiators said the United States had agreed to remove or soften language referring to tropical forests in developing countries as "sinks" for absorbing polluting carbon dioxide emissions from industrialized nations.

African countries were pushing for a statement on desert encroachment, a major problem in parts of that continent. The developed nations had opposed such a statement all week, but U.S. negotiators said today that they believed a statement on desert encroachment might be acceptable. By doing so, U.S. negotiators might win African support for their positions on forests or financing.

On Thursday, in a meeting that is expected to run until dawn Friday, the closed committees will send the results of their work to a plenary session of delegates of all 178 nations, for final negotiations on the remaining unresolved points. Final documents are supposed to be ready for signing by the 118 heads of state who will join the conference Friday and Saturday.

The Washington Post

THURSDAY, JUNE 11, 1992

Rio Cleans Up Its Act for Visiting Heads of State

Soldiers, Extra Police Hamper Troubled City's Street Criminals, Youth Gangs, Beggars

By Julia Preston
Special to The Washington Post

RIO DE JANEIRO, June 10—This metropolis, which President Bush will visit for 40 hours starting Thursday night, has a reputation as one of the most violence-prone and crime-ridden in the world.

But the Rio de Janeiro that will receive Bush is very different from usual. In the seven days since the U.N. Earth Summit began, the stepped-up security in the streets has given many residents a taste of what it's like to live in safety.

The security risks Bush will face are largely those that arise whenever he travels—the possibility of an attack by a fanatic or a lunatic. What he will find in Rio is a city returned, at least for the two weeks of the U.N. summit, to a long-lost calm and grace.

During the conference, 15,000 police and soldiers under the control of an army general are patrolling Rio's wealthier zones, around the beach-side hotels housing participants and the avenues where convoys of government limousines pass. That is at least 7,000 more than the city's normal police patrols. Army troops are wearing fatigues, carrying combat rifles and riding tanks in the streets.

The result has been a "very sharp drop" in street crimes reported to the police, according to Col. Carlos Alberto Ayres, spokesman for the special Earth Summit security operation. "The criminals took a look and went home," Ayres said.

Last weekend on the broad beach in the Copacabana neighborhood, renowned both for its beauty and its dangers, sunbathers brought their bags and sneakers, which normally could be stolen at knife-point, and stayed until dusk. "It just goes to show that if the government wants to do it, it can control the violence," said Rosy Nery Guimaraes, a 29-year-old bikini-clad Rio resident.

The causes of Rio's high crime rate are the same ones that made the city a showcase for some of the environmental calamities the Earth Summit negotiators convened to address. The city grew explosively in the past three decades to about 10 million people, while its employment base shrank by thousands of jobs when Brazil's capital moved from Rio to Brasilia in 1960.

The poor built their shanties up the sides of Rio's abrupt hills and out into the marshy delta to the north. They cut away the trees on the hills and fouled the city's rivers and bays with trash and raw sewage, since municipal services didn't reach them. In the rainy seasons, unchanneled flooding washes away whole flanks of thickly populated hills, often taking poor families with it. Police and drug-trafficking gangs fight bloody wars for control of many hillside slums.

The streets of Rio's fashionable southern zone are normally inhabited by thousands of beggars and

youngsters from the slums who often snatch wallets and watches from tourists. Before the conference a state-run charitable foundation, which routinely picks up adult beggars in trucks and brings them to a temporary home for a few days' meals and shelter, increased its rounds. The number of beggars in the streets was visibly reduced.

The governor of the state of Rio de Janeiro, Leonel Brizola, promised that Rio would not "hide its misery" from Earth Summit visitors. But social workers said the intimidating police presence made many street kids retreat to their home neighborhoods.

"Sometimes we have kids on the street who shouldn't be here, because they have homes," said Tiana Santo Se, who runs a program that feeds 75 street kids around Copacabana. "When the pressure is on, they go back home."

One judge sent 37 young girls from a downtown square to a suburban juvenile delinquents' center. But reports by some environmental groups that police were rounding up street kids and shipping them out of town proved unfounded.

British Prime Minister John Major will visit a home for street kids Thursday. Bush will not try anything so adventurous, according to U.S. officials. His activities will be limited to his hotel and the conference's huge convention center.

Brazilian police are not preparing any special measures for Bush, spokesman Ayres said, but will treat him as just one more of the

118 heads of state who will attend the conference's final days. Bush's diplomatic risks are probably greater than his security problems. Cuban President Fidel Castro and Iraqi Deputy Prime Minister Tariq Aziz are among the visitors expected for the final summit meetings.

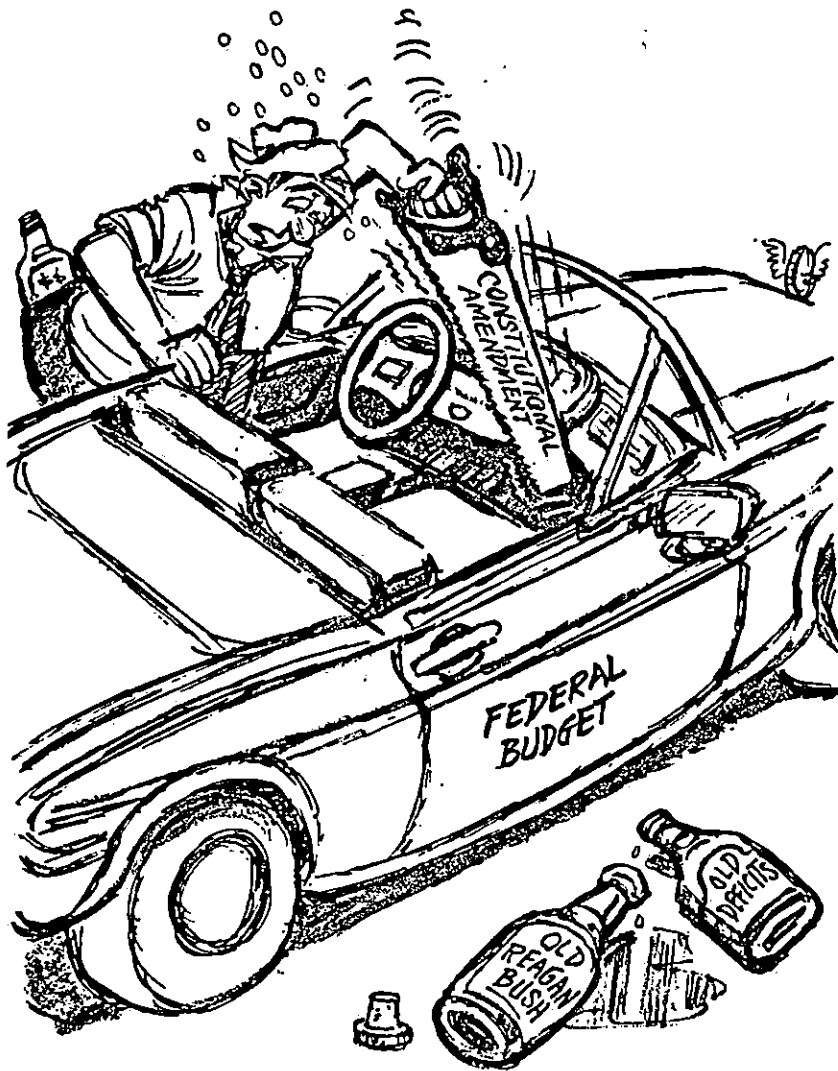
Environmentalists from many countries will be noisily protesting Bush's support for a weak treaty on global warming and his refusal to sign a treaty on biological diversity. On Sunday, 150 environmental groups chose him as "global environmental villain," and today several hundred demonstrators marched on the U.S. Consulate.

If the weather holds, the president will also get an uncomfortable reminder of the possibilities of global warming. Though it is the middle of Brazil's winter, Rio has been coping with heat in the nineties, the hottest June in 30 years.

The Washington Post

THURSDAY, JUNE 11, 1992

"I'LL FIX THIS CAR SO IT CAN'T KEEP
GOING OFF THE ROAD"



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For the Record

From a recent address by the Rev. William J. Byron, S.J., president of the Catholic University of America, to a Washington Rotary Club luncheon:

Something new is happening in America. . . . A service initiative is getting underway.

If I were to mention Peace Corps, VISTA or even "points of light," you would recognize the name and know that volunteer service is on my mind. But if I were to mention the new federal Commission on National and Community Service, you would probably show no sign of recognition. You should . . . know that Congress is now on record as wanting to change the way Americans view community service. . . .

With bipartisan support and a willing presidential signature, [the National and Community Service Act of 1990] established a tiny independent agency named, in unimaginative federal boilerplate, the Commission on National and Community Service. . . . Grants totaling \$73 million will go out from the commission within a month or two to states—and a network of private organizations within the states—to Indian tribes and to higher education institutions interested in encouraging students to volunteer their time and talent to help meet off-campus community needs.

Congress expressed the hope that such programs would "facilitate the integration of community service into academic curricula, so that students can obtain credit for their community service activities."

The four major funding categories . . . are: "Serve America," to encourage statewide, school-based, K-12 service-learning programs; "Higher Education Innovative Projects"; "Conservation and Youth Service Corps" activities . . . ; and a final category known simply as "National and Community Service."

The Washington Post

THURSDAY, JUNE 11, 1992

LETTERS TO THE EDITOR

Reflections on the Perot Appeal

I agree with William Raspberry [op-ed, June 5] relative to the apparent national excitement about Ross Perot: "I don't get it!"

Like Mr. Perot, I am a graduate of the U.S. Naval Academy who elected not to make the Navy a career. I had seven years of active service following graduation from the academy in 1947.

I write because I see in Mr. Perot, while a most successful businessman, someone who I believe lacks, among other things, the temperament to be president. Scant few individuals who have had successful business careers have made effective public servants.

Such business executives (and most senior military officers) have, by and large, lived in an autocratic environment—one that is just the opposite of what is required for effective stewardship of the nation, where as head of one branch of a tripartite government, the president, to be effective, must practice the fine art of politics, the art of reasoning and persuasion in a ceaseless climate of diverse views and interests.

On the basis of Mr. Perot's simplistic approaches to solving major domestic problems, and perhaps more important, on the basis of his temperamental reactions to reasonable questions posed by the press, I have grave doubts as to his presidential qualifications.

DAVID MARDER
McLean

In response to William Raspberry's column "Perot: I Don't Get It"—what's there to get? The American people are fed up with politicians saying one thing just to get elected and then doing another. Our country is going downhill fast—it is time we picked a leader and businessman (highly successful, I might add) who is not a politician, who does not know all the answers and is honest enough to say so but who is busy choosing the best people he can find to make our country and our unemployed work again. Now do you get it?

HELENE S. DYSON
Alexandria

With regard to William Raspberry's essay "Perot: I Don't Get It" frankly, I think I do. I see many unsettling parallels between Ross Perot and other political "saviors" who have appeared in the past.

This country is in what passes these days for an economic crisis. The electorate is dissatisfied, and not just with the performance of its elected officials. The "system" itself is seen as bankrupt.

Onto this scene comes Mr. Perot. He promises that he will fix the broken system. Leadership is his main theme. Programs and policies don't matter, we are told, and furthermore we don't really care about them anyway. What we want is a "servant" of the people, embodying their political will, who will tear down all the corrupt old structures and usher in a new golden age.

Now, I can think of any number of individuals who have offered themselves up to fill just such a position. Individuals who promised to make the trains run on time, who stressed leadership as their fundamental platform, who claimed to speak for a people who were so enamored of motion in a time of lethargy that they let him say, and do, whatever it was he wanted.

I am not saying that Mr. Perot is necessarily a neo-fascist dictator in the wings. I do suggest, however, that in the past it has been men who were able to persuade the people to anoint them "leader" without the proper amount of investigation and reflection who have ended up not just shaking up the system, but destroying it and replacing it with something, much less benign.

I have always been amazed by those who report that the rise of such men and such regimes was so popularly supported and with such willful ignorance of the inevitable outcome. Please, let us not allow even the most modest hint of it here.

EDWIN FITZPATRICK
Washington

Iraqi Atrocities in Kuwait

In my May 10 Outlook article, I referred to "outright hoaxes like the tearful recital of atrocities in Kuwait by a carefully coached daughter of the Kuwait ambassador in Washington."

Frank Mankiewicz of Hill and Knowlton has furnished me with documentation that convinces me that I was in error in using the word "hoax." The material includes a Reuter interview with the head nurse of Kuwait's al-Adan hospital, who said she witnessed the same removal of life-support equipment from babies that the ambassador's daughter testified to and a letter

to the same effect from U.S. Ambassador Edward W. Gnehm Jr.

The witness's identity was not disclosed when she testified before the Congressional Human Rights Caucus, but Rep. Tom Lantos (D-Calif.), co-chairman of the caucus, says he knew who she was and that full names were not used out of fear of reprisals against relatives in Kuwait.

Under the circumstances, I must admit that I relied on news stories and made a mistake.

DANIEL SCHORR
Washington

The House Should Vote No

THE WORST combination in politics is to have the blame but not the power. That's the lowly condition that House Democrats will be imposing on themselves if they adopt the defeatist balanced budget amendment to the Constitution on which they are scheduled to vote today.

The Democrats are expected easily to retain control of the House (and will likely retain control of the Senate as well, where the same arguments apply). As the majority party, they will rightly be held responsible for whatever the House does—and does not—achieve. Sharply divided as they are, it is hard enough for them to fashion and pass a coherent program even now, when they have a majority of more than 100 votes—and a majority is all they need. The principal amendment would make it harder still; for the crucial decisions, it would require more than a majority.

The budget would not necessarily have to be balanced under the amendment—but it would take a vote of three-fifths of both houses to unbalance it, or to increase the debt. The intended effect would be to enshrine minority rule. "Empowerment" has become a talismanic word among Republicans; now you know what it means. The power of single-interest and other

splinter groups would be increased; the ability of Congress to respond to changed economic and other circumstances would be reduced. Gridlock would become more likely, not less so—and the deficit each year would be much likelier to go up than down. To assemble the votes for a budget, *more* interest groups would have to be satisfied, not fewer; the more the groups, the higher the cost. We've said it before: majorities are cheaper.

The budget should indeed be balanced. The problem is not just the cost of borrowing now, but the likely cost not too many years from now of the retirement of the baby boomers and the increased borrowing that that may entail. But an amendment is no substitute for the tax increases and spending cuts that a balanced budget requires—and that their support for an amendment allows the president and Congress not to enact but to defer. The amendment is being used as an election-year fig leaf for the past failures of both elected branches to pursue a responsible policy. But that's an abuse of the Constitution. They have already mortgaged future revenues; now they would mortgage their own power as well. The amendment is the ultimate expression of the weakness it purports to correct. The House should vote it down.

Moment of Truth on Demjanjuk

AT LEAST one question has been cleared up in the trial of John Demjanjuk. It now appears that Israeli courts will not, as many had feared, try to sustain the present conviction and death sentence of the 72-year-old retired auto worker if new evidence demolishes the case that he was Ivan the Terrible. Mr. Demjanjuk, who was extradited from the United States to Israel, tried and condemned to death on charges of being the monster who ran the gas chambers at Treblinka, may still turn out to have trained and served as a concentration camp guard in the two nearby camps of Sobibor and Trawniki. But if Mr. Demjanjuk is to be punished for these alleged actions, that is a whole new case to be launched and argued from the start.

Israeli Judge Aharon Barak's brusque admonition to prosecutor Michael Shaked Monday—that without proof "beyond a reasonable doubt" that Mr. Demjanjuk had been at Treblinka, "there is no point in proceeding"—is not the only dramatic new development in this legal saga. A U.S. federal court in Cincinnati, the one that upheld the Justice Department order extraditing Mr. Demjanjuk in 1985, has also reopened proceedings on that case, ordering the state to present before July 25 any evidence it may have that some other individual was Ivan the Terrible. The leading candidate, based on testimony from captured SS guards that

appears in previously inaccessible Soviet files, is one Ivan Marchenko, who was apparently killed by inmates of Treblinka during the liberation. If the U.S. appeals court reverses its 1985 decision, another legal wrangle will ensue over whether Mr. Demjanjuk therefore must be freed.

Ever since the Marchenko file evidence began emerging, lending some credence to the defendant's longtime protestations of mistaken identity, a terrible cloud of moral uneasiness has hung over the proceedings. There was much emotional resonance to the argument of prosecutor Shaked that Mr. Demjanjuk's conviction for Nazi war crimes could stand even if the Treblinka charge were demolished—that "if he killed even one Jewish child, does it matter whether he did it at Treblinka or Sobibor?" But in the end it does matter very much, and not because Mr. Demjanjuk is some innocent paragon. His own story—that he was a prisoner of war throughout the years in dispute—remains seriously at odds with new and old evidence alike. His extradition order is based on a probable cause finding that he was Ivan, but his denaturalization order found merely that he lied on U.S. immigration forms. It matters because even Nazi war crimes trials, maybe especially Nazi war crimes trials, rest on and demonstrate the rule of law—not of revenge. Holding Mr. Demjanjuk while new charges are brought has no place in that process.

Baseball's Japanese Investor

IT WASN'T necessarily xenophobia (or worse, racial prejudice, as some alleged) that caused major league baseball owners to get so upset early this year at the idea of a Japanese businessman joining their numbers. Baseball has its reasons for trying to keep teams under local ownership; most are hometown institutions, considered, by boosters at least, to be civic necessities.

But in the case of the Seattle Mariners, it turned out that foreign ownership was going to be the only means of keeping the hometown team home. Nobody but Hiroshi Yamauchi, president of Nintendo Co. Ltd. of Kyoto, was ready to come up with the huge amount of money needed to buy the franchise and keep it in Seattle. So the owners, who only last December had adopted a rule against foreign (that is, non-North American) money, apparently decided to let things "evolve," as one baseball official put it, and this week finally agreed to an arrangement that is, like the strike zone of recent years, nicely adapted to changed circumstances.

Mr. Yamauchi, whose company is a major presence around Seattle and who has strong ties to the area, will put up a majority of the money (about \$75 million of a total of \$125 million), but will have only a minority holding in the club. Moreover, he and some fellow Japanese investors will have no control over day-to-day operations of the franchise (that will be in the hands of a retired electric utility executive). "The non-North American investment is essentially

passive," said Mr. Vincent. "They're not controlling it at all."

Given the history of essentially active North American control of the team, that could prove to be a mixed blessing for Seattle. Since the demise of our own Senators, the Mariners have done a pretty good job of upholding the old saw about Washington: "First in war, first in peace and last in the American League."

But at least for now, the city has a new lease on baseball, and baseball has given signs of a flexibility that should serve it well as the game becomes increasingly cosmopolitan. Local ownership is generally a good thing, but people and their money do get around these days, and other criteria may also be applicable to prospective owners: keeping in touch, for example, showing concern for the team's city, having the right motives and hiring good people to run the organization.

With regard to motives, the 64-year-old Mr. Yamauchi said earlier this year, in an interview with a Japanese business magazine, "This offer is not being undertaken as business, but rather as a form of community service. Japan has the United States to thank for its miraculous postwar recovery and economic growth, and Nintendo has also been allowed to do business in America. I owe a great debt to the United States, and I want to do everything in my power to pay it back." That seems reason enough to let him play a little ball.

Abroad on Borrowed Money

MOST STUDENTS use their guaranteed loan money within U.S. borders, at accredited American institutions. A tiny fraction—about 6,000 students in receipt of three-tenths of one percent of the \$10 billion loan total—choose to spend their borrowed money elsewhere, at foreign schools. That's fine if the school is an Oxford or a Sorbonne. But what if it's a lesser-known proprietary school, say, an off-shore medical school that graduates poorly trained doctors?

This is one of the many questions before congressional conferees as they sit down to reconcile scores of differences between two bills that would reauthorize the Higher Education Act. The Senate would keep the eligibility provisions as they are—that is, it would continue to allow loan money to flow to Canada, Mexico and overseas. But the House, at the administration's behest, would eliminate that possibility.

An American institution's eligibility to participate in the federal aid program is determined in three ways: by private accreditation, by state licensing and by federal certification. This "triad," which has come under plenty of scrutiny during the reauthorization, isn't much help when an institution is on foreign shores. In the absence of

international accrediting bodies and so forth, the government simply looks for assurances of comparability to American schools and pass rates on medical examinations, for instance. Some foreign schools of low caliber slip by. This bothered the House enough to want to expunge all foreign schools from the eligibility rolls. Blame in part a buy-American fever, in part a lack of imagination.

It's still possible to separate the good schools from the bad. Congress, in fact, found a way in 1986, the last time it amended the Higher Education Act. The problem is that the Department of Education never got around to enforcing the rules—in fact, it was late in writing the regulations—that are supposed to bar the more notorious for-profit medical schools in the Caribbean and Mexico from participating in federal aid programs.

The Education Department now says it's too difficult and costly to monitor the standards and practices of schools outside the United States. But it wouldn't be so difficult if it were to follow its own procedures (which Congress could clarify and strengthen a bit). There's no reason to bar cultural exchange or the opportunity to study medicine in the one country, Canada, where the medical schools are accredited by the same body that accredits medical schools in the United States.

The Washington Post

THURSDAY, JUNE 11, 1992

Richard Cohen

Would Perot Play Fair?

We are hard upon the 20th anniversary of the Watergate break-in, the bungled burglary that led to the resignation of Richard Nixon some two years later and the imprisonment of a scandalous number of his aides. It is also a good time to think about fear, about the terror that seized some of us when, on a Saturday night the following year, we realized that our form of government was based on an understanding: We would all play by certain rules.

I am thinking of that Saturday night, Oct. 20, 1973, for two reasons: The first, of course, is Watergate. The other is the presidential candidacy of Ross Perot. Here we have a man about whom we know very little. How would he react if a legal and political noose were being tightened around his neck?

Richard Nixon reacted by telling his chief of staff to fire the special Watergate prosecutor, Archibald Cox. The events that followed—the resignation of the attorney general and his deputy and, most chilling at the time, what seemed like an FBI takeover of the special prosecutor's office—were called the Saturday Night Massacre. For a while, it had the feel of a coup.

Of course, the Saturday Night Massacre was no such thing, and, in fact, Nixon's almost comical insistence on going down the chain of command made it most un-coupish. But the feel of the event was downright sinister. After all, democracy is a mere understanding: If you lose, you will leave office, and while in office you will play by certain rules. For instance, we would like our presidents to adhere to the Constitution.

Ross Perot gives every indication of never having read the Constitution. The notion of an electronic town meeting that could set policy, make law and even determine the tenure of the president is a near repudiation of representative democracy. Perot has even suggested vesting his town meetings with the authority to raise or lower taxes—the province of Congress, according to the Constitution. That idea seems to have been junked. Whatever he means, these would not be trivial changes.

Much of the discussion of Perot revolves around fiscal matters—his area of presumed expertise. But not a lot of attention has been paid to his evident impatience with basic civil liberties. That is where I find Perot's candidacy most troubling.

Perot has been quoted as suggesting that certain minority Dallas neighborhoods be cordoned off so the police could conduct house-to-house searches. Those remarks were first published by a Dallas Times Herald columnist in 1989 and not disputed by Perot at the time. Only recently has he said they were fabrications, but other journalists say they, too, heard Perot make such statements.

But there is no dispute about what he said on the "Today" show in 1989. Mike Isikoff of The Post says Perot suggested calling the anti-drug effort a "civil war" and designating drug dealers as "the enemy. At this point," he added, "there ain't no bail. You go to a POW camp. You can deal with this problem in straight military terms." Not in the U.S. of A. you can't.

I am full up with testimonials from Perot's friends and acquaintances attesting to his cuddly qualities. But what can they know? Not once in his life has he been entrusted with police powers. He has never been a public official nor cast a public vote in a legislature. Nevertheless, we are told that we can trust Perot with the armed forces, FBI, CIA, Secret Service and every other agency of government—more than enough to conduct his "civil war." What do you have to lose? we are asked.

The Saturday Night Massacre constitutes a reply. We have plenty to lose—which is not the same as saying we will. It is merely to suggest that to select someone as president who has never held public office and who exhibits an authoritarian bent constitutes something more than a riverboat gamble.

For those who want to talk of presidential contenders only in fiscal terms, consider the phrase "eternal vigilance." It is still the price of liberty.

Hobart Rowen

A Likely Story About the Economy

Last week, while reporting a jump in the unemployment rate from 7.2 percent in April to 7.5 percent in May—the highest level in eight years—the administration and the Federal Reserve Board said that the economy was displaying underlying strength.

Here is a news story you can expect soon:

WASHINGTON, July 4—President Bush today hailed the increase in the June unemployment rate to 8.2 percent—the highest level in 14 years—as a further sign that a modest economic recovery is underway.

It was the second month in a row that the Bush administration attempted to convert a disturbing increase in the jobless rate into a positive indicator for the economy. "In May," Bush said, "there were more than 300,000 extra persons in the labor force who decided it was time to look for work."

"Now, there are a solid 750,000 more persons in the labor force who were looking for jobs in June than there were in April," Bush said in a Rose Garden statement. "That reflects even more optimism about finding work, and, golly, that shows the economy is on the right track."

Repeating an observation he made during a prime-time TV news conference a month ago, Bush said that inasmuch as he had to accept the blame for bad economic performance during the recession, he was entitled to some of the credit for the more hopeful signs indicated by higher jobless totals.

The unemployment total in May stood at 9.5 million, up from 9.1 million in April. According to Bush's announcement, the great optimism among workers has now resulted in a jobless total just over 10 million, with no evidence that enthusiasm among the unemployed has abated. It could go even higher, he hinted.

Presidential press secretary Marlin Fitzwater said that if current favorable trends continue, it is possible the unemployment rate might reach 10 percent by Election Day—and that such evidence that larger numbers of persons were hopeful that they could find jobs would surely guarantee Bush's reelection.

Fitzwater noted, also, that teenage unemployment in June had risen even above the 20 percent level for May (which incorporated a 43.8 percent black teenager rate). "Just the fact that those kids are out there looking, God bless them, shows that they haven't lost faith in the system," Fitzwater said. He added he wouldn't be surprised to see the teenage unemployment rate hit a post-Depression high of 30 percent by Election Day.

A reporter asked Bush why the unemployment rate is rising, if the economy is improving. "Why can't these people find jobs if things are so great?" he asked.

"Well, you have all these kids—you know, kids started coming out of school looking for work, and that adds to the numbers of people looking for jobs," Bush said.

"Employers are beginning to see the economy improve," he said, "but they are so uncertain the recovery will last that they work their employees overtime rather than hiring new ones."

"The average factory work week grew by two-tenths of an hour to 41.5 hours—the longest in 15 or 16 years. That can't continue forever. They'll soon have to hire more guys and gals."

Private analysts said that even if businessmen start to take on new employees this summer and fall, the gain in jobs is likely to be less than the growth in the labor force, which means that the unemployment rate won't go down, and could go up. Typically, a real economic growth rate around 3 percent is needed to offset the increment in job entrants. But expectations are that economic growth for the next year will not exceed 2 percent.

"If you subtract from the gross national product the production going into inventory," said a leading economist, "our real growth rate is barely 1.5 percent."

A reporter asked Bush about a Dun & Bradstreet survey in April indicating that businesses expected to add only 1.9 million jobs this year, whereas Bureau of Labor Statistics figures show that the labor force has been increasing at a 4.9 million annual rate from November 1991 through April 1992.

Does that mean that unemployment could increase from less than 9 million at the beginning of the year to 12 million soon, the reporter asked. Bush referred the questioner to Fitzwater, who said he was late for lunch.

George F. Will

Rejoice in Resistance

Well-tailored and well-intentioned, the very model of the modern international improver, Maurice Strong, impresario of the Rio "Earth Summit," intoned: "We have been the most successful species ever. We are now a species out of control."

To which a healthy response is: Damn right, and we're determined to stay that way.

A burgeoning international bureaucracy of rule-writers wants to control the species in the name of that sentimentalists' fiction, the "international community." Their mission is to move nations "beyond sovereignty," using multilateral agreements couched in broad language, the effect of which will be diluted sovereignty and abridged liberty. How much dilution and abridgement will be decided later, by the authors.

The rule-writers of Rio fancy themselves the wave of the future. Actually, they are a late-20th century gasp of a late-19th century invention, bureaucracy. A harbinger of the future may be the mouse that recently roared: Denmark.

Friends of freedom owe much to the 46,269 Danes who made the difference in the glorious defeat—50.7 percent to 49.3 percent—of the Maastricht Treaty. Denmark's political class casually submitted the treaty to a popular referendum, assuming perfunctory ratification because mere citizens would not have the impertinence to reject what "pro-

gressives" consider self-evidently desirable—Europe's political and economic union.

The "deepening" of the European Community—meaning deepened submission of nations to the Brussels bureaucracy—has become, like environmentalism, another value invoked to justify more bossiness by government. Behind the fog of Euro-jargon about "harmonization" and "coordination" there is the spread of soft statism. Its goal is to suck toward the center—to Brussels—powers and rights hard-won over centuries by national parliaments. The casualties of this centralization include government by representation and consent.

Centrifugal forces are being felt in the multiplying fragments of the Soviet Union and Yugoslavia, in Czechoslovakia, in Scottish nationalism and Quebec separatism—and in northern California and southwestern Kansas.

Two weeks ago 27 rural California counties approved a non-binding (but intensely cathartic) measure endorsing secession. They say Sacramento is a distant gaggle of strangers, and the state's vastness and diversity precludes a sense of commonality and community. In Kansas—bleeding Kansas, again?—nine counties, convinced they will pay more for education while having less control over it under a new school finance plan, have voted (again, it has no legal effect) to secede from control by that distant and self-aggrandizing metropolis, Topeka.

Back in Copenhagen, Denmark's foreign minister says, "We must now sit down and find out how we were so distant from our voters." The emotional distance between government and governed defines American politics too, and Clinton, Bush and Perot seem to misunderstand it, each in his own way.

Clinton is identifying more closely with Democratic leaders of Congress, America's most despised institution of governance. He stresses the blessings that will pour from Congress in the springtime of a Clinton presidency, when divided government ends. The strange theory of the Clinton campaign, which needs new theorists, is that voters regret government "gridlock" because it impedes the expansion of government favored by the congressional wing of the Democratic Party.

Bush's incomprehension of contemporary politics is written all over his fading presidency. In an interview in *Policy Review*, Chris DeMuth of the American Enterprise Institute says:

"Reagan's breaking of the PATCO strike signaled, accurately, that 'no more business as usual in Washington' was more than campaign rhetoric. Bush's agreement to a tax increase he had vowed never to accept signaled, with equal accuracy, that it was back to business as usual. Everyone in Washington, with the possible exception of a few of President Bush's

advisers, understood that the 1990 budget agreement was not about solving a particularly knotty fiscal problem, but about whether it was safe to get back to promoting increased federal spending, taxation and regulation."

Perot's defining promise is to make government "work." His brusque persona is his program: He will bark orders and take "action" and this "leadership" will end governmental "paralysis." But his stress on efficiency and other managerial values is at odds with the public's recoil from the statism and collectivism that were born with this century and may be dying with it.

Beginning with Theodore Roosevelt, an American majority felt that government needed strengthening because it seemed anemic compared to the institutions and problems of industrial capitalism. However, on the eve of the 21st century, American opinion is that government is now overdeveloped, and is decreasingly competent and increasingly costly to freedom.

The mood of people from Copenhagen to California is that we are the most successful species because we resent control. Having escaped from the control of kings and priests and the like, we are not going back to control, this time by bureaucrats. The species is most successful—morally as well as materially—when resisting permeation of life by political regulation.

Michael Kinsley

Why All the Fuss?

The balanced budget amendment debate has taken an odd turn. Most of the arguments by opponents, predicting dire consequences if the Constitution is amended to require a balanced federal budget, apply not just to the amendment but to a balanced budget itself. Yet most of these opponents claim to favor balancing the budget.

The Washington Post editorial page, for example, has often called for a federal budget surplus, to free capital for private investment. Yet The Post presents nightmare scenarios of "brutal" budget slashing to scare people away from a balanced budget amendment.

Others argue that, under pressure from such an amendment, the government will starve R&D and public infrastructure in order to preserve middle-class entitlements, or it will kick expensive civic obligations downward onto the states and cities. All these are live possibilities. But they are an equal challenge to anyone who advocates a balanced budget, with or without the whip of a constitutional mandate.

Unlike The Post, the New York Times editorial page not only opposes the balanced budget amendment but snottily dismisses the very idea of a balanced budget as an "ill-conceived accounting concept." The concept offends "by lumping public consumption with public investment and requiring everything to be paid out of current revenue."

The argument, in a nutshell, is that the government is like a business. No one regards it as irresponsible when a business borrows money to make investments that will pay off in the future. Therefore, there is

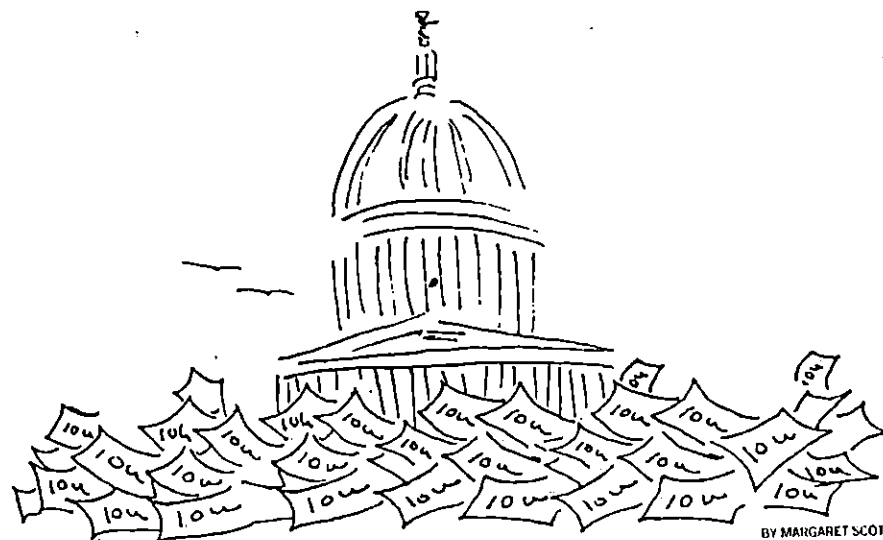
nothing irresponsible or unbusinesslike about government doing the same. By one estimate, the federal government spends about \$135 billion a year on physical capital—roads, buildings etc.—plus another \$70 billion on research and \$38 billion on education and training. It is silly to expect all that to be paid for out of ready cash.

The trouble with this argument is that life doesn't start today. The bridge you build today benefits tomorrow, but the bridge you built yesterday benefits today. Ditto highways, research, education etc. Only if you are prepared to account for all those past expenditures this year can you justify pushing this year's expenditures into the future.

Furthermore, if the government were really to start keeping its books like an honest business, it would have to include as current expenses the obligations it is undertaking to future retirees by accepting their Social Security and Medicare taxes. That calculation would make this year's actual cash flow deficit look trivial.

And even businesses have to worry about cash flow in the end. If they borrow for investments that don't produce enough money to pay back the principal and interest, they eventually go out of business. True, no sensible business has a rigid rule against a negative cash flow in any particular year. But as a nation, we have proved ourselves incapable of restricting our long-run negative cash flow any other way.

One problem with "capital accounting" for the government is that many government investments such as roads and education don't provide a direct return to the government it-



self. Another is the fuzziness of the concept of government "investment," which makes it easy to abuse. A prominent economist has even suggested that arts subsidies are an investment in the nation's cultural future and therefore okay to finance by borrowing.

House Budget Committee chairman Leon Panetta and Congressional Budget Office director Robert Reischauer both have produced gruesome descriptions of what balancing the budget by 1997 would actually entail. These scenarios are a justified rebuke to President Bush and others, mostly Republicans, who insist, fatuously, that a balanced budget can be achieved without inconvenience.

But what also struck me while perusing the various options is how undramatic they seem, at least compared with the feverish rhetoric all around us these days about how the government is in a crisis, the people are rising in rebellion, life cannot go on this way, all politicians must be shot, we should all hold our breaths until a billionaire from Texas arises to save humanity etc. etc. etc.

For instance. We could cut \$112 billion over five years by subjecting 85 percent of Social Security payments to the income tax. Right now, Social Security is half-taxable for those over an income floor. But even if Social Security were fully taxable, those who depend on it for most of their income would barely be affected, since low-income people pay little or no income tax. Eighty-five cents on the dollar is approximately how much Social Security recipients are getting in excess of what they put in—and thus never paid taxes on originally—so it's reasonable to ask why it should be exempt now. More important, taxing it now would cause no one undue hardship.

Indeed, it's not very challenging to find \$500 billion or \$600 billion, which is what you need to balance the budget over five years, without causing anyone undue hardship. To be sure, you might cause a lot of balanced budget amendment supporters a rude surprise. But by then, for them, it would be too late. That's the idea.

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Roy L. Ash

The I.O.U.S.A. Amendment

The public's support for a constitutional amendment to balance the budget stems from deep-seated frustration with the workings of government. It is a call for a heroic "Hail Mary play" to win the game. Unfortunately, those who want it ignore the almost certain, and serious, unintended consequences that would be unleashed by amending the Constitution to balance the budget.

Let's consider just two of them. Sen. Paul Simon's version would require that annual federal "outlays" (cash paid out by the government) not exceed "receipts" (cash received) for that year. That would seem a clear-cut way to balance the budget. But what else would it do, even if unintentionally?

The government pays out its cash to meet obligations incurred by earlier actions, sometimes years earlier—for example, the issuance of bonds that require life-of-bond interest, the purchase of airplanes to be paid for when delivered, commitments to make Social Security payments, guarantees of international obligations etc. What will happen under the proposed amendment when the bills for these commitments come due but previous outlays during the year have al-

ready "used up" all the year's receipts? Is government bond interest not to be paid? Will aircraft builders be told to keep their planes, since there's no money? Will Social Security recipients be told, "We're sorry, maybe next year"?

By this well-intended constitutional amendment, we will have made all financial obligations undertaken by the U.S. government merely contingent ones, to be paid when cash is available.

Thus, with adoption of one amendment, we will have dealt a serious blow to one of this country's basic assets: the inestimable value of its sovereign full faith and credit. Concerned as we are by members of the House writing a few thousand dollars of checks with no money in their personal accounts, will we now allow them to write billions of dollars of uncovered checks on the nation's accounts?

Then there is the House version of the proposed amendment. It would require that at the beginning of each year the president and Congress agree on a level of expected receipts for that year and limit outlays for the year to those expected receipt levels.

But suppose the president and Congress don't agree (it wouldn't be the first time). One may want to raise taxes and spend more; the other may want to reduce spending or even reduce taxes. Nothing, not even the Constitution, could force them to agree. Has Congress or has the president violated the Constitution? Who goes to jail—so to speak—for the offense of not agreeing? This is just one of many bases for court intervention if the amendment is adopted.

The very imbedding of any principle in the Constitution not only opens the way for but invites open-ended litigation in the federal courts. Will the federal courts, including the Supreme Court, become the country's budgeters? In addition to the administration's Office of Management and Budget and the Congressional Budget Office will we now have an SOB (Supreme Court Office of the Budget—well, okay, SCOB) making fiscal policy for the nation? If so, the federal district courts and Supreme Court would be determining both tax policy (who pays taxes, what kind and how much) and spending policy (which federal programs

would be canceled and which kept, and at what levels).

These two possible unintended consequences alone are grounds enough to reject outright the idea of a constitutional amendment. And there are other equally troubling possibilities, ranging from unintended effects on our defense capability to the likely prospect of mandated spending by business on functions (medical costs for instance) that might otherwise be paid by government.

Furthermore, as those of us who have been in the business know very well, any amendment in the arcane field of budgeting can be circumvented by so many technicalities that the Constitution of the United States itself will have been trivialized.

So, let's save the Constitution; let's save the best credit rating in the world; let's save our courts from an impossible task and in the process save the American people from the unintended consequences of a well-intended idea.

The writer was director of the Office of Management and Budget in the Nixon and Ford administrations.

Jim Hoagland

Taking Command of the Ex-Red Army

MOSCOW—The ceiling of Andrei Kokoshin's new office in the Russian Pentagon planes toward celestial infinity, the far wall glimmering on a distant horizon. In this quiet vastness nestle imposing globes and electrically powered sliding maps on which Soviet field marshals once projected their most secret Cold War visions and plans.

The beginning of democracy in Russia and the end of the Cold War have propelled Kokoshin, a civilian—more precisely, an intellectual and reform advocate—into this cavernous office where he reigns as the deputy defense minister of Russia.

In these chaotic days of preparing for the first serious U.S.-Russian summit, of monitoring brushfire wars on Russia's rim and of launching a painful conversion of defense plants to civilian production or bankruptcy, that title grants Kokoshin the right to wrestle with the world's biggest, most explosive military problems almost alone.

Russia's Defense Ministry, which oversees an army of more than 2 million men, "consists of about 25 people right now—the minister, me and our personal staffs," a harried Kokoshin said on a recent afternoon. He and his boss, Gen. Pavel Grachev, a decorated combat veteran, were appointed by President Boris Yeltsin a month ago.

The creation of the Russian Defense Ministry shows that Yeltsin has given up on the military structures of the Commonwealth of Independent States, the fig-leaf organization created in December to mitigate the Soviet Union's disintegration. Less clear is the meaning of Yeltsin's decision to break precedent and name a civilian to the number two job in Moscow's defense establishment.

Kokoshin suggested in our conversation that it will not dramatically change Moscow's positions on arms control. U.S. officials who hope the Yeltsin-Bush summit in Washington next week will bring movement toward abandoning the 1972 Anti-Ballistic Missile Treaty and Russian acceptance of strategic missile defenses will be disappointed, he said.

The summit should concentrate on more "practical" steps such as agreement on a joint early-warning radar system to detect missile launches from third countries. Agreement is near on such an accord as the major arms-control component of the summit, Kokoshin indicated.

"Linking our two systems could save us both a lot of money and a lot of effort," he argued. "It will give us greater political military confidence in each other and greater technological understanding of systems that are similar but particular." Beginning with the

introduction of "some kind of modems" that would permit instantaneous U.S.-Russian data exchanges, "we could move toward a joint center" to run an integrated radar network.

"It is too early to talk about future cooperation on strategic defenses" as U.S. officials want, he added. "We should not be in a great rush to amend the ABM Treaty. We in Russia have too much experience in dismantling things before creating new ones."

Instead Kokoshin hopes that the summit will produce progress on new limits on anti-submarine warfare (an area the United States dominates) and "the serious discussions on a comprehensive nuclear test ban treaty the United States has promised in the past. The time has come."

Kokoshin advocated these same proposals when he was the second-ranking official in the U.S.-Canada Institute in Soviet days. This continuity and the Kokoshin family's prominence in Soviet military history helped win him the grudging, limited acceptance of the generals and colonels democratic Russia inherited.

Yeltsin seems to have seriously considered putting Kokoshin in charge of the ministry. Kokoshin had rallied to the Yeltsin camp early in the conflict with Mikhail Gorbachev and went to Yeltsin's Moscow headquarters to help resist the counterrevolutionary coup last August.

But the military establishment insisted on a military man like Grachev. Gen. Dmitri A. Volkogonov, perhaps Yeltsin's closest military adviser, told me in a separate conversation:

"The transition period of military reforms will last four or five years. We will arrive at a point where the defense minister can be a civilian. One half of the ministry staff will eventually be civilians. But during the transition period the minister will continue to be military."

During the transition period the ex-Red Army is due to be cut in half and to complete its strategic retreat from Central Europe, the Baltics, Central Asia and the Caucasus. To manage such a vast withdrawal is a harrowing task any time. To do it as your domestic economy and political structures have collapsed around you is to court military revolt.

That is a central reason Russian arms-control proposals will look modest—"practical" as Kokoshin puts it—at the Washington summit. Americans should not be disappointed.

The more pressing military tasks for the Russians are at home. Those are to continue and control the retreat from abroad and to entrench civilian command over a military machine cut adrift from privilege and purpose. If the summit contributes to that result, it will be a success.

THURSDAY, JUNE 11, 1992

House Panel Approves Aid for Ex-Soviet Union

Measure Speedily Processed for Floor Vote

By Don Oberdorfer
Washington Post Staff Writer

The House Foreign Affairs Committee with strong bipartisan support approved the administration's aid bill for the former Soviet Union yesterday, clearing it for action by the full House.

Chairman Dante Fascell (D-Fla.) and ranking Republican William S. Broomfield (Mich.), both veteran lawmakers who have announced their retirement at the end of this session of Congress, led the way for unusually swift committee approval of the bill by voice vote, without the usual consideration at the subcommittee level.

The Bush administration, which announced the aid program April 1, initially asked Congress to pass the bill by the time of Russian President Boris Yeltsin's visit here next week. It has been clear for weeks that this timetable would not be met, so the speed and ease with which the House committee acted came as a particular surprise.

The bill would authorize a \$12

billion increase in the U.S. commitment to the International Monetary Fund and grant authority for a broad array of U.S. assistance projects in Russia and other countries of the former Soviet Union.

Fascell, saying that Congress has

A \$12 billion increase in funds to the IMF would be authorized.

a responsibility to assist the greatest international change in his lifetime, urged the committee not to burden the bill with extraneous amendments. "It would be easy to kill this legislation" by amending it to death, Fascell said in opening yesterday's session.

Several amendments were adopted in the mark-up session, but none, according to administration offi-

cials, would cause serious difficulty if they survive final passage.

One significant amendment adopted yesterday, which was accepted by the administration after negotiations with the Armenian community here, would bar aid to Azerbaijan unless that state "demonstrates progress" toward ceasing the blockade and stopping all offensive action against Armenia and the Armenian enclave of Nagorno-Karabakh.

Fascell anticipated the bill will have greater difficulty passing the full House than it did the committee. He declared that he would not ask colleagues "to jump through political hoops" by voting for a politically unpopular bill unless passage was a practical possibility.

Broomfield called the aid bill "probably the most important foreign policy question we will face this year." Recalling the post-World War II cooperation of President Harry S. Truman, Secretary of State George C. Marshall and Republican Sen. Arthur Vandenberg, Broomfield called for similar bipartisan action under present circumstances.

Committee sources said there is no agreement yet in the House leadership on when to schedule floor consideration of the bill. In the Senate, similarly, the Foreign Relations Committee has completed action on its version of the bill but has yet to obtain a date for floor action.

Lawsuit Asserts Interior Dept. Acted Illegally on Spotted Owl

Reuter

Environmental groups sued the Bush administration yesterday over its decision to suspend the Endangered Species Act and allow logging on 13 Oregon timber tracts that are home to the northern spotted owl.

The suit was filed in the 9th U.S. Circuit Court of Appeals in San Francisco by the Sierra Club Legal Defense Fund on behalf of 10 conservation groups. The suit, announced here, charges that the Interior Department did not follow proper procedures when it convened a special panel to vote on the exemptions.

It also said the government failed to look at alternatives to sale of the tracts that would be less harmful to the threatened owl, which nests in the ancient forests of the Northwest.

"The God Squad's decision to allow these sales to proceed was pure politics," Defense Fund attorney Vic Sher said in a statement.

"It represents no more than the latest in a remarkable series of cynical, deliberate and systematic violations of our nation's environmental laws by the Bush administration," the statement said.

An Interior Department spokesman said officials "certainly followed the letter and the spirit of the

law. I don't know what else there is to say about it."

A special Cabinet-level panel, known as the "God Squad," voted May 14 to suspend the species law and allow logging on 13 of 44 disputed federal timber sales. The panel gets its nickname from its life-or-death power over rare species.

To secure the vote of a reluctant panel member who argued for a broader approach to preserving the owl, the panel also adopted an owl recovery plan that would set aside 5.4 million acres of Northwest forests at a cost of 32,000 jobs.

But rather than accept the owl recovery proposal, Interior Secretary Manuel Lujan Jr. wants Congress to approve a plan that would allow sales of more timber tracts but protect less owl habitat.

In the weeks since the panel voted, government officials who have taken a close look at the compromise have indicated that they may not offer any of the 13 tracts so they will not have to implement the recovery plan.

No immediate decision on the sales is possible, however, since the tracts are part of a huge package of Northwest federal timber sales now under court injunction.

The Washington Post

THURSDAY, JUNE 11, 1992

TODAY IN CONGRESS

SENATE

Meets at 10 a.m.

Committees:

Appropriations—10 a.m. VA, HUD & independent agencies subc. FY93 budget for Federal Emergency Management Agency. 138 Dirksen Office Bldg.

Armed Services—12:30 p.m. Strategic forces & nuclear deterrence subc. Energy Dept. workforce transition & conversion issues. 232A Russell Office Bldg.

Commerce, Science & Transportation—9:30 a.m.

Nomination of Walter McCormick as general counsel at Transportation Dept. 253 ROB.

Commerce, Science &

Transportation—10:15 a.m., approx. Science, technology & space subc. Mission of space shuttle Endeavour. 253 ROB.

Commerce, Science & Transportation—11:30 a.m.

Nominations of Gregory Chapados as assistant sec. of commerce. 253 ROB.

Finance—9 a.m. Mark up

unemployment compensation legislation; Social Security amendments; & budget auths. for U.S. Customs Service, Office of U.S. Trade Representative & U.S. International Trade Commission. 215 DOB.

Foreign Relations—10 a.m. Pending

legislation, treaties & nominations:

condemning assassination of Giovanni Falcone; enforcement of U.N. Security

Council resolutions on hostilities in former Yugoslavia; sense of Congress

regarding Kurds in northern Iraq; Protocol on Environmental Protection

to Antarctic Treaty; communications

agreements; & nominations of Adrian Basora as amb. to Czech & Slovak

Federal Republic; Richard Capen to Spain; William FitzGerald to Ireland;

Peter Teeley to Canada; Reginald Bartholomew as U.S. permanent

representative on Council of NATO; Marc Baas to Ethiopia; Hume Horan

to Ivory Coast; Lauralee Peters to Sierra Leone; Donald Petterson to

Sudan; & Pamela Turner as member of U.S. Advisory Commission on Public

Diplomacy. 419 DOB.

Foreign Relations—2 p.m. European

affairs subc. Possible need for intervention in former Yugoslavia. 419

DOB.

Governmental Affairs—9:30 a.m.

Federal Property & Administrative Services Auth. Act & Multiple Award

Schedule Program Reform Act. 342

DOB.

Judiciary—10 a.m. Pending

nominations & legislation: nominations

of Susan Black as U.S. circuit judge for 11th Circuit; Irene Keeley as U.S.

district judge for Northern District of West Virginia; Loretta Preska & Sonia

Sotomayor as U.S. district judges for Southern District of New York; & Kay

Cole James as associate director of Office of National Drug Control Policy;

& regarding violent sex crimes & pornography. 226 DOB.

Select on Indian Affairs—9:30 a.m.

Jicarilla Apache Tribe Water Rights Settlement Act & Ak-Chin Water Use

Amendments Act of '92. 485 ROB.

HOUSE

Meets at 10 a.m.

Committees:

Appropriations—10 a.m. Military construction subc. Mark up FY93 approps. B-300 Rayburn House Office Bldg.

Appropriations—11 a.m. Mark up allocations & FY93 approps. for energy & water development programs. 2360 RHOB.

Appropriations—1 p.m.

Transportation subc. Mark up FY93 approps. 2358 RHOB.

Armed Services—9:30 a.m. Morale, welfare & recreation panel. Operations of Defense Commissary Agency. 2118 RHOB.

Banking, Finance & Urban

Affairs—10 a.m. Housing & community development subc. Federal Home Loan Bank System. 2128 RHOB.

Education & Labor—9:30 a.m.

Human resources subc. General Accounting Office findings on reorganization of Administration on Aging. 2261 RHOB.

Energy & Commerce—9:30 a.m.

Telecommunications & finance subc.

Telephone toll fraud. 2123 RHOB.

Energy & Commerce—10 a.m.

Energy & power subc. Petroleum Marketing Competition Enhancement Act. 2322 RHOB.

Foreign Affairs—1 p.m. International

operations subc. & Western Hemisphere affairs subc. U.S. policy

on Haitian refugees. 2172 RHOB.

Interior & Insular Affairs—10 a.m.

National parks & public lands subc.

Mark up to modify boundaries of New River Gorge National River, Gauley

River National Recreation Area & Bluestone National Scenic River in

West Virginia; add Truman farmhouse to Harry S. Truman National Historic

Site in Missouri; establish Cape Cod National Seashore; establish

Marsh-Billings National Historical Park in Vermont; & establish Mimbres

Culture National Monument in New Mexico. 1324 Longworth House Office

Bldg.

Interior & Insular Affairs—11 a.m.

Mining & natural resources subc.

Mark up to amend Stock Raising Homestead Act to resolve problems

regarding sub-surface estates & Bodie Protection Act of '92. 304 Cannon

House Office Bldg.

Judiciary—10 a.m. Intellectual

property & judicial administration subc. Establish three divisions of

Central Judicial District of California. B-352 RHOB.

Judiciary—10 a.m. Crime & criminal

justice subc. To amend U.S. Code with respect to environmental crimes.

2226 RHOB.

Judiciary—10 a.m. Civil &

constitutional rights subc. Mark up FY93 FBI auth. 2141 RHOB.

Merchant Marine & Fisheries—10

a.m. Merchant marine subc. U.S.-Flag Passenger Vessel Act of '92. 1334

LHOB.

Post Office & Civil Service—10

a.m./2 p.m. U.S. Postal Service. 311

CHOB.

Rules—1:30 p.m. Waste Isolation

Pilot Plant Land Withdrawal Act; Central Valley Project Improvement

Act; Coast Guard auth.; & Jobs Through Exports Act. H-313 Capitol.

Small Business—9:30 a.m. Small

market health insurance reform. 2359

RHOB.

Ways & Means—10 a.m. Oversight

subc. Financing, operation & future status of federal Superfund hazardous

waste cleanup program. 1100 LHOB.

Select on Hunger—9:30 a.m.

Humanitarian conditions in Haiti. 2318 RHOB.

Joint Economic—10 a.m. Alternative

approaches to federal budget policy. 2247 RHOB.

Conferees—3 p.m. Higher education

amendments. 2175 RHOB.

The Washington Post

THURSDAY, JUNE 11, 1992

U.S. Seeks Strategic Advantage In Arms Talks, Yeltsin Charges

Russian Says He Is Seeking Breakthrough Toward New Agreement

By Michael Dobbs
Washington Post Foreign Service

MOSCOW, June 10—Russian President Boris Yeltsin said today that the United States is trying to gain strategic advantage over Russia in negotiations on further deep reductions in the size of each country's nuclear arsenal.

The president's comments, made at a meeting with senior army officers in the Russian Defense Ministry, appeared designed in part to shore up military support for his policies. Later in the day, Yeltsin revealed he is making a fresh attempt to secure a breakthrough toward a new arms reduction agreement during his summit meeting with President Bush in Washington next week.

"Russia continues to pursue the idea of strategic parity, while the American side is going along a somewhat different path," Yeltsin told the officers, arguing that Washington wants to eliminate Russia's land-based nuclear missiles with multiple warheads but is reluctant to significantly reduce its own submarine-based nuclear strike force.

"If such a decision is adopted, the United States would be left in a more advantageous position," the president added.

Talks in Washington between Russian Foreign Minister Andrei

Kozyrev and Secretary of State James A. Baker III on cutting overall force levels by at least half to 4,700 warheads apiece ended in deadlock Tuesday because of an inability to agree on the precise mix of weapons. Kozyrev flew home to Moscow today, telling reporters that a "political impetus" from both presidents is necessary to make the Washington summit a success.

At a meeting with his security council this evening, Yeltsin said he had sent a letter to Bush today with the draft of an agreement outlining "the basic principles for cutting nuclear weapons" that could be signed in Washington. There was no immediate response from Washington.

In Washington, Baker dropped out of Bush's trip to the U.N. Earth Summit in Brazil to accelerate negotiations on the arms agreement. Baker spoke by telephone with Kozyrev on the arms issues today and is expected to speak to him again Thursday. State Department officials said a Baker trip to Moscow to see Kozyrev and Yeltsin this weekend remains a possibility.

House Speaker Thomas S. Foley (D-Wash.) and Senate Majority Leader George J. Mitchell (D-Maine) announced, meanwhile, that Yeltsin will address a joint meeting of Congress next Wednesday.

A leading Russian arms control

expert, Andrei Kortunov, said he doubts Yeltsin would be prepared to make "radical concessions" to Bush for the sake of a new arms control agreement that would go beyond the still-unratified Strategic Arms Reduction Treaty. He noted that Yeltsin is under pressure from conservatives in the Russian parliament and has little to gain politically from such an agreement.

Yeltsin combined his reassurances to the military with a reiteration of full support for his team of young economic reformers headed by Deputy Prime Minister Yegor Gaidar. Over the past two weeks, Russian newspapers have been full of reports that the Gaidar team is losing ground to a powerful lobby representing state-run industry and could be on its way out.

"I am convinced we now need to go further. Any halt would simply be fatal for Russia," said Yeltsin, rebutting speculation that the Gaidar team would resign following the Washington summit.

Many Western experts regard Gaidar's presence in the government as a guarantee that Russia's forced march toward a market-style economy will continue despite inevitable setbacks. In what was widely seen as a political slight to Gaidar, Yeltsin postponed the end of energy price controls last week

and brought several members of the conservative industrial lobby into the cabinet.

Yeltsin told journalists today that three new economics ministers, led by Deputy Prime Minister Vladimir Shumeiko, had come out firmly in favor of economic reform. "They said that they would under no circumstances permit any split in Gaidar's overall government team," he added.

At his meeting with military leaders, Yeltsin announced an 80 percent pay increase for officers to keep pace with the rising cost of living. He also appointed senior military officers to key positions in the

new Russian Defense Ministry, dashing the hopes of some liberal advisers that the ministry would be transferred to civilian control.

The new appointments included a former commander of Soviet troops in Poland, Col. Gen. Viktor Dubynin, as chief of staff of the Russian armed forces. Last month, Yeltsin named Gen. Pavel Grachev, a former paratroop commander and Afghanistan war hero, as Russian defense minister.

Although Grachev took Yeltsin's side during the abortive Communist coup last August, he has struck a distinctly hard-line tone in his first

public statements. He has suggested using military force to defend the interests of ethnic Russians living outside Russia and has expressed alarm at the loss of elite military units stationed in Belarus and Ukraine.

In one interview, Grachev suggested a forward defense line close to the borders of Belarus and Ukraine to defend Russia's territorial integrity. He is also pushing ahead with the creation of a rapid deployment force from existing paratroops, military transport units and infantry divisions.

The Washington Post

THURSDAY, JUNE 11, 1992

ART BUCHWALD

The Owl and the Pussyfooters

It hasn't received much publicity, but one night last week at midnight a rare spotted owl was seen sitting on the branch of a tree overlooking the president's bedroom. In accordance with President Bush's environmental policy, the Secret Service decided to shoot it. But since the owl is an endangered species they held off until they could get a ruling from the Justice Department as to whether it was legal.

While the president slept, senior presidential staffers, including the vice president, gathered in the Situation Room at the White House to discuss what to do about the owl.

Vice President Quayle, who represents the endangered business interests in the country, felt it would be a mistake to save the owl. He said: "We would be sending the wrong message to Rio if we allowed a spotted owl to sit in a tree. I speak for every large lumber company in America when I say that we can't allow environmentalism to hurt the family."

One of George Bush's political advisers took issue with Quayle. "We've been selling Bush as the

'environmental president.' We wouldn't look very good to the Audubon Society if the Secret Service turned a submachine gun on the bird. We could use the owl to our advantage by saving it."

Quayle responded, "But as long as it remains there, we will be prevented from cutting down the White House tree."

One of the president's press spokesmen said, "I have no problem with killing the owl, but what's our coverup story when the press asks why we violated the law?"

"We'll blame it on Democratic politics. I'll bet Bill Clinton has killed a dozen spotted owls in his lifetime."

The press spokesman announced: "I just received a memo from Bill Reilly, our EPA man in Rio. He says the United States has become the villain of the conference and if we don't sign a treaty—any treaty—we're going to be in deep spotted-owl droppings. What do I do about the message?"

"Leak it to the press," Quayle urged. "If the Brazilians pelt us with rotten eggs we'll go up 10 points in our polls."

The Secret Service man said:

"Here's my problem. If we shoot the owl now, we're going to make a heck of a racket and wake up the president. If we wait until morning, the owl may fly away and we won't have another chance to get him."

One of the president's handlers asked: "How did the owl get into the tree in the first place? Spotted owls live *outside* the Beltway."

Quayle said: "Ross Perot could have flown the bird in on his private plane. I don't trust him any more than I trust an endangered snail darter."

The press spokesman yelled, "Of course! It's another Ross Perot dirty trick. He's counting on us to kill the spotted owl so that his managers Ham Jordan and Ed Rollins can claim we don't care about rare species that prevent us from getting a jump-start on the nation's economy."

A White House adviser said, "I don't think we should decide what to do about the owl until we talk to the president."

"We can't wake him. He's going dolphin fishing in Maine the first thing in the morning."

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the Panama Canal, U.S.-Panama relations traditionally have been delicate and the country's sovereignty in its dealings with Washington has been a perennial issue in local politics.

Recent surveys commissioned by La Prensa, however, have shown that a comfortable majority of those consulted would like U.S. bases to remain in Panama beyond the year 2000, when the 1977 Panama Canal Treaty calls for all U.S. forces to withdraw and for the waterway to come fully under Panamanian control.

TALKING POINTS

Senate Proceeding Slowly On Drug Policy Nominees

Over the past three years, while the White House Office of National Drug Control Policy has been wracked by turmoil, congressional staffers and administration officials have credited John P. Walters with holding the agency together. Last month, Walters, 40, who started as office chief of staff to former director William J. Bennett, was confirmed by the Senate as deputy director for supply reduction, giving him oversight of all law enforcement and international activities in the drug war.

But filling other posts at the drug office has gone slowly. For two months Senate Judiciary Committee Joseph R. Biden Jr. (D-Del.) has stalled the nomination of Kay James, a former spokesman for the National Right to Life Committee, to become associate director for state and local affairs because James failed to pledge she would avoid partisan political activity. Sources say James has now satisfied Biden and the committee is due to act on her nomination today.

Last April, the White House nominated Wade Horn, a former official of the Department of Health and Human Services, as deputy director for demand reduction. But some drug treatment groups have complained that Horn has no background in the field and so far no hearings have been scheduled by the Senate Labor and Human Resources Committee on his nomination.

FAA Administrator Confirmed

■ The Senate has confirmed a new chief of the Federal Aviation Administration, retired Air Force general Thomas C. Richards.

Two other top Transportation Department officials were confirmed at the same time Tuesday night—Arthur J. Rothkopf to the No. 2 DOT post and James Toohey as assistant secretary for governmental affairs.

Richards's nomination initially drew groans from the Washington aviation community and Capitol Hill because the law says the FAA chief should have a civilian background, and a number of ex-military men have been appointed to the job in recent years.

Richards did bring a strong aviation resume to the table, however, including membership on the Commission on Aviation Security and Terrorism, popularly known as the Pan Am 103 commission. He also has more than 30 years of Air Force experience, his last job being deputy commander of the European Command in Germany. He is also an experienced pilot. The Senate on Tuesday night also passed a bill allowing Richards to keep his military pension.

Richards replaces James B. Busey IV, who became deputy transportation secretary several months ago. Rothkopf in turn replaces Busey in the No. 2 job. Busey is leaving the department at the end of the summer.

—Michael Isikoff and Don Phillips

POLITICS

Reports Threaten Bay State Careers Of 2 Lawmakers

Allegations of politically incorrect—and possibly illegal—actions have threatened the careers of two veteran Massachusetts politicians: Secretary of State Michael J. Connolly (D) has dropped out of a House race following reports that he pressured aides to contribute to his campaign, and Rep. Nicholas Mavroules (D) is struggling to hold on to his seat amid reports that he is the target of a federal influence-peddling investigation.

Connolly, who had planned to seek his party's nomination in a Sept. 15 primary for the 11th District seat of retiring Rep. Brian J. Donnelly (D), issued a statement Sunday saying that "recent false and malicious attacks anonymously leveled against me" have made the difficulties of the race too great.

The Boston Herald reported that three unidentified former Connolly staff members said he pressured employees for campaign contributions.

Connolly initially denied the reports but later said he solicited money for his campaign at staff meetings outside the office. State law bars soliciting or giving money for political campaigns in government buildings.

Connolly said that those meetings were not for raising money. "If there was mention of fund-raising, that was part of, I'd say, a lengthy meeting," he said. "It was one of many things discussed."

The Boston Globe quoted unidentified sources as saying Connolly called 20 staff lawyers to a meeting April 23 at the Massachusetts Teachers Association, across the street from the Statehouse. The newspaper reported that Connolly asked the lawyers to buy \$250 tickets to a fund-raising event and then distributed the tickets. Connolly said he put the tickets on a table

and told staff members they did not have to contribute.

Mavroules, however, said he will continue his bid for reelection despite the federal probe and allegations that he accepted a bribe while he was mayor of Peabody nearly two decades ago. "I am going to be running in this race and I expect to win," he said. He called the charges "a lot of rubbish," the Associated Press reported.

The seven-term House member is facing a serious challenge from state Rep. Barbara A. Hildt in the Democratic primary.

The owners of a chain of liquor stores told a federal grand jury they had to bribe Mavroules \$20,000 for a license and hire his brother in order to do business in Peabody, according to news service accounts.

Mavroules, mayor of Peabody from 1968 to 1979, said that while he knew the businessmen and they had been political supporters, they never gave him money or gifts.

Oregon Orders Recount

■ Oregon election officials have ordered a recount in the Democratic Senate primary in which Rep. Les AuCoin tallied 328 more votes than businessman Harry Lonsdale.

State law requires the recount because the victory margin was less than 0.2 percent of the votes cast in the race. According to the state elections office, the official vote totals submitted by county clerks from the May 18 primary showed AuCoin with 152,751 votes to 152,423 for Lonsdale. Each had 42 percent of the vote, with the remaining ballots going to a field of lesser-known candidates.

AuCoin, an 18-year House veteran, fought bitterly with the Bend, Ore., businessman for the nomination to face Sen. Bob Packwood (R) in November.

Lonsdale said Monday he will consider a write-in campaign in November if he loses in the recount.

—Maralee Schwartz

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The 'Honest House' of Hugh Sloan

He Quit CREEP. He Talked to the Watergate Prosecutors. Then He Left ... for Good.

By Phil McCombs
Washington Post Staff Writer

TROY, Mich.
Deborah Sloan is making tuna sandwiches in her bright kitchen. "I can't believe it's been 20 years," she says. "It blurs." A daughter, Jennifer, hangs out waiting for a lift back to school. Hugh Sloan is out back, home for lunch. He sits in a white wrought-iron chair on the screened patio that looks out on a capacious lawn, a wall of trees, a gas grill. "I don't think about Watergate that much," he says.

Indeed, why relive it? Hugh W. Sloan Jr., now 51, had been the treasurer of "CREEP," the Committee for the Re-Election of the President, and within a month of the June 17 Watergate break-in had quit his job in revulsion at what he saw going on around him. He helped the prosecutors, testified before the grand jury, and had a moment of vindication during the hearings when crusty old Sen. Sam Ervin peered down at him and pronounced in his incomparable North Carolina accent that "your

testimony has renewed my faith in the old expression—an honest man is the noblest work of God."

"I just couldn't go to work every day in good conscience," Sloan says now in his simple, analytical way, "when I knew, one, that there was an involvement, and, two, that there were people trying to cover it up."

Hugh Sloan did the right thing. Many didn't, and went to jail. Instead, the Sloans went to Michigan. Hugh entered the private sector and is now president of the Woodbridge Automotive Group, which has supplied seat foam or some other interior component, he says, for half the cars on the road in this country. Deborah bore four children, starting with Melissa in that Watergate September of 1972, and has been the chief factotum of the family's cozy life here in this posh Detroit suburb—complete with three-car garage, a pile of mulch in the driveway and a dog named Shea.

She'd had a pretty good moment too, back then, when she told reporter Carl Bernstein, who knocked on their door in McLean, "This is an honest house." There she was, all big brown eyes and big belly and her husband off downtown somewhere trying to make sense of

the sudden nightmare their lives had become, and she said those words, just brought them up from the bottom of her heart—the best one-liner of an era.

Deborah arrives on the porch with the sandwiches. She still has big brown eyes, and laughs as she denies having threatened to leave her husband if he didn't stand up and do what was right. "If I ever said that, it was in jest," she says. "I loved and respected him, we were newly married, he was my friend before he was my husband. To him, there was no other choice. He certainly didn't think he was being a hero at the time, nor did I. I guess it wasn't till later that we realized other people made other decisions."

Hugh, still movie-star handsome and Princetonian proper (Class of '63), with intense hazel eyes but plumper now of cheek and gut than in those yellowed newspaper photos where his visage appears shocked into razor-thinness, bites into his sandwich.

"It made our relationship stronger, I'm sure," she says.

He regards her out of the corner of his eye.

See SLOAN, B4, Col. 1

SLOAN, From B1

"That was a sad thing," she goes on, "the marriages that ended after Watergate. A lot of people. The Ehrlichmans. The Magruders were divorced."

"The Chapins," he adds. "The Kalmbachs."

"It affected a lot of lives," she says. "It tore things apart."

"You hung in there," he says.

"That's right," she says. "I did."

"Course you had nowhere to go," he says. "I had you barefoot and pregnant."

Getting Out

For Hugh Sloan, Watergate was one month of living breathing hell in seven generally happy years of public service—a couple years in the Navy, some time with the Republican National Committee, then as a scheduling aide and general gofer for President Nixon in the White House, and finally with the Committee to Re-Elect. He was a bright young man who rose fairly high fairly fast, and then in a time of crisis had a moment of supreme clarity, and quit. That transforming moment, that one right decision made amid the surge and sweep of historical forces, made possible these many years of comfortable family life and tuna sandwiches on the porch.

The moment came for Sloan sometime in early July 1972 at approximately 30,000 feet somewhere over the Rocky Mountains. In telling how he arrived at that moment, Sloan—sitting in his office now in one of those flat, nondescript industrial parks before heading home in his black Caddy for lunch—begins with the story of an encounter he had in the hallway outside his office at CREEP on the morning after the Watergate break-in.

It was a simple, shocking encounter. Committee counsel G. Gordon Liddy walked by frantically and said something to the effect of "My boys got caught last night" and "I made a mistake. I used somebody from here, which I told them I wouldn't do."

"He said it on the fly and was gone, and you're left there with your mouth hanging open," says Sloan. "... I didn't know precisely what he was talking about, till you read the paper, and as soon as you saw [Watergate burglar James W.] McCord's name, of course McCord had worked for the committee, and then the bell goes off: I've been giving all this money to Liddy. ... And then, the next revelation to come out was about the hundred-dollar bills, all in sequence."

He makes motions with his hands as if dishing out \$100 bills, which he in fact did for Liddy to the tune of \$199,000 on the orders of Deputy Campaign Manager Jeb Stuart Magruder, but without himself knowing any of it was to be used illegally, to pay the burglars. "I thought they were for campaign security."

Once the light went on, the thoughts in Sloan's head couldn't be stopped.

"And then you go back and say, 'Well, you know, who told me to do that?' Which leads you right upstairs into the political side of the campaign. And [campaign Finance Chairman Maurice] Stans's view was—he had a very compartmentalized approach—that that's their problem, it's not our problem. Our problem is to get out and raise money for the campaign."

But Sloan saw other possible problems.

"It took a while," he recalls, "to figure out what the exposure might be, and what the risks were, but it was very clear that there was an involvement [in the break-in], and you started to have officials of the campaign saying there was no involvement. It's hard to explain how you can talk to people in those circumstances—you'd think you could demand to know what the heck's going on—but you could never really get your hands around it, you could never really get a direct answer."

He went to John D. Ehrlichman, the president's chief domestic assistant, to warn him of the coverup, but Ehrlichman told him he didn't want to know "any details." He went to Dwight Chapin, Nixon's appointments secretary and a friend, but Chapin accused him of being "somewhat overwrought." He went to Stans, for whom he had the highest regard, "to ask a couple of times about things, the Liddy money and so on, and he came back and said, 'I don't want to know and you don't want to know,' and he'd obviously been told to buzz off by [Campaign Manager John] Mitchell."

By this time, he recalls, he was getting "nervous. And then when you have people actually coming and suggesting you trot down to the assistant attorney general with a fabricated story, the message becomes very clear—this was Jeb Magruder, he tried to get me to commit perjury twice." In his Watergate biography, Magruder writes: "If Sloan had been someone we trusted, we might have sought his assistance in the cover-up."

Sloan, being of a moral cast of mind but also no fool, began at this point to foresee problems for himself should he stick around. "Once the investigations began," he says, "it didn't take a genius to figure out that people were going to come after the money, and if you were the treasurer you were certainly going to be part of the audit trail, and then the obvious question is, 'Who'd you give the money to and why?' ... And the fear was that the investigative process would not be sophisticated enough to separate out people who did it by intent and those who were used in the process."

When Sloan went to lawyers hired by the committee, he recalls, they were shocked about what he was saying about a coverup and suggested he get out of town for a few days to "buy us a little time." The campaign booked him on a 6 a.m. flight from Dulles to Los Angeles to join Stans on a fund-raising mission. Then he got a call from Frederick C. LaRue, an assistant to Mitchell, suggesting he stay in a motel overnight to avoid a subpoena.

He went home and packed. Deborah was crying as he left for the Marriott at Dulles, where he spent a miserable

night and then caught his flight. He had a window seat. He gazed out at America passing below, feeling "desolate."

"You know, that's not quite the way you want to live your life," he says. "Gee, here you are working for the government and you've had an opportunity to serve in the White House and basically you're fleeing. ... I felt there was really no way out of the box, it just wasn't going to resolve itself without making a personal decision, you just couldn't go with the flow, you just couldn't sit back as an underling and assume that everything was going to come out all right."

In addition, the situation "had begun to put a tremendous strain on Deborah when she was pregnant. ... I just came to the conclusion that even being out of work and with my family and everything else to deal with, I'd be more comfortable and better able to deal with the situation alone than ... going to work every day looking those people in the eye when you knew what was going on."

Sloan decided, as best he can remember, over the Rockies. He felt better immediately, told Stans when he arrived in L.A. and, on July 14, resigned.

"The silver lining," he says, "is that it gave us a lot of time together. It's an important time in your life when your first child is born."

Old Stuff

They got out of Washington. Gone, left, vamoosed, and never looked back. No twisting in the wind for the Sloans.

"I guess we never really had Potomac fever," she says, musing with her husband over the sandwiches and watermelon and cookies on the back porch. Though admittedly she may have had, at the time, a teeny bit. She likes to remember her buddies in the White House, where she worked on Pat Nixon's social staff, the trips to San Clemente, that photo of her and Hugh in the Rose Garden—first couple to meet and marry in the Nixon White House!—and the sweet photo of pregnant Deborah with Mrs. Nixon, taken after Hugh resigned and while she was still working for the First Lady.

Once, about six years ago, they went back as tourists, just piled the kids into the Buick wagon and headed south from Ontario, where they'd moved for several years with Hugh's firm at the time, the Budd Co., an auto parts manufacturer. "We love Washington," says Deborah, "and we went back—Shea, no!—and we were excit-

ed to show them where we had, you know ... " She trails off, then picks up with: "The Capitol, FBI, the Smithsonian, we observed Congress. I'm sure we didn't even drive them by the Watergate Hotel. I'm sure we didn't."

They went to Baltimore too and saw the aquarium, which was young Billy's favorite thing.

"It was the sharks," says Hugh.

"You don't think," she says, "because I was in anguish and tormented 20 years ago, that I could possibly have good memories, but most of my memories are wonderful. They're of a college student going to Washington to use her major, poli sci ... working on the campaign ... being asked to be on the White House staff. It was sort of like a dream come true. And I remember the fine people I met and worked with. The Nixons were wonderful, their daughters were terrific. Tricia got married, Prince Charles and Princess Anne came to visit, we planned all that."

Part of the torment, of course, came from the media. After Hugh quit, Post reporters Carl Bernstein and Bob Woodward "came to our house several times a day for—how many months?" says Deborah. "I would come home from work and if I saw their car I would go in the back door. Months and months!"

"They were engaging, personally," says Hugh.

"It was verging on harassment,"

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The TV Column

By John Carmody
Washington Post Staff Writer

says Deborah. "... I mean, you know, after a hard day at the office, would you want to have somebody standing on your doorstep waiting for you? Or if they weren't there they would wait till they saw the lights come on and I was cooking dinner and they could look in the window and know we were home. They were persistent."

Hugh remembers it was tough "interviewing for jobs under this big black cloud. A lot of people were very candid. ... 'Why don't you give us a call when it's all over. We do a lot of business in Washington, and this really wouldn't be a good idea for us.'" Finally Sloan met Budd President Gil Richards, who listened to seven hours of the young man's Watergate lore and hired him on the spot.

When they moved into a house a couple of blocks from their current one, Deborah recalls, "everybody of course knew who we were. Word spread. I think they thought, 'Oh my gosh, will they be normal people?' Of course we were, and I walked Melissa in her stroller and we met our neighbors. And everybody, the movers, looked at Hugh and they'd say, 'Are you the Hugh Sloan ...?' And everybody said to him, 'I admire you, I respected your testimony.' The moving men! The electrician!"

When the movie of "All the President's Men" came out they were invited to a private showing, and Hugh was impressed at how well actor Ste-

phen Collins had "picked up my mannerisms. I couldn't figure out what this guy was doing playing with his tie, and then Deborah tells me, 'You do that all the time.'"

"It was like seeing my husband on the screen," she says. "I felt relieved that he was portrayed—I shouldn't say as being a hero—but as doing the right thing and telling the truth."

Deborah had only one sentence in the movie—the "honest house" line—and was played by Meredith Baxter-Birney, that was my biggest claim to fame. That was my children's interest in Watergate—"Oh my gosh, Meredith Baxter-Birney played you, Mom!"

Hugh had landed the job in May '73, and during that first year of work he took off 50 days to testify at various hearings and trials arising from Watergate. Things began to settle down after that, and a two-year Canadian assignment stretched into nine years of small-town life in a foreign land. Not that they wanted to get away from America. It just happened that way.

When they returned here in '88, their kids didn't know much about American history or government, let alone Watergate. But when Peter, now in high school, came upon the subject in a history course, he suddenly, Hugh says, "found he had an asset in his old man." Peter wrote, among other things, that "In the witch hunt like frenzy that predominated during the investigation many unrelated aspects of the Republican party and Nixon's campaign were put under a microscope by the press as well as the Justice Department."

"It's just history to them," says Hugh. "It's old stuff." He accepts invitations to speak about Watergate, particularly in high schools, but won't take money because "it wouldn't be right." He hasn't written a book because he thinks it wrong "to make money off, in essence, sending people to jail."

He tells students that the lessons of Watergate are simple, that "you have a perfect right and should always ask why, and you should be very nervous when somebody tells you it isn't any of your business." Also that "loyalty is something that has to be earned and constantly re-earned. If somebody's asking you to sacrifice your personal integrity, then they don't deserve loyalty or respect."

"It's a good example for our children," says Deborah. "It's the code we choose to live by, and it's nice that everything came out fine."

President Bush will be interviewed live Monday afternoon at the White House for 30 minutes on Cable News Network's "International Hour," starting at 3 p.m. ...

"Hour" anchor Frank Sesno will conduct the interview ...

The broadcast will be commercial-free ... The White House also announced yesterday that President and Mrs. Bush will appear on the June 26 edition of "20/20" with Barbara Walters. A spokeswoman for ABC News last night said the interview will make up "a major portion of the broadcast" ...

A spokesman for the administration said that contrary to some reports, "there are no current plans for an appearance on [CBS News] '60 Minutes.'" Dorrance Smith said requests for other interviews—from such programs as "Gerald" and "Donahue," for example—will be "dealt with at a later time" ...

Also on the TV Campaign Trail: "CBS This Morning" said yesterday that Monday's entire two hours will be devoted to a live appearance by Gov. Bill Clinton, the Democratic contender ...

He'll be in the New York studio with co-anchors Paula Zahn and Harry Smith and he'll also "be taking questions from a live studio audience and from Americans at remote locations around the country, who will have the opportunity to freely question the candidate on a variety of topics" ...

Actually, Gov. Clinton will also be sharing the two hours with contributing economic correspondent Robert Krulwich and chief health correspondent Bob Arnot, who "will respectively examine the deficit and health care in order to set up audience discussion of these vital issues with Governor Clinton" ...

Each correspondent will introduce his subjects with three-minute segments (which ought to please the Bush administration no end) ...

"This will be the first two-hour network appearance by a presidential candidate in the '92 election year and it will be the most extensive and in-depth election year broadcast with Bill Clinton to date," said Ted Savaglio, "This Morning" executive producer ...

President Bush and Ross Perot have also been offered the two-hour format ...

Clinton also got a lot of air time on the CBS News town meeting the night of the June 2 California primary ...

The Arkansas governor's next scheduled major TV stop is on Tuesday, when he will be in California to tape an appearance for the first MTV Presidential Forum, which will air at 10 p.m. ...

MTV news correspondent Tabitha Soren will be moderator, fielding questions for the candidate from a live audience of about 200 18-to-24-year-olds ...

There will be commercial interruptions during the hour ...

President Bush and Ross Perot have also been extended invitations to participate in future MTV Presidential Forums, according to a spokeswoman ...

Now This

Between 30 and 35 employees of Group W's Newsfeed operation in Washington, some of them part-time, were notified yesterday they will be terminated on June 23 when CNN Television, the Turner Broadcasting System's news service for broadcast affiliates, takes over Group W's Newsfeed and "The Entertainment Report" ...

An announcement of the CNN acquisition was made yesterday by TBS. The mood at the North Capitol Street studios of Newsfeed was reported to be "somber" ...

The closing of the Newsfeed bureau here will mark the end of more than 30 years of a Westinghouse news presence in Washington ...

The Newsfeed operation supplied footage to Group W's five owned TV stations and some 88 other clients ...

With the acquisition, CNN Television will begin providing stations now receiving Newsfeed with its own NEWSOURCE and "Live Edition." "The Entertainment Report" will continue to be produced in Los Angeles and fed to affiliates, according to the TBS announcement. The CNN affiliate count will jump to more than 350 network and independent stations around the United States ...

Jon Petrovich, CNN executive vice president in charge of NEWSOURCE, said there are currently some 15 to 20 positions open at CNN and that many of the affected Group W employees could be considered for those jobs ...

In addition, Petrovich said yesterday, "two community resource people have been assigned to help. And I've told our people in Washington to make ourselves available to anybody at Group W who needs our help" ...

Many of the laid-off employees will receive severance packages ...

"We're honored to have this fine group of stations, including the Westinghouse owned and operated stations, join the CNN family of affiliates," said CNN president Tom Johnson. Affected were some reporters, cameramen and administrative personnel. Charles Towne is executive producer of Newsfeed. He declined comment yesterday ...

Westinghouse will continue to maintain legal offices in D.C. ...

Moving Right Along

It's the lazy, hazy single-digit ratingzzz haze of summer for the networks, and as the audiences shrink, so do the margins between the losers and winners. In last week's newzzz race, for instance, "ABC World News Tonight With Peter Jennings" won as usual with an 8.5/19 but "CBS Evening News With Dan Rather" at 8.1/19 was right on P.J.'s tail, and poor old "NBC Nightly News With Tom Brokaw" at 7.3/17 said it hadn't been this close to P.J. since last November ...

Fox Broadcasting announced yesterday the debut of a new sitcom, "Rachel Gunn, R.N.," on Sunday, June 28, in the 8:30 time slot ...

The series will temporarily replace "Roc," which returns in August as a live weekly show. Fox has ordered 13 Rachels, and about six will air in this short run ...

"Rachel" stars Christine Ebersole as "an underpaid and underappreciated head nurse who always speaks her mind, often hilariously, at home and at work. She's a no-nonsense hero for the '90s" ...

CBS News has expanded next Wednesday's documentary "Watergate: The Secret Story" to a full two hours. It is now scheduled to air from 9 to 11, preempting "48 Hours" that night ...

"What we have learned about 'Deep Throat,' the extent of the FBI's involvement and others who participated in this incredible tale demanded the additional time," according to executive producer Andy Lack, who demanded it ...

Mike Wallace narrates the CBS News/Post-Newsweek co-production ...

Liz Taylor will appear on tonight's Arsenio Hall Show (WUSA, 11:30) ...

Watch this half-hour tonight and maybe you can skip most of the 1992-93 season ...

"Entertainment Tonight" (WUSA, 7:30 p.m.) will air predictions on how the new fall series will do from Bozell Inc., a New York ad agency with a good track record in such matters ...

Only three series are picked to be "successful" (doing at least a 24 percent audience share)—"Hearts Afire" and "Love and War" on CBS and "Martin" on Fox ...

"Hearts" stars John Ritter and Markie Post as Senate aides; "Love and War" (formerly "Love Is Hell") stars Susan Dey as a rich bar owner; and "Martin" stars Martin Lawrence as a Detroit radio talk show host ...

"Passing" (19-23 share) grades go to five shows, including "Hangin' With Mr. Cooper" on ABC; "Golden Palace" and "Bob" on CBS; and "Rhythm and Blues" and "Here and Now" on NBC ...

Thirteen news series are listed as "borderline" (16-18), and 14 are considered "doubtful" (15 share or less) ...

Feeling Ratingzzzz Deprived?

Airwaves to the Rescue! On Tuesday night, ABC won what is usually ABC's Night, thanks to Rosie. The network averaged a sparkling 14.0 national Nielsen rating and a 26 percent audience share for the evening ...

The second edition of Hal Linden's "Jack's Place" did a 12.2/22 at 10, good enough to win the time period. Hal, who plays Jack, burst into song Tuesday night ("My Funny Valentine") after meeting the sourpuss daughter he deserted years ago, two clear indications that ABC has no long-range plans for "Jack's Place" ...

CBS trailed (a teensy little cowboy joke there, TV Column fans) with a 9.8/18 for the evening as the second episode of "Lonesome Dove" averaged a 9.5/17 ...

NBC finished third for the night at 8.4/15. A fresh episode of "Mann & Machine" did a 5.7/11. "Dateline NBC" recovered nicely to do a 10.7/19 by 10, but then neither Jane nor Stone sang a note ...

Each national ratingzzzz point represents 921,000 TV homes ...

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Cate's New Development

In an effort to "expand Virginia's role in the global economy," Gov. Doug Wilder yesterday named his New Year's Eve date, Cate Magennis, as his new secretary of economic development.

The 31-year-old vice president of Xerox Realty Corp. has been developing a planned community in Loudoun County for the past five years. She'll now oversee an annual budget of \$541 million.

Magennis came to Washington in the late '70s to work as an intern in the Carter White House under pollster Patrick Caddell. Over the years, she has been romantically linked to Sens. Ted Kennedy, Chris Dodd and John Warner, as well as to Caddell. Sources say Magennis and Wilder ended their longtime relationship last year, and, shortly thereafter, she began showing up at public events on Wilder's arm. In the fall, Magennis went on the governor's two-week trade mission to the Far East as an official business representative of the state.

Magennis called unsolicited yesterday to say that she is "very excited" about the appointment, but she expressed concern that reports of her "personal life" would overshadow her professional accomplishments and the importance of her new post. "It's a big job," she said, "and I can use all the help I can get."



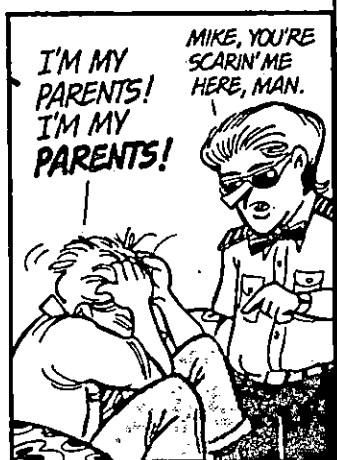
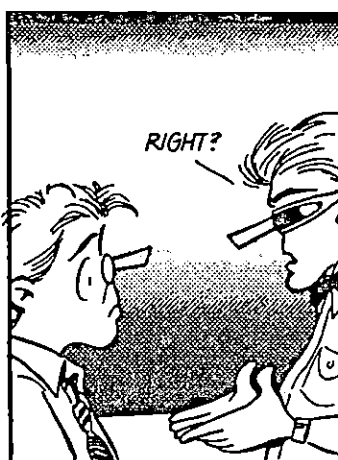
Magennis and Wilder in 1991; left, at a press conference yesterday.

Magennis had helped Wilder in his short-lived presidential campaign. In a December interview with The Post, she characterized her role as simply that of "a sounding board." She told others,

however, that she was more involved, even claiming to have helped write his announcement speech. A friend of Magennis said yesterday that she no longer sees Wilder socially.

DOONESBURY

By G.B. Trudeau



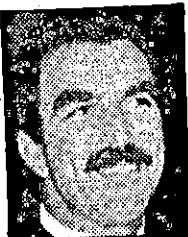
WE'VE HEARD THAT...

■ Democratic presidential candidate Bill Clinton is scheduled to stay in the Hotel Washington's Elvis Presley Suite tonight—which appropriately faces the White House.

■ The old Jimmy Carter crowd may be slowly but surely coming together in Dallas. Carter's media man Jerry Rafshoon has met with the Perot clan. Meanwhile, the ubiquitous Texan has reportedly also contacted the hot British ad firm of Saatchi & Saatchi.

■ Actor Tom Selleck, who played a former Navy man on "Magnum, P.I.," will cut the ribbon opening the U.S. Navy Memorial's Burke Theater today at noon at 7th Street and Pennsylvania Avenue NW.

■ Ben Vereen, who was run down by a truck while crossing a Malibu, Calif., highway early Tuesday, is alert and talking. He remains in critical condition, a spokesman confirms, but not in a



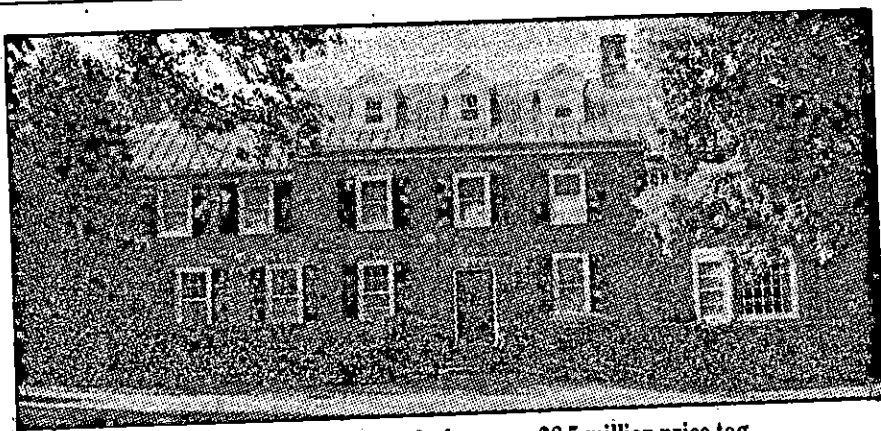
Tom Selleck: Making the cut.

life-threatening situation. Authorities say that Grammy-winning music producer David Foster was driving the car that hit the entertainer but was not charged.

■ The leadership of the House yesterday agreed to pay \$25,000 to have Corn/Ferry International, a headhunting firm, find a candidate for the newly created job of House administrator. Minority Leader Bob Michel was known to be resisting the expenditure, while Speaker Tom Foley pushed for it.

■ The cast of "Buddy: The Buddy Holly Story," playing at the Kennedy Center, performed at the White House last night for the president's dinner for the Joint Chiefs of Staff.

■ JePhunneh Lawrence, a little-known candidate for the Ward 8 D.C. Council seat that Marion Barry wants, has asked the D.C. Board of Elections to disqualify the former mayor because "he was a resident of the Federal Penal System" out of state for six months. But Bill Lewis, general counsel to the board, says he preliminarily ruled that Barry still meets the residency requirements because he did not change his residence voluntarily.



Warner's Atoka: Acres, stables, pools and, oh yes, an \$8.5 million price tag.

John Warner and the Farm That Won't Go Away

■ It's a good thing Sen. John Warner isn't in a hurry to sell his grand Middleburg farm, Atoka. The rambling 557-acre estate, with its early-19th-century stone farmhouse, indoor spring-fed pool, tennis court, four tenant houses and stables, was put on the market last summer for \$8.5 million. Though he peddled 200 acres to a neighbor last year, the senator said he did not want to see the property further

divided; therefore, he planned to "let it ride for a year the way it is."

In the event he does manage to sell the property he acquired with his first wife, Catherine Mellon, Warner is ready to move to a smaller farm that he owns between Clarke and Warren counties. "You can be assured," says a Warner spokesman, "that for the duration of his tenure in the U.S. Senate he'll live in Virginia." Not that we were worried.

SALE

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Deja Vu

Big Political Donors Find Ways Around Watergate Reforms

Many Who Gave to Nixon
Now Fund Bush, Using
Soft Money Loophole

A Word From Maurice Stans

By JILL ABRAMSON
And THOMAS PETZINGER JR.
Staff Reporters of THE WALL STREET JOURNAL
Last March, Richard Nixon received a thunderous standing ovation when he addressed the elite Republican corps of \$100,000 contributors known as Team 100. Gathered at the Hyatt Hotel in Rancho Mirage, Calif., the contributors had called on the ex-president to help kick off their re-election efforts for George Bush.

Later, Mr. Nixon repaired to a private dinner with select Team 100 members, some of them the very same men who had so generously endowed his own presidential re-election campaign 20 years earlier. Their host was publisher and Team 100 member Walter Annenberg, who gave \$254,000 to the Nixon campaign in 1972 and who has underwritten national GOP campaigns to the tune of \$200,000 since 1988. Seated nearby was rubber magnate Leonard Firestone, who gave Mr. Nixon \$115,100 and who has contributed \$247,000 to GOP coffers during the Bush years.

The warm reception for Mr. Nixon was only fitting, since Team 100 is itself a page right out of the 1972 playbook. Back then, the president's campaign inaugurated a "100 Club" for donors reaching the six-figure level, launching a high-pressure program to tap the nation's business elite. This time around, George Bush's fund-raisers already have enlisted 270 donors for his Team 100.

'Rose Mary's Baby'

There are other parallels as well. A Wall Street Journal analysis of 1972 Nixon and 1992 Bush donors shows that dozens of President Bush's most generous supporters are the same people who appear on a log of 1972 donors that Mr. Nixon's loyal secretary, Rose Mary Woods, kept in her desk drawer — a list that White House staffers came to identify as "Rose Mary's Baby." In many cases, these interests are contributing more money than ever.

Another common denominator is George Bush himself. As a Senate candidate in 1970, he received major funding from an illegal, long-forgotten White House money operation that was in some ways a dress rehearsal for the campaign finance abuses of Watergate, as well as for today's loophole-ridden system. In addition, some GOP activists now working for Mr. Bush were embroiled in some of the fund-raising tactics that brought infamy to the 1972 campaign.

As the nation contemplates the 20th anniversary of the Watergate break-in this month, big money has completely regained the privileged place it once held in presidential politics. Huge special-interest donations — outlawed in the sweeping reforms that followed the Watergate scandal — are again pouring into the system in the form of "soft money," donations to state parties that aren't subject to federal limits. Once again, the result is the appearance of a government for sale.

Strong-Arm Tactics

"It's a complete repeat of what went on in Watergate," says Roger Witten, a former Watergate prosecutor who has litigated, so far unsuccessfully, to shut down soft-money programs. "It's exactly what we sought to prosecute in the early 1970s." Campaign reform laws that grew out of Watergate sought to drastically limit the role of big money in politics. (See story, page A12.)

No one suggests that the Bush finance team has stooped to the blatantly illegal solicitations of the 1972 Committee to Re-Elect the President, which earned the acronym CREEP. The Watergate library at the National Archives is filled with records not only of unlawful corporate donations but of the strong-arm tactics used to recruit them.

"Companies of your size are being asked to give in the \$75,000 to \$100,000 range," a committee operative told the chairman of Minnesota Mining & Manufacturing Co. When a Goodyear Tire & Rubber Co. executive turned over \$20,000 in small bills, Finance Chairman Maurice Stans expressed disappointment that the sum was less than \$50,000; within days, Goodyear coughed up another \$20,000. Mr. Stans at one point set a \$400,000 target for every major oil company; several gave, although lesser amounts. Northrop Corp. was even asked to solicit contributions from its suppliers.

Mr. Stans, in an interview, denies ever pressuring corporate contributors and adds: "No money was received in consideration of any quid pro quo."

Avoiding 'Adverse Press'

It was implicit, corporate donors would tell investigators, that by failing to contribute they might be ignored when they needed help from Washington — left at the "bottom of the totem pole," as a Gulf Oil executive explained.

Today, GOP leaders are busily pushing executives and other well-to-do people to re-enlist in Team 100 and to contribute in other ways. But the corporate officials interviewed for this article say that today's GOP fund-raisers share none of the strong-arm tactics of the Nixon campaign. Where companies feel pressure to contribute, it comes from within — from a desire to gain a

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Deja Vu: Donors Work Around Watergate Reforms; Many of Nixon's Major Contributors Now Fund Bush

Continued From First Page

competitive or legislative edge, not to avoid potential White House reprisal.

"It's safe to say there's a proliferation of requests, but it's always done quite professionally because of the desire of people to avoid impropriety or controversy," says Paul Critchlow, a senior vice president at Merrill Lynch & Co., one of the GOP's biggest soft-money donors. "The last thing we want is adverse press."

Donor logs are filled with the names of corporations with vital business pending before the federal government, some of whom are candid about wishing to keep friendly politicians in place. Ford Motor Co., some of whose principal shareholders helped bankroll the Nixon campaign, kicked in \$15,000 to the recent President's Dinner '92 — the biggest contribution ever to a political event from Ford. The company went to such lengths, explains Elliott Hall, vice president of Washington affairs, "because the administration has been very supportive of business on a broad basis and they've been very supportive on automotive issues."

President Bush has scrambled to distance himself from high-pressure fund raising for the President's Dinner—which, at \$9 million, was the most lucrative political fund-raiser in history — after employees of one of the dinner's sponsors filed lawsuits saying they were fired for not buying tables.

In another embarrassment, corporations were listed as donors on the program of a Bush fund-raising event in Michigan this spring, even though direct corporate contributions to individual candidates have been illegal since 1907. Red-faced campaign officials explained that money raised from the companies came from individual employees, not corporate funds.

Democrats, Too

The Democrats haven't been any less assiduous in wooing big money than the Republicans, as Sen. Alan Cranston demonstrated in soliciting nearly \$1 million in contributions from disgraced savings and loan executive Charles Keating. Because Democrats have more incumbents in Congress, they enjoy a huge edge in fund raising there. Union PACs have continued to pump millions into Democratic campaigns. The Democrats have even established a special club for donors who hit not the GOP's \$100,000 mark, but \$200,000. But while the Democrats have been no less eager than the GOP, they have been only about one-third as successful in raising soft money, no match for the GOP's ready access to corporate donations.

Even some insiders are fed up with the renewed spiral in big-money campaigning. "It's really getting out of hand," says heiress Anna Chennault, a longtime GOP finance official who has been a big donor from the Nixon years to the present.

A major culprit in the burst of special-interest money is the so-called soft-money loophole. Contributions of any size and from just about any source, even company treasuries, are legal as long as the money goes to state party-building activities—even if it's raised by national party committees, as was the case with the President's Dinner—rather than individual candidates. It doesn't matter that the soft money used to fund the party activities, such as get-out-the-vote drives, benefits national candidates. In the Bush years alone, the Republicans have raised at least \$70 million in soft money; the Democrats have raised about \$30 million.

The financial apparatus of today's GOP may be so reminiscent of the Nixon era partly because so many of Mr. Bush's top campaign operatives and money men are themselves holdovers from those days:

—As the Midwestern regional director for the Nixon campaign, Clayton Yeutter plucked contributions from dairy farmers, egg producers and others he dealt with during his tenure as an Agriculture Department official — even \$3,000 in cash from two contributors in Omaha, according to government records. Under President Bush, Mr. Yeutter went on to become agriculture secretary, chairman of the Republican National Committee and, now, a top White House adviser. He didn't return phone calls.

—As White House personnel chief in 1972, Fred Malek helped dispense patronage for major Nixon donors. He also served as deputy director of the Nixon re-election committee. He later acknowledged that some of the campaign's activities might have "bordered on the unethical," expressing concern that he might "all of a sudden wake up and find that he was indicted," according to the interview notes of Hamilton Fox III, one of the Watergate prosecutors. Today, Mr. Malek is campaign manager of Bush-Quayle '92. He says he made that comment to Mr. Fox while inquiring whether he needed to hire a lawyer.

—Max Fisher, the Detroit industrialist,

Fed's LaWare Is Doubtful New Rate Cuts Will Help

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON — Federal Reserve Gov. John LaWare, who was among the Fed officials most reluctant to reduce interest rates last year, said he isn't sure that cutting rates again would help the economy.

"The real issue is whether a further reduction of interest rates would have a further effect on the economy," Mr. LaWare told a sometimes skeptical Senate Banking Committee. "There are some of us who believe not."

Mr. LaWare said interest-rate reductions made last year are still working their way through the economy and argued that the Fed is powerless to speed this process. "I expect continued improvement in the economy and some progress on unemployment by the end of the year," he said.

The Fed governor predicted that financial markets will bring long-term rates down only if the Fed takes a convincing stand against inflation.

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gave the 1972 Nixon campaign \$125,000 in stock plus \$125,000 in cash, primarily from a safe in his home, the latter in order to "insure greater confidentiality," according to notes of his interview with Watergate prosecutors. Today Mr. Fisher is honorary national chairman of Mr. Bush's national finance committee, raising money for the campaign and personally donating \$184,050 in soft money since 1988. He also functions as a White House emissary in sensitive Middle East matters. Mr. Fisher didn't return phone calls.

—Alec Courtelis, a Florida real-estate investor who operates in the inner circle of the Bush White House, gave \$5,000 to the 1972 Nixon campaign. Now he is a Team 100 member who lent another \$100,000 to Mr. Bush's inaugural committee. He also serves as national co-chairman of Mr. Bush's finance committee.

Mr. Courtelis points out that today, unlike 20 years ago, contributions are publicly reported. "When Nixon was there, you could give cash, anonymously. There was no accountability," he says. But the motive for giving, he acknowledges, often remains the same. "Unless you have money, you can't move the locomotive. You have to get funds into the mechanism so you can work it."

As if to underscore the tight relations between the business elite and the White House, now as in the Nixon era the top campaign financiers came to their posts after serving as commerce secretary: Robert Mosbacher was the architect of Team 100 as Mr. Bush's finance chairman in 1988, and Mr. Stans was Nixon's 1972 finance chairman. Mr. Mosbacher has his own ties to the Nixon era. In the 1972 race, he headed a group of southwestern business executives for President Nixon, besides being a \$24,675 donor himself.

But his most significant tie to those days, and certainly Mr. Bush's, was involvement with the 1970 "townhouse operation," a secret GOP fund-raising and spending operation that operated out of the basement apartment of a townhouse near DuPont Circle in Washington. With the midterm elections approaching, Nixon aides were intent on building more Republican loyalty in Congress. With Mr. Nixon's enthusiastic support, they began to solicit huge, secret donations from wealthy business people for a central fund, cutting the money up into small pieces for distribution to favored Republican candidates.

The operation was run by a Nixon aide named Jack Gleason, who was moved onto the payroll of waste-disposal executive John Rollins, who was then seeking federal contracts for his trucking company in Delaware. Mr. Rollins is now a member of Team 100; meanwhile, his company, Rollins Environmental Services, has received more than \$15 million in waste disposal contracts from the Department of Energy since President Bush has been in office. A Rollins Environmental spokesman says there was "absolutely no connection" between the company's federal contracts, which it received on a bid basis, and Mr. Rollins's contributions.

At the time, then-Congressman George Bush was locked in a bitter race for the U.S. Senate against Lloyd Bentsen, a popular Democrat. Mr. Gleason began shoveling money to Texas. Some of the "townhouse" money was sent to young Bob Mosbacher, who headed an ad hoc finance team called Oilmen for Bush. At Mr. Gleason's request, Mr. Mosbacher signed statements saying that the money had been raised within Texas (it had not) and that the contributions were each independent of the other (they weren't). The letters, along with other records of the townhouse affair, have become part of a special Watergate library at the National Archives.

Surprising New Job

Interviewed in his office at Bush-Quayle '92 headquarters in Washington, Mr. Mosbacher says he doesn't recall signing the letters. Even though Mr. Gleason and two other Nixon aides ultimately pleaded guilty to operating an unregistered political committee, Mr. Mosbacher says he had no reason to question the legality of the fund-raising scheme. "I can't imagine having the temerity to call the White House and say, 'Are you doing this perfectly legally,'" he says. Neither Mr. Mosbacher nor any of the recipients of the townhouse cash were ever the target of any legal action. Mr. Bush didn't respond to questions sent to the White House for this article, but in the past has called his 1970 campaign a clean one and denied involvement in any improprieties.

Mr. Gleason later went to work at the Commerce Department, where he is still an official. Mr. Mosbacher laughs when told of Mr. Gleason's employment there, saying he was unaware that the former Nixon aide served under him during his tenure as commerce secretary. Mr. Gleason declined to comment.

Ultimately, the Bush campaign got about \$112,000 from the Townhouse Fund. Although Mr. Bush lost his Senate bid, he and the GOP have continued to benefit from the financial support of a number of townhouse contributors, including insurance man W. Clement Stone, who has given more than \$103,000 since 1988, as well as Mr. Fisher, the Detroit industrialist.

Having lost his 1970 Senate bid, Mr. Bush, eager for an appointed post in the second Nixon term, pitched in on the president's re-election bid. He recruited his old friend and former business partner, Pennzoil Co. President William Liedtke, to serve as a regional fund-raising coordinator. (The late Mr. Liedtke had also handled some of the townhouse money Mr. Bush got from Washington two years earlier.)

The immediate goal was to raise as much money as possible before midnight on April 7, 1972, when a new campaign finance law outlawing unreported contributions took effect. Mr. Liedtke not only raised funds with abandon, he proved adept at transporting them. When about \$700,000 in cash, checks and securities came in at the last minute, he arranged for a Pennzoil jet to get them to Washington to beat the deadline.

A Pennzoil jet, incidentally, was also used by movie producer Albert Broccoli a

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few years earlier as Goldfinger's jet in the James Bond movie — ironic, it turns out, because Mr. Broccoli himself was a Nixon donor (\$10,000) who remains a major soft-money contributor to the GOP (\$25,000 during the Bush years). Mr. Broccoli says he likes to support candidates he thinks will be good leaders.

Some of the checks gathered by Mr. Liedtke eventually were turned over to committee lawyer G. Gordon Liddy and wound up in the bank account of Watergate burglar Bernard Barker, linking the re-election committee with the Watergate break-in. More recently, Pennzoil has contributed \$80,000 in soft money to the GOP since 1988. The company chose not to comment on the donations.

Another donor whose check wound up in Mr. Barker's account was \$25,000 contributor Dwayne Andreas, chairman of Archer-Daniels-Midland Co. In recent years, Mr. Andreas has become the kingpin of GOP fund raising. Since 1988, he and ADM have contributed more than \$1 million in soft money, making them the GOP and Mr. Bush's top corporate benefactors. In April, Mr. Andreas and ADM helped ensure the success of the President's Dinner with \$400,000 of soft money.

ADM controls about 70% of the nation's ethanol market, a corn-distilled alternative fuel. The ethanol industry is lobbying the Bush administration to overturn Clean Air Act regulations proposed by the Environmental Protection Agency that would severely limit the use of ethanol-blended fuels in smoggy cities. Mr. Andreas and ADM have also bankrolled the campaigns of congressional Democrats who oversee their interests. ADM declined comment.

Why Companies Contribute

Interestingly, the GOP's second-largest soft-money donor is Atlantic Richfield Co., which lobbied against ADM on one key aspect of the Clean Air Act. Arco denies "competing" with ADM. "Our company has a culture of giving away a lot of money," says Kenneth Dickerson, a senior vice president. This dates to former Chairman Robert Anderson, a contributor to the townhouse fund that benefited Mr. Bush in 1970. "Contributing money is one of the ways people learn about who you are, what you are and what you stand for," Mr. Dickerson says.

In Watergate, recalls Mr. Witten, the former prosecutor, it was hard to establish any direct relationships between campaign contributions and government favors. In many cases, "there wasn't necessarily a specific quid pro quo," he says. Rather, donors "wanted to be able to pick up the phone and get a hearing from the White House. They were worried about negative impact if they didn't give."

In that regard, he and others say, little has changed in the past 20 years. "It's the same thing," he says. "They want to be part of the team that has access and gets invited to things."

Pending Matters

Although in some cases they are only circumstantially linked, most of the corporate donors who have kept their seats at the big-money table since Watergate did and do have vital pending matters before the government. No case is more conspicuous than that of Phillips Petroleum Co. In 1973, Phillips and Chairman William Keeler both pleaded guilty to making a corporate political contribution — \$100,000 in cash, paid in installments with money drawn from a Swiss bank account.

Mr. Keeler tried to turn over the first bundle of cash to Attorney General John Mitchell at a meeting set up by re-election committee officials so Mr. Keeler could voice concerns about the Clean Air Act. Mr. Mitchell called in a re-election committee aide to have him take the package. Mr. Keeler later handed over the rest of the money in a company envelope, which a campaign aide assured him would be put through the shredder.

Today, with oil companies lobbying furiously over recent amendments to the same Clean Air Act, Phillips Chairman C.J. Silas is among President Bush's Team 100 donors. Phillips itself has contributed at least \$135,000 to the GOP since 1988 and has lobbied hard against legislation that could have restrained the recent rise in natural-gas prices. The company says it contributes primarily to get tickets to political conventions, where it gets to know, and express its views before, party leaders and candidates.

"When you see the issues, the impact on business is huge," says Martin Garber, the political director at Phillips. He says the company would never try to exercise undue influence, but doesn't dispute that it gets the opportunity to have its views heard. Mr. Silas, for instance, recently traveled with President Bush to Japan, and sits on an important Commerce Department advisory committee on trade policy.

Also joining Mr. Bush on his recent Japan trip was Maurice Greenberg, chairman of American International Group Inc., who gave \$15,000 to the Nixon campaign; his company has given nearly four times that to the Bush GOP.

Where does access stop and favoritism begin? Team 100 member and Nixon donor W.R. Timken Jr., whose family controls an Ohio roller-bearing company, says that in his many years of GOP fund raising he rarely hears prospects requesting something specific in return. He acknowledges that making a donation may get the donor a "hearing" and says that officeholders may "listen to people who will help them get elected." But raising money for party-wide activities, he maintains, helps insulate individual candidates from pressure.

Fellow Team 100 member Mr. Firestone believes that the influence of big money in politics is probably unhealthy, but he gives anyway to preserve balance. "I think it's ridiculous what they are spending and what we give. But as a good Republican, I support my guy." He adds: "I know the Democrat will get money from unions and special interests."

The all-time master of GOP money, Mr. Stans, is retired from the fund-raising scene. "I raised \$120 million for Richard Nixon. Nobody's going to break that record," he boasts. "I'll quit while I'm ahead." Mr. Stans made a \$1,000 contribution to President Bush just last February.

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Major Donors to Nixon and Bush

Many of the biggest donors to the 1972 Committee to Re-elect the President are currently underwriting Republican Party activities with huge contributions that will ultimately benefit President Bush's re-election campaign. Figures for the 1988-92 period consist mainly of so-called soft-money contributions intended to benefit the GOP rather than any individual candidates. But some of the funds will indirectly be spent on President Bush's re-election campaign.

	1970-72	1988-92
Amerasia Hess	\$10 000	\$100 000
Leon Hess, chairman	\$12 000	—
Philip Kramer, president	\$2 000	—
H.W. McCullum, chairman, exec. committee	\$12 000	—
J.D. Callender, executive v.p.	—	—
American International Group	\$13 000	—
E.A.G. Manton, chairman	\$15 000	—
Maurice Greenberg, CEO	—	\$71 000
Corporate Contribution	—	—
Anheuser-Busch Cos.	\$13 317	—
August Busch III, executive v.p.	\$13 316	—
Richard Meyer, president	\$9 749	—
August Busch Jr., chairman	\$6 657	—
Walter Reisinger, vice president	\$6 657	—
Adalbert Von Bonlard, director	—	\$126 000
Corporate contribution	\$34 000*	\$200 000
Walter Annenberg	—	—
Archer-Daniels-Midland Co.	\$25 000	\$300 000
Dwayne Andreas, chairman	—	\$770 000
Corporate contribution	—	—
Ashland Oil	\$100 000	—
Orin Atkins, chairman	—	\$90 060
Corporate contribution	—	—
Atlantic Richfield	\$17 500*	—
Robert D. Anderson, chairman	—	\$949 850
Corporate contribution	—	—
Bass Family (oil)	\$21 000	—
Perry Bass	—	\$145 000
Lee Bass	—	\$100 000
Robert M. Bass	—	—
Berry Family (publishing)	\$131 000*	—
Loren Berry	—	\$219 000
John W. Berry	—	—
D.H. Blair & Co.	\$12 000	\$6 000
J. Morton Davis, partner	—	\$15 000
Corporate Contribution	\$10 000	\$25 000
Albert Broccoli (film producer)	\$21 000	\$10 000*
Henry Catto (diplomat)	\$21 000	\$30 000
Anna Chennault (political activist)	\$21 000	—
Chevron Corp.	\$31 000	—
Otto Miller, chairman	\$101 000	—
Gulf Oil (acquired by Chevron)	—	\$319 000
Corporate Contribution	—	—
Coastal Corp.	\$21 512	—
Oscar Wyatt Jr., chairman	—	\$100 000
James R. Paul, president	—	\$28 010
Corporate Contribution	—	—
Courtelle Cos.	\$5 000	\$179 000
Alec P. Courtelle, chairman	—	\$164 240
Corporate Contribution	—	—
Firestone Family (tires)	\$43 712	—
Harvey Firestone Jr.	\$115 100	\$247 000
Leonard Firestone	\$63 431	—
Raymond Firestone	\$29 500*	\$184 050
Max Fisher (real estate, mfg.)	\$11 500*	\$45 000
Mid-America Dairymen Inc.	—	—
Ford Motor Co.	—	—
Henry Ford II, chairman	\$1 276*	—
Mrs. Edsel B. Ford	\$1 000	—
Ford Motor Co. (cont.)	—	\$15 000*
Harold Polling, chairman	—	\$20 000
Corporate Contribution	—	—
International Business Machines	\$213 000	—
Arthur Watson, retired chairman, world trade unit	\$15 500	\$184 000
Thomas Watson Jr., retired chairman	—	—
Peter Kiewit Sons	\$100 312	—
Peter Kiewit, president	—	\$47 000
Corporate Contribution	—	—
Kislak Organization	—	—
(mortgage banking)	\$5 300	\$151 400
Jay Kislak, owner	—	\$60 000
Corporate Contribution	—	—
Lazard Freres & Co.	\$90 000	—
Andre Meyer, senior partner	—	\$25 000
Corporate Contribution	—	—
Marriott Corp.	\$61 167	—
J.W. Marriott Sr., chairman	—	\$25 000
Richard E. Marriott	—	\$295 000
Corporate contribution	—	—
McDonnell Douglas Corp.	\$25 570	—
James S. McDonnell, chairman	—	\$42 900
Corporate Contribution	—	—
Merrill Lynch & Co.	\$5 000	—
Donald Regan, chairman	—	\$100 000
William Schreyer, chairman	—	\$347 900
Corporate Contribution	\$24 675	\$121 900
Robert Mosbacher	—	—
Occidental Petroleum	\$45 000	\$25 000
Armand Hammer, chairman	—	\$300 780
Corporate Contribution	—	—
Pennzoil	\$23 348	—
William Liedtke, president	—	\$80 000
Corporate Contribution	—	—
Philip Morris Cos.	\$5 000	—
Joseph Cullman III, chairman	—	\$392 630
Corporate Contribution	\$100 000	\$135 000
Phillips Petroleum	—	\$100 000
C.J. Silas, chairman	—	—
Reliance Group Holdings	\$250 000	\$150 000
Saul Steinberg, chairman	—	\$5 000
Corporate contribution	\$191 000	\$100 000
Messulam Riklis	\$50 000	\$69 000
Laurance S. Rockefeller	\$270 523*	\$145 110
John Rollins (trucking, waste disposal)	—	—
Star-Kist Foods (Heinz unit)	\$30 000	\$165 000
Joseph Bogdanovich, chairman	\$2 317 054*	\$103 000
W. Clement Stone	—	—
Timken Co.	\$14 000	—
W.R. Timken, chairman	\$12 000	—
Louise Timken	\$8 000	\$100 000
William R. Timken Jr.	—	—
United Airlines	\$24 952	—
Edward Carlson, president	—	\$20 000
Corporate Contribution	\$12 466	\$116 250
Wheelock Whitney (investments)	—	—
Weyerhaeuser Co.	\$22 000	\$13 200
George H. Weyerhaeuser, chairman	\$5 000	—
F.K. Weyerhaeuser, former president	—	—

*Included contributions to the GOP's "Angel" fund-raising drive.
**Hard money contribution made directly to Bush or other candidate.
Sources: Common Cause analysis of 1972 "Rose Mary Woods" National Archives; analysis of Federal Election Commission records.

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Earth Summit Neglects Major Issues Of Poverty, Drought and Population

By FRANK EDWARD ALLEN
And ROSE GUTFELD

RIO DE JANEIRO — Earth Summit negotiators have been preoccupied with climate change, biodiversity and deforestation and have largely neglected such other major issues as poverty, drought and population.

Many delegates and observers, especially from developing countries, view the

Distribution of Power

The Earth Summit in Rio shows that the former East bloc hasn't defined its role in the new world order. See page A11.

dominance of a few issues as a reflection of a more general bias in favor of sophisticated, rich-nation interests. Even United Nations officials acknowledge that such topics as international trade, debt-reduction and tariff reform have been slighted here. But conference organizers defend the program and its process, citing the long list of issues addressed in Agenda 21, a non-binding declaration of principles and as-yet unfunded proposals for future action.

"Stabilizing commodity prices and reducing tariff barriers would free enough resources to cover the cost of implementing Agenda 21," says Jean-Claude Faby, a senior conference official.

Here are descriptions of three major issues that the conference was widely expected to address but that have been treated only in general and superficial terms:

Poverty

The U.N. says more than 50 million people are threatened today by famine, and 700 million suffer from chronic malnutrition as a result of their poverty. "In 30 years," warns Edouard Saouma, director-general of the U.N.'s Food and Agriculture Organization, "there will be an additional

three billion mouths to feed."

But high-level discussions of these trends and prospective remedies are scarce at the conference. "Poverty has been all but ignored," complains Atiq Rahman, director of the Bangladesh Center for Advanced Studies. "Agreements on biodiversity and global climate change are of very little concern to the majority of the world's people, particularly the poor."

Last week, India's minister of environment and forests, Kamal Nath, roused the plenary session briefly by complaining that the vast majority of the world's population "lives without the security of food, shelter, clean water and other basic needs." Mr. Nath described conditions in his own country, where a third of the urban population lives in slums, and only 20 of 3,000 cities have sewage-treatment systems.

Others regret that more of the conference hasn't been devoted to exploring effective models of reducing poverty. In Nigeria, for example, Royal Dutch/Shell

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Earth Summit Avoids Big Issues Of Poverty, Drought, Population

Continued From Page A2

Group has supported rural development and seed-research projects for more than a decade. Shell works with small-scale farmers who contribute 80% of Nigeria's food production. A recent study by the Business Council for Sustainable Development found that the Shell initiative has produced some disease-resistant hybrids with higher yields and better marketing of cassava, yams and other major food crops, thereby boosting per-capita income and increasing self-reliance.

Drought

Nearly a fifth of the world's people live in arid regions that have limited capacity to support life. Many parts of Asia and Africa are hit particularly hard, but drought also affects sections of Eastern Europe and the Americas. The World Bank says soil erosion and desertification are "already catastrophic" in many formerly arable regions. Left unchecked, such deterioration will make the world's food production much more expensive.

Nowhere is drought more urgent than in Africa's Sahel region, an area comparable in size to the Sahara Desert that is inhabited by 150 million people. Experts now attribute the Sahel's persistent drought more to increased human demands for food and water than to cyclical declines in rainfall.

At the summit, such countries as Botswana and Mauritania have issued statements and held poorly attended briefings on drought and desertification. Laurent Magloire Some, a negotiator for Burkina Faso, spent much of Monday commiserating in a lounge with other Africans. "I am discouraged by the widespread apathy toward drought that I encounter here," he says. "Most of the industrial countries simply don't want to hear about this issue."

Yesterday, a senior official of the European Community Commission issued a brief statement, suggesting that "something serious should be done" about drought and desertification, "so we will move in the direction of a process that will lead to a desertification convention." The U.S. and some other industrial nations have since expressed support for such a process.

But many African delegates, noticing the intricate wording of the European position, remain dubious. They also express fears that such a process may take two years or longer to get started.

"It's too late to do anything meaning-

ful about drought at this conference," complains a top delegate from Botswana. "The most we can hope for is to raise the awareness of a few more countries."

Population

On their way into the plenary auditorium, delegates and observers pass a digital "population clock" that steadily adds to the world-wide total of human inhabitants: 5,466,914,708 as of midafternoon yesterday, and growing by three people every second.

Nearly everyone agrees that population growth, now on the order of 93 million a year, puts significant additional strains on natural resources and the environment. Even such conservative Islamic countries as Egypt, Tunisia, Morocco and Iran now promote voluntary family-planning programs. But the Vatican delegation and allied negotiators from such countries as

Argentina, Australia and the Philippines have succeeded in excluding from the Agenda 21 declaration any references to availability of contraception.

"Population growth is not itself a primary cause of environmental degradation," says a senior official of the Vatican delegation. "What is needed is more capital, more education, more health care, more modernizing of agricultural methods and technologies. Also, some cultural attitudes need to be changed, such as the worship of animals."

The Population Crisis Committee says the "profile" of the population issue has been "raised somewhat" during the conference, but the 4,000 delegates will "pass up a crucial opportunity" to stress the importance of slowing world population growth. The committee advocates new incentives for contraceptive research and much greater spending on voluntary family-planning programs. Such spending would have to rise in this decade to \$10.5 billion annually from the current level of about \$4 billion, the committee says, for contraceptives to reach 75% of fertile couples.

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Earth Summit Negotiators Narrow Their Differences

By a WALL STREET JOURNAL Staff Reporter

RIO DE JANEIRO — Developed and developing countries meeting here at the Earth Summit narrowed their differences over financing but were at loggerheads over a statement protecting forests.

With heads of state beginning to arrive for the final days of the conference, Maurice Strong, the Earth Summit's secretary-general, said he was "very encouraged" by progress made and was optimistic that outstanding differences could be bridged.

In what Brazilian Foreign Minister Celso Lafer called "extraordinary progress" on finances, the 178 nations meeting here have agreed on the broad outlines of what mechanisms should be used to provide aid for developing countries.

Instead of setting up a "Green Fund," as developing nations hoped, aid would be provided through a mix including multilateral and regional development banks, the World Bank's Global Environment Facility, which will likely be expanded, bilateral aid and debt relief, according to a draft agreement.

But the amount and timing of aid likely won't be announced until the heads of state gather. There's speculation here that Japan will offer a multibillion dollar package.

Separately, negotiations continued on a set of principles on forest-management practices, with India adopting a hard-line stand against any language that it viewed as intervention in its domestic affairs, diplomats said. One diplomat said it's possible the document would be adopted with a footnote stating India's opposition. There was also a dispute over whether this statement, which has no binding value, would be the first step toward a treaty on forestry or an end in itself, officials said.

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Rio Summit Indicates Former East Bloc Hasn't Defined Role in New World Order

By THOMAS KAMM

Staff Reporter of THE WALL STREET JOURNAL

RIO DE JANEIRO—The cavernous hall of offices at the Earth Summit in Brazil says more about the new world order than any map or speech could.

Japan has the biggest office, occupying as much space as that normally allotted for a dozen countries. The U.S., Germany and other European Community countries also have large headquarters.

And then, occupying drab 12-foot-square cubicles, are almost all the other countries, including Russia, the rump of a former superpower whose space is no bigger than that of the smaller ex-Soviet republics and the former Soviet satellite states of Eastern Europe.

"When you walk around here, you see a map of the world," says Jan Kara, a member of the Czechoslovak delegation. "You see the changing distribution of power."

While attention has focused on the U.S.'s political isolation at the summit and the ever-higher profile of Japan, Germany and the EC on environmental matters, one equally significant — and, to some diplomats, stunning — trend has been largely overlooked: the almost total absence from the debates of the former East bloc.

United, the Soviet Union and its former allies were a powerful bloc whose voice resonated through the assembly halls of any international conference. Today, with the empire in shambles, the countries stand alone and are discovering at the first major gathering of the post-Cold War era that they have no more voice than any other country — and probably less than many of the larger Third World nations at this conference.

Eastern Europe's Performance

Asked to assess the performance of the former Soviet Union and Eastern Europe here, Brazilian Environment Minister Jose Goldemberg answers: "It's a non-performance. They're nonexistent. They disappeared." Adds Arthur Campeau, a top Canadian delegate: "The 'evil empire' and its acolytes have vanished, and now there's a power vacuum."

The former Soviet bloc's lack of voice is all the more surprising because those countries are saddled with some of the world's most egregious environmental problems. "Our economies were pushed to maximize production at any cost, and the cost was environment," says Mr. Kara.

In a speech yesterday to the summit's plenary session, Jacques Attali, president of the European Bank for Reconstruction and Development, spoke of the litany of environmental woes afflicting Eastern Europe, including unsafe nuclear power plants, uncontrolled waste disposal, lakes, rivers and seas clogged with pollution, rising emissions of carbon gases and sulphur dioxide, untreated drinking water, and acid rain. "If there's one region in the world that concentrates all the environ-

mental failures of the moment, it's the eastern half of Europe," Mr. Attali said.

And yet, instead of drawing attention to their plight, the former East bloc countries have pursued one main aim at the Earth Summit: to define themselves as "countries in transition to a market economy," halfway between the developed and the developing world. They hope this position will win them access to aid to clean up the environment without being forced, like developed countries, to be donors to the poorer countries.

Avoiding Collision Course

East European countries say they're being discreet largely so they don't set themselves on a collision course with the Third World over aid. They say Third World poverty is more serious than their environmental problems and that the Earth Summit should remain what it is: a North-South dialogue.

"This conference is dominated by the people who give money and those who receive it," says a Lithuanian delegate. "We're in neither one group nor another, and the East doesn't appear in this North-South discussion."

Adds Istvan Nathon, a Hungarian delegate: "What we're asking for — and this conference isn't the right place for this — is foreign investment, technical help in setting up a market economy and democratic institutions." Like many others here, he says Eastern Europe prefers to look to the EC and other European nations for help.

But others see less benevolent explanations for Eastern Europe's inaction. One is that these new countries are still learning the game of international diplomacy.

"More than half of our aspirations were just to learn, to get experience, to be here," says Mr. Kara. Another is that many Eastern countries are in upheaval or crisis and are too absorbed in their own problems to consider the summit a foreign-policy priority. A third reason is that most countries were too poor to send large delegations.

All this, says Mr. Attali, points to a more fundamental problem: The Earth Summit has made clear that the former East bloc hasn't yet found its place on the international scene. "We've gone from the Cold War to the green war," he says, "and they don't yet have the weapons to fight that war."

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Mondale, From His Own Bittersweet Experience, Offers Clinton Advice, Questions New Politics

By DAVID SHRIBMAN
Staff Reporter of THE WALL STREET JOURNAL

MINNEAPOLIS — It was straight talk, nominee to nominee. Not long ago Walter Mondale, the Democrats' 1984 presidential candidate, sat down with Bill Clinton, the party's 1992 choice, and offered some advice from his own bittersweet experience.

"The highest office I ever held was being the Democratic nominee," says Mr. Mondale. "I had

that office for only four months, but it was more important than being vice president or senator. I told Bill Clinton to look at this office — presidential nominee — as a job he'd like to be measured for by history."

The irony is that the man best remembered by the public as the presidential nominee who said he'd like to raise taxes, and as the Democrat who lost 49 states to Ronald Reagan, is himself sought out for advice and perspective. Indeed, the man who was painted, by party foes and Republicans alike, as the personification of the old politics — and then was repudiated for it — is frequently sought now to explain the new politics.

Personal Attacks, Perot

Not that the new politics — personal attacks, Ross Perot and political parties struggling for their survival — pleases him. He is worried.

"People were mad at Jimmy Carter or Lyndon Johnson or mad at me, but the anger at the system and at politicians I see today is bigger and worse," he says. "There could be a negativism that could destroy a lot of good careers, a lot of good things we've built."

The avuncular role of party elder comes easily to Mr. Mondale, much more easily than the presidential nomination he wrestled for and the White House victory he reached for and came so far from clutching. At 64 his auburn hair, gray at

the temple just a memory's moment ago, has turned statesman silver. The voice that was so hot in so many union halls and downtown rallies is gentle now, rich with texture. He's no longer so tired — the enduring memory for millions who recall him slogging on in a hopeless campaign and for the traveling reporters who, on Halloween, dressed up like Walter Mondale by pasting tea bags to the hollows just beneath their eyes.

"He's not sulking," says David Lillehaug, a former Mondale aide and Minnesota Democratic activist. "He's content. He's passed up many chances to say 'I told you so.'"

The thing Mr. Mondale feels best about, he was saying this week in his law suite on the 19th floor of a downtown office building here, is that he thinks he followed the advice he gave to Mr. Clinton, himself struggling after a bruising primary season. "I'm proud of that," he says. "Somewhere in the middle of that campaign I sat down by myself and said: Now, Fritz, we've got to hear from you, and you have to say something, regardless of politics, or you'll be remembered as some kind of joke. That's why I talked the way I did about taxes and the debt."

Mr. Mondale, who thought he had seen it all in a quarter century of politics, says the current public anger is deeper and more dangerous than anything he has seen before.

Worried by Antidote

He says he understands the mood, even shares shards of it. It's the antidote, billionaire businessman Ross Perot, that worries him like mad.

"We have a man who has no party, no public record and no ideas except to be Mr. Goodwrench," he says. "We need a car that runs, but we need to know where the car should go. And he won't answer."

He's seen this before, of course — Mr. Reagan wasn't elected for his mastery of detail — but still it troubles him, even offends him. "I don't see how someone can run for president without seriously saying what he intends to do," Mr. Mondale says. "Just to say that the system needs change is only the barest beginning of a responsible campaign. We deserve more. We've got such deep problems — an underclass that's a world-class scandal — and we need to know where he stands." Then he pauses, and three words spurt out: "It's only decent."

The view from the 19th floor isn't all that gloomy, however. Mr. Mondale is still partisan after all these years; he thinks President Bush, never an indomitable political figure in his estimation, is shrinking swiftly. "He's not taking the country anywhere," he says. And he believes that Mr. Clinton — with the right vice president, with the right message, with the right breaks — could win in November.

Capacity to Be President

"Clinton's running a pretty good campaign," he says. "He's making pretty good sense. But it's as though the people aren't listening. I can't figure it. He has the



Walter Mondale

CAMPAIGN
★ **92**

Clinton Books Q&A Slots On TV Shows to Woo Votes

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — After a stint on the "Arsenio Hall Show" last week, Democratic candidate Bill Clinton is scheduled to appear on the MTV music channel Tuesday.

Mr. Clinton will take questions from a studio audience of core MTV viewers, ages 18 to 24, in a one-hour special, "MTV Choose or Lose Special: Facing the Future with Bill Clinton." It is the latest attempt by the Arkansas governor to get his message directly to voters and to circumvent traditional network newscasts, which use only a few seconds of so-called soundbites. This week, Mr. Clinton went on NBC's "Today" to answer viewer call-in questions, and he will answer questions from viewers who appear on screen by satellite feed on "CBS This Morning" on Monday.

MTV said President Bush and Mr. Perot are "seriously" considering appearing on similar forums on the cable channel. MTV, owned by MTV Networks, a unit of Viacom Inc., said the forum may offer a reach of 15 million young viewers.

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capacity to be president."

In their talk, Mr. Mondale told Bill Clinton that there were worse things than losing. He told him he'd be better off telling the truth and risk losing the election. He told him to clear away the clutter of advice that he's getting from his staff.

"He doesn't need people screening his political judgment," Mr. Mondale says. "I told him: Listen to yourself. If you do that you might win, but, more important, you'll deserve to win."

The voice of experience continued: "As strange as it seems, you can end up being marginalized in your own campaign. Everybody's trying to throw in a modifier that robs you of your simple declarative sentence. Clinton's problem is that he is so smart, he's full of qualifiers, and he loses the simplicity of what he is trying to say."

Seminars, Commentary

Mr. Mondale's own voice is now clear, especially here in Minnesota. He presides over the Mondale Forum, affiliated with the Hubert Humphrey Institute at the University of Minnesota and funded in part with money left over from his 1984 campaign, and holds public seminars there. He speaks at Democratic events. He offers the occasional political commentary. And he enjoys the reappraisal that a Republican House member from Minnesota, Vin Weber, says is "long overdue." Mr. Weber says: "He's arguably the last genuine world-class leader the Democrats have produced, and if he were running today the Democrat would be running first, not third, in the polls."

Former GOP Gov. Elmer Andersen says Mr. Mondale is "helping to shape the debate here." Republican Sen. David

Durenberger says there haven't been "a lot of tough stances" since Mr. Mondale called for a tax increase — arguably still a historic blunder. Hyman Berman, a historian at the University of Minnesota, says Minnesotans "look at him and say: What a lost opportunity."

Tomorrow Steven Gillon, a Yale historian, comes out with a new book, "The Democrats' Dilemma: Walter Mondale and the Liberal Legacy" (Columbia University Press), which uses Mr. Mondale's career and campaign as a metaphor for the ideological and generational disputes that plague the Democratic Party.

Old, New Deal Vision

Mr. Mondale says there's some truth to the critique that he was playing to an old, New Deal vision of the party, and was unable to move a suburban electorate. "I had all those friends out in the labor unions, in the civil rights movement, in the Jewish community," he says. "That's where my heart was and it showed."

The hurt from his 49-state loss—he won Minnesota and the District of Columbia—is still there, and probably won't ever fade. At least he thinks it won't. His mentor, Hubert Humphrey, went to his grave still hurting.

"You could sit down with him late at night, five or six years after he last ran, and Hubert would still, as long as he lived, be trying to figure out what edge he could get on Nixon. I'm no different. I think about what I might have done to shore up the Carter administration in 1980. I'm not really comfortable with my own answers. I think about that '84 campaign. Could I have done something? I don't plan on thinking about it, but it still keeps coming back."

Stubborn Power of Nostalgia

Maybe it was the ripening of the political season or maybe it was the presence the other morning in his office of

a correspondent who had spent countless hours with him in church basements and school halls and airport tarmacs. Maybe it was just the stubborn power of nostalgia. But after a bit Walter Mondale reached in his righthand drawer for a compendium of old speeches. Then he started to read parts of them out loud — his remarks at a Tampa rally after Gary Hart nearly drove him

from the race, for example, and his speech at George Washington University attacking President Reagan's foreign policy.

"Do you like to hear these?" he asked, self-consciously. The reporter nodded, bidding him to continue, and Walter Mondale, who lost the election eight years ago, read some more.

Files Detail Aid to Bush By Nixon White House

By JEFF GERTH
with ROBERT FEAR
Special to The New York Times

WASHINGTON, June 10 — In the early 1970's, even as President Richard M. Nixon became enveloped in the Watergate scandal, he helped elevate George Bush, then an obscure Texas Congressman, to national political prominence.

Now, as the June 17 break-in at the Watergate approaches its 20th anniversary, a review of thousands of files — many made public in the last few years — offers interesting new historical details of Mr. Bush's connections to the Nixon Presidency before and after it was overtaken by Watergate.

While the documents in the National Archives hold no major new disclosures, they shed new light on the benefits Mr. Bush received from a 1970 campaign financing arrangement by the Nixon White House, known as the townhouse operation because it was operated out of a townhouse in Northwest Washington, that later came under the scrutiny of Watergate prosecutors.

A 1970 operation that was a precursor of Watergate.

tors. And they provide new evidence of blackmail efforts by the Nixon White House that were little discussed previously.

\$4,000 in Cash

The documents from the Nixon White House detail the Administration's plan to distribute \$4,000 in cash to selected candidates, including Mr. Bush, then a Congressman from Texas who was running for the Senate. The cash was part of an effort both to help fellow Republicans and gain political "leverage" over the recipients, should they later hold important positions.

A month after Mr. Bush lost the Senate race, Mr. Nixon named him the United States Ambassador to the United Nations. Then, in early 1973, Mr. Bush became chairman of the Republican National Committee. The documents from the Archives indicate that Mr. Bush asked in July 1973 whether party records of the townhouse operation should be burned. After a long fight, the Watergate prosecutor later obtained townhouse records from the White House.

The Watergate prosecutor never charged Mr. Bush or any other townhouse recipient with a violation of Federal law. Mr. Bush was never a target

finances were properly handled. Mr. Bush and the White House declined to answer questions about the townhouse operation submitted Tuesday.

In 1970, Mr. Nixon and his aides supervised a secret \$3 million campaign slush fund run out of the Washington townhouse. The operation funneled money to selected Republican candidates including Mr. Bush, who received more than \$100,000.

Moreover, the White House documents show that the townhouse operation had a dark side called the "six project," in which the White House chief of staff, H. R. Haldeman, ordered that \$6,000 in cash be delivered to each of about 15 Republican candidates. Records from the Nixon White House indicate that one of these small cash donations went to Mr. Bush or his campaign manager in 1970.

The Watergate scandal, which began with the break-in in 1972, had its roots in the townhouse operation; both involved some of the same fund-raisers, donors and campaign finance advisers.

News accounts in the 1970's and in 1980 raised questions about whether Mr. Bush reported all the money he received from the operation. At that time, Mr. Bush insisted that he had properly reported the money and complained that there was no justification for raising the issue.

Who Ran the Operation?

Mr. Haldeman was in charge of the townhouse operation, and Mr. Nixon's personal lawyer, Herbert W. Kalmbach, was its chief fund-raiser. The scheme also involved Mr. Nixon's top political strategist, Harry S. Dent Jr., who helped administer the slush fund. A third man, Jack A. Gleason, worked for Mr. Dent at the White House before being moving over to the townhouse operation in 1970.

Mr. Kalmbach, Mr. Dent and Mr. Gleason pleaded guilty in 1974 to violations of Federal election law in connection with the townhouse operation.

According to a prosecution memorandum that has apparently not been disclosed before, Mr. Gleason told prosecutors in 1973 that "the purpose of these contributions was to set up possible blackmail for these candidates later on."

The Watergate prosecutors concluded that "George Bush received a total of approximately \$112,000 from the townhouse operation in connection with his 1970 Senatorial campaign." In a 1974 memorandum, the prosecutors said the White House evidently hoped to gain political leverage over Mr. Bush and the other candidates "by placing cash in their hands which they might not report."

Mr. Bush has acknowledged receiving



President Bush is said to have benefited from a secret campaign fund that was run by the Nixon White House in 1970. Mr. Bush, left center, who was a Texas Congressman running for the Senate at the time, joined President Nixon at a campaign stop in Longview, Tex.

New evidence of a little-discussed blackmail scheme.

tion, but has denied that he got the \$6,000 in cash.

It has been previously disclosed that the White House tried to blackmail one recipient of townhouse money, Lowell P. Weicker Jr. of Connecticut, when he was appointed to the Senate Watergate Committee in 1973. But the newly disclosed records suggest that the White House was trying to gain similar leverage over the other Republican candidates: who took townhouse money in 1970, including Mr. Bush. Mr. Bush and almost all the other candidates lost, and there is no evidence the Nixon White House made other attempts at blackmail.

One previously undisclosed document is a status report on the "six project" that Mr. Gleason sent to Mr. Haldeman on Oct. 12, 1970. In the report, Mr. Gleason said, "Following have been seen per your instructions." and he listed 10 Republican candidates for the Senate, including Mr. Bush. Travel records in the same files also document Mr. Gleason's visit to Houston.

The Watergate prosecutors concluded that Mr. Bush "received, probably through his campaign manager, \$6,000 in cash from Gleason." Under the complicated reporting requirements in effect at the time, contributions to Mr.

Bush's campaign committee had to be reported under state law, and contributions directly to Mr. Bush or his aides were to be listed on Federal reports.

Texas officials say the state's records of campaigns before 1972, including Mr. Bush's, have apparently been discarded. But previous news accounts said Mr. Bush's campaign committee did not report the \$55,000 from the townhouse bank account. The \$6,000 was not reported on Mr. Bush's Federal disclosure forms.

Money From 2 Texas Oil Men

In a 1974 memorandum discussing Mr. Bush, the Watergate prosecutors said, "We have no corroboration from Bush's end of the delivery of the contributions to his committees or of the delivery of the \$6,000, but we do have the cashier's checks representing payment of \$55,000" from the bank account of the townhouse operation.

"It is not known whether Bush's campaign reported the receipt of these contributions pursuant to Texas law," the memorandum says.

The prosecutors were apparently unaware of another source of cash that President Nixon raised for Mr. Bush. On Sept. 24, 1970, President Nixon met with two Texas oil men and discussed oil policy. A previously undisclosed memorandum written by Charles W. Colson, a White House aide, and given to Mr. Haldeman one week later, says that as a result of that meeting the oilmen "put \$25,000 cash into Bush's campaign in Texas and I suspect they will do considerably more."

Mr. Weicker was running for the Senate in Connecticut in 1970 when Mr. Gleason gave \$6,000 to his campaign. An aide put the money into a campaign committee fund, and the committee reported the money as a contribution, meaning that the transaction was apparently carried out legally.

Nevertheless, the White House made "blackmail efforts" against Mr. Weicker shortly after he was appointed to the Senate Watergate Committee in 1973, hoping he could be neutralized, Mr. Gleason later told Watergate prosecutors.

Mr. Weicker, who is now Governor of Connecticut, remembers meeting with the White House counsel, John W. Dean

3d, in early 1973. He said Mr. Dean had asked him: "Are you worried about the White House being able to accuse you of improper campaign contributions? They have every intention of using the material as blackmail," Mr. Weicker said he was not intimidated by the threat.

In 1973, after Mr. Bush became chairman of the Republican National Committee, Mr. Gleason turned over typed summaries of payments from the townhouse operation to the committee, including an account of Mr. Bush's involvement. Mr. Weicker recalled in an interview last week that he had a telephone conversation with Mr. Bush in July 1973 in which Mr. Bush discussed the townhouse records and asked whether the records should be burned.

"Bush called Weicker, asked whether he should burn them," say the prosecutors' notes of their interview with Mr. Gleason.

When Mr. Weicker has spoken about the telephone conversation in the past, Mr. Bush has denied suggesting that the records be burned. But in the interview last week, Mr. Weicker said he clearly recalled the conversation. "Believe me," Mr. Weicker said, "That is burned too clearly into my mind."

Yeltsin Accuses U.S. of Seeking A Nuclear Edge

Continued From Page A1

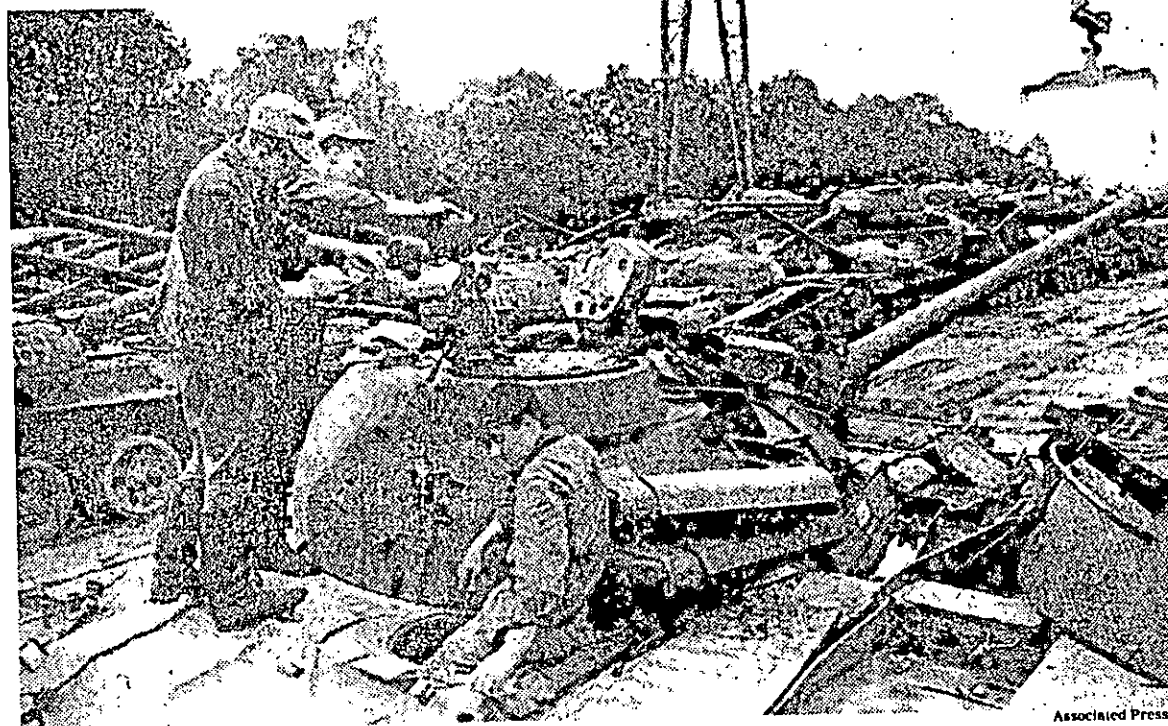
tage of Moscow's current weakness and its need for a \$24 billion package of Western loans.

Hard-liners in the United States have long pressed for the elimination of Moscow's long-range missiles, which they regard as destabilizing. They have criticized the unratified SALT II treaty, as well as the Strategic Arms Reduction Treaty — widely known as Start — the provisions of which are now in force. These critics say the treaties have permitted deployment of Moscow's heavy weapons systems.

Now, with Communism dead, the Soviet Union in pieces and Russia asking for American economic aid, Washington is doubtless trying to press its advantage to secure deeper cuts in the Russian arsenal, a senior Western diplomat said.

Richard R. Burt, the American negotiator in the Start talks until April 1991 and former Assistant Secretary of State for European affairs, said today in Moscow that big land-based missiles like the SS-18 are inherently destabilizing because in a crisis, they become "use-them-or-lose-them" weapons.

"I think there is the belief in Washington that the United States probably has the upper hand in this negotiation," Mr. Burt said. "It's difficult to be sensitive to the Russian desire to be a superpower while they want help to rebuild their economy. There is logic to the position that in return for providing help to Russia, we should expect them to remove or lift the threat to the United States."



Associated Press

Beating Swords Into Plowshares

Ukrainian soldiers dismantling tanks for scrap metal at a depot in Lvov. As part of the Vienna Convention on arms cuts, Ukraine is reducing its inventory by 2,200 tanks and 300 military aircraft.

Moscow's Hard-Liners

Mr. Yeltsin, who is under criticism from hard-liners in his own Parliament that his foreign policy is weak, is trying to shore up his credentials before meeting with Mr. Bush.

He spent today placating the military leaders, who have suffered humiliation as the mighty Soviet armed forces disintegrated along with the Soviet state. Soldiers have been stranded in many newly independent republics where they are not wanted, or — as in Georgia or in the ethnic Armenian enclave of Nagorno-Karabakh inside Azerbaijan — are viewed as sources for weapons so that warring nationalists can fight each other.

The Russian legislative hard-liners have complained that soldiers are being humiliated, attacked and denied support from Moscow. Mr. Yeltsin's Vice President, former Col. Aleksandr V. Rutskol, has even urged support for a breakaway republic of ethnic Russians in Moldova, arguing that Russian soldiers and civilians are being neglected by officials in Moscow.

Mr. Yeltsin has announced the creation of a Russian Army, but it will be reduced to about 1.5 million men by the year 2000, from a total Soviet force of 3.2 million to 3.4 million. The enormous military budget has been slashed, conscription notices are widely ignored by young men, and once-important bases now belong to independent countries.

Many Russian soldiers remain in crumbling barracks in Eastern Europe or in the Baltic lands because there is no work or housing for them at home.

Some new housing in Russia is being built by Germany, a traditional adversary, as the price for troop withdrawals. It is a trade-off that deeply upsets some Russian nationalists.

Control of the Black Sea Fleet is a matter of contention between Russia and Ukraine. And Russian junior officers and enlisted personnel complain of pay that has not kept pace with the rapid price increases resulting from Mr. Yeltsin's economic changes.

The Russian officer corps — trained to regard the United States and NATO as the prime potential adversary — is confused about military doctrine and who its enemies might be in a world

"Our previous history of 70 years can only give us examples of military reaction and the use of force to defend our interests," the Russian Foreign Ministry, Sergei V. Yastrzhembsky, said today. "That's why conservatives are not satisfied with our policy. They see some state treason or betrayal causing us to lose our position everywhere, but it's not true."

Generals Change Slowly

Mr. Yeltsin has announced that Russian nuclear weapons will no longer be aimed at American cities and targets, Mr. Yastrzhembsky said. "But it's hard for the military to change because we need a new military strategy."

The President, in his wide-ranging talk with officers, announced pay increases in commissioned grades as high as 80 percent, and he made a series of appointments and promotions to the new Russian military command.

Col. Gen. Viktor Dubinin, the former commander of Soviet forces in Poland, was named Chief of the armed forces General Staff, and three other top-ranking officers were appointed to be Deputy Defense Ministers.

The elevation of one of these officers — the former Baltic commander, Gen. Valery Mironov — was viewed as an important gesture because Estonia, Latvia and Lithuania demand the immediate withdrawal of former Soviet troops from their territory. Mr. Yeltsin has said that Moscow cannot afford to do so, and today he added: "We cannot pull out the troops into an open field, and we will never agree that a withdrawal should resemble fleeing."

Mr. Yeltsin also told the military leaders that he had full confidence in the economic-reform policies of his First Deputy Prime Minister, Yegor T. Gaidar. Mr. Gaidar is respected in the West but has been bitterly criticized by Russian hard-liners. "There is no alternative to Gaidar's team today," Mr. Yeltsin said. "I am convinced that now we need to go further. Any halt would be simply fatal for Russia."

Trying to convince the West that his economic changes are on track, Mr. Yeltsin said in an interview with the Interfax news agency that three new Economics Ministry officials regarded as relatively conservative are also supporters of reform. The new officials promised that "they would, under no circumstances, permit any split in Gaidar's overall economic team," the President said.

A senior Western diplomat suggested

tonight that Mr. Yeltsin's defiant remarks on nuclear arms reduction might be part of a strategy to delay an agreement until the summit meeting, to prove that his direct talks with Mr. Bush can produce results.

But other diplomats cautioned that arms agreements reached at summit meetings by Mikhail S. Gorbachev were often viewed at home as window dressing, a way to divert attention from worsening domestic crises.

Some Disarmament Math

Under the Start treaty, the United States would cut its nuclear arsenal from about 12,000 weapons to 10,000, and the former Soviet states, from about 10,000 to 8,000. Each side would have about 8,500 warheads.

Mr. Bush, in his State of the Union address in January, called for each side to reduce its arsenal to 4,700 war-

The New York Times

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heads, and Moscow generally agreed, with Mr. Yeltsin suggesting a cut to 2,500 warheads by the year 2000, a goal he repeated today.

But Mr. Bush has also called for a ban on land-based, multiple-warhead missiles, a demand that has led to the current standoff. The best-known of these weapons is the SS-18, a 10-warhead missile with a range estimated at 6,800 miles. Russia is thought to now have 308 of these missiles. Under the Start treaty, that number would be halved, to 154.

Should Moscow agree to dismantle all its multiple-warhead, land-based weapons, traditional military doctrine would call for Russia to build more sea-based missiles or intercontinental single-warhead, land-based missiles in compensation. But this is the sort of expense that the strapped Russian economy is unlikely to bear.

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Republicans

CLINTON STRATEGY LIFTS BUSH CAMP

G.O.P. Rejoices at Democrat's Congressional Partnership

By ROBIN TONER

Special to The New York Times

WASHINGTON, June 10 — Gov. Bill Clinton's decision to close ranks and campaign jointly with the Democratic leadership in Congress was "a great political break" for President Bush, a senior adviser to the Bush campaign said today.

Charles Black, the adviser, told reporters that Mr. Clinton, of Arkansas, set the stage for a simple Republican message this fall: "If you like Congress, you'll love Bill Clinton." He was responding to Mr. Clinton's announcement this week that he would join with Democratic leaders in Congress to produce a legislative agenda that could be passed in the early days of a Clinton Administration.

The idea was pushed by Gov. Mario M. Cuomo of New York.

Mr. Black said today that he still believed the campaign would turn into a two-way race between Mr. Bush and Mr. Clinton in the fall; in that event, he said, Mr. Clinton's tying himself to Congress was a great help to the Bush camp. "The President might have gotten a great political break in this latest Clinton strategy."

Predictions About Perot

The Bush adviser predicted that Ross Perot's surge in the polls would subside in the months to come, and argued that the Dallas billionaire would be unable to maintain a coalition that ranged from left to right. Moreover, Mr. Black asserted, Mr. Perot would not fare well come the fall, when Americans began to focus on his qualifications and temperamental suitability for the job.

Continuing the Bush campaign's strategy of fielding aggressive surrogates to attack Mr. Perot while the President stands aloof, Mr. Black painted Mr. Perot as a man "with a history of bending or breaking the rules." He said Americans would be turned off by a candidate trying to "buy the Presidency." He also asserted that Mr. Perot was an "isolationist" and a man with several liberal positions, including support for gun control and "abortion on demand."

Mr. Black outlined a campaign on issues like abortion and gun control that would seek to paint both Mr. Clinton and Mr. Perot as liberals. He reiterated the Bush campaign's emphasis on consolidating the Republican base over the new few months, and indicated that abortion would be one of the issues that would help in that effort.

Polls show substantial numbers of Republicans support abortion rights. But Mr. Black said that Republicans whose vote would be determined by the abortion issue alone are strongly anti-abortion. Moreover, he said, "In a three-way race with two pro-choice candidates and one pro-life, the pro-life candidate in my opinion has a clear advantage."

House Debates Deficits and Proposed Balanced Budget Amendment

By ADAM CLYMER
Special to The New York Times

WASHINGTON, June 10 — For 10 hours today, the House of Representatives debated a constitutional amendment to require a balanced Federal budget, as its author declared that the change would "give us a constitutional reason to find the courage to make the tough choices necessary to balance the budget."

The House will vote on the amendment Thursday. Representative Charles W. Stenholm, the Texas Democrat who has forced the issue to the floor despite the House leadership's opposition, steadfastly predicted passage. He said he had the 290 votes needed to obtain the two-thirds majority required to amend the Constitution if all members vote.

Opponents, like House Speaker Thomas S. Foley, said the outcome was in doubt. "It is right on the margin," he said. "It could go either way."

Circumstances favor the proponents, who came close to passage two years ago. Now they are on a political field where Congress is very unpopular, many members have problems with overdrafts at the House bank and Ross Perot, the probable independent candidate for President, has gained political weight from attacking the deficit.

Electoral arguments were often put

bluntly in today's exchanges. "This is so politically popular in an election year," said Representative Jim Slatery, a Democratic opponent from Kansas.

A Republican supporter, Representative Carlos J. Moorhead of California, said, "It is a positive step to show the American people that we care."

The debate went back and forth with a rare degree of breadth and thoughtfulness. Ultimately the argument was over whether adding a balanced budget amendment to the Constitution would make it more, or less, likely that the deficit would be reduced.

Representative Robert H. Michel of Illinois, the Republican leader, said he was supporting the amendment, "not because I think it's all that good, but because I perceive a universal failure to make the tough calls."

Until now, he said, deficit reduction has failed because "we have tried to balance the budget from inside the Beltway without the force and the moral authority of a constitutional imperative to guide us." An amendment, he said, would tilt the balance so Congress could muster the will it now lacked.

Opponents said such an amendment would merely provide political cover for more years of big deficits. Representative Robert T. Matsui, Democrat of California, said it was merely a

political gimmick. Because the deficit could be cut only by raising unpopular taxes or cutting popular spending, the only way reductions could come about was by "taking a political risk of defeat in an election."

Representative Leon V. Panetta, the California Democrat who heads the House Budget Committee, complained that a rigid requirement of balanced budgets would threaten the economy and clutter the Constitution. "There are many members here," he charged, "who are willing to make a giant riverboat gamble with our economy and with our Constitution in order to inject courage into cowards and to place a spine into the spineless."

"The Constitution already provides power to the people to deal with the gutless," he said. "It is called the right to vote."

There are actually four potential amendments before the House, but Mr. Stenholm's is almost certain to be the one that is put to the crucial two-thirds vote, overcoming two Republican proposals. One Republican proposal would add a ban on spending that exceeds 19 percent of the gross national product; the other would impose a three-fifths majority requirement for passage of any tax increase.

Mr. Stenholm's proposal is also expected to overcome a Democratic plan

that would require the President to propose a balanced budget and prohibit Congress from deficit spending if he did not ask for it. It would also prohibit spending more than the President asked. Its main attraction is that it would put Social Security taxes and spending off the budget permanently.

Today's debate rarely focused on the differences between the competing proposals; attacks and endorsements were equally framed in general terms.

Another attack came from Representative William J. Hughes, Democrat of New Jersey, who contended that the proposals should be called the "feel good amendment" because they did not include any mechanism that would actually make spending decisions.

But Mr. Stenholm cited the three-fifths majority vote required for deficit spending in his proposal as a useful mechanism. "By raising the threshold of difficulty for deficit spending," he said, "this amendment would prevent anyone in the executive branch or in Congress from ducking responsibility for the deficit."

"Amending the Constitution is a serious step that should never be taken lightly," he acknowledged. "But a process that politically rewards such deficit spending cannot be tolerated any longer."

White House

Quayle, on Long Island, Puts Cuomo in the 'Elite'

By JOSH BARBANEL
Special to The New York Times



Vic DeLucia/The New York Times

Vice President Dan Quayle playing basketball with youngsters and police officers at Kennedy Park recreational center in Hempstead, L.I. Mr. Quayle hoped the visit, sponsored by the Police Activities League, would highlight programs that worked in reducing delinquency.

HEMPSTEAD, L.I., June 10 — Yanking off his tie and rolling up his sleeves, Vice President Dan Quayle played basketball in his tasseled loafers at a suburban youth center today and took a few more shots at what he calls the "cultural elite," this time including Gov. Mario M. Cuomo of New York among the ranks of the enemy.

Mr. Quayle came to this mostly black community, a mix of picture-perfect homes and rundown housing, to speak of family values — "mother and father and a child," as he put it — and lambaste an establishment that he said mocked family, religion and patriotism. His remarks echoed the theme of his speech Tuesday before the Southern Baptist Convention in Indianapolis.

"I know exactly who the cultural elite, the media elite and the Hollywood elite are," Mr. Quayle said at a news conference at the community center here. He did not provide any details.

'Working for the People'

Asked by a reporter if as the wealthy scion of a family that owns several large newspapers he might fit into the category of the elite, Mr. Quayle said, "I'm working for the people," and added that he would continue his attacks.

Governor Cuomo, who is from a poor family in Queens and has made family values one of his themes, criticized Mr. Quayle for his earlier remarks, saying he was engaging in political sleight of hand to attract attention.

Mr. Quayle in turn accused Mr. Cuomo of trying to "fall in with the crowd who wants to dismiss the importance of values."

"The Governor knows better than that," Mr. Quayle said. "He understands the importance of family values."

Single Mother Is Critical

The visit to Long Island was part of a series of trips by the Vice President to show his human side and to call attention to programs that work. Other stops included one at a shelter for battered women and another at a foster care agency.

In Hempstead, he took a look at a Police Activities League program established two years ago by the Ma-

of the village, James Garner, a Republican, that now serves 1,400 youngsters and has been credited with reducing crime and delinquency. Mr. Quayle met with parents and youngsters and shared his message about "bringing families together."

But Donna Renosis, a divorced, single parent who is a baseball coach in the league, said that even in Hempstead there were many single mothers who felt insulted by Mr. Quayle's celebration of the two-parent family.

"He's not in touch with reality and what life is all about," she said. "He's running for re-election and he wants to blame all of our problems on women."

Mr. Quayle took to the basketball court in a game with two local police officers and some 9- and 10-year-olds. Sweat dripping from his brow, Mr. Quayle missed a few shots but scored several — easy layups and a jump shot from 15 feet.

Poll Finds Skepticism in U.S. About Earth Summit

By JOHN HOLUSHA

Although Americans put a high priority on preserving the environment, they are skeptical that President Bush will accomplish much at the Earth Summit in Rio de Janeiro this week.

Only 9 percent of those surveyed in a CBS News poll conducted from May 27 to May 30 said they expected the meeting to produce substantial results to help solve the world's environmental problems. Forty-seven percent expected the meeting would help a little, but 35 percent said they felt the session would have little or no effect.

This attitude appeared to be linked to Mr. Bush's low ratings on environmental issues. Only 31 percent said they approved of the President's handling of the environment, as against 55 percent who said they disapproved.

"I do not think that Bush plans to be an active participant at the summit," Ruby Cannon, a Federal employee in Portsmouth, Va., said in a follow-up interview after the survey. "I think he is just going for political reasons."

Upset Over Treaty Opposition

Cindy Dowdy, an accountant in Lansdale, Pa., said she was upset that the United States had refused to sign a treaty to preserve living species.

The Bush Administration has said it opposes the pact, known as the biodiversity treaty, because it would interfere with American patent law protections and biological research.

But only 28 percent of those surveyed said they thought the treaty would give other countries too much say in the domestic policies of the United States, as against 47 percent who said they would not.

The nationwide survey, conducted by telephone, involved 1,347 adults and has a margin of sampling error of plus or minus three percentage points.

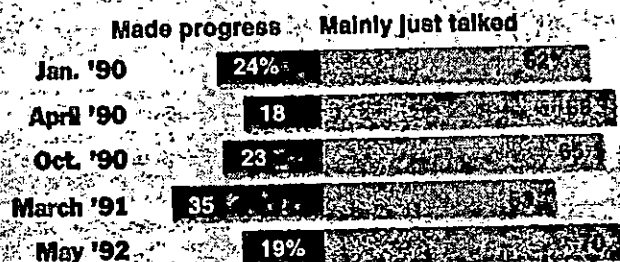
The skepticism about the Earth Summit aside, the survey found that concern for the environment remains high despite the nation's lingering economic problems.

Asked if protecting the environment is so important that requirements and

Views About the Environment

The President is rated low on the environment

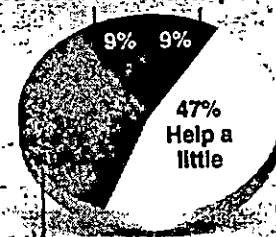
"So far, has George Bush made progress in protecting the environment, or has he mainly just talked about it?"



... And expectations are modest for the Earth Summit

"How much do you think the Earth Summit will help to solve the world's environmental problems? Do you think it will help a lot, only help a little, or not make much difference in solving the world's environmental problems?"

Don't know Help a lot



Not much difference

Based on polls conducted by The New York Times and CBS News. The latest was conducted by CBS News by telephone May 27-30, with 1,347 respondents.

New York Times

standards should be set regardless of cost, 67 percent responded in the affirmative. This is down from a peak of 80 percent reached just after the Exxon Valdez oil spill in Alaska in March 1989 but well above the 45 percent approval rating recorded when The New York Times/CBS News Poll first asked the question in 1981.

A sizable majority of those surveyed said they felt that Mr. Bush talked more about protecting the environment than he had accomplished. Sev-

enty percent said the President had been insincere in his expression of support for environmental issues, as against 19 percent who said they believed he had made progress.

This represents an erosion of Mr. Bush's already low standing on the environment from early in 1990, when 24 percent of those surveyed said they felt progress had been made, while 62 percent said he had just talked about the issue but had done little or nothing about it.

Bush and Rio: Taking an Uncomfortable New Role

Continued From Page A1

collapse under close scrutiny.

Mr. Bush finds himself in this position because of the trade-off he made by placing economic and political needs, rather than diplomatic or scientific concerns, at the center of Administration's environmental stance. In addition, because of budget restrictions, the Administration believes that it cannot afford to come up with the multi-billion-dollar aid packages that are being proffered in Rio by Japan and European countries.

Nowadays, moreover, Mr. Bush's words and his environmental positions are attuned to the political base of party loyalists and Reagan Democrats — particularly those in the Sun Belt and the Rockies — that swept two Republicans into the White House, and who are now being seduced by the pro-business oratory of Ross Perot.

The President's Role

As a result, on the eve of his arrival in Rio de Janeiro for the United Nations conference, the President finds it difficult to cast himself in the role he prefers — that of the unifying leader of "the sole remaining superpower" who is glad to serve as the rallying point for lesser and more timid nations.

In effect, Mr. Bush is expected to argue in Rio that on matters of global warming, endangered species, forest conservation and aid to poor nations' environmental programs, the world is marching out of step with Washington, and not vice versa.

By playing to the hilt the role of global maverick, aides to the President say, Mr. Bush hopes to display a brand of tough leadership that will play extremely well at home, especially in an election that features the tough-talking Ross Perot. But Mr. Bush, in taking this line, also risks a repeat of the sort of clumsy and fractious disputes that marked his politically embarrassing mission last January to Japan, in which Japanese leaders rejected American demands for trade concessions and the President collapsed from stomach flu at an official dinner.

Arrives Late Thursday

"There isn't any question that we don't have a great record on the environment, a first-rate record on the environment, the best record in the world," Mr. Bush's chief of staff, Samuel K. Skinner, said Wednesday in defining the current White House line. "For the United States not to go to Rio and talk about the best record in the world would defy logic."

A second senior official later added: "To the extent it's a benefit from a political aspect, that's pure gravy."

Mr. Bush arrives in Rio late on

Thursday evening after an all-day flight that will take him first to Panama for a speech and a meeting with President Guillermo Endara, who replaced Gen. Manuel Antonio Noriega as that nation's leader in 1989.

In Rio, the President will sign a treaty setting out first steps to curb warming of the Earth's atmosphere and will make a brief speech to the Earth Summit audience before dining on Friday with President Fernando Collor de Mello of Brazil. He will hold meetings and a news conference before returning to Washington late Saturday or early Sunday.

Political and policy aides to Mr. Bush insisted this week that his unyielding stances at the Rio summit were driven

The differences between American and European and Japanese positions on the environmental issues arise from more than a willingness to spend money. The summit has demonstrated that on environmental issues, American allies analyze the issues differently, seeing environmental problems as an opportunity and challenge. German and Japanese companies stand to gain, for example, from the development of "clean" technologies that could be adopted throughout the world.

The White House has decided to try putting Mr. Bush on the offensive in Brazil in an effort to reap whatever political benefit can be extracted from the trip. Officially, Mr. Bush's re-election campaign has taken no role in that decision, but his political advisers are openly pleased by it.

"This is what leadership is all about — standing up for what's right and doing the best thing for all Americans," the campaign's spokeswoman, Torie Clarke, said.

Many of Mr. Bush's advisers believe his unyielding stances will yield benefits where the President most needs them: among conservative ranchers, miners and businessmen in the Rocky Mountains and points west who have long been a Republican bulwark.

Adjusting His Dialogue

The President has recently adjusted his dialogue to stress disgust with environmental advocates and his insistence that curbs on pollution and development will not come at the cost of jobs. Speaking in Fresno, Calif. two weeks ago, he charged that environmentalist critics of his Earth Summit positions are "extremes" who want to "shut down" American society.

"I don't think the issue is whether the rest of the world agrees with the decisions of George Bush," Steven Goldstein, the spokesman for Interior Secretary Manuel J. Lujan, said. "The issue is whether George Bush will insure that economic factors are taken into account in these environmental decisions. And that may not play well in Managua, but it plays extremely well in Ogden, Utah."

Mr. Bush nevertheless comes to Rio not as the accomplished leader of cold war coalitions, but as a head of state who is at loggerheads with much of the rest of the planet on the most basic initiatives of the United Nations summit.

Showing a personal interest on the subject, he singlehandedly forced negotiators to excise from the global warming treaty any reference to deadlines for capping emissions of pollutants. His refusal to sign the treaty increasing protection of endangered plants and animals is based on the claim that the treaty infringes on patent rights and contains open-ended financing commitments.

The President plans to speak 'hard truths' at the conference.

more by ideology than by political calculus, and that those stands have been widely misread both by diplomats and the world's press.

Questions of Money

In either case, it is clear that the White House currently lacks either the political mandate or the national resources to play the role that Mr. Bush has relished in past foreign crises.

Financially, the Administration believes that it cannot afford to sign on to the most dramatic proposals at Rio even if it wanted to. The multibillion-dollar infusions demanded to address poor nations' environmental problems, and which Germany, Japan and some other Western nations are touting, neither exist in America's strapped treasury nor could pass political muster if they did.

Many of Mr. Bush's aides and political advisers privately express fury that the United States is being pilloried at the Brazilian summit by its longtime allies for refusing to commit to actions that they argue are not just unattainable, but often hypocritical.

Gains for Germany and Japan

"Japan's out there killing whales and running driftnets, for God's sake, while we've got the world's toughest environmental laws and we're twisting ourselves into knots over how many jobs to abolish to save a subspecies of an owl," fumed one Republican adviser, speaking on condition of anonymity. "And these guys presume to lecture us about environmental responsibility?"

Under attack by poor nations and out of step with Europe.

The President's aides argue that both actions have been widely misread. The United States opposed a deadline on reducing emissions of global warming gases, they say, because the deadline was unattainable and because only two nations — the United States and the Netherlands — had prepared any blueprint for cutting those emissions.

The treaty that Mr. Bush effectively dictated, and which he will sign in Rio on Friday, sets no deadline for cutting emissions but does require every nation to devise an "action plan" for reducing pollution, and to report regularly on whether that plan's goals are being met.

Mr. Bush's aides also argue that the United States has rightfully rejected the second treaty, covering endangered species, because it surrenders control over World Bank environmental funds to an undefined melange of treaty-signing nations, and because it undercuts American patent laws and business practices.

Even the Administration's harshest critics allow that those claims have merit. But even some of its supporters agree that the White House has been unusually obstinate, grasping at fine points of principle and refusing to accept concessions that could have eliminated the objections to both documents.

Administration officials attribute the President's stance ultimately to a long-time struggle within the Administration between environmental moderates and a passionate band of conservatives who view the Earth Summit as a scientifically fraudulent and economically disastrous venture.

The conservatives, mostly in Vice President Dan Quayle's office and in economic policy posts, have captured the high ground and Mr. Bush's favor in many recent debates. They are backed by other conservative strategists like Interior Secretary Lujan, for two decades a Congressman from New Mexico, who see environmental policy as a way for Mr. Bush to win back Western conservatives who are deserting him.

YELTSIN SAYS U.S. SEEKS ARMS PACT ASSURING AN EDGE

ADAMANT ON BIG MISSILES

Russian Chief, Under Pressure
From Hard-Liners, Tries to
Placate the Military

By STEVEN ERLANGER

Special to The New York Times

MOSCOW, June 10 — Less than a week before a summit meeting in Washington with President Bush, President Boris N. Yeltsin of Russia accused the United States today of seeking an advantage over his country in negotiations over further cuts in strategic nuclear weapons.

Speaking to senior military officers at the Russian Defense Ministry, Mr. Yeltsin said he would resist Washington's efforts to eliminate heavy, land-based, multiple-warhead missiles — the backbone of Russia's nuclear deterrent — while the United States was allowed to preserve an advantage in sea-based missiles.

The United States "suggests that all our multiple-warhead, land-based missiles should be eliminated, while at the same time cutting to a smaller degree the number of strategic naval forces," Mr. Yeltsin said, according to a report by the Itar-Tass news agency.

Preparatory Talks Fall Short

"If such a decision is made," he said, "the United States would find itself in a more advantageous position."

In a round of talks that ended Tuesday in Washington, Secretary of State James A. Baker 3d and the Russian Foreign Minister, Andrei V. Kozyrev, failed to resolve differences over what combination of weapons should remain in their countries' arsenals, although they generally concurred on the number of warheads each side should have.

Mr. Kozyrev, before leaving Washington, held out the possibility of a deal being reached at the Bush-Yeltsin meeting next Tuesday and Wednesday.

But Mr. Yeltsin, apparently seeking to demonstrate his resolve before his meeting with Mr. Bush, accused the United States of asking too much. "Russia supports the idea of strategic parity," he said, "while the U.S. side is moving along a different path."

A Busy Washington Schedule

All these questions, he said, must be discussed when he meets with President Bush in Washington. Mr. Yeltsin will also address Congress, seeking to convince it of his commitment to democracy and economic reform without directly asking for financial aid.

In Washington, Administration officials played down the rebuff by the Russian leader, saying that such remarks were to be expected during arms negotiations. [Page A8.]

Mr. Yeltsin's objections to the American arms stance were as much political as strategic, senior Western diplomats suggested, since some Russian officials regard the American negotiating position as an effort to take advantage.

Continued on Page A8, Column 1

President Boris N. Yeltsin and Defense Minister Pavel Grachev after meeting yesterday in Moscow.



Agence France Presse

The New York Times

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NEW YORK, THURSDAY, JUNE 11, 1992

Bush and Rio

*President Has an Uncomfortable New Role
In Taking Hard Line at the Earth Summit*

By MICHAEL WINES
Special to The New York Times

WASHINGTON, June 10 — Only a year after claiming his role as leader of the new world order, President Bush leaves Thursday for Brazil and an Earth Summit where opposition to his environmental policies threaten to produce the kind of embarrassing diplomatic wrangles that marred his recent trade mission to Japan.

But White House advisers, reflecting both Mr. Bush's ideological opposition to regulation and the realities of campaign politics, say that Mr. Bush is determined to take full election-year advantage of his uncomfortable new role, in which he is seen by many as global environmental spoilsport.

The White House said today that Mr. Bush would speak "hard truths" in defense of the American environmental record on his two-day visit to Rio de Janeiro for the United Nations conference. Senior officials predicted the President would offer a blunt defense of his stands on major issues that have drawn critical fire at the summit.

Criticism has focused on American opposition to firm timetables for curbing carbon dioxide emissions associated with global warming and refusal to sign a treaty to protect plants and animals. Both these positions are in disagreement with Japan and European nations.

The United States has also been assailed by poor countries who charge that Washington should come up with more money to help them pay for programs to protect their environments.

Assails Foreign Critics

In Rio today, negotiators said they were nearing agreement on a multi-billion dollar accord in which industrialized nations would help pay for environmental efforts in the developing world. [Page A9.]

Countering the criticism, the Administration argues that the environmental records of some of prominent foreign critics, who are already complaining about United States' bullying and indifference to global concerns, would

Continued on Page A12, Column 3

U.S. Unconcerned on Rebuff By Yeltsin on Nuclear Talks

By THOMAS L. FRIEDMAN
Special to The New York Times

WASHINGTON, June 10 — Bush Administration officials said today that they viewed President Boris N. Yeltsin's public rebuff of American demands in arms control negotiations as part of the public posturing that is common in such talks. They did not seem particularly worried about it — for now.

Indeed, as Mr. Yeltsin was challenging demands for the elimination of his country's land-based, multiple-warhead missiles in an address to senior officers at the Russian Defense Ministry, his Foreign Minister, Andrei V. Kozyrev, was continuing negotiations by telephone with Secretary of State James A. Baker 3d.

American officials said the two officials exchanged some ideas and that Mr. Baker would decide on Thursday after another conversation with Mr. Kozyrev whether he should fly to Moscow to try to negotiate an accord for deeper cuts in strategic nuclear arms in advance of a summit meeting between President Bush and Mr. Yeltsin next week.

"No one here is panicking," a White House official said. "You have to expect this kind of back and forth."

Some Share Yeltsin View

Commenting on Mr. Yeltsin's speech, one State Department official said: "He has his proposals and we have ours. He likes his proposals. We like ours. This sort of thing happens all the time in these negotiations."

"His speech was intended partly for his domestic audience and partly for us," the official added. "He has to show that he is getting the best deal possible for the Russian people."

But many officials and arms control experts outside — and some within — the Bush Administration share Mr. Yeltsin's view that the Administration is being unrealistic in expecting Russia to give up virtually all of its land-based, multiple-warhead nuclear missiles while Washington insists on retaining a significant number of its own sea-

based multiple warhead missiles. Senator Joseph R. Biden, the Delaware Democrat who is chairman of the Senate subcommittee on Europe, accused the Bush Administration of asking too much of Russia, saying: "Russian leaders have made clear their desire to negotiate deep mutual cuts. But the Administration persists with proposals where U.S. cuts would be minimal."

The Initial Proposal

"This translates to Russian leader as the pursuit of unilateral advantage," Mr. Biden said. "Even a weakened Russia is not going to be pressured into unilateral disarmament."

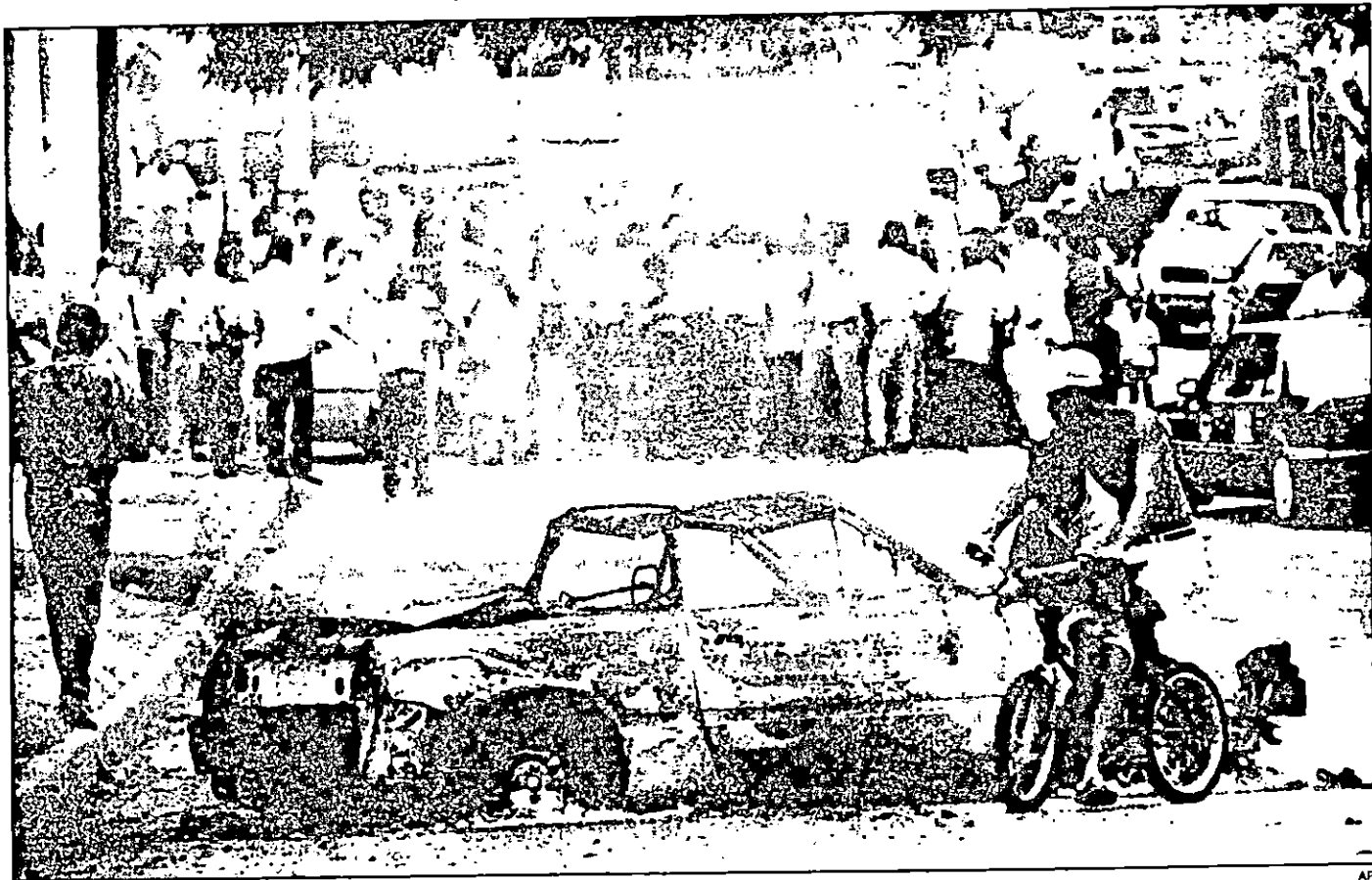
Daniel Ellsberg, an arms control analyst for the Physicians for Social Responsibility, pointed out that Russia's initial proposal called for both countries to reduce their nuclear warheads from the level of about 8,500 set in the recently signed Strategic Arms Reduction Treaty to between 2,000 and 2,500 warheads each. That would require both sides to give up all of their land-based, multiple-warhead intercontinental ballistic missiles.

It was the American side that refused to make such deep cuts and opted for 4,700 warheads each while insisting that the Russians give up a their land-based multiple warhead ICBM's, in particular the advanced 18's and SS-24's.

"There is no way that it is in the interest for the successor to Mr. Yeltsin — whomever he might be — possess 4,000-odd warheads, when could get him to go down to 2,000 now," Mr. Ellsberg said.

Both sides still seem interested in striking a deal that would involve deep cuts, said Peter W. Rodman, former official of the National Security Council who now teaches at Johns Hopkins University.

"It makes sense to aim high added. "But they have been trying to compress an awful lot in a short time. Most arms control negotiations for years, this has gone on for many



Protest aftermath: Two men on a bicycle ride past a car burned in Panama City yesterday during a demonstration over President Bush's visit.

GI's slaying fails to deter Bush

President heads to Panama today

By Frank J. Murray
THE WASHINGTON TIMES

President Bush, who ordered U.S. troops to topple the Noriega dictatorship 2½ years ago, leaves today for Panama, refusing to be scared away by drive-by shooters who killed an American soldier yesterday to protest the presidential visit.

"Any time an American serviceman is hurt, that's bad. Killed is worse," a grave Mr. Bush said during a hallway encounter after meeting with National Security Adviser Brent Scowcroft about the shooting of two soldiers in a marked U.S. Army humvee.

Panama promises that today's crowds will be friendly despite residual hostility over the deaths of 345 Panamanian soldiers and civilians, in addition to 23 Americans, in Operation Just Cause in December 1989. Residents of El Chorrillo, a teeming slum near the rubble of Manuel Noriega's destroyed military headquarters, were being fired

up by activist leaders dissatisfied with the U.S. aid that rebuilt some homes and supplied \$800 per family to replace belongings.

"I think Panamanians have wanted to express their appreciation for the actions President Bush ordered 2½ years ago. I think they will come out to express that," Menalco Solis, director of public security and national defense, told The Washington Times on June 2.

Mr. Bush's visit will be the first by a U.S. president since 1978's triumphal arrival of President Carter after ratification of a treaty turning control of the canal over to Panama.

Mr. Bush is to speak in Porras Park at lunch hour during a five-hour stopover en route to battles of a different kind at the Earth Summit in Rio de Janeiro.

Before leaving Andrews Air Force Base this morning, Mr. Bush plans to deliver what White House officials call an aggressive statement, demanding action on plans to implement the treaty being signed tomorrow in Rio.

Although officials said the tough talk would set the tone for his seven-

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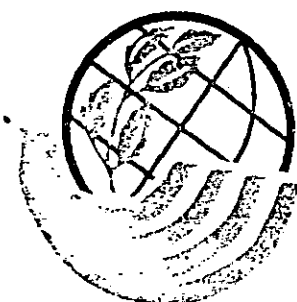
Members, wives fly to Rio on the cheap

By Joyce Price
THE WASHINGTON TIMES

While most federal employees at the Earth Summit in Brazil scrambled for seats aboard commercial airlines willing to offer government discount rates, 25 members of Congress and 10 spouses traveled on military jets at a cost to taxpayers of nearly \$354,000.

The spouses — six on the Senate side and four on the House side — flew free, a House aide said yesterday.

"Once you agree to use a mili-

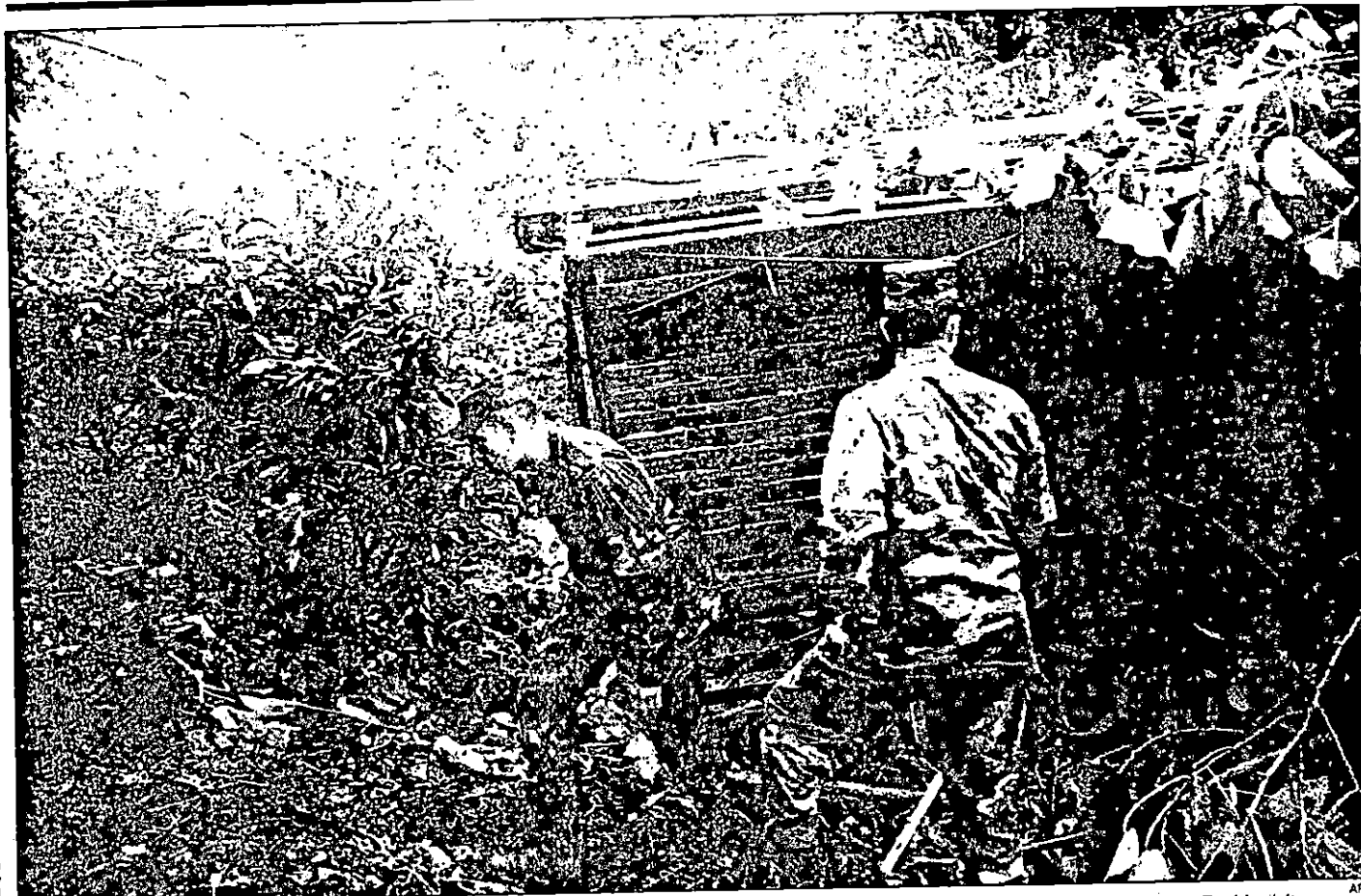


• Giving the president advice on surviving the Earth Summit. E1.

tary plane, members do not reimburse [for their spouses] on diplomatic missions," said Daniel Weiss, spokesman for California Democrat George Miller, who headed the 14-member House observer delegation to the United Nations Conference on Environment and Development, which ends Saturday.

Had the spouses not gone, the two delegations could have fit on

see RIO, page A8



Two unidentified U.S. soldiers examine a vehicle in which one GI was killed and another wounded yesterday during a protest of President Bush's visit.

BUSH

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minute speech tomorrow at the summit, they refused to release it in time to be included in pre-departure news stories.

Today's Panama City speech, after lunch at the presidential palace, will be open to all comers and not just invited guests, who would routinely be screened through metal detectors.

"We believe it's safe," Marlin Fitzwater said after yesterday's shootings.

U.S. officials in general pro-American Panama City agreed with the estimates of President Guillermo Endara's government on June 2, predicting that any protests would be minimal and routine.

An estimated 70 percent of Panamanians think it would be "healthy" for the American military presence that began in 1911 to continue past its projected end by Dec. 31, 1999, according to a recent poll. Mr. En-

dara has said he will not discuss extending the American presence, and the agenda for luncheon talks between the presidents today includes plans for turning over U.S.-owned schools, hospitals and other facilities to Panama by 1999.

On Monday, three men protesting the Bush visit fired six shots at a guard shack and threw a small homemade bomb at the back gate of Albrook Air Base, where the president is to speak this afternoon.

On Tuesday morning, hundreds of students blocked main streets and intersections in the capital, broke windshields of cars thought to be American-owned, and pelted others with mangoes and stones. Fifty others chanted "Assassin go home" outside the U.S. Embassy on Panama Bay.

Police and judicial officials said the U.S. soldier was killed and a second soldier wounded by three men firing assault rifles during a protest in Chilibre, a small town about 30 miles north of the capital halfway between Panama City and the Atlantic port city of Colon. U.S. troops use

the main highway that passes through the town to go from U.S. bases on both sides of the isthmus.

Names of the soldiers were withheld until relatives were notified, according to the U.S. Southern Command, which controls all 10,000 American troops at bases in the country. Their presence provides about 12,000 jobs in a nation hit hard by unemployment despite a phenomenal growth rate of 9.6 percent in 1991.

The killing came one day after a senior administration official briefing White House reporters pointedly reminded them that Operation Just Cause was precipitated by attacks on individual Americans, including the killing of a Marine lieutenant on Dec. 16, 1989.

That official, who cannot be identified, tried to minimize the impact of the counterdemonstrations earlier this week.

"Panama is a free country and you can demonstrate and make your views known and you don't get your heads beaten as you did under

Noriega," the official said.

While the invasion and Noriega's capture were widely welcomed at the time, many Panamanians now feel it stripped their country of its dignity. The United States provided \$461 million to restart the Panamanian economy and repair devastation wrought by the fighting.

Hector Avila, an El Chorrillo activist demanding an additional \$3,500 per family, told the Associated Press: "We want to show the president how we live here after the invasion that he ordered. We want to show that we live in houses without furniture, without work and without traumatized children."

"He needs to be aware of the great human damage the invasion left here," said Marta Rodriguez, 62, a El Chorrillo resident who lost a brother in the fighting.

"We think the situation is immeasurably improved" since U.S. forces removed Noriega to Miami, where he was convicted in April on charges of racketeering, conspiracy and drug trafficking, Mr. Fitzwater said.

FLYING DOWN TO RIO

Last Thursday, two Boeing 707s from the 89th Military Airlift Wing carried members of House and Senate observer delegations from Andrews Air Force Base to the Earth Summit in Rio de Janeiro, Brazil. Commercial fares would have cost \$84,072.

	Number of seats	Number of passengers	Number of spouses	Cost per hour	Hours traveled	Total cost
Senate flight	46	28	6	\$ 7,208	20	\$144,160
House flight	53	34	4	\$10,363	20.2	\$209,333

* Spouses reimburse government at commercial flight rate of \$1,356 round trip.
Sources: Air Force; office of Rep. George Miller, California Democrat

The Washington Times

RIO

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one plane, reducing travel costs by \$144,160.

But Jeff Biggs, spokesman for House Speaker Thomas Foley, said, "There's not any way you could have accommodated the House and Senate delegations on one plane, because the two houses have different voting schedules."

If the 34 passengers on the House flight and the 28 on the Senate flight had traveled on commercial airlines at the government rate of \$1,356 per person round-trip, it would have saved \$270,000.

"They just never seem to get the message," said Lewis K. Uhler, president of the National Tax Limitation Committee. "In a time of austerity for the taxpayers of this country, for them to fly down to Rio in anything more than economy class is an insult to American taxpayers."

In fact, Mr. Uhler believes it was a waste of money for any federal employees to go to Rio for the Earth Summit. He said the public should be especially incensed that members of Congress and their spouses "tapped into the cost of government-owned aircraft" to make their trips.

Mr. Uhler observed acidly that it probably would be in the taxpayers' interest to pay for sending members of Congress overseas, provided "they are only one-way trips."

Mr. Weiss said Congress is not to blame for the choice of transportation. "Whenever members of Congress travel together, it is the military's and State Department's preference that it be done on military aircraft for security reasons," he said.

The House flight left Andrews Air Force Base at 6 p.m. Thursday and arrived back there at 5:45 a.m. Tuesday.

"We cut the trip short to go back to vote on extending unemployment benefits," Mr. Weiss said. "Imagine trying to make travel arrangements — with one day's notice — for 34 people from Rio, when there's an Earth Summit going on."

In a story published last month The Washington Times used a round-trip Washington-Rio fare of \$1,356, which American Airlines charges federal employees, to calculate total estimated costs for travel, food and lodging for 300 federal workers — including 33 members of Congress.

The story estimated total costs at \$800,000. But that was an underestimate. Because the separate House and Senate delegations flew 22 hours on military planes with operating expenses of \$10,363 per hour and \$7,208 per hour, respectively, the correct total cost estimate is nearly \$1.15 million.

And that figure doesn't include the costs of air fare and lodging for President Bush and his entourage,

who leave for Rio today by way of Panama. It costs \$25,800 an hour to operate Air Force One, and it will be an 11-hour flight to Panama and on to Rio. The return trip from Rio will be nine hours.

On foreign trips a second jumbo jet often is taken for backup. So that would be nearly \$52,000 per hour, or more than \$1 million in fuel, maintenance and flying costs.

Discussing the congressional use of two planes, Mr. Weiss said yesterday, "It all comes down to a question of schedules and votes."

The 53-seat Boeing 707 that carried the House delegation returned from its four-day trip to Rio on Tuesday. Like the 46-seat version that carried the Senate delegation, it is part of the 89th Military Airlift stationed at Andrews Air Force Base. The Senate plane returned at 11:30 p.m. Monday, according to Air Force spokesman Maj. Billy Birdwell.

In addition to Mr. Miller, chairman of the Interior and Insular Affairs Committee, other members of the House delegation were Democrats James Scheuer of New York, Cardiss Collins of Illinois, Anthony Beilenson and Nancy Pelosi of California, Dennis Hertel of Michigan, Edward Feighan of Ohio, Jolene Unsoeld of Washington and Gerry Sikorski of Minnesota, and Republicans Bill Green of New York, John Porter of Illinois, John Miller of Washington, Connie Morella of Maryland and Delegate Ben Blaz of Guam.

The House members who took their spouses were Mr. Feighan, Mr. Scheuer, Mrs. Pelosi and Mr. Blaz, Mr. Weiss said.

Tennessee Democrat Al Gore headed the 11-member Senate delegation. The others were Democrats Claiborne Pell of Rhode Island, Max Baucus of Montana, Bob Graham of Florida, John Kerry of Massachusetts, Frank Lautenberg of New Jersey, Paul Wellstone of Minnesota and Tim Wirth of Colorado, and Republicans John Chafee of Rhode Island, Larry Pressler of South Dakota and Steve Symms of Idaho.

Senate wives who flew to Rio, according to a high-placed administration source, were Tipper Gore, Virginia Chafee, Nuala Pell, Harriet Pressler, Loretta Symms, Wren Wirth and Adele Graham.

A staffer in Mr. Gore's office said Tuesday that the senator did not return with the others Monday, but was unable to say when he would be returning or by what means.

Mr. Weiss said he believes the House delegation made an important contribution in Rio.

A high point of the delegation's trip, Mr. Weiss said, was a town meeting held by Mr. Miller and Mr. Scheuer. "They held the town meeting for 250 Americans who were in Rio attending the Earth Summit," he said.

• Frank J. Murray contributed to this report.

Arms accord hits Yeltsin-size snag

Russian says U.S. seeks unfair edge

By Gerald Nadler
THE WASHINGTON TIMES

MOSCOW — Russian President Boris Yeltsin yesterday accused the United States of seeking unilateral advantage in nuclear weapons, raising a cloud over his upcoming Washington summit with President Bush.

Mr. Yeltsin told a group of military officers, who had just been granted a pay raise, that the United States is insisting on the elimination of all land-based missiles that can carry multiple warheads and hit multiple targets.

"In case such a decision is taken, the United States would find itself in

a more advantageous position," Mr. Yeltsin said.

His remarks followed a two-day visit to Washington by Russian Foreign Minister Andrei Kozyrev that failed to produce a new agreement on deep cuts in intercontinental missiles and warheads.

Because the U.S. Congress has not approved a financial aid package for Russia, a nuclear agreement was considered especially important as a centerpiece for Mr. Yeltsin's two-day visit, which begins Monday.

At issue are further cuts in nuclear weapons beyond the Strategic

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TREATY

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Arms Reduction Treaty (START) signed last summer by Mr. Bush and then-Soviet President Mikhail Gorbachev. The treaty requires cuts of about 30 percent in the two sides' arsenals from present levels of about 12,500 warheads for the United States and slightly less for the former Soviet Union.

Last year, Mr. Bush suggested a new figure of 4,700 warheads on each side, and Mr. Yeltsin proposed an even sharper cut down to 2,500.

But the mix of which types should be eliminated snagged the talks. The United States wants the land-based missiles eliminated, while Russia is leery of the U.S. strength in sea-based missiles launched from submarines.

"We have not come to a common figure, as Russia supports the idea of strategic parity," Mr. Yeltsin said.

Mr. Yeltsin said the United States is proposing that Russia eliminate

nuclear ground-based missiles with multiple warheads, or MIRVs, while the United States proposes maintaining its submarine-based MIRVs.

The argument, unstated by Mr. Yeltsin but heard frequently during Mr. Gorbachev's rule, is that Russia is a land power and the United States a sea power and that any parity must be based on a land-sea equation.

Mr. Kozyrev has hinted that Mr. Baker might make a lightning visit to Moscow tomorrow to try again to nail down an accord. Mr. Baker cancelled his scheduled trip with Mr. Bush to the Earth Summit in Brazil to continue arms negotiations and is expected to decide today whether to make the trip to Russia.

Mr. Yeltsin apparently fears that an unbalanced arms agreement would reinforce a perception that Russia is so weak it must trade away its strength for billions of dollars in aid.

A tough position in defense negotiations is also viewed as helping Mr. Yeltsin counter criticism from hard-line nationalists, who hold him responsible for destroying the Soviet

Ikle: Set U.S.-Russia defense ties

THE WASHINGTON TIMES

The architect of the Reagan-era defense buildup yesterday urged the Bush administration to move quickly to establish a close defense relationship with Russia.

Fred Ikle, an undersecretary of defense for policy in the Reagan administration, told the Senate Armed Services Committee that an evolving program of institutionalized links between the U.S. and Russian militaries would pay dividends to both nations.

"In the military sphere both sides have something to offer and, unlike economic aid to the former Soviet republics, Congress does not have to find billions of dollars

to have an impact," Mr. Ikle said.

"A great deal can be done to build a military partnership without any painful budget reallocations."

One area of immediate cooperation — bringing Russian junior officers to the United States for training courses focusing on civilian control of the military — has suffered because of a lack of funds. Only 16 Russian officers have visited so far this year for such training.

Part of the problem, Mr. Ikle said, is the "anxiety of lower-level State Department officials that the Pentagon should not move ahead of

them."

But the former defense official also blamed the Russians for the lack of progress, saying that Defense Secretary Dick Cheney is still waiting for a response from Moscow to a proposal he made nearly three months ago for collaboration and joint activities.

Richard Perle, a Reagan-era assistant secretary of defense for international security policy, supported Mr. Ikle's call for a military partnership. But he suggested that such an arrangement include Ukraine and three former Warsaw pact members — Czechoslovakia, Hungary and Poland.

Union and abandoning ethnic Russians in other republics.

Mr. Yeltsin, working on his own agenda yesterday, signed a friendship and cooperation treaty with

Kyrgyzstan President Askar Akayev that ensures the rights of Russians living in the Central Asian republic.

Along with Kazakhstan's President Nursultan Nazarbayev, Mr.

Akayev is a prominent leader among the five Central Asian republics of the former Soviet Union.

"We have signed an agreement between equals having equal rights —

absolutely one of equal rights between two independent states," Mr. Yeltsin said. "In no agreement has the protection of rights of national minorities been so clearly delineated."

On Monday, Defense Minister Pavel Grachev signed a military agreement with another Central Asian republic, Turkmenistan.

Cementing his ties further with the military, Mr. Yeltsin yesterday made a series of top-level military appointments that included promoting Gen. Viktor Dubynin to chief of staff of the Russian army. Gen. Dubynin had headed the northern forces.

Russian analysts said the moves were a concession to the right.

In Washington, Mr. Baker did not know whether an accord could be reached by the time Yeltsin meets Mr. Bush in the House on Tuesday.

While Mr. Gorbachev's team devoted maximum attention to arms control, Mr. Yeltsin has been assailed with domestic problems ever since taking the helm.

Purse-strings issue snarls ambitious environment plan

By Paul Raeburn
ASSOCIATED PRESS

RIO DE JANEIRO — The United States and Third World nations clashed yesterday over how to preserve forests, as Earth Summit delegates in the Brazilian capital put the finishing touches on pacts for environmental protection.

The documents were being prepared for the more than 100 heads of state who will gather in Rio by tomorrow. President Bush is scheduled to arrive tonight.

In Washington, the White House announced that the United States would support one of the summit's key documents, a non-binding state-

ment of environmental rights and responsibilities called the Rio Declaration.

The delegates are also finishing conventions on climate control and protecting plant and animal species and forestry and a blueprint for cleaning up the Earth, called Agenda 21. They were expected to work through the night.

Summit organizer Maurice Strong has said Agenda 21's goals would cost \$125 billion a year. Delegates were still debating yesterday on how much developed countries would pay and how the aid should be dispersed.

Industrialized nations want aid to go through the Global Environmen-

tal Facility, a World Bank agency they control. Developing nations want a new agency created that would give them some spending control.

Michael Young, deputy head of the U.S. delegation, said the United States would not contribute money to any fund until the issue of control is settled.

He characterized the developing countries' position as: "Please put a pot of money there, and we will send you a little postcard telling you how we spent it."

Agenda 21 is hundreds of pages long, making it one of the most comprehensive and difficult international agreements ever attempted.

Diplomats said its completion would make the summit a success.

In other developments Wednesday:

- The Food and Agriculture Organization said some 750 million people — nearly 14 percent of the world population of 5.5 billion — suffer from chronic malnutrition or are threatened with starvation. FAO chief Edouard Saouma called on people in rich countries to change their eating habits.

- Mr. Young said the United States would likely agree to a suggestion by African nations to negotiate a treaty on limiting the deterioration of farmland. But he said the United States

had had reservations about the idea.

- Sen. Tim Wirth, Colorado Democrat, charged the Bush administration with doing a bad public relations job at the summit. "There is a story that simply is not being told," he said, citing U.S. progress in curbing pollution and increasing energy efficiency.

The United States has been isolated from its allies and strongly criticized for opposing the so-called biodiversity treaty, designed to protect plants and animals, and for its insistence on weakening the treaty on global warming.

In summit discussions yesterday, the United States was again at the

forefront of discord, this time over forestry provisions of the Agenda 21 document.

The United States does not want to commit itself to providing aid in exchange for protecting forests; Malaysia, which leads Third World nations on forestry issues, insists that the forestry statement explicitly make that link.

The developing countries also oppose terms that they fear might lead to an infringement of their right to use forests as they see fit.

Agenda 21 is non-binding, but whatever moral force it might have would be undermined if the United States were to refuse to sign it.

The Washington Times

THURSDAY, JUNE 11, 1992

WASHINGTON, D.C.

25 cents

Life

Some earthy advice to take to Rio

Don't sweat it at the summit, Mr. President



By Sean P. O'Connell

So you wake up one morning to discover you've just become the "environmental president" and suddenly it's your job to pave the way, so to speak, toward a new consensus on man and Mother Nature, only you have to slog all the way to Brazil to prove you're up to the task, when you're pretty sure a nice teleconference would do.

Still, you pack your toothbrush and argyle and prepare to fly directly to Rio de Janeiro for an Earth Summit where lots of people who dislike or distrust you will be waiting anxiously to tell you so to your face.

This after you've already made like you don't want to go because you have more or less concluded the gaseous emissions from this United Nations Conference on Environment and Development probably menace the ozone layer more than a million air-conditioned Isuzus.

But it's politics. You have to go. What else can you do?

Don't fret, Mr. President. If Bush shapes up to be your Bitburg, well, your old boss weathered that bad idea well enough. You certainly can abide a little airport hectoring from people wearing "Love My Lemur" T-shirts.

(The American people, for their part, stand ready to assist.)

"He needs some help," says Greenpeace staffer Gary Gooch, echoing a tender refrain heard from ecology and economy-minded alike.

It's true, Mr. President. People outside your memo loop really do want to help make your summit stay more than a Krakatau moment and less than a complete disaster. They want to give you guidance. No arm-

twisting. No forked tongues. No easy-fork memorandums.

So listen up. Here's the dope on how to stay clean in Rio, straight from people big enough to admit they hate more than a passing interest in what happens down there.

Some folks stress decorum, mixed with a modicum of that old-time G.B. prudence.

"Tell the president to keep both his feet clean, since he can't be sure which one he'll put in his mouth," says Sierra Club environmentalist Daniel Becker, the group's point man on global warming.

"He should conduct himself in a way that doesn't land him in an editorial cartoon," says Bill Jacobs, executive director of the loosely named Washington Forest Protection Association, a timber industry group based in the Pacific Northwest.

This means no jokes about strip-mining to loosen up the crowd. Resist the temptation to discuss boxer belts with fellow millionaire Maurice Strong, since he is the conference's secretary-general.

And please, if you feel the onset of stomach flu during dinner with the dignitaries, try to hurl off-camera. Greenies will use your sudden queasiness only as proof that we're all wallowing in toxins.

Also, think about what to bring. The Sierra Club's Mr. Becker, who canceled his ticket to Rio once you scuttled a treaty proposing limits on global emissions, has a few suggestions.

Remember his chain saw? Mr. Becker says "Leton and sunglasses, because of ozone depletion. A paddle, because he's up a creek. Ber-

see RIO, page E2

Now about that birthday, Mr. Bush: Easy does it

By Thomas F. Armistead

Happy birthday, Mr. President. Tomorrow is your 68th.

You're already the seventh-oldest person ever to hold the nation's highest office. If all goes well for the GOP in 1994 you will be, at 70, the second-oldest.

At 6 feet 2 inches and 195 pounds, you look great for an old guy. And everybody knows you can outdo men half your age at jogging, fishing, golfing, tennis and horseshoes.

But we, uh, thought you should know something, and there's no gentle way to put this. If you're reflected, chances are about 1 in 10 that Dan Quayle eventually will be sworn in to finish your second term.

According to the National Center for Health Statistics, 13 percent of 68-year-old white males in the United States won't make it through their next four years.

But not to worry, Mr. President. Those same figures show the chances are 94 percent if he's around till the year 2005.

We know you like planning ahead, so we thought you might like to know some facts of OLD LIFE, developed by the government's own Baltimore Longitudinal Study on Aging.

You'll like: shrink in height. You'll see your blood pressure rise (as if Ross Perot doesn't already cause that phenomenon enough). Your heart may grow slightly bigger. Your kidney function probably will decline, along with your vision, hearing, taste and ability to smell.

But hey, your mental performance should remain strong.

At least until age 70.

Then, Mr. President, beware. Vigilance, defined by this here Baltimore study as the ability to re-

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RIO

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muda shorts, because that's where he'd rather be. A muzzle for [Environmental Protection Agency chief] Bill Reilly. And a truckload of salt with which to take his word that he's the environmental president."

Grumble, grumble, grumble. Not to worry. Others say you need only bring yourself.

"He should probably follow his own instincts better, instead of allowing so much staff-level discussion," Mr. Jacobs says. "He should feel like he has more confidence in himself."

And don't forget that some people support your position — if that's the right word — on the environment.

"I think the president's doing a terrific job," says Betsy Shirley, staff director for the Styrene Information Research Center, guardians of that quality-of-life chemical found in everything from dashboards to drinking cups ("It's not just foam," Ms. Shirley says).

"I think the president has taken an intelligent and thoughtful approach with respect to global warming and other types of risk assessment," says the spokeswoman for the \$25 billion-a-year plastic foam industry. "And we think it is prudent that one understand what all the facts are before establishing government policy."

So just keep doing what you're doing once you get to Rio, Mr. President. Styrene groupies say you have science on your side.

Early on, you clearly waffled over whether to attend the conference, a spectacle that was not unlike someone telling his bride she's ugly before marrying her. Not surprisingly, this reluctance was interpreted as indecision by some, indifference by others. The will he or won't he thing could hurt you going into the weekend.

"The perception should be he's there because he wants to be, because he has some concern for the environment," says Mr. Jacobs, the lumber pack. "It's almost too late for him to function in an effective way now, because of all the perceptions that exist among the public... that he seems to have no opinions about this [issue]."

Which begs another question: Why go at all?

"Bush's ticket to Rio is too high a price to pay," says Greenpeace spokeswoman Abigail Grossman, who believes you effectively torpedoed the summit by opposing that emissions treaty.

That opposition made some summiteers resent our high-tech consumer culture all the more. But it also made people like John Cohen happy. He's director of energy and natural resource issues for the National Association of Manufacturers, and he sees a meaningful



Jane Fonda and Ted Turner at the summit, where the broadcasting mogul spoke on "Communication and Perceptions."



Sean Connery and a rain forest couldn't draw crowds to "Medicine Man."

Earth to Bush: Packing tips

Prudence is the watchword of any U.S. president packing for an Earth Summit. The contents of the Rio-bound presidential valise must show sensitivity toward the political exigencies of the environmental conference, even if the stay is short.

Bring:

- Roll-on antiperspirant (doesn't deplete ozone)
- Big hat with mosquito netting
- Videotape of recent box-office bomb "Medicine Man"
- One quart of Ben & Jerry's Brazilian Rainforest Crunch ice cream
- Pearl Buck novels
- Flak jacket
- Catcher's mask (to deter custard pie assaults)
- "Emu Power" T-shirt
- "Blinky the Beluga Whale" stuffed toy

Leave:

- Golf clubs
- Alligator-skin boots
- Barbara Bush's mink coat
- "Love It Don't Save It" T-shirt from cement contractors fund-raiser
- Exxon charge card
- Dan Quayle
- Lambada trousers
- Oil well paperweight
- Texas "Sludge Ranch" investment guide

Bring back:

- T-shirt that says, "I attended the Earth Summit in Rio and all I got was this stupid shirt."

"The president is just going to have to dig down deep and use all the experience and wisdom he has and stand up for the United States."

role for you in Rio.

"From the way it's been reported in the press, there's a pretty negative feeling toward the United States, which in my opinion is wholly unjustified," Mr. Cohen says. "The president is just going to have to dig down deep and use all the experience and wisdom he has and stand up for the United States. We have nothing to be ashamed of."

So get out there, and to heck with prudence! You're going to be the "enviro" president again. Just remember that the chief job of the Northern Hemisphere is to issue edicts; the Southern Hemisphere's job generally is to hold grudges against the North.

Above all, relax. Have a positive mental attitude. Don't force your aides to shove you aboard Air Force One. Think of the whole experience as just another day in your old U.N. stomping grounds.

And follow this important safety tip: Avoid the local beach; apart from shoreline erosion and the risk of skin cancer, it's where all the tourists in Rio get mugged.

BUSH

From page E1

spond to infrequent and unpredictable stimuli, may begin to decline. Ditto for reaction time.

Men in their 70s also lose that edge in solving problems logically. Some types of memory falter, too.

Take heart, though. James Fozard, associate scientific director over at the Baltimore outfit, has some upbeat observations:

Since 1958, the study has tracked the aging process of about 2,000 folks varying in age from 20 to 103. And, Mr. Fozard concludes, "Every-one ages differently."

While many abilities decline with age, he says, a few, like judgment, actually may improve.

Consequently, he says, although hard-charging athletes and curing-finding scientists generally peak in their younger years, artists, musicians and politicians may get better with age. Think of it.

"Look at Winston Churchill and Charles de Gaulle — both were in their 80s," Mr. Fozard says.

Old people "have more experience to draw from," he notes. "They also may be more tolerant of others and accepting of themselves."

And despite those nasty stereotypes, Mr. Fozard says, the old don't grow cranky. Generally, one's disposition is constant throughout life.

Everybody knows, Mr. President, that you have a sunny disposition.

After all, even if you were showing that old folks memory thing, you managed to laugh four years ago, at age 64, when you forgot that Pearl Harbor Day is Dec. 7, not Sept. 7.

At 78, Ronald Reagan left office as the oldest president ever. Besides the Gipper, the only presidents older than you are now were: Andrew Jackson (69 and 11 months), William Henry Harrison (68 and 2 months), James Buchanan (69 and 11 months), Harry Truman (68 and 8

months) and Dwight Eisenhower (70 and 3 months).

Of course, as the most traveled and athletic president, you've had your share of visits to the doctor's office to make sure everything's fine.

You've been treated for an overactive thyroid, an abnormal heartbeat and a mild degenerative arthritis of the hip. You had a cyst removed from a finger and those four small, non-cancerous growths removed from your face.

The doctors say all those problems have been taken care of and should have no effect on your continued good health.

Factors that may well make a difference, though, include exercise (you get plenty), stress (oh, that Democratic Congress), diet (you hate broccoli) and smoking (you don't even puff, much less inhale). Perhaps most important are your genes — your hereditary predisposition to live a long life.

Your dad, Prescott, died in 1972 at age 77. But your mother, Dorothy, is a grand 90 years old. (Note: She likes broccoli — a lot.)

The biggest scare you gave us about your health was in January, at that formal dinner in Japan. Battling the flu and jet lag and having played two sets of tennis earlier in the day, you keeled over and threw up on Prime Minister Kiichi Miyazawa.

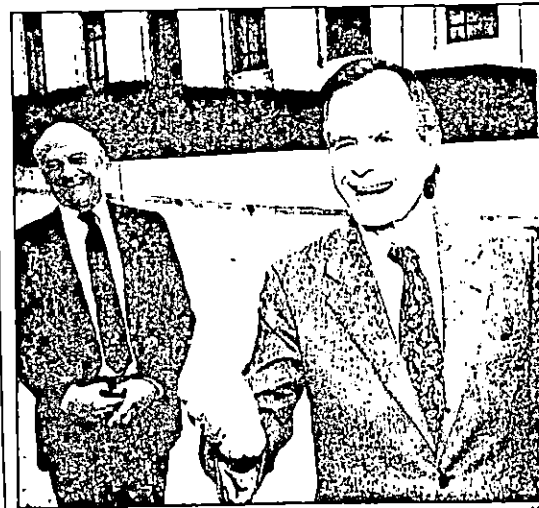
That could have happened to anyone. And Dr. Burton Lee, your physician, says you have the strength and vitality of a much younger man. He'd like to see you slow down and take a long vacation, though.

You say you don't have time. You have places to go, people to see, things to do — like trying to get re-elected.

In fact, you'll be spending your birthday on the road at the Earth Summit in Rio. Some vacation.

We hear you'll mark the day with a good jog. Not a bad start.

Thomas Ferraro covers the White House for United Press International.



President Bush and his personal physician, Dr. Burton Lee, meet the press.

But are mirrors on the ceiling ecologically correct?

It may not be Carnival, but the Earth Summit in Rio de Janeiro has created some of the same feisty festiveness for which the annual pre-Lenten celebration in the Brazilian city is known.

That also includes Carnival-sized overflow crowds.

It's so crowded that Secret Service agents and the White House press corps will be staying at two of Rio's many "love motels" — where rooms normally rent by the hour — during President Bush's visit.

The U.S. consulate, in charge of arranging rooms, had no choice but to settle for the lodging after Mr. Bush decided at the last minute to attend the Earth Summit this week. More upscale hotels were booked solid.

The president is booked at nicer



Chief Raoni of the Caiapo Indian tribe at the Earth Summit in Rio.

digs — the Sheraton Hotel, one of Rio's very best.

World leaders may be having problems at the Earth Summit agreeing on how to save the planet, but the children are on top of things.

Tens of thousands of youngsters from around the world have sent pledges to be hung near a metal-and-wood sculpture of a "Tree of Life" that is part of an alternative summit in Rio.

Jose Talache from Santa Fe, N.M., pledged: "I promise to pick up litter to make this a brighter world."

Another pledge, signed simply, "the Newmans," offers immediate action to prevent water shortages.

"My family will fix all our leaking taps," it reads.

Indians from the Amazon are doing their best to help the economy of one of the former communist states in Eastern Europe.

At the environmentalists' fair, Kayapo Indians are selling traditional feather headdresses and glass bead jewelry made by the Amazon tribe.

A spokeswoman for the Indians explained that the tribe bought its glass beads in bulk — from Czechoslovakia.

It may help save the environment in the long run, but the Earth Summit is not exactly an Earth-friendly gathering. It is spewing out tons of unrecyclable waste.

Countless trees were felled to feed the fax and copy machines

cranking out reams of documents. Trash cans overflow with paper cups, throw-away plates, napkins, aluminum cans, bottles and plastic utensils.

Most of the delegates show up at the conference center in gas-guzzling luxury cars. Car pooling appears to be a foreign concept.

Rio has amassed a vast security force for the Earth Summit, and the effort is having an effect.

With 30,000 or more troops and police on patrol, radio stations have reported a 50 percent decrease in street crime in popular tourist areas such as Copacabana.

But not everyone is happy. Away from the Earth Summit extravaganza, local people in residential areas where there is no heavy security complain that the thieves have just moved there.

FROM COMBINED DISPATCHES

Why leave Rio? Some alternate summit ideas

As long as we've committed 100 nations, hundreds of millions of dollars and billions of pages of documents to the Earth Summit in Brazil, why not stick around after it's done? There are any number of summit-worthy topics just waiting to be spun off. Here are a few possibilities:

■ Mirth Summit: A desperately needed meeting of comedians to discuss the terrifying trend of Global Seriousness, triggered by excessive carbon dioxide emissions — or possibly methane — from the nation's capital. Think tanks and talk shows have been shown to be the worst polluters; can we stop them in time? Andrew Dice Clay to lecture in what could be his last paying gig. Also: Symposia on Life After Carson.

■ Birth Summit: Murphy Brown and others talk about what happens when the biological clock



Clay



Brooks

is the only thing you hear.

■ Girth Summit: A moment on the lips, a lifetime on the hips — does it always have to be that way? One opportunity to get Oprah Winfrey and Roseanne Arnold out of the country. John "Hot Plate" Williams, the heaviest Washington Bul- let, can lecture about the Wages of Fat. Master of ceremonies: Willard Scott.

■ Garth Summit: World leaders discuss why country singer Garth Brooks is so darn popular these days. A rare chance to ratify early draft of controversial Garth Brooks Test Ban Treaty.

■ Worth Summit: A two-week concentration on global self-esteem, designed to make all earthlings feel better about themselves. "We Are the World," to be sung by Ross Perot and the Smurfs on the conference's last day. Could lead to a recording deal if the song really takes off.

■ Endangered species: Can't forget these: Are "Leave It to Beaver" and "Mister Ed" getting enough air time in Third World countries?

— Thomas D. Sullivan and Sean Piccoli



Candice Bergen as Murphy Brown heard the tick of a biological clock.



Oprah Winfrey

NATION

Amendment faces close vote in House today

By J. Jennings Moss
THE WASHINGTON TIMES

The House focused on a single word yesterday — responsibility — as it debated amending the Constitution to require a balanced federal budget and prepared for a squeaker vote on the issue today.

The chief sponsor of the leading proposal, Democratic Rep. Charles W. Stenholm of Texas, asserted again that he has the votes needed for passage, but others said the outcome is too close to call.

Mr. Stenholm and his backers argued that with the deficit this year expected to hit \$400 billion the only responsible course is to use a constitutional amendment to force Congress to pass a deficit-free budget.

Said House Minority Leader Robert H. Michel of Illinois: "We have tried to balance the budget from inside the Beltway without the force and the moral authority of a constitutional imperative to guide us. . . . We have to begin anew."

But opponents said if members want to be responsible they will make tough choices on spending cuts and tax increases instead of making a philosophical statement

BUDGET-BALANCING PROPOSALS

The House today votes on four proposals for a constitutional amendment requiring a balanced federal budget. Highlights of the four plans:

Sponsor	General purpose	Vote needed to spend more than the government has	Conditions under which amendment can be waived	Effective date
Proposal of Republican Reps. John Kyl of Arizona and George Allen of Virginia.	Requires that outlays may not exceed either receipts or 19 percent of gross national product.	Three-fifths of each house.	Three-fifths vote of House and Senate leadership.	Fiscal 1997 or the third year after ratification, whichever is later.
Proposal of Rep. Joe Barton, Texas Republican.	Requires Congress to "adopt a statement of receipts and outlays" that shows outlays not exceeding receipts.	Three-fifths of each house.	War is declared.	Fiscal 1997 or the second year after ratification, whichever comes first.
Democratic leadership proposal.	Requires the president to submit a budget where outlays do not exceed receipts unless he submits a Declaration of National Urgency. Congress must approve a balanced budget unless it approves the urgency declaration.	Simple majority.	President issues and Congress approves the Declaration of National Urgency.	First fiscal year after ratification.
Proposal of Rep. Charles W. Stenholm, Texas Democrat.	Requires the president and Congress to agree on an estimate of receipts and enact that estimate into law.	Three-fifths of each house.	War is declared or a "military conflict which causes an imminent and serious military threat to national security."	Fiscal 1998 or the second year after ratification, whichever is later.

Source: Democratic Study Group and Republican sources

The Washington Times

that deficits are bad.

"This is designed to be a gun at our heads, a gun at our heads. I am not willing to take that risk . . . because I don't need a constitutional amendment to make the right choices," said Rep. Leon E. Panetta,

California Democrat and chairman of the House Budget Committee.

The House yesterday debated for nine hours and will argue the issue further today before voting on four separate measures. Because all are proposed constitutional amend-

ments, passage requires approval of at least two-thirds of the chamber — 290 members.

If passed, the measure goes to the Senate where its future is uncertain. Should it be approved by both chambers, it must be ratified by three-

fourths of the states.

The rules require that if more than one of the proposals passes, the last to be approved prevails. Mr. Stenholm's proposal will be considered last.

On Tuesday, the House defeated

an attempt by the Democratic leadership to weaken support for an amendment by getting members to pass a simple resolution that required a balanced budget. It failed 220-199.

The four measures require the president to submit and Congress to pass a budget in which spending does not exceed the cash taken in by the Treasury. Provisions differ on the number of votes needed to permit deficit spending or to increase taxes.

None of the measures tells lawmakers how to cut federal programs or increase revenues. Opponents charged this omission proves the proposal is merely cosmetic. Proponents said it is a needed first step.

One of the amendment's leading proponents is President Bush, who met with several Democratic and Republican lawmakers this week and telephoned others on Capitol Hill.

"The deficit is what's real. Congressional inaction is what's real. A constitutional amendment mandating a balanced budget is what's needed," Mr. Bush said in a taped address.

• Frank J. Murray contributed to this report.

The Washington Times

THURSDAY, JUNE 11, 1992

WASHINGTON, D.C.

25 cents

Up in arms

We've heard from a number of POW-MIA activists who are concerned that only Anne Mills Griffiths of the American League of Families will be heard by the Republican Platform Committee later this month. Mrs. Griffiths is viewed by many as the special favorite of the military and administration bureaucracy in POW-MIA matters because she does not share the conspiracy and cover-up views of the others, like Col. Millard A. Peck, who resigned last year as the Defense Intelligence Agency's chief POW-MIA investigator. "This just pushes most of us further toward Perot," one activist says.

Bugging them

"The FBI was, and almost certainly still is, deeply involved in investigating a wide variety of areas that involve members of Congress," according to a report in Roll Call newspaper. The report focused mainly on heavily censored documents that were obtained under the Freedom of Information Act.

The FBI documents show that the late Rep. Larry McDonald was targeted mainly because he served as a spokesman for the John Birch Society. Also, there was an investigation of corruption allegations against the late Rep. Mickey Leland, but the case was dropped as apparently baseless.

There was no speculation in the released documents about the mysterious deaths of the two congressmen. Mr. McDonald died in the Soviet downing of Korean Air Lines Flight 007 in 1983; Mr. Leland was killed in a plane crash in Ethiopia in 1989.

Nobody's talking

There are hot rumors around town that Steve Studdert joined Joe Canzeri on a trip to Texas over the past weekend to sign on with the unofficial Ross Perot campaign.

INSIDE THE BELTWAY



Did a streak of independence or dirty tricks lure Pat Schroeder to a night tour of Perot headquarters?

Mr. Studdert served as advance man for three presidents and left the White House to return to his home in Utah amid denials from John Sununu and others that Mr. Studdert had been "elbowed out."

The Washington Times reported last week that Mr. Canzeri had signed on with Mr. Perot, according to several sources. Mr. Canzeri is not returning calls seeking comment and is said to be seething that the story is circulating. If he is on board, the campaign could be shaping up as a grudge match — because both he and Ed Rollins have been publicly critical of Dan Quayle. Mr. Canzeri was a Quayle manager and described the experience as like working with "a kid."

Mr. Studdert could not be located for comment. It was not only

this column that was trying to track him down. "George Bush Jr. is looking for him to give him a good reaming out," a Republican activist tells us.

Mr. Studdert was described upon his departure from the White House as "Cecil B. de Studdert" by then-Protocol Chief Joseph Verner Reed. Mr. Studdert was replaced by Sig Rogich.

We also hear that Rep. Pat Schroeder, Colorado Democrat, and her husband, James, were given a secret Monday-night tour of Perot headquarters in Washington. The event was said to have taken place in the dark of night after regular hours to avoid notice by the press and public. With the usual display of political savvy, Mrs. Schroeder did not return a call. Had she done so, we would have had to ask the question that has everyone dangling — will she be Mr. Perot's vice presidential choice?

Watch your pocket

The Congressional Budget Office suggested in a report that lawmakers look at a "congestion fee" for drivers using overcrowded highways. Not in our back yard, right? Well, these helpful souls at CBO say that motorists in congested areas pay less in gasoline taxes than it costs to repair wear and tear on their roads. Country folks, meanwhile, pay more than is required for upkeep.

Dueling sources

Betsy Hart says the weekend party salute to Burt Pines was "mischaracterized" in this column. She says it was a very upbeat affair, quite positive, with no Heritage

Foundation bashing in evidence, but our other two sources were fairly reliable (that is, evidencing a pulse rate). Was there a "Rah-rah Heritage" crowd on one side and a "Boo, hiss Heritage" crowd on the other? Mrs. Hart works for Heritage, so it's hardly likely that she'd promote an event featuring mean comments about that illustrious institution.

In related cultural news, let's make one thing perfectly clear: Amy Moritz is not responsible for the stuff attributed to her in a recent column. It was all Burt Pines, from the starting gun to the finish line, the whole trip, 100 percent and in toto.

Vets' 'thanks'

The Blinded American Veterans Foundation will salute the National Library Service for the Blind and Physically Handicapped, a branch of the Library of Congress that serves more than 750,000 Americans. An award will be presented during BAVF's seventh annual awards ceremony June 16 in the Cannon House Office Building.

"At a time when we find many government agencies which routinely disregard federal guidelines for accommodating the blind and disabled, it is a distinct pleasure to find one agency doing everything expected of it and more," BAVF President John Fales said.

Non-partisan pig

A spokesman for the folks at Red Hot & Blue called to tell us they'll sell barbecue to anybody. He says their appearance at the Perot rally was a for-profit endeavor and they'd be glad to sell their stuff at a Bush rally or a Clinton rally or any other danged place people appreciate good barbecue. Why, they'd probably put on a feed for that socialist Bernie Sanders, if he knows what's good for him.

— John Elvin

Quayle boosts Russian rocket

By Martin Sieff
THE WASHINGTON TIMES

The National Space Council, chaired by Vice President Dan Quayle, is advising President Bush to permit a U.S.-built satellite to be launched on a Russian rocket, sources said yesterday.

The president has not yet made a final decision, but a majority on the council urged him to approve the project, which would involve a communications satellite built by General Electric Co. and owned by the Inmarsat consortium.

Many influential U.S. space planners and analysts are eager to buy Russian know-how. And if the INMARSAT launch proves a success, it could lead to the widespread use of Russian rockets to put up unmanned satellites.

"If you don't need man in space in your operation, the [Russian] Proton [rocket] is a very efficient launch vehicle," said space analyst Saunders Kramer. "It has already successfully flown 120 to 150 missions. Its success rate is very high, in the region of 95 percent of launches."

"I think we could purchase Protons at very good, cost-effective prices," Mr. Kramer said.

The Proton "can probably launch equal weight satellites to the French Ariane rockets for considerably less unit cost," Mr. Kramer said. "The Ariane is a sophisticated, fairly expensive rocket. The Proton is more of a utilitarian work horse. They cost less to build than the Ariane."

Several of the federal government agencies represented on the Space Council advised the president against granting the necessary waiver for the launch, the sources said.

Their argument was that buying cheap, government-subsidized Russian boosters would undercut efforts by U.S. industry to compete in the international space-launch industry.

If American use of Proton launchers proved successful, the next area for U.S. purchase of Russian space services would probably be Soyuz-TM manned capsules as "space lifeboats" for NASA's ambitious Space Station project, government and space industry sources said.

A NASA technical team has already examined the Soyuz-TM. The next step would be for the United States to buy one or two Soyuz-TM capsules "and investigate them thoroughly," one administration source said.

The space station Freedom is currently planned to begin permanent occupancy in 1999, but NASA said that will only happen when the space station can have space lifeboats, available all the time.

The Soyuz-TM is currently designed to remain in space for only six months at a time. It would have to be significantly modified to spend longer periods in space before it could be used on the proposed space station, said analyst Alcestis Oberg of Houston.

The current computers used on Soyuz-TM are regarded as too primitive and unreliable by U.S. standards. But industry experts said that dealing with these problems would still be far cheaper, quicker and surer than developing a U.S.-made space lifeboat from the drawing board.

The only American designs for the lifeboats are still in the early planning stage, leaving a choice between the Soyuz-TM and the Hermes space capsule being developed in Europe. Unlike the Hermes, the Soyuz-TM has a proven and impressive record of manned usage.

• Warren Strobel contributed to this report.

Abortion could split religious right, poll says

By Joyce Price
THE WASHINGTON TIMES

Religion could emerge as a big factor in the 1992 presidential election, and George Bush could be the beneficiary, provided the abortion issue doesn't split Republican religious conservatives, according to a new national survey.

"Conservative Protestants offer President Bush a bulwark against his other difficulties, particularly if there is a three-way race," said John Green, director of Ray C. Bliss Institute and the Survey Research Center at the University of Akron. "But abortion could be the proverbial leak in the dike."

Mr. Green served as co-director of

a nationwide survey of 4,001 U.S. adults, commissioned by the National Association of Evangelicals (NAE). The poll sought to determine how important the religious vote will be in this year's presidential election.

Mr. Bush is an Episcopalian. Gov. Bill Clinton of Arkansas, the probable Democratic nominee, is a Southern Baptist. Ross Perot, a probable independent candidate for president, is a Presbyterian.

The poll found that white Protestants, who make up 45 percent of the U.S. population, are deeply divided on abortion. Fifty-four percent of evangelicals identified themselves as pro-life; 58 percent of mainstream Protestants said they were

pro-choice.

At the time of the poll, 66 percent of evangelicals and 64 percent of mainliners said they expected to vote for President Bush in the fall over an unnamed Democratic opponent.

The survey was conducted before Ross Perot became such a well-known non-candidate, and it did not mention him. But 20 percent of those polled expressed support for an independent candidate in a three-way race.

Such support was strongest among "swing" groups, such as Catholics (28 percent) and people without any religious affiliation (25 percent). It was weakest among evangelicals, although 17 percent of

evangelicals said they'd support an independent.

"Perot is a real possibility among many evangelicals, because there is not unanimity among evangelicals on the pro-life issue," the Rev. Richard Cizik, NAE policy analyst, said yesterday.

Nevertheless, the pollsters concluded that a "Perot candidacy might be most damaging to the Democrats by drawing off large numbers of disaffected Catholics and non-affiliates."

Association officials said the random poll, conducted in late winter and early spring, was one of the largest ever to examine the issues of religion and politics. It has a margin of error of less than 2 percent.

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Approve the amendment

Remember Los Angeles, the place that had all the riots? For all the government talk about helping residents there, the disaster is looking more and more like an excuse for federal lawmakers to help themselves. President Bush hustled out a nearly \$500 million package in emergency aid for the city. Today the figure is up to \$2 billion and counting because Congress has turned the bill into a handout for just about anything that moves.

Whether Mr. Bush will go along with the spending is uncertain. After all, throwing \$500 million into the L.A. cauldron is not exactly chintzy, especially since there's no certainty it will really remedy the city's problems. But that's a question for another day.

The point here is that there is no issue so serious, no matter of such import to the nation's future that Congress can't turn the whole thing into a pork fest. Whether it is Los Angeles or just the Corporation for Public Broadcasting, which just got a whopping increase in federal handouts from the Senate despite all the professed concern about the federal budget deficit, Congress has demonstrated beyond a reasonable doubt that it is wholly incapable of disciplining itself or the budget.

Today, the House of Representatives will be voting on a bill that would require a balanced federal budget — albeit with an escape clause that allows deficit spending with a three-fifths vote of Congress. The hope is that a constitutional amendment will be able to restrain lawmakers where they themselves cannot.

The issue has created some strange allies — Democrat Paul Simon and Republican Charles Stenholm — and some unlikely foes — the U.S. Chamber of Commerce, which fears the amendment will result in large tax increases, and the National Association of Manufacturers, which argues the budget can be balanced without the taxes. This newspaper has endorsed the amendment and does so again here.

Those who fear tax increases should look to the

example of Virginia, a state with a balanced-budget requirement since 1986. In the tightest of budget times, Gov. L. Douglas Wilder and the General Assembly have managed to balance spending and revenues without a general tax increase. Yes, there have been some funny goings-on with lottery funds and yes, more spending could have been cut. But the state's achievement has been recognized by everyone from the Cato Institute to Financial World magazine to the people who have given Virginia its AAA bond rating.

Mr. Wilder himself testified in favor of the proposed amendment before the House Budget Committee last month. Among other things, he pointed out how much power he has through line-item vetoes and gubernatorial budget amendments to discipline state lawmakers. "In contrast, and to the detriment of the federal process," said Mr. Wilder, "the president is not held accountable for a balanced budget. Congress takes control over budget development with its budget resolution, after which the president may only approve or veto 13 appropriation bills. The president has minimal flexibility to manage the federal budget after it is passed."

House Speaker Tom Foley complains Mr. Bush has yet to submit a balanced budget. It would be nice if he had done so, but in the current debate, it's a canard. As the speaker knows perfectly well, the cuts Mr. Bush would have had to propose in submitting such a budget would have provoked a hue and cry of protest from Democrats and special interests, and they would have stood no chance of being enacted anyway.

As Mr. Wilder explained, Congress controls the budget. When people like Tom Foley say Mr. Bush's budget is dead on arrival, it's DOA. Congress simply tears it up and produces a budget of its own.

Since Congress can't discipline itself and won't allow the president to do it, taxpayers have to look elsewhere for help. A balanced budget amendment is a good place to start.

MONA CHAREN

Right and left in the ring

The hottest political race in the country is the contest for a U.S. Senate seat from California pitting conservative TV commentator Bruce Herschensohn against liberal Rep. Barbara Boxer. Now this is a real choice for voters.

Born in Brooklyn and since transplanted to Marin County in Northern California, Mrs. Boxer is a liberal feminist ideal. She has never met a weapons system she liked (except those that were not yet in development). She was outraged by the Judiciary Committee's treatment of Anita Hill and marched from the House to the Senate to dramatize the point during the Thomas hearings. "Choice" in abortion is among her most vital concerns. She is for federal day care, racial and gender quotas, and federally subsidized abortion. She opposes enterprise zones, tax cuts and the Gulf war. She rails against waste in the defense budget (though not in the budgets of other agencies) and opposes offshore oil drilling in California. She is a quasi-socialist, a breed that comprises the left wing of the Democratic Party today.

Opposing Mrs. Boxer is Bruce Herschensohn, a soft-spoken conservative who is as far from his opponent philosophically as it is possible to go in the realm of civilized politics. They are yin and yang, left and right, hot and cold. Each has the capacity to say things that send chills down the spines of their supporters. (Mr. Herschensohn's explanation for the L.A. riot was, "There are some really rotten people out there.") Each is a politician of conviction.

Mr. Herschensohn has been a familiar figure on radio and television in Southern California for 13 years. And as befits a non-politician, he takes his conservatism straight up, no ice, no water. If elected, says Mr. Herschensohn, he would seek to abolish several agencies of the federal government, including the De-

partments of Energy and Education, the National Endowment for the Arts and Amtrak, and scale back the operations of the rest.

Schooled in free-market economics, Mr. Herschensohn explains that "there is really no such thing as a deficit. A deficit is merely a delayed tax." He would hope to pass a "balanced-budget flat tax" (the brain child of Professor Alvin Rabushka of the Hoover Institution) that would require the government to cut spending until a balanced budget was achieved.

Mr. Herschensohn is for educational choice for parents (vouchers), against abortion except in cases of rape, incest or life of the mother, against quotas of any kind, against taxes and adamantly for the Gulf war and reform of Congress (including repealing the congressional pay raise and eliminating most perks).

He is happiest when talking about ideas. Skeptical about federal regulatory agencies, Mr. Herschensohn would require them to demonstrate their worth or close up shop. All would have to prove yearly that their impact on the economy was not negative and that they were abiding by the Constitution (which Mr. Herschensohn suspects they are not).

This is provocative talk — the kind that puts Mr. Herschensohn on the right wing of the usually timid Republican Party. Some of it may even be naive (Ronald Reagan also talked about abolishing the two DOEs but didn't get very far). But it is the authentic voice of a political philosophy — limited government, free enterprise, cultural conservatism.

If there is a Republican worldview, it is far better represented by Bruce Herschensohn than by George Bush. And if there is a Democratic worldview, Barbara Boxer represents it about as well as anyone. The debate between these two will address the major questions facing the United States in the post-Cold War world. Shall we disarm? She says yes; he says no. Shall we move toward greater or lesser state involvement in our businesses, our schools and our personal lives? She says more; he says less. How can we revitalize our economy? He says cut spending; she says raise taxes. This is the left-right split in microcosm.

The Boxer-Herschensohn race will not be about personalities. In an hourlong phone interview, he never once mentioned her history of writing bad checks. It will be the kind of race we are not getting at the presidential level — a contest of philosophies.

Mona Charen is a nationally syndicated columnist.

DOUG BANDOW

In search of the ozone phantom

ON THE ROAD TO RIO (EARTH SUMMIT)...



After months of preliminary discussions, Rio is finally upon us. The United Nations and the gaggle of self-serving democrats and dictators who've shown up in Rio are finally ready to put people before politics. Not!

Alas, the insistent scaremongering that we are hearing is demagoguery at its worst, based on ideology rather than science. And the politicization of science is evident even within government.

Consider last January's ozone scare, when the sky was supposed to be falling. Literally. A converted spy plane found record levels of chlorine monoxide, believed to come from CFCs (used in air conditioners and refrigerators, for instance), in the so-called polar vortex, the upper atmosphere over New England and Canada. Although the Airborne Arctic Stratospheric Expedition had another two months to run and some of the project's scientists urged caution in interpreting the early data, program head James Anderson, a Harvard University chemist, held a press conference warning that an ozone hole, which could allow in added doses of UV radiation, "was increasingly likely" over the Northern Hemisphere.

Mr. Anderson's statement was relatively tame compared to that of the perpetually apocalyptic Sen. Al Gore, Tennessee Democrat. He said that we faced "an immediate, acute, emergency threat," and proposed a CFC phaseout by the end of 1995 rather than 1999, the internationally agreed upon date. President Bush soon caved in, supporting Mr. Gore's amendment for an earlier CFC phaseout, and announcing his unilateral decision under the Clean Air Act to accelerate the process.

Four months later, Mr. Anderson again addressed the press and acknowledged that ... the dreaded ozone hole never materialized. While chlorine monoxide concentrations grew to record levels in January, the chemical dissipated over the following two months. "It is not an ozone hole," admitted Mr. Anderson.

There was still some depletion of the ozone, Mr. Anderson and his colleagues emphasized. But the fact

Doug Bandow, a senior fellow at the Cato Institute, is a nationally syndicated columnist.

that what was once viewed as a near certain calamity vanished as a possibility shortly thereafter shows how easy it is for activists to mislead the public on complex environmental issues.

Consider ozone. In the stratosphere, ozone helps filter out UV radiation. Many scientists believe that CFCs may reduce the amount of ozone by between 2 percent and 4 percent. However, these estimates are down sharply from the 1970s and early 1980s, when one study warned of an 18 percent drop. Moreover, it still is not clear exactly how important CFCs are in reducing ozone concentrations. Melvyn Shapiro of the National Oceanic and Atmospheric Administration says that even many atmospheric chemists "have little regard for the impact of atmospheric variability on chemical processes." For instance, the increased levels of chlorine monoxide apparently did not cause an ozone hole in February because temperatures were higher than expected. And

there are many natural factors that cause ozone depletion. Explains Fred Singer of the University of Virginia, "There is even evidence that volcanoes, and perhaps salt spray and biochemical emissions from the oceans, contribute substantially to stratospheric amounts of chlorine, which minimizes the effects of man-made CFCs." Similarly, observes Mr. Shapiro, a storm system moving across the United States can temporarily reduce ozone by 50 percent in its wake. "So people are going to be terrified because there's a 3 percent reduction in ozone due — maybe — to CFCs."

Even if CFCs are the culprit that they've been made out to be, there is still reason to move cautiously in eliminating them since CFCs are not without value. They "contribute greatly to the welfare of modern man," says Mr. Singer. "They are non-toxic, non-flammable, inexpensive compounds," he adds, far superior to any potential substitute yet

developed. Moreover, while the specter of radiation may seem frightening, the actual effects of a modest increase in exposure to UV rays due to a thinner ozone layer may be minor — just like it is from living closer to the equator. Sasha Madronich, a scientist at the National Center for Atmospheric Research, says "you probably can do more damage to yourself by going to a tropical resort for a week and lying in the sun than by spending several months under the Antarctic ozone hole."

There has never been a shortage of doomsayers. What is different today are their objectives — almost always more expansive state power in order to coercively reorder society. While environmental protection is a critical goal, we need more careful research and detailed monitoring rather than additional dramatic gestures and draconian regulations. Despite the hysteria being generated in Rio, the sky is not yet falling.

RICHARD LUGAR

When muscle is required for repairs

The United States should step forward now to lead the United Nations and NATO to stern enforcement of a cease-fire in Yugoslavia before it is too late.

The killing must stop, and we should generate the diplomatic momentum — and military will — necessary to provide a credible ultimatum.

Sen. Richard G. Lugar, Indiana Republican, is a member of the Senate Foreign Relations Committee. This article was written for Scripps Howard News Service.

The Security Council of the United Nations recently imposed economic sanctions against the Serbian government of Yugoslavia similar in scope to those imposed against Iraq in the summer of 1990. After some international argument on who

should bear major responsibility for the comprehensive suffering in the former Yugoslavia, world leadership at the United Nations has pointed the finger at Serbian aggression and demanded an immediate and lasting cease-fire.

Economic sanctions might influence the aggressors if the further threat of military force was credible, but it is not.

These conditions parallel the Iraq case of 1990, when statesmen argued that economic sanctions

would eventually persuade Saddam Hussein to retreat from Kuwait.

In fact, the Security Council ultimately decided that sanctions alone would not move Iraqi aggressors, and a deadline of Jan. 15, 1991, was imposed for retreat after which military options might be employed.

I argued during November and December 1990 that the United States should promptly debate authorizing President Bush to use military force to push Iraq out of Kuwait, and that our credibility would be suspect until majority votes were recorded in both Houses. If we had voted promptly, Saddam might have recalculated his position and Desert Storm might not have been required.

Without those votes, Saddam tragically miscalculated and a deadly war was fought.

Some will argue that Yugoslavia is not Kuwait. Because the strategic interest in the fate of Yugoslavia is significantly less, military intervention is more difficult to support.

Currently, European countries are appalled by nearby bloodshed and destruction of priceless buildings, yet none of the European security organizations is capable of decisive action.

As a visiting French statesman

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The killing must stop, and we should generate the diplomatic momentum.



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mentioned to me in early June, "You must remember that France and Germany have very different historical views on Serbia and Croatia." (In other words, "We have always liked one country, Germany likes the other one, and that's the way it is.")

In this atmosphere, the obvious temptation for the United States is to conclude that if various groups are intent upon civil warfare, they will probably persist until they are exhausted. To become involved in such centuries-old quarrels in which American interests are hard to identify is to risk American lives and resources unjustifiably.

But now the United Nations has concluded that such civil warfare does have international security consequences. Military aggression is not an acceptable way of uniting ethnic groups. If such aggression is not promptly and decisively curtailed, the world community will suffer a series of dangerous consequences and potential expansion of regional warfare.

This finding comes at the same time that NATO leadership is trying to determine future missions for the alliance. The mission for NATO currently should be provision of stability and expanded human freedom in Europe.

The end of Soviet tyranny means that various ethnic groups who have lived uncomfortably together in a mutually suppressed condition are free to argue and fight, and worse still, to kill and try to dominate neighbors.

If these were small and local quarrels, the temptation would be to let the parties work it out unassisted. But the Yugoslavia case, which may be the forerunner of many others, involves tens of thousands of armed troops equipped with a multitude of sophisticated lethal weapons obtained from eager sellers all over the globe.

Once the pattern of ethnic and provincial warfare becomes a preferred means of imposing solutions, the world will be faced with weapons proliferation.

The world will be confronted also with an almost endless replication of wars predicated on easier access to arms and on the near certainty that neither the United Nations, NATO, nor any of the major world military powers will stop the mayhem.

In the current Yugoslavian situation, the Serbian government will attack Kosovo and Macedonia at its convenience. If this happens, the conflict within the former Yugoslavia would threaten to spill over to other states in the region.

The time for drawing the line has come.

The United Nations should authorize the use of force. NATO should draw up plans for a comprehensive use of force as thorough as that formulated for air, sea and ground forces in Desert Storm.

A final demand should be made for a cease-fire to be followed by diplomatic resolution of claims and boundaries, with the United Nations-NATO providing peace-keeping forces.

If the Yugoslavian-Serbian government does not yield, it should face sufficient military force to ensure its certain and swift defeat.

The United States should take leadership of the process immediately. We alone have the military and moral authority to lead and to help produce the international authority needed for peaceful settlement.

Failure to settle this issue soon will invite petty dictators to engage in aggression while trying to suck in the greater powers as helpers — thus destabilizing hopes for peace, democracy, trade and travel in large regions of the world.

Our national interests lie in freedom, stability, and peace in the world. We should prepare now for strong diplomatic and, if necessary, military action in Yugoslavia.

WAN RUNNAN

Reform minus mentors

The third anniversary of the massacre at Tiananmen Square passed on June 4 seemingly without a stir in China. But passivity under the threat of a bayonet does not denote tranquility.

Indeed, behind the Great Wall vast changes are under way. China is proving no exception to the trend of history that has transformed Eastern Europe and the former Soviet Union. In China today, a "peaceful evolution" toward democratization and economic liberalization — ritualistically condemned by the Com-

Wan Runnan is president of Federation for a Democratic China, the umbrella organization for exiled dissidents who fled China in the wake of the June 1989 massacre at Tiananmen Square. Founder of the Beijing Stone Group, a private electronics firm, he was China's most famous entrepreneur when he was forced into hiding and later exile after the crackdown. © 1992, New Perspectives Quarterly. Distributed by Los Angeles Times Syndicate.

munist Party's conservative leaders as a conspiracy instigated by the West — is proceeding apace.

The long march of the market is making its way through China, beginning in Hong Kong. Despite the worry about China taking over Hong Kong in the years to come, quite the opposite is actually happening. Shenzhen, the special-economic zone that borders Hong Kong, is being "Hongkongized." In turn, Guangdong Province is being "Shenzhenized," the other coastal areas of China are going the way of Guangdong and the interior of China is becoming like the coast.

Despite the purge of reformists three years ago, reform goes on.



This "reform without reformists" has a precedent in China. During the waning days of

the Manchu Dynasty, the Reform Movement of 1898 failed. And back then, as now, the reformists were forced into exile. But the political and social conditions were such that the Manchu government was forced to carry out reforms anyway, such as a very modified form of representative governance, thus undermining its authority and leading to the collapse of the House of Manchu.

True to this history, it is only a matter of time before the fall of the

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House of Marx. The communists, too, must make their concessions to social pressures, which reduces their dictatorial power. And it is an irreversible process.

Even now the signs are clear. Though Deng Xiaoping formally denounces China's peaceful evolution away from communism, he is in fact its chief engineer and silent cheerleader. The opening of China to Western technology and capital, which he has long advocated, is what gave birth to this evolution.

Mr. Deng's first significant public appearance since the Tiananmen massacre was a visit to Guangdong Province early this spring. Even though the helm is crowded with reactionary hard-liners, Mr. Deng's visit will, in historical retrospect, be seen as marking the point of no return for China's peaceful evolution. It will be remembered as the beginning of the inevitable end of the Communist Party's monopoly on power.

Nonetheless, the time is not yet ripe for a political acknowledgment by the powers that be that China is in fact engaged in this peaceful evolution, even though the Party Con-

gress next fall may well endorse specific economic reforms that would accelerate such an evolution.

For the time being, the likely pattern will be gradual devolution of central power to the regions within the framework of an ever-more-desiccated Communist Party. The centrifuge of peaceful evolution in the provinces will drain away power from the center. With each passing day, central power will be reduced by a multitude of decentralized decisions, leading to the ultimate decentralization — a market economy.

As the party withers and the provinces gain more power, the imminent death of any one of China's eight octogenarian leaders will trigger a crisis. When the old men die, the question of the Communist Party's authority will be placed squarely before the people. Will the party be able to present someone with enough legitimacy to maintain party rule? Or, as its fragile props leave the scene, will the whole aging edifice fall at once?

The answer to that question lies with Mr. Deng's last trump card — Zhao Ziyang, the reformist premier forced to resign during the spring of 1989. Despite rumors, Mr. Deng has thus far not felt it necessary to play his card and bring Mr. Zhao back to power. And he may never play the card before he dies.

But when Mr. Deng does die, Zhao Ziyang will once again emerge as China's most significant figure. His role can be compared to Mr. Deng's in the last days of Mao Tse-tung.

Mr. Zhao possesses the two attributes necessary to effect far-reaching change in the Communist Party. First, he has support from the masses. Second, he has the right to succeed because of the high post of premier that he once held at Mr. Deng's behest.

Of course, the Chinese communists will not change voluntarily. Thus, in addition to the forces undermining communist authority inside China, including dissension within the party itself, human-rights pressure from Chinese living outside the mainland and from Western nations is essential.

The West's trade relationship with China should not be severed. It is precisely what drives the peaceful evolution. I agree with President Bush's recent proposal that America should extend once again Most Favored Nation trade status to China, but on the condition that human rights are improved first.

The media focus may have left China in the three years since the Tiananmen massacre. But history has not left us behind. Time is on our side, and it has nearly run out for those who want to return to the past.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

GBlday
Humor,

The Honorable Robert Martinez
and Mrs. Martinez
5109 Dalecarlia Drive
Bethesda, Maryland 20816

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



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Ris bound

6/11/92

Hey Bob & May Jane

That card
about the golfer
cheers me - except
"my age is higher
than my golf
score" - for 9
holes that is.

Thanks for the
birthday wishes
Love Bob

GB



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