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2009-0166-S

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FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90702
Folder ID Number: 90702-005

Folder Title:
Friday, July 31, 1992 [2]

Stack:	Row:	Section:	Shelf:	Position:
G	35	2	1	0

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Manifest	Helo Manifest (Staff/ Guests), Re: Camp David. (1 pp.)	n.d.	(b)(7)(c), (b)(7)(e), (b)(7)(f)	
02. Manifest	POV (Staff/ Guests), Re: Camp David. (1 pp.)	n.d.	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, July 31, 1992 [2]

Pinksheet Number: RML16012

OA/ID Number: 90702-005

Date Closed: 11/25/2024

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

Processed by: Matt Lee

Processed by:

Processed by:

daily 7/31

CENTURY PLAZA
HOTEL AND TOWER

2025 AVENUE OF THE STARS, CENTURY CITY,
LOS ANGELES, CALIFORNIA 90067-4696

Bernard Agache
Managing Director

2 Thanked by
hand (7-31)
CWS

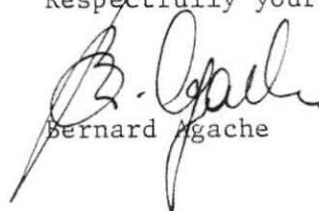
Mr. President:

On behalf of each of our employees, it is my privilege
to welcome you to the Century Plaza Hotel and Tower.

We are very honored to be your host and wish you a
most enjoyable stay.

Please do not hesitate to call on anyone of us if we
can be of assistance.

Respectfully yours,


Bernard Agache

Presidential Phone Calls



PCT

5³⁶ AM

DATE: 7-21-92

TIME: incoming/outgoing

WITH: Boydin Craig

SUBJECT: McCreath

1. get opinion from DOJ

2. legally safest position
if all in policy jobs
McCreath '84 on '88
w/ Craig may it

3. more comfortable if he
FOLLOW UP: and others in policy jobs

4. Had resign (better if
he did)

5. Boydin will go - get

6. DOJ opinion but check
with TB first

Talked to
c) Jeb on challenging
Congress on line item
veto -

Jeb = morale not great
among warblers.

"
Sam seemed more relaxed
than AM than. His
been a month - "

CB Jr told me Sam
wants out maybe.
~~Father~~

CAMP DAVID



FAX COMM # 301-271-1366

TO: MS. ROSE ZAMARIA
FROM: CDR JOE CAMP
SUBJECT: VISIT REPORT
31 July - 2 August 1992

No. of Pages to follow: 6

Reply Requested (Y/N)? N

COMMENTS: _____

If you don't receive all copies, call 301-271-1400.

2 Aug 92

MEMORANDUM

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

Subj: VISIT REPORT FOR 31 JULY - 2 AUGUST 1992

Encl: (1) Cabin assignments
(2) Helo manifests
(3) Arrival/departure access list

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

ARRIVALS/DEPARTURES**Friday, 31 July 1992**

1524 - MSCM Ariel Deguzman (Valet) aboard. (C1)
1923 - NIGHTHAWK TWO aboard with staff and USSS. (H1)
1930 - MARINE ONE aboard with President Bush and Staff. (H2)
2025 - Don Rhodes (WH Staff) aboard. (P1)

Saturday, 1 August 1992

0611 - Carpet vehicle #20 aboard with newspapers and a package for the Milaide.
0620 - Carpet vehicle #20 ashore.
1040 - Grace Holden and Greg Welsh aboard. (P2)
1257 - Bobby and Monte Koch aboard. (P3)
1316 - Don Johnson, Melanie Griffith and family aboard. (C2)
1804 - Don Johnson, Melanie Griffith and family ashore. (C2)
1812 - Bobby and Monte Koch ashore. (P3)
1816 - Grace Holden and Greg Welsh ashore. (P2)

Sunday. 2 August 1992

0535 - Carpet vehicle #14 aboard with newspapers.
0544 - Carpet vehicle #14 ashore.
0724 - Chaplain Deken (Priest) aboard. (C3)
0820 - Chaplain Deken ashore. (C3)
0948 - MARINE ONE departs. (H3)
0948 - NIGHTHAWK TWO departs. (H4)
0950 - MSCM Ariel Deguzman ashore. (C1)
1050 - Don Rhodes ashore. (P1)

GUEST ACTIVITIES

Aspen Movie Friday - "A Stranger Among Us"
 Saturday - "Death Becomes Her"

The staff/guests checked out 10 beta videos during the visit.

Jogging

The President jogged the nature trail on Saturday morning.

Carts

Guests toured Camp on golf carts on Saturday.

Aspen Pool

Alexander, Dakota, Jesse Johnson and Olwen Turtle (Nanny) swam on Saturday.

Fats

Guests used the FATS room on Saturday.

Golf

The President and guests golfed on the Aspen back lawn on Saturday.

Chapel Services

Chaplain Frusti conducted an interdenominational service at 0900 in Evergreen. The President, staff and crew members and dependents were in attendance for a total of 35. Chaplain Deken conducted Catholic service at 0730. Five crew members attended.

XUDOS

Navy - SW1 Van Natta, UT1 Donahue
Marines - LCPL Pluta, LCPL Ritter

Very respectfully,



P. F. WEBB
LT, CEC, USN

Distribution:

CO

XO

Dept Heads

Visit File

OOD Passdown Log

VISIT PACKAGE
CABIN ASSIGNMENTS

<u>CABIN</u>	<u>FRIDAY</u>	<u>SATURDAY</u>	<u>SUNDAY</u>
<u>ASPEN</u>			
MSTR (K)	H2(1930) PRESIDENT BUSH.		H3(0948)
BR (2 T)			
<u>BIRCH</u>			
MSTR (K)	[CHANGING CABIN FOR DON JOHNSON FAMILY]		
BR (2 T)			
<u>DOGWOOD</u>			
MSTR (K)	[CHANGING CABIN FOR GRACE HOLDEN, GREG WELSH,		
BR (2 T)	BOBBY AND MONTE KOCH]		
<u>MAPLE</u>			
MSTR (K)	H2(1930) DOC BURTON LEE.		H3(0948)
BR (2 T)			
<u>RED OAK</u>			
MSTR (K)	H2(1930) RAY PRICE		H3(0948)
BR (2 T)			
<u>HAWTHORN</u>			
MSTR (K) A			
BR (2 T) B	H2(1930) MAJ MICHELLE JOHNSON.		H3(0948)
<u>SYCAMORE</u>			
MSTR (K) B	H2(1930) SEAN WALSH.		H3(0948)
BR (2 T) A	H1(1923) MAJ KIM SINISCHALCHI.		H4(0948)
<u>LINDEN</u>			
BR (2 T)	H1(1923) CW2 HELEN PENNINGTON.		H4(0948)
<u>WALNUT</u>			
BR (2 T)	H2(1930) MAJ ROLAND MASSEY		H3(0948)
	H2(1930) MAJ KEVIN DODGE		H3(0948)
BR (2 T)	H1(1923) MAJ KEN KEVERLINE		H4(0948)
	H1(1923) MAJ BOB COBURN.		H4(0948)
<u>ROSEBUD</u>			
MSTR (Q)	P1(2025) DON RHODES.		P1(1050)
BR (2 T)			
<u>WITCH HAZEL</u>			
BR (2 T) A			
BR (2 T) B	C1(1524) MSCM ARIEL DEGÜZMAN		C1(0950)
<u>HEMLOCK</u>			
BR (1 Q)	H2(1930) RICHARD RATHMELL.		H3(0948)

Withdrawal/Redaction Sheet

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WHORM Cat.:

File Location: Friday, July 31, 1992 [2]

Date Closed: 11/25/2024

OA/ID Number: 90702-005

FOIA/SYS Case #: 2009-0166-S

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM...Removed as a personal record misfile.

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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File Location: Friday, July 31, 1992 [2]

Date Closed: 11/25/2024	OA/ID Number: 90702-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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TELEPHONE MEMORANDUM

JULY 31st

, 19⁹²

[illegible]

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

July 31, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	4:46 AM	5:02	Mrs. Barbara P. Bush Residence, Kennebunkport, Maine 207-967-8990	Tlkd-ok 4:49 AM
INC	PM			
OUT	5:02 AM	5:12	Ms. Rose M. Zamaria Residence, Alexandria, Virginia White House Signal 7-3805	Tlkd-ok 5:05 AM
INC	PM			
OUT	5:14 AM	5:45	Mr. C. Boyden Gray Office, Washington, D.C. White House Signal 7-2258	Tlkd-ok 5:34 AM
INC	PM			
OUT	5:18 AM	5:33	Mr. George W. Bush, Jr. Residence, Kennebunkport, Maine 207-967-8990	Tlkd-ok 5:19 AM
INC	PM			
OUT	6:10 AM	6:13	Ms. Robin A. Mac Lean Century Plaza Hotel Century City, California Los Angeles Signal 3-3326	Tlkd-ok 6:12 AM
INC	PM			
OUT	6:29 AM	6:32	Mr. Steven D. Provost Office, Los Angeles, California Los Angeles Signal 3-3281	Tlkd-ok 6:30 AM
INC	PM			
OUT	6:43 AM	6:52	Ms. Rose M. Zamaria Office, Washington, D.C. White House Signal 7-2199	Tlkd-ok 6:48 AM
INC	PM			
OUT	7:52 AM	8:19	Ms. Margaret Brock Century Plaza Hotel Century City, California 310-277-0800	Tlkd-ok 8:18 AM via YANKEE ZULU
INC	PM			
OUT	10:25 AM	10:40	Mr. Nicholas E. Calio Residence, Bethany, Maryland 301-539-7443	Busy-keep trying 10:25 AM Tlkd-ok 10:34 AM
INC	PM			
OUT	AM			via Secure Satellite
INC	PM			
OUT	10:28 AM	10:33	Secretary Samuel K. Skinner Office, Washington, D.C. Secure Voice x7120	Tlkd-ok 10:29 AM via Secure Satellite
INC	PM			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

July 31, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	10:42 AM	10:52	Mayor Tom Bradley Office, Los Angeles, California 213-485-5175	Tlkd-ok 10:46 AM via Secure Satellite
INX	PM			
OUT	10:57 AM		Ms. Cheryl Ladd Residence, Solvang, California 805-688-1159	LW with Mr. Ladd 11:00 AM Tlkd-ok 6:39 PM
INX	PM	6:44		
OUT	11:24 AM	11:28	Mr. Irving Kupcinet Office, Chicago, Illinois 312-321-2587	Tlkd-ok 11:26 AM via Secure Satellite
INX	PM			
OUT	11:52 AM	11:57	Senator Bob Packwood Office, Washington, D.C. 224-5244	Tlkd-ok 11:54 AM via Secure Satellite
INX	PM			
OUT	11:52 AM		Senator John H. Chafee Office, Washington, D.C. 224-2921	Tlkd-ok 11:59 AM via Secure Satellite
INX	PM	12:02		
OUT	AM		Senator Charles E. Grassley Office, Washington, D.C. 224-3744	PRESUS Cancel 12:06 PM
INX	12:03 PM			
OUT	AM		Secretary Samuel K. Skinner Office, Washington, D.C. Secure Voice x7120	WCB 1:42 PM
INC	1:41 PM			
OUT	AM		Conference Call Prime Minister Brian Mulroney Office, Ottawa, Canada 992-4211	Tlkd-ok 2:20 PM via Secure Satellite
INX	2:15 PM	2:26		
OUT	AM		Mr. Cornelius F. O'Leary White House Situation Room White House Signal 7-2264	
INC	PM			
OUT	AM		Mr. Barry F. Lowenkron White House Situation Room White House Signal 7-2264	
INC	PM			
OUT	AM			
INC	PM			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

July 31, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		Conference Call:	Tlkd-ok
			President Violeta Chamorro	2:35 PM
INX	2:32 PM	2:50	Marriott Suites Hotel	via Secure Satellite
OUT	AM		Bethesda, Maryland	
			301-897-5600	
INC	PM			
OUT	AM		Mr. Cornelius F. O'Leary	
			White House Situation Room	
INC	PM		White House Signal 7-2264	
OUT	AM		Mr. William T. Pryce	
			White House Situation Room	
INC	PM		White House Signal 7-2264	
OUT	AM		Mr. Robert B. Morley	
			White House Situation Room	
INC	PM		White House Signal 7-2264	
OUT	AM		Ms. Stephanie Van Reigersberg	
			Office, Washington, D.C.	
INC	PM		647-2508	
OUT	AM		Secretary Samuel K. Skinner	Tlkd-ok
			Office, Washington, D.C.	5:29 PM
INX	5:28 PM	5:31	456-6572	via Secure Satellite
OUT	AM		Mrs. Barbara P. Bush	Tlkd-ok
			Residence, Kennebunkport, Maine	6:02 PM
INX	6:01 PM	6:05	207-967-8990	
OUT	AM		Ms. Cynthia Johnson	LW with Mrs. Hale
			Hale Residence, Washington, D.C.	6:20 PM
INX	6:15 PM		547-7310	
OUT	AM		Ms. Patricia A. Presock	Tlkd-ok
			Residence, Fairfax, Virginia	6:22 PM
INC	6:20 PM	6:26	White House Signal 7-3804	
OUT	AM		Ms. Patricia A. Presock	Tlkd-ok
			Residence, Fairfax, Virginia	6:34 PM
INC	6:34 PM	6:35	White House Signal 7-3804	

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

July 31 , 1992

[illegible]

PRESIDENTIAL MOVEMENTS

Los Angeles, California

Riverside, California

Camp David, Maryland

LOCATION Camp David, Maryland

DATE 31 July 1992

TIME

MOVEMENTS

[illegible]

EDT

THE WHITE HOUSE

WASHINGTON

Dear Mr. President

Thank you for letting me
brief you in the car (riding in
your limousine).

These bullets repeat what
we discussed. I'd be glad to talk
some more with you about any of
these issues if you would like.

Sif Wiersky

Who is on welfare?

- **"Welfare"**
 - **Aid to Families with Dependent Children (AFDC) -- \$14.5 billion annually**
 - **Medicaid -- \$72.5 billion**
 - **Food Stamps -- \$22.7 billion**
\$150 b for welfare
- **Participation rates are [REDACTED] high:**
 - **13.5 million AFDC recipients**
 - **25 million Food Stamp recipients**
 - **30 million Medicaid recipients**

Welfare:

It's meant to be transitional and "temporary help"

- **Almost half of new welfare recipients can be expected to be off the AFDC rolls within two years**

BUT

- **65 percent of those receiving AFDC will do so for eight years or more -- "A Way of Life"**

Wrong Incentives/Wrong Messages

- **Get a job and earn money: benefits get cut**
- **Save for school or to start a business: benefits get cut**
- **Get married: benefits get cut**

BUT

- **Have additional children while on welfare: benefits go up**

Accomplishments To Date

- **Earned Income Tax Credit** *[unlike welfare, only available to those who work]*
 - **Expanding EITC – Bush alternative to Democrats' day care proposal**
 - **More than \$31 billion of assistance to low-income working families** *(5 years) \$18.6 in new money*
- **Implementation of the Family Support Act/Job Opportunities and Basic Skills (JOBS) Program**
 - **Over \$1 billion available this year and over 500,000 welfare recipients participating in welfare-to-work activities**
- **Child Support Enforcement -- over \$6 billion collected in FY 1992**
- **Head Start -- \$2.8 billion, an increase of 27 percent over FY 1992**

What We've Proposed Thus Far – Awaiting Congressional Action

- **Letting welfare families save up to \$10,000 without penalty**
- **Encouraging individuals to work their way off welfare by establishing savings accounts**
- **Expanding use of electronic cards for Food Stamp recipients**
- **Incentives to become self-sufficient**

Plus Other Programs That Would Also Help Welfare Recipients Like

- **Health vouchers for all poor Americans**
- **GI Bill for Kids**
- **Enterprise Zones**
- **America 2000**
- **Job Training 2000 Act**
- **Project HOPE -- severely underfunded**

What We Are Doing Now: Waivers

- **Encouraging self-sufficiency**
- **Promoting parental responsibility**
- **Comprehensive services for teen parents**

- **Five states already approved (six waiver applications)**
 - **Wisconsin (2)**
 - **New Jersey**
 - **California**
 - **Maryland**
 - **Oregon**
- **Examples of innovations**
 - **Creating work incentives by allowing individuals to keep more of their earnings**
 - **Preventive and primary health care for adults and children**
 - **Prenatal care for pregnant women**
 - **Job skills training and basic education**
 - **Incentives for families to stay together**

What We Are Proposing To Do

- **Broaden statutory waiver authority**
 - **Social Security Act**
 - **Food Stamp and Housing Act**
- **"Break the mold" programs**
 - **Community Opportunity Act**
 - **Community Opportunity Pilot Project Act**
- **Let States pay welfare benefits like pay checks at the end of the month for responsible behavior**
- **Remove current limits on job search**
- **Allow States to waive:**
 - Davis-Bacon (prevailing wage)**
 - Fair Labor Standard Act (minimum wage)**

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

daily
7/31

Mr. Milt Pappas
C. Itoh Building Products Company, Inc.
333 West Taft Drive
South Holland, Illinois 60473.



THE PRESIDENT

7-31-92

Dear Milt,

*I saw your July
letter and Van's reply
long to have. I feel like
ready to start kicking —
All But *[Signature]**

CC: (in & out)

Rose Zamaria (1 cc)

THE WHITE HOUSE
WASHINGTON

July 20, 1992

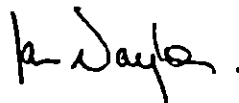
Dear Mr. Pappas:

Thank you for your latest letter to President Bush expressing your continued interest in serving on the President's Council on Physical Fitness and Sports.

We are aware of your outstanding credentials and interest in serving. As you know, there are currently no vacancies on the Council. Please be assured that you will receive every consideration should vacancies occur in the future.

Again, thank you for your interest in serving the Bush Administration.

Sincerely,



Jan Naylor
Deputy Assistant to the President and
Acting Director of Presidential Personnel

Mr. Milt Pappas
C. Itoh Building Products Co., Inc.
333 West Taft Drive
South Holland, Illinois 60473



C. Itoh Building Products Co., Inc.

333 W. Taft Drive • South Holland, IL 60473

JULY 1, 1992

92 JUL -7 PM 3:28

DEAR MR PRESIDENT

JUST FINISHED WATCHING YOU
ON THE CBS MORNING T.V. SHOW.
YOU DID FANTASTIC AND LOOKED
GREAT. GLAD TO SEE YOU ON T.V.
KICKING SOME BUTT. HOW ARE
YOU FEELING? YOU LOOKED GREAT.
HAVE NOT HEARD A WORD ON YOUR
PRESIDENT'S PHYSICAL FITNESS
COUNCIL. ANY CHANCE ON GETTING
ON IT? HOPE YOU LIKED OUR IDEA,
?? ON CUTTING SOME MONEY OFF
ON MEDICARE ON REDUCING MEDICARE
PAYOUTS. MY BEST TO YOU, MY FRIEND
& KEEP YOUR CHIN UP YOU ARE
DOING GREAT. MY BEST TO BARBARA
PLEASE CONVEY MY BEST TO DORO
& HER NEW HUSBY. TAKE GOOD CARE

REGARDS

Jan. Dunneister

1991

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Milt Pappas
C. Itoh Building Products Co., Inc.
333 West Taft Drive
South Holland, Illinois 60473



THE PRESIDENT

Dear Milt,

Thanks for that thoughtful letter of August 23rd, and please accept my apologies for the delay in responding. I won't make it to Baltimore for the last game at Memorial on October 6, but some of the staff will.

With regard to your request for an appointment to the Council on Physical Fitness and Sports, I have asked Connie Horner to be in touch. I am told that there are no openings at this time.

Good evening you! Sincerely, 

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

daily 7/31

The Honorable A. J. Cooper
Ginsburg, Feldman and Bress
1250 Connecticut Avenue, N.W.
Washington, D.C. 20036



THE PRESIDENT

Dear A.J.

*Thanks for your fine
letter. I, too, enjoyed that
meeting - a wonderful group
you brought in. We should*

Dated 7/31/92

ok to go per Shirley Green

definitely stay in touch -
the winter home & the
next conference.

Good luck

Ag B

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

339769

LAW OFFICES
GINSBURG, FELDMAN AND BRESS
CHARTERED
1250 CONNECTICUT AVENUE, N. W.
WASHINGTON, D.C. 20036
TELEPHONE (202) 637-9000

CORRESPONDENT OFFICE
9, RUE BOISSY D'ANGLAS
75008 PARIS, FRANCE

A. J. COOPER
(202) 637-9096

TELECOPIER (202) 637-9195
TELEX 4938614

July 22, 1992

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I am writing to personally express my appreciation for your taking the time to meet with the leadership of the National Conference of Black Mayors.

The meeting was a warm, comfortable and helpful opportunity for the Conference to share with you their heartfelt feelings regarding problems facing them on a daily basis. The Mayors were very appreciative of the responses of you and your staff to the concerns they expressed. As one of our female mayors expressed to me, "I felt really comfortable just talking to the President."

It is obviously not possible for as many people as you would like to have the opportunity to meet personally with you to do so. I can't tell you, however, how helpful it is for the leadership of the National Conference of Black Mayors to have that opportunity periodically. As one of the founders and the first president of the National Conference of Black Mayors, I know that over the last 20 years a lot of blood, sweat and tears has gone into the job of making real the proposition that minorities in America can best achieve their destiny by working through the institutions of government. The men and women you saw today speak eloquently to the efforts that have been made across the decades to demonstrate the truth of that proposition. Many of their constituents ask the question, "Why should we elect a black mayor?" and "Why should we even vote at all?"

I suggest, beyond the politics of the season, that we have a responsibility to be able to give those constituents an answer that makes them want to be involved in our government. I will be pleased to report to all of the other mayors of the Association who

GINSBURG, FELDMAN AND BRESS
CHARTERED

The President
The White House
July 22, 1992
Page 2

were not in the Roosevelt Room yesterday that you did your share in answering that question in a positive and favorable way. I appreciate it.

Sincerely,



A.J. Cooper
General Counsel
National Conference of Black Mayors

cc: Henson Moore
James J. Snyder

Returned
to JC
7/23/92
9:40 pm

July 24, 1992

Dear Mr. Cooper:

It was a pleasure to meet with you on Tuesday to discuss the concerns and ideas of the National Conference of Black Mayors. I found our discussion to be very productive and look forward to a positive working relationship with the Conference. As a follow-up to your suggestion, we have established an interagency task force, chaired by Secretary Kemp, to work with you.

Thank you for attending the meeting and for your valuable insight. Barbara joins me in sending best wishes.

Sincerely,

GEORGE BUSH

Mr. A. J. Cooper
Ginsburg, Feldman and Bress
1250 Connecticut Avenue, N.W.
Washington, D.C. 20008

GB/PDB/JG/phf (7PRES)

CLEAR THRU PHILLIP D. BRADY

PRESIDENT TO SIGN

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Commander Paul M. Piecek
Commander, AMVETS Post 8
Commander, AMVETS District 4
AMVETS Post MN-8
514 Third Street, N.W.
Aitkin, Minnesota 56431



THE PRESIDENT

July 31, 1992

Dear Paul,

Shirley Green showed
me your July 22nd letter.

I'm so glad your Dad
was pleased. Give him my best

Most Sincerely, Ly. Bush

CC: (in & out)

Rose Zamaria (1 cc)

Reading file



AMVETS

American Veterans of World War II, Korea and Vietnam

AMVETS POST MN-8
514 Third Street NW
Aitkin, Minnesota 56431



218/927-2487

July 22, 1992

Shirley M. Green
Special Asst. to the President
The White House
1600 Pennsylvania Ave. N.W.
Washington, D.C. 20500

09/1

Dear Special Assistant Green,

I would like to thank you and your staff for your efforts in getting the letter from President Bush here by Independence Day, so that it could be presented to Frank J. Piecek, along with his World War II military decorations. Dad was so overwhelmed by the letter, he almost left the stage without receiving his decorations. I had it framed in a very nice wooden frame. After the ceremony, he made sure it was secured in his vehicle, before he did anything else! The letter was a wonderful addition to the ceremony. Also, please extend my sincere appreciation to President Bush. I wish him the best of luck, come election time.

Sincerely,

Paul M. Piecek

Paul M. Piecek
Commander, AMVETS Post 8
Commander, AMVETS District 4

June 30, 1992

Dear Mr. Piecek:

I was pleased to learn that you will be receiving the medals you earned during the Second World War.

The victory that we and our Allies won in defeating the armies of the Axis powers turned back a threat to freedom and to our way of life and changed the course of history. I know that you are proud of your service in the Air Corps, and I join with your family and friends in celebrating your receipt of your long overdue awards.

Happy Independence Day, and best wishes.

Sincerely,

GEORGE BUSH ^A

Mr. Frank J. Piecek
Aitkin, Minnesota

GB/JO/DT/CH/ckb (Corres. #: 764030)

SENT FEDERAL EXPRESS TO:
Commander Paul M. Piecek
AMVETS Post MN-8
514 Third Street, N.W.
Aitkin, Minnesota 56431-1233

920630

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

daily 7/31

Mr. Derrick A. Crandall
President
American Recreation Coalition
Suite 726
1331 Pennsylvania Avenue, N.W.
Washington, D.C. 20004



THE PRESIDENT

7-31

*Dear Derrick,
Thanks for your 7-20. I loved that visit.
You're the guy that deserves
the "thanks". All Best - G.F.*

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

*Dated 7/31/92
OK to go per Shirley
Green*



American Recreation Coalition

Dedicated to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities.

July 20, 1992

Shirley Green
The Honorable George Bush
President of the United States
The White House
Washington, D.C. 20500

*Robin
Thank
him*

Dear Mr. President:

Thank you so much for journeying to Sequoia National Forest earlier this week. Your championship of recreation programs on national forests and other federal lands is now making a visible difference across the nation, producing enhanced experiences for hikers and anglers, campers and bicyclists, boaters and rafters, equestrians and other outdoor enthusiasts. Your speech ably outlined your efforts to date and your hopes for additional progress in the years ahead.

With new scenic byways and expanded trails, better campgrounds and a greatly expanded interpretive program, the national forests will be major contributors to the quality of life in America. Your support for the efforts of Chief Dale Robertson and his leadership team is deeply appreciated by all of us in the recreation community.

I was also pleased that you could witness firsthand the contributions of the R.M. Pyles Camp -- one of your designated Points of Light -- to a better America. The important work of this camp could not occur without the financial support of the private sector and the special use permit allowing use of national forest lands. Frankly, I hope that additional partnerships of this type will occur in the years ahead. I also know that your visit and genuine interest really meant something to the campers and their counsellors. I was able to visit with them following your departure; they were excited, enthusiastic young people -- many proudly sporting your signature on their shirts!

I really enjoyed working with Kathy Super, Tony Benedi and Dave Demarest on the planning of this visit. Their enthusiasm about outdoors issues nearly equals yours!

Warmest personal regards, and a big thanks for your kind words on Tuesday!

Sincerely,

Derrick A. Chandall
Derrick A. Chandall
President

DAC/lr

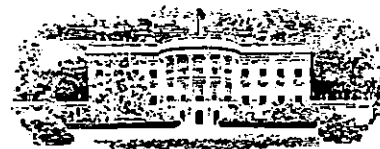
cc: Honorable David Demarest
Honorable Kathy Super
Honorable Antonio Benedi



FROM
THE WHITE HOUSE
WASHINGTON, D.C.

daily 7/31

Mr. Paul G. Silivos
Skopelos Seafood & Steak Restaruant,
Incorporated
670 Scenic Highway
Pensacola, Florida 32503



Dear Paul

Thanks for your nice
letter (July 2) I vividly
recall my meal there.
Give your great

family my very best.

Sincerely,

Bob

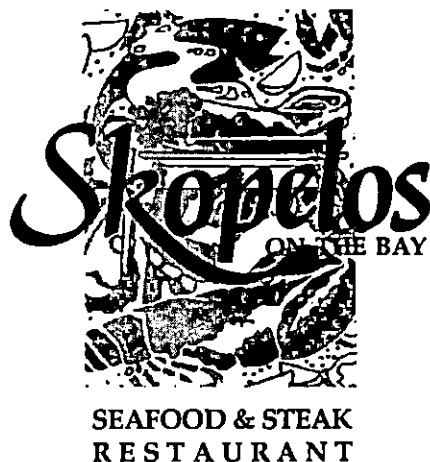
7-31-92

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

51R
51R/gw

Reading 773071
File

JUL 10 1992



Dictated

July 2, 1992

President & Mrs. Bush
The White House
Washington, D.C.

Dear Mr. President:

I would like to express my sincere thanks for your recent visit to my restaurant. Never in my lifetime had I dreamed that I would be given the great honor and privilege of serving the President and First Lady of the United States of America.

I have had the photographs received from the White House framed and mounted on the entrance wall of the restaurant, and will cherish them for the rest of my life. I have voted Republican since 1964, and it will be with great pride that I cast my ballot again for you in the upcoming election.

Thank you and your most gracious staff for the envelope left at my restaurant the next morning containing personal notes from you as well as photographs of my family with you.

I have worked earnestly in this community for 33 years to establish a fine restaurant with an excellent reputation. Your visit has given our reputation a crowning glory that will outlast my lifetime and be treasured by my children and grandchildren.

Very truly yours,

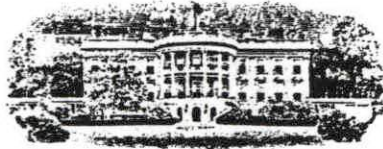
Paul G. Silivos - Owner
Skopelos Seafood & Steak Restaurant, Inc.

Distinctive Food . . . Impeccable Service

670 Scenic Highway
Pensacola, FL 32503
904-432-6565

WHITE HOUSE
WASHINGTON, D.C.

Mr. Hal Bodley
Baseball Editor
USA TODAY
P.O. Box 7855
Washington, D.C. 20044



L.A.
7-31-92

Dear Hal -

Thanks, my friend, for
your July 21 letter. Let
me get this horrible election
period behind me - then

maybe we'll have some
fun on the links.

Try these "no-4-putt"
golf balls.

All Best

G. Bush

CC: (in & out)
Rose Zamaria ✓
(1 cc)
Marlin Fitzwater (FYI)

The President



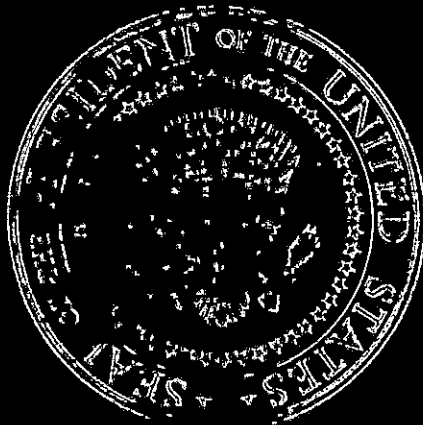
7-14-92

To Hal Bodley,

Great interview - 35,000' on AFI.
Good Luck. May your life be full of Eagles
and Grand Slam. Howdy - *As Bud*

Hal Bodley
(Baseball Editor, USA TODAY)

Will attach photo to
your outgoing letter and
sleeve of golf balls.



George Bush

George Bush *George Bush* *George Bush*

**USA
TODAY**

VIA SATELLITE

HAL BODLEY
BASEBALL EDITOR

P.O. BOX 7855
WASHINGTON, D.C. 20044
(703) 276-3736 OFFICE

HOME (302) 378-7766



1000 WILSON BOULEVARD
ARLINGTON, VA 22229
(703) 276-3400

THE NATION'S NEWSPAPER

**USA
TODAY**

VIA SATELLITE

Dictate
 GANNETT

July 21, 1992

The President of the United States
THE WHITE HOUSE
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President:

This is just a note to thank you very much for taking time out to talk baseball with me aboard Air Force One last week en route to the All-Star Game. I am always amazed at how well you keep up with the game considering your grueling and hectic schedule.

I certainly hope we get a chance to play some golf when time permits. I spend quite a lot of time with Johnny Bench relating to our work on CBS and he said you and he talked about "teeing it up" sometime. As I stated on Air Force One, Wilmington Country Club -- one of the top 100 courses according to Golf Digest -- is always available.

At any rate, thanks again for your time. Best of luck in November!

Kindest personal regards,

Hal Bodley
Baseball Editor

978 Shallcross Lake Road
Middletown, DE 19709
(302) 836-1117

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Friday, July 31, 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)

C A M P A I G N 9 2

Barbara Bush to speak in convention prime time

By John W. Mashek
GLOBE STAFF

WASHINGTON — Barbara Bush will address the Republican national convention with a prime-time speech on family values, GOP and White House sources said yesterday.

The president's wife has avoided such appearances in the past. But GOP strategists say they are eager to match Bush and her public image on family values against Hillary Clinton, wife of the Democratic nominee.

The third night of the convention has been dubbed "family night" and Bush is expected to deliver a noncontroversial speech in support of her husband. Her five children and some grandchildren are expected to join her on the podium.

Bush will appear the same night the president formally wins renomination. Marilyn Quayle, wife of the vice president, will probably also speak to the delegates.

Only two wives of presidents have given speeches of any substance to national nominating conventions. Eleanor Roosevelt spoke in 1944 at the Democratic convention, and Nancy Reagan delivered a glowing tribute to her husband at the

1984 GOP convention.

Still undecided is a speaking time for Gov. Weld. Some convention planners have been worried that Weld, who favors abortion and gay rights, might be booed by some of the delegates who oppose his view on that issue.

Bush's primary rival, Patrick J. Buchanan, is another speaker still working out disagreements with the president's advisers. Buchanan wants a prime-time position.

Former President Ronald Reagan will have a prime-time speaking role to open the convention, which begins Monday, Aug. 17. Former President Gerald Ford will speak before Bush on Aug. 20 and the president will be introduced for his acceptance speech by an old party foe, the Senate minority leader, Bob Dole of Kansas.

Other previously announced speakers include Sen. Phil Gramm of Texas, as the keynote speaker on the second night, and Secretary of Labor Lynn Martin, who will formally nominate Bush for a second term.

Housing Secretary Jack F. Kemp, who has split with the administration on some economic matters, also is expected to speak but no time has been set.

Work is play on 'Lady Boss'

Joan Rivers, pretty in peach, chats in a cozy corner of New York's Rainbow Room with Yvette Mimieux, eyes very blue under her blue hat. Donald Trump stops to schmooze; silver-haired model Carmen Dell'Orefice lunches nearby.



JEANNIE WILLIAMS

News & Views

"Cut! Print that! Well done!" says director Charles Jarrott. Another scene of Jackie Collins' *Lady Boss* miniseries is on its way to NBC's fall airing.

"I love to act!" says Rivers, who plays one of her favorite people (we hope), a gossip columnist. "All this make-believe — it's like a giant dollhouse." Mimieux returns after seven years devoted to marriage and travel: "It has never been more fun!" Collins called her in Fiji to pitch the Ivana Trump-ish wife of a guy like Donald; Mimieux is eager to act/write/produce again.

Many Collins pals (Joanna Poitler and daughter Anika) and actors watched this shoot, like Jack Scalia, who had shot his *Boss* role as Lennie Golden in L.A. He talked baseball with Trump; as men will, they got misty replaying their recent celeb game in Yankee Stadium.

Scalia, who just holidayed in the Hamptons with his family, adds, "I cry!" when he hears our national anthem at the Olympics.

Collins introduced Trump to her agent, Mort "The Killer" Janklow. She urged Trump to write about his love life and get Janklow to act as agent. But Trump wanted to

know: "Is he getting you top dollar?" Collins laughed: "Let me put it this way: The movie (from her book) is candy floss!"

We want to know how Trump will pass the time as Marla Maples does eight shows a week in Broadway's *Will Rogers Follies* (she

opens Monday). "Everybody asks me that!" Unprintable suggestions are made, but Donald being what he is, he's more than happy she'll be a star.

FAST TALK: Barbara Bush is hot under the pearls about a recent *Vanity Fair* profile portraying her as a feared and often disliked first lady. "I thought it was very hurtful," she tells C-SPAN's Susan Swain in a pre-convention special, *Road to the White House*, to air Aug. 16. "I thought it twisted things. I've had more letters from friends saying 'I didn't say that, I'm so sorry.' ... It was very mean." She adds, "I really think it was (meant) to pull George Bush down. Not me." She thinks politics is "getting worse ... I mean, when you attack children ... but that doesn't mean you're going to get out of politics, 'cause we're not."



ON THE SET: Donald Trump and Jackie Collins on 'Lady Boss.'

Daily 7/31

THE WHITE HOUSE

WASHINGTON

July 31, 1992

Dear Jamie:

Your Uncle asked me to reply to your thoughtful letter and the letter and enclosure from Captain Watson. Captain Watson sounds like an outstanding man who has already contributed much in his life, and who is a wonderful role model. We are fortunate to have individuals like him serving in our armed forces.

The need to promote racial harmony, to work constructively on achieving the national education goals, and to handle wisely our military resources are subjects that have received a good deal of discussion within the Administration. The events in Los Angeles added yet another dimension to the importance of creating hope and opportunity for those in our inner cities.

As Captain Watson's letter notes, individuals who will be affected by military downsizing have much to contribute to our Nation. In late May, and again yesterday, the President announced his initiatives to ease the transition from military service to the private sector for thousands of individuals who will be affected by reductions in the defense budget. Two White House Fact Sheets detailing the President's initiatives are enclosed.

A key element of the President's proposal would provide \$90 million to promote careers in education for military personnel. One of the six national education goals announced by the President and the nation's governors is that U.S. students will be first in the world in mathematics and science achievement by the year 2000. Encouraging military personnel with mathematics and scientific training to share their knowledge in our nation's schools, through alternative teacher certification, will place additional emphasis on math and science and promote educational excellence.

I am enclosing a copy of my letter to Captain Watson. Again, thank you for sharing your thoughts with us. If I can ever be of assistance to you, please do not hesitate to contact me.

Best wishes in all your many activities.

Warmest regards,

A handwritten signature in cursive script, appearing to read "Roger B. Porter".

Roger B. Porter
Assistant to the President
for Economic and Domestic Policy

Enclosures

James L. Bush
10 Cottage Street
Hingham, Massachusetts 02043

THE WHITE HOUSE

WASHINGTON

July 31, 1992

Dear Captain Watson:

The President read with interest and asked me to reply to your thoughtful letter and recommendations to involve the military in helping to expand opportunity for residents of inner city communities.

One of the great challenges and opportunities we face as a nation is handling well the transition to a world in which we can devote a smaller percentage of our resources to providing for our common defense. The downsizing of our military forces will affect many military and civilian personnel who have courageously served our Nation.

We are actively seeking to assist those individuals and communities that are affected by helping them transition to productive and satisfying jobs in the civilian economy. We have had many long discussions about this during the past several weeks and months and your ideas are most helpful.

In May, the President announced several initiatives to ease the transition to civilian life for military personnel. Yesterday, he announced an expansion of those efforts. I am pleased to enclose the White House Fact Sheets that outline the specific elements of these programs.

One element of the President's proposal would provide \$90 million to promote careers in education through alternative teacher certification. Attracting military personnel to teaching, is an important part of the President's larger education agenda.

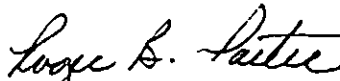
As you point out, the needs in our inner cities are great and the youth who live in our inner cities deserve good role models and the opportunity to make a constructive contribution to their communities. After extended negotiations with the Congress we were pleased that we were able to secure additional funding for the summer youth jobs program, funding that is providing employment for more than 800,000 youth this summer.

We are also developing an initiative that would substantially expand the Junior Reserve Officer Training Corps (JROTC). This program, now in hundreds of high schools, has shown remarkable promise in bringing youth in contact with military personnel who help teach them skills that can serve them well for a lifetime.

Thank you again for sharing your thoughts with us. As a faculty member for many years at the Kennedy School, I am delighted that you were able to participate in the National Security Studies program this year. Harvard is a great place to think and reflect. I hope your experience there was a rewarding one.

Best wishes in all your many activities.

Warmest regards,

A handwritten signature in cursive script, reading "Roger B. Porter".

Roger B. Porter
Assistant to the President
for Economic and Domestic Policy

Captain Anthony J. Watson
6 Porter Road
Annapolis, Maryland 21402



June 1, 1992

To: Phil Brady

Please ask someone to prepare replies to Jamie Bush and to Capt Watson.

I do not want to get Watson in trouble with DOD so please do not circulate his letter over there.

Maybe Roger porter can write a sensitive reply-ho does that very well.

Dear Jamie Your Uncle asked me to reply etc....same for Watson..

Dear Capt. Watson the President read you letter with interest and asked me to reply

Thanks

6/15 Beth to
check w/Roger
Porter's eye on stat.
7/10 Beth to check again
Porter's trip to
Helinski.

8/6 John Gardner
to discuss w/Roger.

FROM THE PRESIDENT

Family 7/31

THE WHITE HOUSE

WASHINGTON

July 31, 1992

Dear Dr. Galt:

The President read with interest your letter to his brother and asked me to thank you for sharing your ideas with us. You make a clear statement about many of the forces that are shaping our health care system.

The fact that you recall when Blue Cross was in its infancy speaks of a career that has spanned a transformation in health care. As you note, the rise of Blue Cross and other prepaid plans tied to employment has led to significant changes in the relationship of physicians to the institutions around them. Today more than 180 million Americans have some form of employer-provided health benefits.

Prepaid plans, like Blue Cross, that combine prepayment of predictable costs with insurance against catastrophic costs, have done little to restrain the tremendous increase in health care costs. Indeed, prepaid plans, by insulating consumers from costs, have helped increase dramatically the costs of such plans.

The increased cost of prepaid plans has created demand for alternatives like HMOs and other forms of coordinated or managed care. The last decade has witnessed much consumer interest in coordinated care.

The President has offered a plan for comprehensive health care reform. I am pleased to enclose a copy of the paper that presents his plan in detail. The President's plan emphasizes consumer choice. For low-income individuals without health insurance, the President's plan provides a transferrable tax credit that would allow the medically indigent to choose the insurance plan of their choice. We leave to the individuals the choice among catastrophic insurance coverage, prepaid plans or more structured arrangements like HMOs.

The President's plan respects consumer choice. In a market economy like ours, the choices consumers make about the relationships they have with physicians and insurers will be the most significant force in shaping the future of our health care system.

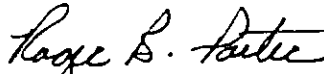
Your anecdote about the pernicious effects of our tort system on the practice of medicine is telling. While malpractice cases are costly, it is apparent that even greater resources go

to the delivery of services motivated by the desire to avoid lawsuits. We do not need and cannot afford such defensive medicine.

The President has transmitted malpractice reform legislation to the Congress, and we are hopeful that malpractice will be part of any comprehensive health reform legislation.

America's health care system offers the best care in the world because of physicians like you. Thank you again for sharing your ideas and perspective on the changes in our health care system with us.

Warmest regards,

A handwritten signature in cursive script, reading "Roger B. Porter".

Roger B. Porter
Assistant to the President
for Economic and Domestic Policy

Jabez Galt, M.D.
3434 Swiss Avenue
Dallas, Texas 75204

cc: Prescott S. Bush, Jr.

PRESCOTT SHELDON BUSH, JR.

110 EAST 42ND STREET, SUITE 1300

NEW YORK, N.Y. 10017

Hecker
5/11

FAX: 212-599-2235

May 6

TEL: 212-599-1409

Dear George,

The enclosed letter from Takez Galt was written at my request so that I could pass his views on to you for submission to those working on your Hospital and Medical insurance plan. I also sent it to Manger to factor into the paper he is having prepared for a meeting with your people.

T.V. handling of the L.A. riots is disgraceful. Still running the same pictures over and over again one week later. The only people benefiting from their coverage are the gangs who started it all and are basking in the glory of their destructive power. God help them!

Hang tough. You're doing OK.

Love,
Pres

Phil Brady

Please have Roger or Gail write a reply to Dr Galt saying "The prez asked me to reply to the letter your wrote hisd brother etc etc"

Send PSB Tr.
a copy

5/11

5/20 Edie Holiday will have HHS draft reply for her signature. Shell cc me

6/15 Roger Porter will reply. Their cc: GB, F42.

7/2 still w/ Roger Porter's etc

7-10 Roger Porter still has.

8/6 Beth to check w/ Porter

JABEZ GALT, M.D.
FELLOW AMERICAN COLLEGE OF PHYSICIANS
DIPLOMATE AMERICAN BOARD OF INTERNAL MEDICINE
3434 SWISS AVENUE, SUITE 304
DALLAS, TEXAS 75204
(214) 827-5031

May 4, 1992

Mr. Prescott Sheldon Bush, Jr.
110 East 42nd Street
Suite 1300
New York, New York 10017

Dear Pres and Betty ~~Sue~~: Love;

Your most welcome letter was here upon by return from an arduous stay at the pecan orchard.

I note that Dr. Manger's letterhead features that he too is proud of being a Fellow of the American College of Physicians. Also like Dr. Manger I speak only for myself in spite of my contributing to the position taken by the College. In recent years I chose not to longer belong to "organized medicine".

My thesis is that enough money is currently being spent on health care to look after everyone if the insurance premium dollar or tax dollar was truly spent on medical care. I quickly caution that on their page two clarification is critically needed for to the incidental reader "Managed Health Care" and HMO's are the same. Whereas HMO's do manage health care the term describes an expensive and ineffective and demeaning business to which the medical insurance companies farm out the physician-patient-hospital supervision. There is so much money taken by these entrepreneurs that an investor can buy shares in the their companies and so far they have fared well by doing so. If you need more information on this, Dr. Manger can fill you in or if you prefer I can brief you on this costly atrocity.

Most plans currently proposed are mainly concerned about how to get the money and how to disburse it and pay no heed to two obstacles that must be eliminated or least extensively modified. The first of these is the trait that individuals or organizations that were conceived and engaging in service functions become power centers and in so doing divert money from health care and their existence and expansion is a goal in itself. My vintage lets me recall then Blue Cross consisted of being the bookkeeper for Dallas school teachers who individually put a very few dollars per year into a fund and hence were truly protected from financial wipe-outs by illness. I remember when hospitals

Mr. Prescott Sheldon Bush, Jr.
May 4, 1992
Page Two

were limited to providing excellent facilities and personnel where doctors, nurses and assorted technicians could care for patients. There is now evidence that institutional chauvinism is rampant; it seems to me that the hospitals are very big business, patients are customers, and fiats directed at doctors are so frequent and nonproductive that we could be regarded as employees.

One of the biggest of this costly harassment without significant yield is caused by the Joint Commission of the Accreditation of Hospitals. It began as a badly needed service organization to upgrade hospital care. Having done that it has expanded its name and now insists that it is the total monitor and guardian of health care in or out of the hospital.

It seems to be that every regulation or law whose intent is to bring reason to the conduct of hospitals and doctors creates a burgeoning speciality in how to circumvent it. Note the activities to specialization by hospitals, and doctors that are now subject to DRG or other financial limits.

The second obstacle to any program is that we must have relief from the incessant fear of malpractice suits wiping us out and this forces us to have added expense in "documenting" the correctness of what we do for a patient. I have avoided giving vignettes that would confiscate your time but here one will succinctly give the picture: In doing my required ^{STUNT} step in the hospital emergency room adjacent to my patient was one who reported a blow to the head; another had fallen on a swimming pool walkway. Neither of them seemed to be significantly impaired and yet the neurosurgeon who, like I was also on call, ordered a MRI (plus or minus \$1,400.00) and the orthopedist for the other ordered a CAT Scan (plus or minus \$1,000.00). Patients initiate similar demands in my office.

I differ with the current position of the College and of Dr. Manger's group in that I think it destructive of our shared goal to have health insurance tied to employment in any way.

Truly most students upon graduation are in debt but I am not totally sympathetic to their plight for they seem to want the rewards of life before they have necessarily earned them. Your brother and Barbara did not have that attitude while they were scrounging around in West Texas or while he was making Zapata go. In summary I tell you that I am in accord with Dr. Manger's group's goal and differ in only some technicalities. I repeat that if all

Mr. Prescott Sheldon Bush, Jr.
May 4, 1992
Page Three

the money now spent on "health care" was actually spent on health care no more money would be needed.

I abstract and abbreviate from something Thomas Jefferson wrote in his Notes on Virginia in which he says that our Creator looks with favor on those who labor in the earth.

The jonquils are allowed to persist in bloomless disarray because of the good that they have done and will do again; the irises are radiant; the hedgerows of wild roses and honeysuckle perfume the air; the sweetpeas are high on their trellis; and the rosebed is all-giving. The pecans are about three weeks behind schedule due to the climatic effect and the ocean current off of Peru.

With fond regards to you two.

Sincerely,

Jabez
Jabez Galt, M.D.

JG/jc

Rose,
This speech is already
attached to a notepad
to notebook in for
signature. Jm

A Vision for America

Remarks by Jeremiah Milbank, Jr.

Women's National Republican Club
Annual Awards Dinner

April 9, 1992

Thank you, Alicia Woodeson, for your kind introduction. I must be honest and say that I am usually uncomfortable about awards, especially if I am receiving, rather than giving one. But Posy and I are delighted to be with you tonight because of our great respect for the Women's National Republican Club and our personal admiration for the other honorees.

If you are judged by the company you keep, this is surely my finest hour. No one has helped to convey the values we share more than Peggy Noonan. And her unique talents will be even more important as Republicans strive to get their message across to the American people. I am pleased to be here with Secretary Dick Cheney, whom I first met when he was Chief of Staff in the White House and whom I have long admired for his integrity and leadership, through the Mid-East crisis and right up to the present time. Finally, I am honored to share this evening with Lynne Cheney, whom I consider the nation's leading spokesperson for academic freedom and cultural values which unite, rather than divide us.

As a lifelong Republican who has worked nearly full time for 6 of the last 8 presidential campaigns, I know how important evenings like this are -- and since you have given me this great honor, I want to spend a few minutes outlining a domestic agenda for America which puts Republicans back where they belong -- the party of vision, the party of values, and the party of opportunity.

I will focus my brief remarks on domestic issues because they are where Republicans are most misunderstood and misrepresented. Also, I believe they hold the key for us to become America's majority party once and for all. Although it has been passed over by many in Washington, the "New Paradigm" of James Pinkerton, Deputy White House Assistant for Policy Planning, provides an excellent framework for our future activities. It consists of five principles: market-orientation; choice; empowerment of the poor; decentralization; and an emphasis on what works. Let me stress that last point -- government programs must be judged on measurable outcomes, not on intent or emotions.

gmb
Excellent
Speech
much of your philosophy
and what you're saying
is all
just

a student of popular culture in America today to know how damaging it has been to our young people and their future. Although values and personal responsibility must be mainly nurtured by parents in the home, they can be reinforced at every turn by neighbors, churches, schools, colleagues at work, the media, and, I might add, the Republican Party!

America is blessed with a vast reservoir of ingenuity, altruism, and untapped human potential which can resolve our serious social problems. There are now over a thousand community coalitions across the country fighting drug and alcohol abuse. The Robert Wood Johnson Foundation has earmarked 26 million dollars toward community-wide projects in this regard and the challenge of that money has stimulated the leadership of many communities to organize in the fight against drugs and alcohol besides just those which won Johnson Foundation awards. The Boys & Girls Clubs of America, which serve close to a million-and-3/4 youngsters from disadvantaged backgrounds, have established over 170 satellite clubs in public housing projects across the nation. These and nearly 1200 other clubs are revitalizing devastated neighborhoods and providing positive alternatives to crime, drugs, teenage pregnancy, and despair.

We must design social programs that reward success rather than maintain dependency! The most successful programs will be those that evaluate performance, utilize market forces, create choice for individuals and families, and empower people by encouraging them to make their own decisions. Tenant management and tenant ownership of public housing is a good example of this, and so too is giving parents greater choice over their children's schools and encouraging continued parental involvement in those schools.

Everyone is talking about health care today -- well, I can assure you, a centralized, government-controlled system is not the answer. The only way to cure our ailing health care system and to control rising cost is to promote quality services through consumer choice and competition among providers. No one has developed this concept better than our friends at the Heritage Foundation in their "Consumer Choice Health Plan."

I believe that uncontrolled government growth and lack of accountability at all levels -- Federal, state, and local -- are the primary reason why people are so disillusioned with politicians and have become disconnected from the political process in this country. Government can work, but it must be downsized and virtually recreated along the principles I mentioned earlier. One promising development for new ideas and strategies are the dozens of state-based policy research centers which have been established across the country and which are already giving necessary factual information to state governors, legislators, and opinion leaders.



Research Recommendations

Issued weekly since 1937 by the National Institute of Business Management, Inc., 1328 Broadway, N. Y. NY 10001

SECTION ONE OF TWO SECTIONS/MAY 4, 1992/VOLUME 43, NUMBER 18

How to motivate employees

George
Good News!
Things will shape
well for you yet
Pres

Dear Subscriber:

Good news: It's time to rev up your engine. The green light of growth is flashing again, and with more brilliance than we anticipated when we wrote to you Apr. 20. Then, you'll recall, we restated our belief that the economy would improve markedly in 1992's second half but remain vulnerable to shocks.

We're less concerned about the "shocks" now because signs of improvement are increasing almost daily, and while they shouldn't be regarded as portents of a boom, they do indicate that faster economic growth is already underway.

Housing starts are strong, fueled by the lowest interest rates in years.
Skimpy business inventories will force sharp near-term production gains.
The unemployment situation is definitely improving; hiring's picking up.
Durable goods orders surged 1.6% in March, with gains across the board.
Exports continue to hit new highs, despite slowing economies overseas.

To round out this upbeat picture, the Federal Reserve's huge reductions in short-term interest rates since '89 have yet to make themselves fully felt. As they do, they'll add even more zip to our breakout from a growth recession. There is another reason we feel more confident: history. Note the record:

Most post-recession forecasts have UNDERstated the vigor of recoveries. That happened at the end of 1970, again in '75-'76, and also in the aftermath of the '81-'82 slump. In January 1983, two months after that downturn ended, the consensus call was that the nation's economy would grow just 2.5% in '83.

But, in point of fact, the Gross Domestic Product grew 3.9% that year. Today's consensus is that the year-over-year increase in "real" GDP for 1992, that is, GDP adjusted for inflation, will be a meager 2%, compared to average growth of 5.5% in the first recovery year after every other slump since 1960.

Our view? History will repeat. 1992's growth rate will be more than 2%, and by late summer, strong enough to lift both consumer spirits and spending to a degree exceeding most forecasts. Next question: What should YOU do now?

Answer: Make sure your company is poised to gain from a faster pick-up. Unless you're in a structurally hard-hit industry or area, the coming months will bring steadily rising demand for goods & services. Some recommendations:

- ...Review inventory levels and their relationship to sales; stocks that were ample in January could be woefully inadequate by July if demand surges. It might pay to order more from suppliers now, avoid getting on waiting lists.
 - ...If you plan to hire, do it pronto, before best people are snapped up.
 - ...Move from caution to aggressiveness in promotion & sales strategies.
- Look closely at your ad budget, too. You might be scrimping too much, failing to maintain a high profile. Finally, if you need a loan, apply soon, because borrowed money will cost more as accelerating growth pushes interest rates up.

Los Angeles Times

Economy's Pace Reduced by Half

■ **Output:** The poor quarterly figure, only 1.4%, is another piece of bad news for Bush's reelection effort. Economists say the recovery looks much like a slump.

By JAMES RISEN, TIMES STAFF WRITER

WASHINGTON—Economic growth slowed to a snail's pace in the second quarter, the government said Thursday in a report that raised questions about the strength of the recovery and sent reverberations through the presidential election campaign.

In yet another dose of bad news for President Bush's reelection effort, the Commerce Department said the economy grew at an annual rate of just 1.4% from April through June—less than half the 2.9% rate during the first three months of the year.

The second-quarter figures were slightly worse than most economists had expected, and reflected a sharp decline in consumer spending as Americans continued to react warily to mounting signs of a broad-based—and long-term—economic malaise.

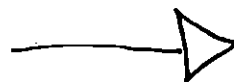
Economists agreed that, although the nation has officially been out of recession all year, the economy remains mired in a mushy recovery that looks and feels very much like a slump.

The current 7.8% unemployment rate, for example, is higher than at any point in the past eight years, while the growth in the nation's output of goods and services is stuck at a slower pace than in any other recovery since World War II. Searching for the technically correct way to describe the economy's current state, DRI-McGraw Hill economist David Wyss observed that the United States is now in the "longest period of non-rapid growth" since that war.

"This is a recovery, but it is the slowest damn recovery that anyone can remember," observed Barry Bosworth, an economist at the Brookings Institution in Washington.

Except for monthly unemployment figures, Thursday's report on second-quarter growth represented one of the last major economic reports that the government will issue before the general election

Please see **ECONOMY, A9**



Los Angeles Times

Continued from A1

campaign gears up after Labor Day. For that reason, the latest data took on special political significance. President Bush and Democratic presidential nominee Bill Clinton immediately sought to spin the numbers into their contrasting campaign messages, with Bush arguing that the economy is better than it looks, and Clinton that it is worse.

"When we look at our economy,

■ RELATED STORY: B6

we should resist the urge to exaggerate our problems," Bush said in a speech in Texas. "Sure, we face some stiff challenges, but let's not forget a few facts. We're the world's largest economy. No other nation sells more products outside its borders—exports are tremendously high. Inflation is the lowest in two decades [1.6% in the second quarter] . . . the dream team of workers can be found right here in the United States of America."

Clinton, on the other hand, chided Bush during a Little Rock, Ark., press conference, saying that "today's economic statistics confirm what the American people have been trying to tell the President for some time now: We are in a crisis, an economic crisis, and it's far more painful than this Administration has ever understood. Maybe today's statistics will be a wake-up call for the Administration that still is offering alibis, not action, while people are hurting."

The Democrats could barely contain their glee over the bad news. "We have had three times as many personal bankruptcies as jobs created during George Bush's presidency, so we don't have to spend a lot of time convincing voters that George Bush's handling of the economy stinks," said Dan Carroll, research director for the Democratic National Committee.

Between January, 1989, and March, 1992, the nation had 2,411,271 personal bankruptcies, according to the Administration Office of the U.S. Bankruptcy Court. Between January, 1989, and June, 1992, the United States had a net increase of 841,000 jobs, according to the Bureau of Labor Statistics.

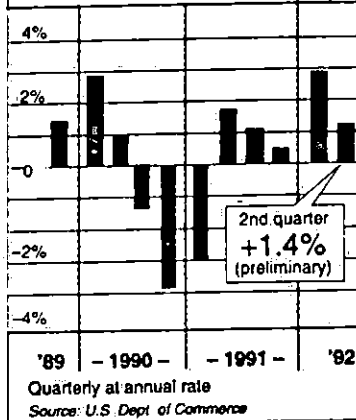
Treasury Secretary Nicholas F. Brady, meeting with reporters Thursday, argued that there was still plenty of time before November for the economy and the President to regain their footing. "There is more time between now and the election than there was in Ross Perot's entire campaign," Brady said.

Privately, however, other senior Administration officials said the White House, alarmed by the weak economic data, is now scrambling to develop a new economic plan for the fall campaign to counter the criticism that the President has failed to tell voters how he will fix the economy in his second term. White House Budget Director Richard G. Darman is heading the new effort, a Bush campaign aide

Economic Growth Slows Sharply

Gross domestic product measures all the goods and services produced by workers and capital located in the United States, regardless of ownership.

Percent change from previous quarter



AP Los Angeles Times

said.

One senior White House official, who asked not to be named, said that "a lot of people in the Administration are talking about the need for some new things and modifying some old proposals," but stressed that there is little consensus yet among the President's advisers on the matter. Administration and campaign officials have not agreed on the new agenda's contents.

Because the Senate Finance Committee on Wednesday approved six of the seven key economic initiatives proposed by Bush in January, Administration officials acknowledged that it will become increasingly difficult for the President to continue criticizing Congress for bottling up his growth package.

In fact, Bush's criticism of Congress on economic matters during his campaign swing through Texas contrasted sharply with predictions by senior aides in Washington that the Administration expects to support the bipartisan tax package that is emerging in Congress.

Although the tax bill does not include the President's favorite economic proposal—a capital gains tax cut—it does contain an array of provisions long sought by the Administration: tax breaks for corporations, real estate developers, first-time home buyers and upper-income savers, all at an estimated cost of \$21.4 billion over five years.

With congressional action proceeding rapidly on those measures, the Administration must move on to a new plan, said one Administration official who supports the idea of a new economic package.

"We have got to give people some new ideas, some explanation of what George Bush wants to do," he said.

Economists, clearing away the political smoke over Thursday's figures, predicted that there would be no major economic turnaround for the remainder of 1992. Hopes for a strong recovery were being

dashed, they said, by pessimistic consumers who are paring their spending, as well as by a sharp drop in exports, which fell in the second quarter at a 3.8% rate while imports increased at a 6.3% rate.

Economists also noted that many of the same factors that restrained growth for the past year—the reduction in defense spending, the shakeout in the banking and savings and loan industries, the need by consumers and corporations to work down their heavy debt loads—are all still hurting the economy.

Thursday's economic growth report showed that consumer spending dropped by \$2.7 billion in the second quarter. That was in contrast to a \$40.3-billion increase in the first three months of the year.

News of the drop in consumer spending was tempered slightly by a separate Commerce Department report showing that new home sales jumped 7.9%, breaking a string of four consecutive declines. The number of Americans seeking unemployment benefits also fell in the latest reporting period to a 21-month low of 400,000 for the week ended July 18. The figure is down by 21,000 from a week before.

But the overall picture was of a weak economy unable to fully recover from the recession of 1990-1991.

"There is real weakness in the consumer sector, especially," said Allen Levenson, an economist at the WEF Group, a forecasting

firm in Bala-Cynwyd, Pa.

That weakness suggests that high unemployment and sluggish wage and income growth are combining to make it difficult for consumers to pay off their debts—despite nearly three years of modest spending habits.

Debt for the average American household equaled 95% of household income after taxes in 1991, up from just 80% in 1985, according to DRI-McGraw Hill. While consumers are paying off high-interest credit cards, declining interest rates have lured them into taking out larger mortgages and home equity loans this year, leaving overall household debt levels virtually unchanged, observed Wyss, of DRI-McGraw Hill.

Without a jump in consumer spending, which accounts for roughly two-thirds of the economy, "you are going to continue to see this economic pattern that we have had in the first half of the year, with a little growth spurt followed by more weakness," Wyss said.

Allen Meltzer, an economist at Carnegie Mellon University in Pittsburgh, Pa., observed that the sharp drop in real estate values continues to make Americans "feel poorer" and worry much more about their debt burdens. "The amount of debt they have, the size of their mortgages, wouldn't bother them if their houses were worth more," Meltzer said. "But if your house isn't worth as much, you aren't going to go out and spend."

Los Angeles Times

California Can't Afford Defense Cuts, Bush Says

By DOUGLAS JEHL
TIMES STAFF WRITER

As news of a dipping economy brought new signs of political peril, President Bush did his best Thursday on a trip to Southern California to deflect voters' concerns, charging that defense cuts endorsed by his Democratic rival could cost the industry 1 million jobs.

Bush acknowledged that "responsible" defense cuts his Administration had approved had already left the region scarred. But he warned that further cuts advocated by Gov. Bill Clinton could touch off "a shock wave" in the state's economy.

"You'd feel it first," he assured workers at Odetics Inc., an Anaheim robotics firm. He sarcastically warned that "reckless" Democratic defense cuts would benefit only "the mothball industry."

On a day when federal figures showed economic growth slowing, Bush's bid to stir regional anxieties added a new chapter to the concerted Republican effort questioning whether Clinton should be trusted to take charge of the nation.

As hard as times may be in Southern California, Bush suggested, an economy under Clinton's

Please see BUSH, A4

BUSH: Message to California

Continued from A1

stewardship would only be worse. He also warned against a Democratic team whose calls for change included efforts to "change the subject" on national defense.

Bush continues to insist that he is not yet operating in "campaign mode." He still chooses not to utter his rival's name. But his blunt attack on Clinton Thursday made clear that he has begun to heed worried advisers' counsel to leave no holds barred.

Not only has Bush agreed to all but cancel a Maine vacation next month that was to have preceded the Republican National Convention, aides said, but he is likely to scrap plans to return to his home there for a pre-Labor Day break.

Senior officials credited Bush's son, George W. Bush, with "bending a lot of ears" in an effort to jolt his father and the campaign into more aggressive action.

Indications that the warnings had struck a nerve came as Bush went to new lengths throughout the day to appeal to wavering voters. As he arrived in Southern California, he carried with him a plan designed to send a new signal of concern for Los Angeles and its urban woes.

A White House statement issued shortly after Bush touched down at El Toro Marine Corps Air Station outlined a variety of new small-scale federal efforts to promote the recovery of riot-torn areas.

Among the programs are an offer of a 15-month interest holiday to merchants who take out small business loans and agree to rebuild in areas affected by the violence. Another features new storefront operations to advise citizens how they might benefit from federal programs.

A White House spokeswoman said Bush had telephoned Gov. Pete Wilson to advise him about the new phase of federal assistance and was trying to reach Mayor Tom Bradley. A senior Administration official said the program would not involve significant new federal spending.

Earlier, Bush surprised some

aides by telling Texas voters in a radio interview from Air Force One that he would reconsider his Administration's opposition to a proposed sale of F-16 jet fighters to Taiwan. The ban had created hostility in Texas, where manufacturer General Dynamics has been hurt by White House-backed defense budget cuts.

General Dynamics announced Wednesday that it would lay off 5,800 workers in Texas by the end of 1994 because of cuts in F-16 production.

The President brought no obvious financial plums to Orange County, where campaign strategists say he must make an effort to win back even those conservative Republicans who should be part of his political base.

Instead, his grim rendering of the damage Democrats might inflict on national defense and the economy served as a warning of what a change in Administrations could bring.

And while many later described themselves as undecided, the wildly cheering Odetics' employees who formed Bush's audience provided the kind of vocal accompaniment for which White House image-makers have long been searching.

Odetics has been making a successful transition away from defense work, but still depends on the government for 37% of its revenues.

Encouraged in advance by the company's management, the employees—wearing painter-style hats emblazoned with the slogan "Attitude"—roared as Bush reaffirmed Ronald Reagan's motto of "peace through strength."

"The defense budget is more than a piggy bank for folks who want to get busy beating swords into pork barrels," he said.

Bush himself has called for \$50 billion in defense cuts over the next four years. But he and senior Administration officials traveling with him on the two-day campaign trip to California and Texas described those cuts as "responsible" as compared to the steeper and

"reckless" cuts Clinton has endorsed.

Robert E. Grady, deputy director of the Office of Management and Budget, said that Bush's proposal would reduce actual budget outlays on defense by only \$19 billion in the next four years. The Clinton plan, he contended, would reduce those outlays by an additional \$6 billion.

Following a standard Pentagon formula, Bush charged that "cuts of that magnitude would cost workers in the defense industry as many as 1 million jobs." The same formula applied to the Bush budget would result in defense-related job losses of about 350,000.

Even as Bush sought to focus new scrutiny on Clinton's plans for the economy, he resorted to other tactics to insulate himself against an expected wave of criticism following the government's release of statistics showing the economy grew in the second quarter at a rate of just 1.4%.

In appearances in California and in Texas, Bush acknowledged his disappointment at the news. But he chose the release date to fling his sharpest criticism in weeks at a Congress he blamed for costly inaction on the economic growth proposals he put forward in late January.

"Don't hold the American economy hostage to politics!" he urged in Anaheim. "Tell them to vote for a recovery program and put America back to work now!"

Bush's trip to Southern California was acknowledged to be a political voyage whose costs are borne by his reelection campaign. He traveled first Thursday to Waxahachie, Tex., on what was billed an "official" visit whose costs were borne by taxpayers.

But there was little difference in tone as the President railed against a Democratic-controlled Congress he charged had "dillied and dallied" on the economy.

The Texas portion of the trip was designed to affirm Bush's commitment to the controversial \$8.2 billion Texas-based superconducting super-collider project whose future

lies in jeopardy after a stunning 232-181 House vote last month to cut off funding for the facility.

Clinton also supports funding of the atom smasher, which is planned as a pair of 54-mile underground rings designed to help physicists study the basic forces of nature. But Bush nevertheless sought to cast his battle with congressional Democrats as a fight between "patrons of the past and architects of the future."

His avowal of faith also reached toward new rhetorical extremes. He assured a cheering crowd of employees that he regarded the resource as so important that it ranked among "the Louvre, the pyramids and Niagara Falls all rolled into one."

Los Angeles Times

Top U.S. Military Men Don't Want Women in Combat

By MELISSA HEALY
TIMES STAFF WRITER

WASHINGTON—Several of the nation's armed service chiefs voiced fierce resistance Thursday to placing women in combat positions and said they regard male bonding as a critical element of the "warrior spirit."

Ten months after the Navy's Tailhook Assn. meeting drew high-level attention to the problem of sexual harassment in the military, the nation's senior military officers told the House Armed Services Committee that they have "zero tolerance" for such behavior toward servicewomen.

But they rejected the suggestion—made by committee Chairman Rep. Les Aspin (D-Wis.)—that policies excluding women from combat roles may have made them "second-class citizens" who

are "fair game" for mistreatment.

Agreeing that the combat exclusion law discriminates against women and works against their career advancement, the Air Force chief of staff, Gen. Merrill A. McPeak, said: "I still think it is not a good idea for me to have to order women into combat. Combat is about killing people."

Gen. Carl Mundy Jr., commandant of the Marine Corps, lauded combat aviators for their "derring-do" and defended current policies that would keep females out of the cockpits of Marine Corps jets.

The culture of combat aviators, said Mundy, "typifies the derring-do, the 'drink tonight, gentlemen, because we launch at 0500 again tomorrow morning and all of us aren't going to come back.'" said Mundy.

"It's a warrior spirit," Mundy

Please see WOMEN, A5

WOMEN: No Combat Role

Continued from A1

added. "It is a male bonding. . . . It's not a male bonding against anybody. It is a male bonding together."

McPeak, Mundy and chief of naval operations Frank B. Kelso agreed that successful military combat pilots may have what McPeak called "devil-may-care" qualities that naturally lead to incidents like those at the 1991 Tailhook convention in Las Vegas—where scores of military aviators sexually harassed and molested as many as 26 women—unless these officers are closely supervised.

"What happened at Tailhook was something that you might expect of a bunch of lieutenants who get together and have too much to drink, and the tragedy of it was that there wasn't a lieutenant colonel there to put his foot down," said McPeak.

High-level opposition to assigning women to combat positions is not new. McPeak and Kelso outlined their objections in a June, 1991, appearance before the Senate Armed Services Committee. Mundy's predecessor as Marine commandant and the former Army chief of staff have also expressed opposition in the past.

But Thursday's testimony marked the first time that the chiefs have spoken out on the subject since the Tailhook scandal heightened pressure to open new military career opportunities to servicewomen.

McPeak said last year that in spite of his personal objections, he could not intellectually justify barring women from combat service. But Thursday, he reiterated only his personal objections and did not express any support for women in combat positions.

"Even though logic tells us that women can [conduct combat operations] as well as men, I have a very traditional attitude about wives and mothers and daughters being ordered to kill people," said McPeak.

Kelso, however, softened his earlier opposition to allowing women to serve aboard combat ships. "You certainly have to consider" the argument that barring women from combat service has placed them at a disadvantage in relation to their male colleagues, he told lawmakers Thursday.

Congress last fall repealed all remaining laws barring women from combat positions in the U.S. armed forces. The Bush Administration has appointed a commission to study the role of women in the military and to recommend further actions to open new slots to females.

On Wednesday, a panel of experts told the House Armed Services Committee that there is a link between the work of that commission and the military services' efforts to eradicate sexual harassment. Witnesses told the panel that as long as females are blocked from serving in the military services' most critical positions—combat slots—they will have second-class status, and that will continue to make them vulnerable to disrespectful treatment by male colleagues.

Kelso, who said Thursday that sexual harassment has become a "crisis of significant proportions" in the Navy, confessed that Navy leaders had "failed to act on . . . early warnings."

Gen. Gordon R. Sullivan, the Army chief of staff who said he would oppose the introduction of women into infantry positions, said the exclusion "doesn't mean women are treated with disrespect. It's too complex a problem" to attribute any single cause, he said.

But he and his colleagues were staunch in their defense of policies that reserve the services' premier slots for men.

"In the elite organizations of all the armed forces, there is that spirit of 'We're a band of broth-

Los Angeles Times

Jailed Americans Still Alive in Russia, Records Suggest

■ **Archives:** 39 U.S. citizens missing since World War II are listed, Yeltsin military aide reports in Izvestia.

By ELIZABETH SHOGREN
TIMES STAFF WRITER

MOSCOW—New evidence found in the recently opened top-secret KGB archives shows that some American citizens imprisoned by Soviet authorities during and after World War II are still alive and living in the former Soviet republics, according to an article published in a Russian newspaper Thursday.

"[We must] find them to correct the injustices against them and give them a chance to contact relatives currently living in the United States," Col. Gen. Dmitri Volkogonov, a top military adviser to Russian President Boris N. Yeltsin, wrote in a front-page article

published in the prestigious Izvestia newspaper.

Thirty-nine people holding American passports or born in America but with ethnic roots in one of the Soviet republics ended up in Soviet hands because of internment, border changes, repatriation or military operations, according to Volkogonov. And Soviet authorities tried to coerce them into renouncing their American citizenship.

"Those who refused were immediately given 15 to 25 years in prison camp for 'spying,'" said Volkogonov, who is the Russian chairman of a joint Russian-American commission investigating the fates of missing Americans from

Please see RUSSIA, A2

Continued from A1

World War II, the Korean War and the Vietnam War.

Most, however, agreed to give up their American citizenship—but were sent to prison anyway as Soviet citizens, he added.

"There is reason to believe that several of them are still alive and are living at this moment in the territory of the former Soviet Union," he said.

Volkogonov's revelations were one of the first indications that the joint commission has found information about missing Americans who are still alive and living freely in the Commonwealth of Independent States.

There have been complications in finding the 39 missing Americans, Volkogonov said, because the events happened so long ago and because some of them may be living in other republics of the former Soviet Union. A list of their names, Volkogonov said, will be published soon in Izvestia.

The information was uncovered by agents of the Russian Security Ministry, successor to the KGB, "from the depths of archives that were top-secret until just recently," the article said.

Malcolm Toon, the American chairman

of the joint commission, had no immediate comment on the general's statement, saying he had not seen the text.

The search for Americans in the former Soviet Union "is a continuing process," Toon said in a telephone interview from his home in Pinehurst, N.C. "Our first objective is to find out whether the Yeltsin statement at the summit conference in Washington was accurate—that there might possibly be live American POWs in detention. . . . On the basis of what we heard and saw in Moscow after the summit conference, we felt there was no information available that would support that."

Volkogonov had previously been very conservative in his assessments of the likelihood of American POWs still living in the former Soviet Union. In June, he said Russian officials had received a report that one of the Americans who came under the control of the Red Army at the end of World War II may be still living in the Ural Mountains region.

After Yeltsin caused a sensation during a summit in Washington last month by declaring that American POWs from the Vietnam War may still be alive in Russia—and that if so, his government would return

them—Volkogonov said his boss was mistaken.

According to Americans and Russians involved in the investigation, it is possible that the joint search commission could dig up information of the fates of thousands of Americans.

During a visit to Moscow in February, Sen. John Kerry (D-Mass) said that the United States has a list of 2,273 names from the Vietnam War and thousands more from the Korean War and World War II and that he hopes the commission will find information on many of them.

In a report issued in early June, before Yeltsin's statement in Washington, the joint commission appeared to rule out the presence of any Vietnam-era American servicemen in the former Soviet Union, saying the only relevant records were of American deserters who had since left Russia.

After World War II, 24,000 American POWs were freed by the Red Army from German and Japanese prison camps, only to be interned in the Soviet Union, according to American officials, and about 23,500 were eventually returned to America. Until the fall of the Soviet Union, officials in Moscow had refused to even acknowledge

the others.

The joint commission's access to the former Soviet archives reflects the huge step the two countries have made toward cooperation since the Cold War days. It has already solved a number of cases, but none involving people who are still living.

So far, most attempts by officials and individuals to track down American POWs still living in Russia have turned into wild goose chases.

American investigators traveled to the remote Arctic prison camp PL-350-5 last month on a tip that an American was being held there, but they found no evidence that any American POWs had ever been at the site.

Kirill Belyaninov, an investigative reporter, has spent six months searching for American POWs in Russia for Komsomolskaya Pravda, one of the country's biggest daily newspapers.

"I've talked by telephone with several people who say they are American POWs from World War II," Belyaninov said. "I believe they are who they say they are. They speak Russian with a slight accent. But they all refuse to name themselves."

Times staff writer Paul Houston in Washington contributed to this story.

Los Angeles Times

U.N. Aide Cites Rights Violations

■ **Iraq: Envoy tells of attacks against Shiite Muslim civilians, urges immediate dispatch of observers.**

By ART PINE
and ROBIN WRIGHT
TIMES STAFF WRITERS

WASHINGTON—A special U.N. envoy charged Thursday that the Iraqi government has committed "serious violations of human rights" against Shiite Muslim civilians in southern Iraq and called for dispatching U.N. observers there immediately to monitor the situation.

In a report labeled "urgent," Max van der Stoep of the U.N. Commission on Human Rights told of military attacks on unarmed civilians, forced relocation of some Shiite families and a deliberate diversion of water resources to threaten the local population.

Van der Stoep said the 16-page report, the first of two parts on human rights violations in Iraq originally due out this autumn, was being issued early because he feared that the situation was deteriorating so rapidly that the damage may soon be "irreparable."

He told the United Nations that there was no doubt, based on the evidence, that Iraq has violated U.N. Resolution 688—which prohibits repression of Iraqi citizens. And he warned that there is "considerable cause for concern" that Baghdad has adopted a specific policy aimed at controlling or destroying the Shiites.

Van der Stoep's report was quickly cited by the Bush Administration to bolster its push for tougher enforcement of Resolution 688. Washington regards the issue as its best hope for winning global backing for new action against the regime of Iraqi President Saddam Hussein.

The State Department said Thursday that Iraq's campaign against the Shiites—and its companion embargo against Kurdish forces in the north—amounted to "flagrant violations" of Resolution 688, which the United States has been discussing with Security Council members.

But top Administration officials backed away from a statement made to Congress on Wednesday by Edward Perkins, the U.S. ambassador to the United Nations, that Washington is preparing to ask the Security Council for new authority to use military power to enforce Resolution 688.

Pete Williams, the Pentagon spokesman, said Thursday that while the Administration "may choose to go back to the Security Council" for additional enforcement power, the United States believes that it already has adequate authority to launch military action if it wants.

In Baghdad, Hussein shuffled his Cabinet again after his latest confrontation with the United Nations over access to records. He replaced his finance minister and education minister and appointed a Shiite to be foreign minister.

The elevation of a Shiite Muslim to the foreign minister's post comes as Hussein faces increasing pressure from abroad over his treatment of the Shiite minority. Analysts said the Iraqi leader frequently shuffles his Cabinet, partly to solidify his own power.

In Washington, six Iraqi opposition leaders who met Wednesday with Secretary of State James A. Baker III discounted the possibility—raised repeatedly by some U.S.

analysts—that Hussein might be overthrown by a "palace coup" initiated by members of his own inner circle.

At a press briefing Thursday, the group's members—including Shiite, Kurdish and Sunni Muslim opponents of the Baghdad regime—agreed that those surrounding Hussein are still too close to him to be likely to launch such an operation, and they warned that Western strategists are wasting their time thinking about it.

They continued to insist, however, that overthrowing Hussein is the only way the West can stop Iraq's aggression against both its neighbors and its own citizens.

Sunni leader Salah Sheikhly said he is convinced that Washington is "very, very serious" about "tightening the noose" on Hussein and is likely to take steps soon.

The rebels said their discussions with Baker included the possibility of exempting Kurdistan from the U.S. economic sanctions on Iraq, establishing a protected zone in southern Iraq for the Shiites and giving the United Nations access to frozen Iraqi assets to finance its operations there.

Van der Stoep's report was accompanied by a copy of a letter he wrote to Iraq's foreign minister in which he said he had reliable information pointing to a "policy of aggression directed by government authorities against the population inhabiting the southern marshes."

He also said he has acquired videotapes of raids and interrogations, including one in which Iraq's prime minister personally ordered Iraqi army generals to "wipe out" three specific Shiite tribes. He said the tapes also show Iraqi soldiers training for those assaults.

The envoy's report cited these developments:

- Iraqi forces have launched military attacks against dozens of Shiite villages in recent weeks, using heavy artillery, firebombs and strafing against the local populations. "Widespread deaths, arrests and disappearances" have been reported throughout the region.

- The Iraqi government has been ordering the forced relocation of Shiite villagers, similar to the operations it conducted against the country's Kurdish population in the north in the late 1980s. Supplies of both food and medicine have been restricted.

- The government is speeding construction of the so-called Third River Project, which is diverting waters from the southern flats. Although the plan ostensibly is part of an irrigation project, the report said it is threatening the Shiites' basic survival.

- There is evidence that Baghdad has embarked on a policy of extreme anti-Shiite propaganda. As one element, the ruling Baath Party newspaper, Al Thawra, has denounced the Arabs who live in the southern marshlands as inferior and "un-Iraqi."

U.S. officials, amplifying Van der Stoep's report, said Hussein's forces are launching their attacks in the south without making any distinction between military deserters who sought shelter during last year's war and tribes that have lived there for generations.

The specialists said Thursday that the Shiites have the ability to "nibble away" at Iraqi security forces through low-level attacks but that they are still a long way from being able to spark any major uprising.

They said one reason for Hussein's clampdown is his fear that failure to halt the unrest in the south would allow it to spread to Baghdad. "The south must be settled and under control for Hussein to survive," one analyst said.

Los Angeles Times

WASHINGTON EDITION, LOS ANGELES TIMES

President May Permit Sale of F-16s to Taiwan

■ **Policy:** The move could open the way for new ties with the island, but would strain U.S. relations with China.

By NORMAN KEMPSTER
TIMES STAFF WRITER

WASHINGTON—President Bush said Thursday that he may end a decade-old ban on the sale of F-16 warplanes to Taiwan, a step that could open the way for new ties with the increasingly prosperous island but would surely provoke a crisis in Washington's relationship with China.

If approved, the F-16 sale would renew the major arms supply relationship between the United States and Taiwan—a tie that withered after the United States recognized the Chinese government in Beijing and broke formal relations with Taiwan in 1979.

Bush made the promise to reconsider the ban during a telephone interview from Air Force One with a network of Texas radio stations. A senior White House official said the President pledged to "take a good hard look" at the potential sale.

Despite the complex ramifications for U.S. foreign policy, the move would surely be popular in vote-rich Texas, where the plane is built in the Ft. Worth plant of General Dynamics.

The plane's manufacturer said it is phasing out production of the aircraft, a move that would result in the layoffs of 5,800 workers. The F-16, long the workhorse of the U.S. Air Force's fighter command, has enjoyed wide overseas sales, but demand has now ebbed.

Taiwan wants to obtain F-16s to redress the military balance with China, which already has acquired Russian-built SU-27 fighter planes. Taiwan's air force now depends on light F-5Es and old F-104s.

Although Taiwan enjoys almost all the attributes of sovereignty, its diplomatic status is complicated by its history. After Communist forces captured all of mainland China in 1949, the defeated Kuomintang (Nationalist Party) government fled to Taiwan, where it claimed to be the legitimate government of all of China. Officially, both governments consider Taiwan to be part of China.

When the United States transferred its recognition from Taipei to Beijing in 1979, it agreed not to recognize Taiwan as an independent government. In 1982, the Reagan Administration agreed to limit and eventually phase out U.S. arms sales to Taiwan. That pact barred the sale of sophisticated weapons such as the F-16.

Taiwan now is far more democratic than it was in 1979, and its economy has grown so much that it claims to be the 13th-largest trading nation in the world. European nations that long shunned the Taipei government have made overtures, and France has discussed the possible sale of Mirage 2000-5 warplanes.

Meanwhile, U.S. relations with China have cooled, especially since the bloody army crackdown on demonstrators in Tian An Men Square in 1989. Before Thursday, however, Bush, once chief of the U.S. diplomatic mission in Beijing, had been a firm advocate of continued ties with China. He has resisted demands from Congress to end China's most-favored-nation trade status on the grounds that such a step would end all U.S. influence on Beijing.

In testimony Thursday before the Senate Finance Committee, Undersecretary of State Arnold Kanter defended the Administration's decision to extend China's favorable trade treatment.

In one step intended to ease criticism of Chinese trade, Kanter said he expects to sign next week a new agreement with China banning the export to the United States of goods produced in Chinese prisons.

"We have reached agreement on a memorandum of understanding that will prohibit exports of prison labor products to the United States," Kanter said. The deal will allow U.S. inspectors to visit "suspect Chinese facilities" to make sure the ban is respected, he said.

Los Angeles Times

A4 FRIDAY, JULY 31, 1992



CAMPAIGN '92

President Targets Clinton's Stance on Persian Gulf War

■ **Politics:** The Bush campaign cites 1991 statements by the Democratic nominee that he agreed with lawmakers who favored sanctions over military action.

By CATHLEEN DECKER
TIMES POLITICAL WRITER

LITTLE ROCK, Ark.—It is not always easy to stay on the offensive, as Democratic presidential nominee Bill Clinton found on Thursday.

With the government's release of data showing economic growth slowing, Clinton broke into what was to be a day off the campaign trail to shake his finger at the Bush Administration.

Instead, at a press conference at the governor's mansion, he found himself playing defense, trying to deflect a Bush campaign assault on Clinton's contention that he supported the Gulf War.

On the second day of what it promises will be a daily barrage, the Bush campaign resurrected previously published Clinton quotes showing various positions on the Gulf War—from the strong support he claims now to his vocal agreement in 1991 with those who favored continued sanctions against Iraq.

At issue was Clinton's stance in January of 1991—five months after Saddam Hussein moved his forces into Kuwait—when Congress was faced with a vote over whether to continue sanctions against Iraq or to give the President authority to send the United States into combat.

The United Nations had, at that point, set a Jan. 15 deadline for Hussein to withdraw his troops or face military action.

During the presidential campaign, Clinton has stated his position unequivocally.

"I supported the Gulf War," he said Tuesday in Chicago, repeating the assurance he has delivered flatly for months.

But in a statement released Thursday, the Bush campaign took issue with Clinton, using local press reports that demonstrated some vacillation on the issue.

In an Associated Press report on Jan. 15, 1991, two days after Congress voted to give Bush the authority to go to war, Clinton described his position: "I agree with the arguments of the people in the minority on the resolution—that we should give sanctions more time and maybe even explore a full-scale embargo... before we go to war."

That same day, the Arkansas Gazette quoted Clinton as saying that he probably would have voted to give the President authority to go to war.

"I guess I would have voted with the majority if it was a close vote," he said. "But I agree with the arguments the minority made."

Clinton said Thursday that he did not agree with the minority, but merely understood the views of those who favored continued sanctions. He said he would have voted to give the President authority to wage war to maintain a united front against Hussein.

"What I said was that I had a great deal of sympathy for those who were arguing that sanctions had not been given adequate time," Clinton told reporters.

Asked why a "close vote" would have had any impact on his decision, Clinton added brusquely, "Let me tell you what I said."

"What I said was, even if I agreed with the arguments about sanctions because they were good arguments, letting them try, I still would have voted with the majority because the Congress could not afford, in my judgment, to take a stand undermining

the impact of the U.N. resolution."

For another candidate, the Gulf War stance might not be as potentially problematic. But for Clinton, it is one more accusation against a man who has been dogged by criticisms that he shades the truth for political benefit.

When he was asked over a period of years if he had smoked marijuana, for example, he said that he had never broken the laws of his state or nation. Then, last spring, he acknowledged that he had smoked marijuana while in Britain—but had not inhaled. He also admitted that there was a deliberate "pattern of omission" in his previous answers.

Clinton also has been criticized as equivocating in his story of how he avoided the draft during the Vietnam War.

The Bush campaign has clearly decided to focus on the Democrat's Gulf War positions as a way of questioning his character and his familiarity with foreign policy, the President's strongest suit in this election campaign.

The focus extends to Clinton's running mate, Tennessee Sen. Al Gore, a Vietnam veteran who sided with Bush in the congressional vote. Over the weekend, Senate Minority Leader Bob Dole (R-Kan.) accused Gore of trading his vote for a prime-time speaking slot to explain his position.

On Thursday, Clinton called Dole's comment "amazing."

"They'll devour their allies, the people who have supported them or anything else to hold onto the White House," he said. "They think the White House belongs to the national Republican Party, not to the American people, and they will do or say anything to hold onto it."

The tempest Thursday served as one more indication that the 96 days before the Nov. 3 general election are likely to be strewn with animosity and aggressive campaigning.

The GOP attack on Clinton's Gulf War position followed a Tuesday barrage of criticism by Clinton aimed at Bush's handling of Hussein in the period before and after the war. He and Gore have accused Bush of coddling and appeasing Hussein, in effect helping Iraq strengthen its military machine.

On Wednesday, the Bush campaign criticized Clinton for raising taxes in Arkansas. Simultaneously, Clinton charged that Bush had broken his promise to lead the country to better days.

Clinton did manage to get in a few digs at Bush on Thursday relating to newly released statistics showing that the economy grew half as fast from April through June as in the first quarter of the year—1.4% compared to 2.9%.

"Just the other day, Mr. Bush told the American people that he is the man we can trust to answer the phone in a time of crisis," Clinton declared, alluding to Bush's attempt to imply that his Democratic rivals cannot be trusted.

"Well, today's economic statistics confirm what the American people have been trying to tell the President for some time now: We are in a crisis, an economic crisis, and it's far more painful than this Administration has ever understood. The phone is ringing. And it's been ringing for a long time."

The Democratic nominee made a pitch for his economic package—as he has daily since the convention—contending that it would spur the creation of 1 million jobs per year.

"Maybe today's statistics will be a wake-up call for the Administration that still is offering alibis, not action, while people are hurting," he said.

Los Angeles Times

Iran-Contra Witness Admits to Earlier Lies

By RONALD J. OSTROW
TIMES STAFF WRITER

WASHINGTON—The main prosecution witness in ex-CIA official Clair E. George's perjury and obstruction trial admitted Thursday that he had repeatedly lied under oath and plea-bargained with the government to avoid being branded a felon.

But Alan D. Fiers, former chief of the CIA's Central American task force, denied considering it a victory that he escaped felony charges by pleading guilty instead to two misdemeanor charges of withholding Iran-Contra information from Congress.

"I don't consider anything to do with Iran-Contra a victory," Fiers said as George's lawyer, Richard A. Hibey, began cross-examining him. "I consider it all a tragedy—personal and otherwise."

Hibey's cross-examination promised to be far-ranging. He began by probing everything from Fiers' aversion to the word "liar" to his high regard for his football coach at Ohio State, the late Woody Hayes. However, the cross-examination was cut short when problems developed over classified information needed for the questioning. The cross-examination is expected to resume today.

During two days of questioning by chief prosecutor Craig A. Gillen this week, Fiers testified that George lied in congressional testimony as the Iran-Contra affair began to unravel in October, 1986, with disclosures that funds from the secret sale of arms to Iran had been diverted to support the Contras in Nicaragua. Fiers also testified that he instructed Fiers not to reveal crucial information that could tie the scandal to then White House aide Oliver L. North or to the Administration.

In Thursday's cross-examination, Hibey asked if as part of his plea bargain, "you had to give somebody up, didn't you?"

"That's a fairly crass way to put it," Fiers said. "... I knew I had to tell the truth" and that "colleagues and friends" would be implicated, adding that it was "not an easy decision. It came down the way it came down."

Fiers resisted Hibey's attempts to get him to admit that he had lied to several Iran-Contra investigating panels before striking a deal with the government a year ago. But after insisting that he had given "not a true statement," Fiers acknowledged lying, saying, "I'll face reality and accept the word."

In his current job as a Washington lobbyist for W.R. Grace & Co., an international specialty chemicals firm involved in health care and energy, "you have to be believed in order to succeed?" Hibey asked Fiers.

"I have to be credible, yes," Fiers said.

"You can't afford to be branded a liar and a felon?" Hibey asked.

"The first is moot," Fiers said, half-smiling. "The second is one I couldn't afford and wouldn't accept without a struggle."

Los Angeles Times

A Dictator, a Tainted Bank and a Beltway Insider

■ **Scandal:** A former BCCI executive tells Senate investigators that Robert Altman oversaw a cover-up of the bank's ties to Panamanian dictator Manuel Noriega.

By WILLIAM J. EATON
TIMES STAFF WRITER

WASHINGTON—A former executive of the Bank of Credit & Commerce International told Senate investigators Thursday that indicted Washington lawyer Robert A. Altman directed a cover-up of former Panama strongman Manuel A. Noriega's secret \$20-million bank account.

Amjad Awan, who was Noriega's banker in Panama from 1982 to 1988 and is now serving a federal prison term for money laundering, said Altman told him to label Noriega's bank records "attorney work product" in an apparent effort to prevent them from being subpoenaed by a Senate inquiry.

U.S. courts have ruled that working papers of lawyers are covered by the attorney-client privilege and are therefore protected from subpoenas.

Neither Altman nor his attorneys were available for comment on the allegation. But he and his mentor, 85-year-old Clark M. Clifford, held a news conference Thursday to expand on their denial of federal and state charges that they took bribes from owners of the scandal-scarred BCCI to hide their acquisition of First American Bank here in 1982.

Awan, in testimony before the Senate Foreign Relations subcommittee on terrorism, narcotics and international operations, said Noriega deposited enormous amounts of cash, up to \$3 million at a time in \$100 bills, into a special numbered account and demanded strict confidentiality. As a result, records of the



BERNIE BOSTON / Los Angeles Times

'I am spending the rest of my life to get my good name restored.'

CLARK CLIFFORD

transactions were kept in London to avoid disclosure.

At times, Awan added, he made payments of \$20,000 to Panamanian politicians at Noriega's request and also paid for travel to Europe and credit card expenses for him.

Also Thursday, subcommittee chairman Sen. John Kerry (D-Mass.) said the panel plans to subpoena testimony from a Senate aide who flew to London at BCCI expense to advise bank officials on how to handle the panel's wide-ranging investigation.

The aide—whose name was not disclosed—has refused to talk to Senate investigators about the overseas trip.

Kerry said his subcommittee has conducted 13 public hearings on the BCCI investigation and is preparing a report

that will be published in a few months.

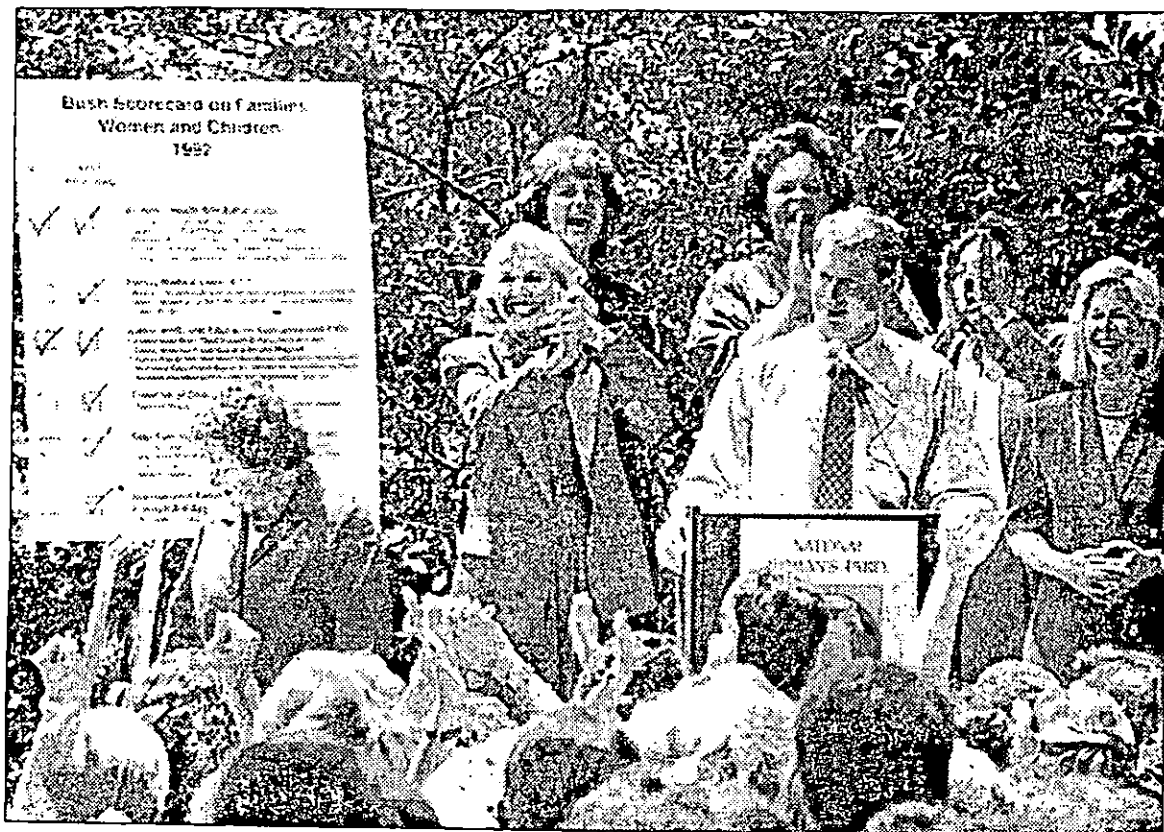
At their press conference, Altman and Clifford said they were victims of BCCI's fraud. They said they were not, as the indictments charge, co-conspirators. They called the accusations "cruel and unjust" in a statement.

Clifford, a pillar of the Washington Establishment who has advised presidents ever since Harry S. Truman occupied the White House, said he would fight the charges at every step of the judicial process.

"I am spending the rest of my life to get my good name restored," Clifford told reporters.

Kerry said the indictment of Clifford was "a moment of sadness, not jubilation . . . when any person is seen to fall from grace."

Los Angeles Times



AL STEPHENSON / For The Times

Tennessee Sen. Al Gore and his wife, Tipper, are cheered by Democratic members of Congress and

other supporters during a rally at the Capitol Hill headquarters of the National Women's Party.

Gore Goes After Bush on Economy

■ **Democrats:** He also scores the President on family values during an appearance in Washington.

By SAM FULWOOD III
TIMES STAFF WRITER

WASHINGTON—Al Gore seized on the latest government report of continuing economic woes Thursday to chastise the Bush Administration's handling of the economy, and linked that record with its stance on family values.

Appearing at a Capitol Hill rally organized by women congressional leaders to condemn Bush's record on family, women's and children's issues, the Democratic vice presidential candidate and Tennessee senator cited a Commerce Department report showing slower-than-expected growth in the nation's gross domestic product as proof that the White House fiscal policy "has failed this country, has driven this country into a ditch."

The Democratic women invited Gore to witness their release of a score card showing measures aimed at helping women, children or families that are unlikely to become law because of Bush—including a vetoed bill that would have required employers to provide unpaid family leave in medical

emergencies.

"Is it because they don't think it's a family value for the child's parent to be there amid the pain and suffering and confusion and fear?" Gore asked, alluding to the Administration's insistence that it protects family values. "Or is it because their lip service to family values is totally outweighed by the thought that the wealthy, powerful and privileged might be unhappy if they had to give that employee time off?"

To illustrate the personal tragedy of Bush's policies, several women spoke at the rally about their fight against debilitating diseases or how they risked their family's resources to care for a sick child without job security.

"My time is running out," said Joan Samuelson of Santa Rosa, Calif. Samuelson heads the Parkinson's Action Network, a support group for people with the degenerative disease. "Like millions of other suffering Americans, I can't afford another four years of the Bush Administration."

But Gore also shifted the focus away from the narrow testimonies on women's health rights and family leave policies to launch into a broad diatribe against White House inaction on the economy.

"New economic numbers [that] were released this morning show unfortunately over again that their promises of prosperity just around

the next corner have once again proven to be false," Gore said. "I believe very deeply that the Bush-Quayle record on the economy has failed this country, driven this country into a ditch."

According to figures released Thursday by the Commerce Department, the gross domestic product inched forward just 1.4% between April and June, compared to 2.9% between January and March.

"The recession is not over in the sense that the unemployment numbers are not going to come down with the kind of performance Bush and Quayle have given us," Gore said.

But mindful of his cheering and supportive audience, Gore linked his hosts' lists of issues—including abortion rights, fetal-tissue and breast-cancer research funding and employer-sanctioned emergency medical leaves—to the national economy.

"The choice is clear," he said. "On women's health, on the economy, on the future of our country—do we want four more years of the same?"

Rep. Patricia Schroeder (D-Colo.), one of the rally participants, praised Gore's linkage of the economy with family issues. "He was astute to recognize that our issues are family issues," she said in an interview after the candidate's speech. "We're delighted he did that because these issues cut across the board."

Los Angeles Times

Ad Tells Quayle to Hit the Road

■ **Politics:** He is urged to leave the ticket by the former GOP chairman in Florida. A spokesman repeats that the vice president's status is secure.

By EDWIN CHEN
TIMES STAFF WRITER

WASHINGTON—A one-time Florida Republican Party chairman took out a full-page ad in the Washington Post on Thursday urging Vice President Dan Quayle to resign from the GOP ticket and asking the public to join his "Step Aside for America" campaign.

A Quayle spokesman brushed off the \$45,000 ad, calling its sponsor "a maverick" while repeating recent statements by President Bush and Quayle that the vice president's status is secure.

The ad, paid for by L.E. (Tommy) Thomas, appeared as the Quayle family left the nation's capital for a five-day vacation in Montana. It renewed speculation that Bush might dump Quayle as his running mate.

"I don't think it's a closed issue at all," said Rep. Sherwood Boehlert (R-N.Y.), who supports the current ticket and sports a Bush-Quayle watch on his wrist. Boehlert was the first to speak up and criticize what he called the inept Bush campaign during a closed meeting Wednesday between House Republicans and Frederic V. Malek, Bush's campaign manager.

"Please, Vice President Quayle," the ad's headline said in large bold letters. "Step Aside

for America."

It also contained two clip-out coupons. One is intended for readers to send to Quayle; the other seeks contributions of up to \$1,000 to help finance more ads to "alert Americans to the great dangers posed to our nation if we elect the Clinton Trojan horse"—a reference to Democratic nominee Bill Clinton.

In a telephone interview from his Lakeland, Fla., office, Thomas said: "My hope is that, if Vice President Quayle can't see the light, maybe we can make him feel the heat—for the sake of George Bush, the Republican Party and our country."

Thomas, who owns six Chevrolet dealerships in Florida, Alabama and North Carolina, said: "Quayle is an albatross and he's taking Bush down."

David Beckwith, Quayle's press secretary, called Thomas "a maverick" and "not a Republican in good standing."

Thomas confirmed that he organized Republican support for Democrat Lawton Chiles' successful 1990 campaign for governor, endorsed former Democratic Gov. Bob Graham in his successful bid for the U.S. Senate—and contributed several hundred dollars this spring to the insurgent campaign of Patrick J. Buchanan, who unsuccessfully challenged Bush for the GOP nomination.

"I quit voting blindly some time ago," Thomas said.

Thomas, 67, was the Florida Republican chairman from 1971 to 1975 and chaired Ronald Reagan's Florida campaigns from 1975 through 1984.

As one of 426 electors who voted for the Bush-Quayle ticket in the Electoral College four years ago, Thomas said: "I love George Bush and I'm very enthusiastic about that, but I'm not real happy with the selection of Quayle."

On Thursday, Beckwith said of Thomas: "He pretends or says he's a George Bush fan. But if he were sincere, he would have taken the money he's spent on the ad and contributed it to Bush-Quayle '92."

Thomas' ad comes a day after Bush's campaign bought ads in five newspapers soliciting support from backers of Ross Perot, the Texas billionaire who ended his independent bid for the White House two weeks ago.

Thomas' ad was addressed to Quayle and it said, in part: "We commend you for your years of loyalty to President Bush, the conservative cause and the Republican Party. Because of that loyalty, you—more than anyone else—know that Americans are demanding greater strength in their political leadership. And you know that you lack that strength."

Quayle is due back in Washington early next week. He has campaign appearances set in Alabama and Ohio, followed by a three-day swing through California the week before the Republican Convention in Houston.

Los Angeles Times

Federal Appeals Court Stays Ban on Intercepting Haitians at Sea

■ **Court:** The ruling that boat people can't be sent home without a hearing is suspended. The Justice Department files an appeal with the Supreme Court.

By NORMAN KEMPSTER and JOHN J. GOLDMAN
TIMES STAFF WRITERS

WASHINGTON—A federal appeals court Thursday granted a 48-hour suspension of its own order prohibiting the Coast Guard from returning Haitian boat people to their homeland, giving the Bush Administration time to appeal to the Supreme Court.

The Justice Department immediately filed a 32-page appeal, arguing that the original 2nd Circuit Court of Appeals ruling "threatens to precipitate a new wave of immigrations from Haiti, causing great danger to Haitians who flee the country in unseaworthy boats, and disrupting the orderly conduct of United States foreign policy."

Supreme Court Justice Clarence Thomas, who handles cases from the New York-based appeals court during the high court's summer recess, gave lawyers

representing the Haitian refugees until midday today to respond to the government's petition. His office said he planned to seek the views of the other eight Supreme Court justices by a telephone conference call before deciding whether the court will hear the case.

The 2-1 decision by the appeals court Wednesday concluded that the Administration acted illegally May 24 when it ordered the Coast Guard to intercept Haitians on the high seas and return them to Port-au-Prince, the Haitian capital. The court said the Haitians, who claim to be fleeing political oppression, are entitled to a hearing to determine if they are eligible for political asylum.

Although the appeals court order was in effect for almost 24 hours, it had no real impact. According to a Coast Guard spokesman in Miami, no new refugees were picked up at sea Wednesday night.

Since Bush's decision to return the refugees, the flow of Haitians has all but stopped. Only one boatload was encountered this month, contrasted with more than 13,000 Haitians picked up in May. All 150 refugees aboard the last boat were returned to Port-au-Prince on July 23.

For the first seven months after the coup, Haitians were taken to an emergency camp at Guantanamo

Bay, a U.S. naval base in Cuba, where they were interviewed by U.S. immigration authorities to determine if they qualified as refugees. Under U.S. and international law, refugees are people who have a well-founded fear of political persecution at home. People fleeing poverty—so-called economic refugees—do not qualify.

When the Guantanamo camp filled to overflowing, Bush ordered the Coast Guard to send the Haitians home. At that time, he said potential refugees could apply to the U.S. Embassy in Port-au-Prince.

The appeals court issued an injunction Wednesday prohibiting the forced return of any Haitian "whose life or freedom would be threatened." But on Thursday the court suspended the order until midday Saturday. If the high court accepts the case, presumably the stay will be extended until the matter is resolved.

In its appeal, the Justice Department said Bush acted to prevent the loss of life by discouraging Haitians from putting to sea, often in leaky boats.

"In the seven weeks from April 1 to May 23, close to 17,000 Haitians were rescued by the Coast Guard," the department said. "In May, as many as 1,500 a day were being rescued at sea. In the days immediately prior to May 23, our resources were overwhelmed."

In New York, Lucas Guttentag, director of the American Civil Liberties Union Immigrants' Rights Project, said that before the Administration's decision to immediately return the Haitians, Immigration Service interviewers had determined that between 30% and 35% of the refugees had credible claims for asylum. He said the figures proved that a substantial number of Haitians faced persecution if sent back.

"The government raised nothing new" in its petition to the Supreme Court, Guttentag said. "They are the same arguments rejected by the 2nd Circuit. We are optimistic the Supreme Court will not [approve the Administration's policy] given the fact the injury to the refugees overwhelmingly outweighs any burden on the government, particularly when the law is so clear."

The government maintains that most of the Haitians are trying to escape the island's grinding poverty rather than fleeing from political persecution. Government lawyers say refugee screening at the embassy in Port-au-Prince is enough to protect the rights of people who qualify for refugee status.

Kempster reported from Washington and Goldman from New York.

Los Angeles Times

Comment

ON THE NATION

Clinton and the Women of Summer

When fall came around, previous Democratic candidates took their female support for granted—and lost.

BY SUSAN ESTRICH

The Democrats have their best chance in recent history to win the White House—and women can be an important part of that victory. During the primaries, Bill Clinton ran less well with women than with men. They trusted him less. That began to change at the Democratic National Convention, which was designed, in part, to appeal to women voters.

What Democrats need to remember is that one mistake to avoid is focusing on women in the summer, then ignoring them in the fall.

The Clinton campaign came into the convention believing the bulk of their bounce would come from women. Ross Perot was a lot more appealing to men than to women. This left women more persuadable for Clinton than men, and the convention was designed to reach out to them.

In the last two presidential campaigns, I've watched as candidates who put women at the top of their lists in the summer moved them to the bottom in the fall. There is something overwhelming about polls that show you running as low as 20% among white males, particularly Southern white males. As more than one consultant has explained, you can't win elections with numbers like that.

Maybe not. But if history is a guide, you also can't win elections if you're a Democrat without strong support from women. When Walter F. Mondale drew even with Ronald Reagan at the 1984 convention, a gender gap helped. When Michael S. Dukakis was ahead of Bush, a gender gap helped even more. Besides, it's easier to keep the focus on women than it was four or eight years ago.

Abortion is a far more important issue in 1992 than it was four or eight years ago, and Clinton, who has moved decisively in the pro-choice direction, understands that.

Being pro-choice is important to the women the Democrats need; convincing them that you can be trusted to help people find jobs and hold on to the ones they have is even more important. Clinton has an economic program, which gives him a major leg up over Bush. But the governor still needs to translate the 20-point plan to the kitchen table.

These are also the issues that unite women. The only difference between women who work outside the home and those who make tea and cookies is that most working women also worry about whether they're spending enough time with their kids, while women who aren't earning money have to spend a lot of time worrying about money. What got Hillary Clinton in trouble was not that she works, but the sense she managed to convey, however inaccurate, that she is one woman who puts her career first, who doesn't feel torn and guilty. In their effort to protect their daughter's privacy, the Clintons left most Americans barely aware that they had a daughter, and Hillary Clinton, as the mother, got blamed for that more than her husband did.

Of course, the governor also had his share of character problems in the primaries, particularly among women voters. But at least by the time he got to California, his character problems had less to do with who he did or didn't sleep with than with the sense that he was just another politician.

At the convention, Clinton didn't trim. There was no phony love for Jesse Jackson or Edmund G. (Jerry) Brown Jr. or the Democratic Congress. He took on the "brain-dead politics of Washington," with no excuses for House Speaker Thomas S. Foley of Washington or Senate Majority Leader George Mitchell of Maine.

For most women, that sense of integrity is a whole lot more important than whether Hilary can bake better cookies than Barbara Bush, or whether Gennifer Flowers is telling the truth, or even whether Clinton got an induction notice.

Bush is bound to start doing better than he's doing right now. If he recovers, the recovery will no doubt start among white men. Someday, in the not too distant future, someone is likely to come to Clinton and tell him it's enough already with women's issues, let's start eating pork rinds, ride in a tank, get the male surrogates out front and forget about the ladies. I hope he does what his Democratic predecessors didn't do: Ignore them. All the way to the White House.

Susan Estrich, a law professor at USC, served as campaign manager for Michael S. Dukakis in 1988.

Los Angeles Times

Comment

ON THE WORLD

Don't Let Facts Get in the Way

Shrill critiques of Rio's Earth Summit ignore important realities about the environment and U.S. policy.

BY MURRAY WEIDENBAUM

Last month's Earth Summit in Rio de Janeiro yielded two results readily predictable by any seasoned cynic. First, many of the more vocal environmental activists were disappointed that far stronger action was not taken. They blamed the United States primarily for the shortfall from their expectations.

But secondly, the range of international regulation of private enterprise was expanded considerably, often far more than could be justified by good science—or even sensible environmentalism.

Surely the grandiose vision and the almost limitless array of proposals constituted an impractical task for any assortment of mere mortals.

The disappointment on the part of the environmental activists stemmed in large part from their arrogant attitude that they possess the wisdom and the ability to remake the world. Otherwise, for example, the Earth Summit staff would have been content to draft a bio-diversity treaty that stuck to the subject of preserving species. Instead, they insisted on adding onerous controls over the emerging biotechnology industry.

Although they were supposed to be developing an international agreement to preserve animal and plant life, the planners placed in the treaty decisive provisions on patent rights in biotechnology.

Why should the United States—the world leader in biotechnology—join the laggards in putting that sector of the economy into a regulatory strait-jacket?

As for the much-maligned "watered down" global warming agreement, the critics paid no attention to the most recent scientific evidence on the subject. A key report was issued just weeks before the Earth Summit by the George C. Marshall Institute, a think tank containing some of the most distinguished scientists in the United States.

The latest scientific data shows that prospects of an increase in the Earth's temperature over the coming century are so modest as to warrant little if any special attention.

However, acknowledging the current scientific evidence would have forced the Rio activists to abandon their high-decibel assault on American policy. The magnitude of U.S. environmental cleanup was also ignored by the professional critics.

Spending more than \$110 billion a year for a cleaner, safer environment contrasts with the pious talk of many members of the European Community. According to Ecofin, a British environmental services group, "U.S. environmental legislation is about five or 10 years ahead of EC legislation, especially in the enforcement area."

These facts, sadly, were submerged by the shrill critiques of the thousands of interest group participants who were assembled in Rio.

Perhaps the most serious ecological shortcoming of Earth Summit was the environmental issue not given a prominent spot on the agenda. It is ironic that any objective ranking of environmental risks in terms of adverse effects on human life would not give top priority to global warming or bio-diversity.

None of the issues that dominated Earth Summit has the immediately devastating impact of polluted water, especially in the poorer countries. It is hardly surprising that the developing countries were not anxious to devote large amounts of their resources to the highly selected agenda favored by many industrialized nations.

It is hard to understand the reasoning of environmental organizations that think that controlling patent rights over biotechnology is more urgent. Yet perhaps we should not be surprised that the Earth Summit staff planners, who were mainly officials of U.N. agencies, were preoccupied with issues that involved the expansion of their power and authority.

At the close of Earth Summit, many of the more restrained analysts in attendance concluded that, although the specific actions taken were disappointing, the conference was a success because it raised people's awareness of environmental issues.

That may be too generous an appraisal. Rio represented a much less desirable precedent. It demonstrated that, if your intentions are noble, you can get away with expounding the most soft-headed, muddled notions.

Worse yet, hot air was given precedence over serious thought.

Murray Weidenbaum is director of the Center for the Study of American Business at Washington University in St. Louis.

Los Angeles Times

WASHI

EDITORIALS



of THE TIMES

Oh There's No Rush, Really

Supervisors need to accelerate Sheriff Block's response to reform report

If the Los Angeles County Board of Supervisors is not entirely satisfied with Sheriff Sherman Block's response to the findings and recommendations of the Kolts Commission, it isn't alone. Police and community relations in Los Angeles County have been on the tense side lately, and so it was with some urgency that the supervisors last December impaneled a commission to probe into controversial issues facing the Sheriff's Department.

Though avoiding either petulance or obduracy, Block, at a news conference Wednesday, indicated that it would be at least "a few months" before he submitted his detailed response to the board and that in the meantime he would comply with "a few" of the 209

recommendations in the report, prepared by retired jurist James G. Kolts.

That rather leisurely approach to responding should not satisfy the board. The supervisors were right to authorize a special investigation, and they would be right to now hang tough and insist on a more forthcoming attitude on the part of the sheriff.

It's true that Block, unlike the recently departed LAPD Chief Daryl F. Gates, is an official elected by the people and therefore is not directly accountable to the board. But the supervisors must approve the sheriff's budgets and work with the department closely when other official authorizations are required. In the past the relationship between Block and the supervisors has

perhaps been too cozy; but it would be of no use to anyone if that relationship suddenly were to become dysfunctionally chilly.

That might happen if the sheriff fails to read the tea leaves properly. The public is deeply concerned about police-community relations. The passage of the L.A. city police-reform charter amendment last month by an astonishing margin is one good measure of public opinion. The board therefore needs to keep the pressure on. It should hold hearings on the report; it should ask the sheriff—a respected and thoughtful law enforcement official—to be more forthcoming.

Block doesn't need months. As smart as he is, a few weeks would be more like it.

The Pain of the Squeeze

Rockwell and the City of Anaheim work toward a survival strategy

Fortunately, a Rockwell International executive's suggestion that the firm might be forced to leave Anaheim if the city raised its utility rates turned out to be a hollow threat. Rockwell this week quickly issued a disclaimer, saying it had no plans to leave.

But the incident raised important issues facing cities throughout the state as they try to meet the demand for services even as they watch revenues shrivel.

Businesses, of course, must pay their fair share to keep their host cities viable. But, as many cities have learned, if pressed too far, firms will head for lower-cost states or even out of the country.

It takes wise city councils to distinguish between a firm that is bullying and one that

legitimately needs help in order to keep valuable jobs at home.

The controversy in Anaheim arose when the City Council announced it would ask voters to approve the transfer of up to \$9 million from its Utility Department to its depleted general fund.

It's true that Rockwell—with 4,000 employees—Anaheim's second-largest employer, after Disneyland—may have jumped the gun by assuming the city would raise utility rates to make up the difference. But it was dead right to conclude that the city would have to make up the money somehow, and utility rates seem a likely target.

Indeed, robbing Peter to pay Paul has become a fact of life in Anaheim, Los Angeles

and most other cities. The state's current budget crisis isn't expected to make things easier.

To its credit, Anaheim has shown a willingness to work with businesses in order to keep them. For example, Anaheim made a valiant but failed attempt to keep a 105-employee TRW Inc. unit in the city rather than see it move to Texas. Nearby Orange had more success in inducing TRW to keep its 1,000-employee credit reporting division in that city.

Working with business to retain jobs is an increasingly important role for city councils. But it isn't easy in these hard times, when cities sometimes must decide just how far to squeeze businesses without squeezing them to death.

Los Angeles Times

A10 FRIDAY, JULY 31, 1992 ★

The Best Strategy Against Saddam

Afghan-style approach for Kurds and Shiites

The United States did not go to war in the Persian Gulf to remove Saddam Hussein from power in Iraq. We went to war to restore Jabbar al Ahmed al Sabah to power in Kuwait.

The facts, on this point, speak for themselves. When Hussein's army was on the run, the coalition did not run it, or him, to ground. Gen. H. Norman Schwarzkopf may or may not have wished to do that. Gen. Colin L. Powell, chairman of the Joint Chiefs of Staff, may or may not have overruled him. What is clear is that U.S. allies in the Middle East went to war to restore a ruler, not to remove one. Diplomatic strategy—politics, if you will—overruled the military strategy.

In the months that preceded and followed the brief shooting conflict, another cause for war emerged: Saddam Hussein was turning Iraq into a nuclear power. He still is. Technology transfers from the West, even from the United States, have had much to do with this. But, past mistakes aside, what is now to be done?

Though the Saudis and the Kuwaitis back unilateral U.S. action against Hussein, the Turks and the Egyptians do not. Nor is there much chance of reassembling the broader Gulf War coalition. But there is an alternative to war. Call it the Afghan strategy.

No Western coalition ever invaded Afghanistan. But at a time when the Soviet invasion

seemed to portend a Soviet thrust toward the Persian Gulf, the Democrat-controlled Congress actually increased a Republican President's appropriations for support to the Afghan resistance. And it worked: The resistance won.

The United States should back the Iraqi resistance—which is to say the Kurds in the north and the Shiites in the south—as it backed the Afghan resistance. The Bush Administration's policy toward this resistance has been lamentably confused. On the one hand, the Administration clearly hoped for and indeed predicted Hussein's overthrow. On the other, though Administration rhetoric encouraged the Kurds and the Shiites, U.S. diplomacy froze them out.

That seems to be changing now. On Wednesday Secretary of State James A. Baker III met with Kurdish and Shiite leaders. And the Administration has gone to the U.N. Security Council again for new authorization for possible additional military action. But aside from Britain and France, few nations have much enthusiasm for more war.

Washington may well find that the West's internal allies in Iraq are its most effective assets against Saddam Hussein. A prewar meeting with a key Kurdish leader like Masoud Barzani could have made an enormous difference back then. But meetings now serve a most important purpose—and send a vital signal.



Masoud Barzani, a key Kurdish leader.

Los Angeles Times

HAITI WATCH

Port of Misery

A federal appeals court has slapped the Bush Administration on the wrist for its callous policy of having the Coast Guard return Haitian refugees to their troubled country without a hearing to determine whether they qualify for asylum.

Overtaking a lower court judge's ruling, the 2nd District Court of Appeals in New York said the Haitian refugee policy violates not just international treaties that the United States has signed but also U.S. immigration laws stating the government "may not return aliens to their prosecutors" even when refugees are found on the high seas rather than on U.S. territory.

The appeals court Thursday suspended its own order until Saturday. Administration officials will now take this case to the U.S. Supreme Court for a final determination. The appeals court has revived the controversy over not just how this country treats Haitian refugees but how it deals with the illegal government in Port-au-Prince.

There has always been a flow of Haiti's poor to this country, but it became a flood when the popularly elected government of President Jean-Bertrand Aristide was overthrown by a military coup. Until Aristide is restored, poor Haitians will have little incentive to stay in their homeland.

The Administration has demanded Aristide's return but imposed only a porous economic boycott on Haiti to back up the demand. This painful and embarrassing standoff would come to a rapid end if Washington were as tough with Haiti's military and economic elite as it is with poor Haitian refugees.

Los Angeles Times

PERSPECTIVE ON FREE TRADE

Don't Serve Up Half a Loaf



To pass muster, Bush's treaty needs negotiated provisions on worker displacement, wages and environmental controls.

By RICHARD A. GEPHARDT

Life, it has been said, is a paradox; every truth has its counterpart that contradicts it. President Bush is about ready to step into a free-trade paradox. The President wants a diplomatic victory before the November election, and he is hoping to initial a North American free-trade agreement with the governments of Mexico and Canada to advance that cause.

But by settling for a flawed agreement—one that omits essential environmental controls, worker adjustment policies, protections for American and Mexican workers, and incentives for American manufacturers to remain in the United States—he may well undermine the cause of reducing barriers to trade in our hemisphere and thwart the foreign-policy credential that stands at the center of his campaign for another four-year term.

President Bush approaches this negotiation with an archaic understanding of trade. His goal, which is worthy, is to reduce tariff barriers to trade in our hemisphere. But there are new circumstances that apply especially to the U.S.-Mexican relationship that contribute to the loss of American jobs,

wages is a powerful incentive for American corporations to move south.

And this they have done. We have been losing thousands of jobs to Mexico as American companies relocate to take advantage of lower wage rates and lax enforcement of environmental, health and labor laws.

For example, just this week, the last American manufacturer of typewriters, Smith-Corona, closed its factory in Cortland, N.Y., and moved to Mexico. In Springfield, Mo., 1,200 Zenith employees lost their jobs this year when their plant moved to Mexico. The furniture industry, which once provided good-paying jobs to the residents of inner-city Los Angeles, has similarly moved south to take advantage of lower Mexican wages and laxer environmental regulation.

A good free-trade agreement would lower tariff barriers but also include provisions to finance needed improvements in infrastructure and protections for the rights of Mexican workers. A comprehensive accord would raise environmental and labor standards in Mexico. A far-sighted pact would include comprehensive provisions for worker adjustment and retraining—much like those operating in the newly integrated European Community—to ensure the livelihoods of American workers who are displaced by the impact of a free-trade agreement. This would rally those people most harmed by the impact of free trade to the cause of expanded global commerce.

In sum, properly negotiated, this agreement could live up to its advance billing as a blueprint for expanded economic growth and social justice throughout the Western Hemisphere. Yet none of these concerns are resolved by the draft accord President Bush wants to sign before the election.

When a similar free-trade arrangement with Canada was presented to us, Congress found flaws in the draft treaty that President Reagan had negotiated. We sent his team back to the negotiating table and reworked the most objectionable parts that could have caused the agreement to be defeated. Similarly, the President could tell Carla Hills, the U.S. trade representative, to find common ground with her Canadian and Mexican counterparts that could save this agreement.

Woodrow Wilson was crushed nearly a century ago by the failure of the Senate to enact the League of Nations. Beleaguered by a stagnant economy and Soviet adventurism, Jimmy Carter suffered an additional political setback when the Senate declined to take up the SALT II treaty. President Bush will similarly founder if he fails to submit a North American free-trade agreement that comprehends the challenges America faces in the new global economy. Paradoxically, the President would do better politically by forsaking the short-term gratification of signing a flawed free-trade agreement now to look after the long-term economic interests of the United States.

Rep. Richard A. Gephardt (D-Mo.) is the House majority leader.

'Properly negotiated, this agreement could live up to its advance billing.'

the degradation of our shared environment and the ability of workers on both sides of the border to improve their standards of living as economic change sweeps this hemisphere and the world. And these are precisely the concerns that President Bush is ignoring in his rush to conclude the free-trade treaty.

There are people on both sides of our border who live in abject poverty amid environmental degradation. I've visited shantytowns, known as *colonias*, where families are living in squalor, in cardboard homes without sewage or running water. Children lie sick with dysentery. Families use empty drums that once held toxic chemicals to hold the water they use for drinking, cooking and washing. Mexicans move from their nation's interior and congregate in these communities because they are havens for U.S. corporations that have moved their jobs, their profits and their operations to Mexico.

More than 2,000 of these U.S.-run *maquiladoras* have been created in Mexico, employing almost half a million people. These workers make cars, electronics equipment, elevator controls and other competitive products. Yet, despite their productivity and skills, these Mexican workers are often paid less than 75 cents an hour. This disparity between U.S. and Mexican

Los Angeles Times

The Incredible Shrinking Education Grants

By MICHAEL S. McPHERSON
and MORTON OWEN SCHAPIRO

Our government has found still another occasion to mislead the American people. Congress has passed and President Bush last week signed the Higher Education Act, which, among other things, authorizes an increase in the maximum size of Pell grants for college students from \$2,400 to \$3,700.

"Authorizes." What a lovely word. It permits Bush to say, "I hope that many middle- and low-income families who dream of a college education for their children will find that this legislation helps to make their dreams a reality." It permits the Democratic Policy Committee to proclaim proudly that "the maximum Pell grant will be increased by more than 50%."

Dream on. Within days of the passage of

the Higher Education Act, the House Appropriations Committee sent to the floor legislation that would cut the maximum Pell grant by \$100 for the coming year. This legislation would permit the President to make further cuts.

What we have here is a civics lesson. An authorizing bill, like the Higher Education Act, simply sets the legal limits within which Congress can spend money on particular programs. No money can be appropriated without authorization. But authorizing a program does not in any way commit Congress to fund it. The decision about how much to spend is made separately, in an appropriations bill. Or, in other words, with an authorization and a quarter, you can buy a cup of coffee.

Why is Congress authorizing more money and spending less? The answer requires two words: the deficit. Appropriating the

money needed to fund the new Pell grant maximum would add billions of dollars to spending on higher education. But no one wants higher deficits or (perish the thought) higher taxes that could pay for more spending. The solution? Raise the spending ceiling but keep a lid on the actual spending. Take all possible credit for a more generous Pell grant program and hope folks don't notice that the grants are in reality smaller. And don't let the grants actually shrink until after the election.

Happy campaigning.

Michael S. McPherson is a professor of economics at Williams College. Morton Owen Schapiro is chairman of the economics department at USC. They are the co-authors of "Keeping College Affordable: Government and Educational Opportunity" (Brookings Institution).

Los Angeles Times

Yes, They're Poor—and Persecuted, Too

■ **Haitians: Refugees can be given safe haven without being brought to U.S. territory.**

By DORIS MEISSNER

In calling the Bush Administration's policy toward Haitian boat people a violation of national and international refugee law, a federal appeals court has given the President an opportunity to rethink his unseemly order to escort boats fleeing Haiti back to the island. Instead of appealing the decision to the Supreme Court, our government would do well to choose an alternative, more humane policy toward the Haitian refugees.

U.S. denunciation of last year's coup in Haiti and the Organization of American States sanctions did not anticipate a migration emergency. When it came, the Administration took the anomalous position of decrying the abrogation of human rights and democracy by the junta while denying that individual Haitians were being abused.

The response of neighboring nations should have been to protect the coup's victims. Protection does not envision settlement in the United States, nor even coming to U.S. territory. It does not require costly and difficult interviews or political asylum hearings.

Haiti's political situation was extremely fluid last fall, and the target of regional diplomacy was to restore an elected government. Political-asylum procedures are premature in such circumstances. Moreover, bringing substantial numbers of fleeing Haitians to Florida for hearings estab-

lished incentives for others to take the departure gamble for questionable reasons, exactly what the Administration purportedly and properly sought to thwart.

The Administration would have us believe that political asylum leading to settlement here or peremptory return are its only choices. Not so. By concentrating on protection, it could have made its policy be safety for Haitians while the search for a political solution continued.

A policy of safety requires places to put people. Guantanamo Bay and other military facilities in the hemisphere would be appropriate. Some have proposed a Haitian island as a temporary safety zone. Albeit confrontational, that would open up interesting possibilities for leverage against the junta. Housing Haitians outside U.S. territory is legitimate, given the magnet that we represent for Haitian immigration. By cutting off the chance to get to Florida but still offering protection, the policy would discourage the departure of Haitians for reasons other than seeking refuge.

Safety under regional diplomatic auspices would not only be defensible from the standpoint of refugee law; it also would heighten the pressure to resolve the political crisis generating the boat flow. The OAS would have to incorporate repatriation into a broader settlement and provide human-rights monitoring and other assurances, possibly including peacekeeping, to promote fair treatment. That would represent, for once, a credible attempt to attack some of the causes of the exodus from Haiti.

Escaping the poorest nation in the hemisphere, Haitians are certainly fleeing poverty. But that does not mean that they

are not also being collectively persecuted. It is especially alarming, therefore, that the Administration is failing to treat the Haitian boat crisis as a glimpse of things to come. The policy of forced return did indeed stop a desperate, unsafe hemorrhage of boat departures. But that does not mean that the suffering has ended. All that has changed is that neighbors have eliminated any escape.

As things stand, the momentum for a solution has faltered badly. Instead of organizing a creative, lawful and humane response to the next inevitable flight of Haitians, the Administration appears determined to have its policy validated. The same arguments that the appellate court rejected will be sent to the Supreme Court, in hopes it will be more receptive.

What these arguments overlook is the central political reality of mass exodus, generated by egregious, widespread, continuing human-rights abuse. This is an emerging phenomenon in international affairs. Haiti is not a unique case. The same thing is happening in Yugoslavia and elsewhere on the periphery of the former Soviet Union. There will be more.

Finding ways to succor the victims while also holding governments accountable for the well-being of their populations must be a primary objective of our international political agenda. The United States cannot duck the dilemma for long. Haiti would be a good place to start.

Doris Meissner, a former acting U.S. immigration commissioner, is a senior associate at the Carnegie Endowment for International Peace.

OPINION USA

Blacks should use their billions to call their own shots

African-Americans should stay home from conventions next year and communicate by fax or post cards.

They should pool the billions normally spent at conventions and buy a couple of first-rate hotels.

That one step could help empower blacks without rioting, affirmative action or federal spending. Another route is to withdraw their dollars from institutions that don't respect black consumers.

Much is written about black poverty, but taken as a group, blacks aren't poor. They earn about \$300 billion yearly and buy 50% of all movie tickets. More than 54% own bank cards, says Exit



BARBARA REYNOLDS
COLUMNIST

Travel Magazine.

If black wealth were well-organized and leveraged, it could reap huge payoffs.

About 1 million blacks attend national or regional conventions or reunions yearly, spending about \$16 billion on airplane tickets, hotels, car rental, clothes and baby sitters. The 20,000 delegates to the annual Congressional Black Caucus weekend alone spend about \$100 million in Washington, D.C.

Yet, sadly enough, blacks own not one major hotel.

If black groups would set aside \$3 billion of what is spent at conventions, the interest on it would be \$400 million. That could be split into units of \$20 million to buy hotels in 20 top markets where blacks live, says noted TV host Tony Brown, an early ad-

vocate of such a plan.

Another tactic long used to leverage black dollars is the economic boycott.

In Miami, a boycott was launched against area hotels and convention sites in 1990 after the city's Cuban leadership was accused of disrespecting visiting South African leader Nelson Mandela.

A search of convention sites in the 1992 Blackbook shows that of about 100 national black groups, not one chose Miami for its 1992 convention site. NOW and the ACLU also joined the boycott, which has cost the area about \$38 million.

Attorney Marilyn Holifield, a boycott spokesperson, says

that black tourists contribute about 17% of the Miami area's tourism dollars, but unions there haven't provided a single black banquet waiter, some of whom make up to \$40,000 yearly, to major hotels, nor are blacks getting business contracts.

The boycott has persuaded Miami businesses to contribute scholarship funds for blacks to pursue hotel-management careers and has energized black pride. It won't be called off until changes are made in the city's treatment of Haitians and in its business practices toward blacks.

If black wealth were used wisely, racism itself would have to take a holiday.

K

Governors' confab: Presidential preview

Chances are a future president will be present when the USA's governors gather at their annual conference this weekend in Princeton, N.J. If a gov doesn't become prez next January, it's likely in '97 or the year 2001.

As a group, governors are our most underrated public officials. And the most undercovered by the national media, unless they're in trouble. That's because political pundits in the press have trouble seeing beyond the Potomac.

Yet, 17 of our 40 presidents made it to the White House from the statehouse. Including two of the last three — Jimmy Carter and Ronald Reagan.



**AL
NEUHARTH**
USA TODAY FOUNDER

Weighing such factors as party affiliation, timing, sex and race, keep your eye on these five guvs as potential presidential candidates in '96 or beyond:

- ▶ Ann Richards, 58, D-Texas.
- ▶ Roy Romer, 63, D-Colo.
- ▶ William Weld, 47, R-Mass.
- ▶ Doug Wilder, 61, D-Va.
- ▶ Pete Wilson, 58, R-Calif.

Richards' high national profile and her big Texas base make her the most likely first woman to head a major party ticket.

Romer's relatively low profile will improve after he becomes Governors' Association chairman next Tuesday.

Weld's age and his surprising election in Kennedy country make him a strong Republican hope.

Wilder's still the best bet among blacks. He's helped by smartly opting out this year when he didn't catch on in early campaigning.

Wilson's senatorial and gubernatorial background from California will keep him in the picture despite his state's financial woes.

Five years ago, after interviewing all 50 governors, I predicted one of these two would head the '92 Demo ticket: Bill Clinton or Mario Cuomo.

After the way he toyed with the public and press and copped out this year, Cuomo can't resurface on the national scene. Unless he and Ross Perot team up on a No Guts ticket.

FEEDBACK

Other views on governors and the White House

"I'm pleased that our record in Virginia has drawn the attention of those looking for a solution to the problems in Washington. My focus, however, is on doing the best job I can for Virginia."

— L. Douglas Wilder, governor of Virginia

"It's only natural to look to governors with a sense of destiny for national leadership — but not this year."

— Chris Henick, exec. dir., Republican Governors Assn.

"1996 is a long way off; Texas is here and now. I have my work cut out for me right here. The future will take care of itself."

— Ann Richards, governor of Texas

Today's debate is on **BANKING SCANDALS**
and whether the investigations should be pursued.

Keep digging for facts in the BCCI scandal

OUR VIEW Prosecutors should dig for answers to the many tantalizing questions about this banking scandal.

Legal sleuths digging into the BCCI scandal might never touch bottom, but that shouldn't deter them from vigorously shoveling up the dirt.

BCCI — the Bank of Credit and Commerce International — was a den of thievery, a financial supermarket for scoundrels engaging in bribery and skulduggery, until it was closed last year.

Tantalizing questions remain:

► What was the CIA's involvement in the bank and with its sleazy clientele, which included Saddam Hussein, Manuel Noriega and a virtual Who's Who of drug kingpins? The agency was a major depositor in the bank.

► Did BCCI have a role in pumping drugs into U.S. communities?

► How did BCCI's activities escape notice of regulators and investigators for more than a decade? Bribes were paid elsewhere. Were they paid here?

► If BCCI could hire as respected a figure as ex-presidential adviser Clark Clifford, who else was involved?

► Why was the Justice Department so slow to investigate despite prodding?

For a decade before BCCI was shut down last year by the U.S. and foreign governments, its well-connected depositors and investors used the bank to run drugs and arms and finance terrorism.

This cabal bought itself credibility by hiring Clifford and his partner, Robert Altman, to sink its hooks into two U.S. banks: 1st American Bankshares and the National Bank of Georgia, according to indictments announced Wednesday.

Clifford and Altman — top executives for 1st American — are accused in the indictment of accepting more than \$40 million from legal fees, sham loans and rigged stock deals. Both men have declared their innocence.

Other indictments of BCCI and its operators here and abroad allege fraud, drug running, money laundering and bribery. Yet the Justice Department joined in earnest only after it was embarrassed into action by New York District Attorney Robert Morgenthau.

More indictments may be forthcoming; congressional hearings are under way. Lawmakers and prosecutors must keep digging.

BCCI just a distraction

OPPOSING VIEW In reality, the BCCI scandal has had virtually no effect on U.S. depositors or taxpayers.

It is no coincidence that Clark Clifford and Robert Altman are targeted now, as elections draw nigh. From the prosecutors in New York to the legal guns in the Justice Department to members of the congressional subcommittee, all have much to gain from the high visibility garnered from an investigation covered step by step in the nation's press.

After all, much of the public's current anger toward government stems from the utter failure of those charged with monitoring U.S. banking safety. Many people, lacking a basic understanding of banking, will assume that this investigation has something to do with the meltdown of our banking and savings and

loan system or the half-trillion-dollar bailout that has accrued. It does not.

In reality, the BCCI scandal has had virtually no effect on U.S. depositors or taxpayers. Despite claims by the investigators involved, this entire matter has negligible bearing on U.S. banking policies. A simple trial is warranted. The political and media feeding frenzy developing now is not.

The BCCI show, a joint production of grandstanding government and symbiotic media, is best suited for the tabloids. Those concerned with real policy questions should address themselves to less sensational but far more important events. All the signs indicate that banking failures will accelerate after the elections, despite official silence by both parties. Moreover, U.S. banks continue to fall further out of the international running.

The multimillion-dollar BCCI investigation is a prime-time soap opera, complete with an Arab sheik, a movie-star wife and an aging confidant of presidents. It is bread and circuses for the rabble — nothing for educated people to spend their time worrying about.



By Patrick Cox, an associate policy analyst for the Competitive Enterprise Institute.

No AIDS tests for doctors

On another topic, USA TODAY believes AIDS testing of health-care workers would be a waste.

Why not test both doctors and patients for the AIDS virus?

That was the question raised by Kimberly Bergalis in congressional testimony before her December death from AIDS. She and four others had contracted the fatal disease from a Florida dentist.

Thursday, the National Commission on AIDS offered the right answer: Such testing would do more harm than good.

Testing health workers, the commission said, would send the message to them that treating AIDS patients could endanger their livelihoods as well as their lives. Eventually, it would lead to patient testing that would delay care and thus increase death rates.

Such cold reasoning may seem to lack compassion for patients. But to defeat

AIDS requires facing facts.

Aside from the patients of the Florida dentist, no other patients infected by those who treat them have turned up.

The Centers for Disease Control checked 16,000 patients of AIDS-infected doctors and dentists and found none infected by their caregiver.

The results show two things:

The AIDS virus isn't easy to catch. And the precautions health-care workers now take to protect themselves protect their patients, too.

Meanwhile, mandatory AIDS tests of health workers could lead to a false sense of security, which would be deadly with a virus that isn't detectable until months after infection.

And at \$1.5 billion a year, such tests would rob resources needed for research, for education and to treat 1 million Americans now infected with the virus.

Mandatory testing for AIDS provides no safety, only danger.

IN QUOTES

"The last untried and untested governor from the South was Jimmy Carter. Who can remember 1980? Who can forget?"

— Gov. John Engler, R-Mich., introducing President Bush

"The middle of a contest is no time to dump your cookies."

— Jacqueline Leo, Family Circle's editor in chief, after Barbara Bush disowned the recipe printed as hers in a cookie bake-off with Hillary Clinton

"If you don't believe him, you

'Strictly speaking, Fidel is a tyrant.'

— Alina Fernandez
Revuelta, Castro's daughter



AP

can just go ask John Sununu."

— Jay Leno on Bush saying he would not fire "loyal employee" Dan Quayle

"I can tell you flatly he is not

scarred, there is no hole in his nose and he is not disfigured in any way."

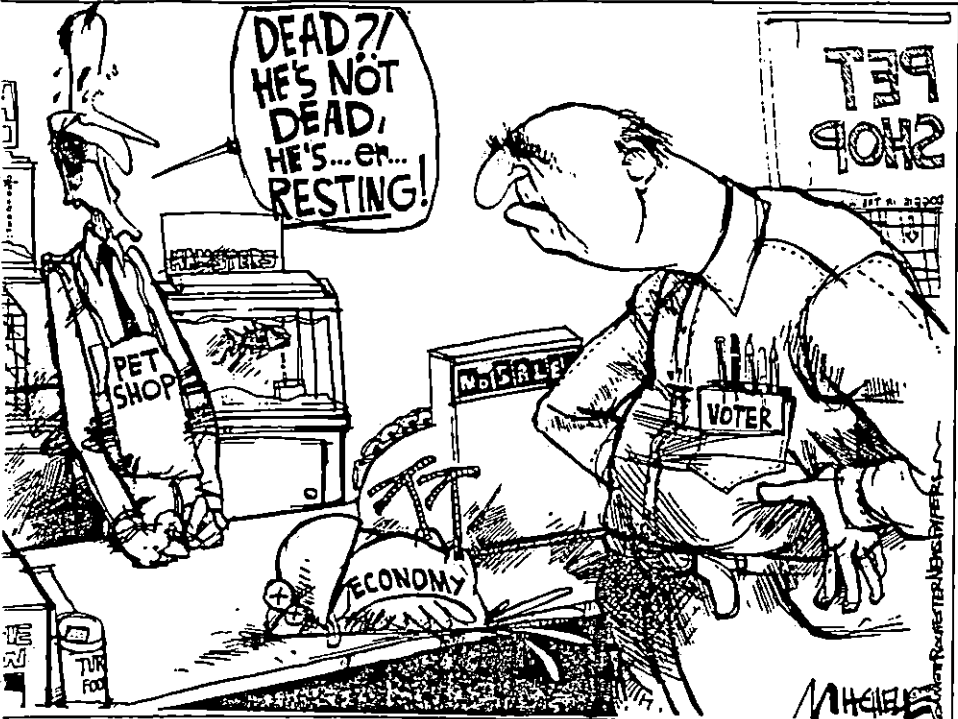
— Michael Jackson's lawyer, Bertram Fields, responding to a report in the British Daily Mirror

"They're better for big or heavy people."

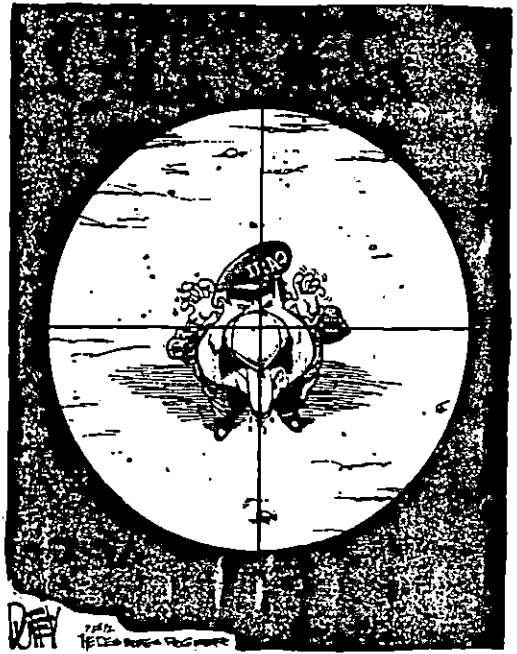
— Bill Clinton on why he's partial to Nike Air Max running shoes

"She had a seafood platter for four, a cheese platter, a fruit platter, a fifth of Courvoisier, a fifth of Tanqueray, and a bottle of chardonnay."

— Larry Bonoff, business manager at the Warwick Musical Theater, describing the backstage food singer Patti LaBelle complained about from the stage before abruptly ending her performance



Bill Mitchell, Gannett Rochester Newspapers

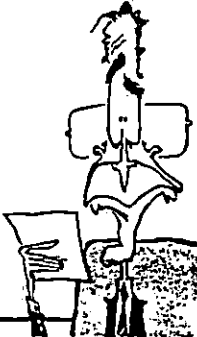


Brian Duffy, Des Moines Register, North America Syndicate

MEMO

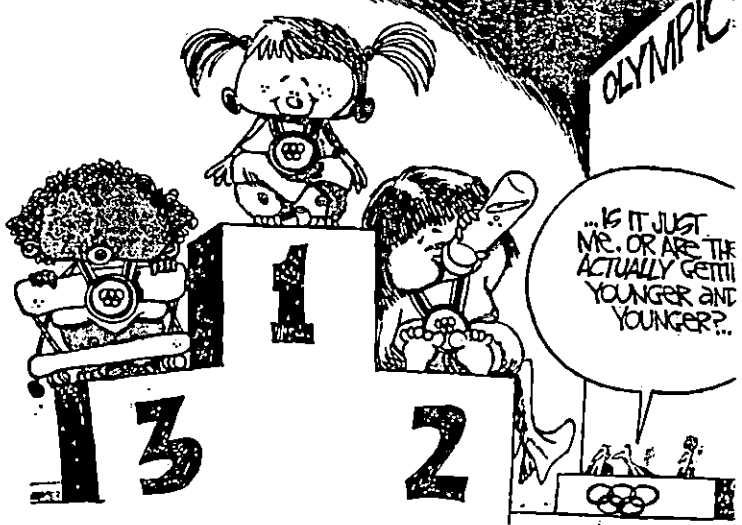
You can't fir me.
I quite.

-Dan



Jim Borgman, The Cincinnati Enquirer

WALT HANDLSMAN



Walt Handelsman, The Times-Picayune, New Orleans, La., Tribune Media Serv



Dick Locher, Chicago Tribune, Tribune Media Services

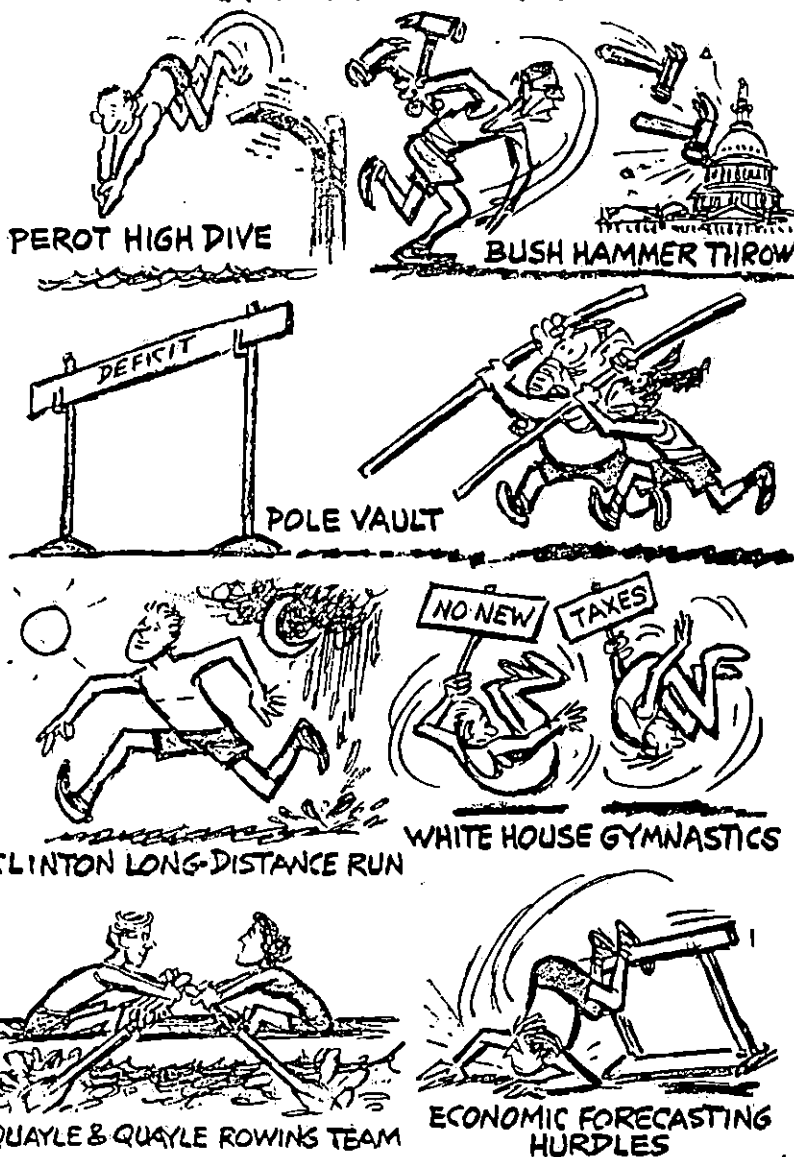


Ed Stein, Rocky Mountain News, Newspaper Enterprise Associa

The Washington Post

FRIDAY, JULY 31, 1992

CAMPAIGN OLYMPICS



For the Record

From remarks by Attorney General William Barr at a briefing in the White House July 29:

Barr: This morning I presented to the president our first-year report on Operation Triggerlock, which is one of the department's anti-crime initiatives. . . .

Traditionally, the federal government's role in dealing with violent crime has been quite limited because 95 percent of violent crime is committed and handled at the state and local level. Nevertheless this administration believes that the federal government, working in close partnership with state and local law enforcement, can have a positive and substantial impact on violent crime. . . .

Triggerlock . . . is a high-impact operation where we use very tough federal firearm statutes to prosecute chronic offenders.

. . . Over the past year, we have doubled federal prosecutions of firearms offenders in the federal system. We have charged over 6,400 individuals nationally. We are convicting them at a rate of over 90 percent. The average sentence for that whole group so far has been seven years without parole, and the average sentence for the armed career criminals—that is, three-time losers—has been 18 years without parole. . . .

Q: You're saying that this program is in place of any need for gun control . . . ?

Barr: No, I didn't say it was in place of, but it's certainly an important part of getting to the problem. . . . Most serious felons will get firearms regardless of what the gun control laws are. . . . Our position is that part of any attack on firearm violence has to be targeting these felons who repeatedly commit acts of violence and getting them off the street.

The Washington Post

FRIDAY, JULY 31, 1992

Fetal Tissue and Politics

WHEN CONGRESS voted last month to lift the four-year ban on funding for research that uses fetal tissue from abortions, the House failed by just 12 votes to override the president's veto. Now Congress has another chance to authorize funding for that and much other badly needed National Institutes of Health research. The revised bill it is considering—with identical versions now moving in both houses—would also make it possible to resolve the nasty question that has been raised as to whether the White House, to secure that narrow margin, misrepresented scientific data provided by its own NIH researchers.

Research involving fetal tissue transplants holds promise for curing Alzheimer's, Parkinson's and other deadly diseases, but federal funding for it has been banned since 1987 on grounds that it "encourages abortions," though there is no evidence it does. President Bush renewed the ban in 1988 against much scientific advice, and when Congress seemed about to lift it last month, he issued an executive order to create six "fetal tissue banks" to collect tissue from ectopic pregnancies and miscarriages, supposedly eliminating the need for the other kind.

Many scientists assailed this as a diversionary action, saying they had tried to create such a bank (at Yale) but found it produced only tainted and infected tissue from abnormal pregnancies. But the banks' main supporter, Health and Human Services assistant secretary James Mason, estimated they could yield up to 2,000 usable fetuses a year. The department stands by

those estimates despite reports in the New York Times the other day that the advocates were already aware of evidence the claims were vastly exaggerated.

The new bill, introduced by Rep. Henry Waxman and Sen. Edward Kennedy, would test the proposition directly. It would extend the ban a year while the tissue banks geared up (the interval Dr. Mason says they need). But thereafter federally funded researchers would go first to the bank for tissue and then, *if none were available*, could seek tissue from induced abortions. If the president truly believes the tissue bank will work, the bill's sponsors point out, he can sign it with a clear conscience.

The bill also reinstates the NIH reauthorization that the president's veto sank—a bill, by the way, full of other good things, such as new funding for research on breast and ovarian cancer, the veto of which Bill Clinton mentions regularly on the campaign trail. The new bill also includes an array of safeguards on tissue use: No pregnant woman could donate aborted tissue to a family member or know the recipient's identity; the subject of tissue donation couldn't be broached until after the abortion decision was made; no money could be involved.

A spokesman for Dr. Mason said the department would still oppose such a stipulation "for philosophical reasons" and accused the other side of playing politics with science. It sounds to us like just the reverse. Congress should pass the bill, and the president should sign it.

Voluntary, Not Mandatory Service

MARYLAND'S public school students will face much more demanding courses in the coming years thanks to a decision this week by the state Board of Education. Pupils will also have to make an extremely important decision by the 10th grade. That involves a declaration of whether they intend to pursue a college education or a career right after high school. Depending on that decision, they will be steered toward college preparatory or vocational courses. The state board adds to all this a mandatory graduation requirement of 75 hours of community service.

Maryland students have miles to go before they master the higher math and science courses that will now be required. Two years ago, for example, on the trial run of the National Assessment of Education Progress, only those eighth-grade students who had achieved Level 350 on that analysis of math skills were said to have "a breadth of mathematics understanding necessary for advanced study." The average Maryland student did not come close to this standard, falling in the bottom half of the states tested.

Now, two out of the three required math credits for Maryland students must be satisfied with either introductory or advanced algebra and geometry. Also, the number of science credits required will be increased from two to three, and those courses must be in earth, life and physical

science and feature laboratory work. Another change is that the three required social studies credits can now be fulfilled only by separate courses in American history, world history and government. Two credits in a foreign language will also be required.

Even in an affluent school district such as Montgomery County, school spokesmen say that there are other pressing demands on a student's time and that "a sizable number of our students work. At one time, it might have been for pocket change, but the growing reality is that our students are working because they need to. There are a growing number of residents in the county who find it tough to make ends meet." How much more true must that be for students from the state's poorer environs?

We are not arguing against the merits of community service, but the state board should have left this as a voluntary program. Perhaps that is why 22 of Maryland's 24 school districts were opposed to the state's decision. Encouraging voluntary community service is one thing, and a good thing. Imposing mandatory community service has never, in our view, been right. And on top of a much more rigorous academic schedule, it may also be more than some hard-pressed working students can or should be expected to bear.

The Washington Post

FRIDAY, JULY 31, 1992

Worst Bill of the Year

IN THE misappropriated names of fiscal responsibility, urban aid and economic growth, the Senate Finance Committee has produced what could well be the worst bill of the year. This is a tax bill whose real effect would be to reduce the future ability of the government either to manage the economy or to aid the cities; it would do this by adding billions of unacknowledged dollars to the deficit, largely in the form of benefits to the better-off.

The sponsors claim the mislabeled bill is revenue-neutral. The neutrality is a fiction, the product of a set of blind-eye accounting conventions that artificially increase revenues while obscuring costs. More than half the tax increases that the bill would ostensibly impose in the next five years to pay for the cuts it would give are artificial. The counterfeit claim is likewise made that the bill would stimulate growth by increasing national savings, when in fact by increasing the deficit it would much more likely reduce those savings. The urban provisions, the bill's original rationale, have meanwhile been reduced to a footnote; they are inconsequential.

The legislation is said to contain about \$30 billion in matching tax increases and cuts over the next five years. In fact, by the committee's own reckoning, at least \$17.5 billion of these "increases" are merely speed-ups, money the government would have gotten a few months or years later anyway. Ultimate tax liability would be unchanged, and in some cases revenues would be increased between now and 1997 only by reducing them thereafter. Another \$7.7 billion would be achieved by simply extending two provisions of current law: the phase-out of the personal exemption and limits on deductions for higher-income taxpayers that were voted in 1990 and no one expected to expire. Again, current

liability would be unchanged. Meanwhile, some of the larger cuts in the bill were carefully constructed so that their full effects would not show up until after the five-year accounting period; the costs are masked.

The most flagrant such masking involves a new kind of backloaded IRA, or individual retirement account. It and the other generous IRA provisions in the bill are projected to have a net cost of \$7.7 billion over the five-year period. But in the long run this provision alone is expected to cost as much as \$10 billion in a single year. The IRA provisions, which the administration also supports, would end up shifting an enormous share of the country's investment income from taxable to tax-deferred or tax-exempt status. That, in the name of growth, is the election-year handiwork of some of the same politicians who not too many weeks ago were piously urging adoption of a balanced-budget amendment to the Constitution in the face of the \$400 billion deficit that they have created.

The bill is full of such supposed stimuli for savings and growth. Not even most of the people who will vote for it think that it will produce very much of either. For all the rhetoric that will surround it, its main effect will be to shift even more of the burden of government to a middle class that can't afford it. The urban aid has meanwhile been turned into a minor pumpkin of some enterprise zones that hardly anyone believes in, either, plus a little bit of social spending. They ought to kill this hulk, just as they killed the year's earlier tax bill. The main purpose of this bill is not so much to produce results as to give the appearance of producing them in an election year.

The Washington Post

FRIDAY, JULY 31, 1992

Rowland Evans
And Robert Novak

Ignoring Russia

While President Bush hurls political thunderbolts at Saddam Hussein to polish his foreign policy credentials for a suddenly uphill election campaign, he ignores a danger to democracy and stability in Russia.

Russian generals backed by powerful politicians are trying to override Boris Yeltsin and claim a new right to use force to "protect" Russian minorities anywhere in the former Soviet empire. "The particular task" of the Russian military, states the draft of a new "military doctrine" written by the general staff but not yet published in the West, is "the defense of the rights and the interests" of Russians outside Russia—including the free republics of the old Soviet Union.

That dangerous role for one of the world's largest armies stunned the newly independent Baltic states. But the Bush administration seems oblivious to how the summons to "defend" ethnic Russians is a portent of coming strife, perhaps even war.

The new doctrine to "defend the rights" of Russian minorities has vivid application in the Baltic states, where tens of thousands of Russian troops are still billeted. Taking a sudden interest in "human rights," the generals are now charging the Baltic governments with violating the human rights of ethnic Russians living in the three little countries.

Does that justify permitting Russian troops to stay there? The first shots fired between Estonian and Russian troops earlier this month over the troop withdrawal issue apparently were not heard in the Oval Office.

Washington seems to ignore the frightening resemblance of the threat posed by the Russian military to what preceded the carnage visited on Bosnia and Croatia by Serbians, but on a very much enlarged scale. "Protecting" ethnic minorities by military force is a fast-growing trend in post-communist Europe.

Former national security adviser Zbigniew Brzezinski proposed to the Bush White House several months ago the appointment of a Cabinet-level, nonpartisan official with Cold War experience as "coordinator" of U.S. policy in the states newly escaped from the communist empire. The task: analyze and propose how the United States should deal with the explosion of nationalism and residual Soviet power, which pose a real threat to U.S. interests.

But only Vice President Dan Quayle was interested and informed enough to study Brzezinski's proposition. He thought it eminently sensible. Bush, joined by national security adviser Brent Scowcroft, brushed it off. The brushoff has not gone unnoticed in Central Europe.

Concern in Warsaw was raised several weeks ago by a shocking standoff over the new Russian-Polish friendship treaty between President Yeltsin and Foreign Minister Andrei Kozyrev on one side, and Defense Minister Pavel Grachev and the Russian general staff on the other. Specifically at issue was Russian troop withdrawal from Poland.

Kozyrev, who is reviled by the Russian generals, strongly backed the treaty. The military called it a sellout. There would be no treaty, they warned the foreign minister, that did not ensure an indefinite Russian "presence" in Poland.

The matter was taken by the principals to Yeltsin, who was then closeted in his office with Polish President Lech Walesa. Yeltsin listened to both sides and said nothing. A general warned him: "Do not sign it." Walesa turned to Yeltsin. "Let's talk like two democrats," the old labor leader said. "If we don't stick together, the extremists will beat us both."

Yeltsin ordered the treaty signed, showing he still holds a few high cards. But at the reception afterward, the generals were openly contemptuous of Kozyrev and made no effort to hide their anger over Yeltsin's decision.

A Polish leader whispered to an American during Bush's trip to Warsaw last month: "There is nothing coming from Washington because of your [presidential election] campaign, and we need help." Democratic Poland fears Russia almost as much as satellite Poland feared the Soviet Union. It wants the United States to forge a link, however tenuous, between Poland and NATO. But helping Poland is not on Washington's agenda.

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William Raspberry

'Not My Department'

A futile trip through the human services rat maze.

This one had all the earmarks of an easy "twofer." I'd have a chance to do a little good for an individual, and I'd have a chance to introduce to readers one of my pet peeves with the social-service system.

The human (though not necessarily journalistic) priority was to get some help for David Clark, a 36-year-old Washington resident who was rapidly running out of whatever little bit of luck had chanced his way.

His present difficulties began with a 1983 hit-and-run accident that left him with a pin in the bone of his upper leg. Something went wrong recently, and doctors say they'll have to remove the pin.

Here's the problem: Clark has no sick leave or other source of income to sustain him during the recuperation from the scheduled surgery. And everybody he called, from the local welfare office to the Social Security Administration, would only explain how he didn't fit its criteria.

The first thing to do was to make a couple of phone calls to get Clark the temporary help he needed. Then I'd launch into my recurrent sermon, pointing out the silliness—one might even say the unintended cruelty—of requiring people in need to fit themselves into government programs, rather than having programs capable of fitting the needs of people.

I was thinking of something Sharon Morris-Bilotti (late of the Illinois welfare department) said about herself and her professional peers:

"We have put together a human services system that is so complicated we now need college-educated, specially trained staff who spend months and years trying to figure out and piece together the services and requirements of the multitudinous, multi-disciplinary, categorical programs our consumers 'fit into.' We must find the service, make the

referrals, run interference, ensure funding and sometimes figure out how to get the consumer to the service. . . . We have created such a rat maze that no one but a pro can get through it."

And that's the good systems. The bad ones don't even find the service, make the referrals or run interference.

I was certain that that is what was happening with David Clark. He would present his problem, ask for help and be told, in effect: not my department.

He won't be eligible for unemployment compensation because his surgery will leave him unable to work. (In order to qualify for jobless compensation, you have to be looking for work and able to perform it; they'll even take you off compensation if you get sick during your job search.)

His job with a building maintenance service didn't offer such benefits as sick leave and medical insurance. And he won't be eligible for workman's compensation because his injury was not job-related.

Ah, but isn't there something called "general public assistance"? Yes, but only for people who are "disabled," not, like Clark, merely "incapacitated." "Disability" lasts for a year or more and leaves the person unable to work. Clark's doctors say his prognosis is "uncertain" but that he should do "no walking, standing or lifting for nine to 12 months."

He might be eligible for Supplemental Security Income—but only after a 120-day waiting period.

Surely, I thought, there's nothing unique about Clark's difficulties. Probably it's just a matter of redescribing the problem so as to fit whatever program covers people in his situation.

Well, yes and no, says Kate Jesberg of the D.C. Department of Human Services. Yes, Clark's situation is not unique. No, there's no program to cover it.

"We used to have a program for the waitress

who breaks her leg—you know, someone without job benefits who is unable to work for a while. But that program has been abolished by the city council. The only kind of assistance available to single individuals [like Clark] or childless couples is food stamps."

Nor is that hole in the safety net inadvertent. AFDC programs must meet federal guidelines; general public assistance is wholly financed by state and local money and subject only to state and local rules. It is, as a result, one of the first programs on the chopping block during fiscal hard times.

The District of Columbia cut its general assistance program last year, as did 13 states, including Maryland. Several eliminated the program altogether; others, like Virginia, never had one.

"My personal view," says the District's Jesberg, "is not that the jurisdictions have become so much more tight-fisted. The problem is the kind of jobs the country was creating throughout the 1980s—jobs that pay low wages and also lack the benefits Americans used to take for granted, including paid sick leave."

Clark's problem, that is to say, is not callous case workers who won't take the trouble to walk him through the system. The problem is a national economy gone terribly awry.

I'll bet he feels better already.

Correction

In David Broder's column of July 29, Debbie Dingell's job was misidentified. She is a business planner for General Motors.

The Washington Post

FRIDAY, JULY 31, 1992

Glenn K. Davidson

Stadium Uproar: The Other Side

"Rather than coming up with a plan to bring the Redskins back, she chose to attack the business partner who went elsewhere."

While I understand that the District of Columbia feels a certain wounded pride over the Washington Redskins' migration across the Potomac River, the editorial "A Billionaire Bully" [July 24] is riddled with factual errors, hysteria and political blustering. The editorial's only redeeming value is that it packaged all the misconceptions about the Potomac Yard stadium development in one story, giving me the opportunity to set the record straight.

To begin with, it misses the point of Mayor Kelly's demagogic press conference at RFK Stadium. By attacking Jack Kent Cooke and Gov. Wilder, she essentially threw in the towel.

Taking Exception

Rather than coming up with a plan to bring the Redskins back, she chose to attack the business partner who went elsewhere. It's little wonder the District has a rapidly shrinking tax base.

Her news conference was an act of political desperation, and I respect her right to defend her political record. While I disagree with her characterizations of the deal with Mr. Cooke, I respect Mayor Kelly's right to political hyperbole, given her difficult position.

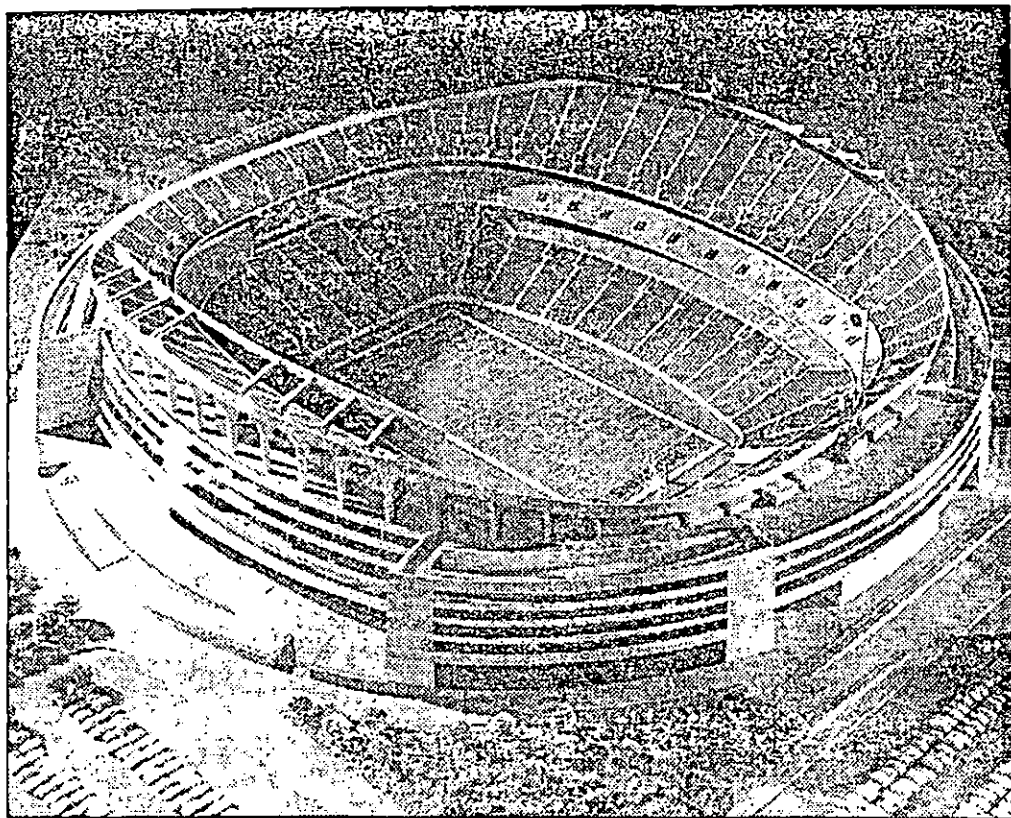
But it is astounding that The Post swallowed her defense—hook, line and sinker. Let me point out the misconceptions one by one.

The editorial characterizes the offer as "huge and highly questionable," as the "moon and many-times-sixpence," and concludes that Gov. Wilder "promised . . . more than he ever should in the first place." On what does the editorial base this—Mayor Kelly's assertions?

The fact is that neither The Post nor the mayor's office knows the particulars of the offer. And I contend that when the finished product and detailed analysis of the deal are released, the offer—while somewhat more generous than the District's—will prove to be fully supportable, as it entails more than just the building of a stadium.

You also accept Mayor Kelly's claim that she and Mr. Cooke "were on the verge of signing an agreement" without so much as questioning the other party involved. Just perhaps Mr. Cooke has a different recollection of what transpired and just "how close" they were to a deal.

You suggest that Gov. Wilder came along—"like a thief in the night," as Mrs. Kelly would have it—with a secret offer "to shower" Mr. Cooke with land and money. The fact is, Mr. Cooke came to the governor to discuss the



possibilities, not the other way around. And the so-called deal, which came after several months of negotiations, is still not final.

As for "dealing in secret," this is true. While the District of Columbia may find secret business negotiations unseemly, they are vital to successful economic development efforts. Businesses of all kinds do not want their dealings plastered over the front page, and successful governors have learned to conduct their negotiations in confidence.

To have "consulted" with Alexandria officials concerning our continuing negotiations would have been to alert our competition. You can't believe for one moment that the District or Maryland would not have used the information to its own benefit.

As it turns out, when Gov. Wilder did make a confidential "courtesy call" to Alexandria Mayor Patsy Ticer to inform her of our work, she immediately contacted the media to announce it. Not only that, but without his knowledge, she had 15 people listening to the call over the speaker phone. No other event demonstrates any better the need to conduct negotiations secretly. I can also say, having been present as the governor spoke, that Mayor Ticer's inter-

pretation of the governor's comments went well beyond what he actually said.

The Post has inaccurately portrayed the record on this matter from the start. The stadium will bring jobs to Northern Virginia—many jobs for the Metropolitan Washington area beyond what a District stadium would have created. Instead of poisoning the waters, perhaps The Post should point out the benefits its Virginia readership will obtain through this development.

The Post's desire to keep the Redskins in the District is nice but irrelevant. Potomac Yard is a couple of miles south of National Airport and will be just as much a part of the Washington culture as that Virginia property is today.

Now that Mayor Kelly has cast her lot against Mr. Cooke and the stadium, perhaps The Post would prefer the Redskins to go beyond the Beltway, maybe all the way to Baltimore. Your alien treatment of Northern Virginia in this case just goes to prove that the paper has always viewed those south and west of the Potomac as "second-class readers."

The writer is Virginia Gov. L. Douglas Wilder's director of communications.

Robert Kuttner

Cutting the Deficit Won't Cure the Economy

Ross Perot, from beyond the political tomb, has proffered a plan for eliminating the deficit. Coincidentally, he is joined by a new bipartisan coalition of budget-balancers, led by former senator Paul Tsongas (D-Mass.) and retiring Sen. Warren Rudman (R-N.H.).

These worthy defenders of the fisc, none of whom is putting himself before the electorate, have won praise from commentators and editorialists for having the courage to make hard choices etc. etc. But defining budget balance as necessary-if-painful economics is based on a mistaken understanding of the economy.

It is a good thing—and no accident—that none of these people is an active presidential candidate. And despite the effort of non-candidates Perot, Tsongas and Rudman to make budget balance a litmus test for the November election, Gov. Clinton, President Bush—and the commentators—would be wise to resist the bait. Perot's program, if enacted, would only deepen the recession.

The usual analysis of America's economic plight runs like this: To grow, America needs more investment. To invest more, we need to save more. The savings rate is too low because the government deficit soaks up too much of the available supply of savings. And the deficit is too big because neither party has the courage to cut entitlements or raise taxes. Therefore, growth demands a good dose of austerity: less consumption, more saving, fewer government services

and more taxes. Hence, bad-news bears like Perot and Tsongas are heroes.

Ugh! This familiar homily is bad economics, and worse political history.

Consider first the political history. In truth, the federal budget has been in chronic deficit

Blaming it on "entitlements" is nonsense.

since the early '80s for one reason. Supply-side economics failed.

President Reagan's great tax cut of 1981 was supposed to generate so much investment, growth and new revenue that the budget would be back in balance by 1984. But instead it blew a big hole in the tax base without improving economic performance. By 1992 real per capita economic growth had slowed nearly to zero, tax collections had stagnated, and the deficit had widened.

Blaming the deficit on "entitlements" is also nonsense. The biggest entitlement, Social Security, runs a budget surplus. Most domestic spending was cut during the 1980s, not increased. The only out-of-control entitlements are Medicare and Medicaid, but medical infla-

tion is a casualty of the administration's refusal to support a universal health care program—which would control costs by providing a more comprehensive entitlement.

Economically, the claim that deficit reduction would restore growth has the cause and effect backward. America now suffers from slow growth for a variety of reasons, including the weakness of our banks, the lingering costs of the real estate blowout of the 1980s and the failure of many of our corporations to compete effectively in global markets. In addition, we are in a cyclical recession.

Today, the demand for investment capital is so low that despite the big deficit, the Treasury has no trouble funding the public debt, and at rates lower than at any time since the early 1960s. Banks have actually been cutting back on commercial loans and buying government securities.

Raising taxes or cutting government spending in an economy like this one would only depress purchasing power further, deepen recession or the give business even less reason to invest. An austerity program would also depress tax collections, widening the very deficit it intended to cut.

What the economy needs is a growth program, not a program of austerity. Investment—not savings—is what drives economic growth. When the economy is too depressed or the banking system too wounded for private business to lead investment, public outlay must lead it. More public investment, even at the price of

a bigger public debt, is necessary in the short term, as Clinton and a broad group of economists led by MIT's Robert Solow and Yale's James Tobin have proposed.

Once a higher growth rate is restored, the deficit shrinks because economic activity increases and so do tax collections. When the economy returns to robust health, some trimming of the deficit would make sense; it is only during a boom that public borrowing begins to "crowd out" private investment.

But Perot's target—a budget surplus by 1998—is far too deflationary. With a 3 percent rate of economic growth—the normal rate during the 1950s and 1960s—a budget deficit of 3 percent of gross national product leaves the national debt stable as a stable fraction of GNP. A sustainable deficit is \$150 billion to \$200 billion, not zero.

Perot's one constructive contribution is to identify candidates for tax and budget reform. Perot proposes cost controls on Medicare, as well as steeper reductions in military spending. He proposes to tax a larger share of the Social Security income of the affluent, as well as higher gasoline taxes and a slightly higher top marginal income tax rate.

This revision of taxing and spending priorities is sensible enough—but the money gained should be used to restore investment, not to balance the budget. Perot was a flop as a man on horseback. He's not much better as a budget analyst.

The Washington Post

FRIDAY, JULY 31, 1992

Jim Hoagland

Bush Boxed In

The foreign policy cavalry was summoned into the U.S. presidential campaign this week by a besieged White House. Fair enough. But the flip side of that development could prove to be George Bush's undoing in his final run for the roses: Bush and his men also managed to thrust the campaign into foreign policy.

The president will protest that he did no such thing. With more justice, he can say that there is no neat dividing line between policy and politics anyway. The nation's chief politician is also the commander in chief.

But Bush crudely campaigned in the commander in chief's role rather than letting the dignity and majesty of that job call attention to Bush's achievements. As a result, he has managed to narrow his options on two urgent foreign crises: Iraq and Yugoslavia.

On Iraq, the president has acted as if a U.S.-led air strike against the villainous Saddam Hussein would be popular with the American public whenever Bush ordered it. One theory (okay, my theory) was that Bush felt he would benefit politically by holding off until Octoberish. With only a few weeks to go to Election Day, the rallying-around factor would overcome negative fall-out if once again Saddam survived.

But that calculation is in tatters in the wake of the Bush team's surprisingly inept attempt to shift the campaign onto foreign ground. Even if the president now acts (belatedly) to curb Saddam for good reason, an increasingly skeptical American public may well question Bush's motivation.

It has become apparent in the past week that Bush is picking and choosing among Saddam's repeated violations of the U.N. resolutions that brought an end to the gulf war.

Once-ignored violations that could have—should have, in the view of us

A draw on foreign policy means defeat in November.

anti-Saddamites—triggered U.S. action over the past year now get big play from the administration. The plight of Shiite tribes that have been allowed to suffer grotesquely at Saddam's hands is suddenly a *casus belli* for Washington.

Voters could see an October strike as evidence that the campaign, not national security, determined the timing and scope of U.S. military action. That thought may have occurred to Bush. Foreign diplomats are being told that the United States will force a new inspection at an Iraqi government ministry in Baghdad within a few weeks and will strike immediately if Saddam again resists. Sooner is

Bush's misadventures in commander in chief land began with his disastrous appearance before the families of American servicemen missing in Indochina. Stoked by the late Ross Perot campaign, the group's understandably intense sense of loss and resentment flared out to scorch an unprepared Bush. The State Department buzz is that the White House ignored warnings from experts that Bush should not go at all.

Bush dug the hole deeper by reaching for Operation Desert Storm and his commander's hat as shields against the heckling. He declared that "the commander in chief that led his country into its most successful recent effort" is above criticism. Bush thus politicized both Desert Storm and his laudable role in petty fashion.

Off balance, Bush spokesman Marlin Fitzwater tried to recover by taking a shot at Bill Clinton, calling an unobjectionable Clinton statement on Yugoslavia "reckless." The bullet ricocheted back on the reckless Fitzwater, who seems not to have read the statement before running off at the mouth about it.

Result: The Clinton-Gore team parried the strongest policy blow the Bush-Quayle campaign can deliver the first time it fell. The White House can claim no better than a draw for the round. For Bush, a draw on foreign policy is a sure recipe for defeat in November.

Sources say that Bush continues to fiddle while the White House burns. He has not yet asked Jim Baker to hurry over from the State Department with a bucket of water, even though leaks have largely dissipated the "bounce" the mid-August move was supposed to bring. This leaves Baker burning too.

Foreign visitors who met with Baker this week came away with the feeling that the secretary of state will not be around Foggy Bottom much longer. He pointedly told Iraqi opposition leaders that follow-up discussions would be held with two of his aides.

George Bush earned a place in history with the skillful way in which he handled German unification, responded to the collapse of the Soviet Union by pushing for visionary reductions in nuclear arms and led the war to free Kuwait. He was once the foreign policy president par excellence.

But his good judgment seems to have deserted him in the stretch run for reelection. Bush boxes himself in both on the campaign trail and in his foreign policy options by linking the two so tightly and so visibly. And Clinton counterpunches effectively on Bush's top issue.

When Bush was preparing to go to war against Saddam, he successfully portrayed himself as using force not in anger but in sorrow over Saddam's stupidity. Now Bush risks being seen as using force not in anger but in desperation. That would be fatal for his reelection chances.

The Washington Post

FRIDAY, JULY 31, 1992

Justice Department Appeals Court Order on Haitian Policy

High Court Asked to Overturn Ban on Returning Refugees

By Sharon LaFraniere
Washington Post Staff Writer

The Justice Department yesterday asked the Supreme Court to allow the Bush administration to continue picking up Haitians at sea and returning them to their island nation without first determining if they would be persecuted there.

The department argued that a lower court was "terribly wrong" in deciding Wednesday that the administration's policy violates a 1980 refugee law.

The lower court ordered an injunction be granted to prevent the Coast Guard from returning Haitian refugees picked up at sea, but yesterday it lifted the injunction for 48 hours so the Supreme Court can consider the issue.

The administration's brief said the 2 to 1 decision by the U.S. Court of Appeals for the 2nd Circuit, meeting in New York, "will encourage another massive surge in outmigration from Haiti in overloaded, unseaworthy boats" and result in "certain loss of life."

The ruling "effectively invalidates a government program that has stemmed the flow of tens of thousands of Haitian migrants and significantly erodes the executive branch's ability to deal with the complex and fragile situation created by the ouster of the legitimate government from Haiti," the department said.

Since late October, a month after Haitian President Jean-Bertrand Aristide was ousted in a bloody military coup, more than 38,000 Haitians have fled in boats for the United States. For eight months, U.S. officials interviewed the migrants at the U.S. Naval Base in Guantanamo Bay, Cuba, to

determine if they were trying to escape poverty or political persecution. More than 23,000 were returned to Haiti; nearly 10,500 were granted entry into the United States.

On May 24, President Bush shifted gears and ordered the Coast Guard to pick up and return any refugees directly to Haiti, where the administration suggested they file refugee applications at the U.S. Embassy. His order effectively stemmed the exodus: the Coast Guard returned its last boatload of 150 Haitians on July 23.

In all, 3,155 Haitians were returned without interviews. The tent camps at the Guantanamo Bay military base are now empty, except for 293 Haitians who have tested HIV-positive, or their relatives.

The appellate court ruled that Bush's May 24 policy is illegal because the 1980 Refugee Act specifically states that refugees cannot be returned to a country where their lives or freedom are threatened. The administration's policy runs counter "to Congress's plainly expressed intent," the court said.

In its brief yesterday, the Justice Department repeated the government's argument that the 1980 law does not apply to refugees who have not yet reached U.S. territory. It asked the Supreme Court to allow the policy to continue until it can decide the issue.

Bush's May 24 order "represents the president's response to a life-threatening crisis on the high seas that is inextricably tied to U.S. immigration and foreign policy in the region," the department's brief said. "The Court of Appeals' decision can only be expected to renew the very crisis the president ameliorated."

FRIDAY, JULY 31, 1992

Halt Ordered in Some House Mailings

Lawmakers Are Told to Stop Using 'Frank' Outside Their Districts

By Eric Pianin and Michael York
Washington Post Staff Writers

The House yesterday ordered an immediate end to members' practice of making publicly financed mass mailings of newsletters and other materials to voters outside their districts, following a U.S. appeals court's ruling that the practice is illegal.

Because of a loophole in the federal law on the "frank," members could target voters outside their districts for mass mailings if the recipients were likely to end up in their new districts after the decennial reapportionment.

Critics of this practice, including the National Taxpayers Union and Ralph Nader's Public Citizen argued that this was an abuse of office and that members should use their own campaign funds to pay for thinly disguised campaign mailings outside their districts.

The House voted 417 to 2 in June to adopt an amendment to a fiscal 1993 legislative branch appropriations bill that would close the loophole. However, the amendment

won't take effect until the House and Senate agree to a final version of the spending bill, which would be too late to halt the bulk of the mailings.

Rep. Charlie Rose (D-N.C.), chairman of the House Administration Committee, announced shortly after the court's ruling that from now on the committee will not approve any public funds for bulk mailing outside a member's district.

"It ceases and desists as of now," he said on the House floor.

In its decision yesterday, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit ruled that the law allowing mass mailings to homes outside a member's district is unconstitutional because there is no "substantial government interest" in voters receiving mailings from members of Congress who are not yet their representatives. The appeals court decision, which takes effect immediately, overturned a June 26 ruling by U.S. District Judge Joyce Hens Green, who dismissed the challenge to the law.

The law gives incumbents finan-

cial support against a challenger, Circuit Judge Laurence H. Silberman wrote in his opinion, and that fact alone made the law subject to "heightened scrutiny" by the court.

"Otherwise, Congress could grant incumbents extra travel allowances or increased salary during election years, as long as it justified such action as enhancing service to constituents," Silberman wrote.

Paul Wolfson, a lawyer for the groups that won the ruling stopping the mailings, the Coalition to End the Permanent Congress and Private Citizen, said the decision could affect almost every House member running for reelection.

"Virtually every member has felt some effects of redistricting," Wolfson said. "Only those states, such as Delaware, that have only one member aren't affected. Almost everyone else has had some changes in the district."

Judges Silberman and A. Raymond Randolph formed the majority. Patricia M. Wald dissented, saying the law was "unwise, perhaps, uneconomical, perhaps, but not unconstitutional."

TODAY IN CONGRESS

SENATE

Meets at 9:30 a.m.

Committees:

Appropriations—10 a.m. Mark up FY93 approps. for VA, HUD & independent agencies; Treasury, Postal Service & general government, & military construction. S-128 Capitol.
Banking, Housing & Urban Affairs—10 a.m. Nominations of C.C. Hope for member of FDIC board of directors & James Jameson for asst. sec. of commerce. 538 Dirksen Office Bldg.

Environment & Public Works—10:30 a.m. Environmental protection subc. Proposals conserve exotic wild birds. 406 DOB.

Foreign Relations—10 a.m. African affairs subc. U.S. response to drought in southern Africa. 419 DOB.

HOUSE

Meets at 10 a.m.

Committees:

Education & Labor—10 a.m. Mark up: Privacy for Consumers & Workers Act. 2175 Rayburn House Office Bldg.
Energy & Commerce—9:45 a.m. Health & the environment subc. Medicaid Drug Rebate Program. 2123 RHOB.

Judiciary—9:30 a.m. International law, immigration & refugees subc. Allow prompt entry into U.S. of aliens attending funeral of immediate blood relative, provide for temporary protected status for Yugoslavians, Nationality & Naturalization Amendments of '92 & residency applications by spouses of citizens & permanent resident aliens. 2226 RHOB.

Judiciary—1 p.m. Intellectual property & judicial administration subc. Mark up Audio Home Recording Act of '91. 2237 RHOB.

Aides Subpoenaed in House Post Office Case

Grand Jury Targets Half Dozen From Staffs of Three Democrats Under Investigation

By Kenneth J. Cooper
Washington Post Staff Writer

A federal grand jury has subpoenaed about a half-dozen aides who work for three House Democrats under investigation in connection with the House Post Office, House officials said yesterday.

The three Democrats—Rep. Dan Rostenkowski (Ill.), Rep. Joe Kolter (Pa.) and Rep. Austin J. Murphy (Pa.)—refused to appear Tuesday before the grand jury, asserting their rights against self-incrimination. They described the criminal inquiry being directed by U.S. Attorney Jay B. Stephens, a Republican appointee, as politically motivated.

The House officials would not say exactly how many aides received subpoenas this week, and there appeared to be a coordinated effort among Democratic leaders to conceal their names.

A House rule requires public notice within three legislative days of members or employees who have received subpoenas, but not disclosure of the documents, according to Steven R. Ross, counsel to the House clerk.

Likely recipients of the subpoenas would include the three members' administrative assistants and other aides involved in making or accounting for official expenditures.

The House clerk and the members have already turned over subpoenaed records of the three members' expense accounts from January 1986 to last April.

During that period, Rostenkowski, chairman of the Ways and Means Committee, has employed one administrative assistant, Virginia C. Fletcher. Murphy also has had one, Frederick P. McLuckie Jr.

Kolter, who was defeated in an

April primary, has had four administrative assistants since 1986.

James C. Smith, director of accountable paper at the House Post Office, has told federal prosecutors that Rostenkowski's office exchanged official expense vouchers written for postage stamps for as much as \$20,000 in cash during the last five years, The Washington Post reported in May.

Although Rostenkowski has available the free mail privileges as a member of Congress, his office bought \$25,000 in stamps since 1986, considerably more than other House leaders, other members of the Illinois delegation and other members whose districts are heavily populated by descendants of Polish immigrants.

Smith, a House Post Office employee since 1960, has held his current position for three years. He is now on sick leave.

Rostenkowski confirmed that

members of his staff received subpoenas, which were first disclosed in The Washington Times.

Asked who they were, Rostenkowski replied, "I don't know which ones."

Murphy also said he did not know which of his aides were issued subpoenas, a step he described as unnecessary and intimidating.

"I think that's ridiculous," Murphy said. "If he [Stephens] wants to interview my staff, they're available All he has to do is call and make an appointment."

"The intimidation aspect of service of a subpoena is perhaps the effect he wants to bring about," Murphy said. "The intimidation is the thing I resent most."

Murphy said that he, too, would be available to make an unsworn statement to prosecutors.

Kolter could not be reached for comment.

The Washington Post

FRIDAY, JULY 31, 1992

By John M. Goshko and Ann Devroy
Washington Post Staff Writers

The Bush administration's three-week confrontation with Iraq has ended without a resort to military action, but U.S. officials believe President Saddam Hussein has embarked on what one official called "a season of challenge" in which the Iraqi leader will keep trying to defy the restrictions imposed on Iraq after the Persian Gulf War.

Many officials believe the next test of wills could come if Saddam

NEWS ANALYSIS

escalates ground and air attacks against Shiite Muslims in southern Iraq and tightens efforts to block food and other supplies from reaching the United Nations-protected Kurdish enclave in the north.

But while the Bush administration yesterday reiterated demands that Iraq stop repression of its Shiite and Kurdish minorities, it also said that Edward Perkins, U.S. ambassador to the United Nations, was in error when he told Congress on Wednesday that the United States might ask the U.N. Security Council "within the next week" to authorize military action if Iraq continues to threaten these groups.

The reasons for correcting Perkins were not clear. Some officials insisted that he misunderstood a question and misspoke. However, others saw yesterday's move as an

administration retreat after consultations with other countries made clear that unless the plight of Iraq's minorities worsens considerably, the U.N. council is unlikely to approve such a step.

China, which can veto any council resolution, and several nonaligned countries on the council are strongly opposed to intervening in what they regard as another state's internal affairs. U.N. sources said these countries are currently unwilling to address Iraq's treatment of internal minorities, even though a special U.N. investigator, Max van der Stoep, accused Iraq yesterday of indiscriminantly bombing Shiite villages in southern Iraq.

U.S. officials contend that Security Council resolutions adopted last year ending the gulf war already authorize the United States and its allies to intervene in Iraq. Officials have sought several times this week to emphasize that President Bush is prepared to use that authority if necessary.

Despite such warnings, and despite the peaceful resolution of the latest confrontation over Iraqi efforts to bar U.N. inspectors from Baghdad's Agriculture Ministry, there is a feeling within the administration that more trouble will follow.

"Saddam's defiance will not end with [the Agriculture Ministry] incident, but will happen again," one senior official said.

U.S. officials offer two interrelated theories about why Saddam feels emboldened to challenge the United States and its U.N. allies at this time.

One school of thought is that the economic embargo and other restrictions on Iraq have created enough discontent to threaten Saddam's dictatorial rule and impel him to take risks. Some U.S. officials have concluded that rumors of an attempted coup last month were

true and prompted Saddam to move against potential enemies at home, while seeking to bolster his image with the Iraqi public by shaking a fist at the outside world.

The other theory notes that Saddam has tried several times in the past year to test whether a reservoir of sympathy in some Third World countries and waning interest among the major powers have eroded the United Nations' will to enforce restrictions on Iraq. All

such attempts were blocked by vehement U.S. opposition.

But many officials believe Saddam has concluded that the presidential election campaign may, as one senior official said, have "distracted and constrained the administration's appetite for yet another confrontation."

Some U.S. officials privately feel that Saddam was encouraged in this belief by the outcome of the Agriculture Ministry showdown. Despite Bush's contention that Saddam "caved in," these officials say that it was a serious mistake to depart from past insistence that Iraq comply totally with U.N. orders and accept some of its conditions for the inspection.

"For the first time, the Iraqis were able to breach the cease-fire resolution's categorical statement that the United Nations has sole authority for deciding what gets inspected in Iraq and who does it," said one official. "That could encourage Saddam to further defiance so he can see if he can push the U.N. into further relaxing of its rules."

More senior U.S. officials reject the notion that the Agriculture Ministry showdown was a victory for Saddam, and they insist that if he seeks further confrontation, the United States, while not looking for a war, would meet him head-on. However, they are vague about what measures Washington would take if the challenge comes, as expected, in southern Iraq.

Iraqi opposition leaders who met with Secretary of State James A. Baker III on Wednesday pleaded for the United States to bar all flights by Iraqi military planes and helicopters so Saddam cannot use them to attack dissidents in the south. But senior U.S. military officers have concluded that the United States could not plausibly enforce such a ban because it does not have enough combat aircraft in the gulf region to patrol a country twice the size of Idaho.

Staff writer Barton Gellman in Washington and special correspondent Trevor Rowe at the United Nations contributed to this report.

U.S. Believes Saddam Is Embarked on 'Season of Challenge' to Restrictions

Saddam Replaces Top Cabinet Officials

Iraq Stalls on Extending Permit That Allows U.N. Personnel to Work in Country

By Caryle Murphy
Washington Post Foreign Service

AMMAN, Jordan, July 30—Iraqi President Saddam Hussein reshuffled his cabinet today, naming a new foreign minister, while a senior U.N. official cooled his heels in Baghdad, waiting to hammer out a new agreement permitting U.N. personnel to work in Iraq.

U.N. Assistant Secretary General Richard J. Foran was informed today in Baghdad that discussions on the crucial memorandum of understanding, which expired June 30, would not begin until Saturday, U.N. sources said. The lack of an agreement has helped reduce the number of foreign relief workers in Iraq to one-fifth what it was in May, U.N. and private relief officials said.

No reasons were given for today's cabinet moves, in which Mohammed Saeed Sahhaf, who held the number-two job in the Foreign Ministry, became minister. The previous foreign minister, Ahmed Hussein, was named finance minister, replacing Majid Abed Jaafar, according to the official Iraqi News Agency.

Saddam also named the head of Iraq's Atomic Energy Organization, Humam Abdel Khaliq Abdel Ghafur, minister of higher education and scientific research. Abdel Ghafur replaced Abdel Razzaq Hashemi, who was relieved of his post, the agency said.

Hashemi was a high-profile spokesman for Saddam during the Persian Gulf crisis, when he was Iraq's ambassador to Paris. During a recent seminar on higher education chaired by Saddam, Hashemi complained that Iraq's top education facilities were a shambles, but it is not known whether this contributed to his firing.

The Iraqi government's failure so far to renew the memorandum of understanding, which sets out the working conditions of U.N. and private relief personnel in Iraq, appears part of Saddam's broader effort to free himself of what he considers the intrusive U.N. presence in his country.

Overshadowed by the recent conflict on weapons inspection, Iraq's stalling on this issue has been a serious bone of contention between Baghdad and the United Nations in recent weeks. "We haven't got the substantive discussions we want yet," a U.N. source said.

Iraq also has refused to give visas and travel permits to U.N. and Western relief officials over the past two months. At the same time, government-orchestrated anti-U.N. protests and harassment of Western nationals have risen, raising fears for their safety.

Foran got a taste of this harassment his first night in Baghdad a couple of weeks ago, when he looked out his hotel window and

saw someone slashing the tires of his U.N. car, a colleague said. When Foran telephoned hotel security, he was told that the vandal refused to comply with their requests to stop, the source added.

The Iraqis also increased hotel room rates for U.N. workers from \$50 to \$150 a night, several sources said.

The number of foreign relief workers in Iraq has dropped from 169 at the end of May to only 29 now, a U.N. official said. The Save the Children organization, for example, has reduced its foreign staff in Kurdistan in northern Iraq from 11 to two because of the security situation, a spokeswoman said.

In June, a bomb was found under a vehicle labeled "Save the Children" in the Irbil governorate, and a few days later, another vehicle was set afire, she said. However, there have been no violent attacks on the organization's staff similar to those recently directed against the U.N. Guards in northern Iraq, she said.

The Baltimore-based Catholic Relief Services, meanwhile, has moved its main office and all its foreign staff from Baghdad to Amman, said Carl Henn, an official of the agency. "Our ability to operate freely was limited, and we were concerned about security," he said, citing problems in getting visas and permits to travel within Iraq, as well as a climate of hostility to Westerners.

Henn said that local Iraqi-run organizations that still have stocks of food supplied by Catholic Relief Services will continue the agency's distribution to the needy.

Iraqi officials have also asked UNICEF and the World Food Program to close their offices in the southern city of Basra, U.N. officials said. So far, the agencies have not done so.

"The Iraqis would like to see a 'normalization' of our work," said a UNICEF official, which means "going back to the situation prior to the emergency when we covered everything from [our office] in Baghdad."

Meanwhile, the U.N. Guards, a lightly armed police force that reached a temporary peak of 500 after the war, now number only 326 in Iraq, a U.N. official said. The United Nations would like to raise that to about 400, but Baghdad has not granted visas, he added.

At the United Nations, Rolf Ekeus, the head of the special commission charged with destroying Iraq's dangerous weapons, said that in his discussions with Iraqi officials on renewing the memorandum of understanding, "they gave me a catalogue of why they felt they want to end the presence of the guards."

While most relief workers say that the dire health and food emergency that existed immediately after the war has significantly abated, there are still pockets of great need in the south and in Kurdistan.

The Washington Post

FRIDAY, JULY 31, 1992

Ekeus: Faster Inspections Are Unlikely

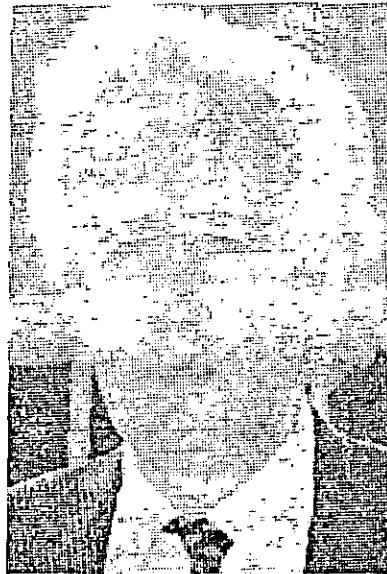
By Trevor Rowe
Special to The Washington Post

UNITED NATIONS, July 30—Swedish Ambassador Rolf Ekeus, the head of the U.N. special commission charged with finding and destroying Iraq's weapons of mass destruction, said today that he does not expect to accelerate inspections of sites in Iraq to satisfy what he suggested might be politically motivated U.S. demands.

The Washington Post, citing U.S. and U.N. officials, reported Tuesday that the Bush administration had asked the commission to accelerate inspections of facilities in Iraq to quickly test Baghdad's pledges to cooperate with U.N. inspectors.

"There are many friendly parties friendly to the [U.N. commission], but they may have also other interests," Ekeus said during a news conference today, shortly after his return from Baghdad, where he pressed for Iraqi cooperation with U.N. inspectors. "We welcome advice, we never reject advice; we listen and we take it up, but we lay down the law ourselves."

"It's a hot situation in the [U.S.] presidential campaign . . . but for us, we go a steady course and therefore we are not bothered by the campaign."



ROLF EKEUS

... "we lay down the law ourselves"

Ekeus said the commission may contemplate inspecting additional sites in Iraq but "not for the sake of accelerating itself." He said the inspections would be based on aerial surveillance and recommendations from governments. When asked whether he had received additional suggestions, he said he was not sure because he had just returned from Iraq.

He called the inspection a "total" success because Iraq, after refusing to allow the U.N. team to enter, had ultimately backed down. He said the team has collected a "mass of data." However, based on early information from the team, he said he doubted that he would get any "conclusive" proof that there was forbidden material in the building.

The Washington Post

FRIDAY, JULY 31, 1992

Bush May End Ban on Sale of F-16s to Taiwan

Los Angeles Times

President Bush said yesterday that he may end a decade-old ban on the sale of F-16 warplanes to Taiwan, a step that could renew ties with the prosperous island but surely would provoke a crisis in U.S. relations with China.

In 1979, the United States recognized the Chinese government in Beijing and broke relations with Taiwan.

Bush made the promise to reconsider the ban during a telephone interview from Air Force One with

a network of Texas radio stations. "I have to make this determination, and we are now taking a new look at this to see if these planes—this sale of planes—can go forward," Bush said.

The F-16's are made in Texas by General Dynamics Corp., which has announced layoffs of 5,800 workers because of a falloff in F-16 orders. Democrats have sought to blame the White House, which has blocked the sales since 1982, when the Reagan administration agreed to limit and eventually phase out U.S. arms sales to Taiwan.

Taiwan wants to obtain F-16s to redress the military balance with China, which already has acquired Russian-built SU-27 fighter planes. Taiwan's air force depends on light F-5Es and old F-104s.

Taiwan is far more democratic than it was in 1979 and its economy has grown so much that it claims to be the 13th-largest trading nation in the world. European nations that long shunned the Taipei government have made overtures, and France has discussed the possible sale of Mirage 2000-5 warplanes.

Democrats Accuse Bush of Misusing Funds

In a second round of dueling legal briefs, the Democratic National Committee filed a complaint at the Federal Election Commission yesterday, charging the Bush-Quayle '92 campaign committee with violating the law by using money raised for the primary elections to pay for advertisements for the fall.

The Bush campaign, which had about \$7.8 million in the bank at the end of June, placed recent full-page newspaper ads wooing supporters of Ross Perot and also started buying television time to run ads before

the president is renominated in Houston in mid-August.

The DNC complaint said the law limits primary money to spending in a candidate's "campaign for nomination" and asked that Bush be forced to return to the Treasury the portion of the \$7 million that came from federal matching funds.

Under the law, each party's nominee gets public funds, \$55 million this year, for the fall campaign after their convention. Each national party committee also is allowed to spend funds, \$10 million this fall.

Bobby Burchfield, Bush-Quayle

committee counsel, said, "The FEC has always applied a bright line test that allows candidates to continue spending within the legal limit up to the time he accepts his party's nomination."

Last month, the RNC filed a similar complaint against the Democrats after the DNC used part of its \$10 million to pay for television time for the cash-poor campaign of Bill Clinton. An 800 telephone number cited during the show solicited donations for Clinton. After the GOP challenge, the DNC said the fund-raising plea was a mistake.

The Washington Post

FRIDAY, JULY 31, 1992

The 'Values' Debate: Us vs. Them?

At Issue Is Which Party Best Represents Heavily White Middle Class

By Thomas B. Edsall
Washington Post Staff Writer

Underlying the debate over what political strategists call "values" questions is a not-very-subtle struggle between Bill Clinton and George Bush over who better represents middle-class—and heavily white—America.

An assortment of symbolic issues—the TV character Murphy Brown, rap singer Sister Souljah, welfare and gay rights and the personal lives of the candidates themselves—has become the terrain for class and racial appeals designed to shape competing partisan perceptions of "us" and "them."

Clinton took his party's liabilities on "values" issues head-on when he accepted the Democratic presidential nomination two weeks ago "in the name of all the people who do the work, pay the taxes, raise the kids and play by the rules—in the name of the hard-working Americans who make up our forgotten middle class."

His clear purpose was to break an image of the Democratic Party as the party committed more to the non-working poor and the mores of what Vice President Quayle has called "the cultural elite" than to the working and middle classes, as the party more willing to back welfare than work and more supportive of special preferences for blacks and other minorities than for reward of merit.

It is an image that Quayle in particular has sought to reinforce and that Bush has begun to evoke as the general election campaign begins.

In a closed meeting with former Reagan administration officials Wednesday, for example, Bush cited family values among the defining differences between him and the Democratic ticket. Poll results that showed "George and Barbara" behind "Bill and Hillary" on the family-values issue, he said, just prove how untrustworthy polls are at this stage of the campaign.

In a speech in New Jersey last week, the president was more explicit in describing the Democratic Party as a proponent of sexual license and parental irresponsibility at a time when the American family is "under siege."

"On one side, the advocates of the liberal agenda; on the other side are you and I and those values of family we share," he said. "They want . . . public schools to hand out birth-control pills and devices to teenaged kids. . . . I believe kids need mothers and fathers, not 'big brother' bureaucracy."

The political use of these kinds of issues is hardly new. They have played a role in every election since 1964. What is different in 1992 is that the Democrats, who have traditionally been deeply divided themselves, are not automatically relinquishing the field.

At a personal level, having suffered allegations of marital infidelity and draft evasion, Clinton would appear vulnerable on issues of family and values. But at this early stage in the campaign, and with the Bush campaign weakened by a deteriorating economy, Clinton has gained the initial advantage in this battle to appear representative of commonly shared values.

On a broad scale, Clinton's success is reflected in his decisive lead in the polls, but it is more sharply revealed in detailed questioning of key swing voters.

Midway through the Democratic convention in New York, for example, CBS News conducted a poll that asked voters whether "Bill Clinton and Al Gore are different from Democratic presidential candidates in previous years, or are they typical Democratic candidates?"

A plurality of 44 percent described Clinton and Gore as "different" and, more importantly, when the 44 percent of respondents was asked whether it is good or bad that the candidates are different, they replied by an overwhelming margin of 84 to 10 that it is good.

This favorably impressed group, moreover, included disproportionately high percentages of just those voters the Democratic Party has had difficulty with in recent presidential elections: men, moderates, southerners and westerners.

Along similar lines, interview and focus groups conducted by The Washington Post and other organizations have found exceptionally high awareness of Clinton's drive to win approval of a more moderate, less liberal platform.

And, among white ethnic voters, many of whom voted Republican in recent years, there was a high level of favorable recognition of Clinton's efforts to keep Jesse L. Jackson at arm's length, and Clinton's denunciation of a comment by Sister Souljah that blacks might consider killing whites instead of each other.

For Clinton, these symbolic gestures are critical gambles in a delicate attempt to retain traditionally strong black support while regaining white working- and middle-class backing essential to achieve a majority.

The importance of these maneuvers is shown in the findings of a CBS/New York Times poll conducted a year ago. When voters were asked which party "cares more about the needs and problems of blacks," a decisive 56 percent identified the Democratic Party and only 15 percent named the Republican Party.

Conversely, when voters were asked the same question about the "needs and problems" of whites, only 19 percent identified the Democratic Party compared with 45 percent who said the GOP cares more. In every election after 1964, Democrats have won decisive majorities of black voters but lost among the majority of white voters.

While Clinton appears at least temporarily to have balanced the interests of white and black constituencies, he showed the problems this tension poses for him and his party in an agonized response to a question posed earlier this year on whether he would support a 20 percent minority contracting set-aside program in New York:

"It's a difficult question. . . . I think on balance it's worth trying to have an affirmative action goal like that in a city with a large minority population if no one gets a contract that is not genuinely qualified for it, cannot perform it and cannot perform it for the same dollar value that anyone else can."

The Washington Post

FRIDAY, JULY 31, 1992

In the early stages of the 1992 campaign, Bush appeared ready to capitalize on the affirmative action debate as a campaign theme to build support among whites.

Bush vetoed the Civil Rights Act of 1990 on the grounds that it would force the use of racial quotas in hiring and promotions, and Robert M. Teeter, who had not yet become the Bush-Quayle campaign chairman, argued that Bush's stand meshed closely with a widely held view in the electorate that any form of special preference, whether for minorities or corporations seeking tax breaks, is unfair and anti-egalitarian.

Bush, however, lost considerable control over the issue last year when he signed the Civil Rights Act of 1991 over the objections of many conservatives.

In the effort to revive the "typical coalition we have assembled in the last three campaigns," Charles Black, senior adviser to the Bush campaign, said that under the rubric of family values the campaign will raise such issues as Clinton's support of gay rights, Bush's backing of school choice, including financial support for parents sending children to parochial and private schools, opposition to abortion, prayer in school and welfare reform.

Black described a strategy designed to chip away at voters who may now be leaning Democratic with specific appeals to such groups as ethnic Catholics, white conservative Democrats in the South, veterans, police and such conservative religious organizations as Southern Baptists and other predominately white evangelical denominations.

While at the moment Clinton has the edge in this values contest, the Democratic Party has in recent years been far more vulnerable to division and conflict over values issues—and could be again.

The potential divisiveness of such issues within the party was demonstrated at the meeting of Jackson's Rainbow Coalition where Clinton denounced Sister Souljah.

"How can you reassure us that appeals to the, quote, 'middle class' is not a new code word for avoiding the issue of racial justice?" Clinton was asked, to applause.

Clinton responded, "If trying to restore the middle class in this country is a code word for racism, we are in deep trouble. We might as well fold our tent and go home."

Staff writer Ruth Marcus contributed to this report.

THE RACE FOR PRESIDENT

A Daily Digest

Bush Forces Mock Clinton On Attention to Defense

By David Maranias
and Ann Devroy
Washington Post Staff Writers

So now it's getting nasty and personal, just as many predicted it would.

Campaigning in Anaheim, Calif., yesterday, President Bush again raised the "trust" issue, suggesting he, not Bill Clinton, is the candidate who can be trusted in handling national security issues.

Bush told workers at an electronics plant that the defense budget should be "more than a piggy bank for folks who want to get busy beating swords into pork barrels," adding that "someone" has to speak up for military strength—and that someone would be him.

Bush went on to mock Clinton for devoting only "one minute, 141 words" in his acceptance speech at the Democratic convention to national security. "If you blinked, or even heated up a ham-and-cheese sandwich in the microwave, well, you missed it," Bush said. "I guess it's all part of the 'change thing.' When it comes to national defense, I'm worried that the other side is all for change all right. They want to change the subject."

It was the second direct attack on Clinton in a week by the president, who still maintains he is not in the campaign mode and won't be until next month's Republican convention.

But it was nothing compared to the psychological battle between the fastest mouths on either side of the party line—James Carville and Mary Matalin.

Carville, the chief Clinton strategist, and Matalin, his Republican counterpart, had been romantic partners before the presidential campaign began, but said they put their relationship in abeyance once it became clear that they would be facing each other in the nation's quadrennial political civil war.

Things were somewhat tame until this week when the Bush side began what it said will be a daily fax attack against Clinton.

Yesterday's fax from Matalin was issued, she said, to "celebrate Day Two of the Clinton Record Highlights," examining what Clinton said about the gulf war.

Gaining momentum from her Day One salvo, when she sent

out a list of 128 taxes Clinton had raised as governor of Arkansas and called him an arsonist posing as a firefighter, Matalin yesterday labeled Clinton a "Silver-Tongued Straddle Pander." She added, "When it came to Desert Storm, Slick Willie jockeyed for position . . . riding tall in the straddle."

Combing through Clinton's statements on the war, GOP researchers found some that Matalin said were contradictory.

In January 1991 when Congress was debating whether to give Bush authority to go to war, Clinton said, "I agree with the arguments of the people in the minority on the resolution that we should give sanctions more time and maybe even explore a full-scale embargo before we go to war."

During the primaries, however, Matalin said, Clinton presented himself as a supporter of the president's position. "I think we all ought at least [to] admit the president was right to kick Saddam Hussein out of Kuwait and if he hadn't, he would still be there today," Clinton said. "He'd be threatening Saudi Arabia and the sanctions never would have worked."

Asked about the divergent statements at a news conference outside the governor's mansion in Little Rock yesterday, Clinton professed bewilderment. "At the time [of the sanctions vote] the White House was very grateful to have a Democratic governor who was supportive," he said.

Clinton said his earliest statements about sanctions were meant to convey that he had sympathy for that position but thought it was important for Congress to give Bush authority to follow the U.N. position and declare war by Jan. 15.

After the news conference, Carville appeared at the edge of the crowd and unloaded on Matalin, though not by name. "With Republicans, as the campaign goes on, the blows increase in intensity with a corresponding decrease in altitude," he said, grinning his inimitable Cajun grin. "They're already at our belly buttons. They'll be at the ankles in a couple of weeks."

Maranias reported from Little Rock, Devroy from Anaheim.

The Washington Post

FRIDAY, JULY 31, 1992

Crowds Enthusiastic on Gore's Tour

Vice Presidential Nominee's First Solo Trip Contrasts With '88 Bid

By Richard Tapscott
Washington Post Staff Writer

PHILADELPHIA—Doing her best to warm up a noontime rally here this week, Democratic Senate candidate Lynn Yeakel was taking too long in getting to the main attraction for some in the crowd of nearly 10,000 people packed into John F. Kennedy Plaza.

"We only have an hour," a woman cried out from the throng, a touch of exasperation in her voice. In other words, bring out Albert Gore Jr., the Democratic vice presidential candidate and the one people had come to see.

On his first solo campaign swing as Arkansas Gov. Bill Clinton's running mate this week, there were plenty of voters who agreed, judging from late-July crowds in Georgia, North Carolina and Pennsylvania. And that is a marked contrast to Gore's foray into the 1988 presidential race, when his Robocandidate persona brought his campaign to an unsuccessful end.

Campaigning in the South at the beginning of the week, the Tennessee senator got the kind of warm welcome from local Democrats that was hard to come by in the past two elections.

"It's a good fit this time," former North Carolina governor Jim Hunt said of Gore and his running mate and fellow southerner Clinton. For Hunt, who is seeking to return to the governor's mansion in Raleigh this year, having two southerners at the top of the ballot makes an important difference. The best comparison Hunt could find was in 1960, when another "new-generation" candidate, John F. Kennedy, narrowly carried North Carolina.

Gore, 44, is not bashful about reminding voters of his ticket's relative youth.

"The time has come for leadership to be passed to a new generation," Gore said in Philadelphia, choosing words reminiscent of those used by Kennedy in his inaugural address. "Now is our time."

His message got through to some in the crowd of nearly 3,000 packed into a North Carolina State Fair building Tuesday. Standing before a huge American flag, a sweat-soaked Gore borrowed heavily from the

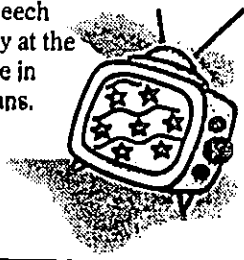
ON TV

PRESIDENT BUSH

■ C-SPAN 5 p.m.
"Road to the White House"
Tape of campaign speech in Orange County Calif.

GOV. BILL CLINTON

■ C-SPAN 5:30 p.m.
"Road to the White House"
Tape of speech
Wednesday at the
Superdome in
New Orleans.



patriotic appeals that Republicans have claimed in recent elections.

"Maybe it sounds corny, but I love my country," he said in Raleigh. "I want my country to change."

He delivered a reassuring message earlier in some Atlanta interviews: "Governor Bill Clinton and I both have worked . . . to change the direction of the Democratic Party. We don't stand for the old, centralized, bureaucratic approach."

After listening to Gore, Tom Zembrzski, of Holly Springs, N.C., said he could see a difference.

"There is a sense there's an energy here that wasn't there four years ago," he said as he passed by the fairground's fried chicken and Carolina barbecue stands.

Gore's performance and the large and enthusiastic crowds that turned out for him in his shakedown cruise, left his aides smiling as he prepared to head back to Tennessee and then to California this weekend.

"It was an incredible success in terms of building on the enthusiasm from the convention and the bus trip," said Mark Gearan, a senior Clinton adviser who will be the traveling manager of Gore's campaign.

During his 1988 campaign, Gore developed a well-earned reputation as a wooden speaker given to jerky gestures that seldom synchronized with his words. By most accounts, Gore had only one method of show-

ing emphasis on the stump: turning up the volume.

The 1992 model avoids prepared speeches, modulating his voice and building occasionally to crescendo. Though still not a fluid orator, Gore has found ways to get the most out of audience participation. By week's end, crowds were prepared for the line he first used at the Democratic National Convention two weeks ago. After pounding the Republican administration, he asked at each stop, "What time is it?" And, with Gore counting cadence like a conductor, the crowds responded, "It's time for them to go."

Gore is uncomfortable with comparisons to 1988, dismissing them as artificial.

"Things are so different," he said in an interview. "Sometimes there's a natural tendency to think that time stops at the end of a campaign. I've been through a lot of changes in the last four years. I'm really enjoying it a lot."

While he has been honing his stump speech, Gore's staff—a mixture of Clinton aides and key members of his Senate staff—has also been coming together.

Gearan, a former executive director of the Democratic Governors Association, will act as his senior aide and travel with the candidate. Roy Neel, the chief of Gore's Senate staff, will hold a similar job in the campaign, based at Clinton's Little Rock headquarters.

John Kroger, deputy policy director for Clinton, will handle policy for Gore. The senator's Senate press secretary, Marla Romash, moved over to the campaign in that capacity. Peter Knight, a fund-raiser for Gore in 1988, is directing his part of the Clinton-Gore money search.

Gore, who has listened to professional suggestions on how to improve his speaking performance, does not sound like he will take one recommendation he got this week from former president Jimmy Carter.

Carter, the last Democrat to occupy the White House, said he advised Gore and Clinton to take some time off during the Republican convention, which begins Aug. 17 in Houston.

"I see this not as a marathon but as a sprint," Gore said. "Both of us are planning to go full speed with no letup until the election."

The Washington Post

FRIDAY, JULY 31, 1992

Americans May Still Be In Russia

KGB Archives Said To Give New Details

By Larry Ryckman
Associated Press

MOSCOW, July 30—Some Americans imprisoned after World War II may still be alive in the former Soviet Union, the Russian co-chairman of a commission investigating U.S. POWs said today.

In an article for the newspaper *Izvestia*, Gen. Dmitri Volkogonov said Soviet authorities had pressured 39 Americans to renounce their citizenship. He said those who refused were jailed as spies, and those who agreed were sent to prison camps anyway.

"There is reason to believe some of them are still alive and that they live on the territory of the former U.S.S.R.," Volkogonov wrote, citing newly released KGB documents.

Malcolm Toon, Volkogonov's American counterpart on the POW commission, said in June that he doubted any U.S. POWs still are imprisoned in the former Soviet Union. "There may be former American POWs living in Russia or the former Soviet Union voluntarily. We don't know that," said Toon, a former ambassador to Moscow.

Volkogonov's brief article, headlined "Sensations Possible," did not identify any of the Americans, but he promised to publish a list in the next few days. The article did not

*"There may be
former American
POWs living in
Russia ...
voluntarily."*

— Malcolm Toon,
U.S. representative on POW commission

specify whether the 39 were servicemen or when they were imprisoned, except to say it was after World War II.

Volkogonov was at his country dacha today and could not be reached for comment, according to a woman who answered the telephone at his home.

President Boris Yeltsin caused a stir in the United States in June when he said the Soviet Union had imprisoned hundreds of American soldiers after World War II and the Korean and Vietnam wars. He said most had been returned or died, but that some might remain in Russia.

Volkogonov, a Yeltsin adviser and prominent military historian, previously said he doubted that any Americans imprisoned during World War II and the Cold War era were still alive inside the former Soviet Union.

But in his article, Volkogonov cited newly discovered documents, "unearthed from the depths of the archives that were top-secret until just recently." The most important papers were found in the Russian Security Ministry, a successor of the Soviet KGB, by members of its own staff, Volkogonov wrote.

The new papers show that 39 Americans who had Russian, Ukrainian, Belarusian and Lithuanian origins and names "happened to find themselves" on Soviet territory after World War II, he wrote.

"Appropriate organs worked with them—pressuring them into giving up American citizenship," he wrote. "Those who refused were sentenced to 10-15 years in prison camps on espionage charges."

Most agreed to give up their U.S. citizenship, he said, but were sent to prison camps anyway as Soviet citizens.

Some authorities previously had speculated that Americans imprisoned in the Soviet Union as young men eventually abandoned hope of returning home, married Soviet women and started families after being released.

Volkogonov said the search for missing Americans is difficult because of the time that has elapsed and because some of those being sought might live in former Soviet republics outside Russia.

So far, the search for American prisoners has turned up only a few graves of U.S. servicemen, as well as a former American code analyst who defected in 1962 and wound up in a Soviet psychiatric hospital.

The Washington Post

FRIDAY, JULY 31, 1992

Recovery Sputtered In Spring

Consumer Wariness Halved Economy's Rate of Growth

By John M. Berry
Washington Post Staff Writer

The American economy slowed to a crawl this spring, growing only half as fast as it did in the first three months of the year, new government figures showed yesterday.

Consumers, whose spending had sparked an economic rebound in the first three months of the year, pulled back again in the April-June quarter, actually buying fewer goods and services than they did in the winter. That left the growth rate for the second quarter at 1.4 percent, compared with an annual rate of 2.9 percent for the January-March period, the Commerce Department said.

The department also released a new picture of the economy's performance in past years, based on updated information, showing that the 1990-91 recession was considerably worse than previously thought and the recovery slightly weaker.

Yesterday's data show that while the economy is still moving forward for the fifth quarter in a row, it is struggling like a runner in mud and still has not made up all the ground it lost in the recession.

With slow growth, recession and weak recovery, the U.S. economy has grown, on average, less than half a percentage point a year during President Bush's time in the White House. With such a low growth rate, the economy has generated only an additional 840,000 jobs since January 1989, while the U.S. work force grew by 4.1 million people.

Bush, whose popularity has skidded as the economy has struggled, told a campaign audience in Texas yesterday that the latest numbers were "telling us something you probably can pick up from conversations down at the local hardware store: The economy is growing, but it has got to grow faster."

Bush said the up and down nature of the growth rate "is not unusual"

See ECONOMY, A10, Col. 3

ECONOMY, From A1

during recoveries from recessions and added, "Most economists . . . predict that the economy is going to get stronger the rest of the year and I believe that they're right."

The weak economic numbers prompted Democratic presidential nominee Bill Clinton to emerge from a day off at the governor's mansion in Little Rock yesterday and hold his first press conference in three weeks.

"Just the other day Mr. Bush told the American people that he was the man we can trust to answer the phone in a time of crisis," Clinton said. "Well, we are in a crisis, an economic crisis and it's far more painful than he understands. The phone is ringing and it's been ringing for a long time."

Joseph Wahed, chief economist at Wells Fargo Bank in San Francisco, said the second quarter's slower growth had been widely expected.

"There are no surprises in these numbers," Wahed said. "We knew from the early part of the spring that the economy was lackluster, that the stronger recovery that started in the first quarter was fizzling out."

One benefit from the continued slow growth is that inflation remains low. In the second quarter, and over the past year, the prices of goods and services produced and bought by Americans rose at a 2.8 percent rate, down from 4.3 percent in the previous year.

Businesses' purchases of equipment, such as computers, machine tools and trucks, rose more strongly than expected. But that improvement was largely offset by a worsening of the trade deficit as exports fell and imports rose.

As the president said, administration economists expect the economy to expand a little faster in the second half of this year, with growth at close to a 3 percent rate rather than the 2 percent pace of the first half.

Many private economists have made forecasts similar to that, but recent economic reports, such as a sharp drop in consumer confidence this month, have caused a number of them to scale back their expectations for the next six months.

Yesterday, another report contained somewhat better news. The Commerce Department said that sales of new homes rose 7.9 percent last month after dropping since early in the year. Recent declines in mortgage interest rates were largely responsible.

The retreat by consumers meant that most of the second quarter's added production ended up on businesses' shelves rather than in the hands of purchasers. That, said Wahed, is not good news because production will have to be held down until the unwanted stocks of goods are sold. "That means now that the third quarter will be tougher for businesses. They will have to cut prices to get rid of this inventory," he said.

Nevertheless, Wahed agreed that it is perfectly possible that the gross domestic product (GDP) will increase at a somewhat faster rate in the second half of the year, as Bush predicted. But even if that happens, the public may not feel much differently about the state of the economy, he said.

"The president is trying to split hairs," he said. "Even if growth is 3 percent in the second half, it is not enough to help him [in his bid for re-election]. People are not going to see any surge in the next six months."

A few economists, such as Michael

Keran at Prudential Insurance Co. in Newark, are more optimistic about the outlook. Keran believes an "aggressively easy" policy of lower interest rates at the Federal Reserve has set the stage for a rebound in growth to 4 percent over the coming year.

Other economists were less cheerful. Sung Won Sohn, chief economist at Norwest Bank in Minneapolis, said slow growth could continue indefinitely. "The only advice I can give people is, 'Get used to it.' I think it will be years, not months, before we should expect any kind of strong, robust economic growth."

Sohn said the country faces a series of fundamental economic problems that will take a long time to resolve. Both consumers and businesses are spending cautiously while they try to bring their heavy debt burdens back in line with slowly rising incomes.

The economy also is struggling because many American corporations are shedding workers to remain profitable in the face of rising international

competition. Employers are trying to cut costs and raise the productivity of their remaining workers.

Finally, Sohn said, consumer confidence remains depressed not just by the weak recovery but more serious, longer term woes.

"White-collar workers do not have the kind of job security they used to think they had" as a result of all the corporate cutbacks, he said. "Moreover, there has been a general public realization that real income per person has been trending downward since the mid 1980s."

"I don't see how any of these things will change overnight, or even in a year or two," Sohn said. "This year we will be doing very well if we can end up with 2 percent growth in GDP. It more likely will be 1.5 percent to 2 percent, and the risk clearly is on the downside."

Staff writer David Maraniss contributed to this report from Little Rock, Ark.

The Washington Post

FRIDAY, JULY 31, 1992

Clark Clifford For the Defense

Emotional Elder Statesman Pleads His Case

By Sharon Walsh
Washington Post Staff Writer

Clark M. Clifford shuffled slowly to the microphones, seemingly weighed down by his 85 years and more. But as he began to speak to reporters yesterday in defense of his embattled reputation, something happened.

He started slowly, softly, but then his voice rose and his shoulders squared. He was the lawyer, pleading his case; the statesman, asking for fairness; the honest citizen, facing his politically motivated accusers.

Most of all, he was a man who wanted his good name back. And, said his lawyer, he wants it back before he dies.

"We did not know," Clifford said, summing up his reply to charges that he and his law partner, Robert A. Altman, lied about the secret foreign ownership of First American Bankshares Inc., the Washington bank holding company they headed. "I'd give almost anything I have today if we had known because it would have spared me and my family from the most painful period that one can imagine these past years."

At the end of his long, eloquent soliloquy, his voice still strong and his fist raised for emphasis, he said he would not give up.

"I am not only not overwhelmed by the charges," he said. "I know them to be false and I'm going to fight every step of the way. As long as I have the strength and the health to do it, I will fight each day. I am spending the rest of my life to get my good name restored to me."

Then, after 45 minutes, he sat down. The energy seemed to drain away and he suddenly looked his age once again.

See CLIFFORD, A10, Col. 1

CLIFFORD, From A1

It was that Clifford that his attorney, Carl S. Rauh, later stood to defend.

Clifford suffers from severe heart disease, takes nitroglycerin and has frequent attacks of angina, Rauh said. Tests done earlier this month show that three coronary vessels are 90 percent blocked, and a fourth is 70 percent blocked, he said.

"His doctors indicate he may not live very long," Rauh said, with Clifford at his side, adding that risky coronary bypass surgery is being considered. "Mr. Clifford very much wants the opportunity to be vindicated before he dies. Therefore, he hopes to have an immediate and speedy trial here in Washington."

Sources involved in the case said they expect Clifford's and Altman's lawyers to ask U.S. District Judge Joyce Hens Green today to set a trial date in Washington as soon as possible. That would allow the two men to be tried first on the federal charges brought Wednesday by the Justice Department and U.S. Attorney Jay Stephens, rather than on the somewhat broader charges brought the same day by New York District Attorney Robert M. Morgenthau.

New York and Justice Department officials have said they still are working on who will go to trial first. Both offices declined to comment on what role, if any, Clifford's age and health will play in the case.

Sources said the court is likely to take more seriously than usual the requirements for a speedy trial, although the trial itself may be long and arduous.

Clifford's attorneys only recently made prosecutors aware of what they now say are Clifford's serious health problems, according to sources.

However, sources close to Clifford said his attorneys have tried for some time to convince him to let them submit medical records. Clifford was at first reluctant because he did not want to seem to be pleading for mercy, they said. "He is a proud man," said one close to the case.

Clifford blasted prosecutors for their overzealousness, saying they have "not one scintilla of direct evidence," a point that Altman and Rauh also emphasized.

"A government that operates properly would not have attacked Mr. Clifford, an elderly man, a man of integrity, a man who has served his country well for so many years," Altman said during his statement, his voice breaking.

Clifford and Altman declined to take questions from reporters at their lawyers' office yesterday. When a reporter asked Altman whether he had hidden the purchase and sale of stock in First American Bankshares that netted him and Clifford \$9.8 million in profits, he gave a frustrated look and rolled his eyes.

In their statements and in previous testimony, both men have said the stock transactions were compensation for their hard work. The New York indictment charges that the foreign-based Bank of Credit and Commerce International had lent them money that did not have to be repaid and then arranged for them to make large profits on selling the stock as a reward for their participation in an alleged conspiracy to give BCCI secret control of First American Bankshares.

Altman expressed bitterness at the government's probe. "Most of you have no concept of what it is to be subjected to the kind of investigation that we have confronted," he said. "The past 18 months have been enormously painful. They have been a time of great personal and financial cost to me and to my family, to my friends."

"We were prepared to endure that, confident that the government in the final analysis would act appropriately. . . . When the time came to make decisions in the matter . . . political considerations and public pos-

turing overwhelmed the merits of the case," he said.

He went on to say that investigators have "made deals with true scoundrels, trying to gain information," but that the real evidence, which he said establishes their innocence, has been ignored.

"I think this case should disturb decent Americans," Altman said.

"Aggressive media strategies are not unusual for defendants," said Justice Department spokesman Paul McNulty when asked about the counterattacks Clifford and Altman seemed to be mounting. "The department intends to prove its case in court, not in the press."

Clifford, in a speech made virtually without notes, explained his roles as an attorney for the Middle Eastern investors who took over First

"I am spending the rest of my life to get my good name restored to me."

— Clark Clifford

American Bankshares and as chairman of the bank company for a decade. He described his relationship with Agha Hasan Abedi, the Pakistani banker and founder of BCCI, who was a client of Clifford's law firm.

"He was respectable, it appeared," he said of Abedi. "He was able, he was soft-spoken. He seemed to be what he pretended to be."



The Washington Post

FRIDAY, JULY 31, 1992

State and federal officials have charged that Clifford and Altman were hired to smooth the way for Abedi and BCCI to take over First American Bankshares. Clifford and Altman said yesterday they did not know that the Middle Eastern investors who took over First American were front men for BCCI, which was closed down by regulators around the world last year.

Clifford said he took the job as chairman of First American when Abedi offered it because his law practice no longer excited him. "What I needed at the time was a challenge—another mountain to climb, another test of myself. That was really the motivating factor that caused me to get in it."

He went through a list of accomplishments at First American and quoted from the congressional testimony of federal regulators, who said last year they had found no evidence of violations of law at the bank.

"I have prided myself on my good name," he said, going back to the value he places on his reputation. "Sixty-four years in the practice of law. I don't know of a single cloud ever being lodged against my name. . . . Now comes this."

"I mentioned how painful it is, how painful it is for my family, how painful it is for my many friends who've been so loyal to me, and they wonder is this the Clark Clifford that we knew, who for all these years conducted himself decently and honorably and then turned out to be a criminal?"

"... My only answer to it is I did not."

The Washington Post

FRIDAY, JULY 31, 1992

Area's Prosperity: Blame It on Government

By D'Vera Cohn
Washington Post Staff Writer

Life really is different inside the Beltway. According to 1990 census figures released yesterday, the Washington region has the highest income, the most schooling and the greatest proportion of bosses of the country's large metropolitan areas.

Washington's household income is higher, poverty rate lower and its residents more likely to have a college education than any of the 20 largest metropolitan areas. The work force has a plumper proportion of managers and more women hold paying jobs here than any of those 20 regions, all with populations of more than 2 million.

The relative prosperity of the metropolitan region—which encompasses eight counties and five cities in Virginia and Maryland plus the District of Columbia—and its appeal to people with elite skills

stem from the same reason that makes Washington a convenient target for critics: big government.

Although the federal government is a shrinking slice of the local economy, it still fuels enough white-collar employment in think tanks, consulting firms and defense contractors to pump up the wealth and education levels here.

"That's why Washington stands out in all sorts of measures," said Richard L. Forstall, a Census Bureau demographer who studies metropolitan areas. "It's basically because of its industry, which is government and government specialties."

The 1990 Census was taken before the brunt of the recession hit, and thousands of people lost their jobs here. But the region's relatively low unemployment rate—5.2 percent in May compared with 7.5 per-

See WASHINGTON, A14, Col. 1

D.C. Area Leads U.S. In Income, Education

WASHINGTON, From A1

cent nationally—suggests Washington still is better off.

Not that life here is without bumps. Washington has a more time-consuming average commute than Los Angeles, census figures show. Although the gap is only three minutes, 26 vs. 29, traffic planners call that a significant amount of time.

"That's something, isn't it?" replied Diane Cvitko, who has a one-hour commute each way from Upper Marlboro to downtown Washington for her job as a legal secretary. "That's amazing."

Cvitko said the daily drive is such a grind that one woman dropped out of her car pool and got a job closer to home because she couldn't take it. Her own philosophy, perhaps a good mantra for Washington, is simple: "You get up. You do it. That's it."

The 1990 census figures released yesterday compared income, education, labor force characteristics, housing costs and other measures for metropolitan areas, the city-suburb combinations that are home to more than three-quarters of the nation's population. The Washington area is the eighth largest, with a population of 4 million.

Washington has other traits that stand out among big-city regions. It is one of the country's more transient areas, for instance. Less than

half of local residents told census takers they lived in the same house they did five years before, a figure comparable only to the most mobile areas of the West and Southwest.

Janine Burns, manager of a firm that counsels laid-off workers and spouses of workers being transferred here, said the same qualities that make Washington stand out also make people want to come.

"Washington continues to be a wonderful drawing card," said Burns, mid-Atlantic managing director manager for Jannotta, Bray & Associates. "Of thousands of clients we have had, I can remember 10 who wanted to look elsewhere. They want to come and they want to stay."

Despite the dramatic growth in the Hispanic and Asian communities here, it is barely a blip in comparison with other regions. Although local school systems cannot keep up with the demand for English language classes, the percentage of households where a language other than English is spoken at home is lower than average for all 284 metropolitan areas. Washington's figure of just under 15 percent fades in comparison with New York's 28 percent, Los Angeles's 38 percent or Miami's 41 percent.

The census figures paint a portrait of a top-heavy, career-oriented work force. Washington's median household income, \$47,000, is several thousand dollars higher than its

closest competitor among the top 20 metropolitan areas, San Francisco, at \$41,000. The median is the figure half the households are above, half below. One in six adults here holds a graduate or professional degree, double the average in other metropolitan areas. Sixty-nine percent of women work, 10 percentage points higher than the metropolitan area average.

Public administration is the single largest industry here, according to the census. For the average metropolitan area, it ranked 10th.

That combination of education, pay and skilled jobs infuses civic life, demographers and others say.

"There is a different attitude," said Norman Knopf, a lawyer who often represents civic groups in disputes with Montgomery County.

They certainly can go *mano a mano* with the experts. Overseeing the Fairfax County school bureaucracy as the newest member of the county School Board is Gary Jones, a former federal undersecretary of education.

Sometimes this produces situations in which local meetings resemble Senate hearings. At a Metro public hearing in June on plans to expand service to disabled patrons, Arlington resident Robert C. Ashby stood up and offered his expertise. He explained that he is a lawyer who helped write the federal Department of Transportation regulations implementing the Americans with Disabilities Act.

"Only in Arlington," responded Metro board member Mary Margaret Whipple, as the audience chuckled. "Maybe you can help us understand some of this."

Staff writer Stephen C. Fehr contributed to this report.

The Washington Post

FRIDAY, JULY 31, 1992

Census Offers Close Look at National Trends

By Barbara Vobejda
Washington Post Staff Writer

College-educated Americans are increasingly concentrated in the nation's metropolitan areas, new census figures show, drawn by white-collar job growth and settling into a lifestyle based on higher incomes, longer commutes and a more expensive house farther out in the suburbs.

Taken together, the figures provide a detailed look at metropolitan life, which now encompasses more than three-quarters of the population and increasingly defines the future of the nation. They also show the widening gap—in income, education and ethnic diversity—between the 284 metro areas and rural and small-town regions.

"Who is moving from rural areas? It's clearly the younger, the better educated, the ones in managerial

occupations," said William O'Hare, director of population and policy research at the University of Louisville. "It's a push-pull. The jobs are seldom available in rural areas and more available in metro areas. That drains the people who might revive the rural areas."

Behind the statistics, the most detailed yet for metro areas from the 1990 census, are communities as diverse as the Bronx ghetto, the main street of Enid, Okla., and the far suburban subdivisions of Loudoun County.

"There's much more divergence than there was in 1970" among the metro areas, said William Frey, a demographer at the University of Michigan. That is due in part to the suburban sprawl into communities that feel more rural than urban.

The greater diversity also follows two decades of immigration, which

See CITIES, A14, Col. 4

Metro Areas' Affluent Lifestyle Attracts Nation's Best-Educated

CITIES, From A1

has brought a striking new multiculturalism to many coastal and Sun Belt cities but left many smaller communities in the Midwest relatively untouched.

"There is a very different experience living in these small, largely white metro areas" than the "port-of-entry" communities, Frey said. "In L.A. and other areas, it's a real stew where people are going to have to get used to living in a multicultural environment."

Immigration has more than doubled the number of foreign-born in metro areas since 1970, to 18.6 million. Since 1980, the number of persons who speak a language other than English at home rose by 43 percent, to 28.3 million. Of those, nearly 45 percent say they have trouble speaking English.

In nonmetro areas, by comparison, the number of foreign-born fell slightly since 1980, pointing up the disproportionate pull of urban areas to newly arrived immigrants.

The census also confirmed what many urban dwellers already knew: it costs a lot more than it used to own or rent a home. The median monthly rent in metro areas was \$252 in 1980, while the figure a decade later was up to \$474. And the median mortgage was \$381 in 1980, compared to \$789 a decade

later. At the same time, household income stayed relatively flat, rising just 7 percent in real dollars in metro areas.

Metropolitan residents, like all Americans, have become much more educated over the past 20 years, with high school graduation rates among adults growing from 55 percent to 77 percent. But the proportion of the population with at least a bachelor's degree grew disproportionately in metro areas, to 22.5 percent, compared to 13 percent in nonmetro areas.

While most Americans have lived in metropolitan areas for decades, the lifestyle has changed dramatically. A typical family today is a couple with children, living farther out in the suburbs than they would have a decade or two ago. Unlike the previous generation, these suburban dwellers may very well also work in the suburbs.

"A larger percentage of people live in bigger and bigger metro areas, but a bigger proportion of metropolitan people live in the suburbs," said Richard L. Forstall, a geographer and demographer at the Census Bureau.

The range of metro lifestyles is extraordinary.

In the Los Angeles metro area, for example, half of the population is Hispanic, black or Asian, the number of residents grew by 26

percent over the last decade and 27 percent of the population was foreign born.

But the community many demographers call typical is Indianapolis, where less than 15 percent of the population is black, Asian or Hispanic, total population grew by just 7 percent and less than 2 percent of the residents were foreign born.

Stuart Reller, an Indianapolis city planner, describes a metropolitan area that is evolving slowly rather than speeding through the rapid social change that is common in many big cities on both coasts.

Population and jobs have grown mostly at the geographic edges of the metro area, Reller said, and for the first time some residents are "reverse commuting" from the central city to jobs in the suburbs.

On one hand, he said, "we've got gangs, we've got people pushing drugs, we've got drive-by shootings—but it's not the Crips and Bloods situation."

On the other hand, housing costs have stayed very low and "our rush hour consists of five or 10 minutes of frenzied driving on local streets or the interstate." Also, he said, "it's amazing the number of people that grow up in Indiana and stay in Indiana to be close to family."

Staff researcher Barbara Saffir contributed to this report.

Metropolitan America: More Educated, Affluent, Ethnically Diverse

The Washington Post

FRIDAY, JULY 31, 1992

292 Escape From Fiery Jet

Injuries Minor in TWA Crash on N.Y. Takeoff

By Laurie Goodstein
Washington Post Staff Writer

NEW YORK, July 30—A Trans World Airlines jetliner veered off the runway on takeoff from John F. Kennedy International Airport today and burst into flames. The 292 passengers and crew were evacuated, and more than 50 passengers had minor injuries, officials said.

The plane, a widebody Lockheed L-1011, was destroyed in the ensuing fire. The rear of the aircraft was completely burned, and the front end appeared to be intact, although sitting on its nose, indicating that the landing gear had collapsed.

"The plane was toast," said TWA flight attendant Kim Leo, 24, of Islip, N.Y., who was waiting to board another flight when she saw Flight 843, which originated in Milan with another aircraft and was bound for San Francisco, burst into flames.

Passengers praised the efforts of the dozen crew members to rapidly evacuate the flaming jet. "They got everybody off very quickly," said Joel Silver, 26, who was returning to his home in Berkeley, Calif., after attending a religious school in Israel.

Some passengers in the forward part of the plane said they were unaware the craft was afire and were oblivious to the danger. Howard Weckler, 46, of Jericho, N.Y., was one of them.

Weckler, who manufactures uniforms for the airline industry, said he was seated in the first-class section and was one of the first passengers to slide down an evacuation chute. The crew, he said, yelled "Evacuate the plane." In the front

See PLANE, A14, Col. 4

292 Escape in Fiery TWA Crash on Takeoff

PLANE, From A1

of the plane, they kept it very orderly. Initially, people were afraid to get on the slide, but the crew said, "Jump! Jump!"

"When I looked back, I saw the flames and the smoke, and then I thought, 'Oh, my God.' ... It was totally on fire and nothing but black, billowing smoke all over the place. That's when somebody grabbed me and said, 'We're out of here.' I just can't believe there were no fatalities."

Others who were seated farther back saw the flames. "We saw out the window just like a sheet of reddish orange," said Silver. "It didn't register right away what that was."

Tim Scheld, a reporter for WCBS-AM in New York and a passenger, told his radio station: "I was in the coach section, and I noticed an orange glow reflecting off the movie screen."

Scheld said many people on the flight did not speak English but nevertheless knew what to do when they saw the doors open and evacuation chutes going to the ground. "Everything was calm, as calm as it can be when you know you've got to get out of there because you can see flames and smell smoke," he said.

Scheld told WCBS that the plane had just barely gotten off the ground when "there was a slight bang" and "we came back down on the ground in a violent fashion. We were all bracing each other, bracing ourselves against the seats in front of us hoping that pieces of the plane would not come free, and they did not. The plane stayed intact on the inside." He added that there was "some pushing and shoving" during the evacuation.

Marco Calegario, 16, who was traveling from Italy to San Francisco for a vacation with his parents and younger brothers, Pietro, 13, and Luca, 11, said, "My father was afraid because the people were pushing, and my brothers are small. ... We jumped out, and then I saw my father and mother, and we stood together. It was like a dream."

Bill Kistner, 40, retired San Jose, Calif., police officer, said the plane was airborne for a few seconds before "it just came back down to the runway with a bump. I knew we had a problem because we had already used up most of the runway. The pilot put the engine into reverse. As soon as he did that, I started seeing flames and smoke."

Kistner, who was seated in Row

32, said, "I had to make it way up to the front of the plane to the front exit. The door I was near, when it was opened, it was filled with smoke and flames."

He estimated that it took three or four minutes before everyone was out of the plane. And then, as they stood on the tarmac, watching their plane burn, "it took people five or 10 minutes before they started crying hysterically, realizing what had happened," he said.

TWA said 275 passengers, 12 crew members and five non-working TWA employees were aboard the plane when the crash occurred shortly after 5:30 p.m. Most of the injuries were abrasions, sprains and broken bones.

There was no indication why the plane crashed or what caused the fire. Investigators from the regional office of the National Transportation Safety Board went to the scene.

Fire Commissioner Carlos Rivera said the rear of the L-1011 "was completely burned out, devastated." But he ranked it as "a very positive day. We were able to save all those people. I say it was a miracle."

Staff writer Don Phillips in Washington contributed to this report.

The Washington Post

FRIDAY, JULY 31, 1992

Outlook Favorable For Shuttle Flight

Atlantis Astronauts Plan to Test 'Tethered' Spaceflight Concept

By Kathy Sawyer
Washington Post Staff Writer

CAPE CANAVERAL, July 30—The skies and the countdown both looked favorable tonight for Friday's scheduled lift-off of the shuttle Atlantis on a daring mission to test the concept of "tethered" spaceflight.

The launch of the joint U.S.-European mission is scheduled for 9:56 a.m. EDT, but could occur as late as 3:12 p.m. Forecasters said there is only a 5 percent chance that bad weather will delay it.

If all goes well, the seven-person international Atlantis crew on Monday is to unreel a half-ton Italian satellite to the end of a 12-mile-long wire tether and drag it through the electrically charged upper atmosphere for a day or so, churning up as much as 5,000 volts in the wire.

If successful, the experiment could point the way to power sources for future missions.

The flight, which NASA officials say is one of the riskiest and complicated in shuttle history, is expected to reveal the handling characteristics of two tethered spacecraft, possibly pointing the way to new technologies.

It is also to use the tether system to conduct physics experiments on the Earth's magnetic field and the electrically complex ionosphere.

However, engineers and scientists have said the mission presents some unknowns because they are not able to test the system on Earth. Among the potential hazards: bizarre whipping motions in the tether and unexpected forces acting on the Italian satellite.

The potential risks of the mission prompted NASA Administrator Daniel S. Goldin to order extra safety reviews earlier this year, officials said. The review team concluded managers had planned for every contingency they could imagine.

Atlantis crew commander Loren Shriver, 47, told reporters earlier this week that he is confident the crew "can handle situations as they come up. But we expect to see some things about flying satellites attached to tethers that nobody's really thought about."

He noted that the crew trained longer than usual for the flight.

Also aboard Atlantis will be co-pilot Andrew Allen, 36; Swiss Claude Nicollier, 47; Italian Franco Malerba, 45; Marsha Ivins, 41; Jeffrey Hoffman, 47, and Franklin Chang-Diaz, 42.

This will be the first major test of the tethered-flight concept since it was developed by Italian scientists two decades ago.

The most difficult phase of the mission is expected to be the reeling in of the satellite. Engineers are not sure what kinds of motion the sphere might develop. If it wobbles out of control and threatens the safety of the shuttle, it will be cut loose, they said.

"If they happen to bring it back, we're heroes," said Jeremiah Pearson III, new head of NASA's space flight

Panel Opposes Forced AIDS Disclosure

Associated Press

The National Commission on AIDS said yesterday that medical workers should not be forced to disclose whether they have been infected with the AIDS virus. The lawyer for the only person known to have died from contracting the virus through medical contact called the panel's stance "abominable."

The commission, appointed by the president and Congress, said in a report that medical workers and patients alike should be protected from discrimination caused by fear of the disease.

The report said a patient's chances of contracting the HIV virus, which causes AIDS, from a

doctor, nurse or dentist are practically nonexistent, so no purpose would be served in forcing health care workers to disclose their status.

"The commission believes that a blanket policy of disclosure of health care providers' HIV status to patients would not only fail to make the health care workplace any safer, it would also have a deleterious impact on access to health care," the report said.

Polls show that people overwhelmingly would avoid being treated by someone who was infected with the virus, it noted.

Mandatory disclosure "inflates the risk of HIV transmission out of proportion to other risks and is inconsistent with the principles and

practice of informed consent," the commission wrote.

"I think that's abominable," said Robert Montgomery, attorney for the late Kimberly Bergalis, who died late last year from AIDS. She got it from her dentist, David Acer, who also has died.

"When a person has a contagious disease that can be contracted by association and refuses to reveal it, it is criminal," Montgomery said in a telephone interview from his office in West Palm Beach, Fla.

Forcing workers infected with the virus to leave medicine would be a substantial loss to society, the commission's report said. It cited statistics from the federal Centers for Disease Control saying 360 surgeons, 5,000 other physicians,

1,200 dentists and 35,000 other health care workers are infected in this country.

"Many HIV-infected providers are gay men whose practices include large numbers of individuals with HIV disease; diverting them from practice would further undermine efforts to respond to the epidemic," the report said.

It said proposals for mandatory testing and restrictions on practice "may be counterproductive, in that they may ultimately cause greater morbidity and mortality than they prevent."

One way that may happen, the report said, is by focusing public attention on something of slight risk, thus diverting people from avoiding riskier practices.

The panel also said that nobody should refuse to treat an HIV-infected patient because of fear of AIDS.

Meeting Called on AIDS-Like Illness

Associated Press

ATLANTA, July 30—The Centers for Disease Control has called a meeting next month of the nation's top experts to discuss the discovery of an AIDS-like illness in patients who do not have the AIDS virus, officials said today.

The CDC had known about five cases since 1989 but sat on the information because officials did not believe the illness was widespread or a threat, said James Curran, CDC's deputy director for AIDS.

An additional 21 cases came to light at the 8th International AIDS Conference in Amsterdam earlier this month.

"It is important to determine whether some or all of these cases might be caused by an infectious

agent and, if so, determine how that agent is transmitted and prevented," Curran said today.

The CDC has not set a date for the meeting.

Curran emphasized that it is premature to call the new disease a type of AIDS although it essentially does the same thing as the HIV virus that causes AIDS, suppressing the immune system so other diseases can ravage the body.

The 26 known patients all have very low numbers of a type of critical immune-system cell called CD4.

But they have all tested negative for the AIDS virus, and 16 have none of the known risk factors for AIDS infection. Five had received blood transfusions and five were homosexual men.

Appropriations Report Calls FEMA 'a Political Dumping Ground'

By Bill McAllister
Washington Post Staff Writer

The troubled Federal Emergency Management Agency was characterized in an internal report by the House Appropriations Committee as "a political dumping ground" filled by the Bush administration with inexperienced appointees who have mismanaged the agency, misled Congress and funneled consulting contracts to their friends.

The report, made public yesterday, said FEMA, which manages the federal government's response to natural and man-made disasters, is widely viewed as "a turkey farm, if you will, where large numbers of positions exist that can be conveniently and quietly filled by political appointment." The appointees have no experience in running FEMA's disaster programs and have caused agency morale to plummet to "an all-time low," it said.

The highly critical report written by the survey and inspections staff of the Approp-

riations Committee explains in part why the House voted Wednesday night to slash the agency's budget, strip executives of chauffeur-driven cars and order sharp reduction in FEMA's headquarters staff.

FEMA Director Wallace E. Stickney, a political protégé of former White House chief of staff John H. Sununu, was described in the report as a weak, uninterested executive who has little interest in the agency's substantive programs. Stickney, who was an environmental aide to then-New Hampshire governor Sununu, was said to have relinquished day-to-day management of the agency to Jerry D. Jennings, his deputy. Jennings, in turn, was described in the report as "more interested in the benefits associated with his position and cosmetic changes" than FEMA's mission.

Thomas R. McQuillan, a career employee whom Stickney dismissed as FEMA's executive director after he was accused of attempting to force a homosexual worker to

name other homosexuals in the agency, was accused in the report of directing questionable consulting contracts to friends. Two of those contracts were for work on a new headquarters site and may have been in violation of federal property management rules, the report said.

The report also sharply criticized McQuillan for carpeting portions of FEMA's executive floor when the agency's lease was about to expire at a cost of approximately \$4,400, plus spending \$10,000 for glass doors of the executive suite, and for securing government-subsidized parking for FEMA workers by taking money from a salary and expense account.

In an interview last night, McQuillan, who is still on FEMA's staff as a senior policy adviser and is fighting to retain his position, denied any improprieties. "In all cases the director and deputy director knew what I was doing," he said. "Nothing was improper."

Jennings called the report "absolutely libelous. It shows a wanton disregard for facts. It is loaded with errors and misrepresentations of facts."

FEMA said in a statement last night that the report "does great injustice to those it accuses with its repetition of innuendo, implied conclusions and in some cases, the reduction to print of that which is downright gossip and hallway speculation."

The agency said, nonetheless, that it believes the committee's final report, expected to be completed in early September, "will assess and evaluate the motives of the accusers, substantiate charges, if or where warranted, separate fact from hallway gossip and provide a logically reasoned, objective report."

William R. Partridge, the agency's deputy inspector general, said that the House Appropriations Committee's surveys and inspection staff was continuing to investigate the agency and that his office also had

"a number" of investigations underway. The Appropriations Committee, in a report issued two weeks ago, was critical of the office, saying it was not as aggressive as it should be pursuing allegations of wrongdoing at FEMA.

The investigative report released yesterday criticized the agency's managers for increasing overall spending on consultants to \$11.5 million in fiscal 1992, up 35 percent from \$8.5 million a year before and noted that some of the work included "team-building" seminars "of dubious value and results" at resorts in Virginia and West Virginia.

It accused the FEMA executives of having abrogated their fiduciary responsibilities and said McQuillan had at one congressional hearing substantially understated the costs of the consultants the agency had hired on what proved to be its abortive relocation effort. Despite the consultants' advice, the agency's lease on 500 C St. SW was renewed last year for another 10 years.

The Washington Post

FRIDAY, JULY 31, 1992

CIA Probes Congressman's Discretion

By R. Jeffrey Smith
Washington Post Staff Writer

The CIA has sharpened a Bush administration dispute with House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) by opening a formal review of potential damage caused by his disclosures on the House floor of classified information involving Iraq.

The CIA review, which comes two months after the administration decided to cut off Gonzalez's access to classified information, is aimed at determining whether his disclosures have compromised intelligence sources and methods, according to two letters sent to Gonzalez last week by CIA director Robert M. Gates and Deputy Director of Central Intelligence William O. Studeman.

Gonzalez, who officials acknowledge has embarrassed the administration with his revelations from intelligence files about Iraq, responded yesterday in an indignant letter to Gates that his statements "have in no way harmed the national security or revealed sensitive sources and methods."

Gonzalez charged that "the classification issue is being used as a convenient device to avoid substantive discussion of the issues at hand," and he called for the CIA and the administration to be more forth-

coming about its policy toward Iraq before the Persian Gulf War.

The congressman's disclosures were based on a staff investigation started more than a year ago of illicit loans to Iraq by the Atlanta branch of Italy's Banca Nazionale del Lavoro (BNL), which received some Commodity Credit Corporation loan guarantees to buy U.S. agricultural products.

Among other things, Gonzalez has said the administration was aware of an Iraqi effort to obtain equipment for weapons of mass destruction several years before it acted in 1990 to tighten U.S. restrictions on high-tech exports to Iraq. He also said the administration knew of BNL's illicit loans to Iraq and the bank's financing of arms-related purchases several days to several months before it approved \$1 billion worth of new loan guarantees to Iraq in 1989.

Rep. Sam Gejdenson (D-Conn.), House Foreign Affairs subcommittee chairman, who has also been investigating the administration's policy toward Iraq, joined yesterday in criticizing what he called its "hiding behind outdated national security classifications" to prevent embarrassing information from being made public.

Gejdenson said at a subcommittee meeting that the State Department has five days to release voluntarily some additional internal doc-

uments on Iraq policy; if it does not, he said, the subcommittee will vote to subpoena it.

For more than a month, Gejdenson has been seeking summaries of intelligence information about Iraq given to Secretary of State James A. Baker III each morning, and documents pertaining to Iraq that were signed by the secretary or that reflected meetings he attended.

Also next week, Attorney General William P. Barr is expected to give a preliminary response to the House Judiciary Committee, which has voted to recommend appointment of an independent counsel to investigate the administration's withholding of documents sought by Congress and various matters related to the BNL scandal.

Barr told Gonzalez in May that the administration would not surrender any new classified documents to the him until it receives assurances that they would not be disclosed in violation of security rules. Deputy Secretary of State Lawrence S. Eagleburger said several days later at a Banking Committee hearing, however, that he was then unable to show any public risk from the disclosures.

Studeman said in his letter that some of the disclosures came from "Top Secret, compartmented, particularly sensitive" documents. But Gonzalez said the committee has no information classified at that level.

The Washington Post

FRIDAY, JULY 31, 1992

Kemp Urges Veto of Senate Tax Proposal

*HUD Secretary, Bush
Differ on Urban Zones*

By Ann Devroy
Washington Post Staff Writer

LOS ANGELES, July 30—Secretary of Housing and Urban Development Jack Kemp, apparently attempting to strengthen the White House resolve on the urban crisis, today issued a statement in Washington sharply criticizing the Senate Finance Committee's tax bill at the same time the White House issued a far more conciliatory statement finding the legislation "generally positive."

The language of the two statements illustrates the difference in approach between the White House and Kemp, who has advocated a stronger, activist approach in the wake of April 29 riots here. Kemp has called for as many as 300 urban enterprise zones across the country, but the bill the Finance Committee approved Wednesday provides funding for 25.

Kemp, in his statement, said the legislation "should be vetoed in its current form." He said the measure "is hollow, it's a hoax, it's a sham." Bitterly denouncing Democratic congressional leaders for stripping most of the zones out of the bill and removing capital gains tax cuts within the zones, Kemp said, "It will not address the problems of L.A.; it will not address the problems of Detroit, of Newark, of the cities of this nation."

Kemp said that Los Angeles, in fact, would not be covered by the legislation prompted by its riots. He called that a "congressional message to Los Angeles: 'Drop dead.'"

"So much for the urban crisis," Kemp said of the Los Angeles riots that precipitated a flurry of action on urban legislation before the issue faded from White House and congressional view.

President Bush was in Los Angeles today but made little mention of the riots and their aftermath. He attended two Republican fund-raisers in Beverly Hills and is to give a speech on welfare reform before returning to Washington on Friday.

Shortly after Kemp issued his



*The bill "is
hollow, it's a
hoax, it's a
sham."*

—Jack Kemp

statement in Washington, the White House issued a statement here calling the package positive but citing "problems" with the enterprise zones and capital gains provisions. The statement said the administration will await action in conference before determining its final view.

Kemp's harsh denunciation puts Bush in the awkward position, if he decides to compromise and sign the legislation, of being at odds with Kemp, the author of the original enterprise zones bill 12 years ago and the major urban advocate in the Bush administration. It is rare, if not unique, for a Cabinet secretary to make his veto advice to the president public before the White House takes a public stand.

At the same time, House Minority Leader Newt Gingrich (R-Ga.) said in an interview Wednesday night that Bush "will not sign legislation" that does not offer a capital gains tax cut. "I guarantee it," he said, again making his statement before the White House issued any comment on the Finance Committee's bill.

Officials said Gingrich and Kemp both had been heavily involved in lobbying the White House to attack the legislation, veto it and run against the Democratic Congress for its failure to adopt acceptable legislation.

White House officials expressed exasperation with Kemp for issuing his public statement, with one saying that a "fight in the ranks" is "the last thing the president needs right now."

The Washington Post

FRIDAY, JULY 31, 1992

Witness Against Spy Chief Admits Lying to Hill About Iran-Contra

Fiers Makes Concession, Agrees Plea Bargain Avoided Felony Charges

By George Lardner Jr.
and Walter Pincus
Washington Post Staff Writers

Former CIA official Alan D. Fiers grudgingly admitted under cross-examination yesterday that he lied repeatedly about the Iran-contra affair, then last year made a deal with special prosecutors to avoid facing felony charges.

Fiers, the chief prosecution witness at the trial of former clandestine services chief Clair E. George, said he realized his plea bargain would force him to turn on old colleagues but protecting his future was more important to him.

"So you can't afford to be branded a liar and a felon, can you?" George's chief defense lawyer, Richard A. Hibey, demanded on the first day of cross-examination in U.S. District Court here.

Fiers said the issue of his being a liar was "moot" because he had just been forced to admit it on the witness stand. As for being branded a felon, he said that was a label he could not afford and would not accept without a struggle.

Former chief of the CIA's Central American Task Force and now a lobbyist for W.R. Grace & Co., Fiers was allowed to plead guilty last July to two misdemeanor counts of withholding information from Congress after promising to cooperate with prosecutors in any future proceedings.

Now in his third day of testimony as George's chief accuser, Fiers, 53, responded stiffly at first to Hibey's suggestions that he agreed to incriminate colleagues and higher-ups to save his own skin.

"You understood that it would not be enough for you simply to say that I, Alan Fiers, lied. You had to give somebody up, didn't you?" Hibey pressed.

"It's a fairly crass way to put it," Fiers replied. "I knew I had to tell the truth. I knew in the process of telling the truth, I would be giving

people up ... friends and colleagues. It was not an easy decision. It came down the way it came down."

The defense lawyer also hit hard at Fiers's deep-seated reluctance to admit that he had "lied" about his knowledge of the Iran-contra affair in front of various groups of investigators, including House and Senate committees, the Tower commission appointed by President Ronald Reagan, the CIA inspector general's office, and, until 1991, the office of independent counsel Lawrence E. Walsh.

Before yesterday's session, Fiers had emphasized in public appearances and with reporters that he had pleaded guilty only to withholding information from Congress, not to lying, even though the withholding incidents cited in his plea agreement had involved telling lies.

On the witness stand yesterday, he at first tried to take that same tack, going only so far as to concede making statements that were "not true."

Hibey, facing the jury as he spoke, focused on one of the counts to which Fiers pleaded guilty, involving a Nov. 25, 1986, appearance before the Senate intelligence committee. Fiers was asked at the time whether he knew about the 1986 diversion to the contra rebels in Nicaragua of profits from the sale of U.S. arms to Iran. Fiers told the committee that "the first I knew of it" was that morning when it was publicly disclosed by the Reagan administration.

"Is that more than withholding testimony? Or is that a lie?" Hibey asked.

"It was not a true statement," Fiers replied.

"You have difficulty accepting the word, 'lie'?" Hibey pressed.

"Yes," Fiers acknowledged. "It's a very hard word to accept. That is not a true statement, and if you want to describe it as a lie, yes, I'll face reality. I'll accept that word."

Hibey pointed out yesterday that Fiers submitted a statement in court last July saying that he told George in the late summer of 1986 about the diversion of Iranian arms sales profits and that George responded, "Now you are one of a handful of people who know this."

The account suggested that George was aware of the diversion. But at a Senate hearing last September and again in court yesterday, Fiers said he understood George to be referring only to the covert arms sales to Iran and not to the diversion.

In a dramatic exchange, Hibey began by getting Fiers to recount how Ohio State University's legendary football coach, the late Woody Hayes, was "a guiding light" in Fiers's life. Once a player and briefly a coach under Hayes, Fiers described him as "my coach, my friend and my mentor," and a man who had "an abject hatred of defeat."

Hibey, attempting to expand on the image, reminded Fiers that his "guiding light" had once struck an opposing football player who intercepted a pass that cost Ohio State the game.

Chief prosecutor Craig E. Gillen jumped up to object before Hibey could finish his thought with a question, and U.S. District Judge Royce C. Lamberth ruled the subject out of order.

Hibey pressed on, asking Fiers if he considered it "a victory not to stand convicted of a felony."

"I don't consider anything connected with Iran-contra a victory," Fiers shot back. "I consider it a tragedy, personally and otherwise."

George is standing trial on nine counts of lying, perjury and obstruction of congressional and grand jury investigations. Yesterday's questioning was cut short by closed-door debate over declassification of a stack of documents turned over to the defense Wednesday night.

The Washington Post

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Names & Faces

Trump Suit

■ The Donald has followed through with his threat to sue former wife Ivana for spilling her guts in the novel "For Love Alone." Trump sued Trump for \$25 million Tuesday, accusing her of fraud for "willful, deliberate and surreptitious disclosure" of his personal, professional and financial dealings. As part of a nearly \$25 million divorce settlement, Ivana had agreed to a gag clause that prohibited her from speaking publicly about the couple's life together, but her book has been regarded as a thinly veiled account of just that.

Mick and Jerry Split

■ Some people just can't get no satisfaction. Rolling Stone Mick Jagger and his wife, model Jerry Hall, have split up after 15 years together, a British tabloid said today.

"Yes, it's true we are separated," Hall, 34, the mother of three of Jagger's children, was quoted as saying.

"I suppose we'll divorce. I'm in too much pain for this to go on any longer. I'm hoping for a quieter life," she told the Daily Mail.

The newspaper said Hall confronted the 48-year-old rock legend about his rumored "infatuation" with Italian model Carla Bruni, 23, who denied she is having an affair with Jagger.

Jagger and Hall married only 18 months ago on the Indonesian island of Bali.

Oscar for Sale

■ Harold Russell, 78, who won an Academy Award as best supporting actor in the 1946 film "The Best Years of Our Lives," will be selling his at a New York



Among former Perot supporters now backing Clinton is apparently the alien that the tabloid Weekly World News had earlier reported favoring Perot—angering Bush in the process.

auction next week to raise money for his wife's eye surgery. The icon is expected to fetch between \$20,000 and \$40,000. Russell, a former Army instructor who lost both hands in an explosives accident, had no formal acting experience when he was given the role of a handicapped sailor in the coming-home drama. He actually won two Oscars for the film—the second for "bringing aid and comfort to disabled veterans through the medium of motion pictures." "I'm not looking for sympathy. I feel bad about it," Russell told the Associated Press. "I look on my

mantelpiece and see one Oscar and the other should be there, and it's not."

End Notes

■ A spokesman for Times Books confirms an "ongoing dialogue" with controversial rapper Sister Souljah about a possible book . . . The backstage food offerings at a Rhode Island concert apparently so disappointed singer Patti LaBelle that she cut off the show after only 90 minutes . . . Professional letter-turner Vanna White gets a second day in court: An appeals panel reinstated her lawsuit against Samsung Electronics America over a magazine ad that she said illegally impersonated her with a robotlike mannequin.

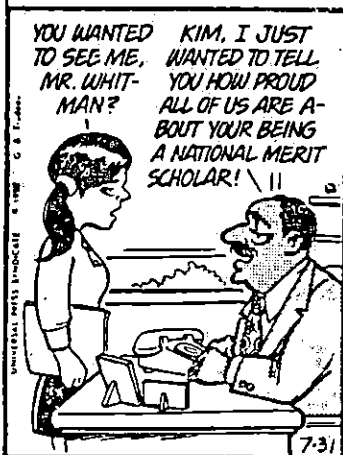
—Compiled from staff and wire reports by Michael Farquhar

THE RELIABLE SOURCE

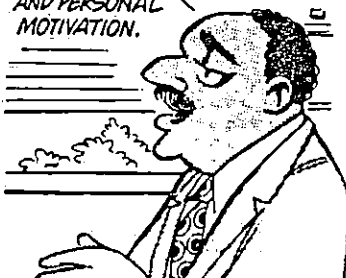
Lois Romano is away. Her column will resume next week.

DOONESBURY

By G.B. Trudeau



IT'S VERY GOOD NEWS FOR THE SCHOOL. IT DEMONSTRATES THAT THE FAILURE OF SO MANY KIDS TO LEARN HERE ISN'T JUST THE SCHOOL'S FAULT. IT REAFFIRMS THE IMPORTANCE OF DISCIPLINE AND PERSONAL MOTIVATION.

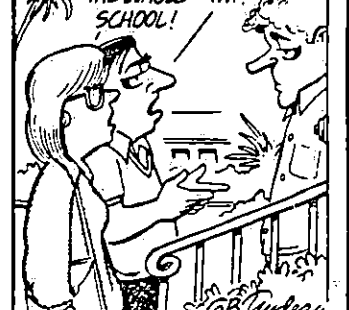


YES, SIR. BUT I'M NOT SURE EVERYONE IN THE COMMUNITY SEES IT QUITE THAT WAY.



SHE'S THROWING OFF THE CURVE FOR THE WHOLE SCHOOL!

COULDN'T YOU GET HER TO WATCH MORE T.V.?



The Washington Post

FRIDAY, JULY 31, 1992

The TV Column

HIGHLIGHTS

- The Summer Olympics on WRC.
- "Coopersmith" and "Memories of M*A*S*H" on WUSA.
- And "The Blues Brothers" on WDCA.

Olympics Coverage

In the morning, rowing semifinals, men's and women's swimming qualifying rounds and men's and women's track and field qualifying rounds. Three hours (Channel 4 at 7).

In primetime, men's basketball, men's gymnastics individual finals, men's and women's swimming and men's shot put finals. 4½ hours (Channel 4, 7:30).

Later, boxing, cycling finals and women's volleyball. 90 minutes (Channel 4, 12:35).

Special

Memories of M*A*S*H (CC) (R). Shelley Long hosts this retrospective of the long-running series, featuring episodic footage, outtakes, news clips and interviews with cast members. 90 minutes (Channel 9, 9:30).

Public Broadcasting

Washington Week in Review (CC). Topics include the indictment of Clark Clifford, Republican anxiety over the Bush campaign and Bill Clinton's criticism of the administration's foreign policy (Channel 26 at 8).

Keeping America No. 1: Business and Presidential Leadership (CC). CEOs of leading corporations debate the relationship between the presidency and business in shaping America's economy (Channel 26 at 9).

Mystery!: Inspector Morse (CC). In the conclusion, while Morse looks for clues to Yukoi Lee's murder, another death occurs (Channel 32 at 9).

Metro Week (CC). Topics include curriculum changes for Maryland students, the D.C. gun liability law and the acquittal of William Carter in Virginia (Channel 26 at 10).

Primetime Movies

Coopersmith (CC) (1992). Grant Show is an insurance agent who uses unorthodox methods to check the truth of claims. 90 minutes (Channel 9 at 8).

The Blues Brothers (1980). Jake and Elroy create havoc as they plan to put on a concert to raise money for an orphanage; with Dan Aykroyd and John Belushi. 2½ hours (Channel 20 at 8).

Hit List (1989). Jan-Michael Vincent is mistaken for an informant and must go after the Mafia after they kidnap his son (Channel 50 at 8).

Series

America's Most Wanted (CC). Segments include a former Florida policeman using his badge to commit burglaries, a serial killer wanted in five Midwestern cities, and a San Diego man accused of killing his girlfriend's mother (Channel 5 at 8).

Family Matters (CC) (R). In the pilot, Carl is overwhelmed by Mother Winslow's announcement that she is moving in (Channel 7 at 8).

Family Matters (CC) (R). Steve's cousin Myrtle (Jaleel White in a dual role) looks to sweep Eddie off his feet (Channel 7, 8:30).

Sightings (CC). Segments include the reported physical effects of UFOs and island superstitions (Channel 5 at 9).

Dinosaurs (CC) (R). The Sinclairs are chosen to star in a commercial but Earl is left behind (Channel 7 at 9).

20/20 (CC). Israeli pilots reveal how they destroyed an Iraqi nuclear reactor under construction 10 years before Desert Storm, an update on a New York City cop who became addicted to crack, and the latest on Tourette's syndrome (Channel 7 at 10).

Late Night

The Arsenio Hall Show. With "Macho Man" Randy Savage and Shannen Doherty of "Beverly Hills, 90210" (Channel 9, 11:30).

ABC In Concert. With Roger Daltrey and Damn Yankees (Channel 7 at midnight).

—John Maynard

John Carmody is on vacation.

The Washington Post

FRIDAY, JULY 31 1992

GOP Titters and Jitters

Ripon Society's Moderately Funny Fund-Raiser

By Donnie Radcliffe
Washington Post Staff Writer

Republicans aren't even thinking about who may have the last laugh. But last night some managed a few nervous giggles.

"If you can't poke fun at yourself and each other," said Peter Smith, president of the Ripon Society, "it indicates a certain kind of brittleness."

Certainly it indicated a kind of determination by the neglected moderate wing of George Bush's party.

What other Republicans would dare call their \$500-a-plate dinner "A Salute to Humor in American Politics II" and bring on a George Bush sound-alike? As former congressman Bill Frenzel said at one point, "Politics is ridiculous, so nearly anything you say about politics is worth a laugh."

Even if your candidate is falling faster in the polls than a bungee-jumper?

See RIPON, B6, Col. 1

Ripples of Laughter At Ripon

RIPON, From B1

"I think the handwriting is so clearly on the wall," said deposed National Endowment for the Arts chairman John Frohnmayer, whose book on his trials and tribulations comes out next April. "I look with great dismay on the conservative wing of the party, which is not really supporting the president and yet is saying we have to go even farther in that direction. It confounds me."

The late Lee Atwater's "big tent" theory isn't the only thing that's history, according to Frohnmayer. The Republican Party Atwater once led could also be. "We are in deep yogurt and you don't have to be a seer to see that. There is no solution in sight unless the Republicans start to loosen up and listen to somebody other than the loudest voice."

If Frohnmayer was something of a cult figure ("It's a commentary on contemporary crimes that a person who speaks his mind and conscience invariably becomes a hero these days," American Express executive Richard Moose told him), he was also echoing a sentiment commonly heard among the 150 Republican moderates gathered at the Hyatt Regency Washington on Capitol Hill.

"I'm convinced that if the president would run as an unabashed moderate, forgetting extremes on the left and right, he would win decisively," said Rep. Sherwood Boehlert of New York, the group's chairman. "But the problem is the right wing has captured too much of the apparatus and tried to dictate the agenda."

The battle isn't over, according to Boehlert. "We go to Houston and have our say. I think the president, in his heart of hearts, is a moderate and that's where the American people are philosophically, whether they're Republicans or Democrats."

The idea that conservatives in the Republican Party have no choice but to vote for Bush isn't valid, said Boehlert, because "they can sit it out. That's the danger with the right."

Rep. Jim Leach of Iowa said Bush bothers with the conservatives be-

cause "the conventional Republican wisdom is that primaries always move candidates to the right, and after conventions you worry about the center."

"The trauma the president faces is whether that will be too late. I think it's awfully crucial to the country that they see a convention with a great deal of breadth of thinking as well as tolerance of perspective," Leach said.

Rep. Marge Roukema of New Jersey said she fears the party will pay a price for ignoring its moderate center. "I'm going to try to get a more inclusive plank on the choice question in the plank—very much like New Jersey did last year when we said it was a private decision."

But in the end, she said she thinks platforms will be "virtually irrelevant" because people are worried about the economy and the family values that concern them have to do with health care policy, job security, welfare reform and child support enforcement.

"The tinderbox issues," she said.

"I think the president, in his heart of hearts, is a moderate and that's where the American people are philosophically..."

—Rep. Sherwood Boehlert

"And the president has got to speak out on them forcefully."

All of which came back to what Peter Smith was saying. "The political line of the White House has been contrary to what the Ripon Society stands for and the issues we articulate. . . . Our job is to establish ourselves, do our homework, take our positions and our debate in a way much more proactive than in the past. We're caught really between yesterday's answers and tomorrow's questions."

As for Sen. Dave Durenberger of Minnesota, he's sitting out the Houston convention two weeks from now.

"The truth of the matter is I couldn't get elected as a delegate in our state, anyway," said Durenberger, grinning. "Actually, the truth of the matter is we put a positive spin on it and say we leave the delegate slate to the rank and file."

Actually, the real truth of the matter is that Durenberger is going fishing.

The Washington Post

FRIDAY, JULY 31, 1992

The Invincible Man

Will Jim Baker, the GOP Mr. Fixit, Go for Broke on the Bush Campaign?

By Lloyd Grove
Washington Post Staff Writer

It was a classic Jim Baker Moment—one among many over the past dozen years, the sum of which has created and nurtured one of Washington's mightiest mystiques of invincibility.

This one occurred Tuesday morning in the White House Cabinet Room, as President Bush, with Baker in tow, was briefing the congressional leadership on the trouble in Iraq. Sen. Claiborne Pell (D-R.I.) piped up to raise an even more delicate matter.

"Secretary Baker has been doing

such an excellent job, Mr. President," said the chairman of the Senate Foreign Relations Committee, according to a witness, "that I think it would be a loss to the country if he had to leave his post to run your campaign, particularly during this time of crisis."

Amid the laughter that followed, Bush replied that there were apparently only two people left in town who weren't in on the "deal" to change Baker's job: Baker and himself. There is no deal, Bush insisted, as his best pal sat squirming.

The blunt-spoken chairman of the House Foreign Affairs Committee,

Rep. Dante Fascell (D-Fla.), couldn't resist.

"Why," he demanded, "is the secretary of state blushing?"

The answer should have been obvious. It doesn't take a flight of fancy to guess how James Addison Baker III—Texas patrician, blue-chip lawyer and now servant of the people—must feel about his impending, Kafkaesque metamorphosis. One night soon, he'll go to bed as a distinguished statesman—the figure he currently

See BAKER, B2, Col. 1

BAKER, From B1

sees in the mirror—and wake up the next morning as a political hack.

With his gift for dealmaking, his aptitude for power, his dazzling cleverness, his impeccable folksiness and his seemingly unimpeded success over so long a period of time, Baker is a rare figure in the annals of Washington—so rare, in fact, that it's tempting to think of him as a kind of country club Metternich, after the 19th-century Austrian prince who was the fixer of his day.

Except that Metternich was a visionary, the architect of Europe, and Baker, well, "he's very much a product of his time," says historian Michael Beschloss, who's been studying Baker's role in recent Soviet-American relations. "I see him as fitting into the politics of the last 10 or 20 years, a politics devoid of ideology, as a technician without particularly strong beliefs. This is not someone, I would argue, who really meets the ultimate test of a leader—someone committed to certain overarching political ideals, so committed to them that he would allow his own career to self-destruct in the service of those ideals."

Indeed, it would be reaching to put Baker in the same tradition as an idealistic secretary of state such as George Marshall, who rebuilt post-war Europe, or even Henry Kissinger, something of a daredevil, along with his boss Richard Nixon, who brought a clear conceptual framework to the sculpting of the world. Baker, by contrast, is a self-proclaimed pragmatist who prefers solving day-to-day problems to building castles in the sky. And now he's about to break off his most ambitious effort—the promotion of Palestinian-Israeli peace talks—at just the moment when it might begin to pay off and secure his place in the history books.

He will leave unanswered the nagging question about the nature of his mystique: Is he capable of the great accomplishment that only comes of huge risk? Or is he doomed to a legacy of marginal victories and carefully calibrated aspirations?

He seems, at bottom, still the quintessential Princeton man—a member of the elite Ivy club, he's Class of '52—who atavistically observes the club rules enumerated by another Princetonian, F. Scott Fitzgerald.

"Anything which brought an underclassman into too glaring a light was labelled with the damning brand of 'running it out,'" Fitzgerald wrote in his first novel, "This Side of Paradise." "[T]alking of clubs was running it out; standing for anything very strongly . . . was running it out; in short, being personally conspicuous was not tolerated, and the influential man was the noncommittal man. . . ."

Now Baker is painfully in the throes of committing himself, a kind of "running it out" that could bring loss of influence and grievous damage to his mystique. Faced with giving up the realm of high policy for the gritty, all too familiar environs of his old friend's faltering reelection campaign, he is also, presumably, anguishing over how to obtain the best spin. Already, expressions of sympathy have been pouring in from all quarters of the American Establishment.

Most recently, in Monday's New

York Times, there was a wistful, woebegone story by Thomas L. Friedman, in the manner of "Jimmy, we hardly knew ye," praising Baker's "skill, creativity and energy" at the conduct of foreign policy and lamenting that even if Baker steers Bush to victory and returns to the safety of the State Department, "some of the authority and credibility that he has established would certainly be dented by a bruising campaign. If Mr. Bush loses, Mr. Baker would be seen not as a successful Secretary of State but as a failed political adviser."

The story, typical of those about Baker that state his point of view without actually saying so, manages to put his dilemma in the worst possible light. Ironically, for Baker, it's also the best, since it's a light that lowers expectations.

Working the 'Backgrounders'

Nowhere is Baker's mystique stronger than among the Washington press corps—the most important of whom he assiduously courts, and a few of whom continue to address him as "Jim." He is unfailingly generous with his time and wisdom, so long as they agree not to quote him by name. Baker's "backgrounders," as they are called, have been a bargain for all concerned, affording top journalists the benefit of his insights and affording Baker the op-

The Washington Post

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portunity to manage his public image. Unlike some others in the executive branch, he genuinely seems to like reporters, and has an intuitive grasp of how and why they do their jobs.

While Baker has reaped countless dividends from his winning ways with the Fourth Estate, a column in the September-October 1989 Columbia Journalism Review provided an especially telling example. According to the columnist—a State Department correspondent who wrote under the pen name “William Boot”—Baker killed time during a Moscow trip by asking a group of reporters if he could get away with “blowing off” an upcoming conference of Asian nations. They earnestly counseled him that he could not.

“Here was the news story: BAKER BELITTLES KEY ASIAN ALLIES,” “Boot” wrote. “If reported, it could have caused an international uproar . . . but so far as I know, none of us was bold enough to report the incident. In order to protect our access, we protected Baker from Baker.”

A Democratic senator tells a typical Baker story—a parable of how to succeed in Washington without looking like you’re trying. Again, Baker’s use of the media is key.

After the senator sharply criticized a Bush administration foreign policy, blind quotes began appearing in newspapers in which anonymous

“officials” questioned the senator’s veracity.

The senator—who also, naturally, won’t go on the record—says he first complained directly to the president, who professed ignorance of the source of the attacks but commiserated with him about the evil practice of leaking. In due course the senator identified what he considered the smoking quote, and placed a call to his prime suspect, Baker.

“Jim, these leaks are really doing a great disservice to the president, and I think they’re coming from somewhere in the State Department,” the senator recalls telling Baker.

“Gee, are you sure they’re coming from State?” he says Baker asked in a tone of perfect innocence. “Why would you think that?”

“Because, Jim, I think I have a pretty good idea of which reporters use which sources.”

“Well, gosh, thanks for letting me know. I’ll sure look into this.” Then Baker added, out of the blue, “How well do you know Colin Powell?”

In his apparent willingness to cover himself by implicating a colleague—in this case, the chairman of the Joint Chiefs of Staff—Baker is certainly not unusual in Washington. But few do it with more panache. Even the aggrieved senator (who says he wasn’t fooled) can’t help the tone of admiration that creeps into his narrative.

Teflon 2

It’s conventional wisdom, of course, that if Baker does make the leap from policy to politics, George Bush’s fortunes can only improve. The Baker Mystique is a miraculously durable commodity.

Leaving aside his proven talents as a campaign tactician, a good part of that durability must be laid to Baker’s uncanny and, no doubt, canny knack for giving a wide berth to failure.

In his jobs as White House chief of staff, then treasury secretary and finally vicar of foreign policy, Baker has been able to avoid the injuries that were fatal to a legion of less graceful players. If the Reagan White House was a rat’s nest of bureaucratic intrigue, or if the economy was powered by a frenzy of debt and speculation, one didn’t blame Jim Baker. Apparently, it just wasn’t done. On the other hand, if communism topples, or if the United Nations helps vanquish Saddam Hussein, or if Israel’s hawkish Likud government is overturned by dovish Laborites, much glory is due.

“I have said on numerous occasions,” says departing Rep. Larry Smith (D-Fla.), a persistent Baker foe, “that Jim Baker has much more Teflon than they ever gave Ronald Reagan credit for having.”

Senate Minority Leader Bob Dole (R-Kan.) is another who has noticed

Baker’s flair for putting daylight between himself and political taint. As Bush’s campaign chairman in 1988, for instance, Baker went out of his way to stress how little he’d had to do with Bush’s choice of Dan Quayle. And when Bush and his handlers took the heat for exploiting black convict Willie Horton—a way of dividing the races, critics said—Baker, magically, did not.

“Baker’s had some who’ve tried to tag him with the Horton thing . . . but he’s a hard one to nail,” Dole says. “He’s like that little toy with the round bottom that you used to push down and it pops back up all the time. Baker’s been down, but he comes back up in hurry. . . . I think it’s fair to say he’s pretty cautious too. Maybe ‘careful’ is a better word than ‘cautious.’”

To wit, Baker’s careful, all but AWOL, status during a brutal, down-to-the-wire Senate fight to sustain Bush’s veto of a bill barring the deportation of dissident Chinese students from the United States. A Senate aide recalls that it wasn’t until the day of the vote in January 1990, when it was clear that the veto would be sustained, that Baker phoned Dole with an offer to help and even sit in the gallery during the yeas and nays. Thanks, but no thanks, Dole is said to have told him.

“He was helping make phone calls,” Dole says laconically, “near the end.”

Cracks in the Marble

Given the power of the Baker Mystique, and the widely held assumption that he wants someday to be president, his rare displays of clumsiness are especially jarring, at odds with the marble-smooth image of the exalted public man. One thinks of his weird justification, during the Persian Gulf crisis, for putting U.S. soldiers in harm’s way—“If you want to sum it up in one word, it’s jobs”—or his seemingly unfeeling response to those same soldiers, on a November 1990 trip to Saudi Arabia, when they asked him when they might be able to go home. Baker told them, essentially: Sorry, not my department.

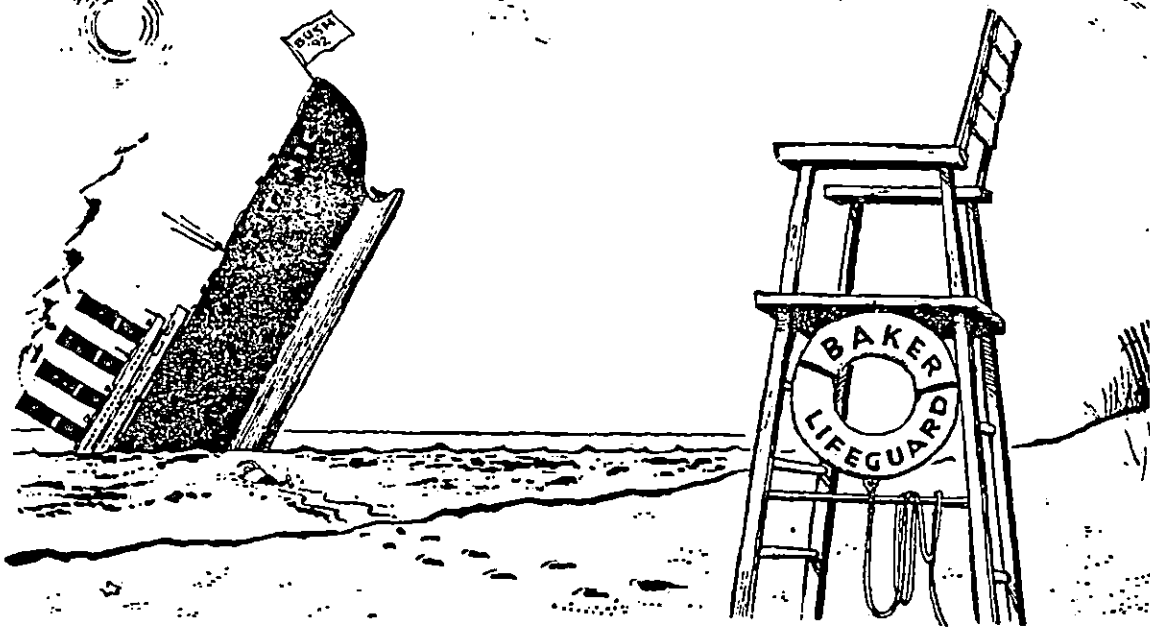
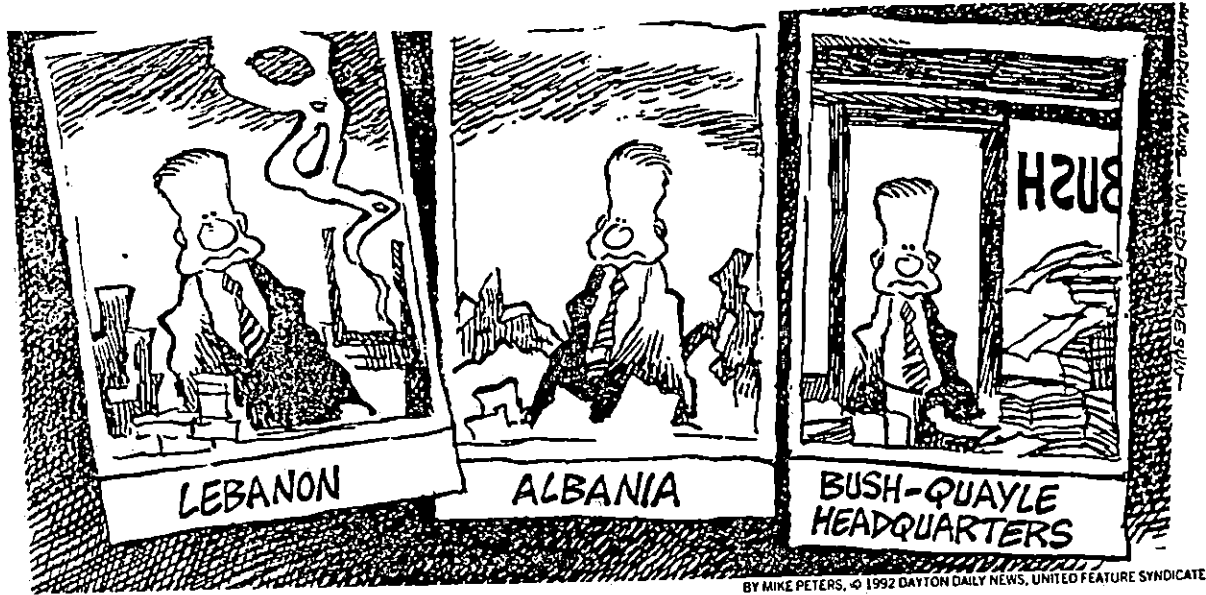
Then there was his unhappy 1978 campaign for attorney general in Texas, in which candidate Baker awkwardly attempted to connect with the masses—or, as he has revealingly put it, “bring it down to the average American citizen.” Say what you will about Jim Baker, he’s no man of the people.

For all his acumen as a political insider, it sometimes seems that he’s a lousy politician.

Thus his current crisis is particularly poignant, as he weighs all the consequences of cutting short his rendezvous with destiny to aid an old friend in distress. If only—Jim Baker might occasionally muse—he could speak to the voters on background.

The Washington Post

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DONNA BRITT

Quayle Made the Most of His Side of the Tracks

In a mind twirling after a week of doing the tourist thing with my family in Orlando, two totally unrelated images keep recurring.

A guffaw on a plane. And a cup of Drano. The guffaw first. I was reading on the plane to Florida when the laugh burst, huge and uninvited, from somewhere inside my chest.

At fault: Esquire's article, "The Airhead Apparent," which skewers ever-skewerable Dan Quayle for his general lack of smarts. Most jabs are provided by the veep himself, via his mangling of the language:

1989: Quayle says in Salvador the U.S. expects officials in the nation to "work toward the elimination of human rights."

1990: Quayle comments on David Duke's senatorial prospects: "Unfortunately, the people of Louisiana are not racists."

1991: Quayle on John Sununu's fall: "This isn't a man who is leaving with his head between his legs."

So there I was, laughing. What silenced me was the realization that though a majority of Americans are "uncomfortable with" the idea of Quayle as president, he's closer to the slot than anyone else.

The notion of Quayle as the heartbeat-away kid is as galling now as it was in 1988, after I watched him debate Democrat Lloyd Bentsen. Pre-debate, I—an open-minded fellow Hoosier—was willing to give the guy the benefit of the doubt.

However quickly Quayle's gaffes caused that benefit to be rescinded, it *was* proffered.

I thought of that in Orlando when a pal told me about William Andrews. Eighteen years ago, she said, Andrews—then a 19-year-old Utah Air Force airman from rural Louisiana—hooked up with streetwise Dale Selby Pierre to rob a stereo shop. They encountered five people, whom Andrews helped tie up.

Then Pierre asked Andrews to pour Liquid Drano into a cup. Andrews, who said he had no idea what the fluid was for, poured.

Pierre forced hostages to drink the caustic liquid. Andrews, who had no criminal record and whom one victim recalls as saying, "I can't do it, I'm scared," panicked and fled. Pierre then raped a woman, kicked a pen into a man's ear and shot all five. Two survived.

See BRITT, C4, Col. 5

DONNA BRITT

Choices, Circumstances

BRITT, From C1

During the ensuing trial, no one said Andrews forced Drano into victims or pulled the trigger. Yet he was convicted of murder and sentenced to die, as was Pierre, who was executed in 1987.

Most troubling among the facts:

Andrew's court-appointed attorney—who'd been practicing less than a year—failed to obtain a trial separate from Pierre's. One member of the all-white jury handed a bailiff a note saying, "Hang the nigger's"—and no legal body investigated its origin or possible effect on jurors. During a five-day pre-sentencing recess, unsequestered jurors saw potentially prejudicial news reports, including one claiming Andrews had thrust a "Black Power" fist at a survivor, which Andrews denied. Jurors voted unanimously for the death penalty.

Most white murderers in Utah have gotten life sentences. Examples: Steven Stout, who stabbed to death a mother and daughter with broken bottles; Lance Wood, who sodomized a male hitchhiker, attached jumper cables to his testicles and bludgeoned him to death, and Joseph Paul Franklin, an avowed white supremacist who shot activist Vernon Jordan and murdered two black men because they were jogging with white women.

So there I was, thanks to my pal, oohing and aaahing with all the other tourists at Epcot—and obsessing about the awful effect, on the victims and victimizers, of a cup of Drano. I wasn't alone—the Utah Board of Pardons got an 18-inch stack of letters from around the world opposing Andrews's sentence.

But early yesterday, William Andrews was executed by injection at Utah State Prison.

That's how life works.

Some of us are born into the best of circumstances—the "acceptable" skin color, wealthy and influential parents who keep us from harm's way (and even

Vietnam), a fine education. All of which combine to help ensure our success matches—or exceeds—our talents.

Others slip into the world as William Andrews did—one of seven kids born to a prostitute, raised in a two-room shack with no running water, an eighth-grade dropout—and make monumental mistakes.

Listen to part of Andrews's last, handwritten statement:

"I understand the grate pain this crime I am in prison for has caused the family of the victims . . . How could anyone of such little life experience as I of known of the full weight and gravity of my actions?"

"But I am seeing something . . . that gives me hope . . . People of all races . . . saying, 'Yes! that was a horrible crime, but when we hand out justice it must be fair and equal.'"

It is neither fair nor equal that in the U.S., black criminals routinely are punished more harshly than whites.

Or that two Americans may be similarly gifted or—as I feel is the case with Quayle, Andrews, and most others—similarly mediocre. And, their lives so hinge on the benefit of the doubt.

I'm not hinting that Quayles' inadequacies make him a potential criminal. Or that Andrews's deeds don't demand punishment.

I'm talking about circumstances—which can help make one guy and break another.

Due to circumstances—a major one *always* being skin color—one man gets so much of the benefit of our doubt that he's elected to a post that is a pulse away from the presidency.

For the other, that benefit is so absent people ignore the obvious: That a life spent in jail is punishment enough for exercising awful judgment, and that racism, not reason, best explains his punishment. That man winds up dead at 37, one of the few people in this era executed for murder who killed no one.

It's enough to ruin anybody's vacation.

Bush Approves FDA Move to Md.

Mikulski Calls Action 'First Step' for \$400 Million Project

By Kent Jenkins Jr.
Washington Post Staff Writer

The Bush administration, ending a 10-month stalemate over a huge federal office development in suburban Maryland, has endorsed plans to build Food and Drug Administration facilities in both Montgomery and Prince George's counties.

In a letter sent this week to Sen. Barbara A. Mikulski (D-Md.), senior administration officials have agreed to move the FDA's headquarters from the District to Montgomery County and to establish a food research facility in Prince George's. The letter marks the first time since Maryland lawmakers obtained \$200 million in federal funds for the plan last September that the administration has endorsed it.

The two FDA facilities could eventually take 8,000 jobs to suburban Maryland—6,300 to Montgomery County and 1,700 to Prince George's. The potential economic benefits are so enticing that the two localities initially waged a bitter,

winner-take-all battle over the agency but eventually agreed to share the wealth.

Mikulski said that although there are still significant disagreements between the administration and Maryland officials, she considers the commitment a breakthrough.

"This is a very important first step," Mikulski said. "It shows a desire to go ahead with the modernization of the FDA . . . It took us awhile to get here, but I'm glad we're here."

The administration letter was signed by four senior officials, including FDA Administrator David A. Kessler and General Services Administration chief Richard G. Austin. It proposes that 15 existing FDA facilities be moved to the new sites and says that the total price of the project could top \$400 million.

Mikulski contends that the Bush administration's plan does not go far enough fast enough. She is proposing legislation that would move more branches of the FDA and

would allow expansion of the sites in the future.

No sites have been selected for the facilities, although the administration hopes to build the Prince George's campus on land the government already owns. Mikulski would like the federal government to buy land for the Montgomery campus, and the administration is willing to go along "if it becomes clear that government-owned land will not be available," she said.

The administration's plan was prompted by months of pressure from Mikulski and Prince George's Rep. Steny H. Hoyer (D), who became increasingly impatient with the administration's refusal to proceed.

One day before the administration presented its plan, Mikulski fired off a letter to a senior official that read in part: "I am sitting here waiting for the report you promised me . . . I have been waiting and I have been waiting. If I don't get an acceptable plan from the administration, I will do it on my own."



"It shows a desire to go ahead with the modernization of the FDA."

— Sen. Barbara A. Mikulski

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NAFTA's Protectionist Bent

By JAMES BOWARD

Pandering to protectionists is poisoning the North American Free Trade Agreement. In its attempt to get a so-called free trade pact approved, not only is the Bush administration surrendering to Congress's demands, but it may be setting a precedent for higher U.S. trade barriers against scores of other countries. It calls to mind the Carter administration's surrender to Soviet demands in the SALT II talks.

The key protectionist danger in NAFTA lies in its new rules of origin. Rules of origin are the federal regulations that determine the national origin of an imported good. For most imports, national origin is determined by the country in which the product was last substantially transformed into a "new and different article of commerce."

NAFTA will have more protectionist rules of origin for autos, televisions, and especially clothing. In 1984 the U.S. Customs Service, at the behest of the domestic textile industry, announced a much more restrictive rule of origin for apparel, decreeing that the nation of origin would depend not on where fabric was finally sewed or assembled, but on the nation of origin of both the fabric and of the sewing.

NAFTA builds on this precedent to concoct a super-protectionist rule of origin for apparel. It requires not only that clothing be sewed in North America from fabric made in North America, but that the yarn the fabric is made from also be from North America—a triple rule of origin.

Byzantine Regulations

The intent of this "yarn forward" rule is to oblige Mexican and Canadian apparel makers to buy yarn and fabrics from American textile mills before being allowed to sell clothing to U.S. consumers. This makes as much sense as forcing Belgian companies to use American sugar for their chocolate exports.

Many types of yarn and fabrics are not produced in the U.S. But Mexican and Canadian companies that must rely on those yarns or fabrics to produce products for export to the U.S. will have to get special exemptions from the triple rule of origin. NAFTA will have byzantine regulations for determining whether specific yarns and fabrics are in "short supply" in the U.S. And who will likely be the final judge? The American textile industry's best friend, the U.S. Commerce Department. (During the mid-to-late 1980s, Commerce ran a similar short-supply program for steel products; the General Accounting Office concluded that Commerce officials "viewed it as their responsibility . . . to keep foreign steel out of the U.S.")

The short-supply system could empower U.S. bureaucrats to heavily influence which fabrics Mexican factories use to produce dresses that Americans will buy. At a June 29 closed-door meeting, retailers, importers and apparel manufacturers presented a list of 117 fabrics they considered to be in short supply in North America; U.S. textile manufacturers re-

sponded by insisting that only eight fabrics are in short supply. Ron Sorini, the chief U.S. textile negotiator, who was present at the meeting, appears to have accepted the textile manufacturers' claims. This means that the U.S. government is likely to deny short-supply exemptions in the vast majority of cases.

The short-supply system will also hurt Canadian apparel makers. Four years after President Reagan signed the Free Trade Agreement with Canada, the Bush administration is demanding that Canada

NAFTA concocts a super-protectionist rule of origin, requiring not only that clothing be sewed in North America from fabric made in North America, but that the fabric's yarn also be from North America.

accept new restrictions on the number of wool suits it can export to the U.S. (The U.S. currently imposes no textile import quotas on Canada.) Wool suits are one of Canada's most successful garment exports, and, since Canadian apparel makers import most of their fabric from Europe, the "yarn forward" rule will throttle their trade with the U.S.

Israel Shames, president of the Quebec Apparel Manufacturers Institute, estimates that NAFTA could halve Canada's exports of some apparel items. Jack Kivenko, president of the Canadian Apparel Manufacturers Institute, estimates that NAFTA could result in the loss of as many as 40,000 jobs in the Canadian apparel industry. Mr. Kivenko complains: "America is drawing up rules to keep the threat of a Canadian apparel invasion down to a mere trickle. Every time the Americans 'level the playing field,' we find that Canadians have higher hurdles to jump."

Judging from the current negotiation, NAFTA is likely to sow other seeds of national conflict. Customs Service Commissioner Carol Hallett told a congressional hearing in May that she presumes that NAFTA will allow U.S. agents to enter Mexico in search of illegally labeled goods, as States News Service has reported. (Some congressmen fear that Mexican companies may purchase Chinese clothing and attach a "Made in Mexico" label.) Last December, two busloads of heavily armed Customs agents pulled up outside of the Empire State Building in New York and ransacked the offices of 20 textile companies, browbeating employees and seizing hundreds of boxes and computer tapes to investigate whether the companies complied with U.S. textile import regulations. If U.S. Customs agents pulled a similar

stunt in Mexico City or Toronto, U.S.-Mexican or -Canadian relations could be devastated.

Mexico currently provides barely 3% of U.S. textile and apparel imports. Yet the archprotectionist textile rule of origin will likely be applied to other nations in the future. Textile negotiator Sorini explicitly declared that the yarn-forward rule will guide future trade negotiations: "This will be a model for all future free trade agreements. We feel we have balanced the interests of business."

Furthermore, the U.S.'s preferential treatment of Mexican imports could hurt other Latin American nations. If, for example, both Mexico and Guatemala are shipping lace brassieres to the U.S. and the U.S. abolishes the 32% tariff for Mexican producers but retains it for Guatemalan producers, then Guatemalan producers will be left at a severe disadvantage. Puerto Rican government officials have warned that eliminating tariffs on Mexican textiles while maintaining tariffs on Caribbean textiles could torpedo the entire Caribbean textile industry.

NAFTA will give too much discretion to Customs Service employees, who have injected protectionist intention into previous trade laws. This February, for example, Customs bureaucrats bushwhacked Honda with a profoundly creative, retroactive interpretation of the U.S.-Canada Free Trade Agreement, ruling that automobile engine blocks that are cast, shaped, machined and finished at a Honda plant in Ohio are not made in America. The Honda decision created much ill will north of the border, making many Canadians suspect that hypocrisy is now the U.S.'s leading export.

Political Ransom

There is also danger in how much political ransom the Bush administration may pay Congress to get NAFTA approved. Democrats have already demanded a large increase in spending for government job training programs to ameliorate the impact of NAFTA. However, as a recent Labor Department report showed, government job training is one of the worst things politicians can inflict on young workers. The Labor Department found that young male trainees in the Job Training Partnership Act, the nation's premier job-training program, have significantly lower earnings than similar youths who were never trained by the government.

The negotiations are not yet complete. The Bush administration still has a chance to drop its protectionist stance and make NAFTA a treaty worth signing. Free trade is not complex; it does not require an army of bureaucrats to define and re-define it. It is protectionism that requires endless administrative gimmicks to camouflage its true nature. With each new politically contrived definition of fair trade, the NAFTA negotiators are sowing the seeds of future uncertainty, accusations and ill will.

Mr. Boward writes often on trade.

FRIDAY, JULY 31, 1992

What I Would Have Told the Democrats

By ROBERT P. CASEY

The Democratic National Convention was carefully choreographed to highlight the unity of our party and its moderate, middle-of-the-road platform. The new Democratic Party was presented to the American people as a large "circle of friends." Unfortunately, on the key issue of abortion, the circle was drawn very tightly by the National Abortion Rights Action League, to exclude anyone, such as myself, who does not toe the party line.

On the abortion issue, the platform is neither moderate nor middle-of-the-road. On this issue, the platform is radical and extreme, espousing abortion on demand. And, believe me, on this issue the delegates were anything but friendly. The New Covenant has something for just about everyone — everyone, that is, except the unborn child and the millions of Americans who oppose abortion on demand.

I was denied the opportunity to address the delegates in New York because I oppose abortion. To add insult to injury, a pro-abortion Republican woman from my home state was showcased as a featured speaker. She appeared on the platform with Kate Michelman of NARAL and Democratic Party Chairman Ron Brown as I watched from the upper reaches of Madison Square Garden. When the national party denied me the right to be heard, it was really denying Pennsylvania the right to be heard.

How soon they forget.

It was Pennsylvania's Democratic senatorial election victory in 1991 that gave the national party new life by exposing for the first time, at the grass roots, the weaknesses of the Bush-Quayle administration. But instead of reaching out to Democrats across the country who voted for Messrs. Reagan and Bush primarily because of their position on the abortion issue, the Democratic National Committee acts these days like a wholly owned subsidiary of the National Abortion Rights Action League.

I have urged my party to re-examine its position on abortion in the context of the Democratic Party's historic and noble mission of protecting the powerless. I have challenged my party to be open to debate and discussion; to move the Democratic platform away from a lock-step litmus test that advocates abortion on demand and toward a more mainstream position.

Instead, throughout the platform formulation process, the deck was stacked against any attempt to change the national party's abortion-on-demand position. I believe this position is wrong in principle and out of the mainstream. I also believe this position is politically self-defeating, because it excludes not only millions of pro-life voters, but also those additional millions who are ambivalent but believe the number of abortions should be reduced and the practice made subject to reasonable regulation.

My personal view, which I believe is shared by millions of Americans, is that our party should have made a strong statement in its platform that the unborn

child has a fundamental right to life. At the same time, I recognize that many people hold strongly to an opposing view. Indeed, an entire generation has grown to adulthood since the 1973 *Roe v. Wade* decision, which held that the right to choose an abortion was a privacy right protected by the Constitution.

But diversity of opinion is no reason for a party ostensibly so committed to change to reject change in its abortion position out of hand. At a minimum, the party should have explicitly rejected abortion on demand and endorsed the principle that voters, through their elected representatives in the states, should have the right to enact reasonable regulations restricting abortion, such as those in the Pennsylvania law just upheld by the Supreme Court in *Planned Parenthood v. Casey*. Instead, compounding the error of an extreme national platform, national Democratic leaders are now calling for passage of the so-called Freedom of Choice Act, which would impose an extreme and radical abortion regime on the entire country. Congress is expected to vote on the bill in the next two weeks.

This bill is bad for our country and bad for our party. It is not in our national interest. It will further divide the American people and do nothing to help establish consensus on this volatile issue.

The American people, acting through their elected representatives in the state legislatures, should not be cut out of this process by having imposed on them a "one size fits all" federal mandate, binding all states to abortion on demand. Consensus and compromise, reflecting regional differences on this issue, would no longer be possible.

The Freedom of Choice Act would prohibit not only any future state efforts to restrict abortion, but would also repeal existing state laws such as the Pennsylvania Abortion Control Act. The parental consent, informed consent and 24-hour waiting period provisions in our law would be nullified.

The Freedom of Choice Act would also repeal any significant restriction on abortions in the seventh, eighth and ninth months. Under the Pennsylvania law, an abortion is not permitted after 24 weeks of pregnancy, except when the mother is in a life-threatening situation or when she would experience substantial and irreversible impairment of a major bodily function by carrying the child to term. The Freedom of Choice Act would nullify the "substantial impairment" restriction and permit abortion in the seventh, eighth and ninth months if a physician decides the abortion is necessary to the mother's well-being, taking into account such factors as her age and her physical, emotional, psychological and familial condition. This amounts to a blank check for third-trimester abortions.

The abortion restrictions we have enacted in Pennsylvania have been tested repeatedly in national public opinion polls and are supported overwhelmingly by 70%

to 80% of Americans. To reject reasonable regulations like these puts the national Democratic Party far out of the mainstream and on the extreme radical fringe of the most important value issue of our time.

The ink wasn't even dry on the Supreme Court's decision in *Planned Parenthood v. Casey* when the pro-choice forces ran to Big Brother, the federal government, advocating passage of a federal law mandating abortion on demand. Isn't it ironic that the same people who decry government intervention in this decision are now demanding that the federal government mandate their extreme, radical view nationwide?

The Democratic Party has always claimed to be the voice of the powerless and the voiceless. I cannot understand why the national Democratic Party does not embrace unborn children as its natural constituency. Why are not unborn children included in the New Covenant? Why are the unborn left out and left behind?

At the Democratic National Convention, some Minnesota delegates wore large red buttons that proclaimed "I'm a pro-life Democrat. I want my party back."

Not a bad rallying cry for the future.

Mr. Casey is governor of Pennsylvania.

FRIDAY, JULY 31, 1992

THE WALL STREET JOUR

Clinton-Gore Adds Gephardt To the Ticket

Bill Clinton says he won't repeat the mistakes of Michael Dukakis. Instead he may repeat the mistake of the man even Mr. Dukakis defeated in 1988, House Majority Leader Dick Gephardt.

That at least is the way it sounded this week when Mr. Gephardt threw a special-interest marker down on the North American Free Trade Agreement. The AFL-CIO's favorite congressman said he isn't against free trade, of course not, never, not him. He's merely against the terms President Bush is negotiating with Mexico. He wants an agreement, so long as it's just hypothetical.

Mr. Clinton, who claims to be a free trader, suddenly had a chance to enhance his image as a non-traditional Democrat. Instead he praised Mr. Gephardt and echoed his charge that Mr. Bush is slighting "labor" and the "environment" in favor of Big Finance. "It looks like they're going to take a dive and just go for the money, and it's wrong," said the man with ties to Little Rock's Big Financier, Jack Stephens.

If he keeps this up, the man who takes a dive in the polls could be the Arkansas governor. Mr. Clinton is gambling he can win electoral votes in Michigan and Illinois without paying a price as a protectionist anywhere else. Assuming the Bush campaign doesn't remain comatose forever, Mr. Clinton could regret his lunge into Gephardt-ism.

The Clinton calculus is based on electoral math. The Mexican pact is most popular in the Southwest. Mr. Clinton, now ahead by an astonishing 34%, has to assume he's already home free in California.

Potomac Watch

By Paul A. Gigot

Texas, Arizona and neighboring states will probably go for Mr. Bush. Each candidate will carry his base in the South or Northeast. So the race to 270 electoral votes could hinge on the industrial Midwest, especially Michigan (18 electoral votes) and Illinois (22).

Mr. Clinton's pollster, Stan Greenberg, made his reputation arguing that to win back Reagan Democrats in the likes of Macomb County, Michigan, Democrats must run as economic populists. So why not try a little demagoguery about greedy capitalists handing American jobs over to Mexicans who work for peanuts?

Even some Democrats wonder about this return of the pander bear. "Bill has a real opportunity to show leadership on a whole host of issues that will allow him to govern if he wins in November," says Ted Van Dyk, who was Paul Tsongas's platform negotiator. "I'm afraid right now he's going in the opposite direction."

The protectionist lurch also reveals a split in the campaign that would persist throughout a Clinton presidency. On one side are the "globalists" led by Harvard professor Robert Reich. This camp would confront the world economy by improving U.S. performance, not raising protectionist barriers. Mr. Reich's allies include economist Rob Shapiro and the governor's Wall Street advisers.

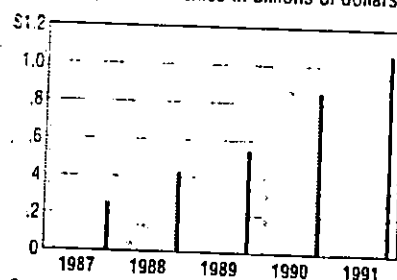
On the other side are industrial-policy guru Ira Magaziner, traveling pal Derek Shearer (a former planner for the People's Republic of Santa Monica), and of course Big Labor.

Mr. Clinton's own instincts are free trade, but as the consummate pol he sometimes won't inhale. The globalists don't like Mr. Gephardt's pet "301" trade-retaliation law, yet it ended up in the Clinton platform. The two camps couldn't agree on a trade-policy statement for the Democratic convention, so the "agent of change" said almost nothing about the subject.

All of which could make the Mexican deal a part of a Bush comeback. There's little doubt Mr. Bush intends to sign the pact soon. Mr. Bush may not believe in much, but he does share

Free Trade Boom

Illinois exports to Mexico in billions of dollars



Source: Office of U.S. Trade Representative

his generation's consensus on the benefits of free trade.

Republicans see several advantages if Mr. Clinton hews to the Gephardt line. They'll be able to link the Arkansan to Congress, the only body in America with a lower approval rating than Mr. Bush. They'll also tar him as a traditional special-interest Democrat, not a leader concerned with the nation's welfare. Mr. Bush, meanwhile, will display leadership by standing up for something he believes in.

If Republicans don't wimp out, they could also point to evidence of the sort in the nearby chart. Exports to Mexico from Illinois alone have jumped by nearly 300% from 1987 to 1991. Michigan, the third largest U.S. trading state with Mexico, saw its exports climb by 51%. Presumably Mr. Clinton doesn't want to lay off the Reagan Democrats who make these exports.

Such facts will also let Mr. Bush link his foreign-policy expertise to the domestic economy. Under President Salinas, Mexico has been undergoing a free-market boom and opening to the world. Would a President Clinton jeopardize that historic change, unleashing even more Mexican immigration into the U.S.? Perhaps someone should remind Mr. Clinton what happened to Mr. Gephardt's 1992 presidential bid.

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REVIEW & OUTLOOK

Another Victory

Fresh from his magnificent victory over Saddam in the Battle of the Agricultural Ministry, George Bush is preparing to declare a similar victory, in the form of Lloyd Bentsen's tax bill. A few more victories like this, and . . .

The White House's recent victories seem of a piece. In the showdown with Saddam over the Agricultural Ministry, in reality a storehouse of military data, the President won by agreeing that no U.S. personnel would participate in the inspection of the building, by now bereft of anything useful. This was translated into "Saddam backed down."

Similarly, the White House appears poised to achieve victory on the economy over a stonewalling Congress by: abandoning a capital gains cut, accepting a gutted enterprise zone initiative, raising taxes on corporations and making permanent provisions that had temporarily raised marginal rates on people in the 31% bracket.

Our advice on the President's economic growth package would run parallel to our thoughts toward the end of the Iraq War: Continue to Baghdad and finish the job. HUD Secretary Jack Kemp sounded the charge yesterday by saying he would urge the President to veto the bill, which Senate Finance voted out Wednesday. Going on the offensive, the President could report to the country from now until election day on his efforts to obtain a capital gains cut for new job formation and a wide enterprise zones initiative for all of this country's poorest neighborhoods.

But if history is a guide, the White House will settle for this "victory."

We wonder if the voting public will buy it.

Not likely. What is on display here, as former Treasury official Steve Entin points out, is the fact that Washington and the rest of the country have different ideas of the meaning of "growth." Growth to most people, we suspect, means a sustained period of economic activity in which a steady stream of new jobs is offered to the work force. That was the lesson the public learned from watching 18 mil-

lion new jobs come on line during the 1980s. By contrast, growth Washington-style is akin to giving people a fast ride on a roller coaster.

For instance, the Senate bill gives first-time home buyers a tax credit up to \$2,500 — if the purchase occurs between July 28 and January 1. "Attention K-mart shoppers!"

Business gets a speeded up write-off on new equipment — if it's put to work between August 1 and next July. Maybe the sponsors can get time to hawk this 12-month offer on the Home Shopping Network.

Remember the L.A. riots? That's this bill's original reason for being. Washington was going to "do something" for the despair of the inner cities. The Democratic Congress told Mr. Bush it would sign on to his enterprise zones (just as Saddam told the President he'd comply with the U.N. resolutions). As the smoke abated, Congress's interest cooled.

One-third of the zones will be in rural areas. The zero capital gains rate evaporated. Only six zones would be created in 1993. Guess when L.A. would get its zone: around 1998. As Secretary Kemp put it, "Message to L.A.: Drop Dead."

Ah, but the bill repeals the luxury tax on furs and jewelry. Has anyone recorded a rap song about Congress yet?

There is a strong feeling along the current that runs between the Treasury building and the White House to sign this bill and then highlight its myriad "growth" provisions, such as the home buyer's handout. The White House apparently sees the bill as a political plus. Is it?

In announcing any victory, the President will have to explain why he stopped at the Euphrates without a capital gains cut and a weak effort for the dying inner cities. He'll tout a bunch of provisions with no obvious connection to new jobs. News reports will note "tax increases." And within an hour, Bill Clinton will hold a press conference to say, "We can do better."

Who would disagree?

FRIDAY, JULY 31, 1992

Taking the Fifth

Last week, House Ways and Means Chairman Dan Rostenkowski and two other Members were issued subpoenas to testify before a grand jury investigating the scandal plagued House Post Office. Their response summed up the attitude of the modern Congress: they refused to cooperate. All three announced they would exercise their Fifth Amendment rights and not testify at all.

Mr. Rostenkowski and his two colleagues, Reps. Joe Kolter and Austin Murphy of Pennsylvania, didn't pull any punches in their letter to U.S. Attorney Jay Stephens. "The subpoenas for us are the product of an overall fishing expedition in an election year," they wrote. "We decline to lend any credence to an inquiry that lacks credibility and should be promptly closed."

They even attempted to portray their defiance as a matter of principle. In a separate letter to Speaker Tom Foley they said their action was necessary "to check the U.S. Attorney's exercise of uncontrolled power to waste taxpayers' money on an improper and groundless investigation." In other words, Congress has finally met a prosecutor it doesn't like.

It has yet to be proven that any crimes were committed by Members using the House Post Office, but we do know that its procedures made the infamous House Bank appear on-the-level by comparison. The Postmaster routinely exaggerated the volume of mail he handled by up to 350% to justify the building of a patronage empire that employed many friends and relatives of Members. Post Office employees, in violation of federal rules, would often pick up campaign checks from special off-site postal boxes and deliver them to favored Members, including Mr. Rostenkowski. The grand jury is also investigating whether the Post Office was used to convert campaign funds into cash through the bulk purchase of stamps.

So far the tactics by Mr. Rostenkowski and his two colleagues seem to have worked. Mr. Stephens excused the Members from testifying before the grand jury this week, but reserved the right to ask them again. Having them appear before the grand jury

merely to have them exercise their right against self-incrimination would have been pointless. They are the only entities that cannot refuse such appearances are Congress and investigating committees.

Indeed, ever since Congress created the office of Independent Counsel in 1978, many of its Members have relished the prosecutorial threat unleashed. Having exempted Congress from the scrutiny of Independent Counsels, they have been only too happy to use special prosecutors as a political weapon against the executive branch. If the targets get bankrupted and ruined in the process, so what?

But now that Congressional skeletons such as the House Bank and Post Office have been unearthed, the Members have got themselves a new attitude. Speaker Foley tried to resist a subpoena of the House Bank's records and gave up only when the political costs got too high.

We wonder how long Congress, even in the sanctuary of the Beltway, can get away with such overweening hypocrisy and double standards on ethical issues. A few Democratic Members are privately calling for revisions in the Independent Counsel law when it comes up for renewal early next year. They recognize that it has primarily come to be used as a political voodoo doll to torment officials.

We've been warning for years that the Democrats' manic use of this instrument was creating a bonfire of prosecution. Now even some Members themselves are appalled at rumors that Lawrence Walsh may seek indictments of everyone from George Shultz to Ronald Reagan in his quest to justify the \$40 million tab he has run up in his Iran-Contra probe.

And now poor Dan Rostenkowski, caught up in the lowly muck of the House Post Office scandal, is crying the Fifth and commanding his opposition to go away and leave him alone. It is this combination of muck and arrogance that has so inflamed the electorate. Rosty's home free there, though. His Chicago constituents gave him a 57% victory in his primary. His Republican opponent won't win, but it's telling that he is running against Rosty by calling himself Elias R. "Non-Incumbent" Zenkich.

Asides

Junk Mail Limits

Taxpayers won a small victory yesterday when a federal appeals court barred House Members from sending self-promoting mailings to people outside their current districts who might be their constituents after redistricting. Judges A. Raymond Randolph and Larry Silberman ruled that such mailings abused the franking privilege and were no different than "giv-

ing every incumbent \$100,000 to hold campaign rallies" in their new territory. In what could become an important precedent, Judge Silberman called for giving "heightened scrutiny" to any law that subsidizes incumbents. The most immediate impact of the decision will be on the infamous House Post Office, which must now dispose of huge stacks of already-printed mail that Members were trying to get out before the ruling.

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INTERNATIONAL

U.S. Sees Progress in Talks With Japan, But Seeks More Action on Trade Gap

By JACOB M. SCHLESINGER
Staff Reporter of THE WALL STREET JOURNAL

TOKYO—The U.S. feels "good progress is being made" in economic talks with Japan, but plans to push for further reforms to cut Japan's trade surplus, Deputy U.S. Trade Representative Michael H. Moskow said.

Mr. Moskow, at a news conference following two days of annual talks under the so-called Structural Impediments Initiative, cited new Japanese promises to streamline distribution and customs clearance and to crack down on "exclusionary business practices."

U.S. officials also hailed a Japanese pledge to introduce legislation this year promising "transparency, accountability and fairness" in government procedures. Foreigners often complain that capricious and unclear directives from Japan's powerful bureaucrats make it tough to compete in the market. Such a law, requiring more public notices, hearings and records disclosure, would bring Japanese rule-making more in line with the U.S., Germany and France, the U.S. said.

Still, the U.S. said it was dissatisfied with attempts to open up Japan's *keiretsu*, or groups of related companies. The tough talks on this point highlight some of the fundamental disagreements that remain between the two countries over what counts as a "structural impediment," let alone how to eliminate it. Japanese officials have been reluctant to acknowledge any need to reform the *keiretsu*, arguing that they make the Japanese economy more efficient.

The U.S. said it didn't succeed in getting Japan to make a firm commitment to cut housing costs for Japanese consumers or to further stimulate domestic consumer demand.

For its part, the U.S. pledged again to try to cut the budget deficit, encourage American companies to take a longer-term view, increase labor productivity through education and training, reform health care and civil justice systems, and maintain open trade and foreign-investment policies. The summary provided a much more

detailed evaluation of pledges and performance for Japan than for the U.S.

The talks were started three years ago to reduce structural economic causes of the trade imbalance in both countries. Since then, Japan's trade surplus has soared, largely because Japan's economic growth has slowed while the U.S. has started to pull out of a recession.

"We're not discouraged by year-to-year fluctuations" in the trade surplus, said Olin L. Wethington, assistant Treasury secretary for international affairs. SII's impact will come in "the medium-term and long-term," he said.

But both sides acknowledged that this week's talks reflected the difficulties, as much as the progress, in the process. SII "is like a lemon," said Tadao Chino, the Finance Ministry's vice minister for international affairs. "When you squeeze in the beginning, the juice comes out quickly; it's harder on the second or third try."

In other areas, Japan said it would crack down on bid-rigging in public procurement, review exemptions to the anti-trust law, increase access to civil litigation systems, encourage trade associations to conduct activities openly, encourage transparent corporate procurement policies, increase shareholder rights and facilitate foreign investment.

The negotiations dug into workings of the Japanese government that sound obscure but generate many complaints from foreign companies. The report says Japan will use more foreign data to determine the safety of goods. American producers of glass, wood and other products have complained that Japan-specific safety standards block imports. The report also calls, for example, for adequate facilities to examine cargo at the New Kansai International Airport, and greater facsimile networks among import-related agencies.

The SII process officially expires next year with the third follow-up annual report. Officials from both sides said they hadn't decided whether to try to renew the process.

FRIDAY, JULY 31, 1992

Senate Passes Energy Bill That Includes Overhaul of Electric-Utility Regulation

By ROSE GUTTFELD

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Senate approved a broad energy bill that would overhaul electric-utility regulation, hasten the development of non-gasoline vehicles and encourage conservation.

The final vote on the legislation, sponsored by Sens. Bennett Johnston (D., La.) and Malcolm Wallop (R., Wyo.), was 93-3. "We are taking a monumental step toward changing the failed policy of the past, replacing it with a made-in-America energy policy for the future," said Sen. Johnston, contending that the measure would help reduce the nation's dependence on foreign oil.

The major provisions of the bill are essentially the same as those the law-

makers passed in February, except for the addition of several tax-related items and language designed to ensure financing for the health benefits of as many as 218,000 current and future retired coal miners.

To the delight of independent oil and gas producers, the bill would adjust the alternative minimum tax to encourage investment in oil and gas drilling. It also would let residential utility customers exclude from income the full value of rebates they get from their utilities for energy-conservation projects, starting next year. Industrial and commercial customers could exclude up to 80% of the value, starting in 1994. A previous exclusion for these rebates expired in 1989.

In an effort to spur the use of mass transit, the Senate bill would increase the amount of employer-subsidized mass-transit costs that employees can exclude from income to \$60 a month from \$21. It would cap the amount of excludable employer-subsidized parking subsidies at \$145; currently there is no ceiling on the parking benefit. Both changes would take effect next year.

Starting in 1994, the bill would remove the ceiling on the amount of tax-exempt revenue bonds that can be used for high-speed rail projects. It also would broaden various tax breaks for non-gasoline vehicles and renewable energy from such sources as wind and the sun.

Before final passage, the Senate added a provision sponsored by Sen. Alfonse D'Amato (R., N.Y.) and Sen. Daniel Moynihan (D., N.Y.) designed to plug what they call a loophole in U.S. trade law that allows foreign companies to evade anti-dumping duties. The amendment would make clear that a foreign company would be subject to duties even if it shifted part of its operations to a third country and shipped items to the U.S. from there. Under current law, duties can be applied only if a product or parts come directly from the foreign company's home country.

The senators' outrage stemmed from a case involving Brother Industries Ltd., a Japanese company, and Smith Corona Corp., a U.S. company with a facility in Cortland, N.Y. Sen. D'Amato cited "dumping practices by Japan-based Brother Inc. as the major factor" behind a recent decision by Smith Corona to move its Cortland facility to Mexico, at a cost of 875 jobs in central New York.

Differences between the Senate and House energy bills will be worked out in conference. The House passed its package in May. Unlike the Senate, the House included a provision designed to give wholesale electricity buyers and sellers better access to transmission lines. The Senate also lacks a House provision that would bar states from placing limits on natural gas output, if the intent is to raise prices. Oklahoma and Texas have moved to institute so-called pro-rationing plans, though officials contend they are aimed at protecting gas reserves rather than boosting output.

Among major provisions, both bills would:

- Revise the Public Utility Holding Company Act in an effort to spark competition. The measures would allow utilities and non-utility companies to build, own and operate power plants in more than one state without having the facilities subject to the regulations — including oversight by the Securities and Exchange Commission — that currently apply to utilities under the holding company act.

- Streamline the approval process for nuclear plant licensing.

- Require car and truck fleets in major cities to begin operating on non-gasoline fuels, such as natural gas and ethanol.

- Force makers of lights and electric motors to increase the efficiency of their products. The House bill also includes mandatory provisions designed to boost the energy efficiency of buildings.

- Expedite the approval process for oil and gas pipelines.

FRIDAY, JULY 31, 1992

U.S., Mexico, Canada to Set Trade Panel

By KENNETH H. BACON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Negotiators for the U.S., Canada and Mexico have agreed to establish a North American Trade Commission to monitor commerce and resolve disputes among the three countries.

The new commission will supervise the implementation and operation of the North American Free Trade Agreement, a trade liberalizing pact that negotiators are rushing to complete, perhaps as early as next week.

Officials from the three countries are trying to work out several final details involving trade in certain fruits and vegetables, such as orange concentrate, investment standards and the amount of North American content an automobile must have to trade duty-free among the countries. The U.S., trying to slow Japanese inroads into North America, wants a rule of origin that requires 65% of a car's labor and parts content to come from North America. Mexico, eager to attract more investment, wants to define a North American car as one with 50% content from this continent.

The section of the agreement dealing with governance and dispute resolution is largely technical, but technicalities are the mother's milk of trade negotiations. Already, Public Citizen, a consumer group, has attacked the trade pact's dispute-resolution procedures as too secretive and damaging to environmental and product safety interests.

According to a draft of the dispute-settlement section, a country charging another with an unfair trade practice would bring the complaint to the commission. The commission would consist of the three nations' cabinet-level officials responsible for trade.

If the commission can't resolve the dispute in about 30 days, the complaint will be referred to a special five-member panel, which will hear evidence from the parties and expert witnesses. The panel will either try to forge an agreement between the disputing parties or issue a binding decision, according to the draft supplied by Public Citizen. Panel members would be chosen from rosters provided by the participating countries.

The panels are supposed to complete their work in 150 days from the time the complaint is filed. If parties don't accept the panel's ruling, the complaining country may retaliate against the offending country by suspending "the application of equivalent benefits."

Lori Wallach, who monitors trade at Public Citizen, criticized a part of the disputes section that allows countries to challenge trading practices under either the North American pact or the rules of the General Agreement on Tariffs and Trade, which supervises the world trading system. She said the GATT rules aren't as favorable to trade complaints alleging violation of environmental standards.

Leading congressional Democrats also have expressed concern that the evolving agreement might not provide adequate environmental protections.

FRIDAY, JULY 31, 1992

Economic Growth Slowed During the Second Quarter

Latest U.S. Data Also Show
Surge in New Home Sales,
Decline in Jobless Claims

ECONOMY

By LUCINDA HARPER

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Economic growth in the second quarter shrank to half the pace of the first period, the Commerce Department said, while new figures showed the recession was deeper and longer than previously thought.

The economy grew at an annual rate of 1.4% in the second quarter after rising at a 2.9% in the first period, according to the agency. And revised figures released yesterday show that the economy contracted by 1.6% in the third quarter of 1990, instead of growing 0.2%. That means the record books now show that the economy declined for three quarters in a row before turning upward in the second quarter of 1991.

But there was some good news yesterday about the more recent state of the economy: new home sales surged 7.9% in June, the department said, and new claims for unemployment benefits fell by 21,000 in the week ended July 18, according to the Labor Department.

"The picture we are seeing is of an economy that has slowed down considerably," said Sung Won Sohn, chief economist of Norwest Corp. in Minneapolis, about the second-quarter figures. "The first quarter was a late Christmas, the second quarter is early summer doldrums."

Bush administration officials insisted the disappointing second quarter doesn't damp their hopes for stronger growth for the rest of the year. "This sawtoothed pattern of growth is usual early in recoveries and consistent with the [expected] improvement in the second half of the year," said Michael Boskin, the president's chief economic adviser.

And Treasury Secretary Nicholas Brady told reporters: "What makes me optimistic about the rest of this year is a lifetime in business. You cannot have interest rates at the lowest level in 20 years, inflation down, productivity up, production costs in this country very, very favorable with regard to the rest of the world and not have economic activity."

Mr. Brady shrugged off the recent decline in consumer confidence by pointing to rising stock prices. "One of the most honest barometers is the stock market because people have to pay to vote," he said.

But J. Antonio Villamil, chief economist at the Commerce Department, said that despite five consecutive quarters of growth, the pace has still been disappointing. "No one, and no one in the administration, is satisfied with the rate of growth in the economy," he said.

President Bush agreed. "Overall, while the national economy is still growing, it is not growing fast enough," he said yesterday to workers at the Superconducting Super Collider, the big atom-smasher project in Texas.

Mr. Villamil said the reason growth was slow in the second quarter was that the first quarter essentially "borrowed" some of its growth. Consumers spent more in the first quarter because of milder weather and reduced withholding of federal income taxes. Real, or inflation-adjusted, personal consumption expenditures decreased at a \$2.7 billion annual rate in the second quarter after increasing at a \$40.3 billion pace in the first.

Business capital spending was mixed in the second quarter. Residential investment was strong, despite declines in housing starts and home sales. The merchandise trade deficit deteriorated last quarter, mainly because of weakening exports.

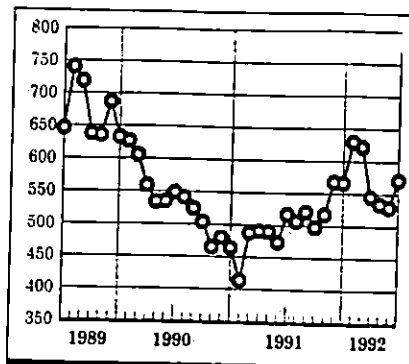
An increase in inventories contributed to economic growth in the last quarter. Businesses increased their inventories at a \$1.0 billion annual rate after decreasing them at a \$12.6 billion rate in the first. However, part of the new build-up may be involuntary, caused by declining sales.

Speaking in New York yesterday, Federal Reserve Vice Chairman David Mullins predicted the economy's current growth rate of about 2% — the average of the first and second quarters — will "gradually build momentum toward the 3% level." He suggested that there is enough slack in the

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New-Home Sales

Single-family homes, in thousands.



economy to allow it to grow at a 4% pace for the next several years without reigniting inflation.

The second-quarter numbers will be revised twice in the coming months, but analysts say the picture of slower growth will likely stay the same.

Analysts said what was telling about yesterday's figures were the downward revisions showing the recession was worse than originally thought.

"It can no longer be called just a mild downturn," said Norman Robertson, chief economist for Mellon Bank in Pittsburgh. "It was actually much more than that, closer to the average downturn, and consistent now with the number of job losses we have seen."

The real gross domestic product — total output of goods and services in the U.S., adjusted for inflation — rose 2.5% in 1989, the same as previously reported. The 1990 growth was revised to 0.8% from 1.0% and the 1991 contraction was revised to 1.2% from 0.7%. Between the fourth quarter of 1990 and the fourth quarter of 1991, real growth in the economy was revised downwards from 0.3% to 0.1%.

The department, which makes comprehensive revisions in the figures once a year, said weaker consumer spending for services and business investment were the major reason for the downward adjustments.

Corporate profit for current production was revised upward in all three years. The largest revision, to a 0.3% decline from a 9.3% decline, occurred in 1990.

Inflation continued to show moderation in the second quarter. The fixed-weight price index for gross domestic purchases — the broadest measure of price changes — rose at an annual rate of 2.8% last quarter, trailing the annual rate of 3.1% in the first quarter.

The surge in home sales in June suggests that after a spring lull, housing activity is beginning to accelerate again. Sales were up nearly 8% to 572,000, compared with a 0.9% decline in May. However, the housing numbers often have big revisions — the May decline was originally reported as 5.6%. "So, I don't want to get overly excited about 572,000 in sales," said David Lereah, chief economist at the Mortgage Bankers Association.

In another report yesterday, the Federal Reserve said the M2 measure of the money supply declined again, falling by \$2.4 billion in the week ended July 20. Since the fourth quarter of last year, M2 has increased only 1%, far below the bottom of the Fed's 2.5%-6.5% target. M2 includes currency, checking accounts, personal money market funds and some certificates of deposit.

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Washington Wire

A Special Weekly Report From
The Wall Street Journal's
Capital Bureau

CLINTON FACES perils in maintaining his lofty poll standings.

Some GOP strategists think the Democrat's 25-point lead in polls will be halved over the next two weeks and the race will be even by Labor Day. Even some Democrats fear Clinton may be vulnerable on the family-values issue, saying the party has become too pro-gay rights. At a San Francisco rally Clinton avoided playing up gay rights.

The Bush campaign launches a Clinton attack initially dubbed "lie of the day," a tag dropped as "too raw." The first target is his economic record in Arkansas. But one theme—Clinton "promised not to raise taxes and raised them repeatedly"—may backfire. Bush aides rely on the media to press character issues against Clinton, including womanizing charges.

Clinton hints he may respond in kind if the GOP raises the adultery issue, noting that he has answered questions on the matter not yet posed to Bush.

POLITICS EMBROIL an expected free trade pact with Mexico and Canada.

Bush will have a hard time selling Congress on the agreement to liberalize trade. He argues the accord will create more jobs here, but Democrats worry that auto and textile workers could lose jobs to low-wage Mexico. Democratic support grows for a small import tax to pay for job retraining and environmental safeguards, but Bush opposes the idea.

Clinton, who has backed the trade pact, now steps up criticism that the accord lacks labor and environmental standards. Like Dukakis in 1988, he edges closer to protectionist rhetoric. The difference, a Clinton aide says, "is that Dukakis was fishing for a message that would work. Clinton has a message that works."

BUSH'S CABINET is called on to help the president's re-election campaign.

Education chief Alexander, who as Tennessee governor worked with Clinton on school reforms, knocked the Democrat in Alabama and Kentucky this week. Treasury's Brady starts pushing what one adviser calls "the Clinton economic disaster scenario." DOT chief Card prods local officials to spend new transportation-bill money, but the bill spurs far fewer jobs than the Bush camp had forecast.

Labor Secretary Martin goes beyond the call of duty. She uses routine reports to tout Bush policies, sends partisan op-ed pieces to newspapers and seeks TV time as a Bush surrogate. After Clinton bashed Bush on crime this week, Attorney General Barr released with much hoopla a "Combating Violent Crime" report that had been in the works for months.

Interior chief Lujan travels a couple days a week, mainly in the West, to campaign for Bush both "in English and Spanish," an aide says.

ANOTHER BUSH runs for office. George Herbert Walker III, the president's cousin, is in a tight race in a Missouri GOP congressional primary next week. Walker, an investment banker, backs his cousin's anti-abortion stand despite his wife's seat on a Planned Parenthood board. Cabinet members Martin and Lujan campaign for him.

JAMES CARVILLE rises to the top of the Clinton campaign. The strategist now calls the shots on almost every aspect of the national effort. Carville's ascension is aimed at ending the confusing and diffuse organization that had been steering the pre-convention Clinton campaign.

ABORTION POLITICS: Congressional backers of a bill guaranteeing abortion rights scramble to fend off restrictive amendments. They will push for passage before next month's GOP convention. Backers concede they don't have a chance of overriding Bush's certain veto, but they want to stir a campaign issue.

WOMEN CANDIDATES for the Senate rake in big bucks. Illinois Democrat Braun raised \$1.7 million in the second quarter, more than any candidate including incumbents. In California, Feinstein took in \$975,000 and Boxer \$855,000, nearly twice that of their male GOP foes. In Pennsylvania, Yeakel raised \$1.1 million, nearly matching GOP Sen. Specter's \$1.4 million.

BUSH'S PROMISE to Yeltsin for U.S. aid will depend on GOP lawmakers.

Democratic backers of a big aid package for the former Soviet Union say the bill can pass the House next week only if the administration delivers Republican votes. Democrats don't want to vote for the Bush initiative, then face GOP attacks for backing politically unpopular foreign aid in an election year. One Democrat says 80 to 100 Republican votes will be needed.

A key issue is that the aid bill would also increase U.S. commitment to the International Monetary Fund, which is leading the economic reform drive in Moscow. Republicans have never liked voting for more funds to the IMF. Bush and Baker will phone Republicans to lobby for the bill.

Robert Strauss, the U.S. ambassador to Russia, meets with GOP House leaders but doesn't yet get a unified pledge of support.

MINORS: Gore influence? On the Clinton campaign plane, aides pass out chocolate "EnviroMints" that come with photos of endangered species. . . . The U.S. government in 1991 bought 5,043,000 bed sheets, Government Executive magazine reports. . . . Take me out to the fund-raiser? A \$150-and-up dinner for Utah Democratic Senate candidate Wayne Owens is planned next week at a Baltimore Orioles game.

—RONALD G. SHAFER

THE ECONOMY GREW at an annual rate of 1.4% in the second quarter, less than half the 2.9% rate in the first period, and new figures show the recession was deeper and longer than previously thought. On the positive side, new-home sales surged 7.9% in June, and claims for unemployment benefits fell in the latest week.

The stock market rally slowed while bond prices were mixed and the dollar fell. The Dow Jones industrial gained 12.70 points to 3391.89, for a three-day gain of 109.69 points. Bond investors are losing some of their fear that inflation will soon rebound. The psychological change has helped propel the recent bond rally.

Revlon canceled a plan to sell a 9.8% stake in the cosmetics company for \$160 million after prospective buyers balked at the asking price. Revlon's owner, Ronald Perleman, had already scaled back his original plan for a \$400 million offering.

Confidential Airlines said it will cut advance-purchase fares for the rest of the summer, while Delta offered discounts on fall travel if booked before Sept. 1, when it plans to raise fares. The moves seem to fly in the face of AMR's campaign for steeper fares.

The Senate approved an energy bill that would overhaul electric-utility regulation, speed the development of non-gasoline vehicles, encourage conservation and give a tax break to independent oil and gas producers. The bill would also let companies give workers more tax-free mass-transit subsidies.

Mexico, Canada and the U.S. agreed to set up a panel to resolve disputes under a trade pact the nations are negotiating. Separately, the U.S. reported progress in talks with Japan on making its economy more open.

BCCI affiliates lent millions of dollars to two officials of cable TV operators for Tele-Communications, papers released by a Senate panel show. Mutual bond funds took in \$9 billion in June, up from \$8.7 billion in May, while stock funds and inflows fell to \$5.3 billion in June from \$6.6 billion in May. Bond fund sales accelerated this month, according to fund executives.

British Chemical Chemicals Inc. leads to split off its drug unit and several other biotechnology divisions to form a separately traded company. ICI's stock surged nearly 7% on the news. **Pigskin** companies accused of dumping waste at a site near Los Angeles agreed to pay \$150 million in cleanup costs. But they may have to pay only a fraction of that amount.

Markets—**Stocks**: Volume 193,280,000 shares. Dow Jones industrial 3391.89, up 12.70; transport 124.15, up 1.78; utilities 224.59, up 1.13. **Bonds**: Lehman Brothers Treasury index 654.96, off 0.16. **Commodities**: Oil 221.53 a barrel, off 17 cents. Dow Jones futures index 119.19, up 0.05. **Currencies**: Spot under 116.60, up 0.05. **Gold**: 453.55 per ounce, off 0.35; 1.4763 marks.

BUSH Sought to revive his campaign by visiting Texas and California. The president won cheers from workers at the construction site for an atom smelter in Texas when he defended the \$6.2 billion project and said he would "call everybody necessary" to keep Congress from killing it. On the economy, he said that Americans should "resist the urge to exaggerate our problems" and criticized lawmakers in Washington who have "dillydallied and dillydallied." Bush declared later, in Anaheim, Calif., that Clinton's "reckless" defense plan could cut one million jobs over four years.

Clinton said new government economic figures show that "we are in a crisis," with the Bush administration "offering alibis, not action." A federal appeals court suspended for 48 hours its day-old order that prohibited the Coast Guard from sending Haitian refugees back to their homeland. The court in New York lifted its injunction as the Justice Department was filing for emergency action by the Supreme Court to allow the U.S. to resume its repatriation policy.

The government published its first formal report about five cases of people with AIDS-like illness who tested negative for HIV. The Centers for Disease Control also has called a meeting for mid-August to assess the cases. (Article on Page B3)

Iraq's Saddam Hussein fired his foreign minister in a cabinet shuffle that diplomats said reflected the strains of U.N. sanctions against Baghdad. Separately, a U.N. investigator accused Iraq of indiscriminately bombing Shiite villages in the southern part of the country.

The Navy knew of serious sexual harassment problems in its ranks for years, but failed to act before they became public with last year's Tailhook incident, the service's top officer testified in Washington. But Admiral Riccio said the Navy now is seeking to make up for that failure with a strict "zero tolerance" policy against offenders.

The South African government cleared the way for a U.N. observer team to be sent to monitor pro-democracy protests Monday and Tuesday. South African officials said it was the first time the government had allowed such a mission from the U.N. The Bush administration's top African expert also will be in Pretoria next week.

Artillery shells smashed into Sarajevo's airport and the U.N. peacekeeping headquarters in the heaviest clashes in weeks between Serb and Muslim forces in Bosnia-Herzegovina. The U.N. reported three direct hits at the airport, where relief supplies have been arriving daily.

Honecker's lawyer said the former East German leader, charged with manslaughter for deaths at the Berlin Wall, hasn't any chance of a fair trial in Germany. Friedrich Woll told reporters that the upstart surrounding Honecker's return from Moscow Wednesday made it almost impossible to mount an effective defense.

Medical researchers said they will begin an effort to see if a new technique can improve the diagnosis and treatment of breast cancer. The UCLA study, which is published today in the *Annals of Surgery*, says the technology could help some women detect breast tumors earlier and better. (Article on Page B1)

A U.S. aid official said that two warlords fighting for control of Somalia were demanding money to protect food convoys and were looting emergency supplies for starving people. John Kunder, who just completed a two-week visit to Somalia, said the African nation is experiencing "the single worst humanitarian crisis in the world." Israeli planes attacked positions of the pro-Iranian group Hezbollah in two towns in southern Lebanon, wounding six people. Separately, Hezbollah handed over its largest base in Lebanon to the Lebanese army. The U.S. and Russia signed an agreement under which Washington will provide \$25 million to help Moscow destroy its chemical arms. The funding is part of a \$400 million appropriation set aside by Congress to help destroy weapons built by the former Soviet Union.

The U.N. is owed nearly \$1.75 billion in regular and peacekeeping dues and would have to cease operations at the end of the year without an immediate infusion of cash according to a U.N. report.

FRIDAY, JULY 31, 1992

Conservatives Are Bristling Over Tax Bill

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Conservative Republicans, including Housing Secretary Jack Kemp, are peeved that the Bush administration and Senate GOP leaders are acquiescing to a tax bill that doesn't include a capital-gains tax cut.

Breaking ranks with the conciliatory approach, Mr. Kemp urged President Bush to veto any bill following the outline of the broad package of business-tax incentives that emerged from the Senate Finance Committee this week. He faulted the panel's bill because it doesn't include a capital-gains tax cut for investments in blighted urban "enterprise zones."

Rebellious House Republicans, meanwhile, could prove an obstacle to the bill's enactment. It's unlikely their opposition would kill the measure, but they did force the House to include a capital-gains tax break for investments in enterprise zones in the tax legislation it passed earlier.

Strained Relations

At a minimum, the controversy further strains conservatives' relations with Mr. Bush just when he has sunk to a new low in opinion polls.

"The country increasingly believes the president doesn't stand for anything, and isn't willing to fight for anything," said Rep. Vin Weber (R., Minn.). "I don't like losing fights, either, but I don't believe capital gains is a trivial issue. I believe our position on capital gains is at the heart and soul of Republican thinking."

Rep. Richard Armey (R., Texas) bristled at the White House decision that the campaign season isn't the time to press the capital-gains tax cut, given Democrats' success at portraying the idea as a boon to the rich. "The only way that shallow malarkey stands with the public is because it goes unanswered" by the administration, he complained.

Mr. Kemp, a longtime advocate of broad capital-gains tax cuts, limited his condemnation of the Senate bill to its section providing tax incentives for businesses that invest in 25 blighted "enterprise zones." Besides complaining that the tax incentives wouldn't include a break on capital-gains taxes for investors, he objected that too few zones would be created. Even Los Angeles, where riots in April gave impetus to the current effort to enact a bill to aid urban areas, probably would be excluded.

Mr. Kemp called the Senate bill "a hoax to the poor" that sends "a message to Los Angeles—drop dead."

At the insistence of Mr. Kemp and other GOP conservatives, the House had included a capital-gains tax break for investments in 50 economically depressed zones there.

Private Enthusiasm

Although senior administration officials publicly complain that the Senate bill doesn't include a capital-gains tax cut, they are privately enthusiastic about the Senate package because it includes the rest of President Bush's "growth agenda."

Meeting with reporters yesterday, Treasury Secretary Nicholas Brady accused Democrats of dropping the capital-gains tax cut for partisan reasons. "It's a big, big mistake not to have capital gains," he said. "Congress is simply trying to pull the president's beard."

Senate Republicans didn't put up a fight for a capital-gains tax cut in the Finance Committee this week, reflecting a belief that both sides would benefit more by passing something than by arguing inconclusively. Asked about the lack of a fight, Senate GOP Leader Robert Dole of Kansas said, "Why do it? You don't have the votes."

Senate Finance Chairman Lloyd Bentsen (D., Texas) negotiated bipartisan support.

Please Turn to Page A4, Column 6

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Tax Measure Attracts Conservatives' Anger Over Capital Gains

Continued From Page A2

port for a bill including tax breaks that would cost \$31 billion over five years and an offsetting set of tax increases on businesses and high-income individuals. Sen. Bentsen included two Bush proposals that the House has shunned — an extra 15% first-year write-off for business equipment put in service before next July, and a \$2,500 tax credit for first homes purchased before Jan. 1.

The Senate tax bill doesn't include the sort of explicit tax-rate increases that the president dislikes. It would, however, extend indefinitely back-door increases in rates paid by upper-income Americans that were enacted as temporary measures in 1990.

Senate debate on the tax bill is scheduled for next week. But even if the measure passes promptly, the need to reconcile differences with the House is likely to prevent it from reaching the president before September.

Mr. Brady also said yesterday that the Treasury won't unilaterally alter its regulations so that only capital gains in excess of inflation are taxed. Some conservatives have been urging such "indexing" for capital gains. "If we could do it, we would," Mr. Brady said. "We have had no competent legal advice that you could do it."

—David Wessel contributed to this article.

The New York Times

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NEW YORK, FRIDAY, JULY 31, 1992

Political Memo

Quayle's Words Show Plan for Attacking Clinton

By KEVIN SACK

Special to The New York Times

WASHINGTON, July 29 — It has been difficult in recent weeks to hear President Dan Quayle's words without the static about his job security, his views on abortion, not to mention his spelling skills. But what has been obscured by the din is an early blueprint of the Bush-Quayle campaign's strategy, particularly its plan for attacking Gov. Bill Clinton. The formula telegraphed by Mr.

Quayle in his speeches, interviews and news conferences relies on the predictable labeling of Mr. Clinton and his Vice-Presidential nominee, Senator Al Gore, as tax-and-spend liberals. But Mr. Quayle also has experimented with a more subtle subtext aimed at reinforcing doubts about Mr. Clinton's character.

For instance, he has used every opportunity to refer to Mr. Clinton and his campaign as "slick," a reference to "Slick Willie," the unflatter-

ing sobriquet given to Mr. Clinton by critics in Arkansas. At virtually every appearance in the last 10 days, Mr. Quayle has mentioned Mr. Clinton's "slick campaign," his "slick convention" and/or his "slick bus tour."

Although the Vice President has refused to speak directly about suggestions of Mr. Clinton's infidelity and his avoidance of military service, he has been quick to say that character will be an important issue in the campaign. This repetition seems designed to jab at a Clinton vulnerability and also to hint at the possibility of damaging revelations in the fall.

And Mr. Quayle has repeatedly criticized Mr. Clinton for saying at a rally in St. Louis last week that the United States has become "the mockery of the world." Mr. Clinton was referring to the effects of Mr. Bush's economic stewardship, but Clinton aides said Mr. Quayle distorted the comment so as to assault the Democratic nominee's patriotism.

"I'm a little sick and tired of people running down America," Mr. Quayle said Monday in Cincinnati, calling on Mr. Clinton to apologize for the statement. "America's still the greatest country in the world."

The Vice President's delicate approach to the task of defining Mr. Clinton typifies the Republican dilemma in a year when the political mood is far different than in 1988.

Republican strategists recognize that it will be difficult to chip away at the current Democratic lead without attacking Mr. Clinton. But the Republicans are wary that the heavy-handedness of their 1988 campaign could well backfire this year; Mr. Clinton has conditioned an already surly electorate to be vigilant for low-blow tactics by repeatedly predicting an ugly campaign.

'Nothing Nefarious'

Bush-Quayle campaign officials deny that they are using subtle means to remind voters of Mr. Clinton's difficulties with marriage, marijuana and the military. But they said they viewed Mr. Clinton's handling of those issues during the primary season as a reflection of his integrity and honesty.

"The larger issue is that he's evasive and he's slick," said Mary Matalin, the Bush campaign's political director. "We've never said to the press that he's a philandering, pot-smoking draft dodger."

"The way you just did?" Ms. Matalin was asked.

"The way I just did," she conceded. "But that's the first time I've done that. There's nothing nefarious or subliminal going on."

Campaign's Guinea Pig

Mr. Bush and Mr. Quayle may well resort to tougher tactics after the Republican convention, particularly if they remain far behind in the polls. But for the time being, the Republi-

Quayle looks for Clinton vulnerabilities to jab and punch.



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cans are using more moderate methods, and it has been Mr. Quayle's job to road-test new themes.

"I think he thinks it's legitimate to raise questions but that it's too early for a frontal assault," said one Quayle associate, who spoke on condition of anonymity.

Many of the lines of attack taken by Mr. Quayle — whether his focus on family values, his argument that the Democrats are stealing Republican ideas or his assault on Mr. Clinton's trustworthiness — eventually have found their way into Mr. Bush's playbook.

But Mr. Clinton and his advisers have been quick to point out what they regard as the inherent weaknesses in some of Mr. Quayle's debating points, starting with his argument that Mr. Clinton and Mr. Gore are liberals in disguise.

"They came out of New York and said, 'We are these raging moderates,' Mr. Quayle said last week on the CNN television program "Larry King Live."

"That is a bunch of hooey," he insisted. "Al Gore's voting record is the same as Ted Kennedy's. Now, is Ted Kennedy a moderate? No. Bill Clinton as Governor raising taxes something like 128 different times. His record down there is not a record of moderation."

Tug-of-War Over Trust

Mr. Quayle then raised the issue of trust by saying he was skeptical of Mr. Clinton's pledge to raise taxes only on the wealthy.

But Mr. Clinton responded Tuesday in Chicago that Mr. Bush is himself vulnerable on the issue of trust, particularly where taxes are concerned.

"This is a guy who said 'Read my lips,' four years ago," Mr. Clinton said. "And he wants to be trusted?"

Mr. Quayle has also labored to blame the country's economic drift on the Democratic Congress. "We wouldn't have had this recession if the Congress had gone along with the President," he argued in Cincinnati on Monday. He also has labeled the 1990 tax increase as "the Democratic Congress's tax increase" and suggested that Mr. Bush agreed to it only because the President did not want a budget crisis in the middle of Operation Desert Storm.

Mr. Bush first spoke of the possibility of increased taxes more than a month before Iraq invaded Kuwait.

Mr. Quayle regularly implores his

audiences to put an end to divided government by giving Mr. Bush a Republican-majority Congress. "When you think of change I want you to think of changing the Democratic Congress," he told supporters on the tarmac of the Lexington, Ky., airport last week.

Rehearsed Improvisation

Sometimes Mr. Quayle's characterization of the Clinton campaign as slick seems paradoxical. The Vice President inevitably levels the charge during heavily scripted campaign events, like recent visits to housing construction sites, where advance men advised photographers how to get the best shot of Mr. Quayle hammering a nail.

Mr. Quayle has also made frequent use of what his aides refer to as "impromptus," surprise campaign

stops in diners and coffee shops that are not spontaneous but are meant to look that way. On Monday, Mr. Quayle led a large contingent of cameramen, reporters and Secret Service agents into a suburban Chicago bowling alley.

As Mr. Quayle chatted with a pair of bowlers, his military aide used one hand to keep a firm grip on the aluminum suitcase containing the country's nuclear codes while using the other hand to bring Mr. Quayle his red and black bowling shoes.

This mixing of Executive Branch and working-class symbolism was a specialty of Mr. Bush in past campaigns. So far, Mr. Quayle has had the franchise mostly to himself. Despite the talk of dumping him, many Republicans see his speeches and appearances as the liveliest part of the Republican campaign so far.

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NEW YORK, FRIDAY, JULY 31, 1992



Associated Press

Vice President Dan Quayle and his sons arriving yesterday in Kalispell, Mont., for a five-day vacation in the Flathead.

The New York Times

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NEW YORK, FRIDAY, JULY 31, 1992

On the Trail

WOMEN LEAD IN CALIFORNIA SENATE RACES

SAN FRANCISCO, July 30 (AP) — Two Democratic women enjoy sizable leads over their Republican opponents in campaigns for California's two open Senate seats, according to a Field Poll released today.

Both former Mayor Dianne Feinstein of San Francisco and Representative Barbara Boxer had 18-point leads in the poll of 771 registered voters taken July 22-28.

Ms. Feinstein led Senator John Seymour, 55 percent to 37 percent, with 8 percent undecided. Ms. Boxer was ahead of Bruce Herschensohn, a former television commentator, 49 percent to 31 percent, with 20 percent undecided. The poll has a margin of sampling error of plus or minus 4 percentage points.

LAWYERS PREFER CLINTON TO BUSH

By a ratio of nearly two to one, the nation's lawyers support Gov. Bill Clinton over President Bush, according to a poll taken jointly by The National Law Journal and the West Publishing Company.

The survey, to appear in the Aug. 10 issue of the Law Journal, shows Mr. Clinton with a lead of 58 to 30 percentage points among 405 lawyers selected at random. Nearly three-quarters of the lawyers questioned had negative views of Vice President Quayle and positive feelings about Senator Al Gore, the Democratic Vice-Presidential nominee.

The telephone survey, conducted by Penn and Schoen Associates of New York between July 20 and 23, has a margin of sampling error of plus or minus 5 percentage points.

CLINTON'S SECRET SUPPORTER

Special to The New York Times

WASHINGTON, July 30 — Who said the tabloids were out to get Gov. Bill Clinton? The latest "Weekly World News" features a "world exclusive photo" of Mr. Clinton shaking hands with an ET-like creature that the publication purports to be an alien who visited the party's nominee at the Democratic National Convention.

"Alien Backs Clinton!" the headline blares in big black letters. The tabloid had carried a story about a meeting between Ross Perot and the alien, and said that sources close to Mr. Perot "revealed that the alien's endorsement of Clinton figured prominently in the billionaire's decision to drop out of the race."

COMPLAINT ABOUT G.O.P. CAMPAIGN SPENDING

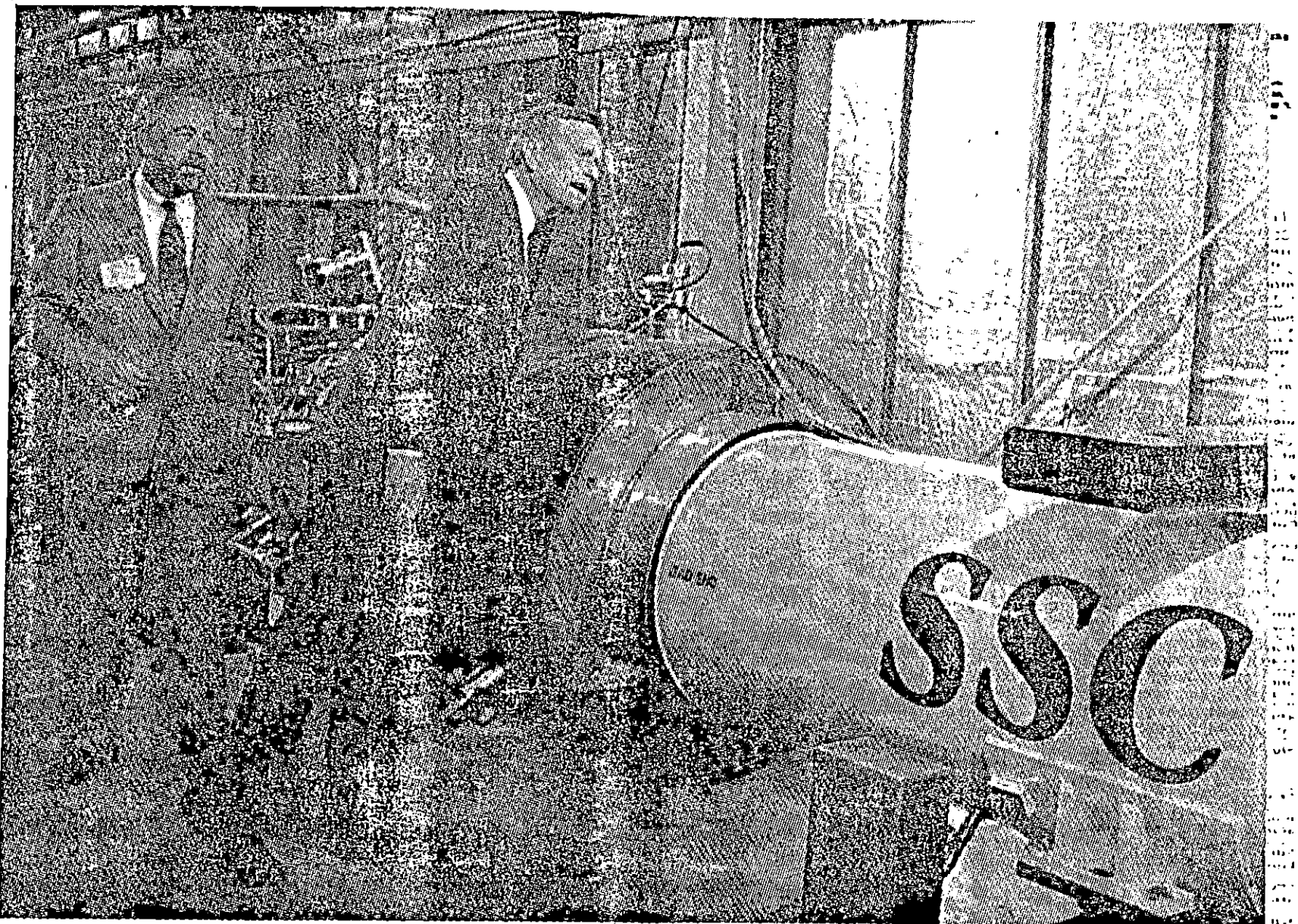
WASHINGTON, July 30 (Reuters) — The Democratic Party asserted today that President Bush's re-election committee was violating Federal election laws by using for the general election \$7 million earmarked for the primary season.

The party made the charge in a complaint with the Federal Election Commission, asking the Republicans to give back the money since law prohibits using Federal matching funds allotted in the primary season for the general election. There was no immediate response from the Bush re-election committee.

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Associated Press

On the way to Orange County in California for a two-day visit intended to repair badly damaged political fences, President Bush stopped off in Waxahachie, Tex., where he toured the site of the superconducting super collider under the guide of Roy Schwitters, the laboratory's director.

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The Republicans

Bush, on California Stump, Shows Evidence of Revival

By MICHAEL WINES

Special to The New York Times

ANAHEIM, Calif., July 30. — Once this was solid Bush country. Now it is the belly of the beast, and President Bush entered it today, still searching for a formula to revive a suddenly and ominously flagging bid for re-election.

Mr. Bush began a two-day visit to conservative Orange County for what may prove a bellwether of his campaign's ability to pull out of a national slump that so far has defied eight months of strategizing and sometimes hapless politicking.

At his first stop this afternoon Mr. Bush offered some evidence that his campaign may be awakening: a barbed, finger-jabbing lecture on military policy to his Democratic opponent, Gov. Bill Clinton of Arkansas, that had a roomful of high-technology factory workers on their feet cheering.

Without naming the Democratic Presidential nominee, Mr. Bush ridiculed Mr. Clinton's foreign and defense

budget by between \$60 billion and \$90 billion a year after five years. Mr. Bush proposes a similar phased-in decrease, but totaling about \$45 billion.

The President's campaign spokeswoman, Torie Clarke, later beamed. "We're talking about some very fundamental differences in philosophy," she said.

Mr. Bush's new sharpness will also delight many California Republicans. But there is so much more to do, they say. And the hour is very late.

'A Sense of Despair'

"He's in deep trouble in California," Steven A. Merksamer, a Sacramento lawyer who headed Mr. Bush's California strategy committee in 1988, said in an interview today. "If the election were held today he'd lose, and lose big. There's even a sense of despair, which I think the campaign has to act very quickly to turn around. These people want to see some fight."

Indeed, Mr. Bush's 1988 thrashing of Michael S. Dukakis in Orange County, by a 2-to-1 margin, seems a dim memory these days. One California poll shows him trailing Mr. Clinton by 34 percentage points statewide, and some political experts here say the situation in Orange County is little better.

The good news, Mr. Merksamer said, is that the President can still win California in November. The bad news is that it will be "extraordinarily difficult" and growing more so "with each passing hour."

Worst of all, Mr. Merksamer might have added, is that the campaign's woes in California are but a magnified version of the troubles that plague Mr. Bush everywhere: a bad economy, a listless re-election strategy and the widespread view that the President has little to offer in the next four years.

Cracks in Voter Coalition

Political strategists here and in Washington say Mr. Bush is losing the main ingredients of the voter coalition that carried him to victory over Mr. Dukakis four years ago.

One is the Reagan Democrats, the blue-collar workers who deserted Mr. Dukakis, Walter F. Mondale and Jimmy Carter to vote Republican in the last three Presidential elections. This year many went first to Ross Perot and, after Mr. Perot left the Presidential race two weeks ago, to Mr. Clinton.

The other is the bedrock of far-right conservatives who worshipped Presi-

In once-solid Bush country, the President faces a major test.

dent Ronald Reagan and kept faith with Mr. Bush in 1988. This year, dismayed by Mr. Bush's failure in 1990 to honor his campaign pledge against new taxes, and unhappy with his economic stewardship, they are wavering.

'Swords Into Pork Barrels'

The President accused Mr. Clinton of advocating "reckless" cuts in military spending that would be wasted on pet Democratic projects, "beating swords into pork barrels."

"Cuts of that magnitude would jeopardize America's ability to defend our citizens, our interests and our ideals," he told 300 workers at Odetics, a company here that makes robot-like machines for the military and industry. And he added, "Let me bring it very close to home: cuts of that magnitude would cost workers in the defense industry as many as one million jobs."

Mr. Clinton favors gradually reducing the Pentagon's \$300 billion-a-year

ent Ronald Reagan and kept faith with Mr. Bush in 1988. This year, dismayed by Mr. Bush's failure in 1990 to honor his campaign pledge against new taxes, and unhappy with his economic stewardship, they are wavering.

Orange County, a bedroom community replete with both groups, is a test of the Bush campaign's ability to win back voters who so far have rejected Mr. Bush's message in droves.

Government Out of Control

What aggrieves California is what ails the rest of the nation, only worse. The collapse of the real estate market and military contracts has pushed unemployment statewide to more than 9.5 percent, compared to 7.8 percent na-

tionwide. The state government is so strapped that it is paying its bills with i.o.u.'s.

Scandals in the state government and in Congress have touched major state political figures, and voters are disgusted with Washington's and Sacramento's seeming inability to control the situation, Republican political strategists say.

Gov. Pete Wilson, a Republican, is even less popular than Mr. Bush, no small handicap to the President since Mr. Wilson's political organization is running much of Mr. Bush's California campaign.

Nevertheless, it is Mr. Bush's campaign, not Mr. Wilson's, that is the primary concern these days, despite five visits by the President to the state

this year.

As elsewhere, California Republicans say they have complained to the White House that Mr. Bush seems distracted and sometimes insulated from economic and other domestic problems.

"Where are the street fighters?" asked one California strategist.

Lag in 'Energy Level'

Mark Timmerman, a Sacramento political consultant with Russo, Marsh & Associates, said in an interview that the Bush campaign seems to lack the "energy level" required for a comeback from behind race.

"They have to structure his time and make him available, get him to the right people," Mr. Timmerman said.

"And it's just critical that they don't wait until the convention to put some big events in place, so people can see he has the energy and the capability to run things."

Mr. Timmerman said that if the President hopes to catch up by November he needs a change of strategy in California, in which he stresses the differences between himself and Mr. Clinton more vigorously and more often. And he said he believes Republicans have suffered from the false notion all summer long that Mr. Bush had hit bottom, and had nowhere to go but up with Californians.

"I think it caught everyone off guard, and the bottom has been a lot deeper than anyone thought," he said. "But they'd better have seen bottom now."

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Fair Haven for Haitian Refugees

The Bush Administration's heartless policy of turning back Haitians on the high seas has mercifully been reversed by a Federal appeals court. The decision ought to persuade the Administration to reconsider the cruelty and unfairness of its actions.

The huge tide of Haitians fleeing the chaos and terror after last September's coup caused the U.S. to abandon normal principles of political asylum. At first, many Haitians were forcibly returned. Then the Administration allowed people picked up in leaky boats to be processed at the Guantánamo Bay naval base.

But in May, contending that the base had reached capacity, Mr. Bush ordered the Coast Guard to intercept all refugee boats and turn them back without screening any of the passengers.

A coalition of civil rights and immigrants' rights groups sued, charging that the order violated the 1980 Immigration and Nationality Act, which was meant to conform to United Nations protocols governing refugee protection. A Federal district judge in Brooklyn called the Administration's treatment of Haitians "unconscionable," but reluctantly concluded that the 1980 act did not apply to refugees who had not landed in the U.S.

Now, by a 2-to-1 vote, a panel of the U.S. Court of Appeals for the Second Circuit disagrees. Judges Jon Newman and George Pratt find that the 1980 act prohibits deporting or returning any alien who would be subject to political persecution. They say the law applies even to aliens intercepted in international waters.

They also conclude that the law is meant to conform to the international principle of *non-refoulement*. That principle holds that a refugee should not be returned to a place of danger, regardless of where the refugee is being returned from. That clearly applies to many Haitians, who faced retaliation, abuse and terror on their return.

Judge John Walker, Mr. Bush's cousin and appointee, argued in dissent that the law did not apply to aliens who were not physically within U.S. territory.

The Bush Administration is appealing the decision to the Supreme Court, where it may yet prevail. Whatever the outcome, the Second Circuit majority has exposed the Administration's shabby and shameful treatment of Haitians. The real and continuing danger faced by these refugees underscores the need for a policy that is fair and humane.

Justice, at Last, for Mr. Honecker

Erich Honecker, now returned against his will to a united Germany, surely deserves to be tried for past crimes against his own people. As East Germany's leader from 1971 to 1989, he gave guards shoot-to-kill orders on the Berlin wall, whose construction he had supervised as a younger man. The results can still be seen on the death strip that flanked the wall — sad memorials and simple crosses that mark where unlucky escapees fell.

Mr. Honecker has hardly acquitted himself with valor since his ouster. He scurried to Moscow; when the Soviet Union collapsed, he begged for asylum in every remaining Communist country. He finally wound up in the Chilean Embassy in Moscow, from which he has now been extracted to face trial for manslaughter and embezzlement.

His trial offers Germany and the world a chance to expose the cruelties, hypocrisy and self-delusion of Mr. Honecker's inner circle. Certainly he will enjoy more rights as a defendant than his own courts ever accorded dissidents. Even so, it is

to be hoped that the proceedings will not degenerate into the kind of show trial that routinely occurred in Soviet satellites.

"Victors' justice," sneered an impenitent Hermann Göring at the Nuremberg tribunal established to punish war crimes. To counter this criticism, the World War II Allies proposed an international criminal court under the United Nations — complementing the World Court, which adjudicates disputes between states. Britain's chief prosecutor at Nuremberg, Hartley Shawcross, argued vigorously for just such a court. But the cold war intruded, and the proposal died.

If a world criminal court existed, Herr Honecker would be a likely defendant. So would the Libyan agents accused of planting the Lockerbie bomb. And so might Saddam Hussein, in the event he ever fell into U.N. custody. It is welcome news that a German court will sit in judgment on Mr. Honecker, but how much better it would be if the tribunal spoke for the whole world.

The New York Times

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Face Down the Other U.N. Outlaw

Having pressed Saddam Hussein to an honorable draw, the U.N. Security Council now urgently needs to turn its attention to a parallel challenge. For weeks the Khmer Rouge has been openly defying key provisions of the U.N.-sponsored Cambodia peace agreement, chiefly by refusing to disarm its troops and by preventing U.N. monitors from entering areas it controls.

The Bush Administration, which insisted on treating the Khmer Rouge as a legitimate participant in the peace process, now has a special responsibility to help bring these international outlaws to heel.

Just like Saddam Hussein, Pol Pot, the Khmer Rouge leader, is betting that the U.N. lacks the will and the means to enforce its authority against determined resistance. The best response, in Cambodia at least, is to beef up the mandate of U.N. forces already there.

The stakes are huge, both locally and globally. If the Khmer Rouge gets away with keeping its weapons while other forces disarm, then next year's scheduled elections will be an obscene joke. Cambodians will be exposed to a second round of Khmer Rouge genocide, this time with direct U.N. complicity. If, on the other hand, Khmer Rouge rivals also insist on remaining mobilized, the already shaky cease-fire is doomed.

Every erosion of U.N. authority by Pol Pot, Saddam Hussein or the Serbian leader Slobodan Milosevic undermines the credibility of the world organization as a reliable force for peace. Failure of today's collective security experiments would open

the door to a new acceleration of the international arms race. Any realistic chance for a peace dividend bringing fiscal relief at home and funds for development abroad would slip away.

Almost 15,000 U.N. troops are now in Cambodia, plus about 4,000 U.N. police officers. Michel Loridon, until recently deputy commander of U.N. forces there, believes Pol Pot's bluff could be called simply by marching lightly armed U.N. peacekeepers into Khmer Rouge zones. While there might be some initial U.N. casualties, he argues, Pol Pot would quickly see that he had miscalculated international resolve.

But there's a less risky way to make the same point. The Security Council could upgrade the mandate of U.N. forces from passive peacekeeping to active peace enforcement. That would mean arming U.N. troops with more formidable weaponry and giving them authority to fight if necessary to enforce the cease-fire.

Admittedly, that would take the U.N. onto new ground not specifically envisioned in last year's Cambodia peace agreement. But that agreement, solemnly signed by the Khmer Rouge, did not envision this kind of open defiance.

Further, a move to peace enforcement would represent a step toward the strengthened United Nations authority that Secretary General Boutros Boutros-Ghali proposed a few weeks ago in his important report to the Security Council, called "An Agenda for Peace." The Secretary General understands the wider stakes. The Security Council needs to act without delay.

Older Americans, Dangling

When it came up for a four-year renewal last fall, the Older Americans Act was a shoo-in. And why not? Practically every clause in the bill has proved to be a genuine success since it was first passed in 1965 as part of Lyndon Johnson's Great Society program.

Almost half the act's \$1.4 billion budget goes to meals for the elderly. Other money helps support senior centers and feeds senior volunteers in primary and secondary schools. The act also fights abuse of older people and helps keep millions of the elderly unemployed afloat by paying them modest wages to perform community service.

Though largely unheralded, all these programs have quietly managed to keep millions of older Americans in their communities and out of institutions. Yet nine months after its passage by both houses, the bill renewing the act has still not gone to a conference committee, the victim of one of Congress's deadliest arrows: the crippling amendment.

Last November, after everything seemed settled, Arizona's Republican Senator, John McCain, hooked an amendment onto the act that would allow

Social Security recipients to get full benefits regardless of their earnings; benefits are currently reduced if an individual earns more than \$10,200. The House promptly countered by amending its version to raise the current earning cap to \$20,000.

The two versions have never gone to conference largely because Senator McCain won't negotiate. Many senior citizen groups have only themselves to blame for the impasse. Throughout 1991 they lobbied for both the act and at least some change in the current Social Security earning cap. With the act hung up, some funds are still coming out of Washington. But local agencies across the country report a sharp drop in meals they're able to serve.

Senator McCain, who faces a tough re-election fight, obviously hopes his dogged stand on Social Security will corral Arizona's large senior vote in November. But many seniors now say that eliminating the Social Security earning cap entirely is unwise and unfundable. By refusing to budge, Senator McCain is badly bruising the very constituency he claims to champion.

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On My Mind

A. M. ROSENTHAL

Should Bush Run?

Can he win? Should he run? Suddenly those questions about George Bush are part of the conversation of American politicians and journalists.

I think the answer to the first question is yes, and to the second, no. That is a paradox, but based on the political and personal realities that envelop Mr. Bush and the 1992 campaign.

For months Americans asked those questions about two other contenders. It took Bill Clinton time but he answered them — by understanding that the change the country sought was a President who would be for a bouquet of goals and people, not always wearing the same droopy ideological flower in his buttonhole.

Ross Perot answered by showing he was a master of the craven art of dynamite-stick fishing. He threw in the explosives, stunned millions of suckers, scooped them up, then dumped the basket and left them gasping on the beach while he went off for other sport, did our brave adventurer, leaving the fish with the bill.

And all that print and TV smarm about the legacy of the "Perot" economic plan — he never created or adopted it. It should be called the John White Plan, after the employee who crafted it, or the Perot Plan Never.

But yes, Mr. Bush can win. He clings to the memory of Harry Truman as if he himself were a good old Missouri Democrat, not a good old Connecticut Republican. Saddam Hussein can elect Mr. Bush by throwing a few Scuds at the Saudis or Israelis.

Or Mr. Bush can pull himself together, act and talk like a live President, or even a live human being, as when he told hecklers to shut up — the high point of his campaign so far — or start accepting blame instead of keeping on pouring it out into dusty whine glasses, stop just getting mad at Saddam and get even by backing

Is Bush-Quayle
stronger
than
Kemp-Elizabeth?

the Iraqi resistance movement, or let Barbara Bush say she is in favor of choice, since it is hard to imagine she is not, or come up with an economic plan that is either. Then he can adapt Hillary Clinton's fine line — this is who I am, if you like me, vote for me, if not, not.

I think there is something in most Americans except the cynical emotion-dead who wish he would do all or most of the above, or *something* to make a fight of it. One President destroyed himself because of his own personality; to see another do the same brings no pleasure.

The straight-out vote-counting reasons for considering withdrawal stare at him. Few Democrats believe he will suddenly become a doer, thinker, orator and fighter. As they become more committed to Governor Clinton, it will become harder for Mr. Bush to convince them. No Democrats, no Bush re-election.

Meanwhile more Republicans see him as a loser, and say so. The longer their fear lives, the more likely it fulfills itself.

William Bennett, the conservative Republican who served Mr. Bush as drug czar, asked two devastating questions about the President, on the David Brinkley program.

Does Mr. Bush really want the job? If so, what does he plan to do with it?

The strongest reason for Mr. Bush not to run, and the hardest to face, is that he has not made the most of his chances; that is the least Presidents get elected to do.

Abroad, he fought a war, threw away victory, guaranteeing more war — already being fought by the Iraqi resistance. He misjudged what was going on in the Soviet Union, the Baltics, the Mideast, China, Haiti.

At home, his first term has sunk the country in depression — depression of the soul — not sure which will come first, the factory closing slip or the next urban riot.

That's enough.

Perhaps Mr. Bush will find it in himself to recover the admiration of his countrymen. He can do that by saying he had his opportunity, did what he could, but that all told, it would be better to give a fresh Republican team the chance to lead.

Any new Republican ticket would have one tough race, with so little time left. But it would be interesting to find out how many Republican delegates, guaranteed anonymity, think Bush-Quayle has a better chance than a ticket of Jack Kemp and, say, Elizabeth Dole or Jeane Kirkpatrick.

A hard thing for Mr. Bush to do — but in truth others have faced their mirrors and decided to walk away without being fired and with respect from their peers, and themselves. □

You Can Call Him Al...

By James D. Davidson

Gov. Bill Clinton has worked hard to shake the stereotype of the tax-and-spend Democratic Presidential nominee. Unfortunately, his running mate, Senator Al Gore, is the kind of legislator who lends truth to the stereotype.

Since 1979, Mr. Gore has scored an average of about 21 percent on the National Taxpayers Union Congressional scorecard, meaning he voted to reduce or control Federal spending on just one out of five votes. He earned our "big spender" designation on 11 of 13 annual ratings and is the only member ever designated the Senate's biggest spender two years in a row.

Our annual rating is one of few that does not select a handful of votes to make friends look good and enemies bad. It includes every roll call spending vote, summarizing the more than 100 spending votes typically taken each year in the Senate. Former Senator William Proxmire, the Wisconsin Democrat, said "of all the [ratings] published by outside interests, the N.T.U. [Index] is the most comprehensive and the most objective."

What must a Senator vote for to attain such low scores? Virtually everything.

In 1989, Mr. Gore voted against a

James D. Davidson is chairman of the National Taxpayers Union.

spending freeze plan proposed by Democratic Senator Fritz Hollings that made provisions for cost-of-living adjustments and growth in beneficiaries in Social Security, Medicare and Medicaid programs. Despite warnings about the runaway growth of entitlements, he voted to kill a modest bipartisan proposal last April to limit entitlement spending increases. His October 1989 vote to re-

peal most of the costly 1988 Medicare Catastrophic Coverage Act is overshadowed by his support for maintaining the program's benefits without having the beneficiaries pay for the costs.

Until recently, Mr. Gore typically voted against proposals to cut military spending. In 1989, he voted against cuts in financing for the Strategic Defense Initiative, while voting

for a health and education appropriations bill that proposed \$11 billion more than the President requested.

Senators Gore's greatly touted support of defense spending goes much farther than that. When the cold war's end provided substantial deficit reduction opportunities, he voted in August 1990 to prevent the closing of unneeded military bases, which could have netted billions of dollars in savings.

The Tennessee Senator also showers spending subsidies on big business and big labor. He voted to preserve subsidies for wealthy sugar producers, which cost taxpayers (and consumers) millions of dollars annually. He would give a \$10 billion bailout to nuclear utilities. He likes the obsolete Davis-Bacon Act, which drives up Federal construction costs and lines union pockets.

Last year, he even voted against eliminating honey price supports, one of the few spending cuts in the Clinton economic plan. But honey subsidies are not the only area of disagreement between Governor Clinton and Mr. Gore. Senator Gore voted against the line-item veto six times. By contrast, Mr. Clinton has used such a tool in Arkansas, and has said it "is one of the most powerful weapons we could use in our fight against out-of-control deficit spending." Unfortunately, taming deficit spending is not Al Gore's fight.

Although the Senator has lauded Mr. Clinton's record of 11 consecutive balanced budgets in Arkansas, he neglected to mention that the state's law requires a balanced budget. He

also neglected to mention that only a few weeks before the convention, he voted against ending a filibuster against a balanced-budget constitutional amendment, although he did vote for the measure in 1986.

A close reading of Mr. Gore's legislative proposals confirms that he has little interest in restraining spending or balancing the budget. As of January, he had sponsored 33 proposals to

... Or you
can try: 'Hey,
big spender ...'

increase spending. But not a single significant piece of legislation to achieve economies of any kind — in any area of Government — bears Senator Gore's name.

Al Gore's moderate image is the product of consistently going along with the gang. He votes in favor of virtually every proposition from every special interest that comes down the pike, be it for rich farmers, labor unions or coal miners. His votes in favor of defense spending preclude hawks from labeling him a liberal, while his votes in favor of the social pork barrel show he is no conservative.

From the perspective of the overburdened taxpayer, however, "big spender" is the most accurate label.



Perot's Plan: Too Much Pain, Too Little Gain

By James K. Galbraith

AUSTIN, Tex. Inside-the-Beltway Democrats are rushing to embrace Ross Perot's five-year plan to end the budget deficit. They include Charles Schultze, chairman of the Council of Economic Advisers under Jimmy Carter, and Leon Panetta, the House Budget Committee chairman.

U.S. News & World Report said this week that most economists probably agreed with the former candidate's tough approach to a balanced budget. Not me. The plan is bold but imprudent. It mixes excellent ideas with others that are dubious, even harmful. It attempts too much, too soon. In a rush to turn today's \$350 billion

James K. Galbraith, former executive director of the Joint Economic Committee of Congress, teaches economics at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin.

deficit into an \$8 billion surplus, it risks wrecking the economy.

On the plus side, the plan calls for \$40 billion of needed public investment in highways and telecommunications systems and for equivalent cuts in needless defense spending. The 50-cent-a-gallon gasoline tax is a serious proposal, as is the call for higher taxes on Social Security. So is the proposal to raise the top income tax bracket to 33 percent. An incremental investment tax credit has respected backers, as well as opponents.

Other details are less appealing. The unspecified 10 percent across-the-board reduction in spending is classic smoke-and-mirrors budgeting. In the absence of a program for reforming health care, so is the \$83 billion cut in Medicare. And the plan's huge cuts in existing mass-transit subsidies are hard to reconcile with big spending on new infrastructure.

The plan provides tax relief to one group: rich people who sell their stocks. There is no reputable economic case for this measure. Recent stud-

ies suggest that about half the capital gains from such sales are consumed, not reinvested; this break, even restricted to long-term stock holdings, as the plan proposes, is a tax preference for high living. In an agenda urging sacrifice, this is misplaced.

It promises
a decade
of stagnation.

The critical issue is not whether individual details of the program are good or bad but how the program as a whole would affect the economy.

The authors are prepared to inflict a lot of pain to balance the budget in five years. But they do not say, perhaps because they do not know, why we need to gamble the economy on this arbitrary goal.

The plan, while admitting that economic growth would slow down and that unemployment would rise throughout the 1990's, asserts that growth in investment and productivity can be sustained nevertheless. This is very unlikely. If economic growth stagnates, profits and investment and productivity will stagnate as well. Growth is not the whole solution to the deficit, but it is necessary, and is the missing ingredient here. Without it, no amount of public saving can create private investment or growth in productivity.

Japan's economy did not catch up with ours over 40 years by growing more slowly than ours. Yet the plan proposes a decade of stagnation as a way to catch up with Japan!

The plan appears to rely on an easier Federal Reserve monetary policy to sustain expansion. But Alan Greenspan's failure to generate a recovery this year demonstrates the Fed's limits. Under the Perot plan's drastic reductions in the deficit, economic growth probably would be even slower than the proposal predicts.

If that happened, the plan would fail to achieve a balanced budget. Joblessness would rise, driving up spending for unemployment and welfare. By my calculation, the gross domestic product in 1998 could fall as much as \$1 trillion below the Congressional Budget Office's projections. Tax revenues would fall proportionately, by nearly \$200 billion. In the end, the deficit would be scarcely smaller than if no plan were tried.

Defenders of the program like to speak of "pain," "guts" and "courage." This is not a sensible way to talk when the basic issue is technical and the lives at stake are other people's. Ross Perot knows better. On July 9, he said: "You can't destroy the economy trying to save it. You don't want to disrupt millions of people trying to save it." On July 16, he urged a 12-year program. Too bad his staff ignored this common sense.

All told, this is Wall Street budget-balancing — the brainchild of orthodoxy. Those looking for an economics of hope will have to go elsewhere. []

The New York Times

RU-486: We Need Prudence, Not Politics

By Ellen Chesler

It has been 70 years since Margaret Sanger claimed that science would make woman "the owner, the mistress of herself." But the spirit of her words lives on.

Lawrence Lader, a Sanger biographer, helped organize the showdown over a woman's attempt to import RU-486, the French abortion pill banned in the U.S., after asking himself what Margaret Sanger would have done. Sanger broke the law, went to jail, staged a hunger strike and engaged in just about every publicity stunt imaginable to advance the reproductive rights of women. She

understood the news value of civil disobedience, even if the cause lost in court.

The Supreme Court's decision on July 17 to support the Government's seizure of the drug raised the stakes in the battle over women's bodies. RU-486 holds the promise of allowing us to distinguish the simple termination of an early pregnancy from later, more complicated abortion procedures, which understandably trouble so many people.

Developed and marketed by the French pharmaceutical company Roussel Uclaf, for which it is named, the synthetic drug works by blocking the naturally produced hormone progesterone. It prevents the implantation of the fertilized egg in the uterus,

and in this sense, then, no "life" is ever created.

With this in mind, Etienne-Emile Baulieu, the inventor of RU-486, calls the pill a "contragestive," rather than an abortifacient, linking it to the routine and widely accepted prevention of pregnancy through hormonal contraception, which in many ways it resembles.

If naming conveys ownership, as Margaret Sanger insisted when she invented the term "birth control" and later the even more user-friendly "family planning," then we may be able to add an important new dimension to the abortion debate.

Administered orally along with a low dose of prostaglandin, a chemical agent that stimulates uterine con-

tions, RU-486 has so far been found to be safe and effective. The two drugs, however, must be given sequentially on consecutive days, and because there may be side effects, including prolonged and possibly painful contractions and bleeding, the procedure must be medically supervised. It does not provide the autonomous, private, pill-popping experience some of its most euphoric partisans promise, and its most vocal opponents fear.

The unregulated distribution of the two potent chemicals that make up the RU-486 regimen — or their careless use in later pregnancies — may be dangerous, a fact that feminists concerned about women's reproductive health have gone to great lengths to point out. In fact, the principal

argument of those who favor letting the drug into the country is to allow for more reliable Government testing.

With additional investigation, RU-486 also holds promise as a "morning after" pill. It may provide a breakthrough as well against breast cancer, and other tumor-related diseases in which progesterone plays a role.

And though RU-486 must be taken under the supervision of a doctor or a nurse, it does not require clinics, expensive machinery or intrusive equip-

The critical stage between birth control and abortion.

ment. These are important considerations in a country where 1.5 million abortions are performed yearly, many at great cost and sacrifice.

Further testing of RU-486, along with the opportunity to invent newly liberating language, may help us find the common ground that so many Americans seem to be seeking on the abortion issue this year.

Thus the only possible explanation for the Government's dogged objections to lifting the import ban is the politics of the abortion issue.

What a pity that George Bush, who as a Congressman helped pass the family planning acts of 1967, which finally guaranteed Federal financing for contraceptive programs, should stand in our way now. What a pity that the man who as our chief delegate to the United Nations in the 1970's did so much to advance responsible international population control initiatives, including birth control and abortion, should hamper them now.

What a pity that any man still thinks he can play politics with women's bodies.

The Washington Times

FRIDAY, JULY 31, 1992 *

Americans believe Bush lost chance to finish Saddam

By Joyce Price
THE WASHINGTON TIMES

George Bush is getting cool reviews for his latest confrontation with Saddam Hussein.

Many Americans add that he has no one to blame but himself because he should have "taken care of" the Iraqi president at the end of the Gulf war.

"The general feeling here is that we should have gone ahead and taken care of that situation when we still had troops over there," said Doug Madison, owner of Doug's Restaurant in Natchez, Miss., following yesterday's meeting of his all-male 9 O'Clock Breakfast Group.

Maurice Belote, a retired Budweiser distributor who's a member of the club, said he wasn't surprised U.N. inspectors found no sensitive documents when they were allowed into Iraq's Agriculture Ministry.

"I suspect Saddam Hussein moved everything out of that building," he said. "I imagine that delay [by the inspectors in returning to the building] allowed him to do that."

Similar sentiments were expressed in random calls to barber-shops, beauty salons, hardware stores, bakeries and dry-cleaners in communities across the country.

They included calls to Queens, N.Y.; Griffin, Ga.; Rome, Ga.; Wichita, Kansas; Boca Raton, Fla.; Ravenna, Ohio; Bloomington, Ill.; Plymouth, Mass.; Muskogee, Okla. and Tombstone, Ariz.

Virtually all of the interviewees blasted Mr. Bush for not taking steps to overthrow Saddam before allied troops were returned home after Op-

eration Desert Storm.

"I think Bush totally blew it," said Dominick Civale, who was assisting his brother-in-law yesterday at the Boca Exxon in Boca Raton. "Everybody I've talked to is saying the same thing."

Said Charlie Bzdewka, owner of CCC-Bern-Video Productions Inc. in Queens: "It was a very poor performance [by the president]. I was just talking about it with my barber. Bush fumbled again. When he had a chance to bring up his ratings, he blew the whole deal."

People reached at businesses in Lubbock, Texas, and Mason City, Iowa, were more sympathetic to the president, while an employee at Bangor Hardware store in Bangor, Maine, said he hadn't heard customers mention the Iraq issue.

Orene Hocker, owner of Orene of Lubbock's Hair Fashion, said both she and her customers — most of whom are seniors — believe "President Bush did a superb job in following through with the U.N. mandate" in his recent dealings with Saddam and during the war.

Salem Suber, a manager of T.J. Applebee's Grill and Bar in Rome, Ga., said the administration "handled things [in Baghdad] well up until the U.N. team abandoned their posts . . . and threatened military action."

"It seems a little late to send an inspection team to check out a building that's been left unobserved for two weeks," he said. "Do it at the right time, or why bother? I seriously doubt Saddam Hussein took a vacation to the Red Sea during that time."

FRIDAY, JULY 31, 1992 *

Too much hassle

Anita Hill was slated to receive \$10,000 for a September lecture at Old Dominion University, but she has canceled the engagement because of student discontent. Some students saw her cut of the action as inappropriate at a time when ODU is facing multimillion-dollar cuts and raising tuition.

"If controversy is what prompted her to cancel the visit, I am surprised, because I think people in her situation know how to deal with that," said Kay A. Kemper, vice president for university relations.

Miss Hill, who has plenty of other speaking engagements and has just signed a big book deal, will be replaced by pro-choice activist Faye Wattleton, who will receive \$5,000.

Libya lobby

Former New York Rep. John M. Murphy, a nine-term Democrat who served almost two years in prison due to the Abscam sting, has signed on to try to improve Libya's public image in the United States.

Mr. Murphy registered last month with the Justice Department as a foreign agent, according to documents obtained by the Associated Press. In his filing, Mr. Murphy said he plans to meet with

members of Congress and the administration in an effort to "normalize relations" between the United States and Libya, and he will arrange visits to Libya by U.S. officials and news organizations. Mr. Murphy also plans a public relations campaign "to portray the image of Libya and its administration in a most favorable view."

Mr. Murphy was convicted in 1980 of conspiracy and accepting an unlawful gratuity from FBI agents posing as wealthy Arabs.

Allegiance coin

The U.S. Capitol Historical Society is behind a bill to create a Pledge of Allegiance Commemorative Coin. The bill is receiving bipartisan support in the House and Senate, but more co-sponsors are needed, according to the society. Readers who might want to join in the effort may call or write their representative in support of HR 2385; in the Senate it is known as S1087.

Half the proceeds from sale of the coin would go to fund educational programs relating to the Capitol and Independence Hall in Philadelphia. The other half would go toward retiring the national debt.

The pledge was composed in 1892 by Francis Bellamy, a former

INSIDE THE BELTWAY

Baptist minister and member of the editorial staff of the Youth's Companion magazine. Several minor modifications have been made in Mr. Bellamy's original pledge, and in 1954 the words "under God" were added in an act of Congress signed by President Eisenhower.

Medal for Baker

The National Ethnic Coalition of Organizations, said to have some 5 million members "dedicated to universal brotherhood and to the advancement, protection and encouragement of all ethnic groups and races," has honored Secretary of State James A. Baker III with its Ellis Island Medal of Honor.

The medal, sanctioned by Congress in 1986, recognizes the accomplishments of all ethnic groups. Mr. Baker's ancestors were Scottish and Irish.

Among many others receiving medals were Terry Anderson, Johnny Bench, Teamsters President Ronald Carey, Natalie Cole,



James Baker has been honored in the name of brotherhood.

Phil Donahue, Henry Kissinger, retired Gen. Norman Schwarzkopf and William Sessions.

A different story

Talk-show host Les Kinsolving passes along a tidbit from a newsletter published in Hawaii, the Voice of the African American Community in Paradise, claiming that the public was misled about the makeup of the Rodney King jury. An article by Ed Young claims that one of his first cousins was a juror in the King trial. "Of course, my first reaction was disbelief, since the media had portrayed the jurors as having two Hispanics and no African-Americans.

"Sure enough, my mother's nephew, who was born to a Caucasian mother and an African-American father, was indeed one of the Rodney King jurors. I should also state that his identification as a Caucasian male by the media [and] the court system of Los Angeles and Ventura counties of California has caused considerable anguish within my mother's family."

Gritz profits

As predicted, the maverick presidential campaign of Vietnam War hero Bo Gritz has picked up followers because of the collapse of Ross Perot's organization. C.D. Schaut, Mr. Gritz's press spokesman, tells us he's heard from a Perot county coordinator in California, a Perot regional coordinator in Iowa and

the state coordinator in Ohio.

According to Jerry Gillespie, national campaign coordinator for Mr. Gritz, "we are meeting with Perot's former volunteers in California, Georgia, West Virginia and Oregon." Mr. Gritz is on the ballot in 12 states and expects to be a contender in 45 states by Nov. 3.

Followers of Mr. Gritz have now departed from California, Nevada, Oregon, Washington and Idaho in their "Walk of Truth" march toward Washington. The objective is to arrive in the District on Oct. 30.

Stone's next flick

Oliver Stone, in Madrid to pick up a cultural and artistic award from Complutense University, told reporters he wants to make a movie about the Spanish Civil War. David Bowie would have the leading role.

Mr. Stone, whose controversial films have a decidedly leftist bent, said he hopes to base the film on British author George Orwell's 1938 account of the bloody three-year war between fascists and communists, "Homage to Catalonia."

Orwell fought on the communist side in the war. He later soundly rejected that view, but there is some question as to whether Mr. Stone's next cinematic venture will take that fact into account.

— John Elvin

FRIDAY, JULY 31, 1992 *

Friendly fire hits GOP ticket in political first

By Ralph Z. Hallow
THE WASHINGTON TIMES

The sudden outbreak of vituperation against President Bush and Vice President Dan Quayle by critics in their own party is unprecedented in modern history.

Turning on their ticket in the past five days were former Bush drug policy chief William Bennett, Nobel Prize-winning economist Milton Friedman, direct-mail fund-raiser Richard Viguerie, conservative commentator Burton Yale Pines and former Florida GOP head Tommy Thomas.

"There's been nothing like this in our century, in either party" said Horace Busby, a White House adviser to the late Lyndon Johnson.

Mr. Busby doubts such criticism will influence the election. "I have a hunch Republicans who say 'anybody but Bush'

now will have second thoughts by November," he said.

On Sunday, Mr. Bennett, a neoconservative with a following among proponents of traditional values, suggested Mr. Bush have a private chat with himself as to why he thinks he wants another term.

On Wednesday syndicated columnist and longtime Bush antagonist George Will called for Mr. Bush and Mr. Quayle to resign and let others lead the ticket.

Yesterday, Mr. Viguerie and Mr. Pines also called for Bush-Quayle resignations.

Mr. Viguerie, suspected by some who claim a link between direct-mail profits and inspiration of grass-roots unrest, urged a ticket of HUD Secretary Jack Kemp and Secretary of State James A. Baker III.

Mr. Viguerie, not initially a supporter of Ronald Reagan, criticized him for ideological failings during his presidency.

Mr. Pines, also a conservative critic of

Mr. Reagan during his administration, yesterday offered a longer list of possible successors to the Bush-Quayle ticket.

Also yesterday, Mr. Thomas bought a \$45,000 full-page ad in The Washington Post that called on Mr. Quayle to quit in order to help Mr. Bush win re-election.

Mr. Thomas, who owns six Chevrolet dealerships in southern Florida and describes himself as a Goldwater-Reagan Republican, supports Florida Gov. Lawton Chiles and Sen. Bob Gramm, both Democrats.

Finally, Mr. Friedman, an icon of free-market conservatism, told Forbes magazine in an interview for its Aug. 27 issue that the "Bush presidency has been very close to a disaster."

But Bush campaign senior adviser Charles Black, whom conservatives consider one of their own, questions the bonafides of some Bush-Quayle critics.

"They don't mean anything because you have to look at their credentials," said

Mr. Black. "Tommy is a former good Republican who now supports Chiles and Gramm, and the last time I looked they are both for Bill Clinton."

"As for George Will, he is a distinguished commentator but he never liked George Bush," Mr. Black said.

Mr. Thomas, at once the most obscure and most publicized of the critics, was slated to appear on ABC news last night and later on Larry King's radio show.

"My first reaction was to start laughing," said Florida GOP Chairman Van Pool. "The used-car business must be bad, and he has completely duped the press again."

He said Mr. Thomas has done things like that "to get publicity."

"I have never done anything like this to sell cars," said Mr. Thomas, 67, in a phone interview at his Lakeland, Fla., dealership. "I'd like to see Baker as vice president for the next four years and then as president for eight years."

The Washington Times

FRIDAY, JULY 31, 1992 *

Bush charges Clinton will mothball defense

By Paul Bedard
THE WASHINGTON TIMES

ANAHEIM, Calif. — President Bush, in California's defense industry heartland, said yesterday that Democrat Bill Clinton's plans to cut spending invite threats to U.S. security and unemployment of another 1 million workers.

Facing polls showing Mr. Clinton with a 2-1 lead here, Mr. Bush expanded a week-old attack, fine-tuning his effort to attract conservatives and backers of Ross Perot, the independent who decided not to enter the presidential race.

Speaking at conservative Orange County's Odetics Co., a high-tech defense firm, Mr. Bush ridiculed Mr. Clinton for glossing over national security in his acceptance speech at the Democratic convention and hit the party's call for a \$60 billion cut in Pentagon spending.

The president said Mr. Clinton's speech spent about one minute on national security — "141 words, to be exact. If you blinked, or even heated up a ham-and-cheese sandwich in the microwave, well, you missed it."

Mr. Bush said, "When it comes to national defense, I'm worried that the other side is all for change, all right — they want to change the subject. . . . I don't believe foreign policy is a footnote, a loose end we wrap up and then safely forget."

While the president proudly told 600 workers at Odetics that he ordered a nuclear stand-down because of the Soviet Union's breakup, he added, "There are still plenty of wolves in the world — renegade rulers, outlaw regimes, Baghdad bullies. I won't let them get a finger on the nuclear trigger."

Administration and campaign officials, eager to stop Mr. Bush's slump in the polls, have always thought he could run on his record overseas, but they said it was not until Mr. Clinton proposed sweeping defense cuts that they decided to highlight the president's foreign and national security policies.

Part of the plan was also to cast the Democrats as weak and ready to give up superpower status.

"If we took the course that [the Democrats] recommend, we literally wouldn't know what we're missing until we found it out in the heat of battle," said Mr. Bush, who has essentially capped defense spending over the past three years.

"Think of the workers and the families," he said to cheers from the enthusiastic crowd.

Earlier in the day he campaigned in Waxahachie, Texas. "You know how when a ship is decommissioned, it is said to be put in mothballs? Well, if we follow their plan, the only industry hiring would be the mothball industry," he said.

Mr. Bush plans to campaign in nearby Riverside, Calif., today, but administration officials conceded that he will need to spend much more time in California to win the state, considered critical to his re-election.

A new Field poll here shows Mr. Bush behind Mr. Clinton 62 percent to 28 percent. Even polls in Orange County show Mr. Bush trailing. California has voted Republican in most recent presidential elections and was the base of support for former President Reagan.

Southern California is headquarters to many defense firms, and Mr. Bush's attacks on Mr. Clinton were greeted warmly.

"I'm afraid the whole entire Democratic ticket will gut defense and take our jobs," said Odetics worker Philip Mills.

The attack, Mr. Bush's second this week on his opponent, came as the Bush-Quayle campaign scrambles to challenge Mr. Clinton, who is leading Mr. Bush in national presidential preference polls as well.

Mr. Bush, who only this week gave in to aides calling on him to campaign aggressively, flew here on an emergency mission to shore up support of conservative Republicans threatening to bolt the party or sit out the fall election.

It was part of a two-day, 4,894-mile effort to use three 20-minute speeches to firm up backing here and in Texas, states whose combined Electoral College vote of 86 is nearly one-third of the 270 needed for re-election.

But the effort came late in the eyes of many supporters who said Mr. Clinton has made deep inroads among Mr. Perot's fans, especially in California.

White House spokeswoman Judy Smith said the Bush-Quayle campaign wasn't giving up hope that it would be able to capture a majority of Perot backers.

"It's no secret that we would like the Perot voters to support the president. The president understands their frustration, and we're going to do what we can to win the support of Perot voters," she said.

PAUL NITZE/SIEGFRIED HECKER

Weapons testing we can't do without

The issue of nuclear testing is once again being brought into the public spotlight with the U.S. Senate set to consider a moratorium on all such tests.

The need for nuclear testing remains controversial and not well understood, especially since the end of the Cold War. In the eyes of many people, nuclear testing is a powerful symbol of the evil of nuclear weapons. Since testing is often associated with the development of increasingly destructive bombs, a halt in testing is associated with a safer and better world.

However, from our combined experiences in arms control, as well as maintenance of the U.S. nuclear arsenal, we see a different side.

As in any other high-technology venture, testing is imperative to ensure safety and reliability. Underground nuclear testing offers the

only opportunity to conduct realistic, relevant experiments that help to ensure the safety, security and reliability of nuclear weapons. Such experiments help preserve the competence and judgment of the scientists and engineers who must maintain our remaining nuclear arsenals,



Paul H. Nitze served as U.S. ambassador to Intermediate Range Nuclear Forces Treaty negotiations and as a special adviser to President Reagan on arms-control matters. Siegfried S. Hecker is director of the Los Alamos National Laboratory, which, along with the Lawrence Livermore Laboratory in California, is responsible for the design and testing of all weapons in the U.S. nuclear arsenal. (c) 1992, New Perspectives Quarterly. Distributed by the Los Angeles Times Syndicate.

who will help dismantle weapons and whose skills will be required in case of accidental damage to a weapon or to evaluate or disable a terrorist bomb.

Arguments about preserving technical competence are not politically fashionable. But the tragic accidents of the Challenger, Chernobyl and Bhopal are stark reminders of inadequate testing and ques-

tionable technical judgment. Why give up nuclear tests when the consequences of a nuclear-weapons accident overshadow those of any other technology on Earth?

The fact that the arms race with the former Soviet Union is over does not alter the necessity of testing. Indeed, the decision by Russian President Boris Yeltsin at the recent U.S.-Russia summit to no longer seek parity when the two arsenals are dramatically reduced by the end of the decade reinforces the nuclear deterrent role of the United States as the global guarantor of peace.

That role makes the safety and reliability of U.S. weapons even more important. At the same time, Mr. Yeltsin's decision makes the notion that testing drives the arms race or upsets strategic stability as obsolete as the Cold War itself.

The end of the Cold War will speed up removal of some of the older weapons, those with few modern safety features. However, there will be a tendency to leave weapons in the stockpile still not fully modernized in safety terms.

Since it is now less important (because of less reliance on strategic missiles) to pack more explosive power into smaller packages, weap-

ons designers can make weapons safer to prevent the unlikely event of an accident, or to make them more tamper-proof against terrorists. They may also be able to build them with greater longevity so they last for 50 years. But such weapons cannot be developed without nuclear testing.

Some nations such as Mexico have objected to U.S. nuclear testing in conjunction with the Non-Proliferation Treaty discussions. Their objections are obsolete now that the arms race with the former Soviet Union is over and the principal purpose of U.S. nuclear tests is to ensure the safety, security and reliability of weapons.

Realistically, the post-Cold War peace should not lure us into adopting some notion of the "end of history" and the end of conflict or threats in our national security strategy. U.S. nuclear weapons provide a hedge against the possible resurgence of a nuclear threat from Russia or other successor states to the former Soviet Union, which will retain thousands of strategic and tactical nuclear warheads. It is also important for the sake of international tranquility that neither Germany nor Japan are tempted to de-

velop their own nuclear forces for self-protection — a temptation which might arise were the United States to withdraw its nuclear umbrella.

Further, U.S. nuclear weapons are needed to dissuade rogue leaders from using weapons of mass destruction and to prevent nuclear blackmail.

In the post-Cold War era, a smaller but safe and reliable U.S. nuclear arsenal will serve to discourage the proliferation of nuclear weapons. The nuclear ambitions of countries such as Iraq, Libya and Algeria are not driven by the U.S. arsenal, nor the fact that we test, but by strong political motives or regional security concerns.

As long as U.S. security interests are served by nuclear weapons, we should ensure their safety, security and reliability as well as maintain a competent scientific work force to oversee them. A small number of tests will be necessary to serve these continuing needs. As a matter of fact, the number of tests in recent years has already declined sharply to only six this year.

That seems a very small price to pay if it helps ensure that the end of the Cold War does indeed result in a safer world.

The Washington Times

FRIDAY, JULY 31, 1992 *

JOSEPH SOBRAN

Superstars and other excesses

Have you noticed how badly the word "superstar" is being abused? When I was a kid and everything was just right and the English language was used properly, giants like Ted Williams and Stan Musial were only called "stars." In the 1960s the word "superstar" gained currency for Hall of Fame-scale players like Sandy Koufax and Willie Mays, who were still active.

But nowadays a "superstar" can be a temperamental guy who bats .265 and has a three-year, \$5 million contract, or any rock star who has been on the cover of Rolling Stone.

I don't mind the word "superstar" as such, but it ought to be restricted. To my mind, a superstar is a player or performer of such distinction that his name is familiar to people who don't even follow the sport (or entertainment genre) he excels in — as opposed to a mere star, who commands the respect of specialized fans. Cal Ripken is a star, because every baseball fan knows who he is. But Nolan Ryan is a superstar, because every sentient human being knows who he is.

You see the distinction I'm trying to make. The news that Bobby Fi-

scher is coming out of seclusion to play chess again interests even people who don't play chess or know who the current champion is. It was reported in the news section, not the chess or sports section, of the New York Times. Bobby Fischer is a symbol of chess to the general public in the same way Babe Ruth was a symbol of baseball. Twenty years after his abrupt retirement he is chess's only superstar.

We live in an age when everyone exaggerates about everything. Pretty soon a superstar will be any player who usually makes the starting lineup.

"Superstar" is only one example. "Rights" is another one. The word now means whatever any political group demands, even at the expense of prerogatives previously enjoyed by others. People claim rights that cut into others' discretion to associate and do business with anyone they choose. Some claim rights on behalf of animals.

The profusion of alleged rights creates a tangle of new legal restrictions and inhibitions. It's as if the bishops on the chess board were given the right to move vertically and horizontally as well as diagonally. That would make a bishop "equal" to a queen, which some people no doubt would think highly progressive. But it also would turn chess into a radically different game. The word "chess" would no longer mean chess.

We have too many rights as well as too many rules. The two excesses go together, and they mean that neither the rights nor the rules are genuine. They are misconceived and badly formulated.

When I was about 10 and a fanatic on baseball, I used to study the rule book. I kept finding that I already knew the rules, in a certain way. By grasping the logic of the game through its most basic rules, I could intuit most of the other rules. The coherence of the system was lovely.

This is true of most sports and games. There is a logical and imaginative "tightness" about a game that tends to keep its rules to a minimum. The players' "rights" are inherent in the rules and don't have to be listed separately. We don't say that a batter has a "right" to three strikes. That's implicit in the rule that three strikes make an out. When the same rules apply to everyone, it's extraneous to describe them in terms of "rights."

The trouble with law, in contrast to sports, is that so many laws are superfluous. It's as if the rules committee has run amok. And when there are too many rules, logically unrelated to each other, the players will start demanding special rules in their own favor. Each of these special rules will be called a "right," and it will impinge on the freedom of the other players.

Eventually the game will get so complicated, so congested with rules, as to be almost unplayable. In fact, the focus of interest and activity will shift from playing the game to making the rules. And the people who just want to play the game will start dropping out in disgust.

This pretty well sums up the condition of a society in which too many things have become politicized. It happens in large part because people use words loosely, especially the words in which rule-making is transacted.

As the real players quit, the operators — politicians and lawyers — take over. The funny thing is that though many politicians are at least as famous as Nolan Ryan, nobody would describe them as "superstars."

Joseph Sobran, critic-at-large for National Review, is a nationally syndicated columnist.

The Washington Times

FRIDAY, JULY 31, 1992 *

TERRENCE BARNICH

The un-nuking of the CIS

The failure of the leaders of the G-7 Western industrial powers to come to an agreement on assuring the safety of deteriorating nuclear power plants in Eastern Europe and the former Soviet Union was not a failure to agree upon the need for a solution to the problem. Rather, it was a failure to agree on the means to a workable solution because of an inability to see the problem in the context of the larger task of smoothly carrying out the denuclearization of the Commonwealth of Independent States.

This task involves the linked problems of reducing former Soviet military capacity and redirecting a massive industrial and personnel infrastructure away from nuclear armaments, and making the CIS and former Eastern bloc civilian nuclear power plants safe and reliable sources of electric energy to support economic resuscitation and sustained development.

In short, the larger challenge for the West is how to turn the old Soviet nuclear swords into benign nuclear power ploughshares.

German Finance Minister Theo Waigel correctly identified one-half of the problem when he reportedly stated that Western aid should not be used simply to repair dangerous plants but "to change the whole energy policy in these states so they can conserve energy, develop alternative energy sources and thereby create more leeway for shutting down plants that are unsafe."

The prospect of "Chernobyl II — Lenin's Revenge" coming to us real-time via CNN seems greater than the potential for nuclear extortion — even by a black-market trade in warheads.

The dilemma facing the Group of Seven industrial nations and the countries served by the 11 Chernobyl-type pressurized water reactors and the 42 newer, somewhat less unsafe power plants is that promptly protecting the world from vegetables and milk that glow in the dark is either very costly or impossible at any price. The \$700 million commitment made by the G-7 for upgrading these power plants to standards that we in the West would still consider

well below acceptable will prove too much for too little.

President Bush and Russian President Boris Yeltsin set the stage for resolution of the other half of the problem by their historic, unparalleled concord to remove most of the weapons that terrified the world for a generation. By their agreement, thousands of missiles and bombs must be disarmed and many thou-

The prospect of a nuclear accident — "Chernobyl II: Lenin's Revenge" coming to us live and in color via CNN seems greater than the potential for nuclear extortion — even by a black-market trade in warheads.

sands more warheads must be disassembled. Assuming the money can even be found to do all of that, there are major problems of secure storage and verifiable destruction of equipment. And there will be a mountain of weapons grade uranium-235 and plutonium-239 left.

But the two halves of the nuclear problem remaining from the collapse of communism are not as disparate as a first look might indicate. In fact, the solution to both problems, and to others here at home, may have a common root.

Approaching this as a "closed system" of problems, and relying on a market-based approach to solving it, may give rise to a solution that may indeed solve this series of linked problems.

The U.S. system for producing power plant grade uranium is costly, inefficient and ridden with government waste. Oddly, the old Soviet uranium mining and enrichment industry is more up-to-date and far less expensive than our own.

With more than 100 operating nuclear power plants in the United

States and with a like number in the other G-7 nations taken together, a major market already exists that could be served by a new competitive supply of uranium. Electric customers would benefit to the tune of billions of dollars in fuel-cost savings through such competition.

Therefore, I propose an Operation Ploughshare, founded solidly on the tried and true free-market principles that won the Cold War in the first place.

First, the electric utilities of the G-7 nations should be permitted to enter into contracts with the CIS to purchase power plant grade nuclear fuel on the following conditions:

- The purchased processed uranium must have been "diluted" from warhead fissile material;

- The proceeds, after accounting for the direct costs of the processing, would have to be invested in modern, environmentally correct power plants fueled by locally produced natural gas or coal and designed to replace the worst of the operating nuclear plants in the East;

- Only those nuclear plants considered capable of being upgraded would be kept on line over the longer term;

- The oil, gas and coal industries must be migrated into privatized companies that will have the incentive to produce efficiently and to repair and maintain what is now as decrepit a production and delivery system as exists in the nuclear power industry.

Second, in furtherance of this arrangement, the president should immediately order the U.S. Commerce Department to rescind its decision to raise uneconomic trade barriers to the importation of CIS uranium fuel.

There is one final point. The job of denuclearizing the CIS will be one of the biggest and most important since the restoration of Western Europe after World War II. There needs to be a full-time leader of the effort whose stature will help mobilize world opinion and personify the critical nature of the task.

The nominations are open, but let me begin with the first four: Robert Galvin, former CEO of Motorola; Gianni Agnelli, CEO of Fiat; Bill Lee, CEO of Duke Power; and Father Theodore Hesburgh, former president of the University of Notre Dame.

Terrence L. Barnich is commissioner of the Illinois Commerce Commission in Chicago.

The Washington Times

FRIDAY, JULY 31, 1992 *

BRENT BOZELL

Residual visuals

When, during the course of a movie, a character drinks from a recognizable can of Pepsi, said can did not appear by happenstance. Rather, it was deliberately put into the scene to create a de facto Pepsi commercial. This practice is known as product placement.

Leftists will condemn commercial product placement, but there is another kind that's much more to their liking — political product placement. Posters, T-shirts and other visible items advocating left-of-center causes are abundant on prime-time television. Sometimes these visuals augment an episode's story; sometimes they're just part of the scenery, with no relevance whatsoever to the story. In either case, almost every one is an advertisement for a liberal cause.

In visual terms, black militancy is the most heavily promoted ideology on prime time these days; in particular, many black-oriented shows frequently use Malcolm X imagery. Will, the central character on NBC's "The Fresh Prince of Bel-Air," has a poster of Malcolm in his bedroom and has worn a Malcolm T-shirt and medallion. A framed photo of Malcolm is part of the basic set of Fox's "Roc." On an episode of Fox's "True Colors," a teen-ager was shown reading Malcolm's autobiography, had a poster of the slain radical in his room and wore a T-shirt reading "By Any Means Necessary," probably Malcolm's best-known phrase.

South Africa's Nelson Mandela also has been represented on prime time. "Fresh Prince's" Will had a Mandela patch on his jacket, and a

Watch for a flurry of these endorsements in the upcoming TV (and election) season.

college-student character on NBC's Afro-centric "A Different World" wore a sweatshirt reading "Martin Malcolm Mandela Me My Heritage."

Some visuals flack extremist environmentalism. A teen-age girl on "Major Dad" (CBS) wore a shirt touting the radical environmental group Greenpeace; on NBC's "Family Ties," a bright, studious eco-activist dutifully read her Greenpeace magazine. ABC's "thirtysomething" boosted the radical animal-rights movement by having a college-professor character wear a People for the Ethical Treatment of Animals (PETA) sweatshirt. The title character on CBS's "Murphy Brown" drinks from a PETA coffee mug.

Prime time's visuals manifest an anti-war mind-set. On "A Different World" episode airing less than a week before Operation Desert Storm began, a poster in a student cafeteria read "No Blood for Oil." When "Murphy Brown's" smart, young, overachieving producer of a TV newsmagazine show was shown sick in bed, on his nightstand was "A Bright Shining Lie," a book by Neil Sheehan blasting U.S. anti-communist efforts in Vietnam.

Indeed, on the rare occasions when TV characters settle down with a book, chances are it's not one with a conservative perspective. A character in a "Saturday Night Live" sketch read "The Chomsky Reader," a collection of essays by leftist gadfly Noam Chomsky. On an episode of ABC's "Home Improvement," a housewife read "Backlash," Susan Faludi's much-discredited feminist tract.

A just-premiered series has hit the ground running in visual-advocacy terms. On Fox's "Melrose Place," a character wore a Rock the Vote T-shirt. Rock the Vote seeks to register young adults to vote against "pro-censorship" (read, conservative) candidates such as Jesse Helms.

Political product placement occurs much less frequently in feature films. In the summer blockbuster "Lethal Weapon 3," a teen-age girl wore a T-shirt with a bold pro-choice caption. In "Do the Right Thing," Spike Lee endorsed the fabrications of Tawana Brawley with the graffiti "Tawana Told the Truth!"

How do political objects wind up on your TV screen? About "Fresh Prince's" Malcolm X imagery, NBC publicist Merry Aronson told us that "the T-shirt would have [belonged to] Will [Smith, the actor who plays the series protagonist] while things like the poster would have been put there by the producers." Peter Horton, the actor who played the "thirtysomething" character who wore the PETA shirt, told Playboy in 1990 that where inserting his own politics into the series was concerned, "about all I can do is wear T-shirts about El Salvador. I get in whatever I can."

FCC rules state that candidates for political office can't be promoted on prime time, but nothing prevents liberal producers from putting advocacy visuals into scenes. Conservatives should watch for a flurry of these endorsements in the upcoming TV (and election) season.

L. Brent Bozell III is chairman of the Media Research Center.

The Washington Times

FRIDAY, JULY 31, 1992 *

SAMUEL FRANCIS

Call to arms for the NWO brigade

How are you going to have a New World Order if you don't have a New World army to put the order in it? Ever since President Bush started talking about his globalist vision thing a couple of years ago, that problem has nipped at his heels. Last month, just in time for the summertime games of playing Mr. Fix-It in the Balkans and Iraq, U.N. Secretary-General Boutros Boutros-Ghali unbosomed himself of a solution.

At the meeting of the Group of Seven in January, Mr. Boutros-Ghali was asked to come up with some plans for what was politely called "preventive diplomacy, peacemaking and peacekeeping." Just before the Magnificent Seven met again in July, the secretary-general had his homework ready for their inspec-

tion. Citizens who would like to preserve the independence and sovereignty of their own nation-states ought to give him an "F."

What Mr. Boutros-Ghali proposes is closer than anyone on the planet should ever want to get to a transnational military force that could override and eventually abolish national sovereignty altogether and in the process set up the United Nations itself as the power apparatus of an unelected global elite.

Titled "An Agenda for Peace," the report was issued in June. As with most documents that creep out of the United Nations, much of it twinkles with the usual ideological fireflies of "peace," "change," "rights" and "needs" that buzz in the brains of globalist munchkins.

But buried in the report's entrails is a lengthy section on military measures to put the New World Order in business, though — again, as usual — it doesn't call them military measures. They're masked in the munch-

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Samuel Francis, a columnist for The Washington Times, is nationally syndicated.

FRANCIS

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kin-speak euphemisms of "peacekeeping" and "peacemaking," which, it quickly emerges to the discerning eye, are really code words for an independent military force under U.N. control.

"United Nations operations in areas of crisis have generally been established after conflict has occurred," writes the secretary-general, but those days are over or ought to be. "The time has come," he intones, "to plan for circumstances warranting preventive deployment." In essence, this means that the United Nations, instead of sending in its blue-helmeted troops to cool off a conflict with the consent of the parties involved, would leap in to stop a conflict before it starts.

Moreover, U.N. military forces would need to be kept handy at all times. "The Security Council has the authority to take military action to maintain or restore international peace and security. While such action should only be taken when all peaceful means have failed, the op-

tion of taking it is essential to the credibility of the United Nations as a guarantor of international security. This will require bringing into being, through negotiations, the special agreements . . . whereby member states undertake to make armed forces, assistance and facilities available to the Security Council . . . not only on an ad hoc basis but on a permanent basis."

There you have it: the army of the New World Order.

Throughout his report, Mr. Boutros-Ghali is careful to bend his knees to the concept of national sovereignty, but virtually every such endorsement is qualified by language that dilutes it. "Respect for . . . fundamental sovereignty and integrity are crucial to any common international progress," he writes. But the next sentence informs us that "the time of absolute and exclusive sovereignty . . . has passed."

We wouldn't want to OD on sovereignty, would we, and anyway the machinery the U.N. report endorses, not only military but also civilian, points straight toward the transcendence of national sovereignty and toward a one-world regime policed by the United Nations.

Not only "peacekeeping" and "preventive diplomacy" but also environmental regulation, human rights enforcement, "promoting economic and social development" and controlling population are but a few of the functions Mr. Boutros-Ghali envisions as "needs" of the New World Order. All are functions normally under the control of single, sovereign nations and their governments or private sectors, and to the extent U.N. munchkins start planning and performing them, to that extent national sovereignty — the authority of a nation to decide how it will rule itself — is chipped away.

Right now, the New World army is only a sparkle in the eyes of Mr. Boutros-Ghali and its other architects, but it's the logical and necessary chisel by which uncooperative nation-states can be carved into the global colossus the architects want to construct.

If Americans would like to preserve the national independence and sovereignty they and their forebears have fought for, they need to pull down the one-world monstrosity Mr. Boutros-Ghali is planning before he and his planners have a chance to build it.

FRIDAY, JULY 31, 1992 *

WILLIAM MURCHISON

Dubious deficit device

What's the problem with our economy — too much government? Or somehow not enough?

Ross Perot, via his economic plan, gives an ambivalent answer. It's a little of both, he appears to say. The plan, laid out in U.S. News & World Report this week, falls between two stools. It has its good aspects and its bad ones. Mainly it misses the point.

Sir Ross, newly dismounted from his white charger but still in splendid voice, aims at eliminating the deficit by 1998, at which juncture, glory be, we'd have an \$8 billion surplus. This we would achieve by cutting spending on the one hand, raising taxes on the other.

The analysts are properly calling Perot's plan painful and popularity-pooing. Gasoline taxes would shoot up 10 cents a year for five years, producing a \$50 billion savings; Medicare and Medicaid costs would somehow be "contained," for a savings of \$52.8 billion; discretionary programs would be cut by \$33 billion; some employer-paid health insurance would be taxed; and the evil rich would see their taxes rise.

The ambivalence goes on. Capital gains taxes — some on the evil rich — would be cut, with concomitant

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Perot misses the point

Government at all levels today absorbs 40 percent of the Gross National Product. Another 11 percent and you and I, my friends, become government employees, devoting the majority of our labors to keeping the bureaucracy paid and happy.

gains for the private sector. Yes, then more than \$100 billion would be sucked away from the private sector as Washington stepped up investment in education, cities, roads, telecommunications systems and the like.

Above all, the Perot plan is a budget-balancing plan. Competing objectives, like revitalization of the job-creating private sector, have been left out of the accounting. Is

this what we want? One somehow doubts it.

The deficit, vast as it has become, is more symptom than cause of our economic problems. Our political and opinion leaders want the government to take a firmer lead in running the economy, so they have set up a mighty roar of complaint. Hardly a day passes on national television without lamentation by Bryant Gumbel or some other economic expert over the "greedy, unregulated" '80s — during which the United States, via deregulation and tax cuts, created more jobs than ever before in its history.

Picture government as an innocent baby being deliberately starved by abusive parents and you grasp the lie that Washington and its volunteer propaganda apparatus are force-feeding us. Keep-your-eye-on-the-deficit talk suggests the problem is selfish taxpayers greedy for services they resist paying for. Why don't they just shut up and fork over?

One agrees they should — if they really want all this government for which they're being billed. On the other hand, one isn't sure they understand the alternatives.

We constantly hear, "Let's pay our bills." And, yes, we should pay them. What then? If, in consequence, government winds up bigger than ever, we've gained nothing but a short respite. We've set ourselves up for an-

other deficit "crisis" once the new bills come in, as they certainly will. The government Sir Ross Perot commends to us, its accounts duly balanced, would not be more svelte than now — it would be piggier, gobbling up ever greater shares of national resources.

Mr. Perot, like Bill Clinton, and very much unlike Ronald Reagan, sees government as a permanent partner in our economic endeavors. Neither Mr. Perot nor Mr. Clinton is a New Deal welfare-statist; at the same time, neither exhibits much enthusiasm for free-market economics or much concern about the onward march of government.

Balance the budget, yes — but balance it by controlling, not enlarging, government. Government at all levels today absorbs 40 percent of the Gross National Product. Another 11 percent and you and I, my friends, become government employees, devoting the majority of our labors to keeping the bureaucracy paid and happy.

This has got it backward. The private sector alone creates productive jobs; government, as any citizen of the ex-Soviet bloc can attest, mangles and mashes the creative capacity. Genuine economic reform starts with the idea that government, though we have to have it for the sake of civic order, is a bad idea, so let's minimize in order to control it.

Large and ambitious the Perot plan may be; genuine reform it is not.

KEN ADELMAN

Democrats setting the pace?

“Where was George?” Sen. Ted Kennedy thundered in a mocking refrain at his party’s 1988 convention. The Democrats found out soon enough as George Bush came thundering out to trounce them.

Now, not two weeks before his party’s convention, fellow Republi-

Ken Adelman is a nationally syndicated columnist.

cans wonder, “Where is George?”

Where is he to rebut the Democratic charges?

Where is he to stop the Democrats from entirely setting the political agenda?

Where is President Bush to crisply summarize his administration’s main accomplishments and to offer its main goals for the next four years?

Granted, the president has decided to keep his powder dry until after the Republican National Con-

vention. In politics, it’s important not to peak too early.

But that seems the most remote danger now. Republicans’ fear is not that Mr. Bush will peak too early but that he’ll not peak ever. Or, that there’s nothing to peak with — or peak about.

A leader’s paramount task is to pump up the morale of his troops. It’s become hard to find a gloomier group than a bunch of Republican stalwarts nowadays. They’re downright depressed.

And for good reason. The Democrats alone are setting the agenda.

Agenda item 1: They want change. Fine, everyone wants change. But change to what?

Not many folks want change to higher taxes and more government programs (almost across the board) to satisfy all those special interest groups that have become attached, like barnacles, to the Democratic Party.

It’s an elementary point, though one that apparently needs to be made now, that all change is not progress. Change can easily be for the worse.

Agenda item 2: They want vision. Fine, everyone wants that in a leader.

But what is Bill Clinton’s vision for America? I didn’t glean any inspiring vision from his long and rambling acceptance speech.

Sure, he’s said “change” a zillion times and issued a blizzard of position papers, but then again Mr. Bush repeats himself and offers a blizzard of legislative proposals that gather dust on Capitol Hill. Truth be told: Neither candidate offers much vision.

Agenda item 3: They want to end the gridlock of divided government. That seems fine but isn’t really.

A big part of our system’s gridlock is simply a part of the system. The Founding Fathers rejected a parliamentary structure that furnishes a prime minister with an automatic majority on every key vote, or else the government falls.

Rather, our separation of powers

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institutionalizes gridlock on most issues. In “The Federalist Papers,” James Madison explained how “ambition” must be made to “counter ambition” so as to assure liberty. His Federalist 10 admitted that the price of such was inefficiency in government. Indeed, most initiatives could and would be blocked, he foretold, since only those with overwhelming popular support could become law.

A century and a half ago, John C. Calhoun expanded Madison’s point into a positive virtue when describing ours as a “government by concurrent majority.” Today’s congressional-executive standoff — a sorry spectacle in the public’s eye — is amazingly close to what Madison and Calhoun either predicted or prescribed for our system.

Besides, we went through a period of undivided government not long ago. A Democratic Congress worked cozily with a Democratic president from 1977 to 1981. Together, they gave the United States

nearly 20 percent inflation, almost 20 percent interest rates and more than 10 percent unemployment.

Thanks, anyway, but most Americans would prefer divided government to a rerun of that.

Agenda item 4: They want all focus on domestic issues, practically none on foreign policy. Again, fine in sentiment but impossible in practice.

When a crisis strikes, when the United States most needs leadership, no one else can take charge but the president. And regardless of the Cold War’s demise, there will be foreign policy crises in the four years ahead. It’s still better to have an experienced hand at the helm, rather than a new president who needs on-the-job training in this realm.

Even between crisis, a president astute in foreign affairs can bolster the United States. More than 80 percent of our 1989 and 1990 growth in GNP came from the growth of American exports. A sound world-wide trade agreement could infuse the global economy with \$5 trillion over the coming decade.

Agenda item 4: They want inocu-

lation from future attacks. Fine on the personal level, but not on policy matters or political performance.

The Democrats’ constant references to Willy Horton and to the Republicans’ usual “dirty campaign tactics” are meant to scare off incoming attacks. This is ironic since Al Gore first raised the Willy Horton-furlough program of Massachusetts Gov. Michael Dukakis in 1988 and since Bill Clinton first came to prominence answering press inquiries about marital infidelity.

But Gov. Clinton’s rather mixed record in Arkansas, which remains among the worst of the 50 states in nearly all critical indicators, is fair game. If he’d do for the United States what he did for Arkansas, we’d be in sorry shape.

And Sen. Gore’s excessive environmentalism — precisely the type that Gov. Clinton rejected to promote employment in his own state — is fair game for criticism.

All this stands to be rebutted, and the Democrats’ agenda to be challenged or altered, if only anyone could find where George is these days.

The Washington Times

FRIDAY, JULY 31, 1992 *

CORD MEYER

Angola's chance to vote

After 17 years of destructive civil war in Angola between the communist-installed MPLA government and the UNITA guerrillas of Jonas Savimbi, it begins to look as if the issue may be decided by a peaceful election under United Nations monitoring at the end of September.

The U.N. special representative for Angola, Margaret Anstee, was in Washington last week to report on this ambitious attempt to settle the conflict by ballot rather than by bullet. A highly competent international civil servant, Ms. Anstee impressed both congressman and African policy specialists with her grasp of a complex situation and her willingness to admit the need for greater logistical support.

Under the terms of the peace accords reached last year between the Angolan government and UNITA, the United Nations was asked to verify the demobilization of the opposing armies and the formation of a new national army and police force.

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In December, the U.N. mission was broadened to include monitoring of the voter registration process and verification of the election results scheduled for Sept. 29-30. In February, Ms. Anstee was appointed the U.N. special representative for Angola.

After so many years of civil war, the obstacles seemed formidable to the holding of a free and fair election for the first time in a country twice the size of Texas that has lost most of its roads and bridges. For Ms. Anstee, however, this Herculean task is "doable" provided there is sufficient prompt help from the West in the form of transportation, communications gear and food.

On the plus side, she emphasizes the fact that in the 14 months since the peace accords were signed there has been no major breach of the cease-fire. Both sides are so thoroughly weary of war that the Joint Political Military Commission has been able to act quickly to control armed confrontations. And the presence of the U.N. Angola Verification Mission has been a stabilizing influence.

However, Pentagon officials agree with the U.N. representative that time may be running out on the whole voter registration process unless the electoral authorities are given helicopters, trucks and the communications gear they need to register voters in the more remote villages and country districts. A recent surge in registration of new voters indicates that it can be done

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when transportation is available.

UNITA representatives in Washington are pleased with the way the campaign is developing. A charismatic and powerful speaker, Mr. Savimbi has reached beyond his Ovimbundu tribal base and has addressed growing crowds in major towns throughout the country. In fact, UNITA officials are now pressing U.N. authorities to maintain their presence in the country until December in order to insure a peaceful transition to the newly elected government.

A problem for both the MPLA and UNITA is the fact that not much progress has been made toward the training of a unified national army. Under U.N. auspices, a few thousand men have begun training, but UNITA charges that large elements

of the MPLA army and officer corps have been assigned to the newly established national police. As a protection against the use of this police force against them, UNITA leaders are demanding the proportionate role in this new national constabulary that was promised them in the peace accords.

The current president of Angola, Jose Eduardo dos Santos, is the announced presidential candidate of the MPLA party, but he has not been actively campaigning. He seems to be relying on the bureaucratic strength of the party nomenklatura to win the election for him, and he may be unpleasantly surprised on election day.

The real triumph for U.S. policy, however, would be the holding of a peaceful election that is accepted as fair by both sides and that results in a stable, multi-party democracy. To insure that result, a bipartisan group of senators is writing a letter to President Bush this week urging him to respond to Ms. Anstee's request for additional logistic support.

The horror of tribal slaughter in Somalia stands as a warning of what can happen in Africa, and the prompt provision of the needed helicopters, trucks and communications gear gives the election process the chance it deserves.

CLARENCE PAGE

Debate rages on as to whatever it is Vice President Dan Quayle means with his forceful yet vague talk about "cultural elites," "lifestyle choices" and "traditional family values." Like a national ink-blot test, he means precisely whatever you want him to mean — or not to mean.

When John Jacob, the National Urban League's president, convened the league's annual convention here this week, he called Mr. Quayle's use of "family values" "new code for old stereotypes."

"We know that when [Mr. Quayle and other politicians] say 'Murphy Brown from Hollywood' they really mean Lizzie Brown from southeast San Diego," he said, referring to Mr. Quayle's use of the fictitious Ms. Brown's out-of-wedlock baby to explain the Los Angeles riots.

But blacks who feel offended by Mr. Quayle's remarks will have to stand in line. Some Jews are puzzled, too, according to the New York

Clarence Page is a nationally syndicated columnist.

Another side to family values?

Times, as to whether Mr. Quayle, when he assails Hollywood and other "cultural elites," is seeing something like, say, what Annie Hall's mother saw when she looked down the dinner table at Woody Allen.

And homosexuals needn't wonder for long whom Mr. Quayle was talking about when he praised President Bush for refusing to treat "all lifestyle choices as morally equivalent." Senior campaign adviser Charles Black has gone so far as to say Bill Clinton has "adopted a gay agenda," even though Mr. Clinton's campaign has notably avoided special-interest agendas in favor of basic fairness for all.

Fighting back against the Bush-Quayle ticket's negative campaigning, the Bill Clinton-Al Gore ticket is

fighting an image war that amounts to an endless array of photo opportunities of their lovely wives and children and relating personal testimonies of family travail worthy of "The Oprah Winfrey Show."

Please. Enough. If Americans really want to talk about the government's role in building stronger families, let's have a real debate.

For starters, let's talk about the rising sea of prosperity in the seven Reagan-Bush boom years and how many family boats it left stuck on the bottom. A recent census analysis by the Children's Defense Fund found the number of American children living below the government's poverty level grew by more than 1 million during the 1980s, with rates rising in 33 states.

The numbers of children in pov-

erty increased by 11 percent between 1979 and 1989, compared with a 6 percent increase the previous decade, a rise the fund blamed on the lag of family wages behind inflation and government budget cuts in income support and other social programs. On the other side of the debate, Gary Bauer, head of the Family Research Council and a former Reagan aide, blamed the rise on an increase in single-parent house-

"It's insulting to listen to rhetoric about old-fashioned family values from people who don't care about the old-time economic realities that enabled family values to thrive," Mr. Jacobs said.

holds that "generally do not take advantage of an economic recovery."

But why don't they? Is it because a generation of people coddled by anti-poverty programs suddenly decided they don't want to work? Or did structural changes in big-city economies take away jobs that used to provide "marriageable men," as University of Chicago sociologist William Julius Wilson persuasively argues?

And is it also because good, affordable day-care and health-care coverage are too scarce to allow more single women to seek job training and work without falling deeper into a financial hole?

And for those whose vision does not extend beyond the middle class, it is instructive to hear the Urban League's Mr. Jacob describe how the median income of young two-parent families with children has dropped by one-third since 1973.

Contrary to stereotypes, only 3 percent of those families were headed by teen-agers, Mr. Jacob said. More than 70 percent are headed by someone between the ages of 25 and 29.

"It's insulting to listen to rhetoric about old-fashioned family values

from people who don't care about the old-time economic realities that enabled family values to thrive," Mr. Jacobs said.

Mr. Jacobs reissued the league's call for a Marshall Plan to develop our national economy the way the original Marshall Plan helped Europe recover from World War II.

He also issued a thought-provoking list of "four basic criteria" to enable African-American high school graduates to compete globally in the 21st century: The ability to perform calculus, the ability to speak a foreign language, the ability to research and write a 25-page essay on a challenging topic and a personal commitment to live by high ethical standards.

"That's what it will take to make it in the 21st century," he said. "Not just for African-Americans, but for all of America's people."

Mr. Clinton, to his credit, endorsed Mr. Jacob's agenda fully the next day to a cheering throng. "This is not about tax and spend; this is about progress or sink," he said. "Those are goals worth fighting for."

True enough. Let's fight for them. Let the debate begin.

The Washington Times

FRIDAY, JULY 31, 1992 *

Generally unaccountable counsels

It has long been apparent that the independent counsel law empowers imperial prosecutors accountable to no one in their "enforcement" of the law. Now comes as well the revelation that the only system designed to ensure minimal oversight of the government's independent counsels has never been implemented.

The General Accounting Office, Congress' investigative arm, was charged by Congress in the reauthorization of the independent counsel statute in 1987 with the responsibility of conducting semiannual audits of any independent counsel. But as Paul Rodriguez reported this week in *The Washington Times*, the GAO gumshoes have never done a one.

Since, of course, there is no executive branch oversight of these superpowered prosecutors, appointed to investigate alleged wrongdoings in the executive branch, they have been allowed by GAO laxity to run amok, spending taxpayer money as if there were no tomorrow.

According to the report, Justice Department records show that 11 independent counsels since 1978 (when the law was first enacted) have spent more than \$40 million. Independent-counsel-for-life Lawrence Walsh, who is said to be on the verge of indicting Bill Casey's corpse, is responsible for gobbling up about 90 percent of that total.

The news comes as congressional Democrats are clamoring for an election-year appointment of yet another independent counsel, this time to investigate the administration's pre-war dealings with Iraq. No one in Congress has said what laws may have been violated, but that's apparently not the point.

As the current political show trial of former CIA

official Clair George has made depressingly clear, the point is to start the meter running, identify the sacrificial lambs, then come up with some novel crimes to try them on. As Sen. Bob Dole noted the other day, "since Mr. Walsh spends most of his time in Oklahoma, leisurely working on his memoirs, while his crew of attorneys are ensconced in some of Washington's cushiest office space, all enjoying the luxury of operating with an unlimited budget, there is little hope that the end is in sight."

The news comes as the meter is running out on the independent counsel statute itself, which expires Dec. 15. The fact that the counsels have been operating with no supervision, at who knows what cost, only strengthens the case that if the statute is going to be renewed, it is in dire need of substantial amendment.

Republicans on Capitol Hill are calling for public audits of the independent counsel, and also for the independent counsel statute to be made to apply to Congress. As the Anita Hill scandal showed, members of Congress themselves and their staff are allowed to lie to Congress, cheat and even steal from Congress with impunity. The counsel investigating that congressional scandal, of course, was not fully empowered and had to answer to Congress itself.

In a letter to the GAO, House Minority Leader Bob Michel wrote: "If Congress comes under the law, who can then complain about 'politics' anymore? Either reform this law now or stop using it as a partisan political club with which to beat up on Republicans."

In the meantime, since the GAO has not followed the law, there is no reason for the Bush administration to indulge the Democrats by appointing a Lawrence Walsh for Iraqgate.

Women's right to pay more in Maryland

In another blow for "women's rights," state officials in Maryland have decided to raise the cost of life insurance for women. While they are on the subject, they may go ahead and raise the cost of women's automobile insurance too. As women around the state reach a little deeper into their bank accounts to pay for feminist good intentions, they can take satisfaction in having dismantled another hothouse of sex discrimination, also known as the insurance industry.

The National Organization for Women certainly is. A spokesperson for the group hailed the decision of the Maryland Insurance Commission, saying insurance companies will no longer be able to use a person's sex in determining insurance rates. The commission said such pricing was a violation of the equal rights amendment to the state constitution.

"The practice of charging men and women different rates for insurance coverage is unlawful discrimination just as it would be unlawful discrimination to charge different rates for blacks, whites, Italians [or] Jews," wrote Thomas Paul Raimondi, associate deputy insurance commissioner. Assistant Attorney General Meg Rosthal, who advised the commission, said the ruling could mean "women's rates will go up and men's rates will go down."

It's not hard to see why. Because women live longer, healthier lives than men, they present a smaller risk than men. Consequently they pay lower premiums. Commissioner Raimondi did not dispute the industry's statistics or its logic in setting rates. He merely held that however rational the practice may be, it constitutes illegal discrimination.

Industry officials warn the whole thing may backfire. Women who find their rates going up may take

their business out of state. Men who expect their rates to come down in the wake of the ruling may simply allow their existing policies to lapse. Of course, all that would make it very hard to do business in Maryland. The industry plans to appeal the ruling in court.

It's important for consumers to understand that in the insurance business, as in any other, there are really only two ways to set prices. There is the government way, in which bureaucrats strap on their green eyeshades and announce what companies can charge for this or that service, taking into account political correctness, personal whim and occasionally consumer taste. That approach led to 70 years of crop failure in the Soviet Union and may yet lead to a shortage of insurance in Maryland.

Then there's the approach of private enterprise, which tries to figure out what it is that consumers want, then competes to see who can provide it best. If consumers don't like the deal one insurance company is offering, then they can go to another.

The Maryland decision is nominally about sex discrimination, but at heart it is about distrust of markets to ration goods and services. The state's premise is that the insurance industry is so eager to discriminate against *men* that it is willing to charge women less and give up the money that would have come of higher prices. It would be interesting to see how long a company with that philosophy could stay in business. Either the industry is capitalist, or it is sexist. It can't be both.

Unfortunately that distinction is lost on Mr. Raimondi and the feminists, in the name of whose ideology women will get the right to pay a price for insurance that risk doesn't warrant.

The Washington Times

FRIDAY, JULY 31, 1992 *

The return of Erich Honecker

On Wednesday, Erich Honecker finally came out of his hole in the Chilean Embassy in Moscow after seven months in hiding. The former East German leader has now returned to the country he ruled with an iron fist for 16 years to less hospitable surroundings, a cell in Berlin's Moabit prison where he will be awaiting trial for 49 counts of manslaughter, corruption and numerous other misdeeds. He returned to a chorus of curses and cries of "murderer" from his countrymen.

Mr. Honecker may have pretended defiance as he emerged from hiding, but cowardice comes closer to describing his behavior since his fall from power. It's in keeping with the spirit in which Mr. Honecker ruled East Germany that he should try everything in his power to avoid taking responsibility for what he did to his country. When the Berlin Wall came tumbling down in 1989, he sped to the nearest Soviet army hospital and thence to Moscow. To avoid extradition, he appealed to Mikhail Gorbachev. When that became worthless, he claimed to suffer cancer, but none was found by the Russian doctors who examined him. He pleaded with the Russians to let him stay. He pleaded with every godforsaken communist country left to take him in. He pleaded with the Chileans to let him live in their embassy. Now, history is catching up with Mr. Honecker.

The former East German leader personifies to a large degree the brutality and the hypocrisy of communist leadership, the extent of which the world has only just recently begun to realize. Like the Communist Party trials under way in Moscow, the trial of Mr. Honecker, with its 800-page indictment, will no doubt provide many new revelations. It could also make for some embarrassment among those West German politicians who by appeasing his regime helped perpetuate its iniquities.

Should anyone feel inclined to pity at the sight of a fragile 79-year-old man facing the public tribunal, it's well to recall the kind of suffering Mr. Honecker and his fellow communists inflicted on their captive countrymen, confined as they were behind armed borders and the Berlin Wall — the construction of which Mr. Honecker supervised in 1961 as chief of security under the Walter Ulbricht regime.

During his rule as head of the East German Com-

munist Party from 1971 to 1989, it was on his orders that the Berlin border guards shot to kill East Germans who attempted flight to the West. It was Mr. Honecker's secret police who infiltrated every aspect of East German life, keeping files on as many as 6 million citizens. It was Mr. Honecker and his communists who urged the East Germans to great sacrifices for the sake of socialism while they lived lives of opulence and luxury, with lavish country homes cared for by armies of servants. It was Mr. Honecker who at Christmastime gave out bananas to the East Germans from their beloved leader in thanks for their brave endurance. All the while, communist officials were defrauding the state of millions of dollars, stashing much of it in Swiss bank accounts. It was Mr. Honecker and his friends who ran the country into the ground, making its economic survival dependent on the generosity of the West Germans. It was his wife, Margot, who as minister of education ordered children of suspected dissident families kidnapped and handed to "worthy" East German citizens to adopt and raise.

And finally, it's important to recall that East Germany's democratic revolution was a peaceful one no thanks to Mr. Honecker. Following Mr. Gorbachev's visit to East Berlin in October 1989 urging reform, Mr. Honecker told Chinese Vice Premier Yao Yilin that he very much saw a parallel between the "counterrevolutionary" activity in Tiananmen Square the previous spring and what was happening at the time in East Germany. According to former West German Chancellor Willy Brandt, only the intervention of high-level Soviet officers — who persuaded East German local commanders to defy their president's orders — prevented a Tiananmen Square-like massacre in Karl Marx Square in Leipzig on Oct. 9, 1989, when 700,000 demonstrators faced riot police and Communist Party militia.

For the sake of the Germans who died in search of freedom, for the sake of all those families that were torn apart and all those whose lives were ruined by Mr. Honecker and his Communist Party, it is necessary that he be brought to justice. And if, by chance, in his prison cell, he should contemplate the fate of his fellow dictator Nicolae Ceausescu of Romania, he can count himself a lucky man.

The Washington Times

FRIDAY, JULY 31, 1992

DANIEL MITCHELL/ANDREW QUINLAN

Clever rhetoric that fades up close

If nothing else, Mario Cuomo's speech at the Democratic National Convention nominating Bill Clinton for president was well received by the party faithful. Stuart Eizenstat, Jimmy Carter's domestic policy adviser, called it "the best political speech that I have heard" and asserted that "it will rank as one of the best political speeches given by an American political figure in the 20th century."

Perhaps more importantly, New York Gov. Cuomo's speech foreshadows the kind of charges that will be leveled against Republicans in this fall's campaign. As such, the Democrats' ability to convince voters that Republicans are to blame for the nation's economic woes will likely have a major impact on not only President Bush's re-election, but could also effect House and Senate races as well.

While Gov. Cuomo's speech was well delivered, the contents were ludicrous even by traditional liberal standards. Politicians have a deserved reputation for playing fast and loose with the facts. For the most part, however, they are clever enough to use rhetoric that is suffi-

ciently vague, enabling them to mislead their listeners without being caught in a blatant falsehood. But Gov. Cuomo stepped over the line at least 10 times in his much touted speech, making statements that are easily disprovable.

Lie #1: "Our economy has been weakened fundamentally by 12 years of conservative Republicans' supply-side policy."

Reality: Gov. Cuomo deceptively lumps together the pro-growth policies of Ronald Reagan with those of the last four years. Mr. Reagan cut tax rates, reduced regulations and restrained government spending; as a result, the economy entered its longest ever period of peacetime expansion, and more than 20 million new jobs were created. In recent years, however, lawmakers have given the United States its largest-ever tax increase, imposed expensive new regulatory burdens and increased federal spending by amounts that make Mr. Carter look fiscally responsible. The record economic expansion of the 1980s came to a crashing halt only because lawmakers reversed Reaganomics, as Gov. Cuomo has always urged.

Lie #2: "Supply-side was just another version of the failed Republican dogma of 65 years ago, then called 'trickle down,' which led to the Great Depression."

Reality: Herbert Hoover's policies were far from conservative. Mr. Hoover more than doubled marginal tax rates, from 25 percent to 63 percent, and signed in to law the Smoot-Hawley Tariff, one of the most protectionist pieces of legislation in our history. Combined with a deeply flawed monetary policy, these policy mistakes caused the Great Depression, not free-market supply-side policies.

Lie #3: "Supply-side operated from the naive Republican assumption that if we fed the wealthiest Americans with huge tax cuts, they would eventually produce 'loaves and fishes' for everyone."

Reality: Mr. Reagan's 1981 tax bill cut taxes for all taxpayers and helped create 20 million-plus new jobs. Unfortunately, the increase in payroll taxes (up to 15.3 percent) legislated by the 1977 Social Security bailout have offset the benefits of the Reagan tax cuts for many Americans.

Lie #4: "[Supply-side policies] made a small group of our wealthiest Americans wealthier than ever and left the rest of the country the crumbs from their tables."

Reality: Both family and household incomes in the United States reached a record high under Mr. Reagan's policies. All income groups, from the poorest 20 percent to the richest 20 percent, saw their incomes climb to all-time highs. The recent reversal of Reaganomics, however, has had a predictable effect; after peaking in 1989, incomes are falling just as they did when

Carter administration policies were in effect.

Lie #5: "We spend more than we collect in reduced taxes."

Reality: Tax revenues have not been reduced. Total tax collections have soared from \$517 billion in 1980 to more than \$1 trillion today, well beyond the increase needed to keep pace with inflation.

Lie #6: "In no time at all, we have gone from the greatest seller nation ... to the world's largest buyer."

Reality: The United States is now the world's leading exporter, with more than \$610 billion in exports of goods and services expected this year.

Lie #7: "Through incompetence and thievery and the government's neglect [the wealthy savings and loan owners] had stolen or squandered everything in sight."

Reality: Crime and fraud were responsible for only 3 percent of savings and loans losses. The bulk of the losses, 60 percent, occurred because lawmakers refused to close down bankrupt institutions propped up by an inherently unsound deposit insurance scheme.

Lie #8: "Hundreds of billions of dollars to bail out failed savings and loans."

Reality: The hundreds of billions of dollars went to bail out depositors. The savings and loans themselves either were closed down or forced to become parts of other financial institutions.

Lies #9a, #9b and #9c: "Eventually, the most lethal problem of all: a degraded environment. One that kills life in our lakes with acid rain (#9a), allows cancer-causing rays to pierce a deteriorated ozone shield (#9b) and threatens to convert

the entire planet into a cosmic 'hot-house' (#9c)."

Reality #9a: The federal government's 10-year, \$600 million National Acid Precipitation Assessment Program reported that acid rain had no significant effect on forests, crops, vegetation, lakes and streams. Reality #9b: According to Dixy Lee Ray in her book, "Trashing the Planet," "Actual records from a network of recording instruments set up in 1974 to measure ultraviolet light reaching the Earth's surface have shown a continuously decreasing penetration of from 0.5 percent to 1.1 percent per year." This reduction in cancer-causing ultraviolet radiation directly contradicts the apocalyptic predictions of those who argue that atmospheric ozone is disappearing. Reality #9c: As University of Virginia climatologist Patrick Michael has demonstrated in the Journal of Regulation and Social Costs, global climate-change models predicting catastrophic global warming bear no relationship to reality. These models, using historical data, do not even predict today's weather accurately. Yet some politicians, such as Sen. Al Gore, would radically increase government taxation and regulation on the assumption that these models accurately predict the future.

Lie #10: "A federal government that has been depriving the states and cities [of funds] for over a decade."

Reality: Even adjusted for inflation, federal aid to state and local governments is up more than 40 percent in the last 10 years.

To be perfectly fair, however, not everything Gov. Cuomo said was a lie. He was completely accurate, for instance, when he charged that the United States has experienced "the slowest economic growth for any four-year presidential term since Herbert Hoover."

What Gov. Cuomo did not say, or could not say, however, is that the economy's miserable performance has been caused by the adoption of the big government policies dogmatically advocated by him and his liberal cohorts.

What Gov. Cuomo does prove is that party labels sometimes do not matter. The economy will suffer if taxes and spending are raised, regardless of the president's partisan affiliation. Conversely, when presidents lower taxes, as Presidents Kennedy and Reagan did, the economy prospers.

The real question is, does Bill Clinton's conservative rhetoric mark a true break with the special-interest, reactionary liberalism that has dominated the Democratic Party for 20 years? Or, is Mr. Clinton merely running a stealth campaign, hiding a redistributionist philosophy until after the election?

Daniel J. Mitchell is John M. Olin senior fellow in political economy at the Heritage Foundation. Andrew F. Quinlan is an economist living in the Washington area.

Daily

HARRY W. WHYEL
BOX 257
FARMINGTON, PENNSYLVANIA 15437

THE PRESIDENT HAS SEEN 8/4

July 31, 1992

CS

President George Bush
The White House
Washington, D.C. 20520

Dear Mr. President;

✓ I received your letter and also your nice gift of the Ambassador Garcia Pro Max Series Reel, which I greatly appreciate. My spinning equipment is not very adequate, as most of the time we fly fish. This reel will greatly improve on the spin fishing.

It was a great pleasure having you at my ranch, and hopefully you will be able to stop by again, possibly when the wind is not blowing, which will greatly improve the fly fishing.

I am deeply concerned about the future of our nation, and the current popularity that Bill Clinton presently has. My family and I are supporting you all the way, and hope that you have a successful campaign this fall.

I am in Pennsylvania now, but will be returning to Wyoming on August 13.

You are always welcome, and best of luck.

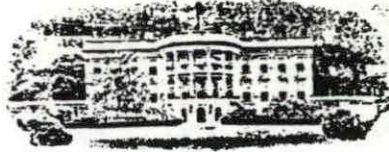
Sincerely,

Harry

HWW;kaf

The Honorable Sally Novetzke
 Ambassador to Malta
 American Embassy
 U.S. Department of State
 Washington, D.C. 20520

x2
 Mary
 Issue
 Long. Plle.



7-31-92

Dear Sally,

Forgive me if I don't
 answer every point in your
 wonderful, frank, nice,
 encouraging, constructively
 critical letter. I have

digested it all!

No more Maine for
 me so maybe I'll get to
 see you around the 8th -
 I've never seen such an ugly
 period - particularly with this
 nasty press corps. We're
 fine - Ross is "out". Will win
 Con Affects - *[Signature]*