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OA/ID Number:	13675
Folder ID Number:	13675-003

Folder Title:
Wall Street Journal Centennial Dinner 6/22/89 [OA 6345]

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G	26	19	2	2

THE WHITE HOUSE

WASHINGTON

WALL STREET JOURNAL 100TH ANNIVERSARY DINNER

DATE: JUNE 22, 1989
TIME: 8:30 P.M.
LOCATION: WORLD FINANCIAL CENTER
NEW YORK CITY

FROM: DAVID DEMAREST
ASSISTANT TO THE PRESIDENT
FOR COMMUNICATIONS

I. PURPOSE

To deliver an address commemorating the 100th anniversary of the Wall Street Journal and its role as a trusted source of business information.

II. BACKGROUND

First published on July 8, 1889 for a few hundred stockbrokers, the Wall Street Journal has grown to become the largest circulation daily newspaper in the U.S.

Charles Dow, Edward Jones, and Charles Bergstresser started the paper during a time when insider trading and false information were widespread on Wall Street. Their paper quickly became known as a source of accurate information, and today the Journal is consistently rated America's most trusted publication.

For its 100th birthday, Dow Jones & Co. is throwing a gala celebration for its flagship paper in the Winter Garden in Manhattan's financial district. Producers from Radio City Music Hall have designed an event featuring entertainers Lionel Hampton, Chuck Berry, and Buster Poindexter.

III. PARTICIPANTS

The President

Mrs. Bush

Mr. and Mrs. Warren H. Phillips (Barbara)
Chairman, Dow Jones & Co.

Mr. Peter R. Kann (Karen Elliot House)
Publisher, Wall Street Journal and Executive Vice President, Dow Jones & Co.

Ms. Karen Elliot House
Vice President, International Group, Dow Jones & Co.
and former Foreign Editor of The Wall Street Journal

Mr. Lionel Hampton

600 Leaders from U.S. businesses and advertising agencies

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

Please see Advance Scenario

PRESIDENTIAL REMARKS: WALL STREET JOURNAL CENTENNIAL
WINTER GARDEN -- NEW YORK
THURSDAY, JUNE 22, 1989, 8:30

THANK YOU, WARREN [[PHILLIPS, CHAIRMAN OF DOW JONES]], FOR THAT WARM INTRODUCTION. I'M DELIGHTED TO BE HERE TONIGHT. [[THERE'S NOTHING LIKE CELEBRATING ANOTHER'S HUNDREDTH BIRTHDAY TO MAKE A MAN FEEL YOUNG.]] [[PAUSE]]

[[TALK ABOUT A BIG EVENT. THIS MORNING I SAW WILLARD SCOTT ON TV -- HOLDING UP A BIRTHDAY SNAPSHOT OF THE WALL STREET JOURNAL. [[PAUSE]]

SPEAKING OF TELEVISION, BEFORE WE LEFT THE WHITE HOUSE, I TOLD MY 13-YEAR-OLD GRANDSON I'D BE SPENDING THE EVENING WITH THE MEDIA ELITE. HE ASKED ME TO GET AN AUTOGRAPH FROM --- MORTON DOWNEY.]] [[PAUSE]]

[[SERIOUSLY, THIS IS AN IMPRESSIVE AUDIENCE. BUT IF ANYTHING CATASTROPHIC HAPPENS TO THE WINTER GARDEN TONIGHT, THE FORTUNE 500 WILL BE LUCKY TO KEEP THE LIST IN DOUBLE DIGITS.]] [[PAUSE]]

100 YEARS AGO -- WHAT WAS IT LIKE? IT WASN'T CARS, BUT CARRIAGES, THAT CROWDED NEW YORK'S COBBLESTONES ON JULY 8, 1889. TELEPHONES AND ELECTRIC LIGHTS WERE JUST CATCHING ON.

IT WAS THE YEAR THE OKLAHOMA TERRITORY OPENED, JOHNSTOWN FLOODED, AND MARK TWAIN PENNED A CONNECTICUT YANKEE. ANOTHER YEAR WOULD PASS BEFORE SITTING BULL WOULD PERISH IN THE SIOUX UPRISINGS.

AND AS THE SUN ROSE OVER MANHATTAN ON THAT HOT JULY MONDAY, JOHN D. ROCKEFELLER WAS PREPARING TO CELEBRATE HIS 50TH BIRTHDAY.

UPRIVER, 10,000 BASEBALL FANS FILLED THE NEW POLO GROUNDS -- WITH ANOTHER 5,000 CROWDING THE NEARBY BLUFFS -- TO SEE NEW YORK DOWN PITTSBURGH, 7 TO 5.

AND FROM A MODEST OFFICE NOT FAR FROM WHERE WE STAND, THE WALL STREET JOURNAL WAS DISTRIBUTED TO A FEW HUNDRED READERS FOR TWO CENTS A COPY. AND THE FIRST FRONT PAGE CONTAINED ANOTHER HISTORIC FIRST -- YOUR FIRST TYPO. [[PAUSE]]

IT WAS IN A STORY ABOUT JOHN L. SULLIVAN'S VICTORY IN THE BARE-KNUCKLE, HEAVYWEIGHT CHAMPIONSHIP -- WON AFTER 75 GRUELING ROUNDS. [[IT WAS TO BE THE NATION'S LAST SUCH DRAWN-OUT, BARE-KNUCKLE FIGHT -- UNTIL THEY INVENTED "LEVERAGED BUY-OUTS" AND "PRESIDENTIAL PRIMARIES."]] [[PAUSE]]

FROM THOSE MODEST BEGINNINGS, THE WALL STREET JOURNAL EMERGED TO BECOME AMERICA'S LEDGER SHEET -- CHRONICLING WAR AND DEPRESSION AND PROSPERITY, AS WE GREW FROM A FRONTIER SOCIETY TO THE FRONTIERS OF SPACE -- THE WORLD'S DOMINANT FINANCIAL POWER.

ARTHUR MILLER OBSERVED THAT "A GOOD NEWSPAPER IS A NATION TALKING TO ITSELF." THE JOURNAL IS LIKE THAT.

IN A CHANGING WORLD THAT OFFERS 64 CHANNELS OF CABLE TELEVISION, THE SIX GRAY COLUMNS OF THE WALL STREET JOURNAL ARE AS FAMILIAR AS THE MORNING COFFEE AT AMERICA'S BREAKFAST TABLES.

[[ITS PAGES TELL THE STORY OF OUR TIMES. ONLY ONCE IN 100 YEARS DID IT CARRY A BANNER HEADLINE -- THE DAY AFTER PEARL HARBOR. [[PAUSE]] SEPTEMBER 7, 1941 -- MAKE THAT <u>DECEMBER</u> 7.]]

AFTER THE WAR, THE JOURNAL CAME TO TEXAS THE SAME YEAR I DID -- 1948 -- WHEN IT BEGAN PRINTING IN DALLAS. YOUR CHAIRMAN, WARREN PHILLIPS, HAD BEEN HIRED AS A COPY READER THE YEAR BEFORE -- IN TIME TO SEE THE FIRST OF THE PAPER'S 13 PULITZERS.

NOT THAT EVERY ARTICLE WAS A PULITZER PRIZE WINNER. IN 1967, A FRONT PAGE STORY ON CHINA PREDICTED THE COMMUNIST GOVERNMENT WOULDN'T LAST THE YEAR. [[PAUSE]]

A DECADE LATER -- IN 1979 -- THE WALL STREET JOURNAL BECAME THE LARGEST CIRCULATION DAILY IN THE NATION. [[BUT ONE RIVAL COMPLAINED THAT IT WAS ONLY BECAUSE SO MANY SUBSCRIBERS WERE AT AN AGE WHERE THEY FORGET TO CANCEL.]] [[PAUSE]]

[[SPEAKING OF AGE AND APROPOS OF NOTHING, AT THE JOE GIBBS CHARITY DINNER BOB HOPE TOLD OF TWO VERY OLD MEN SITTING ON A PARK BENCH.

FIRST: "DO YOU KNOW HOW OLD I AM?"

SECOND: "STAND UP. TURN AROUND. DROP YOUR TROUSERS. DROP YOUR SHORTS. NOW PAT YOURSELF ON THE POSTERIOR. OK, PULL UP YOUR SHORTS -- YOUR TROUSERS -- SIT BACK DOWN ON THE BENCH.

"YOUR 93 YEARS OLD AND FOUR MONTHS."

FIRST: "HOW'D YOU KNOW?"

SECOND: "YOU TOLD ME YESTERDAY."]]

[[ANYWAY, ON THE DAY AFTER THE 1980 ELECTION -- THE LEAD EDITORIAL CELEBRATED "RONALD REAGAN'S MANDATE." AND PRESIDENT REAGAN TOLD ME MY DAY WOULD COME. AND IT DID. THE DAY AFTER I WAS ELECTED PRESIDENT, THE HEADLINE READ -- AND I KID YOU NOT -- "JIM WRIGHT'S MANDATE."]]

[[BUT I TOLD AL HUNT HOW MUCH I ENJOY THE JOURNAL. HE ASKED IF IT'S THE FRONT PAGE, THE CONSERVATIVE EDITORIALS, OR THE NEWS COVERAGE. I SAID IT'S BECAUSE YOU DON'T CARRY DOONESBURY.]] [[PAUSE]]

[[AND YOU HAVE A DISTINCTION NO OTHER PAPER IN AMERICA CAN CLAIM: NO MATTER HOW SLOW THE NEWS, YOU NEVER RAN A PUPPY PHOTO.]] [[PAUSE]]

ALL KIDDING ASIDE, THE WALL STREET JOURNAL HAS A PROUD AND ENVIABLE TRADITION.

ALTHOUGH YOU DEAL IN THE WORLD'S MOST PERISHABLE PRODUCT -- NEWS -- POLLS HAVE REPEATEDLY SHOWN THAT YOUR PAPER IS ONE OF AMERICA'S MOST TRUSTED PUBLICATIONS.

A REPUTATION LIKE THAT CAN ONLY BE EARNED BY ADHERENCE TO YOUR FOUNDERS' PLEDGE TO ALWAYS HAVE THE NEWS "HONEST, INTELLIGENT AND UNPREJUDICED."

- 15 -

IN MODERN TIMES, YOUR REPORTERS HAVE CARRIED THIS PLEDGE BEYOND BUSINESS REPORTING, IN COVERAGE OF EVENTS LIKE THE CIVIL RIGHTS STRUGGLE -- AND THE RECENT TRAGEDY IN BEIJING -- CARRYING ON A PROUD AMERICAN TRADITION OF BRAVING INTIMIDATION TO BRING THE TRUTH INTO THE LIGHT.

- 16 -

AND MANY AT THE JOURNAL HAVE GONE BEYOND THEIR PROFESSIONAL OBLIGATIONS -- AND SET EXAMPLES OF ANOTHER OLD-FASHIONED TRADITION THAT IS VERY MUCH ON MY MIND TODAY. THE TRADITION OF <u>PUBLIC SERVICE</u>.

THREE YEARS AGO, JOHN FIALKA [[FEE-ALL-KA]] WROTE A COLUMN-ONE STORY CALLED "SISTERS IN NEED" -- CHRONICLING THE POVERTY THAT HAD BEFALLEN THE GROWING RANKS OF RETIRED CLERGY IN AMERICA.

IT PROVOKED A SWELL OF READERSHIP RESPONSE. AND SO JOHN AND OTHERS AT THE JOURNAL FOUNDED "SOAR" -- "SUPPORT OUR AGING RELIGIOUS" -- AND RAISED MORE THAN $1 MILLION TO AID 30 DIFFERENT ORDERS.

A SIMILAR PUBLIC RESPONSE OCCURRED IN 1987 AFTER THE PUBLICATION OF "URBAN TRAUMA" -- ALEX KOTLOWITZ'S [[COT-LO-WITZ]] MOVING ACCOUNT OF THREE MONTHS IN THE LIFE OF LAFAYETTE WALTON -- A 12 YEAR-OLD BOY STRUGGLING TO SURVIVE IN A DANGEROUS CHICAGO PROJECT.

ALEX STAYED IN TOUCH WITH LAFAYETTE. AND LAST SUMMER THEY PASSED THE HAT AT THE JOURNAL -- AND GAVE LAFAYETTE AND HIS BROTHER A SEASON OF PEACE IN THE WOODS OF A WISCONSIN BOYS CAMP.

PERSONAL GESTURES. PROFOUND ACTIONS. SOMETIMES LIFE-CHANGING IN THEIR EFFECT. THESE ARE THE WORKS OF MEN AND WOMEN WHO KNOW THAT PROSPERITY WITHOUT PURPOSE MEANS NOTHING.

EARLIER TODAY, I ANNOUNCED A NEW INITIATIVE -- CALLING ON ALL LEVELS OF GOVERNMENT -- AND BOTH SECTORS, PUBLIC AND PRIVATE -- TO ENLIST IN A NEW CRUSADE TO BRING NATIONAL SERVICE INTO EVERY CORNER OF AMERICA.

THAT CRUSADE BEGINS WITH A SIMPLE TRUTH: FROM NOW ON, ANY DEFINITION OF A SUCCESSFUL LIFE MUST INCLUDE SERVING OTHERS.

AND I MAY NEVER HAVE AS IMPORTANT AN AUDIENCE TO CARRY THIS MESSAGE TO, AS YOU WHO ARE GATHERED AT THE WINTER GARDEN TONIGHT. THE AMERICAN BUSINESS COMMUNITY HAS SUPPORTED CONSERVATIVE POLICIES. WE ARE ENJOYING PROSPEROUS YEARS. BUT NOT ALL AMERICANS ARE PART OF THAT PROSPERITY, AND I ASK THAT BUSINESS DO ITS PART. PROSPERITY CANNOT BE TRULY ENJOYED UNLESS THE POINTS OF LIGHT ABOUT WHICH I'VE SPOKEN SHINE ON EVERY AMERICAN IN NEED.

MANY OF YOU ARE CEO'S, WITH GALAXIES AT YOUR COMMAND. AND IT IS MY REQUEST -- I SUBMIT, YOUR OBLIGATION -- TO DONATE THE SERVICES OF THE TALENTED AND THE ENTERPRISING WITHIN YOUR RANKS. MANY ARE DOING THIS NOW. EVERYONE SHOULD DO THIS NOW.

SHORTLY AFTER THE WALL STREET JOURNAL WAS FOUNDED, 100 YEARS AGO, THE CENSUS BUREAU DECLARED THAT THE "FRONTIER" NO LONGER EXISTED IN AMERICA.

BUT THE WALL STREET JOURNAL HAS PROVEN THEM WRONG -- BY ADVANCING ACROSS EVER NEW FRONTIERS OF TECHNOLOGY, GEOGRAPHY, AND INNOVATION. AND I SAID IT A WEEK AGO, LOOKING EASTWARD ACROSS AMERICA FROM THE FOOT OF THE GRAND TETONS: THE CHALLENGES AHEAD ARE IN THE FRONTIERS OF THE MIND -- AND IN THE GOOD THAT HARD WORK AND THE HUMAN IMAGINATION CAN BRING TO PASS.

NOT LONG AFTER BRINGING HOME THE JOURNAL'S FIRST PULITZER PRIZE, WILLIAM GRIMES EXPRESSED A SIMPLE CREED. HE WROTE: "WE BELIEVE IN THE INDIVIDUAL, IN HIS WISDOM AND HIS DECENCY." NOW THAT IS A WORTHY TENET -- ONE WE CAN ALL CARRY FORTH FROM TONIGHT'S CELEBRATION -- AND ON TO A RENEWED COMMITMENT TO SERVICE TOMORROW.

TO ALL AT THE JOURNAL, I WISH YOU CONGRATULATIONS ON THIS LANDMARK -- AND SUCCESS AS YOUR "SECOND CENTURY" BEGINS. AND TO ALL HERE TONIGHT -- GOD BLESS YOU -- AND GOD BLESS THE UNITED STATES.

# # #

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE:

FROM THE PRESIDENT

TO: Jim C

I have knocked out several personal references.

I included a Bob Hope joke

Do not include jokes in press text.

Good length

4 speech for this occasion

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

June 20, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON

FROM: EDWARD E. McNALLY

SUBJECT: KEYNOTE ADDRESS FOR THE 100TH ANNIVERSARY OF THE WALL STREET JOURNAL (BLACK TIE)

I. SUMMARY

At approximately 8:30 p.m. on Thursday, June 22, 1989, you are scheduled to arrive at the Winter Garden in lower Manhattan to give the keynote address for The Wall Street Journal's 100th Anniversary Gala.

II. DISCUSSION

Attached for your consideration and review are draft remarks for the 15-minute address expected by The Wall Street Journal for their Gala in New York. Your speech -- the only one of the night -- will be before dinner, and will be on teleprompter.

The audience -- a black tie group of approximately 600 -- is expected to include some of the leading members of America's corporate, advertising, and news media communities. *

In keeping with the guidance received from Marlin Fitzwater, the press office, Al Hunt and others at the Journal, the remarks are essentially light, humorous, and personal -- focusing on the paper's history and including one message -- an echo of the day's earlier call for corporate involvement in national service.

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* E.g., including: William Agee, Steven Jobs, Bill Moyers, Joseph Flom, Richard Holbrooke, Woody Allen, Arthur Ochs Sulzberger, Rupert Murdoch, Roone Arledge, Bryant Gumble, David Rockefeller, Peter Ueberroth, Norman Lear, Pete Teeley, Malcolm Forbes, Mort Zuckerman, Ben Bradlee, Kate Graham, Don Hewitt, Mike Wallace, Bill Buckley, Robert Bork, Carl Icahn, and Armand Hammer.

THE PRESIDENT HAS SEEN
6/21/89

(McNally/Simon)
June 20, 1989, 7:00 p.m.
Draft Four (WSJ)

PRESIDENTIAL REMARKS: WALL STREET JOURNAL CENTENNIAL
WINTER GARDEN -- NEW YORK CITY
THURSDAY, JUNE 22, 1989, 8:30 P.M.

Thank you, Warren [[PHILLIPS, CHAIRMAN OF DOW JONES]], for that warm introduction. I'm delighted to be here tonight. There's nothing like celebrating another's hundredth birthday to make a man feel young.

Talk about a big event. This morning I saw Willard Scott on TV -- holding up a birthday snapshot of the Wall Street Journal.

Speaking of television, before we left the White House, I told my grandkids I'd be spending the evening with the media elite. They want to know which one of you is Morton Downey.

Seriously, this is an impressive audience. But if anything catastrophic happens to the Winter Garden tonight, the Fortune 500 will be lucky to keep the list in double digits. [[PAUSE]]

Forgive me if I seem a bit distracted. I just heard that, during the cocktails, Donald Trump bought Air Force One.

Gee -- I wonder what he's going to name it? [[PAUSE]]

Don is the only guy in America whose car has a dashboard statue of Frank Lorenzo. [[PAUSE]]

Of course, It wasn't cars, but carriages, that crowded New York's cobblestones on July 8, 1889. Telephones and electric lights were just catching on. It was the year the Oklahoma Territory opened, Johnstown flooded, and Mark Twain penned A

Connecticut Yankee. Another year would pass before Sitting Bull would perish in the Sioux uprisings.

And as the sun rose over Manhattan on that hot July Monday, John D. Rockefeller was preparing to celebrate his 50th birthday. Upriver, 10,000 baseball fans filled the new Polo Grounds -- with another 5,000 crowding the nearby bluffs -- to see New York down Pittsburgh, 7 to 5.

And from a modest office not far from where we stand, the Wall Street Journal was distributed to a few hundred readers for two cents a copy. And the first front page contained another historic first -- your first typo. [[PAUSE]]

It was in a story about John L. Sullivan's victory in the bare-knuckle, heavyweight championship -- won after 75 grueling rounds. It was to be the nation's last such drawn-out, bare-knuckle fight -- until they invented "leveraged buy-outs." "grid" OK "presidential primaries".

From those modest beginnings, the Wall Street Journal emerged to become America's ledger sheet -- chronicling war and depression and prosperity, as we grew from a frontier society to the frontiers of space -- the world's dominant financial power.

Arthur Miller observed that "a good newspaper is a nation talking to itself." The Journal is like that. In a changing world that offers 64 channels of cable television, the six gray columns of the Wall Street Journal are as familiar as the morning coffee at America's breakfast tables.

Its pages tell the story of our times. Only once in 100 years did it carry a banner headline -- the day after Pearl Harbor. [[PAUSE]] ~~I must have missed that one.~~ Sept 7 1941 — Make that December 7th

After the War, the Journal came to Texas the same year I did -- 1948 -- when it began printing in Dallas. Your chairman, Warren Phillips, had been hired as a copy reader the year before -- in time to see the first of the paper's 13 Pulitzers.

Not that every article was a Pulitzer Prize winner. In 1967, a front page story on China predicted the communist government wouldn't last the year. [[PAUSE]] ~~And on Pearl Harbor I was only off by three months.~~

A decade later -- in 1979 -- the Wall Street Journal became the largest circulation daily in the nation. But one rival complained that it was only because so many subscribers were at an age where they forget to cancel.

That same year, reporter Jim Perry celebrated the paper's 90th birthday by exhuming a family nickname that had been dead for 30 years. [[PAUSE]] "Poppy" Bush. [[PAUSE]] Thanks, Jim.

A year later -- Anyway -- on the day after the 1980 election -- the lead editorial celebrated "Ronald Reagan's mandate." And President Reagan told me my day would come. And it did. The day after I was elected President, the headline read -- and I kid you not -- "Jim Wright's Mandate."

At least now that I'm President, the Journal doesn't call me "Poppy." [[PAUSE]] Now they call me "George Herbert Walker Bush."

But I told Al Hunt how much I enjoy the Journal. He asked

Insert A

if it's the front page, the conservative editorials, or the news coverage. I said it's because you don't carry Doonesbury.

And you have a distinction no other paper in America can claim: No matter how slow the news, you never ran a puppy photo.

All kidding aside, the Wall Street Journal has a proud and enviable tradition. Although you deal in the world's most perishable product -- news -- polls have repeatedly shown that your paper is one of America's most trusted publications.

A reputation like that can only be earned by adherence to your founders' pledge to always have the news "honest, intelligent and unprejudiced." In modern times, your reporters have carried this pledge beyond business reporting, in coverage of events like the civil rights struggle -- and the recent ~~massacre~~ tragedy in Beijing -- carrying on a proud American tradition of braving intimidation to bring the truth into the light.

And many at the Journal have gone beyond their professional obligations -- and set examples of another old-fashioned tradition that is very much on my mind today. The tradition of public service.

Three years ago, John Fialka wrote a Column-One story called "Sisters In Need" -- chronicling the poverty that had befallen the growing ranks of retired clergy in America. It provoked a swell of readership response. And so John and others at the Journal founded "SOAR" -- "Support Our Aging Religious" -- and raised more than $1 million to aid 30 different orders.

A similar public response occurred in 1987 after the publication of "Urban Trauma" -- Alex Kotlowitz's moving account of three months in the life of Lafayette Walton -- a 12 year-old boy struggling to survive in a dangerous Chicago project.

Alex stayed in touch with Lafayette. And last summer they passed the hat at the Journal -- and gave Lafayette and his brother a season of peace in the woods of a Wisconsin boys camp.

Personal gestures. Profound actions. Sometimes life-changing in their effect. These are the works of men and women who know that prosperity without purpose means nothing.

Earlier today, I announced a new initiative -- calling on all levels of government -- and both sectors, public and private -- to enlist in a new crusade to bring national service into every corner of America.

That crusade begins with a simple truth: From now on, the definition of a successful life must include service to others.

And I may never have as important an audience to carry this message to, as you who are gathered at the Winter Garden tonight.

The American business community has supported conservative policies. We are enjoying prosperous years. But not all Americans are part of that prosperity, and I ask that business do its part. Prosperity cannot be truly enjoyed unless the points of light about which I've spoken shine on every American in need.

Many of you are CEO's, with galaxies at your command. And it is my request -- I submit, your obligation -- to donate the services of the talented and the enterprising within your ranks.

Many are doing this now. Everyone should do this now

Shortly after the Wall Street Journal was founded, 100 years ago, the Census Bureau declared that the "frontier" no longer existed in America. But the Wall Street Journal has proven them wrong -- by advancing across ever new frontiers of technology, geography, and innovation. And I said it a week ago, looking eastward across America from the foot of the Grand Tetons: The challenges ahead are in the frontiers of the mind -- and of the good that hard work and the human imagination can bring to pass.

Not long after bringing home the Journal's first Pulitzer Prize, William Grimes expressed a simple creed. He wrote: "We believe in the individual, in his wisdom and his decency." Now that is a worthy tenet -- one we can all carry forth from tonight's celebration -- and on to a renewed commitment to service tomorrow.

To all at the Journal, I wish you congratulations on this landmark -- and success as your "Second Century" begins. And to all here tonight -- God bless you -- and God bless the United States.

# # #

[redacted]

[redacted]

Insert speaking of ~~night~~ and
R apropos of nothing R. at the
Joe Gibbs charity dinner Bob
Hope told of 2 very old men
sitting ~~On the~~ a park bench.
First! "Do you know how
old I am?"
second: "Stand up" "Turn around
"Drop your
trousers" "drop your shorts" Now
pat yourself on the posterior"
OK pull up your shorts - your

[redacted]

THE WHITE HOUSE
WASHINGTON

June 21, 1989

MR. PRESIDENT:

Please note that this speech is on teleprompter.

Jim Cicconi

Jim

Thoughts - too sit
bad down on the bench
You're 93 years +
4 months old
I don't you know?
You told me
yesterday.

THE WHITE HOUSE

WASHINGTON

June 20, 1989

INFORMATION

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Three years ago, John Fialka wrote a Column-One story called "Sisters In Need" -- chronicling the poverty that had befallen the growing ranks of retired clergy in America. It provoked a swell of readership response. And so John and others at the Journal founded "SOAR" -- "Support Our Aging Religious" -- and raised more than $1 million to aid 30 different orders.

A similar public response occurred in 1987 after the publication of "Urban Trauma" -- Alex Kotlowitz's moving account of three months in the life of Lafayette Walton -- a 12 year-old boy struggling to survive in a dangerous Chicago project.

Alex stayed in touch with Lafayette. And last summer they passed the hat at the Journal -- and gave Lafayette and his brother a season of peace in the woods of a Wisconsin boys camp.

Personal gestures. Profound actions. Sometimes life-changing in their effect. These are the works of men and women who know that prosperity without purpose means nothing.

Earlier today, I announced a new initiative -- calling on all levels of government -- and both sectors, public and private -- to enlist in a new crusade to bring national service into every corner of America.

That crusade begins with a simple truth: From now on, the definition of a successful life must include service to others.

And I may never have as important an audience to carry this message to, as you who are gathered at the Winter Garden tonight.

The American business community has supported conservative policies. We are enjoying prosperous years. But not all Americans are part of that prosperity, and I ask that business do its part. Prosperity cannot be truly enjoyed unless the points of light about which I've spoken shine on every American in need.

Many of you are CEO's, with galaxies at your command. And it is my request -- I submit, your obligation -- to donate the services of the talented and the enterprising within your ranks.

Shortly after the Wall Street Journal was founded, 100 years ago, the Census Bureau declared that the "frontier" no longer existed in America. But the Wall Street Journal has proven them wrong -- by advancing across ever new frontiers of technology, geography, and innovation. And I said it a week ago, looking eastward across America from the foot of the Grand Tetons: The challenges ahead are in the frontiers of the mind -- and of the good that hard work and the human imagination can bring to pass.

Not long after bringing home the Journal's first Pulitzer Prize, William Grimes expressed a simple creed. He wrote: "We believe in the individual, in his wisdom and his decency." Now that is a worthy tenet -- one we can all carry forth from tonight's celebration -- and on to a renewed commitment to service tomorrow.

To all at the Journal, I wish you congratulations on this landmark -- and success as your "Second Century" begins. And to all here tonight -- God bless you -- and God bless the United States.

# # #

(McNally/Simon)
June 18, 1989, 1:00 p.m.
Draft Three (WSJ)

PRESIDENTIAL REMARKS: WALL STREET JOURNAL CENTENNIAL
WINTER GARDEN -- NEW YORK CITY
THURSDAY, JUNE 22, 1989, 8:30 P.M.

Thank you, _____, for that warm introduction. I'm delighted to be here tonight. There's nothing like celebrating another's hundredth birthday to make a man feel young.

Talk about a big event. This morning I saw Willard Scott on TV -- holding up a birthday snapshot of the Wall Street Journal.

Speaking of television, before we left the White House, I told my grandkids I'd be spending the evening with the media elite. They want to know which one of you is Morton Downey.

Seriously, this is an impressive audience. But if anything catastrophic happens to the Winter Garden tonight, the Fortune 500 will be lucky to keep the list in double digits. [[PAUSE]]

Forgive me if I seem a bit distracted. I just heard that, during the cocktails, Donald Trump bought Air Force One.

Gee -- I wonder what he's going to name it? [[PAUSE]]

Don is the only guy in America whose car has a dashboard statue of Frank Lorenzo. [[PAUSE]]

Of course, it wasn't cars, but carriages, that crowded New York's cobblestones on July 8, 1889. Telephones and electric lights were just catching on. It was the year the Oklahoma Territory opened, Johnstown flooded, and Mark Twain penned A Connecticut Yankee. Another year would pass before Sitting Bull would perish in the Sioux uprisings.

And as the sun rose over Manhattan on that hot July Monday, John D. Rockefeller was preparing to celebrate his 50th birthday. Upriver, 10,000 baseball fans filled the new Polo Grounds -- with another 5,000 on the nearby bluffs -- to see New York down Pittsburgh, 7 to 5.

And from a modest office not far from where we stand, the Wall Street Journal was distributed to a few hundred readers for two cents a copy. And the first front page contained another historic first -- your first typo. [[PAUSE]]

It was in a story about John L. Sullivan's victory in the bare-knuckle, heavyweight championship -- won after 75 grueling rounds. It was to be the nation's last such drawn-out, bare-knuckle fight -- until they invented leveraged buy-outs. [[OR: "presidential primaries"]].

From those modest beginnings, the Wall Street Journal emerged to become America's ledger sheet -- chronicling war and depression and prosperity, as we grew from a frontier society to the frontiers of space -- the world's dominant financial power.

Arthur Miller observed that "a good newspaper is a nation talking to itself." The Journal is like that. In a changing world that offers 64 channels of cable television, the six gray columns of the Wall Street Journal are as familiar as the morning coffee at America's breakfast tables.

Its pages tell the story of our times. Only once in 100 years did it carry a banner headline -- the day after Pearl Harbor. [[PAUSE]] I must have missed that one.

After the War, the Journal came to Texas the same year I did -- 1948 -- when it began printing in Dallas. Your chairman, Warren Phillips, had been hired as a copy reader the year before -- in time to see the first of the paper's 13 Pulitzers.

Not that every article was Pulitzer Prize material. In 1967, a front page story on China predicted the communist government wouldn't last the year. [[PAUSE]] And on Pearl Harbor I was only off by three months.

A decade later -- in 1979 -- the Wall Street Journal became the largest circulation daily in the nation. But one rival complained that it was only because so many subscribers were at an age where they forget to cancel.

That same year, reporter Jim Perry celebrated the paper's 90th birthday by exhuming a high school nickname that had been dead for 30 years. [[PAUSE]] "Poppy" Bush. Thanks, Jim.

A year later -- on the day after the 1980 election -- the lead editorial celebrated "Ronald Reagan's mandate." And President Reagan told me my day would come. And it did. The day after I was elected President, the headline read -- and I kid you not -- "Jim Wright's Mandate."

At least now that I'm President, the Journal doesn't call me "Poppy." Now they call me "George Herbert Walker Bush."

But I told Al Hunt how much I enjoy the Journal. He asked if it's the front page, the conservative editorials, or the news coverage. I said it's because you don't carry Doonesbury.

And you have a distinction no other paper in America can claim: No matter how slow the news, you never ran a puppy photo.

All kidding aside, the Wall Street Journal has a proud and enviable tradition. Although you deal in the world's most perishable product -- news -- polls have repeatedly shown that your paper is one of America's most trusted publications.

A reputation like that can only be earned by adherence to your founders' pledge to always have the news "honest, intelligent and unprejudiced." In modern times, your reporters have carried this pledge beyond business reporting, in coverage of events like the civil rights struggle -- and the recent massacre in Beijing -- carrying on a proud American tradition of braving intimidation to bring the truth into the light.

And many at the Journal have gone beyond their professional obligations -- and set examples of another old-fashioned tradition very much on my mind. The tradition of public service.

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To all at the Journal, I wish you congratulations on this landmark -- and success as your "Second Century" begins. And to all here tonight -- God bless you -- and God bless the United States.

# # #

(McNally/Simon)
June 17, 1989
9:00 p.m.
Draft Two
(WSJ)

PRESIDENTIAL REMARKS: WALL STREET JOURNAL CENTENNIAL
~~THE~~ WINTER ~~PALACE~~ GARDEN
NEW YORK CITY
THURSDAY, JUNE 22, 1989
8:30 P.M.

Thank you, _____, for that warm introduction. I'm delighted to be here tonight. There's nothing like celebrating another's hundredth birthday to make a man feel young.

Talk about a big event. This morning I saw Willard Scott on TV -- holding up a birthday snapshot of the Wall Street Journal.

Speaking of television, before we left the White House, I told my grandkids I'd be spending the evening with the media elite. They want to know which one of you is Morton Downey.

Seriously, this is an impressive audience. But if anything happens to the Winter Garden tonight, the Fortune 500 will be lucky to keep the list in double digits. [[PAUSE]]

Forgive me if I seem a bit distracted. I just heard that, during the cocktails, Donald Trump bought Air Force One.

Gee -- I wonder what he's going to name it?

Don is the only guy whose car has a dashboard statue of Frank Lorenzo.

But -- as Don has shown -- competition today is intense in every field. I hear the Journal's abandoning its "no photograph" policy and coming out with its first swimsuit issue. [[PAUSE]] I just don't know if their public is ready for Lee Iacoca in thongs.

Competition was tough a hundred years ago, too. New York City. July 8, 1889. Telephones and electric lights were just catching on. It was the year the Oklahoma Territory opened, Johnstown flooded, and Mark Twain penned A Connecticut Yankee. Newspapers wrote of Kodak's new camera and wondered whether Jack the Ripper would kill again. And another year would pass before Sitting Bull would perish in the Sioux uprisings.

And as the sun rose over Manhattan on that hot July Monday, John D. Rockefeller was preparing to celebrate his 50th birthday. ~~Across the river,~~ the new Polo Grounds baseball stadium opened on that day. The home team won.

And from a modest office not far from where we stand, the Wall Street Journal was distributed to a few hundred readers for two cents a copy. And the first front page contained the paper's first typo. [[PAUSE]]

It was in a story about John L. ~~Louis's~~ Sullivan victory in America's final, bare-knuckle, (~~heavyweight~~ OR) championship -- won after 75 grueling rounds. It was to be the nation's last such drawn-out, bare-knuckle fight -- until they invented leveraged buy-outs. [[OR: "presidential primaries"]].

From those modest beginnings, the Wall Street Journal emerged to become America's ledger sheet -- chronicling war and depression and prosperity, as we grew from a frontier society to the frontiers of space -- the world's dominant industrial and financial power.

Arthur Miller observed that "a good newspaper is a nation talking to itself." The Journal is like that. In a changing world that offers 64 channels of cable television, the six gray columns of the Wall Street Journal are as familiar as the morning coffee at America's breakfast tables.

Its pages tell the story of our times. Only once in 100 years did it carry a banner headline -- the day after Pearl Harbor. [[PAUSE]] I must have missed that one.

After the War, the Journal came to Texas the same year I did -- 1948 -- when it began printing in Dallas to supplement the New York and San Francisco editions. Your chairman, Warren Phillips, had been hired as a copy reader the year before -- in time to see the first of 13 Pulitzers earned by your correspondents.

Not that every article was Pulitzer Prize material. There were some real doozies. [[PAUSE]] In 1967, as the paper's 80th birthday approached, a front page story on China predicted the communist government wouldn't last the year. [[PAUSE]] And I was only off by ~~two~~ 3 months on Pearl Harbor.

A decade later -- in 1979 -- the Wall Street Journal became the largest circulation daily in the nation. But one rival complained that it was only because so many subscribers were at an age where they forget to cancel.

That same year, 1979, correspondent Jim Perry celebrated the Journal's 90th birthday by exhuming a high school nickname that had been dead for 30 years. [[PAUSE]] "Poppy" Bush. [[PAUSE]] Thanks, Jim.

A year later -- on the day after the 1980 election -- the lead editorial celebrated "Ronald Reagan's mandate." And President Reagan told me my day would come. And it did. The day after I was elected President, the headline read -- and I kid you not --"Jim Wright's Mandate."

But I told Al Hunt how much I enjoy the Journal. He asked whether it was the front page features, the conservative editorials, or the economic coverage. I said it's because you don't carry "Doonesbury."

And you have a distinction no other paper in America can claim: No matter how slow the news, never once did you run a puppy photo.

Actually, for a while we put old copies of the Journal under the puppies. Big mistake. Now Millie is the only dog I know who has her own broker. [[PAUSE]] I guess she confused puppies with Yuppies.

At least now that I'm President, the Journal has stopped calling me "Poppy." Now they call me [[SLOWLY]] "George Herbert Walker Bush." [[PAUSE]] Real progress.

And I think Jim Perry tried to make it up to me after the election. In the recent series on the paper's "Second Century," he had one scenario where 1996 found the deficit gone, inflation at three percent, and ~~Vice~~ President-Elect Quayle winning ~~back~~ 45 states and control of the Senate. [[PAUSE]] Now that's good, solid reporting.

All kidding aside, the Wall Street Journal has a proud tradition and enviable reputation. Although you deal in the world's most perishable product -- news -- polls have repeatedly shown that the Wall Street Journal is America's most trusted publication.

A reputation like that can only be earned by adherence to your founders' pledge to always have the news "honest, intelligent and unprejudiced." In modern times your reporters have carried this pledge beyond business reporting, in coverage of events like the 1960's civil rights struggle for racial justice and equality.

And as recently as this week's headlines, the Journal's Jim Sterba and Adi Ignatious -- and their colleagues from many different news organizations in China -- have carried on a proud American tradition of bringing the truth out into the light.

And many at the Journal have gone beyond their professional obligations -- to set examples of another old-fashioned tradition that is very much on my mind today. The tradition of public service.

Three years ago, John Fialka wrote a column-one story called "Sisters In Need" -- chronicling the poverty that had befallen the growing ranks of retired religious workers in America. It provoked a swell of readership response. And John and others at the Journal were unable to leave the story behind.

And so they founded "SOAR" -- "Support Our Aging Religious" -- and raised more than $300,000 for needy members of the clergy.

A similar public response occurred in 1987 after the publication of "Urban Trauma" -- Alex Kotlowitz's moving account of three months in the life of Lafayette Weaver -- a 12 year-old boy struggling to survive in one of Chicago's most dangerous housing projects.

Alex stayed in touch with Lafayette. And last summer Alex passed the hat at the Wall Street Journal -- and gave Lafayette and his brother a season of peace in the woods of a Wisconsin boys camp.

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And I may never have as important an audience to carry this message to as the captains of industry, media and advertising that are gathered at the Winter Garden tonight.

The American business community has supported conservative policies. You have enjoyed prosperous years, and applauded my pledge not to raise taxes. But business must do more. Prosperity cannot be truly enjoyed unless the points of light about which I've spoken shine on every American in need.

Many of you are CEO's, with galaxies at your command. And it is my request -- I submit, your obligation -- to donate the services of the talented and the enterprising within your ranks. And to consider volunteerism in hiring, compensation, and promotion decisions. And to begin a literacy program that teaches each employee how to read.

Shortly after the Wall Street Journal was founded, 100 years ago, the Census Bureau declared that the "frontier" no longer existed in America. But the Wall Street Journal has proven them wrong -- by advancing across ever new frontiers of technology, geography, and innovation. And I said it a week ago, looking eastward across America from the foot of the Grand Tetons: The challenges ahead are in the frontiers of the mind -- and of the good that hard work and the human imagination can bring to pass.

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To all at the Journal, I wish you congratulations on this landmark -- and success as your "Second Century" begins. And to all here tonight -- God bless you -- and God bless the United States.

# # #

NEW YORK, NY June 9, 1989 -- Radio City Music Hall Productions' special events division will be producing a gala commemorating the centennial of The Wall Street Journal on June 22, 1989. The celebration will be held at the World Financial Center's Winter Garden and feature performances by three top musical acts -- jazz statesman Lionel Hampton, legendary rocker Chuck Berry, and rhythm and blues sensation Buster Poindexter.

"As The Journal begins its second century, Radio City is planning a night to remember," says Wayne Baruch, executive producer and executive vice president, special events and television. "We're honored to help The Journal provide a spectacular, surprising, fun-filled evening."

Reprinted from THE WALL STREET JOURNAL.

MONDAY, JANUARY 9, 1989
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Letter From the Publisher

A Report to The Wall Street Journal's Readers

To the Readers of The Wall Street Journal:

The Wall Street Journal is celebrating in 1989 the 100th anniversary of its first issue. It is embarking on its second century committed to keeping readers well-informed in ways that will help them build better businesses and better lives.

During this centennial year, the Journal will publish many special articles and a special centennial edition in June. They not only will glance back at changes in American business over the past century, but will seek to anticipate and illuminate changes coming in the years ahead.

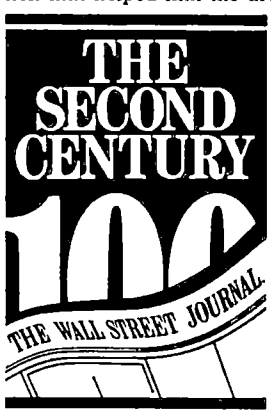
When the first four-page Wall Street Journal came off the press in 1889, the building of the railroads dominated the business news. Iron and steel production in the U.S. still had not surpassed that of England, but was growing fast to feed the needs of the railroad builders. Electric lights and telephones were newly invented and just beginning to spread.

American society still was largely agrarian, with workers on farms double those in manufacturing. We were a nation of only 38 states, and a population about a fourth of today's. The final suppression of the Plains Indians, in the massacre at Wounded Knee, South Dakota, was still a year away.

This progress report carries forward a custom begun 12 years ago. It reflects our belief that publishing a newspaper is a public trust for which we are accountable first of all to you, our readers.

In the years since, as America grew to become the world's dominant industrial and financial power and opened up new frontiers of consumer service and space-age technology, The Wall Street Journal reported this transformation as it took place. The Journal also played a part in the change.

It did this by providing reliable economic news and information that helped link the diverse parts of the country. We would like to think that this contributed to knitting together the nation and the world of business.



As markets then grew and interdependence increased, the Journal has sought to supply readers with a tool—knowledge—to enable them and their businesses to grow, too. It sought to supply the kind of timely, trustworthy knowledge that could be used to make confident decisions, grasp opportunities, adjust to change and avoid costly mistakes.

This continues to be the Journal's mission as it moves into its second century.

As the country and its businesses grew, so did the Journal. It had been founded by two New England newspapermen, Charles H. Dow and Edward D. Jones, with a third partner, Charles M. Bergstresser, whose name was considered too long to fit into their company name—Dow Jones & Co. They had started a hand-delivered financial-news-bulletin service for private Wall Street clients in 1882. The first page of the Journal's first issue in 1889 carried two columns of financial news, two columns of advertisements—and a brief report on John L. Sullivan's latest boxing bout.

In the years since, the Journal has grown into a national and international business daily with a circulation larger than that of any other U.S. newspaper. Its global circulation of more than two million is served from 18 publishing sites in the U.S. and five others in Europe and Asia.

We are proudest not of any quantitative growth measurements but of the confidence bestowed on the Journal by readers and reflected in successive independent surveys over the years—by the Louis Harris organization and by Times Mirror Co., for example—that show the Journal to be the country's most trusted publication. We are pleased that in the latest Pulitzer Prize awards, last spring, the Journal was the only newspaper to win two Pulitzers for its reporting.

And we are pleased that in 1988, Fortune magazine reported that its annual survey of corporate reputations found Dow Jones to be the second most admired company in America for the quality of its products and services. Dow Jones was ranked the third most admired company in the country on an overall basis and the most admired in the publishing industry. This was the fifth consecutive year that Fortune's survey has shown Dow Jones in such leadership positions.

We are highly skeptical, however, of the occasional description of the Journal as powerful; we would be disturbed by any inclusion of the Journal in the talk one hears these days about the growing power of the press. A newspaper should not aspire to power. Our aspiration is to put power in the hands of our readers, to the extent that knowledge is power. Our aspiration is to help them become more knowledgeable and thus gain greater power over their lives and careers and business fortunes.

Two Pledges to Our Readers

In the Journal's first issue in 1889, there was a statement of principles that included these words: "We appreciate the confidence reposed in our work. We mean to make it better."

Those words are behind whatever the Journal may have accomplished over the years. They sum up the goals that will guide the Journal in its second century: To be worthy of reader confidence by earning and re-earning that trust day by day; and to keep stretching always to improve the Journal's usefulness, "to make it better."

The Journal of the '90s and beyond will be governed by two traditions. They can be stated as two pledges to readers. One is to adhere to old values: accuracy, independence, fairness. The other is to be quick to give readers the benefit of the new: to adapt to changing reader needs, to be responsive to changes in our economy and society and to adopt new technologies and new ideas that will help serve readers better.

This blend of the best of the old and the best of the new has been the standard to which the Journal has aspired in its first century. It will be the Journal's standard for its second century.

The latest in a long series of moves to improve service to readers was made this past fall. Journal editors organized the contents of the paper more efficiently in a new three-section format, for greater reader convenience. Coverage was improved in several areas of increasing relevance to readers; these included competitive marketing strategies, new technology developments and the strategies of smaller, growing enterprises.

A recent Carnegie-Mellon University survey of executives found that while coping was the manager's top challenge in the 1980s, competing will be most important in the next decade. The Journal intends to point up information useful in meeting this challenge, while at the same time continuing to strengthen traditional coverage areas ranging from personal finance to foreign affairs. The intent is to produce a paper paced to the needs of the '90s and beyond.

Other planned service improvements will range from a larger type size soon on stock-price tables to new, more geographically focused advertising editions to continued expansion of the Journal's home-delivery system. The latter already is serving about 50% of

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subscribers, up from only 15% served outside the postal system 10 years ago.

These improvements are just the latest in a century of seeking to anticipate and adapt to readers' evolving needs, as the business scene and society in general change at an accelerating rate.

Capsule History

Here are just a few highlights from the Journal's history of striving to "make it better":

1889 to 1920: Though coverage was focused on stocks, bonds and banking, the effort was begun to write simply and clearly. Charles Dow used homely analogy and the language of everyday life. Consider this editorial comment about the public in the stock market, as pertinent today as when he wrote it: "Nobody who plants corn digs up the kernels in a day or two to see if the corn has sprouted, but in stocks most people want to open an account at noon and get their profit before night." In 1902, the Journal was sold to another New England newspaperman, Clarence W. Barron, an electric personality whose descendants own majority control of Dow Jones today.

1920 to 1940: Political and international coverage was expanded, from a Washington bureau manned by many of the paper's future editors and from new bureaus in London, Paris and Tokyo. Front-page news summary columns were introduced. A San Francisco edition was launched.

1940 to 1960: Bernard Kilgore, architect of the modern Wall Street Journal, converted the paper from a financial daily to one covering the broad scope of business—everything related to earning a living. Lively, well-written, in-depth news features were introduced on page one. News itself was redefined: It was not limited to what happened yesterday, but included the cumulative forces reshaping society and the business scene, in small ways and large.

The Journal's market was redefined, too: A national business community was perceived, in which the business person in Portland, Maine, had the same information needs as the business person in Portland, Ore. New printing plants were opened around the country to serve this national readership in a timely fashion. Circulation, only 28,000 in 1940, began to move steadily upward.

1960 to 1980: Coverage was broadened further, recognizing that the business reader's interests extended beyond his or her pocketbook and included family health, children's education, the emergence of space-age science and the racial and other social forces reshaping American society. The paper's core coverage of business and finance was strengthened at the same time.

Journal engineers pioneered the use of space satellites to send page images to remote printing plants, further speeding delivery of information to readers around the country. The first overseas edition was started in Asia. National and international advertisers were drawn increasingly to address the Journal's growing and influential readership. Circulation climbed to one million by 1966.

Dissenting viewpoints were introduced on the editorial pages, through use of more outside contributors and columnists. But the editorial-page philosophy of the Journal has been a constant through its history. Today's editor, Robert L. Bartley, and his predecessor, Vermont Royster, wrote with vigor in the spirit reflected by their predecessor, William H. Grimes, when he wrote in 1951: "We believe in the individual, in his wisdom and his decency. We oppose all infringements on individual rights whether they stem from attempts at private monopoly, labor-union monopoly or from an overgrowing government."

In the 1980s, the face of American business changed rapidly as the computer revolution picked up speed, mergers and takeovers accelerated, the financial markets grew in complexity, the global economy became more interdependent and women and minorities assumed more responsible roles. The Journal responded by seeking to cover these and other frontiers with greater clarity and comprehensiveness. New indexes and explanatory graphics were introduced to save time. Personal finance, technology, marketing, law and international economics were among the beats covered with greater intensity, even as coverage was being strengthened on traditional beats ranging from manufacturing and service industries to government and investment banking. A new Leisure & Arts page was added. A new edition was started in Europe.

America appeared to be gradually moving in directions long espoused—often as a minority view—by the Journal's editorial page: less regulation, more entrepreneurship, lower taxes, freer trade, stronger military defense, more confidence again in America's ability to lead the free world.

Meanwhile, the Journal's sister enterprises, the Dow Jones News Services, offered computerized retrieval of the paper's contents and many additional types of information, from stock quotes to sports scores. Electronic publishing came of age alongside print.

The Journal of the 21st Century

The Journal's intent, as it starts its second century, is to give readers a business daily as dynamic in the future as it has been in its past. The Journal will do this by continuing to anticipate and serve its readers' needs for timely, trustworthy information—a need now more vital than ever before in the history of American business.

At the time of the Journal's 75th anniversary in 1964, the then publisher, Bernard Kilgore, wrote:

"A newspaper, aged 75, can be as young as yesterday, provided only that it has learned from its past, cherishes sound traditions and keeps everlastingly alert to the needs of tomorrow. I believe The Wall Street Journal of today still meets those strict standards."

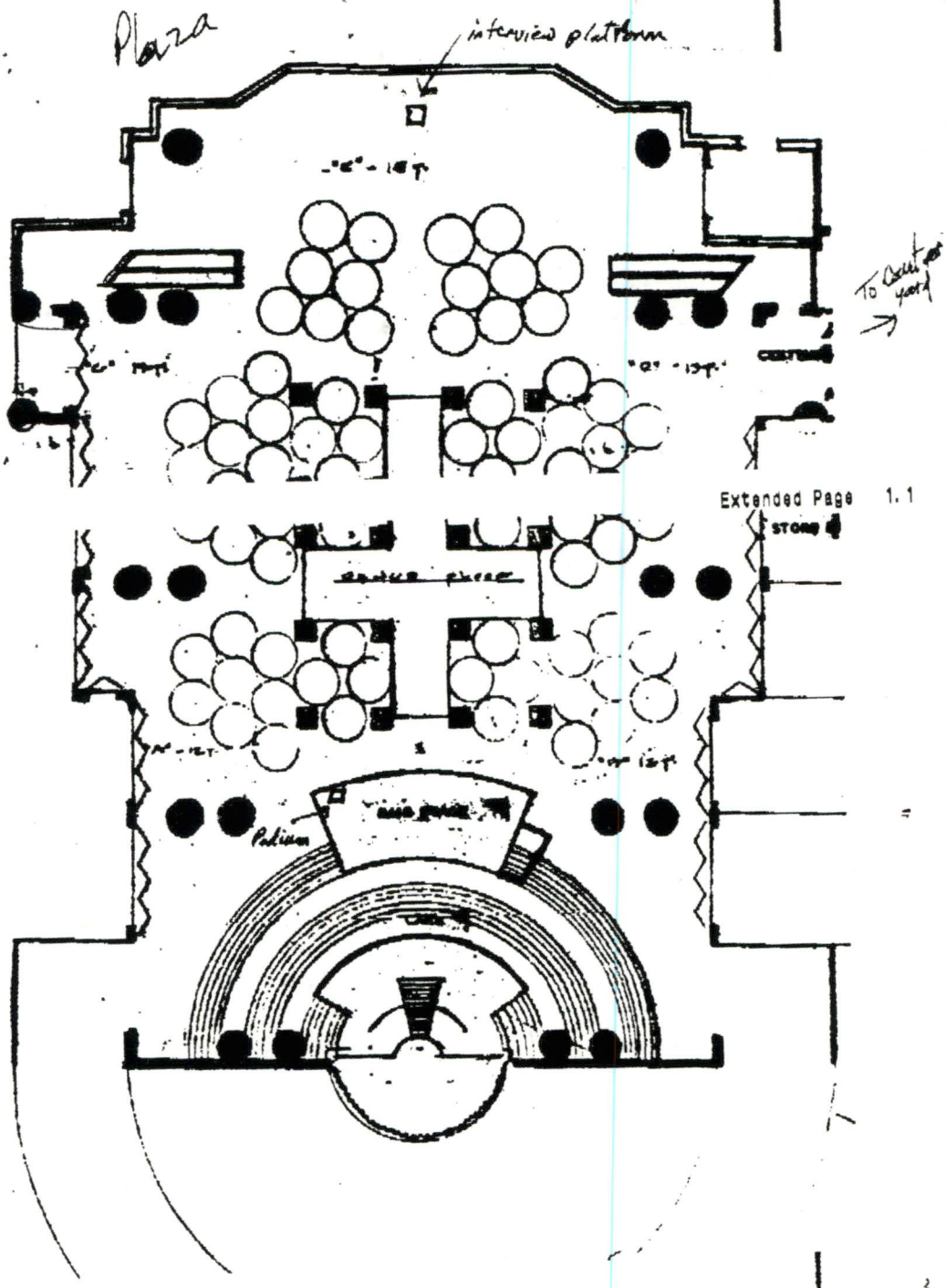
We believe those words apply as well to The Wall Street Journal at age 100 as they did to the Journal at the time they were written. We are committed to seeing that they continue to apply to the Journal of the next century.

Today's Journal reflects the efforts of more than 3,000 talented and committed employees in all departments—reporters, editors, salespeople, customer service representatives, technical experts, printers, pressmen, delivery people, and more. All of them join us in thanking you, our readers, for your patronage and loyal support. They join us also in extending our very best wishes to you and your families for a happy and healthy new year.

Cordially,

Peter R. Kann, Publisher

Warren H. Phillips, Chairman, Dow Jones & Co.



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DANFORTH W. AUSTIN
DIRECTOR OF CORPORATE RELATIONS

DOW JONES & COMPANY, INC.

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7:35 Guests seated

few minutes – POTUS enters

Warren Phillips

THE SECOND CENTURY 100 THE WALL STREET JOURNAL

THE WALL STREET JOURNAL.

For Immediate Release ***Contact:*** Taggarty Patrick (212) 416-2616

ARCHITECT OF THE MODERN WALL STREET JOURNAL

Bernard Kilgore was a newspaper revolutionary.

Necktie yanked loose and shirtsleeves jammed to the elbows, Kilgore was the man who forged the modern Wall Street Journal, transforming it from a small financial newspaper into the nation's first national daily.

At his death in 1967, at age 59, Kilgore was Dow Jones' chairman, but he always referred to himself as a newspaperman. In a Wall Street Journal career that spanned 38 years, he had been a reporter, a copy editor, Washington correspondent (Franklin D. Roosevelt was one of his biggest fans), political columnist, managing editor, and general manager before he became company president in 1945.

Under his leadership, the Journal pioneered the daily use of in-depth stories and led in the concept of delivering the same news and editorial content each morning to its subscribers, even though they were scattered throughout the country and served by multiple printing plants.

Through it all, Barney -- as he was known -- kept hammering at one credo: Simplify the complicated, and keep the reader interested. "The easiest thing in the world," he once said, "is to stop reading."

Kilgore, a heavyset man with thinning dark hair, grew up in Indiana, and he never lost his Midwestern touch. He was born Nov. 9, 1908, in Albany, Ind., the town where his father, Tecumseh Kilgore, was superintendent of schools. Graduated from DePauw University in 1929, Kilgore was hired later that year by Casey Hogate, executive editor of the Journal, and a DePauw graduate himself.

He progressed quickly, becoming Washington bureau chief in 1935 and Journal managing editor in 1941. But during his rise, Kilgore was always known for his easy way with colleagues. He could look at himself with amusement and could tell stories of his own mistakes. Once, he recalled how he had missed a big story at the 1940 Democratic convention. There, Labor Secretary Frances Perkins told him that President Roosevelt was going to tap Henry Wallace to replace John Garner as vice president. Kilgore thought it too far-fetched. Twenty-four hours later the story was page one news everywhere.

(more)

Throughout his career, Kilgore had the knack for doing the right thing. As Journal general manager, he had to deal with rationed newsprint during World War II. He chose to forgo increased advertising in favor of expanded circulation, opposite the path picked by other publishers. "Now is the time to build," he said. "There will be lots of time later to get advertising."

Kilgore especially was concerned with attracting smart young people to journalism. He raised pay standards for beginning reporters and, in 1958, he set up the Newspaper Fund, a national program designed to encourage and develop journalism talent.

For all of his successes, Barney Kilgore was restless throughout his career. He often warned Journal staffers of the danger of standing still. "Whether we like it or not," he once told his editors, "other publishers are getting smarter. We ought to keep our minds open to new ideas. We don't want to pattern tomorrow's paper on yesterday's."

#

22
JUNE

Births

Rider Haggard (author) 1856; John Dillinger (criminal) 1903.

For Whom the Bells Tolled

St Paulinus is reputed to be the inventor of bells and today in the year 431 he died and was buried beneath the bells of St Felix church in Nola, Italy. The moment St Paulinus gave up his soul to God, all who were in his chamber felt a sudden trembling, as if by some shock of an earthquake, and the church bells rang.

Deaths

St Paulinus (bell inventor/saint) 431; Catherine Philips (poetess) 1664; Judy Garland (entertainer) 1969.

A Duel with Balloons

On June 22, 1808, in Paris, M. de Grandpré and M. le Pique fought a duel from aerial balloons. Each went aloft in his own craft with a blunderbuss, and the idea was not to score a hit on the other man, but on the other man's air bag. Pique fired first, and missed. Grandpré fired, hit his opponent's balloon, and sent it hurtling down. Pique died in the crash. Grandpré continued in a triumphal ascent, and landed about seven leagues outside Paris.

A Case of Reappearing Kegs

Every year at sunrise on June 22nd, a remarkable occurrence is said to take place at Fedan More gorge in Scotland. This was where a man called Macrae ran for safety while being pursued by royalist soldiers. Macrae had undertaken to transport some kegs of gold to Prince Charles who was hiding in Skye. On being ambushed he uttered a spell (fath-fith) which made the kegs, but not himself invisible. Captured in Fedan More and executed he was not able to reclaim the kegs, which become visible once a year on this day.

The Bloodiest Battle of All

The Battle of Morat, in Switzerland, fought between the Swiss and the forces of Charles the Bold, duke of Burgundy, on June 22, 1746, was famous as possibly the most bloody of all times. "Cruel as at Morat" became a proverb. When the two armies met, each about 30,000 strong, not a single Burgundian and very few of the Swiss survived.

An Admiral's Entry and Exit

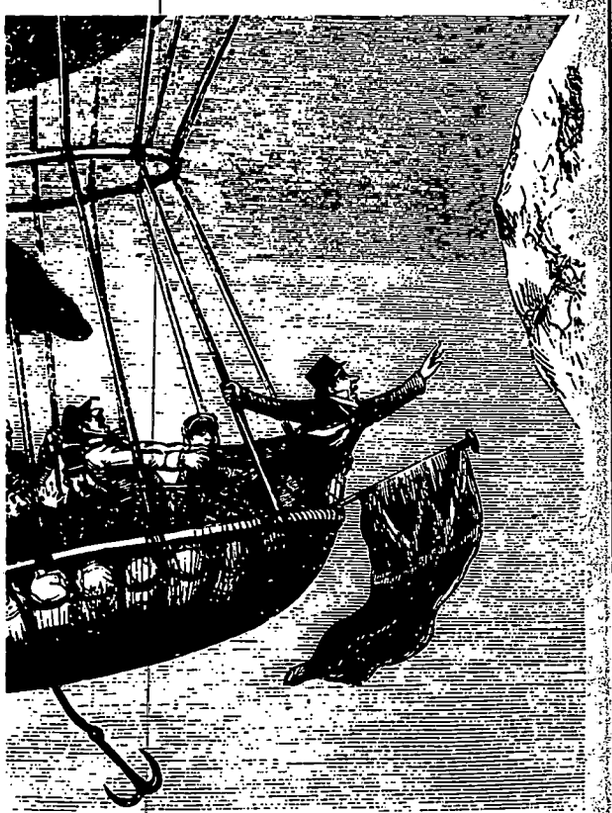
On June 22, 1893, the HMS *Victoria* collided with the *Camperdown*. Admiral Sir George Tryon and most of his men died at sea. However at the same time at a party given by his wife in London, 2,000 miles away, many guests saw Sir George open the drawing room door, enter and walk in, and stride across the room to exit by another door. Lady Tryon only heard of his death some days later.

Braddock Out, Louis In

"The Brown Bomber," Joe Louis, became the heavyweight boxing champion of the world after knocking out Jim Braddock in the eighth round at Comiskey Park in Chicago, today in 1937.

Count Zeppelin's Passenger Service

On June 22, 1910 Count Zeppelin started the first airship passenger service between Friedrichshafen and Dusseldorf, a distance of 300 miles. The first airship was called *Deutchland*.



THE WALL STREET JOURNAL.

DOW JONES & COMPANY, INC.

Dow Jones, founded in 1882, is a leading publisher of financial information. Revenue exceeded $1.6 billion in 1988. Over 9,000 employees around the world are engaged in newsgathering, sales, technical, production, administrative and distribution activities delivering news and information to Dow Jones customers quickly and accurately by print and electronic media.

- The Wall Street Journal is Dow Jones' flagship publication and the country's largest newspaper, with a daily circulation of almost two million copies and an estimated readership of more than five million people. The domestic Journal is complemented by The Wall Street Journal/Europe, published in Brussels, and The Asian Wall Street Journal, published in Hong Kong.

- The Dow Jones News Service, called the Broadtape, covers the equity markets and the news that affects them.

- Dow Jones News/Retrieval, the company's data-base publishing unit, is a leading supplier of computerized business and financial news and information, providing subscribers with 50 data bases.

- Telerate, Inc., 67% owned by Dow Jones, is a major supplier of computerized financial information.

- The Professional Investor Report is a companion wire to the Broadtape. It transmits an immediate alert when an unusual price or volume move takes place in any of the 5,400 most actively traded common stocks.

- The Capital Markets Report provides comprehensive coverage of the fixed income and financial futures markets.

- AP-Dow Jones is a joint venture between the Associated Press and Dow Jones that specializes in the coverage of international economic, business and financial news.

- DowPhone is an interactive voice information service.

- The company's television unit provides a daily morning and evening news service of business reports to commercial TV stations in the U.S.

- "The Wall Street Journal Report on Television" offers a weekly half-hour broadcast of business and financial news and features.

- Working with TV Tokyo and the European Business Channel, the company's television unit provides daily live broadcasts to Japan and Europe.

(more)

• "The Wall Street Journal Report" and "The Dow Jones Report" are the company's radio news programs.

• Ottaway Newspapers, Inc., a wholly owned subsidiary, publishes 23 daily community papers.

• Barron's is a weekly financial magazine aimed at people who make investment decisions.

• American Demographics is a monthly magazine that examines and explains demographic trends.

• The Far Eastern Economic Review is Asia's leading English-language newsweekly.

• The Asian Wall Street Journal Weekly is published in New York for readers with Asian interests.

• The National Business Employment Weekly contains articles on career advancement and job-related advertisements from The Wall Street Journal.

Dow Jones also has investments in the following: newsprint mills in Canada and the U.S.; Groupe Expansion, a French business publisher with whom it also has an interest in Cinco Dias, a leading Spanish daily business newspaper; AmericaEconomica, a new South American business monthly; Mediatex Communications, which publishes Texas Monthly magazine; and Press-Enterprise Co., a daily newspaper publisher in Riverside, California.

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Circulation sources: Audit Bureau of Circulation
Readership sources: Simmons, 1988

THE WALL STREET JOURNAL ANNOUNCES CENTENNIAL PLANS

NEW YORK, N.Y. (May 3, 1989) -- The Wall Street Journal today announced plans to commemorate the publication's centennial year. A series of special events is scheduled in June, leading up to the 100th anniversary of the Journal's first issue on July 8, and continuing throughout the remainder of 1989.

Peter R. Kann, publisher of The Wall Street Journal, said, "Our centennial gives us an opportunity to reflect on the history of American business and on the Journal itself. More importantly, it's an opportunity to thank our readers and other audiences we serve, and look ahead to the challenges of our second century."

Highlights of The Wall Street Journal's centennial include: the Creative Leaders Award Dinner, honoring 47 of advertising's top creative leaders; The Wall Street Journal Future Forum, moderated by ABC News Anchor Peter Jennings and featuring a panel of national and international business and political leaders; the Winter Garden Gala, with a guest list of America's corporate leaders; and a special Wall Street Journal Centennial Edition.

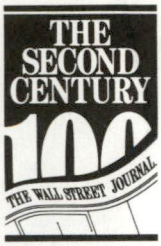
Creative Leaders Award Dinner - June 21, 1989

On June 21, the Journal salutes 47 of advertising's top creative leaders at a dinner in New York City's Rainbow Room. The illustrious group of advertising executives includes Jerry Della Femina, chairman of Della Femina, NcNamee WCRS; Hal Riney, chairman and chief executive officer of Hal Riney & Partners; Mary Moore, vice chairman of Wells, Rich, Greene; and Keith Reinhard, chairman and chief executive officer of DDB/Needham. The group is being honored for outstanding creative contributions in advertising and participation in an ongoing, award-winning campaign called, "The Wall Street Journal's Creative Leaders Program." Comedian Alan King heads up the evening's entertainment program.

Future Forum - June 22, 1989

As a way of honoring the past 100 years by looking forward to the next, the Journal is hosting "The Wall Street Journal Future Forum" on June 22. ABC News Anchor Peter Jennings will moderate a panel of national and international business and political leaders. The forum will

(more)



THE WALL STREET JOURNAL.

WARREN H. PHILLIPS

Chairman of the Board
President and Chief Executive Officer
Dow Jones & Company, Inc.

Warren Phillips is chairman of the board, president and chief executive officer of Dow Jones & Company, Inc.

Dow Jones publishes The Wall Street Journal, Barron's magazine, The Asian Wall Street Journal, The Wall Street Journal/Europe, business and economic newswires, a computerized news retrieval service, and the Ottaway group of community newspapers. The company also owns a majority interest in Telerate, Inc. and has interests in newsprint mills and other areas.

Mr. Phillips was named president of Dow Jones and a director of the company in November 1972. He became chief executive officer in March 1975 and chairman of the board in March 1978. Before being named president in 1972, Mr. Phillips had served as executive vice president and, before that, as vice president and general manager. Mr. Phillips also has served as editorial director (1971-88) and as executive editor of all Dow Jones publications (1965-70) and managing editor of The Wall Street Journal (1957-65).

Born in New York City, Mr. Phillips attended schools in the New York area, served in the U.S. Army from late 1943 to late 1945 and graduated cum laude from Queens College in 1947 with a B.A. degree. He was awarded an honorary doctor of laws degree by the University of Portland (Ore.) in 1973 and an honorary doctor of humanities degree by Pace University (N.Y.) in 1982. In 1987, he received an honorary doctorate of humane letters from Long Island University and an honorary doctorate of humane letters from Queens College (N.Y.).

While at Queens College, Mr. Phillips was an editor of the campus newspaper, worked weekends as a New York Herald-Tribune copy boy and was a part-time college correspondent for the Tribune and the New York Times. He also contributed feature stories to the Tribune's Sunday section.

Following graduation in 1947, Mr. Phillips joined The Wall Street Journal as a copyreader in New York and wrote the What's News column until February 1949, when he went to Germany to work on the copydesk of Stars and Stripes. He continued to contribute to the Journal as a free-lance writer. In late 1949, he rejoined the Journal staff as a full-time correspondent in Germany. He covered the lifting of the Berlin blockade, the end of military government and the establishment at Bonn of the first freely elected German government since the 1930s.

(more)

In early 1950, Mr. Phillips was named chief of the Journal's London bureau. He reported on Europe's recovery under the Marshall Plan, its postwar rearmament and Winston Churchill's return to power in Britain, as well as other stories in France, Spain, Italy, Greece and Turkey.

At the end of 1951, Mr. Phillips was transferred to New York as foreign editor. He was named news editor in 1953 and assigned to edit Page One stories. The following year he moved to Chicago as editor in charge of the Journal's Midwest edition. In March 1957, he returned to the Journal's New York publishing headquarters as managing editor. During his eight and one-half years in this post, he helped broaden the paper's coverage to supplement its basic business and governmental news reporting.

In late 1972, Mr. Phillips toured the People's Republic of China for three and one-half weeks with a delegation of the American Society of Newspaper Editors at the invitation of Chinese journalistic organizations. Ten articles Mr. Phillips wrote during that trip, plus another six written by colleague Robert Keatley, were published in a book, "China: Behind the Mask."

Mr. Phillips was chosen one of the Ten Most Outstanding Young Men of the Nation of 1958 by the U.S. Junior Chamber of Commerce. He is former president (1975-76) of the American Society of Newspaper Editors. From 1971 to 1973, he was president of the American Council on Education for Journalism, the body that supervises journalism school accreditation. He served as a member of the Pulitzer Prize Board from 1977 to 1987. He was a director of the American Newspaper Publishers Association from 1976 to 1984. In 1984, Mr. Phillips was inducted into the Information Industry Association's "Hall of Fame."

Mr. Phillips is a trustee of Columbia University and a member of the Visiting Committee of Harvard University's John F. Kennedy School of Government. He also is a member of the Queens College Corporate Advisory Board.

Warren Phillips married the former Barbara Anne Thomas of Cape Charles, Va., in London in 1951. They have three daughters, Lisa, Leslie and Nina.

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THE WALL STREET JOURNAL.

PETER R. KANN

Executive Vice President of Dow Jones & Company, Inc.
Publisher of The Wall Street Journal
(New York)

Peter R. Kann is executive vice president and a director of Dow Jones. In January 1989, he became publisher of The Wall Street Journal and editorial director of Dow Jones' print publications.

A native of Princeton, N.J., Mr. Kann graduated from Harvard University in 1964 with a bachelor's degree in government.

He began his newspaper career as copy boy for the Princeton Packet. In college, he was political editor of the Harvard Crimson and a member of its editorial board.

His association with The Wall Street Journal began in the summer of 1963 as a Newspaper Fund intern in the Journal's San Francisco bureau.

Mr. Kann joined the Journal's Pittsburgh bureau in 1964, covering business and labor. In 1967, after a year in the Los Angeles bureau, he became the Journal's reporter in Vietnam. He moved to Hong Kong in 1968 as roving Asian correspondent for the paper. He was awarded a Pulitzer Prize in 1972 for Distinguished Reporting on International Affairs for his coverage of the 1971 India-Pakistan War.

In 1976, Mr. Kann was named the first publisher and editor of The Asian Wall Street Journal and simultaneously served as Dow Jones' corporate representative in Asia. He returned to the U.S. in March 1979 and became assistant to the chairman.

Later in 1979, he was appointed associate publisher of The Wall Street Journal. He became a vice president of Dow Jones and a member of the management committee later that year. Mr. Kann was named executive vice president of Dow Jones and president of the International and Magazine groups in January 1985. He became a director of Dow Jones in 1987 and a director of Ottaway Newspapers, Inc. in 1988.

Mr. Kann also is chairman of the Far Eastern Economic Review, an English-language weekly magazine published by Dow Jones in Hong Kong, and a member of the Pulitzer Prize board.

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THE SECOND CENTURY 100 THE WALL STREET JOURNAL

THE WALL STREET JOURNAL.

ROBERT L. BARTLEY

Editor and Vice President
The Wall Street Journal
(New York)

Bob Bartley is editor of The Wall Street Journal with primary responsibility for the editorial page. He assumed direction of the editorial page at the beginning of 1972, and since then has personally written a substantial share of the paper's editorials while also being deeply involved in staff development and creation of new editorial-page features.

In 1980, Mr. Bartley won a Pulitzer Prize for editorial writing, The Wall Street Journal's eighth Pulitzer. The year before, he received the Gerald Loeb Award for his editorials on international monetary problems and, in 1977, Mr. Bartley received a Citation for Excellence from the Overseas Press Club of America for dispatches filed from China and Tibet after the death of Chairman Mao Tse Tung. In 1974, he was included among 200 "rising American leaders" selected by Time magazine.

Mr. Bartley joined the Journal in 1962 and served as a staff reporter in the Chicago and Philadelphia bureaus before joining the editorial page staff in New York in 1964. During 1971, he wrote editorials and commentary articles from the Washington, D.C., bureau. He was appointed editor of the editorial page in 1972. Seven years later he assumed the title of editor of The Wall Street Journal, a position last held by Vermont Royster, who retired from the post in 1971. Mr. Royster and William H. Grimes, his predecessors as editor, were also winners of the Pulitzer Prize for editorial writing.

Under Mr. Bartley's management, the Journal editorial page inaugurated its board of contributors, its daily op-ed page and its daily Leisure & Arts section. Editors of the Journal's news pages continue to operate separately.

Mr. Bartley is a member of the American Society of Newspaper Editors, the Council on Foreign Relations, the National Conference of Editorial Writers, the American Political Science Association and the Society of Silurians. He is also a trustee of the Mayo Foundation.

(more)

Mr. Bartley was born in Marshall, Minn., and attended Ames, Iowa, public schools. He holds a bachelor's degree in journalism from Iowa State University and a master's degree in political science from the University of Wisconsin. While an undergraduate, he was editor in chief of the Iowa State Daily and was selected for Phi Kappa Phi and Cardinal Key, the school's top scholastic and leadership honor societies. He received an honorary Doctor of Laws degree from Macalester College (St. Paul, Minn.) in 1982, and an honorary Doctor of Laws degree from Babson College (Wellesley, Mass.) in 1987.

In 1983, Mr. Bartley was named a vice president of The Wall Street Journal and appointed to the Dow Jones management committee, the body of senior executives that advises on and formulates corporate-wide policy.

He and his wife, Edith, live in Brooklyn, N.Y. They have three daughters.

#

TRANSFER SHEET
BUSH PRESIDENTIAL MATERIALS PROJECT

COLLECTION Bush Presidential Records--
Office of Speechwriting--
Speech File - Backup

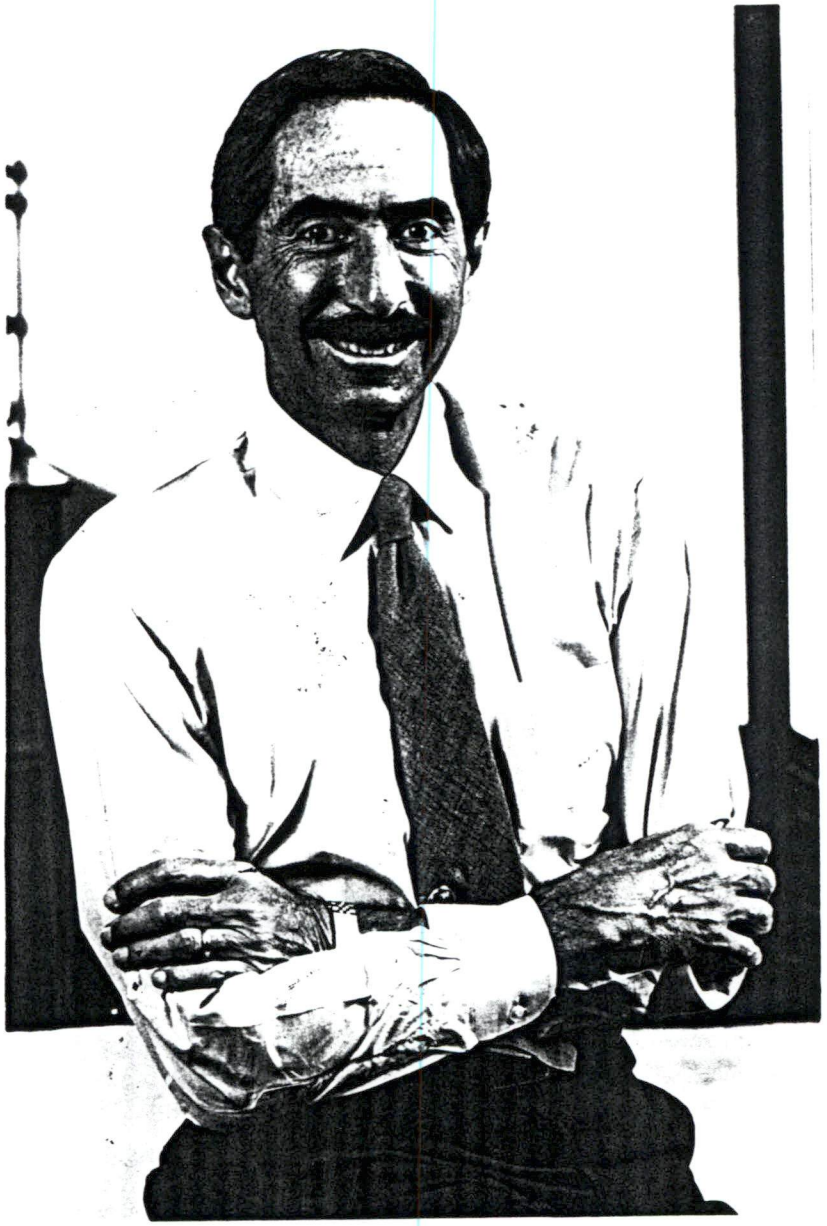
ACC.NO: 93-01

The following material was withdrawn from this segment of the collection and trasferred to the ___X___AUDIOVISUAL COLLECTION
_____BOOK COLLECTION _____MUSEUM COLLECTION
OTHER (SPECIFY: _____)

DESCRIPTION: 4 b/w photos--one of Dow, Jones, & Bergstresser, founders of The Wall Street Journal; one photo of Warren H. Phillips, Chairman of the Board of Dow Jones & Company, Inc.; one photo of Peter R. Kann, Publisher; one photo of Robert L. Bartley, Editor; one photo of illustrations of Kann & Phillips; one photo of reproduction of front page of first issue of TWSJ, July 8, 1889

6 photos altogether

SERIES	BOX NO.
Office of Speechwriting Speech File - Backup	21
FILE FOLDER TITLE: Wall Street Journal Centennial Dinner 6/22/89 [OA 6345]	
TRANSFERRED BY: JGP	DATE OF TRANSFER: 6/20/96
RECEIVED BY: Mary Finch	DATE RECEIVED 6/20/96



Giorgio Palmisano

Warren H. Phillips

Giorgio Palmisano

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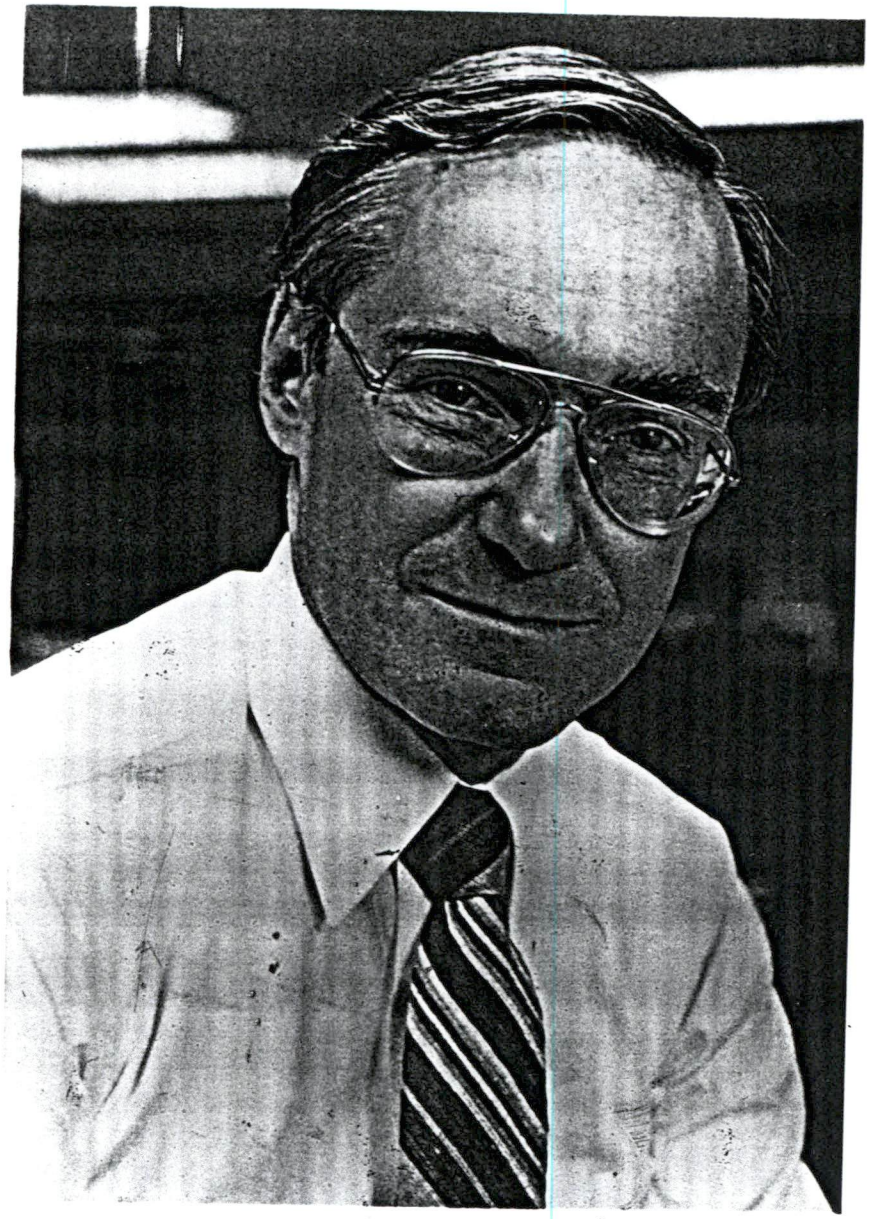
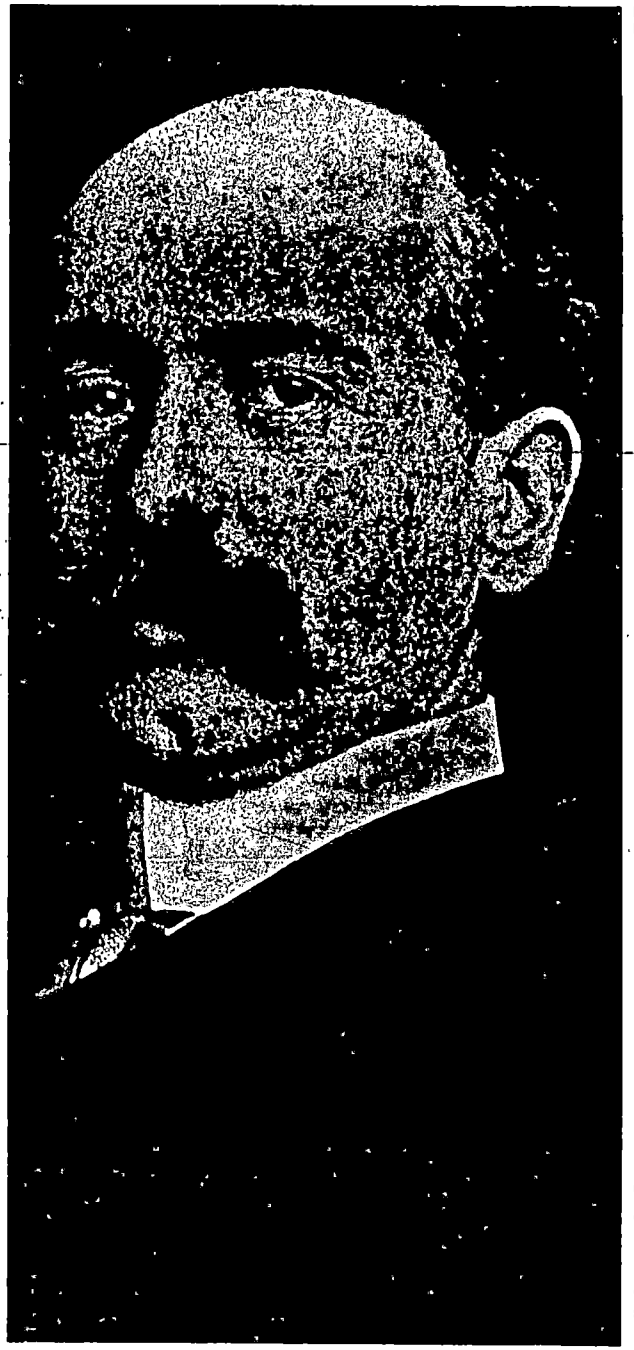
Peter R. Kann



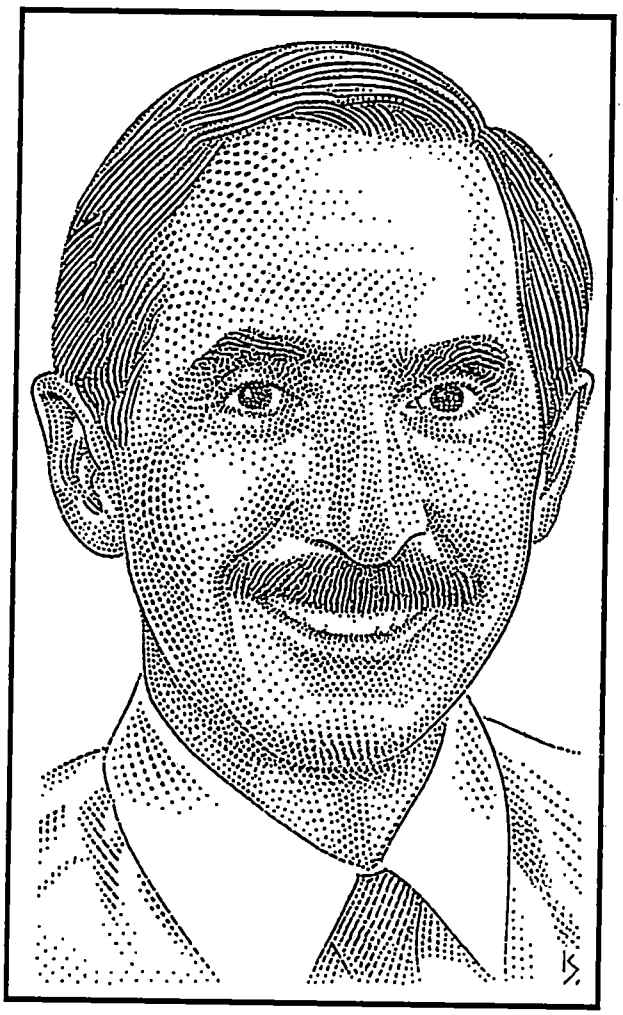
Robert L. Bartley

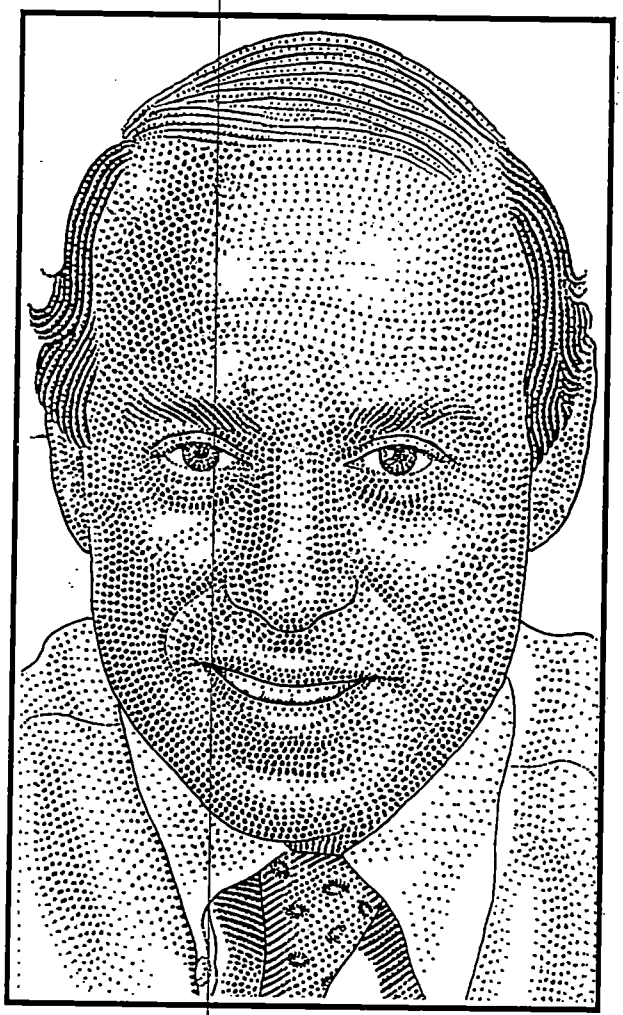
Charles H. Dow



Edward D. Jones

Charles M. Bergstresser





The Wall Street Journal's use of illustrations rather than photographs is a trademark of the newspaper. Illustrators trace a photostat, taken from a photograph, onto bond paper. The tracing is mounted onto a board and the image is filled in with lines and dots. Artists use medium-fine point, black technical pens. The basic half-column portrait takes four to five hours to draw, less as deadline draws near. (Left) Warren H. Phillips, chairman of Dow Jones & Company, Inc. (Right) Peter Kann, publisher of The Wall Street Journal.

THE WALL STREET JOURNAL.

VOL. 1.—NO. 1. NEW YORK, MONDAY, JULY 8, 1889. PRICE TWO CENTS.

THE WALL STREET JOURNAL

PUBLISHED daily, except Sundays and Stock Exchange holidays, at 3.15 P.M.

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Average Movement of Prices.

The bull market of 1885 began July 2, with the average price of 12 active stocks 61.49.

The rise culminated May 18, 1887, with the same twelve stocks selling at 93.27.

Prices gradually declined for about a year, reaching the next extreme low point April 2, 1888, the 12 stocks selling at 75.28. The movement since then, counting from one turning point to another, follows:

Last low point	Apr. 2, 1888,	75.28
Rallied to	May 1, "	83.64
Declined to	June 13, "	77.12
Rallied to	Aug. 8, "	85.96
Declined to	Aug. 18, "	83.76
Rallied to	Oct. 1, "	88.10
Declined to	Dec. 5, "	81.68
Rallied to	Feb. 18, 1889,	87.77
Declined to	Mar. 16, "	83.59
Rallied to	June 12, "	91.36
Closed Sat. night	July 6, "	87.71

The Market To-Day.

There is some reason for believing that operators identified with the bear party sent early orders to London to depress Americans in that market as a preparation for the opening here. These orders were faithfully executed, and London at 9.30 was quoted as opening weak and as having become very weak. Prices, however, were only a little below New York closing figures.

London houses were, however, sellers at the opening, and there developed a decided lack of buyers. Lake Shore furnished an illustration. It opened at 101¾ and was then offered down an eighth at a time to 101 where the next sale was made. This temper started a rush to sell out, during the first hour, prices generally went off from ¼ to 1%. In St. Paul Mr. Randolph had a large selling order; in Union Pacific Mr. Savin made the lowest prices. Reading was sold by Oppenheim & Co., by Mr. Burras and Mr. Wheeler, and Northwest went down on sales by Davis Johnson. Traders made most of the transactions in Atchison although there was evidence of some support when the other market was weakest. The Trust stocks were not a feature, although weakening in sympathy and on the execution of stop orders.

The drive ended about 11 o'clock and the market had little but there was no general rally. There was a single item of favorable news from Chicago to the effect that New York bankers were exerting a strong influence upon the railway managers in favor of peace. It was said also that a plan would be presented at the Chicago meeting to-morrow for taking care of Burlington & Northern.

The long expected Jersey Central dividend was declared at noon and proved a gratifying disappointment to those who have been expecting a four or five per cent. rate. The directors voted to pay a quarterly dividend of 1¼%. No statement was made public, but the conservative management of Jersey Central is evidence that so high a rate would not have been made if the way to maintaining it had not seemed reasonably clear. Jersey Central profited by the Lehigh and Reading strikes last year, but without them was able in the first five months of the year to increase its net earnings $15,870 over those for the same time in 1888.

The news that the bankers syndicate was again exerting pressure upon the railroad managers quickened the disposition of traders to take profits on the short side and apparently led some of the larger bears to endeavor to lessen their following. The result was a decided rally carrying prices up ⅛@ ¼ with New England and the Trust stocks leading.

Boston Money Market.

Boston special—The week opens with a decidly firmer feeling in the money market. Money between banks continues in sharp demand 5 and 6%, being readily paid for loans this a. m. It is possible that money will be brought over from New York to-night. It is claimed by some that from this time on the clearing house rate will stand 4% at least. The firmness of clearing house money is reflected on the outside.

The banks are not loaning on call to-day less than 6% except in the case of very favored borrowers. Business on time loans is at very low ebb and rates are nominal at 4 or 5%. Very little paper will be offered until rates become more settled.

Philadelphia Market To-day.

Philadelphia special, 2.30.—The special feature of Philadelphia market to-day was some heavy liquidation in Reading by bull houses—some 7,000 shares being sold at 22¾. It was all well taken by New York and good houses here. Outside of this market is dull and traders are not inclined to do much until the situation is cleared.

Washington special. The Treasury accepted $35,800 at 106¾.

Produce Exchange, 2:15:—Wheat firmer on the late cables and some reports of crop damage: 3 loads milling: no exports. Corn quiet; 24 loads export.

Mr. Duncan A. MacTavish, of the British Bank of North America, died this morning aged 72.

Pittsburgh special—Oil brokers here are thoroughly sick of dealing in futures, as it has knocked business out entirely, and a movement was started on the Exchange to-day to get a conference of exchanges and have the amendment on that point rescinded. It seems likely to be carried.

Philadelphia special—Bank. Statement reserve decreased $350,000.

The Baltimore American puts up a bulletin that there is a rumor to effect that Kilrain has won and Sullivans backers are holding the wire to hedge on bets.

Clearings Last Week.

Boston special—The Post's table of clearings shows gross exchanges of 41 cities for the week ending July 6, 1889, $1,127,114,523, against $883,993,314 last year, an inc. of 27.5%. Outside of New York the inc. is 14.2%. New York inc. 37.3%, Boston 27.9, Philadelphia 6.3, St. Louis, 33.6, San Francisco 16, Cincinnati 7.2, Kansas City 27.5, New Orleans 3.1, St. Paul 2, Omaha 39.3, Minneapolis 16.2, Detroit 2, Denver 70.5, Peoria 12.7, Indianapolis 3.2, Ft. Worth 90.3, Wichita 48.4, Chicago dec. 5%, Milwaukee 1.5, Duluth 44.6 and Topeka 4.9.

For the month of June exchanges of 40 cities show an increase of 22.2%. Outside of New York increase 9.3%. New York increase 30.3%. Boston 18.8%, Philadelphia 12.1%, Chicago 0.1%, St. Louis 18.9%, San Francisco 2.7%, Kansas City 0.4%, St. Paul 2.1%, Omaha 20.8%, Denver 26.6%, Peoria 23.8%, Ft. Worth 47%, Topeka 18.4%. Duluth decrease 45.5%.

For 6 months gross exchanges of 40 cities show an increase of 15.8%. Outside of New York increase 11.9%. New York increase 18.2%. Boston 11.8%, Philadelphia 15.9%, Chicago 7.8%, St. Louis 8.5%, San Francisco 1.9%, Kansas City 11.3%, Omaha 19.5%, Denver 38.9%, Peoria 17.3%, Duluth 13.6%, Ft. Worth 31.6%, Topeka 31.4%.

Bankers Exerting Their Power.

Chicago special—It is stated on excellent authority that the Western presidents are getting positive orders from New York and Boston banking houses to settle the Western troubles at the meeting to-morrow. Some sort of plan to take care of C., B. & N. will be considered, and it is believed that if C., B. & N. can be controled, a general settlement will be effected.

Sales of stocks from 12 to 1—Listed 47,426; unlisted 5,454. Total, listed 196,408; unlisted 27,666.

12.40 p. m.—Slayback sold Union Pacific down.

The first bale of cotton from the South was sold at auction in front of the Cotton Exchange to-day and was bought by Henry Clews & Co. for 16½.

Press, Cincinnati—It is reported here from a reliable source that Sullivan and Kilrain were fighting at 11.45 a.m. The contest was a long one and Sullivan was having the best of it and was sure to won.

1.35—Van Emburgh sold 2,000 Missouri Pacific.

The Position of Alton.

Chicago special—Vice President McMullin says: Alton is not inclined to reduce rates for the sake of reducing them or to injure the business of its competitors. We have stock, etc., from Missouri River for the reason that we think these rates too high and that the best interests of roads at the Missouri River will be subserved by the small reductions which we desire to put into effect. The fact is that since the roads began to charge live stock shipments on the basis of weight instead of carloads it has cost $65 to $75 per car from Kansas City to Chicago, whereas the old rate was $50 to $60. We reduced the passenger rate to meet the competition of scalpers who were selling tickets via other lines at a reduced rate.

Chicago special to Jones, Kennett & Hopkins—Local securities: Chicago City Ry 550@560, Chicago Pass. R'y 107½ asked, Diamond Match Co. 150@151, North Chicago Street R'y 122½ asked, West Chicago Street R'y 100@102½, Gaslight 6s 97@97½, Consumers 5s 96 asked.

Jersey Central Dividend.

Jersey Central has declared a dividend of 1¼% for the quarter ending June 30, payable Aug. 1, 1889. Books close July 15. This dividend is declared with expectation of its continuance, in accordance with the statement in the annual report on page 11.

Bulletin, New Orleans, says fight took place near Richburg. On account of there being no communication with the place particulars won't be had till the return of the train, which is due at 2 p.m.

The Aspen Mining and Smelting Co. has declared the 9th regular monthly dividend of 20 cents per share to stockholders of record, payable on and after July 12th at office. Transfer books close July 10th and reopen July 15th.

2 p.m.—Slayback, Kirkner and other traders made the rally.

Boston special—Atchison officials say that in their opinion the stock is unassessable. In case of reorganization, however, stockholders would undoubtedly be willing to contribute rather than permit a foreclosure. Advices from Director C. K. Halliday, Topeka, Kan., say that the crop prospects of that State are better than ever before known. The wheat crop will be twice that of last year and the oat crop three times as great. Corn in the southern part of the State is already from 4 to 6 feet high, and commencing to tassel out. President Strong also confirms the report. There is little question but that Kansas will have a tremendous business this year and the future of Atchison depends on the rates it gets for carrying. The winter wheat crop has already commenced to move in some sections and will be moving freely by August.

Wheeling & Lake Erie has declared the regular quarterly dividend of 1%, payable Aug. 15. Books close Aug. 1 and reopen Aug. 16.

Boston special—Bank statement shows a decrease of $416,148 in the reserve.

2.10 p. m.—Kirkner bought 1,000 St. Paul and Tappin bid it up.

Philadelphia special—The Insurance Company of North America declares a semi-annual dividend of 7½, payable on demand.

Boston special—The Boston & Albany is understood to be negotiating for the sale of its large granite building at Springsold and the early removal of the offices established there to this city. The Connecticut River Railroad Co. is it is said disposed to buy the block. The Boston & Albany Co.'s asking price is $150,000, a figure much below the original cost of construction.

Sales of stocks from 1 to 2—Listed 49,777; unlisted 1,300. Total—Listed 244,185; unlisted 28,966.

W. Edwards Gibbs, Member N. Y. Stock Exchange
F. K. Hunter, Member Boston Stock Exchange
GILDER, FARR & CO.
Bankers and Brokers
31 & 33 BROAD STREET,
NEW YORK.
Stocks and Bonds Bought and Sold on Commission.
DEALERS IN INVESTMENT SECURITIES.

OFFICE OF THE ASPEN MINING & SMELTING COMPANY,
No. 54 Wall St.,
NEW YORK, July 8th, 1889.

The 9th regular monthly dividend of twenty cents per share has this day been declared on the stock of this Company (200,000 shares) payable at the office of the Company on and after the 12th day of July to stockholders of record. Transfer books will close Wednesday, July 10th, at 3 o'clock p. m. and reopen Monday, July 15th, at 10 o'clock a. m.

J. L. TILTON, Secretary

CENTRAL RAILROAD CO. OF NEW JERSEY
119 Liberty Street,
NEW YORK, July 8, 1889.

A dividend of one and a half per cent. has this day been declared, payable August 1st prox., for the quarter ending June 30th ulto. The transfer books will close on Monday, the 15th inst., and open on Friday, August 2d.

By order of the board.
J. W. WATSON,
Treasurer.

Toledo, Ann Arbor and
North Michigan Bonds
ON CADILLAC EXTENSION.
FOR SALE BY
CHARLES M. WHITNEY & CO
Bankers,
96 BROADWAY.

J. H. STERLING & CO.
Stock Brokers,
SPECIAL ATTENTION TO TRUST STOCKS.
30 Broad Street, New York.

Horace L. Hotchkiss, Member N. Y. Stock Exchange
Robert B. Bacon, Member Stock Exchange
Allen P. Hamlin
HORACE L. HOTCHKISS & CO.
Bankers and Brokers,
94 & 96 WALL STREET, NEW YORK
Branch Offices, Pike Avenue, Grand and Vernon Hotel, Cincinnati.
Private Telegraph Wires.

J. W. OGDEN & CO.
Bankers and Brokers.
No. 4 Equitable Building, New York City
Transact a General Commission Business in all Securities Dealt in at New York Stock Exchange
DIRECT PRIVATE WIRES CHICAGO AND BOSTON.

James Towne, Pres. Wm. V. Canman, Sec'y and Treas.
New York Equipment Co.
RAILWAY EQUIPMENT.
10 WALL STREET, NEW YORK.
G. B. F. Comfort, V. P. and Supt. of Equipment.

PURNELL, HAGAMAN & CO.
Bankers and Brokers,
104 BROADWAY, NEW YORK
Stocks, Bonds, Grain, Provisions and Petroleum Bought and Sold for Cash or on Margin.
BRANCH OFFICES:
New Savings Bank Building, Cor. Court & Boerum Sts., Brooklyn.
Eagle Office Building, 26C Water Street.
885 Broadway. 41 West 125th St. 6, 6 & 8 Cortlandt St.
58 Exchange Place, New Haven, Conn.
Private Wires connect with Exchange through Main Office.

Wm. Dickson Lawson, Member New York Stock Exchange
Member Philadelphia Stock Exchange
Harry A. Coe, Member New York Stock Exchange
Edgar Howe, Jr., Member Boston Stock Exchange
Egbert H. Preston
W. S. LAWSON & CO.
Bankers and Brokers,
49 Exchange Place | 34 Exchange Place
New York | Boston
Private Wires to New York, Philadelphia, Boston and Chicago.

THE SECOND CENTURY 100 THE WALL STREET JOURNAL.

THE WALL STREET JOURNAL.

PULITZER PRIZES

1947 - William H. Grimes receives The Wall Street Journal's first Pulitzer Prize. It is awarded for editorial writing.

1953 - Vermont Royster receives the Journal's second Pulitzer, also for editorial writing.

1961 - Edward R. Cony is awarded the Journal's third Pulitzer for his analysis of a timber transaction that drew public attention to business ethics. It is the paper's first Pulitzer for national reporting.

1964 - Norman C. Miller Jr. receives the Journal's fourth Pulitzer -- the paper's first for local reporting on general assignment -- for his account of a multi-million dollar vegetable oil swindle in New Jersey.

1965 - Louis M. Kohlmeier receives the WSJ's fifth Pulitzer for his report on the growth of President Lyndon B. Johnson's family fortune -- the paper's second for national reporting.

1967 - Stanley Penn and **Monroe Karmin** receive the paper's sixth Pulitzer Prize for their investigations into the connection between American crime and gambling in the Bahamas. It is the Journal's third Pulitzer for national reporting.

1972 - Peter Kann is awarded the WSJ's seventh Pulitzer for his coverage of the war between India and Pakistan -- the Journal's first for international reporting.

1980 - Robert L. Bartley is awarded the Pulitzer for editorial writing, the Journal's eighth.

1983 - Manuela Hoelterhoff receives the Journal's ninth Pulitzer, awarded for criticism.

1984 - Karen Elliott House receives the Pulitzer in international affairs reporting in recognition of her Middle East coverage, and **Vermont Royster** is awarded his second Pulitzer for distinguished commentary -- the paper's tenth and eleventh Pulitzers.

1988 - Daniel Hertzberg and **James B. Stewart** are awarded the Pulitzer for explanatory writing. Their articles cover the October 1987 stock-market crash and insider trading. **Walt Bogdanich** receives a Pulitzer for specialized writing on faulty medical lab testing. These are the Journal's twelfth and thirteenth Pulitzers.

#

coach. The size of Guerney's vehicle should also qualify him as the first bus driver, and the trip as the first bus tour. The distance traveled was about eighty miles.

1831 · The world's first scheduled "bus" service operated for a few months between Gloucester and Cheltenham, England, using three Guerney steam carriages.

1860 · Belgian-born inventor Jean Joseph Étienne Lenoir (1822–1910) built the world's first successful internal-combustion-engine vehicle—a "gas carriage"—using an engine he first constructed the previous year. By 1863 a second Lenoir vehicle traveled from Paris to Vincennes, a distance of six miles, in three hours—giving an average speed of one-half mile per hour.

1864 · The first auto export in history: Lenoir sold one of his internal-combustion-powered carriages to Czar Alexander II of Russia.

1865 · Karl Benz of Germany (1844–1929) designed and built a three-wheeled gas-driven vehicle, the first to be designed and built as a motor vehicle, rather than converted from a carriage. The Benz had its first test runs in 1886.

1888 · John Dunlop (1840–1921) "invented" the pneumatic tire (or, rather, tyre), marking the beginning of the modern tire industry. Curiously, another Scotsman, R. W. Thomson, took out a patent on pneumatic tyres in 1845. But Dunlop got all the credit.

1891 · French inventor Ferdinand Forest built the first four-cylinder gas engine with mechanical valve operation; a few years later he built the first six-cylinder engine. Ironically, Forest's inventions—which became the standard for millions of automobiles—were first used in boats, and he failed to be recognized for his contribution when they were later used in automobiles.

1893 · Brothers Charles Edgar and James Frank Duryea (1861–1938, 1869–1967) built the first "motor buggy" in Springfield, Massachusetts. Other motor vehicles had been built in the United States before the Duryeas', but theirs is recognized as the first practicable automobile built in the United States.

1894 · Henry G. Morris and Pedro Salom open the first automobile factory in the United States in Philadelphia. The product: the Electrobat.

1896 · Henry Ford (1863–1947), Ransom Eli Olds (1864–1950), C. B. King, and Alexander Winton—all major pioneers in the American auto industry—built and tested their first models. In France, Léon Bollée offered his *voiturette* (little car), the first with pneumatic tires a standard feature.

1899 · Ransom Eli Olds began production of the first Oldsmobiles.

1901 · Cannstatt-Daimler of Germany introduced the first Mercedes, named after the teen-aged daughter of Emil Jellinek, one of Daimler's first customers.

1902 · Dr. Lehwess Panhard made the first attempt to drive around the world, but his auto caravan *Passe Partout* didn't get past Ninji, Novgorod, Russia.

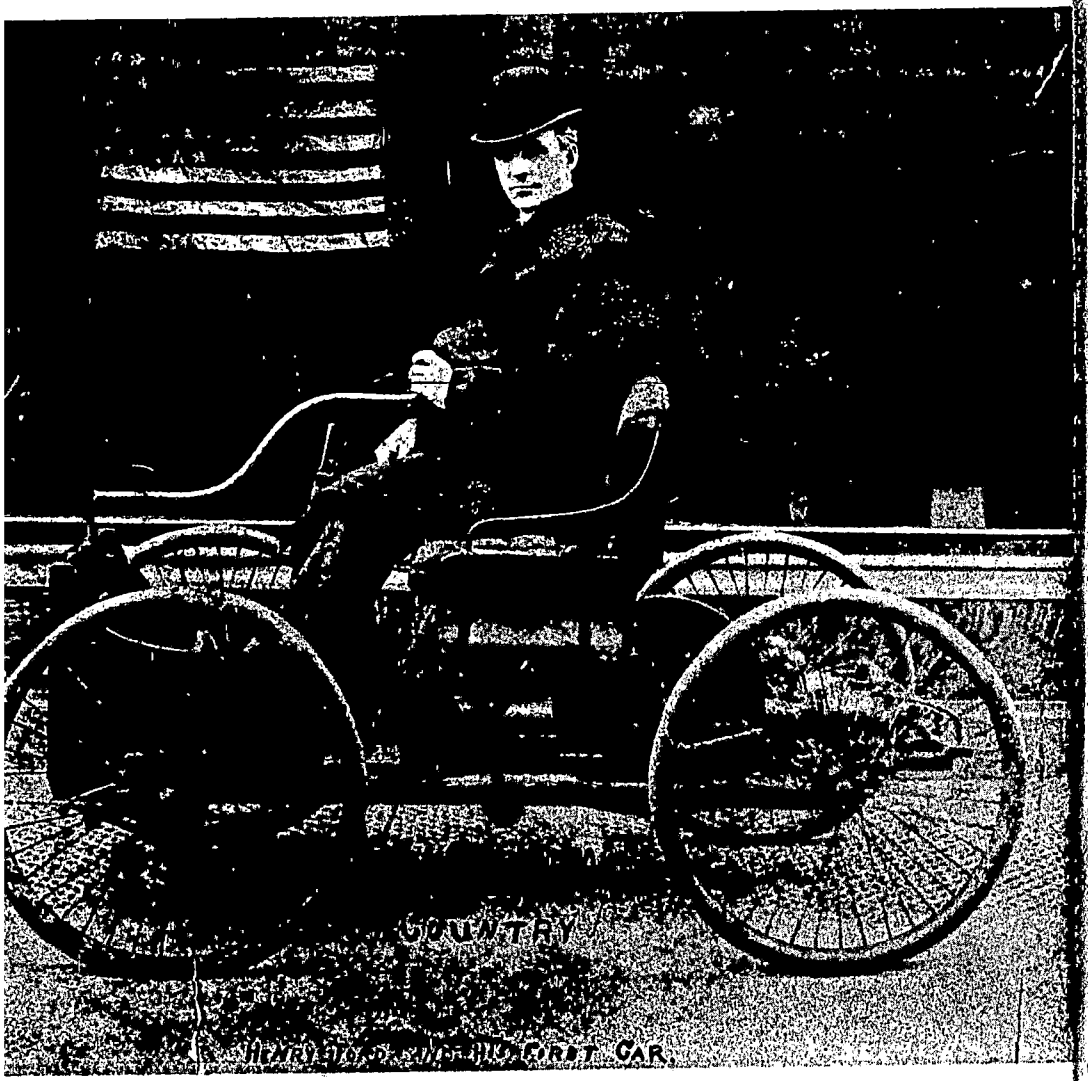
1903 · Henry Ford founded the Ford Motor Company in Detroit, Michigan. The same year, H. M. Leland founded the Cadillac Motor Car Company in the same city.

1906 · Sir (Frederick) Henry Royce (1863–1933) of England, who built his first Royce car in 1904, organized an auto manufacturing business with C. S. Rolls, and the first Rolls-Royce was born.

1908 · William C. Durant (1861–1947) founded General Motors Company, and Henry Ford produced the first Model T Ford, perhaps the most famous single model car ever built. The first year, eight thousand Model T's were built.

1909 · In France, De Dion Bouton produced the first important production-line auto with a V-8 engine.

1911 · Ford opened its first overseas factory at Trafford Park, Manchester, England. The same year Cadillac was the first manufacturer to feature electric lights and starters on their models.



For Ford and country: Sitting at the helm of his first car, complete with Stars and Stripes superimposed, this early public relations photograph of Henry Ford in retrospect makes a point about the impact of Detroit on the American Way of Life. THE BETTMANN ARCHIVE, INC.

1913 · Henry Ford used conveyor belts in his assembly lines for the first time, but only for assembly of the magneto. In 1914 Ford

produced the first cars completely assembled on conveyor belts, reducing the time required to build a car from twelve and one-half hours to one and one-half hours, revolutionizing American industry.

1915 · Because sales had surpassed annual target figures, Ford Motor Company offered the first rebate—fifty dollars—to anyone who purchased a Model T.

1918 · For the first time, car registrations in the United States exceeded 5 million.

1922 · In the United States, Trico introduced the electric windshield wiper.

1924 · Walter P. Chrysler (1875–1940) produced the first Chryslers.

1934 · The Chrysler Corporation produced the first Airflow cars—streamlined vehicles that were to have a revolutionary impact on auto design. Airflow also featured the first overdrive transmissions.

1936 · The Nazi Government financed the development and manufacture of the first Volkswagens, the design of which remained virtually unchanged to the 1970's.

1939 · The Lincoln division of Ford Motor Company produced the first Lincoln Continental and Mercury models.

1948 · Rover of Great Britain introduced the first four-wheel-drive Land-Rovers.

1950 · Rover pioneered the first gas-turbine engine car.

1956 · Ford Motor stock sold to the public for the first time since Henry Ford bought out all Ford shareholders in 1917. In the 1917 stock buy-back, Henry Ford paid 105 million dollars to buy out other shareholders, which gave a return of 12 million dollars on an investment of five thousand dollars in Ford stock made in 1908. From 1917 to 1956 the Ford family retained full control of the giant business.

Newspapers have developed what might be called a vested interest in catastrophe. If they can spot a fight, they play up that fight. If they can uncover a tragedy, they will headline that tragedy. *Harry A. Overstreet*

What you see is news, what you know is background, what you feel is opinion. *Lester Markel*

Freedom of the press is guaranteed only to those who own one. *A. J. Liebling*

A good newspaper is a nation talking to itself. *Arthur Miller*

The first essence of journalism is to know what you want to know; the second, is to find out who will tell you. *John Gunther*

Today's reporter is forced to become an educator more concerned with explaining the news than with being first on the scene. *Fred Friendly*

A writer who takes up journalism abandons the slow tempo of literature for a faster one and the change will do him harm. By degrees the flippancy of journalism will become a habit and the pleasure of being paid on the nail and more especially of being praised on the nail, grow indispensable. *Cyril Connolly*

Observation

The eyes believe themselves; the ears believe other people. *German proverb*

The lower classes of men, though they do not think it worthwhile to record what they perceive, nevertheless perceive everything that is worth noting; the difference between them and a man of learning often consists in nothing more than the latter's facility for expression. *G. C. Lichtenberg*

The eye sees only what the mind is prepared to comprehend. *Robertson Davies*

The things we see are the mind's best bet as to what is out front. *Adelbert Ames*

You can observe a lot just by watching. *Yogi Berra*

The eye is the jewel of the body. *Henry David Thoreau*

The ear tends to be lazy, craves the familiar and is shocked by the unexpected; the eye, on the other hand, tends to be impatient, craves the novel and is bored by repetition. *W. H. Auden*

The eyes indicate the antiquity of the soul. *Ralph Waldo Emerson*

To become the spectator of one's own life is to escape the suffering of life. *Oscar Wilde*

One must always tell what one sees. Above all, which is more difficult, one must always see what one sees. *Charles Péguy*

A fool sees not the same tree that a wise man sees. *William Blake*

Cultivated men and women who do not skim the cream of life, and are attached to the duties, yet escape the harsher blows, make acute and balanced observers. *George Meredith*

People only see what they are prepared to see. *Ralph Waldo Emerson*

There's none so blind as those who won't see. *English proverb*

Opinion

One should respect public opinion in so far as it is necessary to avoid starvation and to keep out of prison, but anything that goes beyond this is voluntary submission to an unnecessary tyranny. *Bertrand Russell*

Public opinion, a vulgar, impertinent, anonymous tyrant who deliberately makes life unpleasant for anyone who is not content to be the average man. *William R. Inge*

You've no idea what a poor opinion I have of myself — and how little I deserve it. *W. S. Gilbert*

Predominant opinions are generally the opinions of the generation that is vanishing. *Benjamin Disraeli*

To be positive: to be mistaken at the top of one's voice. *Ambrose Bierce*

When I want your opinion I'll give it to you. *Laurence J. Peter*

7/8

1685 Corporation of Trinity House, English mariner's organization, rechartered
1721 Elihu Yale, godfather of Yale University, died
1726 John Ker, Scottish spy, died in debtor's prison
1757 French repulsed British and colonists at Ft. Ticonderoga
1779 Fairfield, Connecticut, burned by the British
1790 Fritz-Greene Halleck, poet, born
1796 First recorded U.S. passport issued
1810 French surrendered Reunion Island to England
1814 King Louis XVIII chased out of France by Napoleon's return
1822 Poet Percy Bysshe Shelley died at sea
1835 Liberty Bell cracked
1838 Ferdinanand von Zeppelin, airship inventor, born
1839 John D. Rockefeller, organizer of the Standard Oil Company, born
1854 Saybrook, became Old Saybrook, and Deep River became Saybrook, Connecticut
1855 Sir William Parry, Arctic explorer, died
1859 King Oscar I of Norway and Sweden died
1862 Turret gun patented
1863 Union capture of Port Hudson gave them control of the Mississippi River
1864 Santee and Teton Sioux Indians defeated by the U.S. Army at Killdeer Mt., South Dakota
1889 John L. Sullivan won the last bare-knuckle heavy weight fight over Jake Kilrain in 75 rounds
New York's Polo Grounds baseball stadium opened and the home team won
1891 Warren G. Harding married Florence K. DeWolfe
1896 William Jennings Bryan made his "Cross of Gold" speech
1907 First "Ziegfeld Follies" opened
George Romney, statesman, born
1908 Nelson A. Rockefeller, millionaire and N.Y. governor, born
1913 Walter Kerr, critic-playwright, born
1914 Billy Eckstine, singer, born
1939 Havelock Ellis, physician-psychologist-author, died
1945 Brazilian cruiser Baia exploded in the Atlantic
1948 First women sworn into the U.S. Regular Army
1950 Gen. MacArthur named commander in Korea
1957 Grace (Mrs. Calvin) Coolidge died
1959 First U.S. troops died in combat in Viet Nam
1961 U.S.S. Abraham Lincoln, a polaris submarine, completed
1970 Boardwalk Centennial Parade held in Atlantic City, New Jersey
1971 Central Chile rocked by an earthquake
Explorer 44, U.S. sun-study satellite, launched

July 9th

Feast of St. John Fisher of Rochester
Feast of St. Thomas More
518 AD Anastasius I, Roman emperor, died
551 Beirut, Syria, destroyed by an earthquake
1386 Swiss defeated Austrians at Sempach
1497 Vasco Da Gama set sail to find a sea route to India
1552 Treaty of Passau signed
1575 Queen Elizabeth I of England arrived at Kenilworth Castle for a very expensive 19-day vis
1578 Ferdinand II, Holy Roman Emperor, born
1584 Prince William the Silent of Orange assassinated (Holland)
1706 Pierre d'Iberville, colonizer of Louisiana, died
1727 St. Veronica Giuliani died (Feast Day)
1755 Braddock and his troops ambushed by French and Indians at the Battle of the Monongahela
1764 Rhode Islanders at Newport seized Ft. George and fired on H.M.S. Squirrel
1776 Declaration of Independence read to colonial troops at New York; they tore down a statue of King George III in celebration
1778 Ratification of the U.S. Articles of Confederation began
1797 Edmund Burke, English statesman, died
1807 Treaty of Tilsit completed (France, Russia, and Prussia)
1816 Argentina proclaimed its independence from Spain (Argentine National Day)
1819 Elias Howe, sewing-machine inventor, born
1828 Gilbert Stuart, artist, died
1832 First Commissioner of Indian Affairs appointed
1835 Tomas Palma, first President of Cuba, born
1850 Zachary Taylor, U.S. President, died
400 buildings in Philadelphia destroyed by fire
1874 Abraham Lincoln Memorial Tower of Westminster Bridge Road foundation laid (London)
1878 Corncob pipe patented by Henry Tibble
H.V. Kaltenborn, broadcaster, born
1893 Boundary between Guatemala and Honduras set

July 8

Religious Calendar

The Saints

St. Aquila and **St. Prisca.** Prisca also called **Priscilla.** [d. first century]

St. Procopius, martyr. [d. 303]

St. Kilian, bishop, **and his companions,** martyrs. [d. c. 689]

Birthdates

1478 **Giangiorgio Trissino,** Italian writer, scholar; protègè of Popes Leo X, Clement VII, and Paul III; urged the standardization of Italian language, made up of parts from various Italian dialects. [d. December 8, 1550]

1621 **Jean de La Fontaine,** French poet, fabulist; created 12 volumes of fables, 1668–94. [d. March 13, 1695]

1838 **Count Ferdinand von Zeppelin,** German soldier, aeronautical engineer; responsible for construction of first rigid-bodied airship, 1900. [d. March 8, 1917]

1857 **Alfred Binet,** French psychologist; with Thèodore Simon, developed standard for measuring degrees of intelligence (**Binet** or **Binet-Simon** test). [d. October 18, 1911]

1867 **Käthe Kollwitz,** German printmaker, sculptor, etcher, and painter. [d. April 22, 1945]

1887 **Hermann Rauschning,** German statesman; noted for his strong anti-Nazi stance during World War II; immigrated to the U.S., 1942; author of *The Revolution of Nihilism* and other anti-Nazi works. [d. 1982]

1892 **Richard Aldington,** British novelist, poet. [d. July 27, 1962]

1895 **Igor Yevgenyevich Tamm,** Russian physicist; Nobel Prize in physics for discovery of **Cherenkov effect** in which radiated electrons accelerate in water to speeds greater than that of light in the same medium (with P. A. Cherenkov and I. M. Frank), 1958. [d. April 12, 1971]

1898 **Alec (Alexander Raban) Waugh,** British novelist; brother of Evelyn Waugh. [d. September 3, 1981]

1899 **David E(li) Lilienthal,** U.S. government official, lawyer; director of the Tennessee Valley Authority, 1933–45, seeing it become the largest producer of electricity in America; Chairman, Atomic Energy Commission, 1947–50. [d. January 15, 1981]

1906 **Philip (Cortelyou) Johnson,** U.S. architect, theorist; developer and proponent of **International Style** of architecture.

1908 **Nelson Aldrich Rockefeller,** U.S. politician; Governor of New York, 1959–73; U.S. Vice-President, 1974–76. [d. January 26, 1979]

1913 **Walter Francis Kerr,** U.S. journalist, playwright, drama critic for *New York Herald Tribune,* 1951–56; *New York Times,* 1956– .

1917 **Faye Emerson,** U.S. actress; noted for her starring film roles during the 1940s; one of the pioneers of early television; hosted a late-night interview show which set precedent for later shows of the same type. [d. March 9, 1983]

1933 **Marty Feldman,** British comic actor. [d. December 2, 1982]

Historical Events

1497 **Vasco da Gama** leaves Lisbon on his voyage to India during which he discovers the **Cape of Good Hope.**

1709 **Battle of Poltava** is a resounding victory for **Peter the Great** over **Charles XII** of Sweden and marks Russia's emergence as the dominant power in northern Europe (**Great Northern War**).

1853 U.S. Commodore **Matthew Perry** and his fleet arrive at **Edo Bay** with first formal bid for trade and diplomatic relations with **Japan.**

1859 **Oscar I** of Sweden dies and is succeeded by **Charles XV.**

1889 Last bare-knuckles championship **boxing** match is staged between **John L. Sullivan** and **Jake Kilrain.** Kilrain is defeated after 75 rounds.

Fragmented China?

Some Analysts Suggest Peking's Power Fight May Shatter Country

Struggle Could Lead to Many Pockets of Strength, Not Victory by Single Faction

Nationalists' Role Is Debated

By HENRY GEMMILL
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — China may be breaking into fragments.

A world that has never felt comfortable seeing two Chinas, the roaring Red one on the mainland and the stubbornly Nationalist one offshore — a world that has argued endlessly about which China is "real" — may before long be dazed by three, six, or more than a dozen Chinas.

This analysis and forecast cautiously offered, startling in its implications, is gaining currency among senior sinologists and high officials of the U.S. Government. The theory begins with what everybody knows: The small group of Communist leaders who for 17 years have ruled roughshod over a fifth of the globe's population is now engaged in frantic intramural struggle, Mao clique vs. anti-Mao clique. But the theory goes on to doubt what most casual spectators have supposed: That one clique or the other will win, and win all. Instead, by this analysis, the little cliques have unleashed massive forces that none can surely control; disintegration of the nation is already far advanced and perhaps beyond the point of return.

What would the fragments look like?

One can imagine each of the Red regime's six administrative regions withdrawing to a clear-cut independence behind its neat boundaries—but so precise a pattern is deemed unlikely. More tempting, looking back at China's historic times of trouble, is the image of rising local "warlords"—autonomous bullyboys, each bossing some realm measured only by muscle. Yet historic patterns are not likely to be precisely repeated.

Pockets of Power

One China-watcher (admittedly not a neutral one) who firmly predicts the Reds' mainland empire will be in fragments before this year is finished is Chow Shu-kai, who is ambassador to Washington from the Nationalist government that has been waiting it out on Taiwan. He pictures a mainland that will be divided into "pockets" — with oddly different things squirming in various pockets. One pocket might be run by peasants, violently anti-Communist, after a revolt and a land grab from the communes to regain individual farming plots. Ninety miles away some army general might rule his roost, without regard either to Peking authority or local popular desires. So says Ambassador Chow. Presumably there would be Communist pockets, too—Mao Communist pockets, anti-Mao Communist pockets, anti-both-of-'em home-style Communist pockets.

Ambassador Chow deserves attention not merely because he agrees 200% with the more tentative broken-China speculations of key American officials, but because he and the government for which he speaks intend to do something about it. The idea of the Nationalists to return from Taiwan to the continent, which appeared hardly more than a propaganda myth so long as Red rule unified the vast mainland, now may be viewed as not entirely mythical.

The ambassador says it is reasonable to assume that with some behind-scenes dickering and encouragement the folks in at least one of the prospective pockets will invite the Nationalists to come on in. It's hoped it will be a coastal pocket, he adds; quite likely it will be somewhere in south China, birthplace of Chinese revolutions. And with luck the entry will be peaceable; it may be symbolized by air delivery of a single emissary of Chiang Kai-shek. But the invitation might easily be a cry for help against a hostile neighboring pocket or local guerrillas — to which the Nationalists would willingly respond with troops, guns and tanks, the ambassador says.

U.S. Analysts Dissent

It is at this point in the analysis that the U.S. Government's China-watchers split away. As one of them says flatly, the Yankee calculation is that the mainlanders have no yearning whatsoever for Chiang & Co.; the Taiwan regime will wait in vain for any invitation—and, anyhow, it would have to borrow American boats to move any substantial force to the continent. This much is clear: When and if the Taiwan government, which the U.S. legally recognizes as the rightful ruler of all China, does conclude that the moment has come—then the U.S. could face a fateful decision as to whether to help or hinder.

With memories of the Bay of Pigs still sharp and painful, the U.S. shrinks from the faintest idea of sponsoring any expeditionary intrusion on what has been Communist turf; the Nationalist Chinese understand this and avoid pressing for any American policy decision now—since the time is not ripe and by their own most optimistic figuring the need to resort to force may never arise.

All speculation about the future is chancy; the American China-watchers freely entertain other theories competing with the forecast of fragmentation; they by no means exclude the possibility that either the clique of party Chairman Mao or the rival crowd of President Liu Shao-chi—or some third force such as army generals exasperated beyond endurance —may wind up running a nation battered but still held together by baling wire. "Nobody can know," says one official.

Yet veteran observers seem sure of one thing: The doctrine of disintegration and fragmentation does seem to fit trends observable in China right now—seemingly with less strain than the idea that either faction of the old Red hierarchy is on the way to victory. Fourteen months after the U.S. experts first identified the dispute, and despite steadily increasing frenzy, neither clique has got hold of the steering wheel; there is not even a coherent civil war. Instead there is increasing

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Fragmented China? Peking's Power Fight Could Shatter Country

Continued from Page One

chaos, and the wall posters in Peking report struggles not in a national arena but province by province, town by town.

"It's pathetic to hear Peking asking for 'unity' from the provincial radio stations that are supposedly backing Mao; they ignore it and broadcast as they please," says one watcher.

Peking radio has been plaintively specific in saying that enemies of Mao are attempting to establish "independent kingdoms" in such provinces as Shansi, Kwangtung and Hupei. A multitude of local reports depict intercity rail traffic down to a fraction of former flow, docks deserted by stevedores so ships wait weeks to unload cargo, city folk who had been drafted to work as peasants now streaming back uncontrolled to the towns, local banks pouring money out of their vaults in disregard of Peking instructions and bloody clashes in provinces remote from the capital.

Mao has told the army to protect "revolutionary rebels" (the kids on his team), but an army commander can have trouble sorting them out. Many a clash involves groups equally adept at claiming the thoughts of Mao inspire their every act; so the army has at times supported what turned out to be the "wrong" side.

Protection and purification via the army slips into further unreliability because military loyalties are split and disguised, too; when troops bumble into rubbing out pro-Mao Reds, it can be accidental-on-purpose. And experts say it's possible some army units will divide into factions and spend their time fighting each other — probably not in full-scale civil war but in unrelated small skirmishes yielding still more anarchy.

It seems clear to observers that the nation is losing to local groups even its grasp on foreign policy. Free-lance Red Guards long delayed Portugal's effort to settle a controversy in Macao, its trading port at the edge of China. There is no indication that either faction in Peking wanted to eliminate this tiny colony, which brings in some $20 million yearly for China. But the local Red gang pushed roughouse tactics, and even Chinese officials in nearby Canton were too preoccupied with their own problems to try getting the Macao trouble-makers under control. For survival, the Portuguese administration in Macao has finally been forced to agree not only to big cash payments but to making a public apology to Red rioters.

How Did It Happen?

So China is already suffering acute fragmentation, regardless of whether it will prove chronic. How could a fiercely totalitarian society fall into such impotence?

A selection of explanations is offered by the experts. What follows is a sampling, less than exhaustive:

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One analyst suggests, rather charitably, that perhaps 750 million people are just too many to make a manageable nation — under any leadership, any form of government. Maybe the Kremlin crew would find their Russian-style revisionist communism unworkable if they had to manipulate not 234 million Soviet citizens but more than thrice that number. Maybe Lyndon Johnson would discover Democratic capitalism failing if he had to coax a consensus not from 198 million Americans but from nearly four times that number.

Another suggests, rather maliciously, that the industrious and intelligent Chinese could have thrived under nearly any system of government except for idiotic blunders by the handful of men who have held the reins. If they had not wasted scarce engineering talent on a megalomaniac quest for atomic weapons, to cite just one example, how many fertilizer plants could have risen to help grow food for how many hungry bellies?

At any rate, disaster and disillusion accumulated, until the somewhat rubbery "democratic centralism" practiced by China's ruling Communists could no longer stretch enough to accommodate growing factionalism. Mao, who fancied himself the peer of Lenin, became a minority voice in his own regime. But the majority did not ditch him—partly because he had been made a living god, but also because rival ambitions for grasping the central power prevented agreement on a strong successor and because provincial party chieftains were developing a distaste for strongmen in Peking.

Unleashing the Mob

To escape the deadlock, Mao then made a decision that some observers characterize as setting the nation irreversibly on the road to fragmentation. He turned outside the tight little rank of rulers—to enlist and unleash the mob. Though his choice of teenagers as the core of his terrorist Red Guard may well have been tinged with romantic notions of keeping revolutionary zest aflame in the rising generation, mere cold-blooded calculation could sufficiently account for it: He dared not trust anyone old enough to remember pre-Communist days; only the youngsters whose entire lives had been pounded with his propaganda would act as fanatic robots.

And they did. But high associates opposing him countered by unleashing the peasantry—the traditional hammer that has cracked dynasties at least every few centuries throughout Chinese history. And Mao's foes also unleashed the new masses of urban adults, the industrial proletariat, plus the managerial class—non-Communist or only nominally Communist—that had been keeping factories, finance, transport and much of the military machine running with some rationality. Once the leash was unsnapped, any contending blocs could far outrun the intentions of any faction of Communist rulers—in blind passion or deliberate sabotage.

If it does run the full course, the fragmentation of China will not be a pretty thing, by anyone's analysis. A multiplicity of Chinas did not make for good living when the warlords ruled early in this century; today there are about twice as many Chinese mouths to feed, twice as many Chinese bodies to clothe. This planet's largest aggregation of humanity seems to be hurtling toward fresh agony.

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Political Futures

White Middle Class May Still Tip Balance In Elections in the '90s

With Attention Spans Briefer Than a TV 'Sound Bite,' Don't Look for Substance Who Counts on Hard Times?

By James M. Perry
Staff Reporter of The Wall Street Journal

Scenario No. 1:

WASHINGTON—Privately, Bill Bradley had always believed it would take an economic crash to put the Democrats back in the White House. When unemployment hit 10% late in 1991, he knew he had a shot at the presidency.

In the 1992 campaign, he ran hard against President Bush on a theme of economic revival. "Let's make America No. 1 again," he kept telling crowds of worried Americans.

It worked. White middle-class voters who had deserted the Democrats in the '80s came flocking back. Important to the Bradley victory, too, was the candidate's convincing support for a strong national defense, tough law enforcement and a costly effort to clean up the environment. Once again, the Democrats retained control of both houses of Congress.

* * *

Scenario No. 2:

WASHINGTON—Even Dan Quayle was surprised, but the good times that had begun in President Reagan's third year in office just kept rolling in the eight years of George Bush.

In the 1996 campaign, Mr. Quayle, his hair gray and his voice an octave lower than it had been eight years earlier, pointed to the Republican administration's undisputed success in managing the economy. Indeed, the budget deficit, once thought to be an insoluble problem, had slowly melted away in the placid Bush era. Unemployment never exceeded 5%, inflation leveled off at 3% and short-term interest rates held steady at 6%.

It worked. With the Democrats once again unable to nominate a centrist candidate—they turned to a liberal supported by Washington's Mayor, Jesse Jackson—Mr. Quayle swept 45 states. Republicans won control of the Senate but once again couldn't capture the House.

* * *

Chances are, neither of these scenarios will be borne out by events. Predicting the course of American politics is a loser's game. Still, certain broad, persistent forces suggest the directions American politics may well take as the next millennium draws near.

With the political parties now deadlocked—Republicans firmly in control of the White House, Democrats entrenched in the Congress—the battle for political ascendancy will be waged for the allegiance of the white middle class. The status of the economy will be vital: good times equaling GOP opportunity, bad times opening the door to the Democrats.

Finally, the battle will be nasty and negative, waged in the clutter of shorter and shorter "sound bites" on more and more TV channels. To be heard, everybody will have to shout.

THE SECOND CENTURY
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THE WALL STREET JOURNAL

PART OF A SERIES ON FUTURE ISSUES AND TRENDS PUBLISHED IN THE JOURNAL'S CENTENNIAL YEAR

Political consultant Douglas Bailey has seen the future—and he is appalled. Mr. Bailey founded the Hotline, a computerized compilation of print and TV stories about politics and government, which is fed daily to political junkies. "On the average, Americans watch TV seven hours a day," he says. "That hasn't changed much—but the content of what Americans are watching is undergoing dramatic change. Sit down in front of cable TV for a day and see what's happening. It's sex and violence. It's slam and smash. It's professional wrestling and Morton Downey Jr. It assaults the senses. . . ."

It is already affecting the network news divisions, Mr. Bailey believes—diminishing the influence of their programs and altering their coverage. "With the cable competition, they have to be entertaining, too. Sound bites went from 45 seconds to 20 seconds. Now it's seven or eight seconds. You've got to move. Speed. Action. Confrontation." Small wonder, then, that political campaigns—increasingly manned by young consultants in their 20s and 30s—run slam-bang negative ads. "People expect it," says Mr. Bailey. "That's what works."

More than 50% of American households already have cable TV, and it won't be long before nearly everybody is wired. With dozens of channels from which to choose, politicians will be able to target their TV ads as they target their direct mail. They can reach kids on MTV, the rock-video channel; evangelical Christians on the Family Channel; environmentalists on the Discovery channel. The possibilities are endless.

On the surface, the Democrats appear to be in the worse position to deal with this political New Age. Indeed, they haven't done so hot in the old one. Having lost five of the past six presidential elections, they seem content to wait for the Republican crash that would propel them to the White House.

"What they [the Democrats] need is a

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Political Futures: White Middle Class and Economy Will Tell the Tale for the Two Parties in the 1990s

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really good Republican recession," says A. James Reichley of the Brookings Institution. Says William Schneider, a political analyst at the American Enterprise Institute: "There's nothing wrong with the Democratic Party that 10% unemployment won't cure."

Perceived Defects

But the Democrats need more than that. They need basic changes in the way they do business. They need a credible leader. William A. Galston, a professor of public affairs at the University of Maryland, says, "Over the past two decades, at least at the presidential level, too many Americans have come to see our party as inattentive to their economic interests, indifferent if not hostile to their moral sentiments and ineffective in defense of their national security."

Yet, opportunity surely does beckon. If the Democrats could reorder their house, if they could nominate a middle-of-the-road candidate, they could win, maybe even without a hair-curling GOP recession. "The future bodes well for the Democrats," says GOP pollster Vincent J. Breglio.

It is a different situation for the Republicans. Ronald Reagan came to Washington with a conservative agenda, saw much of it enacted in his first term and when his time was up went home to California with the nation's good wishes. Mr. Bush doesn't claim to have come to office with an agenda of his own.

It is time for the Democrats to set their own agenda. Michael Dukakis had a chance to do that in 1988 as their nominee for president, and he blew it. The theme John Kennedy used so successfully three decades ago—"Let's get America moving again"—is waiting for Democrats now.

'Party of Growth'

"Economic populism is a strong issue for the Democrats," says the Republicans' Mr. Breglio. Ted Van Dyk, a Democratic theorist, doesn't disagree: "The first thing, we must identify our party as the party of economic growth."

It is the way Democrats can appeal to the white middle class, where the battle for political primacy will be fought between now and the year 2000. Trouble is, the Democrats remain so divided that once again they may not be able to take advantage of their opportunities.

They have a major question to resolve: Where should they look for more votes? The party's heart tells it to stake its future on the have-nots, registering and trying to turn out large numbers of black and other minority voters. But it also knows that the route back to power lies with the middle-class majority—voters who have been deserting it on the presidential level.

The foremost advocate of the first course, the Rev. Jesse Jackson, argues in essence that white working-class and middle-class voters who switched to Mr. Reagan in 1980 and 1984, and in somewhat fewer numbers stayed with Mr. Bush in 1988, are beyond reach.

Going for the Unregistered

"Democrats have a better shot with unregistered, indifferent voters than they have with registered voters who already have an opinion," says Willie Brown, the speaker of the California Assembly and an ally of Mr. Jackson most of the time. "First of all, I'd register every unregistered person with an ethnic background," he says.

That view is disputed by other Democrats, for the most part white and middle class. They point to a study by political analyst Ruy A. Teixeira showing that even if blacks and Hispanics had turned out in much larger numbers than they did in 1988, Gov. Dukakis still would have lost the presidential election.

Mr. Dukakis's problem, says Mr. Teixeira, wasn't turnout, it was "his overall level of support among the population." He sees little evidence that Democratic registration drives have had much effect.

"Upper-middle-class white liberals and minorities don't make a political majority," says Mr. Schneider, the political analyst. "The Democrats need the white middle class."

With a pragmatic, hold-the-line president in the White House, Republicans can only hope the Democrats continue to dither, and that their nominating process, which favors liberal activists, continues to produce candidates who can't be elected.

With nominees like Gov. Dukakis, the GOP's sophisticated media regiments can be rolled out again to blast the Democrats for their views on family values, defense, patriotism. "It is an artificial way to maintain the old cohesion of the Republican coalition," says Kevin Phillips, the GOP theorist. "It is totally phony, and it may not work a second time." But that doesn't mean Republicans won't try.

"Our biggest fear," says Mr. Breglio, the GOP poll taker, "is that the Democrats surface with a leader who is able to capitalize on the theme of economic populism and at the same time avoid the special-interest commitments that so often wreck Democratic candidates."

To become truly the nation's dominant party, the GOP must retain the White House and find ways to defeat incumbent House Democrats. With Democratic disarray and a strong Bush-Quayle performance, they may extend their White House lease, but there is no sign they know how to seize Congress. Trivia question: Who was the last GOP speaker of the House? Answer: The late Joe Martin of Massachusetts, in 1953 and 1954.

Along Came Watergate

The Republicans showed signs of ascendance in the 1960s. The time for realignment was actually at hand in 1972. Democrats already had begun to switch—Gov. Mills Godwin in Virginia, for example, and John Connally of Texas. White House lobbyist William Timmons carried a little black book full of names of Democratic officeholders ready to change parties in 1973.

Then came Richard Nixon's Watergate, and hopes were dashed. "The Republicans had their chance," says Mr. Phillips, whose 1969 book "The Emerging Republican Majority" was the GOP strategic bible. Now, he says, "it's too late." That view isn't shared at the National Republican Congressional Committee or the Republican National Committee, where intense efforts are under way to win more House seats.

The challenge is staggering. In 1988, only six of 408 incumbents who sought re-election to the House were defeated, and most of the losers were ensnarled in ethics problems. The moral: House members get re-elected unless they are in prison or on the way there.

Incumbents insulate themselves with big bank accounts fed by political-action commitees, through servicing constituents and by backing away from controversies that stand to lose them votes back home. The system isn't particularly conducive to statesmanship.

Campaigning is becoming increasingly sophisticated, also shallower and rather shabby. By most accounts, things are likely to get worse. The TV clutter means that the shelf life of ideas is reduced and people are less durable. TV treats a subject briefly—assault weapons, to cite a recent example—and then moves on. People make up their minds faster, then change them readily.

Most of all, says Mr. Bailey, the Hotline publisher, "people get bored faster."

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MILESTONES

1882 - Charles H. Dow and Edward D. Jones form a financial news agency in New York City. They are joined early on by a third partner, their former colleague at the Kiernan News Agency, Charles Bergstresser. Since Dow Jones & Bergstresser didn't sound quite right, the partners agreed to call their firm Dow Jones & Company.

1883 - Dow Jones & Company begins publishing The Customers' Afternoon Letter, a precursor to The Wall Street Journal.

July 8, 1889 - The first edition of The Wall Street Journal, a four-page afternoon newspaper, selling for two cents a copy, is published. Charles Dow is its first editor and the paper features his innovative "Average" of 11 stocks.

1898 - A morning edition of The Wall Street Journal is introduced, to complement the evening edition. Subscription price for each issue is $8 a year. Circulation will exceed 10,000 by the turn of the century.

1902 - Clarence W. Barron, a financial journalist and publisher, purchases Dow Jones & Company. His wife, Jessie, takes an active role in managing the company.

1922 - Kenneth C. "Casey" Hogate, a young newsman who attended DePauw University in Greencastle, Ind., is named managing editor of the Journal a few years after he is hired. He later becomes chairman and chief executive officer of Dow Jones.

1929 - Twenty-year-old Bernard Kilgore, another DePauw graduate, is hired by Casey Hogate as a copy editor in New York. Barney, who would always refer to himself as a newspaperman, would go on to be a reporter, Washington correspondent, political columnist, managing editor, general manager, president of Dow Jones at age 36, and later chairman. He changed the Journal from a small financial newspaper into the country's only national daily.

Oct. 21, 1929 - The Pacific Coast Edition of The Wall Street Journal begins publication in San Francisco and Los Angeles, a week before the October stock market crash. In the ensuing Depression, Journal circulation will fall to 28,000 from 50,000.

1934 - The evening edition is discontinued and an improved morning edition sees the birth of the popular What's News column on page one.

(more)

1941 - Barney Kilgore is named managing editor, succeeding William H. Grimes, who becomes editor. Kilgore will shape the paper's present-day approach to reporting and writing business and general news: Business news isn't just financial information, Kilgore believes, it is also everything related to earning a living, including trends and issues that shape society. He envisions a newspaper that serves a national audience in which a reader in Portland, Ore., has the same information needs as one in Portland, Maine.

Dec. 8, 1941 - The day after the bombing of Pearl Harbor, the Journal runs its first and only page-wide banner, a three-line headline over stories detailing how the nation would gear up for war.

1942 - William Kerby is named managing editor of the Journal. He will become chairman of Dow Jones in 1972.

1947 - Journal circulation reaches 100,000. Warren H. Phillips, present chairman of Dow Jones, is hired by the Journal as a copyreader.

1948 - The Southwest Edition of The Wall Street Journal is published in Dallas.

1951 - The Wall Street Journal's Midwest Edition, its fourth regional edition, is published in Chicago.

1953 - The Saturday edition of the Journal is discontinued.

1957 - Warren Phillips becomes managing editor of The Wall Street Journal.

1958 - Vermont Royster is named editor of the editorial page.

1962 - The Journal plant at Riverside, Calif., produces the first regularly and commercially printed facsimile newspaper in the nation.

1966 - The Journal's paid circulation figure passes the one million mark.

1972 - Warren Phillips is named president of Dow Jones and William Kerby chairman.

1974 - A page of the Journal's Eastern Edition is transmitted from a makeshift earth station in Chicopee, Mass., to South Brunswick, N.J., via a satellite 22,300 miles above the Atlantic, a first for any U.S. newspaper.

1974 - Selected Journal stories are published electronically by Dow Jones News/Retrieval.

1975 - An entire edition of the Journal is sent by satellite to Orlando, Fla., from Chicopee. The Orlando newspaper printing plant is the first in the world built to operate exclusively via a communications satellite transmission system.

Sept. 1, 1976 - The Asian Wall Street Journal -- the first edition published outside the U.S. -- starts up in Hong Kong.

1979 - The Journal becomes the largest-circulation U.S. daily. The Journal also starts its own private delivery system, the National Delivery Service, Inc., which today handles more than 50% of subscriptions.

June 23, 1980 - The Journal begins publishing in two sections.

1981 - The Journal's circulation rises to two million.

Jan. 31, 1983 - The Wall Street Journal/Europe is launched.

May 20, 1985 - The Journal introduces The Wall Street Journal Reports, in-depth coverage of specific subjects, in tabloid-size format.

1986 - A Times Mirror/Gallup poll finds the Journal to be the country's most trusted publication.

1987 - The Journal launches demographic advertising to better target local markets.

Oct. 3, 1988 - The Journal begins publishing in three sections.

1989 - The Wall Street Journal celebrates its centennial year.

#

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FOR AFF - SOVIET, GEN (CIA)

To George Bush, Seeking Presidency Seems Almost a Duty

DEF - WEAPONS

Conservative Views and Sense Of Noblesse Oblige Drive The 'Former Everything'

P.1 PARTIES - REFUS.

By James M. Perry

Staff Reporter of The Wall Street Journal

GREENWICH, Conn. – "Poppy" had come home to the Greenwich Country Day School 50 years after he finished its first grade.

"Those who go to fine private schools like this," he told the graduating ninth-grade class of 34 boys in blue blazers and white ducks and 36 girls in long white dresses, "have a disproportionate obligation to put something back into the system."

"Poppy" is George Bush, a 55-year-old man with a deep sense of noblesse oblige and a strong desire to win the Republican presidential nomination. "Bar" is his wife, Barbara. "Gam" is his mother, the redoubtable widow of U.S. Sen. Prescott Bush. "Pressy" is one of his brothers. "C. Fred" is the family cocker spaniel.

"Poppy" Bush—he picked up the nickname when he and "Bar" had their first child—carries the tattered flag of what is left of the old Eastern establishment of the Republican Party. But unlike his predecessors—men like Thomas Dewey and Nelson Rockefeller, even old Prescott Bush – George Bush is no liberal, not even a moderate. He is running pretty much as a standard conservative, which is one reason his staff thinks he has a shot at the nomination.

Skull and Bones

Socially and culturally, though, he is a splendid example of the old Eastern WASP establishment. The credentials are impressive: Country Day, Andover, youngest pilot in the Navy, Yale (where he was Phi Beta Kappa, Skull and Bones, captain of the baseball team and president of the senior class).

The young, nonestablishment members of his staff are slightly in awe and a little nonplussed by their candidate's background of old wealth and easy social grace. They look at that background, if not at "Poppy" himself, as one might look at a relic in a museum.

"I wish somehow we could get away from all of this 'Poppy' business," says one of Mr. Bush's principal aides. "The old WASPs that used to run this party are a burned-out elite. The first thing we should do in this campaign is get rid of everyone who calls our candidate 'Poppy.' "

Mr. Bush makes no apologies for his sense of noblesse oblige. "Listen," he says, "I believe in it. It was inculcated in me by my father. My kids believe in it. Maybe it has eroded in this country, but with me and with my family it is traditional."

Anyway, Mr. Bush argues, he isn't a typical product of the old Eastern establishment. "I'm not living off my inherited wealth. I left the East and went to Texas and founded my own (oil-equipment) company. I built what I have. Of course I had some help. Basically, though, I did it on my own."

And he says he knows he can't win the nomination with people who call him "Poppy."

"Listen," he says, "I know the old WASPs don't swing much weight in the Republican Party these days."

His chief problem seems to be that people—including people close to the candidate himself—wonder if he has enough to offer in the way of solutions to the nation's problems or much idea of just what he wants to do as President.

In his declaration of candidacy, back on May 1, Mr. Bush said he wasn't promising "a new deal" or "a new foundation." What he was offering, he said, was "a new candor." His own aides mutter privately that it isn't a very striking theme.

He hasn't been forceful in outlining his positions on the major issues facing the country, and admits it. "There is room for improvement," he says. "I will pull the issues together a little tighter this summer. I will come out in the fall with specific position papers—but I will not make up a list of 400 promises. Jimmy Carter did that, and it has become a problem for all of us."

David Keene, Mr. Bush's field director, has a theory to explain his candidate's caution in dealing publicly with issues and themes. Mr. Bush is the former-almost-everything—former member of Congress (two terms, from Texas), former envoy to Pe-

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king, former ambassador to the UN, former CIA director, former Republican national chairman in the darkest Watergate days. He performed all of those jobs with ability, if not always brilliance.

"In most of the jobs George has had, he couldn't speak out with candor; he was required to be discreet," Mr. Keene says of his boss, who no longer holds any government post. "We're just getting out of that now. George has got to tell people what he really thinks."

So far, because of his background, Mr. Bush has been speaking almost entirely about foreign policy, even though polls show that only 3% of the Americans rate foreign-policy questions as critical to their personal concerns.

The year he spent as head of the Central Intelligence Agency was an intense, even "searing," experience, according to people close to Mr. Bush. He says his CIA assignment fortified his belief that the Russian challenge is dangerous.

What he says now about foreign policy is generally tough and conservative.

Against SALT

He opposed the Panama Canal treaties, and now he opposes the SALT II treaty with the Soviet Union.

"Can we catch the Soviets if they try to cheat?" he asks. "The answer," he says, "is ominous for the United States. The fact is that under this treaty we are virtually unable to monitor whether the Soviets comply with its terms. . . . When it comes to verification of SALT II, Jimmy Carter will ask us to trust the Soviets as he once asked us to trust him. But I say . . . that a treaty that cannot be verified tomorrow shouldn't be ratified today."

If the Senate rejects the treaty, Mr. Bush says he believes the United States and Russia will return to the bargaining table, "where they can hammer out an agreement that is acceptable to both sides." Anyway, he says, the Soviets already are spending all they can for defense—they've "pushed the throttle to the fire wall"—so they can't escalate the arms race much more.

He deplores the cancellation of the B1 bomber and the decision not to build a big nuclear aircraft carrier. He wishes the U.S. had more tanks, and he favors speedier deployment of the MX missile and a full go-ahead on the neutron bomb. He attacks the Democrats for "slashing" the defense budget. Minutes later, he decries government spending and calls for a big tax cut and a limit on the growth of the federal budget (though he opposes a constitutional amendment to balance the budget).

"What are you for?" a retired farmer asked Mr. Bush at a coffee session in an old farmhouse in Hollis, N.H. "I'm for a strong country and a sound free-enterprise economy," he replied.

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For a Tax Cut

Pressed harder, he says he's for limits on the growth of the federal budget, a sharp reduction in government regulation of business, a phase-out of some of the social programs dating to the Kennedy-Johnson years, a supply-oriented energy program including oil-price decontrol and a "windfall-profits" tax with a strong "plowback" provision to encourage oil development, and a sharp tax cut to move the economy forward.

A curious fact is that although the cost of energy—and its availability next winter—is the single most pressing concern to New Englanders, almost no one during a recent New Hampshire trip asked Mr. Bush what he would do about it.

In his only important recent speech about domestic policy, he said that "the United States must devise an emergency energy program as broad in concept and grand in scale as the landing on the beaches of Normandy." He said the President "should convene a domestic summit conference that brings together leaders of government, of industry, of academe, of consumer interests, of farming and others," and they should work out solutions.

Chief Foe: Baker

As for New England, he favors—if anyone should ask—a regional petroleum reserve of 20 million barrels of oil as insurance against another oil embargo and immediate enactment of legislation giving tax credits for wood-burning stoves and furnaces.

Mr. Bush says he needs more time to develop detailed positions on the issues, and of course he's still far behind in the race. But, he promises, "I will always be working harder than anyone else. I want to be President more than anyone else."

As voters begin to focus on the election, he expects them to discover that Ronald Reagan is too "old," former Texas Gov. John Connally too "slippery," Kansas Sen. Bob Dole too "mean," Rep. John Anderson of Illinois too "liberal" and Rep. Philip Crane, also of Illinois, too "conservative." That will leave Mr. Bush . . . and Sen. Howard Baker of Tennessee. Mr. Baker, the Bush people concede, is the man they're competing against most directly.

"Poppy" Bush admits it's a long road. But he says he has the organization. He seems to have enough money. He has that sense of duty instilled in him by his father and by his teachers almost half a century ago at the Country Day School. "The strategy is clear," he says. "Now I have to show something."

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ALBERT R. HUNT
WASHINGTON BUREAU CHIEF

June 16, 1989

Mr. Bob Simon
Old Executive Office Building
Room 111
Washington, D.C.

Dear Bob,

Here's basic background material for next Thursday's dinner. Also enclosed are three of the Centennial front-page pieces we did -- a good representative sample. Also for your information, two other pieces, one, a twenty year old piece we did on China's breaking up into thousands of little pieces which has kind of been a satire of the Journal's tendency to sometimes overreach; maybe it was prophetic after all. Two, a piece that Jim Perry wrote ten years ago, in which he first told the world about the President's nickname "Poppy." Bush has teased Perry about it ever since.

Best.

AR

P.S. Call this afternoon if I can help anymore.

THE WALL STREET JOURNAL.

For Immediate Release

Contact: Taggarty Patrick (212) 416-2616

LEADING THE WAY IN NEW TECHNOLOGY

The Wall Street Journal grew from a small, rather provincial financial newspaper serving lower Manhattan to the first national daily paper in the U.S. by being a technological innovator as well as a publisher of quality journalism.

Today, aided by its pioneering efforts in the use of satellite technology, the Journal produces more than two million copies of the newspaper daily at 18 locations in the U.S. In addition, five plants overseas print the Journal's sister editions, The Asian Wall Street Journal and The Wall Street Journal/Europe.

After a modest beginning in 1889 and difficult years in the Depression, the Journal grew rapidly after World War II. In 1947 circulation reached 100,000. The paper began printing a Southwest edition in Dallas in 1948 and a Midwest edition in Chicago in 1951, supplementing editions published in New York and San Francisco.

To print papers with nearly identical news content in four different locations was a challenge. But one important breakthrough came in 1953, when Journal engineer Joseph J. Ackell introduced his invention, the Electro-Typesetter. In New York, reporters' stories were retyped onto coded, perforated tape and fed into a "reader," which, in effect, converted the stories into electrical impulses that were sent by telephone lines to Journal plants in Chicago, Dallas and San Francisco. There, the impulses were converted into more perforated tape, which was fed into Ackell's Electro-Typesetter, or ETS. The ETS then activated the keyboards of linecasting machines, which set the stories in type.

Next, in 1962, the Journal pioneered the use of microwave facsimile printing. Using this system, the Journal's composing plant in San Francisco could scan each printed page of the paper with a beam of light and convert the images to electrical impulses. Those impulses were then sent by coaxial cable and microwave transmitters to a printing plant in Riverside, Calif., where the signal was recorded as a photo negative that was then turned into a printing plate. The result was identical papers in Northern and Southern California.

(more)

But microwave transmission was only economical over shorter distances, and a better way to transmit Journal pages was needed. By the early 1960s, the U.S. was actively launching communications satellites into space, and Dow Jones began examining whether the technology could help produce the Journal. A decade later, on Aug. 30, 1974, a page of the Journal's Eastern Edition was transmitted from a makeshift earth station at its Chicopee, Mass., plant via a satellite 22,300 miles over the Atlantic Ocean to a plant in South Brunswick, N.J. It was the first time a page of a newspaper had been produced using a satellite.

On Nov. 19, 1975, the Journal entered the space age to stay when an entire edition of the paper was transmitted by satellite from Chicopee to a plant in Orlando, Fla. Today, the Journal and many of Dow Jones' other publications are printed in plants connected by a satellite network completely owned and maintained by Dow Jones that permits transmission of a Journal page between plants in 30 seconds. This same satellite technology is used to produce the Asian and European editions.

The Wall Street Journal's tradition of innovation in printing also has led to new information services for Dow Jones, such as Dow Jones News/Retrieval, the company's electronic publishing service. Introduced in the mid 1970s, News/Retrieval is now the nation's leading interactive supplier of business and financial information.

#

slakable thirst for revenues. It will give final approval to the massive, falsely labeled, 'windfall-profits tax.' "

In his conclusion Bartley wrote:

President Carter conceived the brilliant idea of removing price controls on domestic crude oil but taxing away most of the added revenues that he presumed would flow from letting prices rise above the ceilings. The DOE [Department of Energy] bureaucracy found ways, as we noted in this column yesterday, to preserve and expand its power even after decontrol. . . . The oil revenues tax Congress will pass today—again barring some last-minute conversion—will combine with raging inflation to run the American crude oil production industry into the ground. It will solidify OPEC's grip on oil prices, leave us politically and militarily exposed from further dependence on imported oil, drain huge funds out of the savings/profit pool needed to stimulate investment and productivity, and increase the incentives for inflationary money creation. To find a similarly destructive single piece of legislation, you have to hark back to the Smoot-Hawley Tariff, which helped throw the world into the Great Depression.

Carter was so furious at the editorial, a White House aide reported, that he stopped reading the *Journal*.

On election day, November 4, 1980, Bartley wrote "Carter II?" *The Wall Street Journal* had abandoned its long-standing policy of not supporting any political candidate.

Clearly the next president will be severely tested no matter which candidate wins, and there is no guarantee that either could cope successfully. But the tests will be difficult enough without all of the baggage Mr. Carter acquired during his first stumbling term. If he is inaugurated again in January, he will have to deal not only with the nation's problems but with a long list of enervating distractions that would sap his ability to lead and govern.

The following day, in celebration of Ronald Reagan's landslide victory, Bartley concluded his editorial:

The stakes here are enormous; if the Reagan administration fails, the nation will not have this opportunity soon again, and will likely lurch in directions quite the opposite of what Mr. Reagan intends. But the opportunity is equally great. If Mr. Reagan can manage the government and make his policies work, we will look back on Tuesday's election as the start of a new era for the nation and the world.

Reagan's Conservative Attraction

At the end of 1980, Bob Bartley's "Review & Outlook" column promised its readers that with "a bit firmer hand at the tiller [Reagan], the American nation will right itself."

Then, on January 8, just eleven days before his inauguration, President-elect Reagan wrote a lengthy *Journal* essay. He noted that the United States stood alone among industrialized powers "in the adversary nature of the relationship between its government and the business-industrial sector."

Mr. Reagan urged a unity, a collective spirit to overcome this attitude:

> The nation belongs to all of us. To solve our problems we need the help and talent of a wide range of well-motivated Americans. The business and industrial sector has a vital stake in this process and we shall look to it to provide men and women for both short-term government careers and voluntary assignments, to help us put our nation on the proper track.

Bartley's inauguration day message to *Journal* readers was optimistic:

> Today we will start to learn, embarking with Mr. Reagan on a new experiment and a new adventure. He has the ideas and the mandate, and if he can actually bring them to pass and make them work, it will seem one great stroke of dramatic plotting. For if this happens, our 40th Presidency will have been a historical watershed.

The next morning—January 21, 1981—Bartley called on Mr. Reagan to renounce the deal made by former President Carter with Iran:

> . . . bargaining with human lives against money and contracts, has an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

The editorial reiterated Bartley's previous suggestions (which had not been followed) of immediately reducing the difference between investment income, taxed at rates of up to 70 percent, and labor income, taxed at a maximum of 50 percent. It also expressed regret

REET JOURNAL.

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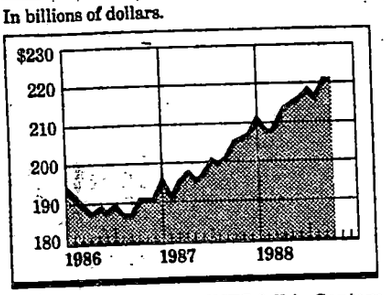

FACTORY SHIPMENTS fell in September to $221.41 billion after seasonal adjustments, from a revised $221.72 billion in August, the Commerce Department reports.

Black Colleges Turn Increasingly White In a Fight to Survive

* * *

Anger Clouds One Campus, But the Cosbys' Huge Gift Cheers an Atlanta School

By RACHEL SWARNS
Special to THE WALL STREET JOURNAL

JEFFERSON CITY, Mo.—Lincoln University was founded here in 1866 by black veterans of the Civil War. Their dream was to educate future generations of black youths in a setting that celebrated black achievement and potential. For about a century, that dream was a reality.

But today, more white students than blacks stroll the hilly, picturesque campus here. Whites have come to dominate the faculty. In recent years, Lincoln has had to cancel some black-studies courses because of a lack of student interest and a shortage of qualified teachers.

Lincoln has become increasingly strapped as black enrollment has declined. Many other black colleges also are suffering, though they hope that actor Bill Cosby's $20 million gift to a black women's college may spur more gifts.

To keep its doors open, Lincoln has had to recruit white students—and it has been successful. Cost-conscious commuters, attracted by the school's convenient location and its tuition, are flocking to Lincoln.

Identity Crisis

But the shift in the racial mix arouses feelings of bitterness in many blacks at Lincoln. "Those black soldiers gave the money they earned to promote black education, and now it's being taken over by whites," complains Mia Marshall, who is majoring in criminal justice. Says Gloria Robinson-Lewis, a gerontology researcher: "I just don't have a lot of hope about the direction Lincoln is going, because I see little historically black influence."

The pressures on Lincoln are part of a much broader pattern. White enrollment at the nation's 104 historically black institutions has been climbing for years. White students first began enrolling in black schools in significant numbers in the 1970s, as schools undertook efforts to desegregate their campuses. In recent years, black schools have looked to white students to fill seats left empty by blacks.

Within the next decade or so, the American Council on Education, a nonprofit advocacy group, predicts that many black

Tax Report

A Special Summary and Forecast Of Federal and State Tax Developments

TAKE YOUR PICK of replacement stock, the IRS tells a theft victim.

A brokerage-firm employee stole stock belonging to a woman we'll call Felicity. The firm reimbursed her in cash at market value—giving her a big gain. Luckily, a victim of an "involuntary conversion" of assets into cash can avoid tax on a gain by putting the proceeds into property similar or related in service or use to the lost property. That generally means similar physically, but for investments, it refers more to factors of risk and management.

Felicity didn't want to have to invest in identical stock, so she asked the IRS if she could broaden her horizons. Now private ruling 8841019 agrees to her request that she be allowed to replace the stock with any publicly traded common, preferred, or convertible preferred of U.S. companies, common of foreign companies traded on U.S. markets, or publicly traded shares of U.S. mutual funds.

For replacing investments, notes Robert Willens of Shearson Lehman Hutton, the IRS doesn't distinguish between securities involving comparable risk and management.

IRS MANAGEMENT needs all the help it can get to collect $1 trillion a year.

As tax revenue nears that sum, a broad study by the General Accounting Office says IRS managers soon must find long-term solutions to critical problems. But to succeed, the GAO adds, the IRS needs support from administration budgeters and Congress. The most urgent challenge is to update obsolete computer systems, the GAO says. Others: to attract and keep better workers and managers, bolster financial-system management, create a work atmosphere of "quality," and control field operations better.

Among many recommendations, the study proposes to create the posts of deputy commissioner for technology and chief financial officer. Noting the IRS's inability to compete with the pay levels of business, the study says something must be done to enable the IRS to hire top professionals and to keep the many senior executives who plan to retire in the next few years.

TAX TREATIES retain some clout that businesses feared they would lose.

The tax bill awaiting the presidential signature provides that neither a tax law nor a tax treaty takes general precedence over the other. If that doesn't seem exciting, well, it's worth two cheers to multinational businesses, says Robert T. Cole, a Washington lawyer. That's because the House bill would have given tax law precedence unless Congress specified otherwise. The result doesn't warrant three cheers, Cole adds, because it appears to weaken the past preferential status of treaties.

Businesses are concerned about not overriding treaties because treaties provide reciprocal benefits; businesses feel Congress worries too much about treaty breaks for foreign investors here and neglects the benefits that U.S. companies gain overseas. Whether a conflicting law or treaty clause takes precedence will be determined now by longstanding rules that account for such factors as which came last.

The bill also requires disclosure on returns when taxpayers take the position

Shaky Mandate

Bush's Clear Victory, Less Than Resounding, Bodes Conflict Ahead

Heavily Democratic Congress Suggests Big Tug of War; Cabinet Takes Shape Soon

Will Darman Get Budget Job?

By JAMES M. PERRY
And GERALD F. SEIB
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — Republican George Bush held on against a late surge by Democrat Michael Dukakis for a clear electoral victory but missed rolling up a massive triumph in the popular vote.

Mr. Dukakis, campaigning finally with fervor, managed a respectable showing by recent Democratic standards, carrying such varied states as New York, Oregon, Minnesota and Wisconsin. With returns still incomplete, it looked as though Mr. Bush would win about 53% to 54% of the popular vote and pile up 350 or more electoral votes. He needed 270. By contrast, President Reagan in 1984 won 59% of the popular vote and 525 electoral votes.

Mr. Bush and his running mate, Sen. Dan Quayle of Indiana, will take office without a mandate or a strong signal that voters are enamored of Republican policies. Those same voters sent another key signal by leaving Congress solidly in the hands of the Democrats. Mr. Bush won this election without any coattails.

George Bush

The Democrats' improved performance in the presidential election—Mr. Dukakis carried more states than the party's standard-bearer in either 1980 or 1984—and their powerful showing in the Congressional elections may force the new administration to move with caution on Capitol Hill.

Although the Democrats avoided the drubbing they had been expecting, they have now lost five of the last six presidential elections.

Mr. Dukakis conceded defeat at his campaign headquarters in Boston at 11:20 p.m., saying he had called Mr. Bush in Houston to congratulate him on his victory. He compared the campaign to the Boston Marathon. "We reached Heartbreak Hill and then we found the strength to make that final kick." The headquarters crowd interrupted him with chants of "'92. '92."

Bentsen's Victory

In Austin, Texas, Mr. Dukakis's running mate, Sen. Lloyd Bentsen, declared the Democratic ticket "waged a campaign that's worthy of the American people. We told you the truth and we stepped up to those issues." Mr. Bentsen was able to manage a celebration of his own: He was easily re-elected to the Senate.

REVIEW & OUTLOOK

Jim Wright's Mandate

The Democrats have a fallback position in terms of national power, if the presidency is lost again for the foreseeable future. Jim Wright, the Speaker of the House, will form basically a congressional government. He will have his own agenda, he will have his own administration, and you're going to see a whole list of issues piled up, many of them resembling the Dukakis campaign.

—Columnist Chris Matthews, former chief aide to Tip O'Neill, in a television interview.

Conveniently, Jim Wright doesn't have to wait until the votes are counted to declare his mandate. None of this business about debating the issues or letting the voters decide anything. These words are written as Americans go to the polls, but the outcome of the House elections are already known. Incumbents win, and their mandate is to do whatever strikes their whim.

The House was meant to be the electoral body most representative of and closest to the people. Instead, it is almost impossible to defeat more than a handful of incumbents. David R. Mayhew, chairman of the political science department at Yale University, says the House is "becoming too impenetrable to be representative." Members of Congress have spent years building an intricate web of laws and practices that virtually guarantee them continued re-election and isolation from voter sentiment. Gerrymandering has dramatically shrunk the number of competitive House districts. While no one has figured out how to gerrymander the Senate, races there are also becoming less and less competitive. Members send out more than a billion pieces of self-promoting mail a year. Challengers can collect only $1,000 from an individual contributor, while incumbents shovel in money from political-action committees paying a genteel form of protection.

"The view of the Democratic leadership is that presidents come and go, but their control of Congress is forever," says former GOP Rep. Fred Eckert. About three weeks ago, Democratic "spin doctors" started to hedge against a presidential defeat by trying to undermine the legitimacy of a George Bush administration. The folks who had savaged Bob Bork, Ed Meese and innumerable other victims started to cry foul. Lloyd Bentsen said a Bush victory could only be the result of "a concentration on negative advertising," for example, and that Congress won't recognize "any kind of mandate" to cooperate with him. "A political honeymoon?" asks one Democratic Congressman. "There won't even be a first date."

Though it might surprise him, a President Dukakis would face essentially the same problem. In Speaker Wright he would not be dealing with a conventional adversary who respects the powers of the executive. Chris Matthews, administrative assistant to then-House Speaker Tip O'Neill from 1980 to 1986, told us that Jim Wright is a different kind of Speaker from Mr. O'Neill. "Tip believed Congress should serve as the opposition if the White House was held by another party," he says. "Jim Wright says Congress was created by Article I of the Constitution. Therefore, he views Congress as the first branch of government, and thinks Congress should try and govern."

And the gerrymandered, incumbent-protected Congress recognizes no limits in pressing its power. Congress now can exercise a stranglehold on domestic policy by sending up a whole year's legislation in one veto-proof bill. Lately Speaker Wright has become a free-lance Secretary of State, announcing his own "peace plans" and declaring his right to reveal classified information. Congress also mandates that special prosecutors investigate executive-branch officials at the merest hint of scandal, while Members are turned over to user-friendly ethics committees of their peers. And Congress feels free to legislate restrictions on everyone else in the nation without applying equal protection of the laws to its own employees.

The issue, though, is by what right does the legislative branch exercise this power? From where does the Congress elected yesterday draw any legitimacy? Not from the Constitution, which surely did not intend to create a House of Lords with lifetime tenure. Not from any discernible personal qualities, with Jim Wright now working on a new book, "Mr. Speaker," even while the ethics committee investigates his non-book, "Reflections of a Public Man." Not from the voters, so long as incumbents deal from a stacked deck.

The presidency, by contrast, is still elected by the entire nation—the only branch of government so chosen. The President is the only representative of the national will, as opposed to a collection of parochial interests. Congress has its trick laws and coercive procedures, but the President has moral standing and the bully pulpit. What remains is for a President to assert his authority and his mandate.

State vs. Scuds

Maybe the best thing that can be said about the Soviet "pause" in withdrawing from Afghanistan is that it might convince the U.S. State Depart- [illegible] that the Afghan rebels have Zia's political stature and his will in the face of Soviet intimidation.

Pakistan is bearing the brunt of the pressure because the U.S. browbeat it into signing an agreement committing

Remembra

By HELEN KRELL

It was shortly after midnight, 50 years ago tonight, when the phone rang in my parents' bedroom in Breslau, Germany. I knocked at the bedroom door, and Father said the security company had just called to say there were certain "irregularities" that prevented them from keeping a watch over our store. Father turned pale.

It was Kristallnacht, the Night of the Broken Glass—the first large-scale violence against the Jews of Germany and Austria, when the Nazis smashed the windows of Jewish-owned shops, firebombed synagogues, murdered scores of Jews and arrested several thousand more.

Our store was three blocks down from our apartment, on the opposite side of the street. Father leaned out the front window to see if he could detect anything, but our store lights had been turned off at midnight. It was cold and Father started to close the first set of our double windows.

Just then a big black limousine pulled up across the street, a shrill whistle sounded and several SS men got out. We could hear the clicking of their boots and see they were carrying hatchets and clubs. They neared a used-furniture store that belonged to a Jew, smashed the plate-glass window, entered, turned on the lights and proceeded to throw all the furniture out into the street. They poured gasoline over the pile and set it on fire.

Now We Understood

The next Jewish-owned store was on the same side of the street as our apartment, two blocks down. It sold yarn and notions. Again, we could hear the shrill sound of the whistle and the sound of the broken glass. Now we knew that our store would be next in line. And now we understood the strange call from the security people.

For 16 years, my parents had owned and operated a tobacco store on a large square, called Neumarkt. We were planning to emigrate to Cuba, and the store was in the process of being sold; only for- malities of the takeover remained. Watching from the fourth floor, we saw the lim ousine come to a screeching halt in front o our store and heard the whistle sound. Iro gates covered the windows and doors, bu the Stormtroopers gained entrance wit

Crowded

By IRVING R. KAUFMAN

Today we are experiencing a virtu boom in private judging. Corporations, a even individuals, can now rent a judge adjudicate their differences without ev entering the courthouse. Entrepreneur Americans are cashing in on the trend the latest spinoff of the litigation cri overwhelming American courts—and c tributing to a national movement tow privatization. In fact, one such group, " dicate," a public corporation whose sha are traded over the counter on NASD portentously advertises itself as "The tional Private Court System."

As court dockets continue to grow steady rate, the familiar aphorism "jus delayed is justice denied" rings hol since society seems to have become creasingly numbed to the harm inflicte interminable delay. The courts, alarming frequency, are used as the rather than last resort of dispute re tion. Recent statistics reveal that the n ber of cases reaching the U.S. Court Appeals has risen almost 50% since Cases entering the federal trial co through one avenue—"diversity" juri tion, where the parties hail from diff states and more than $10,000 is at st

Urban Trauma p1

Day-to-Day Violence Takes a Terrible Toll On Inner-City Youth

Witness to Endless Brutality, Lafeyette Walton, 12, Has Many Emotional Wounds

A Comparison With Vietnam

UCB MW-Gen'l

By Alex Kotlowitz

Staff Reporter of The Wall Street Journal

CHICAGO — *Saturday, June 13, 1987:* Today is Lafeyette Walton's 12th birthday.

Under a gentle afternoon sun, Lafeyette and his nine-year-old cousin, Denise, skip across the worn lawn of the Henry Horner Homes public housing project, a seven-block stretch of red-brick apartment buildings on this city's West Side. The two are on their way to buy a pair of radio headphones with $8 Lafeyette received as a birthday gift.

Suddenly, gunfire erupts nearby. The frightened children fall to the ground. "Hold your head down," snaps Lafeyette, covering Denise with her pink nylon jacket.

Lafeyette Walton

As the shooting continues, the two crawl through the dirt toward home. When they finally make it inside, Lafeyette discovers that all but 50 cents of his birthday money has trickled from his pockets.

* * *

Lafeyette Walton lives in a neighborhood where gunshots are as common as the playful screeches of young children. He has watched men being beaten and has seen friends shot. Two bullet holes in the olive-green curtains of his family's apartment are reminders of a gang shoot-out at the project. Two years ago, the boy stood over a dying teen-ager who had been gunned down outside the Walton apartment. This year, not long before Lafeyette's birthday, his mother permanently lost the use of two fingers when she was attacked by knife-wielding muggers.

An account of three months in Lafeyette's life, based on visits with the boy and on interviews with the police and other sources, is a chronicle of almost constant exposure to frightening brutality: During the summer at Lafeyette's project, the police say, an average of one person every three days was beaten, shot at or stabbed. Henry Horner is far from the worst of Chicago's public housing projects.

Lafeyette's story is familiar to many of the nation's 5.3 million poor, inner-city children. "These children are surrounded by a very real and immediate world of violence, of gunfire, of death," says Theodore Cron, special assistant to the U.S. surgeon general, who believes the problem is growing. "It's every day," he says. "We just simply didn't have that before."

Newly alarming to psychologists and social workers are recent findings that many youngsters routinely exposed to violence exhibit the same post-traumatic-stress symptoms that plague Vietnam combat veterans. Many frequently suffer nightmares, depression and personality disorders. Some withdraw and give up hope; others become more aggressive.

Lafeyette Walton reins in his emotions. He keeps to himself and tries to avoid trouble. More important, there is a passivity about him that therapists caution can be a direct outcome of witnessing the victimization of others. He only shrugs when asked what he wants to be when he grows up. He rarely laughs.

Lafeyette lives with his mother, LaJoe; his 17-year-old brother, Raydale; his nine-year-old brother, Pharoah; and three other siblings: triplets who are four years old. Lafeyette's father, a bus driver for the city, stays with the family sporadically.

The Waltons live in a ground-floor apartment. The dirty cinder-block walls and iron grilles over the windows lend a fortresslike feeling to their home. Graffiti, mostly gang-related, decorate the hallway walls like an ugly mural; Lafeyette boasts that his name appears on all seven floors of the building.

Lafeyette and his family often talk of moving, but it would be difficult, if not impossible, on the $837 a month his mother receives in aid. Five years ago, it appeared that they might have a chance to move to a quieter neighborhood because Mrs. Walton, who worked as a clerk at a nearby health clinic, intended to enter nursing school. But the triplets, two girls and a boy, were born prematurely and spent their first year in the hospital, disrupting Mrs. Walton's plans.

Both Lafeyette and Pharoah get headaches when they hear the gunfire. Nine-year-old Pharoah, a child whose intelligence is belied by a speech impediment, sometimes shakes uncontrollably when surprised by a loud noise. One evening earlier this year, Pharoah fainted after pleading with his mother to stop the shooting outside. But throughout the summer of 1987, the shooting went on.

* * *

Tuesday, June 16: It is three days after Lafeyette's birthday, and once again the sound of gunfire fills the air. Lafeyette and his mother hurriedly herd the triplets onto the floor of the apartment's narrow hallway. They catch glimpses through the windows of young gunmen waving their pistols about. One youth totes a submachine gun. In an apartment upstairs other gang

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OCT 27 1987

Urban Trauma: Violence Affects Inner-City Youth; Lafeyette Walton, 12, Has Many Emotional Wounds

Continued From First Page

members blast away at rivals in a building across the street.

In the middle of the battle, the elementary school across the street lets out. Lafeyette, who has left his fifth-grade class early this day, watches from his apartment as children pour out of the school, many of them panicking and running directly into the gunfire. He and his mother scream at the oncoming children to turn back. Lafeyette spots his brother Pharoah but then loses sight of him in the chaos. He begs his mother to let him go after his brother, who has a dangerous habit of running through gunfire when he first hears it. She refuses Lafeyette's request.

Lafeyette's friend James Cox, 13, who has cowered behind a nearby tree, sprints for the Waltons' apartment. Pharoah arrives about the same time. But with all the noise, no one can hear the two boys' pleas for shelter. Finally, the two run to another apartment upstairs.

"We were beating on the door real hard," James later recalls. "Then I kicked on it. I was hysterical. My heart was pounding hard." Pharoah talks about how he has learned to react to shooting: "My mom told me when you hear the shooting, first to walk because you don't know where the bullets are coming."

Meanwhile, the police, who at first thought they were the targets of the shooting, have taken cover in their cars and in the building's lobby. Passers-by lie motionless on the ground, protected by parked vehicles and an ice-cone vending stand. Finally, the battle ends. No one—amazingly—is hurt. Lafeyette learns that one errant bullet from the shooting pierced a friend's third-floor window with such force that it cut through a closet door and lodged in the cinder-block wall.

The police make no arrests.

Wednesday, June 24: The summer sun highlights the hundreds of small shards of glass littering the asphalt. The debris is a reminder of the time two years ago when Lafeyette threw a chunk of glass that accidentally put out a friend's eye. "I got real mad at myself," he mumbles. "I thought of pulling my eye out."

Today, though, the boy is more preoccupied with a dream. On the way to a nearby McDonald's, he points to an empty basketball court and says that two nights ago he dreamed that his older brother had been fatally shot there. "That's where Raydale was killed," he says, as if it had really happened.

Friday, June 26: Today, Lafeyette refuses to play basketball with some children his own age. "I don't want to play ball with them, they might try to make me join a gang," he says.

Lafeyette constantly worries that he may be pulled into the gangs. His friend James, with whom he hunts for garter snakes along the nearby railroad tracks, recommends that if children are to make it out of Henry Horner, they should "try to make as little friends as possible."

About a week ago, members of the Blackstone Rangers gang, which virtually controls Lafeyette's building, asked him to stand security. Before that could happen, his mother intervened, telling the gangs she will call the police if they keep after her son. "I'd die first before I let them take one of my sons," Mrs. Walton says.

Gangs often recruit young children to do their dirty work. Nine days ago, a 14-year-old friend of Lafeyette's allegedly shot and killed an older man in an alley half a block north of Lafeyette's building. Residents and police say the killing was gang-related. The friend is now in custody. "I wish he hadn't done it," says Lafeyette.

Saturday, June 27: A large, overweight man runs across a vacant lot. Lafeyette points to him and says he is the "raper man." According to Lafeyette and other youths, the man has sexually accosted children. Quite matter-of-factly, Lafeyette points to two buildings and explains, "That's where they have rapes."

Tuesday, June 30: Along with a crowd of chattering children and parents, Lafeyette watches as a police bomb squad removes a World War II-vintage grenade from a fourth-floor apartment. Lafeyette worries that members of a gang "were figuring to blow up the building." The police believe there are more grenades in the building, but they can't locate them.

Monday, July 6: Lafeyette comes home with a gash over his left eye. He says his cousin Denise whacked him with a lead pipe. Lafeyette hit the nine-year-old when he heard she had carried cocaine for a local drug dealer. "She's not my best little cousin anymore," says Lafeyette.

Saturday, July 11: Despite an increase in the number of policemen in the project, the drug wars and family scraps continue. (The police will confiscate 22 guns and 330 grams of cocaine from people in the project this week.)

Shortly after dusk, while Lafeyette is playing outside, the street and hall lights in his building suddenly go dark. Residents say gang members, who have keys to the janitor's closet, shut them off. The pitch-black darkness brings with it ominous signs that shooting may soon erupt. So Lafeyette slithers along the cinder-block walls into his apartment. In the back, Pharoah screams in terror as his mother leads him and the triplets inside.

Sunday, July 12: Lafeyette looks out his living-room window at a squad of plain-clothes men arriving to break up a family squabble that has spilled over outside. An older woman pulls a long, curved butcher knife on a teen-age boy who threatens her daughter. As Lafeyette peers from behind the metal grates covering the windows, he says nothing.

Sunday, July 19: This evening, Lafeyette and his mother, while sitting on a bench, watch a tall, lanky teen-ager hold up a chrome-plated revolver to admire in the light of the setting sun. Lafeyette, who can more easily distinguish a .357-caliber Magnum from a .45-caliber revolver than he can a computer from a typewriter, points at the pistol. His mother slaps his arm down. Pointing, and snitching, can get you killed.

Monday, July 20: Lafeyette and his friends talk incessantly about leaving the project. They live in constant fear of being hit by cross fire. "I'm going to have my own condominium in Calumet Park [a Chicago suburb]. It's nice out there. You could sit outside all night and nothing would happen," James tells Lafeyette, who breaks into a wide grin. "They have flowers this tall," Lafeyette says, holding his hand four feet off the ground.

Tuesday, July 21: It is a hot summer; but with the police more visible than usual, the young children are out en masse today for the first time in many weeks. It leads to an incongruous scene.

An open fire hydrant has created a large wading pool outside Lafeyette's building. Gaggles of hollering children, including Lafeyette with his pant legs rolled up, throw buckets of water on one another.

The local leader of a gang called the Stones, whom everyone calls Junebug, wanders by. About 30 years old, Junebug has served two prison terms for armed robbery, has twice been accused—then acquitted—of murder, and has been arrested numerous times for drug-related charges, the police say. But his reputation doesn't deter the water brigade of children, who begin a slapdash run to wet the gang leader. In his white designer jogging suit, Junebug hurdles a 3-foot-high wire fence and escapes—dry. He turns and laughs with the kids. Only his panting pit bull,

Urban Trauma: Violence

which is tied to the fence, reminds Lafeyette and others who's in charge here.

As Junebug ambles away, Lafeyette pursues him. He wants the $10 he was promised as payment for getting the gang leader a bottle of apple juice the other day. Junebug assures him he will get his pay.

Thursday, July 30: Lafeyette watches as a group of about 10 teen-agers just outside his apartment hit James's stepfather with fists and sticks, leaving him with multiple welts and bruises on his head. The assault is apparently related to drugs.

In the next few days, James won't play with Lafeyette. He worries that his stepfather's assailants might come after him so he stays at a friend's apartment, inside. "If they can't get to [the stepfather], they'll try to get to me," he says. "It has to get better. We can't keep living like this," he adds, sounding like a world-weary adult.

The beating clearly leaves its mark on James, who generally retreats from any kind of trouble. The next week, he and six others beat up a young girl, an almost direct imitation of the punishment administered to his stepfather.

Monday, Aug. 3: Something happens that Lafeyette refuses to talk about. According to the police, a gang member was shot while sitting in the back seat of a car parked about 50 feet in front of Lafeyette's building. Lafeyette stood in the entrance of his building when it happened. He refuses to say whether he witnessed the shooting, possibly for fear of gang repraisals.

Friday, Aug. 21: "Bird Leg" is dying across the street.

Bird Leg, whose real name is Calvin Robertson, has long been involved with the gangs, according to the police and residents. Earlier this year, the police confiscated a starving and scarred pit bull from him, which he had once used to threaten an officer. Bird Leg is 15.

Though Lafeyette knows the dying boy, he decides not to join the other children who run to the crime scene. "I just didn't want to go," he says.

During his 12 years he already has seen two children shot, both two summers ago: a young girl hit in the leg while jumping rope outside his building and the teen-age boy who died from a bullet wound on the stairs just a few feet from his apartment.

Lafeyette's friend James, however, sprints across Damen Avenue and snakes through the large crowd. He later tells Lafeyette what he saw. On the grass, only 10 feet from a small playground full of young children, lay Bird Leg, his white jogging suit stained with blood. A shot from a sawed-off rifle had hit him in the chest. According to the police, Bird Leg, a member of the Vicelords gang, had been fighting with rival gang members. Wrapped around one hand is his main weapon: his belt.

"I was just shocked," James tells Lafeyette. "The eyes just rolled to the back of his head and he was gone."

Thursday, Aug. 27: Lafeyette is haunted by Bird Leg's death. At a friend's apartment, he says he saw Bird Leg's spirit. "He was trying to tell us something," he says, though he isn't sure what.

Mrs. Walton worries that Lafeyette has become unusually withdrawn: "He says talking isn't going to help him. He says that everything that goes wrong keeps going on and everything that's right doesn't stay right so why should I talk. He's got a lot of hate built up inside him."

Normally, when someone at Henry Horner is killed, mimeographed sheets go up in the halls giving details of the funeral. In Bird Leg's case, however, this procedure is forgotten.

Friday, Aug. 28: Lafeyette, Pharoah and James are among the first to arrive for Bird Leg's funeral service at the Zion Grove Baptist Church on the city's South Side. The three find seats in the church's red pews, which are packed with parents and children. Bird Leg's 13-year-old sister cries so long and hard that friends drag her out halfway through the service to get her some air. She later vomits at the burial.

The three boys file up to the open casket, where Lafeyette runs his fingers along Bird Leg's suit and then caresses his slightly puffy face. Lafeyette's own face is impassive. As they return to their seats and the services begin, James says, "I'm figuring to cry" and buries his head in his hat to hide the tears. Lafeyette, who sits solemnly through the funeral with his hand on his chin, holds the hand of his two-year-old nephew. Pharoah sits silent with a headache, his arms clutching his rolled-up sweatshirt like a security blanket.

* * *

The morning after the funeral, a friend of the Waltons, a man in his early 20s, is fatally shot. Lafeyette decides not to attend a second funeral. "I ain't going to nobody else's funeral," he says. "I just don't want to go."

That same weekend, James is conked over the head with a glass bottle, opening a gash requiring seven stitches. On the way to a neighborhood grocery store, he exchanged words with a young girl whose cousin then came after him. James says he plans to go after the young assailant once he gets his bandages removed.

Both Lafeyette and Pharoah have become more withdrawn over the course of the summer, talking less about the goings-on here. Pharoah, in particular, often wanders off alone to collect soda cans, his shoulders hunched over, his unusually wide eyes drifting into space. Mrs. Walton plans to take him to a health clinic because his speech problem is worsening.

Lafeyette has begun to hang around with a more mischievous group of kids that even he admits is the "wrong crowd." One day in September, a local grocery-store owner calls Mrs. Walton to ask that she pick up her son; Lafeyette is accused of shoplifting candy.

The opening of school is delayed by a teachers' strike. So Mrs. Walton sends her two sons to stay with their grandmother for a few days because she lives in a quieter neighborhood farther west. The boys have less chance of getting hurt there, Mrs. Walton says.

For his part, Lafeyette often prays before he goes to sleep. "If I was God," he says, "there wouldn't be no word 'killing.'"

His mother has another philosophy: She has taken out burial insurance on all of her children, including the four-year-old triplets.

3

Welfare Labor - pensions

Sisters in Need

U.S. Nuns Face Crisis As More Grow Older With Meager Benefits

Many Go on Public Welfare; Are the Bishops Evading A Responsibility to Help?

Meatless Meals in Milwaukee

By John J. Fialka P1
Staff Reporter of The Wall Street Journal

The nation's Roman Catholic bishops, who for two years have been deliberating how to improve the moral quality of the U.S. economy, are facing a large moral problem in their own economic house: the looming poverty of increasing numbers of Catholic nuns.

The nuns, many of whom helped build the nation's largest parochial-school system by working for the bishops as teachers for subsistence wages, are now caught in what one church accountant describes as an "actuarial nightmare." With a median age now over 60, the nation's estimated 115,000 nuns find themselves beset by a lack of meaningful retirement programs and a sharp decline in the number of young nuns coming into the church to help care for their aging colleagues.

A still-unreleased study sponsored by the National Catholic Council of Bishops, the church's hierarchy in the U.S., shows a gap of almost $2 billion between the available retirement money for the nuns and what it will take to meet their financial and medical needs. The result is a growing fiscal crisis for many of the nation's orders of nuns.

Clipping Coupons

In Milwaukee, where half the area's 4,500 nuns are now 67 or older, nuns clip grocery coupons from newspapers and have meatless meals to help make ends meet. Some orders there have stopped paying summer-school tuition for their working teachers. (Almost all U.S. nuns are also teachers.) But none of this, officials there say, has more than a "minuscule" impact on the nuns' money problems.

Increasingly, small orders of nuns, especially those who serve poorer communities, are applying for public welfare. Sister Lois Vanderbeke, the director of finance for the Sisters of St. Dominic in Racine, Wis., says she recommends such action to hard-pressed orders "as a last resort." A 1981 bishops' survey showed at least 1,000 nuns on welfare. The number is believed to be larger now.

A growing number of religious orders are selling off their schools, their land and even their headquarters, or mother houses, to raise enough cash to pay the mounting expenses of caring for older members. But these efforts often raise still more problems. When the Sisters of Providence of Saint Mary-of-the-Woods tried to sell Immaculata College in Washington, D.C., to build their retirement fund, they were sued by a group of parents who contended that the proposed sale "defrauded" students and was designed for the nuns' "own personal enrichment." The suit was dismissed, but the dismissal is being appealed.

'If Nothing Happens . . .'

The fiscal squeeze figures to worsen as more nuns reach retirement. Most nuns don't have any retirement benefits; the rest get only meager benefits that began only recently.

"If nothing happens, there will be religious orders of women that will simply run out of money," warns the Rev. Scott Wallensfelsz, who keeps the books for one of the Milwaukee orders. "What's going to happen then? Do they go out and fend for themselves?" Father Wallensfelsz believes that the bishops will have to do something.

The nuns' problems present an embarrassment to the bishops, who complain, in the second draft of their recent pastoral letter on the economy, that wage discrimination against women is a "major factor" in high rates of poverty in the U.S. Bishop John R. McGann of Long Island, who as treasurer of the bishops' council has held several meetings with national representatives of the nuns, says about the projected $2 billion retirement liability: "Across the board, our people were staggered. Maybe that's good."

Emergency Fund

As a first step in dealing with the problem, the bishops recently earmarked $60,000 for an emergency fund to help orders in distress. Some of the money was used to bail out one New York order that was discovered to be in debt to its undertaker because it was unable to pay for the frequent funerals for its members.

The order had struggled with the burden for years, uncomplaining, while continuing to teach in the poor, inner-city neighborhood. "It's interesting how in the midst of New York City you can be so isolated," says Sister Frances Mlocek, an accountant for the bishops' council who administers the emergency fund.

The immensity of the retirement problem, detailed in the study for the bishops' council by the accounting firm of Arthur Andersen & Co., has been hidden for years. One reason is that many orders of nuns consider themselves to be independent from the control of U.S. bishops. So until recently, the nuns had kept their books—and their mounting problems—to themselves.

Individual nuns still won't talk about their personal travails because to do so, they feel, would go against their basic mission of devoting their lives to the needs of others. "The feeling," explains Sister Anne

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Sisters in Need: Nuns Face Crisis For Lack of Retirement Benefits

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Continued From First Page

Beitzinger, a member of the School Sisters of St. Francis in Milwaukee, "always was that the less you earn, the greater is your service. It was that long-range planning was somehow in conflict with the providence of God."

But since the bishops began raising moral questions about the U.S. economy, there is a new willingness by nun organizations to discuss their financial problems and the long years of low pay by the bishops. The bishops, however, so far are reluctant to take major financial responsibility for the nuns. "Now that the sisters need money for retirement, the bishops are saying, 'You're really not our responsibility,'" says Sister Kathleen Steinkemp, a member of the Sisters of Mercy who heads the National Association of Treasurers of Religious Institutes, based in Washington, which represents over 300 orders.

"In a sense, they [the bishops] are right," Sister Steinkemp says, "but they have received the services of nuns in the dioceses over the years." When she began her career teaching mathematics in a Mobile, Ala., high school in the 1950s, there was no such thing as retirement benefits for any nuns, and she was paid only $50 a month.

Decline in New Nuns

Traditionally, religious orders could sustain themselves on such low pay because large numbers of younger nuns were willing to take care of a small number of older ones. In the 1970s, when social and religious changes caused a dramatic decline in the number of new nuns, the situation reversed. By then, local bishops had raised the basic pay, or stipend, of the average nun to about $300 a month, including fringe benefits, which usually are meager.

With fewer working nuns providing for retirement care for an ever growing population of older ones, the retirement problem "just got worse and worse, and our needs got bigger and bigger," says Sister Steinkemp.

There wasn't immediate recognition of the problem at the level of the diocese, which is the equivalent of a state in the Catholic Church's structure and is governed by a bishop, who sets the wage scales. When church officials in Milwaukee questioned nuns' retirement-cost estimates, Sister Vanderbeke of Racine says, she and a committee of nuns from other local orders hired an accounting firm that estimated it would cost $56 million to fully fund a $100-a-month retirement benefit for today's Milwaukee-area nuns. Archbishop Rembert G. Weakland and his financial advisers balked at that amount, so the nuns hired a second accounting firm.

Price Goes Up

The second firm calculated that it actually takes $800 a month to care adequately for a retired nun in Milwaukee, concluding that the diocese's real unfunded retirement liability was more like $126 million. Archbishop Weakland, who is also the chairman of the bishops' committee that drafted the pastoral letter on the economy, is still studying the matter.

To deal with the new crisis, many orders are selling property or looking for new fund-raising methods. But for women often unaccustomed to thinking about large sums of money or their own financial needs, such efforts can be difficult. Some examples:

—When the Sisters of Charity of The Blessed Virgin Mary planned to put their park-like novitiate in Los Gatos, Calif., up for sale, the neighbors complained about zoning problems and raised environmental challenges against a road needed to develop the land. That fight started in 1968. It is still going on.

—When four orders of nuns in Louisville, Ky., decided to mount a professionally organized fund-raising drive for their retirement, they did a study first and discovered that younger Catholics didn't feel obligated to them. So they dropped the idea. "Lay people say, 'What the sisters did, they did in charity,' and that's true, so it's kind of a hard case to make," says Sister Helen Sanders of one of the four orders, the Sisters of Loretto.

Some Do Better

Some orders have fared better. The Sisters of Mercy sold their mother house near Baltimore to the USF&G Corp., which is using it for a data-processing center. The order sold another mother home, near Detroit, to the U.S. Postal Service which is using it for a management training academy.

The 13-wing mother house of the School Sisters of Notre Dame in Milwaukee is now a Lutheran College; the remaining nuns in the order make do in a converted downtown motel. The campus-like home of the Gray Nuns of the Sacred Heart, including three schools and a mother house outside Philadelphia, has become an education center for the Federation of Jewish Agencies of Philadelphia.

The Society of Sacred Heart in St. Louis saw the problem coming in the mid-1970s and dispatched Sister Anne O'Neil to Massachusetts Institute of Technology to get a degree in financial management. Then it sold some property and began rapidly raising pay scales in the schools it owned to match those of lay teachers.

Now the order has the beginnings of a credible retirement fund. "One of our saving graces was that we never had diocesan salary scales," says Sister O'Neil.

Stipend System Attacked

In the church's internal debates over how to deal with the retirement problem, the nuns have said that the first step should be for the bishops to scrap the old stipend system—based roughly on what it costs a nun to survive—and pay salaries that are equivalent to those of public-school teachers. So far, the bishops have resisted this idea.

Francis J. Butler, president of Fadica, a Washington-based foundation trying to get lay people involved in helping the nuns, believes that the bishops might be able to do a little more to demonstrate their commitment to economic justice. So far, he notes, the only commitments by the bishops' council have been the $60,000 emergency fund and the earmarking of $250,000 for an office to conduct further studies on the retirement problem. "That," he says, "is not an awful lot in the scheme of things."

The prevailing view among the bishops, says Bishop McGann, the treasurer of the bishops' council, is that the retirement issue is still a local problem. "Each local situation has to be approached and then we have to put together whatever we can," says the bishop, who in his own diocese, Long Island, has been among the first church leaders to attempt to deal with the problem.

Other bishops indicate that they can give nuns only limited aid. "We have to do everything we can to help them," says Bishop Thomas C. Kelly, the archbishop of Louisville, "but in the structures of the church the different congregations are independent of the diocese. We will obviously give what we have, but I haven't got a billion dollars and I doubt if any other bishops do either. The problem is a sociological phenomenon."

Although some nuns talk hopefully of a national fund-raising drive, John F. Philbin, the financial director of the archdiocese of Chicago—the nation's largest and, according to some estimates, wealthiest church—sees political problems with that idea. Some dioceses, he notes, are relatively well off and have small numbers of nuns. Other dioceses are poorer and have large populations of nuns to deal with. "If they open this up," he says, "we'll see how much Christian brotherhood there really is out there."

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM

TO: MARLIN FITZWATER / STEVE STUDDERT

FROM: JOSEPH W. HAGIN

SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

EVENT: Attend the Wall Street Journal's 100th Anniversary Dinner

DATE: June 22, 1989

TIME: 8:30 p.m.

DURATION: 45 minutes

LOCATION: World Financial Center, New York, N.Y.

ATTIRE: Black Tie

REMARKS REQUIRED: Yes

MEDIA COVERAGE: TBD

FIRST LADY PARTICIPATION: TBD

ADDITIONAL INFORMATION: Speak prior to dinner and depart

CONTACT: Al Hunt (Gary Aldrich), (202) 862-9200 x211

TELEPHONE: OFFICE _____ HOME _____

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

Ed Rogers	Marlin Fitzwater	David Bates
James Cicconi	David Demarest	David Valdez
Fred McClure	Jean Lamb	USSS - PPD
Susan Porter Rose	Steve Studdert	Gary Walters
Patty Presock	John Keller	WHCA Audio/Visual
Chriss Winston	Tim McBride	WHCA Operations
Laurie Firestone	J. Bonnie Newman	Amy Louisa Buckley
Robert Guttman	Tony Lopez	C. Boyden Gray
		Bruce Zanca

THE SECOND CENTURY 100 THE WALL STREET JOURNAL.

THE WALL STREET JOURNAL.

For Immediate Release

Contact: Taggarty Patrick (212) 416-2616

THE JOURNAL'S FRONT PAGE -- A LOOK THAT LASTS

The Wall Street Journal doesn't stand still. During the past 10 years, the Journal has -- among other things -- evolved from one section to three, broadened its coverage, and sharply increased its use of charts and other graphics.

The Journal's hallmark six-column front page, however, has endured; for many Journal readers that front page is as familiar as the face across from them at the breakfast table.

The Journal's first front page in 1889 was filled with reports on railroads and markets. It also carried almost two full columns of ads from such companies as the Central Railroad Co. of New Jersey, Aspen Mining & Smelting Co. and Rand McNally & Co.

It wasn't until the early 1940s, under the leadership of Bernard Kilgore, that the Journal stopped putting ads on the front page and created its current look. Kilgore said he wanted the page to be a showcase for the paper's best journalism.

Columns One and Six are called "leders" -- the stories that "lead" the paper. The Column Four story is called an "A-hed," named for the style of the headline that runs above it. A-heds tend to take a lighter look at the news, but all three features delve deeply into their subjects, taking an overview approach that can require weeks -- sometimes months -- to complete.

Column Five offers readers a different report for each day of the week: The Outlook on Mondays, Labor Letter on Tuesdays, Tax Report on Wednesdays, Business Bulletin on Thursdays and Washington Wire on Fridays. And, finally, Columns Two and Three present the What's News digest of business and financial news and world-wide happenings. What's News is the oldest of the Page One offerings, having first appeared in 1934.

#

THE WALL STREET JOURNAL.

FACTS AND FIGURES

First issue of The Wall Street Journal: July 8, 1889

First issue of The Asian Wall Street Journal: Sept. 1, 1976

First issue of The Wall Street Journal/Europe: Jan. 31, 1983

First two-section Journal: June 23, 1980

First three-section Journal: Oct. 3, 1988

First tabloid Wall Street Journal Report: May 20, 1985

Pulitzer Prizes awarded to the Journal: 13

Circulation of The Wall Street Journal at year-end 1988: 1,950,400*

Current (12/30/88) average paid circulation of The Asian Wall Street Journal: 37,076**

Current (12/30/88) average paid circulation of The Wall Street Journal/Europe: 44,293**

Number of Journal news department personnel (part- and full-time): approximately 500 (Does not include Asian or European Journal staffs.)

Press capacity of the Journal: 80 pages

The Wall Street Journal news bureaus: domestic - 14; Canadian - 3; other foreign - 11

Advertising sales offices: domestic - 25; foreign - 8

U.S. printing plants: 18

The Wall Street Journal/Europe news bureaus: 7

The Wall Street Journal/Europe printing plants: 2

The Asian Wall Street Journal news bureaus: 12

The Asian Wall Street Journal printing plants: 3

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*Publisher's internal records
**Audit Bureau of Circulation figures

Dow Jones & Company, Inc., Publisher of The Wall Street Journal
200 Liberty Street, New York, NY 10281

1-20-89

REVIEW & OUTLOOK

George Bush, Conservative

As George Bush today takes the oath making him the 41st President of the United States, voters and political professionals will search for some hint of where the Bush presidency will take America. In the terms Washington's professionals use to define reality, the battle for the Bush presidency is being waged between conservatives and pragmatists, words given no definition beyond pointing in the direction of John Sununu or Jim Baker. There is a general feeling that other than the Chief of Staff, the conservatives have been seated at the end of the bench, leaving Mr. Bush and his establishment friends to take control of the government as a kind of skilled pickup basketball team. The Pragmatists.

Anyone who believes this should reread the speech George Bush delivered the night of August 18, accepting the Republican Party's nomination to run for the presidency. They will discover a conservative. And if they doubt the sincerity of the speech's conservative political values, they should set them alongside the speech's personal values. One set flows naturally from the other.

The speech is remembered for two phrases: "a thousand points of light" and "a kinder and gentler nation." "A thousand points of light" received a fair bit of derision. Why some would want to undermine this notion becomes clear on examining the passages that preceded the phrase.

"An election that is about ideas and values," Mr. Bush said, "is also about philosophy. And I have one. At the bright center is the individual. And radiating out from him or her is the family, the essential unit of closeness and love." While the Bushes' affirmation of the family's importance has been widely publicized, the more classically conservative statement came next: "From the individual to the family to the community, and then on out to the town, the church and the school, and, still echoing out, to the county, the state and the nation—each doing only what it does well, and no more." Finally Mr. Bush arrived at the American institution he will lead—the federal government. "Does government have a place? Yes. Government is part of the nation of communities—not the whole, just a part."

This is a profoundly conservative description of the political order. It believes that all the established institutions of a society bear as much moral legitimacy and responsibility for civil progress as the state. In saying this, Mr. Bush defined an enormous gulf between his own political philosophy and that which now rules the Beltway.

There is a good reason why Washington so often is derided as "the Beltway." More out of habit than intent, the Washington community has come to see American politics as essentially the federal government committing its resources to all the ills of the nation. It measures a presidency's success almost exclusively in terms of its efforts at fashioning new federal policies. Washington serves as the national drum major.

The irony in this is that most of the Washingtonians Mr. Bush will be addressing today are themselves the successful products of the interlocking system of necessary institutions he so obviously admires—families, schools, towns, churches, states, private organizations. Once inside the Beltway, however, they somehow come to revere federal government as something with special, pre-eminent powers, sort of like the natives on the lost Island of Kong. Identify an issue in American life—health care, the environment, securities trading, poverty—and the workers of Washington start chanting, "Kongress, Kongress, Kongress."

This cultic reverence for public institutions creates special problems for Mr. Bush and his cabinet secretaries, who know they will be praised by the temple's high priests not for deploying the thousand points of light but for using only one light. Conservatives will watch the Bush administration closely for evidence of being captured in this manner, but even non-ideological liberals are put off by the Beltway's overbearing sense of its own central importance to the nation's success.

At a personal level, Mr. Bush is undoubtedly more deeply conservative than some of his conservative critics. Many of them discovered their conservatism in books; the Bushes by all accounts have always lived this way. "We weren't saints, but we lived by standards," Mr. Bush said in New Orleans. "We celebrated the individual, but we weren't self-centered. We were practical, but we didn't live for material things. We believed in getting ahead, but blind ambition wasn't our way." This is essentially New England conservatism.

It shouldn't be surprising that Mr. Bush's personal and political philosophy resembles that of the politicized New Englanders who assembled this country into the United States. Conservatives pass these things along. Mr. Bush is a long way from realizing anything approaching his forebears' success. Like them, the new President will have to demonstrate that his innate conservatism is a foundation from which to govern.

La Loi Americaine

The incoming Bush administration may quickly have an opportunity to topple the Socialist government in France. Not with the CIA, of course, but with the U.S. Securities and Ex-

Beregovoy, discussing these matters with Wall Street Journal staffers in Paris this week, said he had instructed French authorities to cooperate with the SEC, even though France

Bush Must Beat The Odds to Make His Tenure Work

Washington's long underestimation of George Bush has given way to inaugural deference, but this week's ritual good will is a phony peace. Soon enough the capital will revert to its habit of devouring presidents.

Though he takes office with pomp and media flourish, Mr. Bush today becomes the leader of the weakest of the three branches. The presidency, most scholars and witnesses agree, is striking mainly for what it cannot do (get its budget enacted, for example). To avoid joining the list of broken presidents, Mr. Bush will have to call upon the quality that Hamilton called "energy" in the executive.

If all this casts me as the skunk at the inaugural ball, consider the 20th-century record. Going back to Truman, only Eisenhower and now Ronald Reagan can be said to have ended their presidencies in success. Going back even further, three of the previous five presidents—Hoover, Harding and Wilson—were pilloried in office.

Even John Kennedy, who began with so much rhetorical ambition, was grumbling by 1963 about the limits of his power. Ken-

Potomac Watch

By Paul A. Gigot

nedy proposed that one scholar dedicate his book on the presidency with this exchange from Shakespeare:

Glendower: I can call spirits from the vasty deep.

Hotspur: Why, so can I, or so can any man. But will they come when you do call for them?

Ronald Reagan, by leaving on a surge of good will, paradoxically leaves Mr Bush a harder act to follow. He has shown a president can succeed, but he has be queathed Mr. Bush fewer tools to ensure his own success. Mr. Reagan continued the trend, begun under Presidents Nixon and Carter, of accommodating congressiona poaching on the presidency.

This is not mere partisan cant. A Democratic Congress helped to break Jimmy Carter, as it led attacks on Georgians Bert Lance and Hamilton Jordan. A permanen government—the "Washington colony," a Mr. Reagan put it—of special prosecutors lobbyists, reporters and bureaucrats i delighted to join a permanent Congress t diminish any president who shows weakness. A book released yesterday by th American Enterprise Institute, "The Fettered Presidency," highlights this congres sional ascendency.

Duke scholar Donald Horowitz, writin in The Public Interest, notes that th Founders have been turned on their head The House of Representatives, intended be the branch most responsive to the pu lic, has through lack of electoral compet tion become the least. But the presidenc whose direct election was rejected in 178 is now the branch most at the mercy popular will.

The vulnerability is enhanced by telev sion. The media focus their daily attentic on the White House, heightening expect tions and exaggerating mistakes. "Th presidency is an office idealized," Mr. H rowitz says. "The president is an occupa disappointing."

One result, he adds, is that "Presiden carry polls in their pockets." Richa Wirthlin, Ronald Reagan's pollste boasted this week that for every televis White House speech of the past four yea he assembled a "focus group." Its mer

Scripts for a New President

By Robert L. Bartley

In the past year George Herbert Walker Bush has evolved from a wimp into a meanie into a soothing pragmatist. An amazing chameleon act, if you choose to believe the faddish wisdom. While in fact George Bush is probably pretty much the same guy who left Connecticut to fly in World War II, it is true that he comes to the presidency today having revealed no clear public blueprint.

For the past eight years, it has been impossible to slip a piece of rice paper between Vice President Bush and whatever President Reagan decided. In the campaign, Candidate Bush promised not to raise taxes and to support the flag. In picking his cabinet, he emphasized experience and team play, virtues by which he himself lives. This is no doubt prudent, given the prevalence of slash-and-burn politics in Washington. But it does mean that the essential character of the Bush presidency remains to be defined.

Some Scenarios

There is always the possibility, of course, that George Bush has an agenda he hasn't told us about. Certainly he's had plenty of time and experience to form views of his own. And what the chameleon evolution of the past year and his record as vice president really mean is that Mr. Bush is one of those rare Washington characters who can keep things to himself. But on the basis of public speculations and the trend of events, it's possible to identify four possible scenarios for the Bush presidency, plus one wildcard:

Scenario One: The Grand Compromise. Everyone knows what the government ought to do: Raise taxes and cut Social Security to balance the budget. In seminars and board rooms from sea to sea, it's obvious that this step would cut interest rates, increase savings and investment, spur economic growth and put the Japanese in their place. But with Republicans opposing higher taxes and Democrats opposing entitlement cuts, some political device was needed to force them to trade pain for pain—hence the National Economic Commission. The Grand Compromise certainly would give the new Bush administration a clear definition.

Its likelihood? Not much. To begin with, the merits of this proposal are not as clear as they seem. The deficit is already falling, and it's not clear that there are great benefits in taking money from the public sector by taxes, as opposed to taking it by borrowing. It is also not clear that budget efficiency is better promoted by cutting Social Security than by cutting, say, agricultural subsidies. The National Economic Commission now shapes up as divided, and the Bush administration has invited it to speak up by March 1 or forever hold its peace. Outside of the seminars and board rooms, no one's really in favor of the Grand Compromise.

Scenario Two: The Big Fight. This seemed to be brewing in the weeks immediately after the campaign, with Democrats carping about a dirty campaign and bragging that their congressional victories gave them as big a mandate as the president's. In this scenario, George Bush's administration and Jim Wright's Congress go toe-to-toe. Congress re-enacts the Great Society, plays to special interests with legislation like the minimum wage, slashes defense and busts the budget. President Bush responds with a rash of vetoes and rhetoric challenging the legitimacy of a gerrymandered, incumbent-protected, PAC-afflicted Congress (GIPPAC). Then we try to settle things in the 1990 elections.

This scenario would certainly be the most fun for us pundits, and might actually be the best for the republic in the long run if it broke the institutional deadlock between the executive and legislative branches. But its likelihood has been diminishing as the election fades into history. President Bush and Speaker Wright have been acting like politicians, trying to smooth over differences and let the other guy get blamed for striking the first blow. Anyway, this scenario has a fatal flaw; the Big Fight would require that Congress violate its own first law: Never accept responsibility for anything.

In short, President Bush's role may be to make the Reagan Revolution respectable. Where Reagan had the skills to win victories, there's reason to hope Bush will provide the skills to institutionalize them.

Scenario Three: The Bush Cave. This of course is the big fear of conservative activists and Reaganites everywhere. Even Ronald Reagan had trouble standing up to the pressures for compromise, and in particular the pressures for government expansion. Mr. Bush lacks the clear Reagan agenda and convictions, and has stuffed his cabinet with pragmatists, managers and other Beltway types. Liddy Dole will give the AFL-CIO the minimum wage, Louis Sullivan will bail out the AARP tax on the elderly with even-more-expensive national health insurance. Dick Darman will put defense on the cutting block. And at the end of this process, President Bush will have no choice but to give the Beltway more taxes.

The likelihood of this scenario, all too obviously, cannot be lightly dismissed. But it probably does not give enough credit to the temper of the times, or to the legacy of the Reagan administration, in which many of those cabinet appointees got their experience and credentials. In particular, George Bush sat at President Reagan's elbow for eight years. "No new taxes" is much more than a pledge about tax policy; it's about a president's only political lever on Congress. If he lets himself get into a position where he caves on taxes, his administration will be dead in the water, and this President Bush clearly understands.

The likelihood of the Bush cave will be greatly enhanced, though, if an economic downturn shakes the confidence of his administration, as the 1982 recession shook the Reagan administration. The chance for a sudden, lurching downturn lies in the sensitivity of the dollar in the foreign-exchange markets. And the Bush administration's Achilles' heel may be that no one understands this in its Treasury. Nicholas Brady is an exemplary chairman of the board, but he needs more help than David Mulford, a one-time Saudi financial vizier who wants Hong Kong to revalue, and Charles Dallara, a bright bureaucrat. It will be up to the Baker-Darman-Greenspan axis to close off the most likely route to the Bush Cave.

Scenario Four: George II. No, not another George Washington, as in the "George to George" Bush inaugural theme. George I is George Deukmejian, the retiring governor of California. Despite his current budget problems, Gov. Deukmejian has run if anything a more conservative administration than Ronald Reagan did, item-vetoing Willie Brown's Democratic Legislature into line. But no one bothers to call George Deukmejian an "ideologue." If you want charisma, the governor says, don't look for me.

In short, President Bush's role may be to make the Reagan Revolution respectable. Where President Reagan had the skills to win victories, there's reason to hope President Bush will provide the skills to institutionalize them. His establishment roots tempered in Reaganism leave him consummately equipped for this task.

A Paradigm

Take the matter of the National Economic Commission, with its pretensions of overriding Mr. Bush's chief campaign promise. Some worried that Mr. Bush would give it the back of his hand, refusing to hear its tax-boost report, or using his two appointments to appoint Jack Kemp or another anti-tax troublemaker. The Beltway breathed a sigh of relief when he appointed comfortable figures, former GOP Sen. Paul Laxalt and former Democratic Rep. Thomas Ashley, and promised not to ignore the commission's views. But it turns out his appointees don't want a tax increase, and the commission is divided. Then Secretary Brady asks it to please give its advice by March 1. The conservatives proclaim no victory and the liberals chafe at no defeat, but somehow the commission has been reduced to an irrelevancy. This is a paradigm of George II.

The Wildcard: Gorbachev Agonistes. More often than not in the modern era, the character of a presidency has been determined in foreign affairs. Historic events are taking place in the Soviet Union, though their outcome is neither clear nor easy for the U.S. to influence. Conceivably President Bush may have an opportunity, whether by negotiation or silk-glove confrontation, to consummate a permanent change in the U.S.-Soviet relations. Conceivably, too, he may face a sudden crisis arising out of Mikhail Gorbachev's overthrow and a suddenly more truculent leadership. As Mr. Bush takes office, it's impossible to foresee the shape or even the direction of these events, but history may remember him for his reaction to them.

The same faddish wisdom that depicted George Bush as a chameleon now depicts him as inheriting a plate of problems: a deficit, disarray in the alliance, the S&L "crisis," the predictable necessity of backing off his "no new taxes" pledge. But as he's inaugurated today, the George Bush who left Connecticut is more likely to see a menu of extraordinary opportunities.

Mr. Bartley is editor of the Journal.

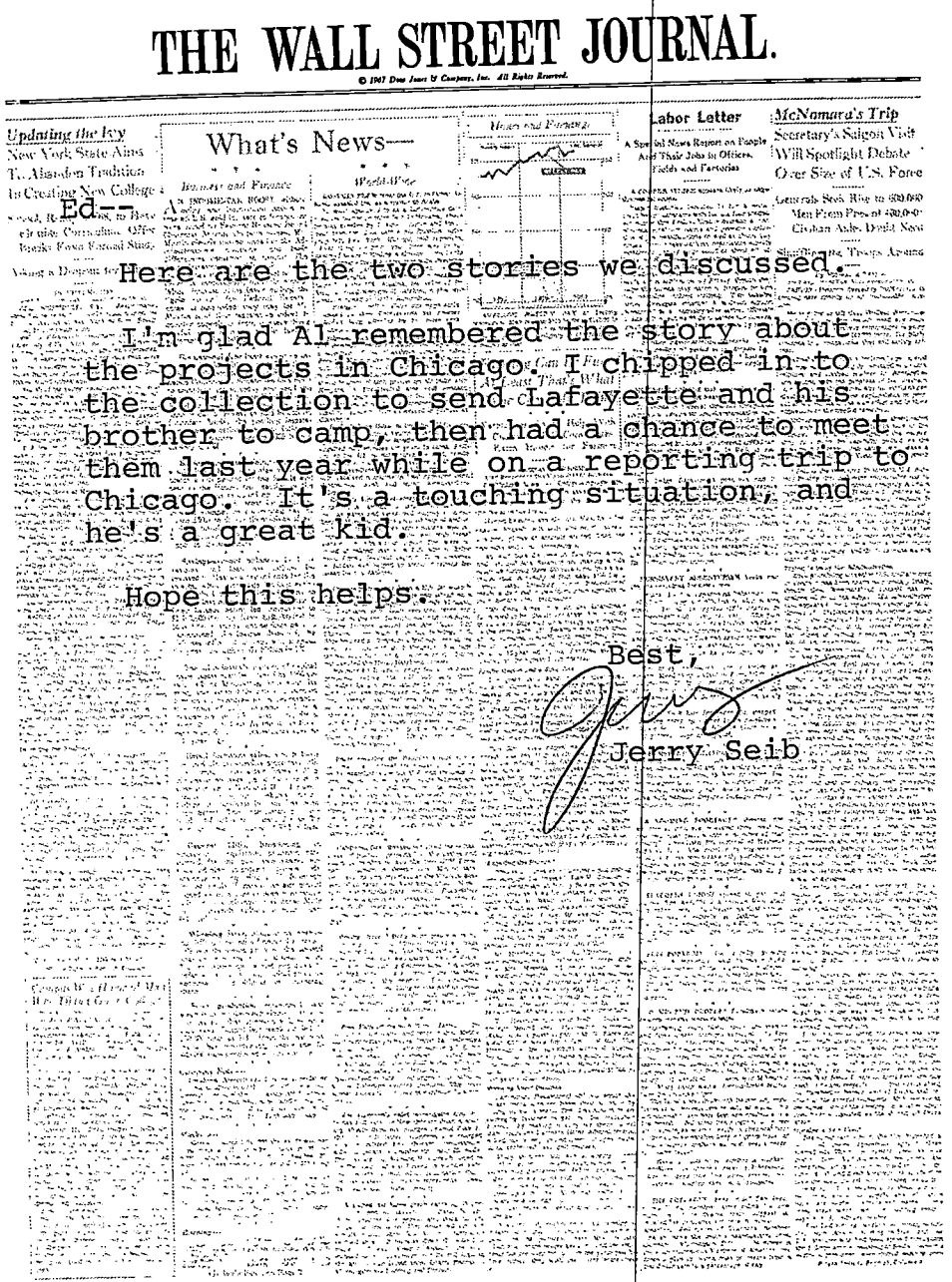
Ghosts of Inaugurations Past

By Mark S. Pestal

George Bush's inauguration ceremony is a $30 million production planned by hundreds of staffers. But history suggests it could best be remembered not for its pageantry but for whateyer goes wrong. Here's some last-minute advice for the *the parade.* Grover Cleveland's parade was interrupted by the arrival of his personal belongings at the White House. Spectators across Pennsylvania Avenue watched an uncovered wagon filled with worn-out trunks and boxes, all labeled "G.C." in large white letters, roll through

celebrate "Old Hickory's" victory.

The mob in the East Room damaged furniture, ruined rugs and left much broken china and glassware. In a futile attempt to stem the worsening damage, the punch was moved out to the lawn as a enticement for the guests to do the same.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Updating the Ivy
New York State Aims To Abandon Tradition In Creating New College

What's News—

Labor Letter

McNamara's Trip
Secretary's Saigon Visit Will Spotlight Debate Over Size of U.S. Force

Ed--

Here are the two stories we discussed.

I'm glad Al remembered the story about the projects in Chicago. I chipped in to the collection to send Lafayette and his brother to camp, then had a chance to meet them last year while on a reporting trip to Chicago. It's a touching situation, and he's a great kid.

Hope this helps.

Best,

Jerry

Jerry Seib

You, Too, Can Rent George Bush's Home In Texas for a Night

* * *

Our Man Does So, and Pays More Than Vice President; Suite Fits a Hazy Identity

V. Pres/

By Dennis Farney

Staff Reporter of The Wall Street Journal

HOUSTON—"To the George Bush residence, my good man!" I cry.

My cabdriver eyes me in his rear-view mirror. His reaction seems a little hostile, but I don't care: I am feeling positively vice presidential. I am about to become George Bush for a night. You can, too. Anybody can, for a price.

That is because Vice President Bush's private residence, for voter-registration purposes, is a hotel suite here. And when George and Barbara Bush aren't using it, the hotel rents it out to anybody who can foot the bill—which in my case totaled $403 a night.

Residency in Suite 271 of the Houstonian Hotel makes Mr. Bush an officially certifiable Texan, buttressing his claim on a major electoral and fund-raising base. Yet the suite—blandly impersonal, with hotel furniture and 101 of the Reader's Digest's condensed books—is an apt symbol of a man with a hazy public identity.

Irresistible Target

Mr. Bush was born in Massachusetts and raised in Connecticut. He was educated at prep schools and Yale, then went into the Texas oil business. He was a Houston congressman from 1966 to 1970. His voting residence is here, yet his private home is in Maine. His campaign office says he and Mrs. Bush have lived in 28 residences in 17 cities. It adds up to an irresistible target.

"I'm glad to be here in Texas," fellow GOP presidential candidate Bob Dole said at a fund-raiser this fall. "I understand it's one of George Bush's home states."

Suite 271—with a big living room and a bar—strikes me as neither preppy nor Texan. It is nondescript in a high-toned sort of way.

I check into 271—only hours after the departure of Mrs. Bush, the Houstonian staff tells me—and take partial inventory. Two couches. Two easy chairs. Two bar stools. A dripping faucet. One television set, one stereo. All those Reader's Digest condensed books. It appears adequate: a quiet place, conducive to the thinking of vice presidential thoughts.

I think of dinner.

Liberals Invited

It seems appropriate, somehow, to invite two Texas liberal Democrats to dine "in *the* suite." (If I didn't invite them to the George Bush residence, who would?) One is Billie Carr, a veteran battler for women and minority groups who once showed up at a Texas state Democratic convention wearing shoes that, at the flip of a lever, converted into roller skates. The second is Rodney Ellis, a Houston councilman and former congressional aide.

They arrive, and jump to opposite conclusions.

"Old George is doing all right," says Mr. Ellis approvingly. He knocks on the wood paneling. "I could feel very comfortable here."

But Ms. Carr feels let down. "How can this be a 'residence' without a kitchen?" she demands. (We decide that Vice President and Mrs. Bush prefer room service to slaving over a hot stove.) "Why, this is just a hotel room. It's no different than any other hotel suite I've been in."

Over room-service veal piccata at the Bush table, Ms. Carr ponders what the suite says about George Bush as a person.

"This is so impersonal," she observes. "Not one personal item. . . . It's almost like he has to validate who he is by having an apartment here in Texas. It's kind of like he needs it to validate him, politically and personally. And maybe more personally than politically."

Jack Steel, an aide in the vice president's Houston office, politely declines to be drawn into such psychological interpre-

Please Turn to Page 27, Column 1

Just Check In at Suite 271 and Be George Bush of Texas for a Night

p. 27

Continued From First Page

tations when he joins me for breakfast at the hotel the next day. He says Mr. Bush simply stays here for the facilities—including indoor and outdoor jogging tracks, two swimming pools and a health spa—and the proximity to old friends. One is oil man C. Fred Chambers; C. Fred, a now-deceased Bush dog, was named after him.

The vice president, who has stayed here about 10 times in the past year, apparently hasn't used the suite to grapple with any grave crises of state. More typical, Mr. Steel indicates, was Mr. Bush's visit in March 1986. That was when he came to Houston to dedicate what may have been the largest banner ever made. It measured 150 by 100 feet and commemorated the Texas sesquicentennial.

IRS Wins Point

The Houston connection clearly has been a boon to the Bush presidential drive. "We raised $750,000 for him in a single luncheon here," says Nancy Palm, an outspoken (her nickname is Napalm) Houston conservative who is part of the Bush Texas campaign. But keeping one foot in Houston—and the other foot in Maine—has also been a legal headache for the Bushes.

In early 1981, Mr. and Mrs. Bush sold their Houston house for some $843,000, reaping a capital gain of about $596,000. On their 1981 tax return, they asserted that they didn't owe any capital-gains tax on the Houston sale because they had rolled the gain into the purchase of their Kennebunkport, Maine, house, which they described as their principal residence for federal tax purposes.

The Internal Revenue Service disagreed. The Bushes' principal home, the IRS held, was the taxpayer-supplied vice presidential residence in Washington. Then the agency hit them for nearly $200,000 in back taxes and interest. Mr. Bush paid up, protesting that the agency had "socked it to me." But his troubles weren't over.

If Mr. Bush's principal private residence is in Maine, how can he vote in Texas? That is the legal question a Democratic state representative raised here in 1984. But the vice president, who has a personal car registered in Texas and still owns a vacant lot here, prevailed in a hearing. "To him, coming 'home' means coming back to Houston," says Harold DeMoss, a friend and his attorney on that occasion.

Barbara's Way

Coming home to the Houstonian costs the vice president $264 a night for the suite and two adjoining bedrooms. I wondered about that, since the Houstonian charged me $403 a night for the living room and *one* adjoining bedroom. "We have to get very creative with pricing in the hotel business," explains general manager Louis Lanzino. Because Mr. Bush brings staffers and Secret Service agents with him, he gets a discount.

Certainly my stay is worth every penny of my company's money. After breakfast, I head for the cushioned outdoor jogging track—walking it (the way Barbara Bush does), not running (as George would do). Later, I work on my forehand and backhand on a balmy tennis court.

Pleasantly tired—one is tempted to say bushed—I repair to Suite 271 and my basket of complimentary fruit. The day before, while counting those Reader's Digest condensed books, I had come upon a title that, under the circumstances, seemed especially intriguing. It is called "Bush Baby." I open it now.

"Bush Baby," it turns out, isn't about George Bush or any member of his family. Bush Baby is a robot spy device that has parachuted into Yugoslavia. A British scientist is risking his life to get it out. I am hooked from the opening line:

"The last of the spring snow still lay in luminous patches. . . ." I reach for another grape and settle back in my vice presidential chair. This is going to be good.

DEC 1 1987

$90 million. Later columns discussed the profits and risks involved in the mining business and the gradual disappearance of individual mine owners as financiers underwrote shares in large mining consortiums.

When he arrived in Leadville, Dow turned his attention to the miners, prospectors, and speculators: He wrote about their backgrounds, how they lived, their capacity for hard work, their mining techniques, and the fiercely protective attitude they had toward their claims. The most important outcome of Charles Dow's trip to Colorado, however, was the realization that if he was going to write about business and finance, the best place to do it was in New York.

Arriving in the city in 1880, the twenty-nine-year-old reporter had no trouble finding a job on one of New York's many newspapers. He had even less trouble gaining access to the city's financial leaders. Many of them had already been won over by his honesty and his ability to keep a secret. Now, as he met with them in their boardrooms and private clubs, the Wall Streeters began to appreciate the fact that this solemn-faced, plainly dressed New Englander also had a keen mind and a quick sense of humor.

Charles Dow's stories soon caught the eye of John J. Kiernan, and he was invited to join what was now called the Kiernan Wall Street Financial News Bureau. A few months later Kiernan asked Dow to hire another reporter to work with him, and Dow got in touch with his friend, Edward Davis Jones.

A lanky redhead five years Dow's junior, Jones was born on October 7, 1856, in Worcester, Massachusetts. He went to Brown University but dropped out in the middle of his junior year to become a reporter for the *Providence Evening Press*. Although by the time of Dow's offer Jones had become editor of the more prestigious *Sunday Dispatch*, a job in New York sounded much more appealing, and he wired his acceptance.

The two proved to be an excellent team. Dow was an idea man, while Jones could dissect and analyze a financial report "with the speed and accuracy of a skilled surgeon." Equally important, they were determined to write about Wall Street without fear or favor. This in itself was rare. Dishonesty was rampant in the business-news

agencies of the day. It was not uncommon for a corporate president, anxious to raise the price of his company's stock, to bribe reporters to print imaginative distortions of its value.

Dow and Jones refused to participate in this practice, but they were in no position to stop it. It was an accepted way of life on Wall Street. Stock manipulation was all part of the "game," and the unprotected public was always the loser. Some years later, writing for his own paper on the ethics of investment, Dow said:

> The manipulator is all-powerful for a time. He can mark prices up or down. He can mislead investors inducing them to buy when he wishes to sell, and to sell when he wishes to buy; but manipulation in a stock cannot be permanent and, in the end, the investor learns the approximate truth. His decision to keep his stock or sell it then makes a price independent of speculation and, in a large sense, indicative of true value.

The New England Baptist and the Connecticut Yankee, as Edward Jones called himself and his colleague, were convinced that there was plenty of room on Wall Street for another news bureau. John Kiernan's business was thriving despite the fact that its owner was too busy dabbling in Democratic politics to take an active role in its operations. If Kiernan, a newly elected state senator, could run a successful news bureau with his left hand, a pair of younger men, willing to work full time, could certainly make a go of one.

On that assumption the thirty-one-year-old Connecticut Yankee and the twenty-six-year-old New England Baptist said goodbye to "Kiernan's Corner" and in November, 1882, opened their own financial news agency, Dow, Jones & Company, Inc. (Some sixty-six years later the comma separating the two names mysteriously disappeared. It was in the copyright line of a new edition of *The Wall Street Journal* published in Dallas, Texas, on May 3, 1948, but by the time the Mid-West Edition came off the presses of the newly acquired *Chicago Journal of Commerce,* on January 2, 1951, the comma was no longer to be found.)

Dow, Jones's original headquarters were in a small back room in the basement of Henry Danielson's candy store on Wall Street. There was no direct entrance; employees and visitors alike had to march past a soda fountain and clamber down the stairs. The new company

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WALL STREET JOURNAL November 5, 1980

REVIEW & OUTLOOK

The Inevitable

As these words are being written, voters in America are going to the polls to decide who will be their next President. It would have been nice if it needn't have come to this. It would have been nice if Messrs. Carter and Reagan could have patched up their differences without forcing half the men and women in the most powerful and productive nation to take hours out of their working day to sort the whole mess out. But it is one of the central facts of this year's presidential contest that there was no way to decide it without a vote.

The pollsters couldn't make up their minds. One week you'd read that Jimmy Carter was leading in the New York Times-CBS count. The same week you'd read that Ronald Reagan was leading in the ABC-Louis Harris poll. And the next morning you'd get an entirely different set of figures from, say, the poll conducted for NBC and the Associated Press. You'd be digesting this information when someone would race in with a dispatch saying that it was actually possible that John Anderson could get such a vote that, through a miracle, *he* could capture the White House.

Not that you can blame the polls entirely. After all, the labor unions couldn't make up their minds either. It used to be that you could count automatically on the unions to pick the Democrat and, in the absence of occasional overriding pressure from other groups, install him in the Oval Office. This year, however, every time management of the unions got together to try to figure out for whom they would vote, they grew paralyzed by the prospect that the rank and file, out of work or seeing their earnings eaten away by inflation, didn't want to back the Democrats. You could point out that *some* of the unions made up their minds, but not enough of them to close the case before the election.

Foreign potentates couldn't make up their minds, either, although everyone was quite patient with them. The country waited a year for the Ayatollah Khomeini to cinch the election for Jimmy Carter, but the irate imam dithered so long that the country couldn't wait any longer. Fidel Castro had his chance, but all he delivered was 33 Americans he'd been holding in prison, hardly enough to decide an issue as big as the presidential race. If Leonid Brezhnev really wanted Carter, as rumored, he could have launched some attack and then caved in under Carter posturing. But he didn't have any more a clear idea of whom he wanted in the White House than did, say, the church.

The church was trying. It just couldn't resolve its own internal differences. Some evangelical Christians, working under the umbrella of the Moral Majority, launched a big campaign to help Governor Reagan. But other evangelical Christians, working in the churches of the South and in the ghettos of the North, campaigned for the proposition that Jimmy Carter could be born yet again. The Pope never took a clear stand on whom he wanted for President, and neither, for that matter, did the Southern Baptist Convention, the major society of rabbis, or the Anglicans.

But the press couldn't make up its mind either. You'd think the press would have been able to do this. It spends almost all its time running around after the candidates, talking to their assistants, pondering the issues and excavating the facts. But one morning the New York Times endorses Jimmy Carter, and the same morning the Chicago Tribune endorses Ronald Reagan. One day the newspapers are trying to make a scandal out of Jimmy Carter's brother. The next day they're dropping the whole question as though it didn't matter and nattering on about how Ronald Reagan is given to making gaffes. People would turn to their television sets, only to discover that the broadcasting industry was so stricken with indecision that it was giving equal time to both major candidates.

So it just seemed inevitable that in this election year the voters were going to have to decide. You can say that this is a cop-out, or even a scandal, that it's impractical or un-American. You can say it should shake our confidence in the institutions that pose as the big power-brokers, not only in America but in capitals across the globe. You can say it's a disappointment, a pain-in-the-neck, or even a hassle. Just the same, it's a nice thing to know that when all else fails, you can count on the voters to pull the fat out of the fire.

Waiting for Reagan

WALL STREET JOURNAL January 20, 1981

Ronald Reagan takes office today as the 40th President of the United States. It is a solemn moment when any new President undertakes his awesome responsibilities, but even more than most Presidents Mr. Reagan comes to his inaugural carrying a heavy personal weight of the nation's hopes.

In electing Mr. Reagan, the public clearly expressed its desire for a change of direction. The reasons for its dissatisfaction with recent events are manifest. At home, inflation has eroded hopes for the future and led to increasingly grudging economic progress. Abroad, the United States has seemed unable to affect events, even to protect its own interests and its own citizens. For many years Mr. Reagan stood for a certain set of answers to these concerns, distinct from those approaches that have dominated public policy over those years. The voters decided to try something different.

As Mr. Reagan is inaugurated, curiously, the question is not so much whether the approaches he has articulated will work. Rather, the question is whether these approaches will really be tried. Not that anyone doubts Mr. Reagan's commitment to them. But as his administration has been staffed and as his people made their initial attempts to grapple with the enormities they face, there has been a certain slackening of momentum, a loss of elan. The question has become whether Mr. Reagan and those around him will have the muzzle velocity needed to change old habits and defeat ingrown political pressures.

The fear that Mr. Reagan's initiatives will merely wither away is amazingly widespread. Naturally those who have shared his ideas are worried. They have seen similar ideas turned aside in places like Britain and Canada, and here at home they saw the Nixon administration implement wage and price controls and start the Soviet-U.S. detente that served us so badly in the Carter years. But even many of those who did not support Mr. Reagan's ideas want him to implement them. They don't believe these are the answers, but they want to *know*.

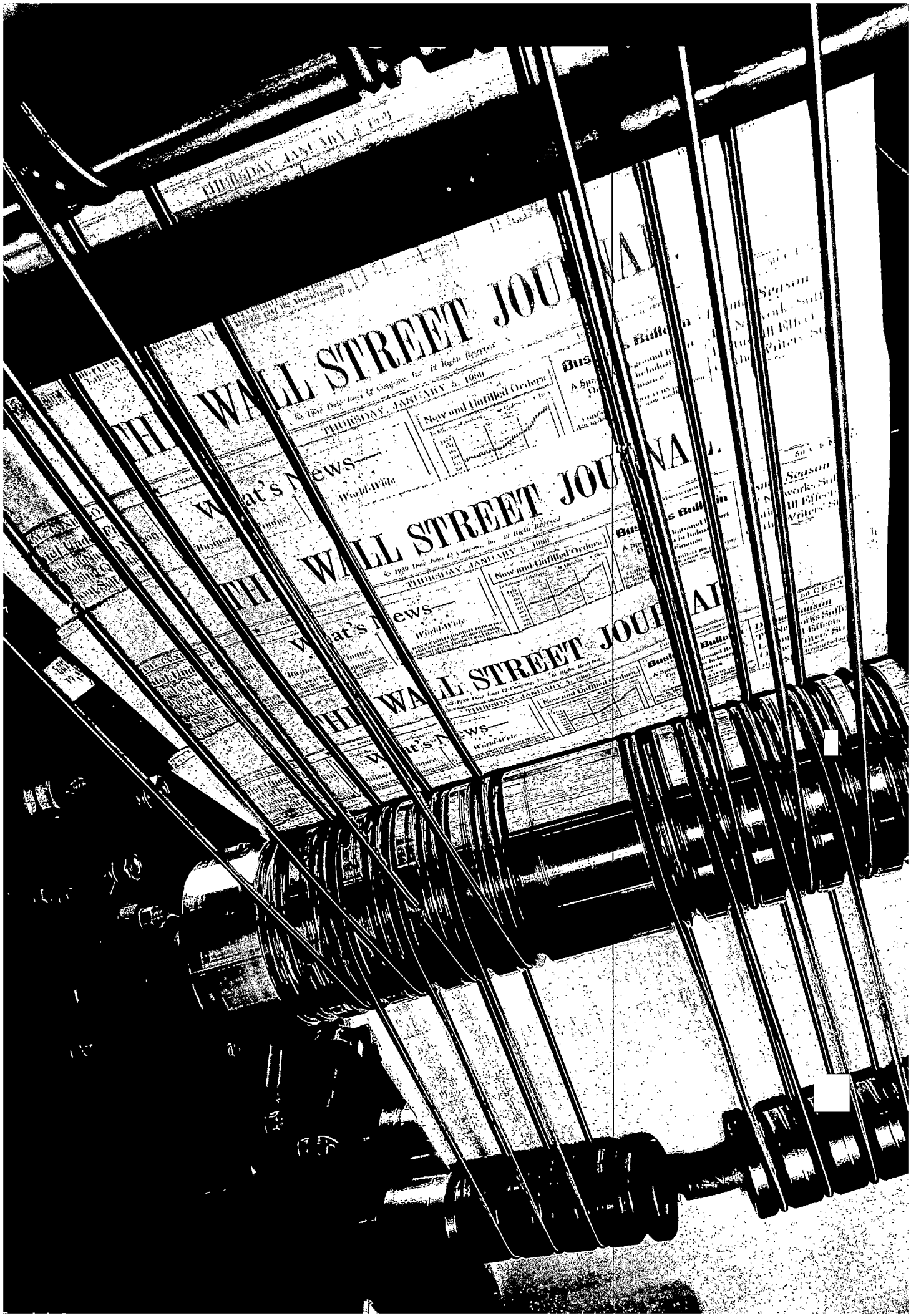
What then, is the source of this curious fear that the most ideological President of recent times will fail to deliver on his promises? In part it is merely an artifact of the staffing process, which is bound to disappoint more applicants than it pleases, leaving the rejected ones feeling that their ideas have lost. In larger part, it is the managerial texture of the Reagan Cabinet selections, leaving one wondering where the intellectual firepower will come from.

In part, it is the stylish quality of Mr. Reagan and the Californians who surround him. They tend toward "aw shucks" homilies that leave the impression of smooth stones without the sharp edges that bite. In part, similarly, it is Mr. Reagan's managerial caution and personal distance, which tend to dilute any sense of the intensity of his feelings. And in part finally, the fear arises from our transitional process; for nearly three months now the President-elect has drifted in a sort of constitutional limbo, and the rest of us have been waiting for Reagan.

Today the wait comes to an end, and President Reagan will finally have an opportunity to dispel this curious fear. We should not be surprised if shortly the fear seems wholly illusory. Mr. Reagan and his Californians did not get where they are today without steel or guile. Appointments at the assistant secretary level are providing some ideological bite for the managerial secretaries to manage. Mr. Reagan's style, seen not least in his presidential campaign, has tended toward a period of drift concluded by the bold stroke, as an experienced actor might plot it.

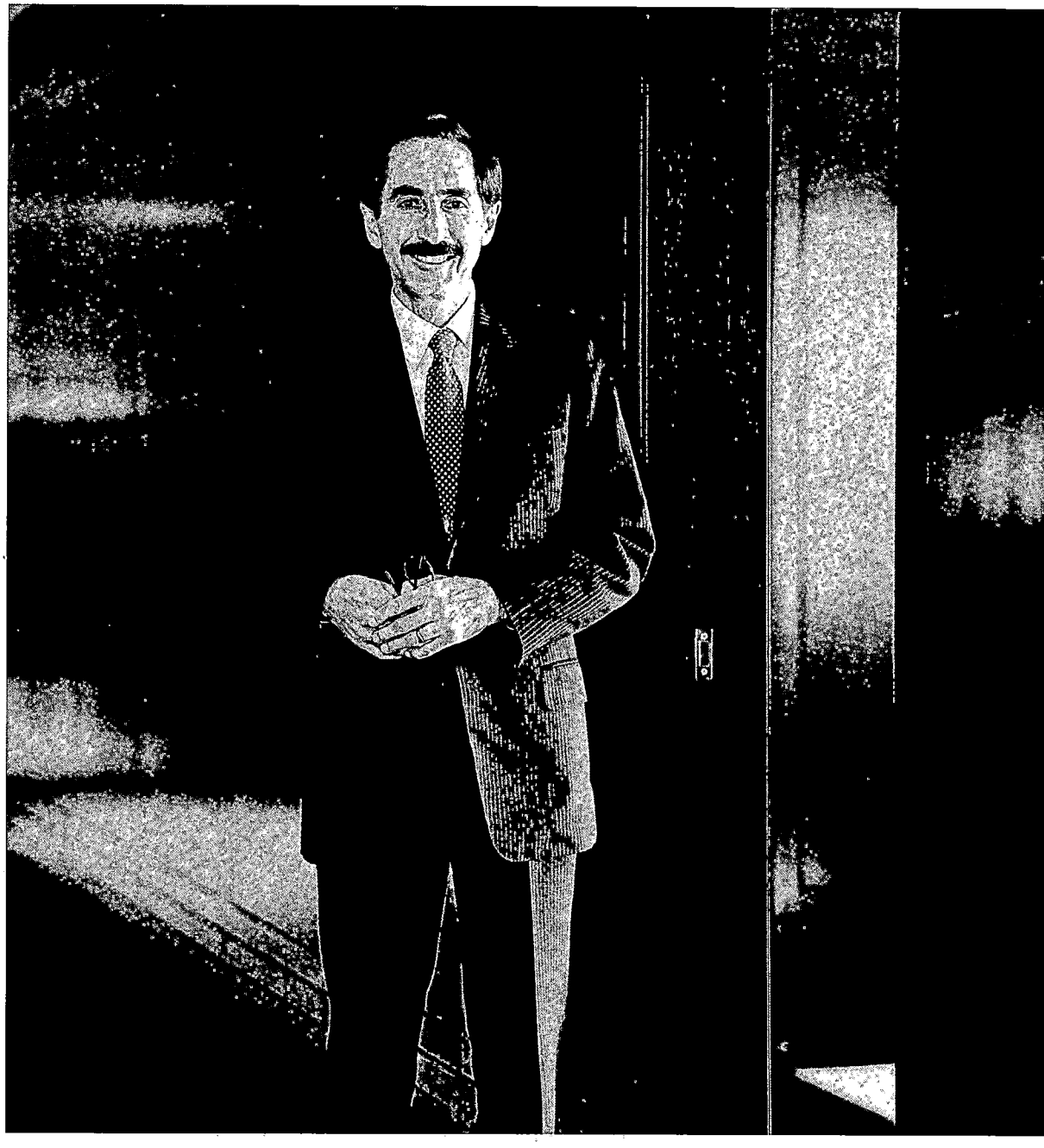
It's possible, indeed, that the ebbing of elan since November may in time be seen as a good thing. Certainly inflated expectations would be a danger to any incoming administration, given the difficulties of the political process and the depth of our current problems. But as Mr. Reagan takes office and starts to lay out his program, so much will depend on his personal qualities—how much drive and determination lie beneath the cool exterior, how much personal ability to blend his managers and policies into a coherent whole, how much vision on how to change the course of events.

Today we will start to learn, embarking with Mr. Reagan on a new experiment and a new adventure. He has the ideas and the mandate, and if he can actually bring them to pass and make them work, it will seem one great stroke of dramatic plotting. For if this happens, our 40th Presidency will have been a historical watershed.


WALL STREET JOU
THURSDAY, JANUARY 5, 1950
New and Unfilled Orders
What's News—
World-Wide

The Wall Street Journal

The First 100 Years

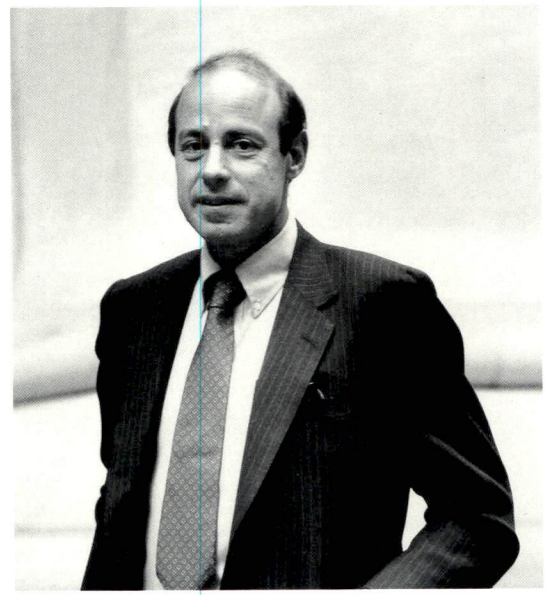


Warren H. Phillips, Chairman, Dow Jones & Company, Inc.

The Wall Street Journal is celebrating in 1989 the 100th anniversary of its first issue. It is embarking on its second century committed to keeping readers well-informed in ways that will help them build better businesses and better lives. ☐ This centennial book sketches very briefly some of the Journal's history. ☐ When the first four-page Wall Street Journal came off the press in 1889, the building of the railroads dominated the business news. Iron and steel production in the U.S. still had not surpassed that of England, but was growing fast to feed the needs of the railroad builders. Electric lights and telephones were newly invented and just beginning to spread. ☐ American society still was largely agrarian, with workers on farms double those in manufacturing. We were a nation of only 38 states, and a population about a fourth of today's. The final suppression of the Plains Indians, in the massacre at Wounded Knee, South Dakota, was still a year away. ☐ In the years since, as America grew to become the world's dominant industrial and financial power and opened up new frontiers of consumer service and space-age technology, The Wall Street Journal reported this transformation as it took place. The Journal also played a part in the change. ☐ It did this by providing reliable economic news and information that helped link the diverse parts of the country. We would like to think that this contributed to knitting together the nation and the world of business. ☐ As markets then grew and interdependence increased, the Journal sought to supply readers with a tool -- knowledge -- to enable them and their businesses to grow, too. It sought to supply the kind of timely, trustworthy knowledge that could be used to make confident decisions, grasp opportunities, adjust to change and avoid costly mistakes. ☐ This continues to be the Journal's mission as it moves into its second century. ☐ As the country and its businesses grew, so did the Journal. Today it has grown into a national and international business daily with a circulation larger than that of any other U.S. newspaper. Its global circulation of more than two million is served from 18 publishing sites in the U.S. and five others in Europe and Asia. ☐ We are proudest not of any quantitative growth measurements but of the confidence bestowed on the Journal by readers and reflected in successive independent surveys over the years -- by the Louis Harris organization and by

Times Mirror Co., for example -- that show the Journal to be the country's most trusted publication. We are pleased that in the latest Pulitzer Prize awards, last spring, the Journal was the only newspaper to win two Pulitzers for its reporting. □ And we are pleased that earlier this year Fortune magazine reported that its annual survey of corporate reputations found Dow Jones to be the most admired company in the publishing industry. It was ranked No. 1 for the quality of its products and services. This was the sixth consecutive year the Fortune survey has shown Dow Jones in such a leadership position. □ We are highly skeptical, however, of the occasional description of the Journal as powerful; we would be disturbed by any inclusion of the Journal in the talk one hears these days about the growing power of the press. A newspaper should not aspire to power. Our aspiration is to put power in the hands of our readers, to the extent that knowledge is power. Our aspiration is to help them become more knowledgeable and thus gain greater power over their lives and careers and business fortunes. □ In the Journal's first issue in 1889, there was a statement of principles that included these words: "We appreciate the confidence reposed in our work. We mean to make it better." □ Those words are behind whatever the Journal may have accomplished over the years. They sum up the goals that will guide the Journal in its second century: To be worthy of reader confidence by earning and re-earning that trust day by day; and to keep stretching always to improve the Journal's usefulness, "to make it better." □ The Journal of the '90s and beyond will be governed by two traditions. They can be stated as two pledges to readers. One is to adhere to old values: accuracy, independence, fairness. The other is to be quick to give readers the benefit of the new: to adapt to changing reader needs, to be responsive to changes in our economy and society and to adopt new technologies and new ideas that will help serve readers better. □ This blend of the best of the old and the best of the new has been the standard to which the Journal has aspired in its first century. It will be the Journal's standard for its second century. □ The latest in a long series of moves to improve service to readers was made this past fall. Journal editors organized the contents of the paper more efficiently in a new three-section format, for greater

reader convenience. Coverage was improved in several areas of increasing relevance to readers; these included competitive marketing strategies, new technology developments and the strategies of smaller, growing enterprises. □ A recent Carnegie-Mellon University survey of executives found that while coping was the manager's top challenge in the 1980s, competing will be most important in the next decade. The Journal intends to point up information useful in meeting this challenge, while at the same time continuing to strengthen traditional coverage areas ranging from personal finance to foreign affairs. The intent is to produce a paper paced to the needs of the '90s, and beyond. □ At the time of the Journal's 75th anniversary in 1964, the then publisher, Bernard Kilgore, wrote: "A newspaper, aged 75, can be as young as yesterday, provided only that it has learned from its past, cherishes sound traditions and keeps everlastingly alert to the needs of tomorrow. I believe The Wall Street Journal of today still meets those strict standards." □ We believe those words apply as well to The Wall Street Journal at age 100 as they did to the Journal at the time they were written. We are committed to seeing that they continue to apply to the Journal of the next century. □ Today's Journal reflects the efforts of more than 3,000 talented and committed employees in all departments -- reporters, editors, salespeople, customer service representatives, technical experts, printers, pressmen, delivery people, and more. All of them join us in thanking you, our readers, for your patronage and loyal support.



Peter R. Kann, Publisher

Peter R. Kann, Publisher

Warren H. Phillips, Chairman, Dow Jones & Company, Inc.

NEW YORK, N.Y. FEBRUARY 28, 1989

It was December of 1941. □ Barney Kilgore, who had been The Wall Street Journal's managing editor for less than a year, decided early that month that the newspaper should be fully staffed on Sundays. Journal reporters previously had written Monday's newspaper on Saturday, leaving Sunday duty to four printers. □ So it was on Dec. 7, 1941, that the Journal had a full composing room and copydesk for the first Sunday in its 52 years. □ William F. Kerby, assistant managing editor for the Monday paper, was on duty. "A bit after 3 p.m., the bells began clanging on the entire battery of press association teleprinter machines," Kerby recalled in his memoirs. "The Japanese had attacked Pearl Harbor....I had just cleared the last of the page one articles for the first edition when Barney turned to me and said: 'Now write the lead piece.' It was 30 minutes before deadline." □ Kerby's story, under a three-tiered banner headline, led a front page the next day that exhaustively examined the economic and business implications of the imminent war. The story began: "War with Japan means industrial revolution in the United States. □ "The American productive machine will be reshaped with but one purpose -- to produce the maximum of things needed to defeat the enemy." □ The Pearl Harbor issue marked a watershed in the development of the modern-day Wall Street Journal. It gave reality to Kilgore's grand vision: The Journal could be more than a narrowly focused financial newspaper.

THE WALL STREET JOURNAL.

VOL. CXVIII. NO. 135 NEW YORK, MONDAY, DECEMBER 8, 1941 SEVEN CENTS

War With Japan—

U. S. Industry's Sole Objective: Arms Production Speedup; Congress Prepares To Act; Tax Bill Will Be Rushed; N. Y. Stock Exchange To Open As Usual Today, Says Schram

Washington Sees Fight on 2 Oceans And 3 Continents

Expects Half the National Income Allocated to Army, Navy—Labor Registration

More Curbs on Vital Materials

What's News—

Business and Finance *World-Wide*

We Have a Duty

All Consumption Curbs Due To Be Stiffened; Scarcity List Will Grow

Vast Supplies of Ships and Shells, Bombs and Bombers, Oil and Gasoline Will Be Essential; Outline Already Visible

By William F. Kerby

Market Officials Expect No Trouble

But Will Be On Hand Early to Study Situation — SEC to Meet This Morning

New, Stiffer Levies Now Are Imminent

Will Fall on Firms, Individuals Alike Based on How Much Must Traffic Bear

U.S. Well Stocked With Far Eastern Commodities, But Curbs Will Tighten

Dominion of Canada Bonds

A. E. AMES & CO.

Construction Engineering

Ford, Bacon & Davis, Inc.

Analyses of Property Here

The American Appraisal Company

Arthur L. Mullergren

Engineering — Management

Public Utilities — Natural Gas

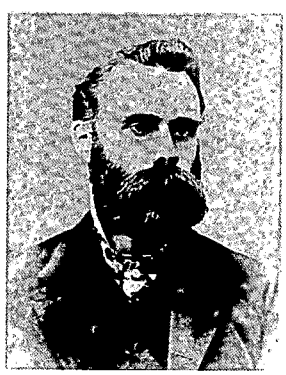
Township of Woodbridge, N. J.

Bonds

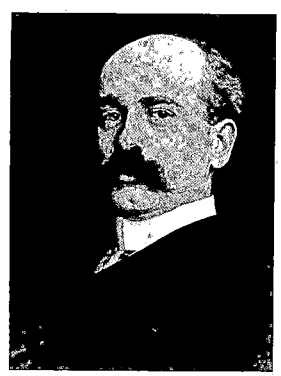
B. J. Van Ingen & Co. Inc.

▶ Sinking of the USS Arizona, Pearl Harbor, December 7, 1941.

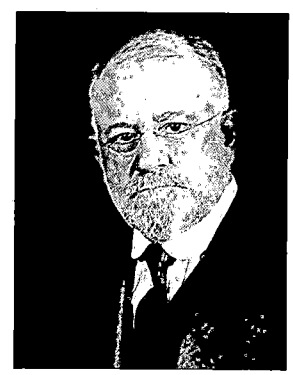
□ Fifty-nine years before, in 1882, Charles H. Dow and Edward D. Jones, young reporters for a New York financial news agency, set out on their own to found Dow Jones. Another newsman, Charles M. Bergstresser, was made a silent partner, being persuaded that his name was too long to fit the company name. The new firm produced handwritten news bulletins delivered by runners to Wall Street clients throughout the day. □ In 1883 the bulletins were summarized in a printed two-page Customers' Afternoon Letter. This successful publication in 1889 became The Wall Street Journal, which pledged to offer a "faithful picture of the rapidly shifting panorama of the Street." A prominent feature from the start was the stu-



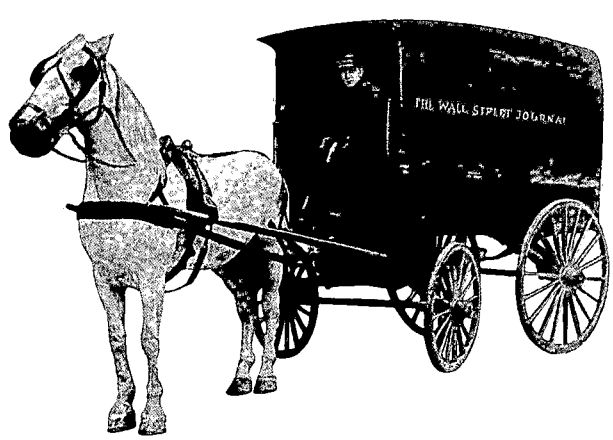
Charles H. Dow



Edward D. Jones



Charles M. Bergstresser



▶ The first issue of The Wall Street Journal Monday, July 8, 1889.

THE WALL STREET JOURNAL.

VOL. 1.—NO. 1. NEW YORK. MONDAY. JULY 8, 1889. PRICE TWO CENTS.

THE WALL STREET JOURNAL

PUBLISHED daily, except Sundays and Stock Exchange holidays, at 3.15 P.M.

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Average Movement of Prices.

The bull market of 1885 began July 2, with the average price of 12 active stocks 61.49.

The rise culminated May 18, 1887, with the same twelve stocks selling at 93.27.

Prices gradually declined for about a year, reaching the next extreme low point April 2, 1888, the 12 stocks selling at 75.28. The movement since then, counting from one turning point to another, follows:

Last low point	Apr. 2, 1888,	75.28
Rallied to	May 1, "	83.54
Declined to	June 13, "	77.12
Rallied to	Aug. 8, "	85.95
Declined to	Aug. 16, "	83.78
Rallied to	Oct. 1, "	88.10
Declined to	Dec. 5, "	81.68
Rallied to	Feb. 18, 1889,	87.77
Declined to	Mar. 18, "	83.59
Rallied to	June 12, "	91.38
Closed Sat. night	July 6, "	87.71

The Market To-Day.

There is some reason for believing that operators identified with the bear party sent early orders to London to depress Americans in that market as a preparation for the opening here. These orders were faithfully executed, and London at 9.20 was quoted as opening weak and as having become very weak. Prices, however, were only a little below New York closing figures.

London houses were, however, sellers at the opening, and there developed a decided lack of buyers. Lake Shore furnished an illustration. It opened at 101¾ and was then offered down an eighth at a time to 101 where the next sale was made. This temper started a rush to sell out, during the first hour, prices generally went off from ¼ to 1%. In St. Paul Mr. Randolph had a large selling order; in Union Pacific Mr. Savin made the lowest prices. Reading was sold by Oppenheim & Co., by Mr. Burras and Mr. Wheeler, and Northwest went down on sales by Davis Johnson. Traders made most of the transactions in Atchison although there was evidence of some support when the other market was weakest. The Trust stocks were not a feature, although weakening in sympathy and on the execution of stop orders.

The drive ended about 11 o'clock and the market had little but there was no general rally. There was a single item of favorable news from Chicago to the effect that New York bankers were exerting a strong influence upon the railway managers in favor of peace. It was said also that a plan would be presented at the Chicago meeting to-morrow for taking care of Burlington & Northern.

The long expected Jersey Central dividend was declared at noon and proved a gratifying disappointment to those who have been expecting a four or five per cent. rate. The directors voted to pay a quarterly dividend of 1½. No statement was made public, but the conservative management of Jersey Central is evidence that so high a rate would not have been made if the way to maintaining it had not seemed reasonably clear. Jersey Central profited by the Lehigh and Reading strikes last year, but without them was able in the first five months of the year to increase its net earnings $15,870 over those for the same time in 1888.

The news that the bankers syndicate was again exerting pressure upon the railroad managers quickened the disposition of traders to take profits on the short side and apparently led some of the larger bears to endeavor to lessen their following. The result was a decided rally carrying prices up ½@¾ with New England and the Trust stocks leading.

Boston Money Market.

Boston special—The week opens with a decidly firmer feeling in the money market. Money between banks continues in sharp demand 5 and 6% being readily paid for loans this a. m. It is possible that money will be brought over from New York to-night. It is claimed by some that from this time on the clearing house rate will stand 4% at least. The firmness of clearing house money is reflected on the outside.

The banks are not loaning on call to-day less than 6% except in the case of very favored borrowers. Business on time loans is at very low ebb and rates are nominal at 4 or 5%. Very little paper will be offered until rates become more settled.

Philadelphia Market To-day.

Philadelphia special, 2.30—The special feature of Philadelphia market to-day was some heavy liquidation in Reading by bull houses—some 7,000 shares being sold at 29¾. It was all well taken by New York and good houses here. Outside of this market is dull and traders are not inclined to do much until the situation is cleared.

Washington special. The Treasury accepted $35,600 at 106¾.

Produce Exchange, 2:15:—Wheat firmer on the late cables and some reports of crop damage: 3 loads milling: no exports. Corn quiet; 24 loads export.

Mr. Duncan A. MacTavish, of the British Bank of North America, died this morning aged 72.

Pittsburgh special—Oil brokers here are thoroughly sick of dealing in futures, as it has knocked business out entirely, and a movement was started on the Exchange to-day to get a conference of exchanges and have the amendment on that point rescinded. It seems likely to be carried.

Philadelphia special—Bank statement reserve decreased $557,000.

The Baltimore American puts up a bulletin that there is a rumor to effect that Kilrain has won and Sullivan's backers are holding the wire to hedge on bets.

Clearings Last Week.

Boston special—The Post's table of clearings shows gross exchanges of 41 cities for the week ending July 6, 1889, $1,127,114,523, against $883,993,314 last year, an inc. of 27.5%. Outside of New York the inc. is 14.2%. New York inc. 37.3%, Boston 27.9, Philadelphia 6.3, St. Louis, 33.6, San Francisco 18, Cincinnati 7.2, Kansas City 27.5, New Orleans 2.1, St. Paul 2, Omaha 39.5, Minneapolis 16.2, Detroit 2, Denver 70.5, Peoria 12.7, Indianapolis 3.9, Ft. Worth 90.3, Wichita 48.4, Chicago dec. 5%, Milwaukee 1.6, Duluth 44.6 and Topeka 4.9.

For the month of June exchanges of 40 cities show an increase of 22.2%. Outside of New York increase 9.3%. New York increase 30.3%, Boston 18.8%, Philadelphia 12.1%, Chicago 0.1%, St. Louis 18.9%, San Francisco 2.7%, Kansas City 0.4%, St. Paul 2.1%, Omaha 20.8%, Denver 26.6%, Peoria 23.8%, Ft. Worth 47%, Topeka 18.4%, Duluth decrease 45.5%.

For 6 months gross exchanges of 40 cities show an increase of 15.8%. Outside of New York increase 11.9%. New York increase 18.2%, Boston 11.8%, Philadelphia 15.9%, Chicago 7.8%, St. Louis 8.5%, San Francisco 1.9%, Kansas City 11.3%, Omaha 19.5%, Denver 38.9%, Peoria 17.5%, Duluth 13.6%, Ft. Worth 31.8%, Topeka 31.4%.

Bankers Exerting Their Power.

Chicago special—It is stated on excellent authority that the Western presidents are getting positive orders from New York and Boston banking houses to settle the Western troubles at the meeting to-morrow . . . Some sort of plan to take care of C., B. & N. will be considered, and it is believed that if C., B. & N. can be controled, a general settlement will be effected.

Sales of stocks from 12 to 1—Listed 47,426; unlisted 5,454. Total, listed 194,408 unlisted 27,868.

12.40 p. m.—Slayback sold Union Pacific down.

The first bale of cotton from the South was sold at auction in front of the Cotton Exchange to-day and was bought by Henry Clews & Co. at 16¼.

Press, Cincinnati—It is reported here from a reliable source that Sullivan and Kilrain were fighting at 11.45 a.m. The contest was a long one and Sullivan was having the best of it and was sure to won.

1.35—Van Emburgh sold 2,000 Missouri Pacific.

The Position of Alton.

Chicago special—Vice President McMullin says: Alton is not inclined to reduce rates for the sake of reducing them or to injure the business of its competitors . . . We have stock, etc., from Missouri River for the reason that we think these rates too high and that the best interests of roads at the Missouri River will be subserved by the small reductions which we desire to put into effect. The fact is that since the roads began to charge live stock shipments on the basis of weight instead of carloads it has cost $65 to $75 per car from Kansas City to Chicago, whereas the old rate was $50 to $60. We reduced the passenger rate to meet the competition of scalpers who were selling tickets via other lines at a reduced rate.

Chicago special to Jones, Kennett & Hopkins—Local securities: Chicago City R'y 59@60. Chicago Pass. R'y 107¼ asked. Diamond Match Co. 150@151. North Chicago Street R'y 122½ asked. West Chicago Street R'y 100@100½. Gaslight 6s 97½@97¾. Consumers 5s 96 asked.

Jersey Central Dividend.

Jersey Central has declared a dividend of 1½% for the quarter ending June 30, payable Aug. 1, 1889. Books close July 15. This dividend is declared with expectation of its continuance, in accordance with the statement in the annual report on page 11.

Bulletin, New Orleans, says fight took place near Richburg. On account of there being no communication with the place particulars won't be had till the return of the train, which is due at 2 p.m.

The Aspen Mining and Smelting Co. has declared the 8th regular monthly dividend of 20 cents per share to stockholders of record, payable on and after July 12th at office. Transfer books close July 10th and reopen July 15th.

2 p.m.—Slayback, Kirkner and other traders made the rally.

Boston special—Atchison officials say that in their opinion the stock is unassessable. In case of reorganization, however, stockholders would undoubtedly be willing to contribute rather than permit a foreclosure. Advices from Director C. K. Halliday, Topeka, Kan., say that the crop prospects of that State are better than ever before known. The wheat crop will be twice that of last year and the oat crop three times as great. Corn in the southern part of the State is already from 4 to 6 feet high, and commencing to tassel out. President Strong also confirms the report. There is little question but that Kansas will have a tremendous business this year and the future of Atchison depends on the rates it gets for carrying. The winter wheat crop has already commenced to move in some sections and will be moving freely by August.

Wheeling & Lake Erie has declared the regular quarterly dividend of 1%, payable Aug. 15. Books close Aug. 1 and reopen Aug. 16.

Boston special—Bank statement shows a decrease of $418,143 in the reserve.

2.10 p. m.—Kirkner bought 1,000 St. Paul and Tappin bid it up.

Philadelphia special—The Insurance Company of North America declares a semi-annual dividend of 7½%, payable on demand.

Boston special—The Boston & Albany is understood to be negotiating for the sale of its large granite building at Springfield and the early removal of the offices established there to this city. The Connecticut River Railroad Co. is it is said disposed to buy the block. The Boston & Albany Co.'s asking price is $150,000, a figure much below the original cost of construction.

Sales of stocks from 1 to 2—Listed 43,777; unlisted 1,300. Total—Listed 244,185; unlisted 29,056.

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DEALERS IN INVESTMENT SECURITIES.

OFFICE OF THE ASPEN MINING & SMELTING COMPANY,
No. 54 Wall St.,
NEW YORK, July 8th, 1889.

The 9th regular monthly dividend of twenty cents per share has this day been declared on the stock of this Company (200,000 shares) payable at the office of the Company on and after the 12th day of July to stockholders of record. Transfer books will close Wednesday, July 10th, at 2 o'clock p. m. and reopen Monday, July 15th, at 10 o'clock a. m.

J. L. TILTON, Secretary

CENTRAL RAILROAD CO. OF NEW JERSEY
119 Liberty Street,
NEW YORK, July 8, 1889.

A dividend of one and a half per cent. has this day been declared, payable August 1st prox., for the quarter ending June 30th ultc. The transfer books will close on Monday, the 15th inst., and open on Friday, August 2d.

By order of the board.
J. W. WATSON,
Treasurer.

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HARRY A. DAY, Member New York Stock Exchange
Member Philadelphia Stock Exchange
PEIRCE HOWE, Jr., Member Boston Stock Exchange
ERNEST H. TRESTON
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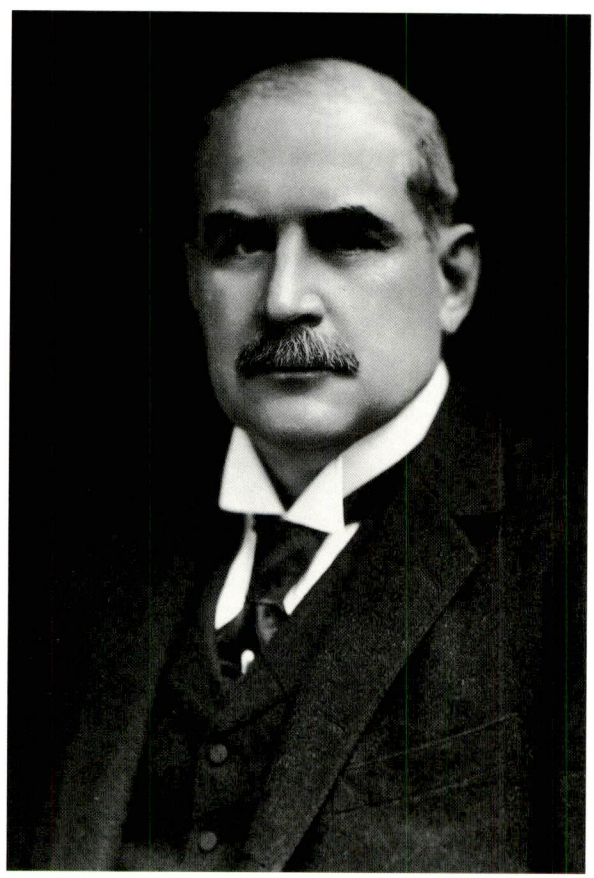
Bankers and Brokers,
49 EXCHANGE PLACE, NEW YORK. | 14 EXCHANGE PLACE, BOSTON.
Private Wires to New York, Philadelphia, Boston and Chicago.

dious Dow's innovative "Average" of 11 stocks -- the stock-price index whose later name would make Dow and Jones household words. □ The Wall Street Journal's first issue appeared on the afternoon of July 8, 1889. It sold for two cents a copy, or $5 a year, and was delivered to a few hundred Wall Street readers. Page one news columns were dense with reports on railroads and the markets. The only non-business news, a late bulletin, contained the paper's first typographical error: John L. Sullivan was boxing Jake Kilrain "...and Sullivan was having the best of it and was sure to won." □ Dow Jones & Co., which had built a reputation as a financial news service, promised in the first issue that its newspaper would hew to these "funda-

▶ The Journal covered the railroads exhaustively in its early years.



"I am glad to be among those to congratulate The Wall Street Journal. The useful service which it has given to the financial community is known to all and I wish at this time to express my best wishes for its continued success."

–John Pierpont Morgan Jr.
Financier
On the occasion of Dow Jones' 50th Anniversary in 1932

Jessie Barron

mental principles": "To get the news. □ "To publish it instantly, whether bull or bear. □ "No operator controls or can control our news. Any man can say in our columns substantially what he pleases over his own name. □ "We are proud of the confidence reposed in our work. We mean to make it better, and we mean to have the news always honest, intelligent and unprejudiced." □ The Gay Nineties were heady days for the Journal and Dow Jones as a rapidly expanding economy needed more and faster information. The Dow Jones News Service -- or Ticker -- was launched.

▶ Clarence W. Barron

The Journal opened a Washington bureau and added a morning edition. Nearing its 10th birthday, the paper in 1899 told readers that it would continue "in all things first, and in many things alone"; that circulation had grown to 10,000, and that a new press was on order "to provide once and for all any requirements that may arise." (Today, the Journal is printed in 23 plants in the U.S. and overseas.) □ Though the Journal covered subjects of sometimes bewildering complexity, the effort was begun to write simply and clearly. Charles Dow favored homely analogy and everyday language, as in this editorial comment about the public in the stock market: "Nobody who plants corn digs up the kernels in a day or two to see if the corn has sprouted,

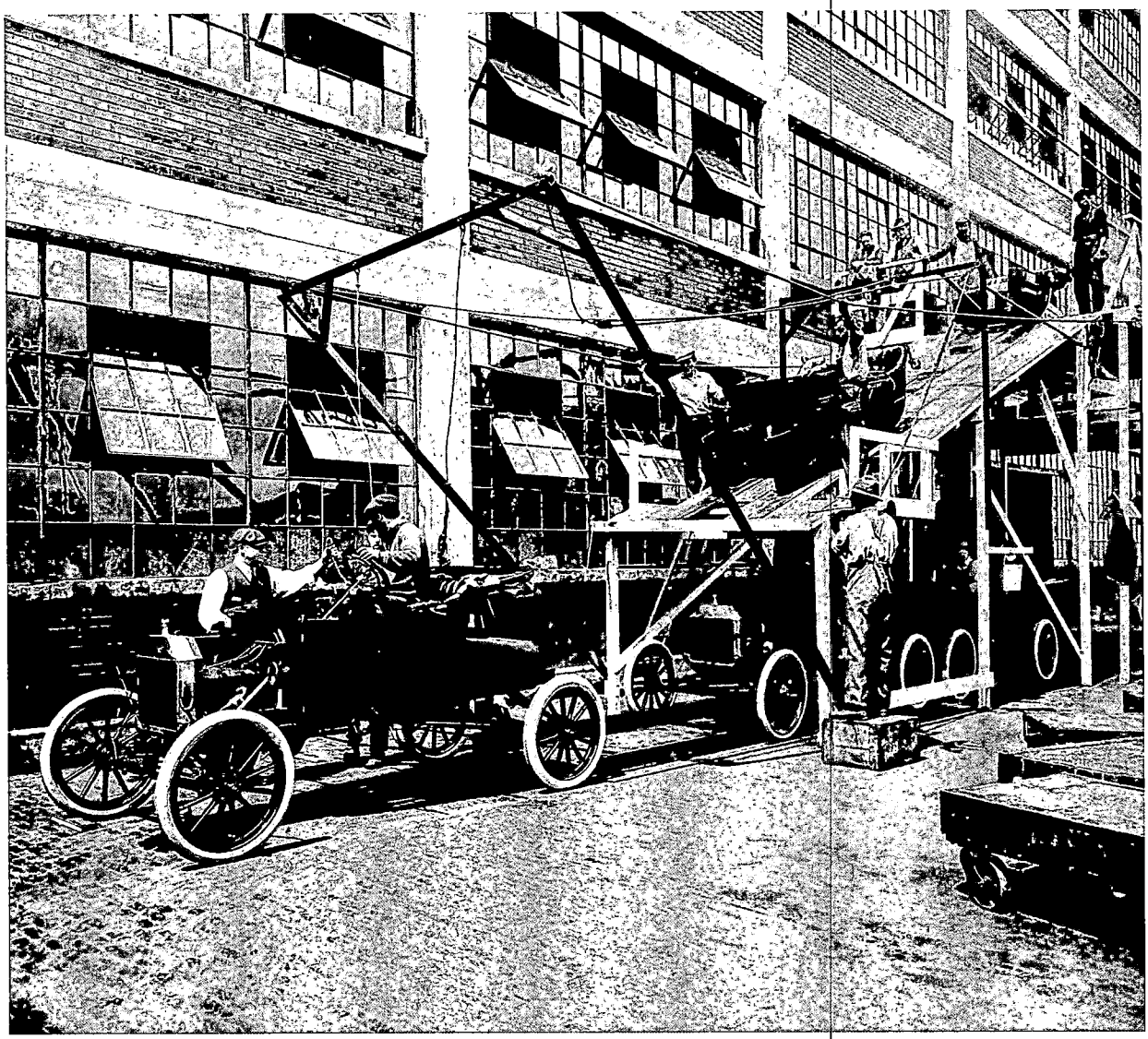
▶ President Calvin Coolidge and his wife, Grace, visit Clarence Barron at his Cohassett, Mass., summer home, 1925.

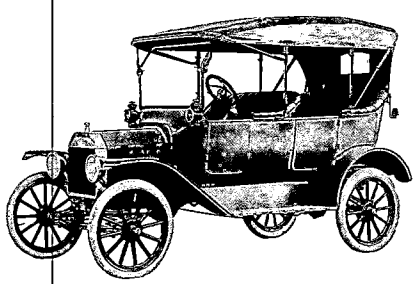
in stocks most people want to open an account at noon and get their profit before night." □ In 1902, the Journal's owners sold Dow Jones for $130,000 to Clarence W. Barron, a newspaperman whose descendants are the controlling shareholders of Dow Jones today. The portly "C.W." -- he weighed more than 300 pounds -- was constantly on the go, dictating messages at all hours; some Journal editors received dozens of notes daily. Barron also published financial newspapers in Boston and Philadelphia, and his wife, Jessie, took an active role in running the Journal. □ Wall Street Journals of the Barron era chronicled a nation undergoing fundamental changes. Henry Ford astonished the industrial world in 1914 by raising wages to $5 a day.

▶ Ford Model-T assembly line, 1914.

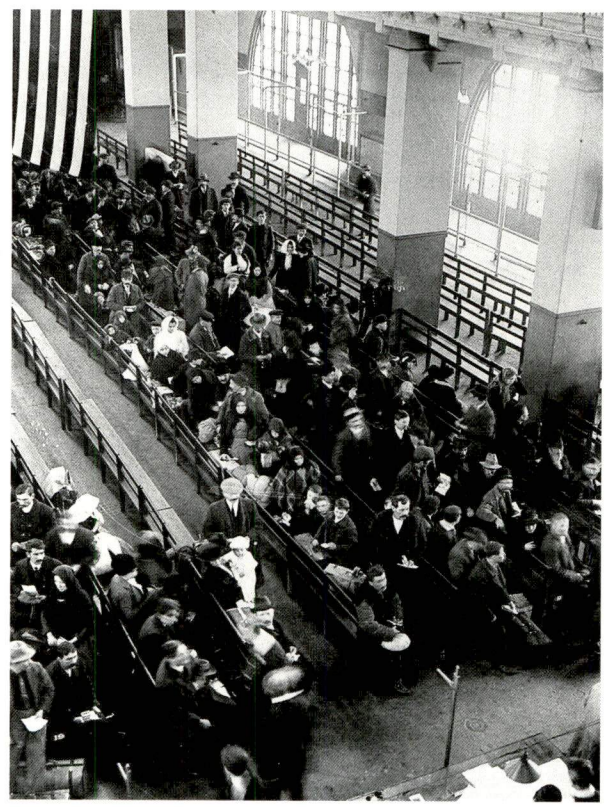
"The Wall Street Journal, as long as I have known it, has stood for honest thinking upon financial questions and has been very rigid in its insistence upon plain honesty in financial practice."

–Henry Ford
Automobile Pioneer
On the occasion of Dow Jones' 50th Anniversary in 1932





The Journal fulminated that "...to double the minimum wage...is to apply Biblical or spiritual principles into a field where they do not belong." A story in the same issue gave instructions on the new federal income tax. (Normal rate: 1%.) □ "The business of America is business," said President Coolidge in the Roaring Twenties. The Journal stepped up coverage of booming new industries and a stock market boiling with frenzied speculation. Barron, who died in 1928, saw circulation push toward 50,000. In 1929, the Journal announced a new Pacific Coast Edition to be published in October in San Francisco -- an expansion spearheaded by Hugh Bancroft, Barron's son-in-law and successor as company president, and Kenneth C. Hogate, Journal



Newly arrived immigrants at the end of the century.

managing editor. □ Eight days after the first issue of the Pacific Coast Edition, the stock market crashed. But there was no consensus then about the long-term meaning of Black Friday. On the following Monday, the Journal wrote: "The sun is shining again, and we will go on record as saying some good stocks are cheap because John D. Rockefeller said it first. Only the foolish will combat John D.'s judgment." □ The crash and ensuing Great Depression battered the Journal. Circulation plunged to 28,000 and red ink flowed. It seemed that in a depressed America, with Wall Street in disrepute, there was no place for a newspaper specializing in finance. □ Out of this shock -- and with agonizing struggle -- was born the modern Wall Street Journal. In

Pacific Coast Edition

THE WALL STREET JOURNAL.

VOL. 1 NO. 1 SAN FRANCISCO—MONDAY, OCTOBER 21, 1929—LOS ANGELES TEN CENTS

STANDARD CUTS CRUDE OIL PRICE

New Figures From 40c to $1.60 Less, and in Some Cases 50% Under Former List

DUE TO OVERPRODUCTION

NORTHERN PAC. FINAL VALUE SET

I. C. C. Establishes Valuation of Various Railroads Before O'Fallon Case Decree

COSTS BASED ON OLD RATE

Day's Market and News

Selling Wave

Publication of Brokers' Loan Ratio Aids Bearish Sentiment

GOODRICH 9 MOS. NET ALMOST $6

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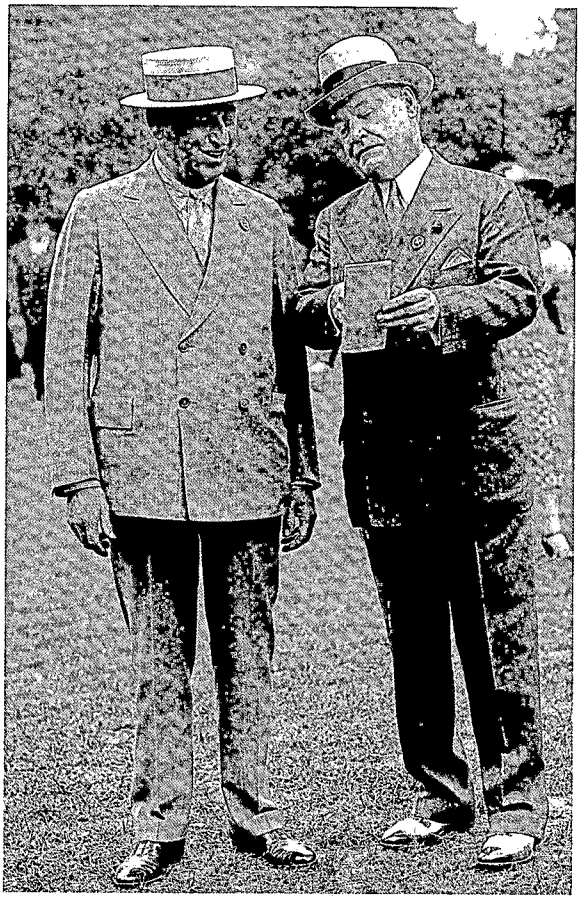
In the 1920s and 1930s, the Journal boomed and crashed right along with the U.S. economy.

MISSING
Young woman, 18 years of age, who has been selling apples here for the past week is missing. She is an expectant mother, not yet noticeable, and my beloved wife. Has been enticed away Nov. 20th. Please advise me of any information of her whereabouts.
I AM IN DEEP SORROW
"DESCRIPTION."
Height 5 feet 4 in. weight 100 lbs. 18 years of age dressed all in brown.
SIGNS

Kenneth C. Hogate

the 1930s, Hogate, who had become president, and William H. Grimes, managing editor, took cautious steps to broaden the Journal beyond a trade paper for the financial community. Political and international news became more important. Page one was overhauled and the popular What's News daily digest appeared. The afternoon edition was dropped. Promising young newsmen -- including Barney Kilgore, William F. Kerby, Buren McCormack, Robert Bottorff and Vermont Royster -- were hired or given new challenges. □ In the 1940s, the "Great Re-Making" of the

▶ Dust storm in Oklahoma, 1930s.



"The Wall Street Journal has taken not only a useful but quite essential part in the financial and economic development of this country..."

–Walter P. Chrysler (left)
Chairman, Chrysler Corp.
On the occasion of Dow Jones' 50th Anniversary in 1932

Journal was pursued aggressively under Kilgore as managing editor and later as president. Kilgore's basic idea was to build a new Wall Street Journal atop its solid foundation as the premier financial paper. The paper would stress covering the broad scope of business -- everything related to earning a living. News itself was redefined: It wasn't limited to what happened yesterday, but included trends and issues reshaping the business world and society, in small ways and large. □ The Journal's geographic market also was redefined. A national community was perceived, in which a business person in Portland, Maine, had the same information needs as one in Portland, Oregon. □ As this transformation of the Journal got under way, "it was

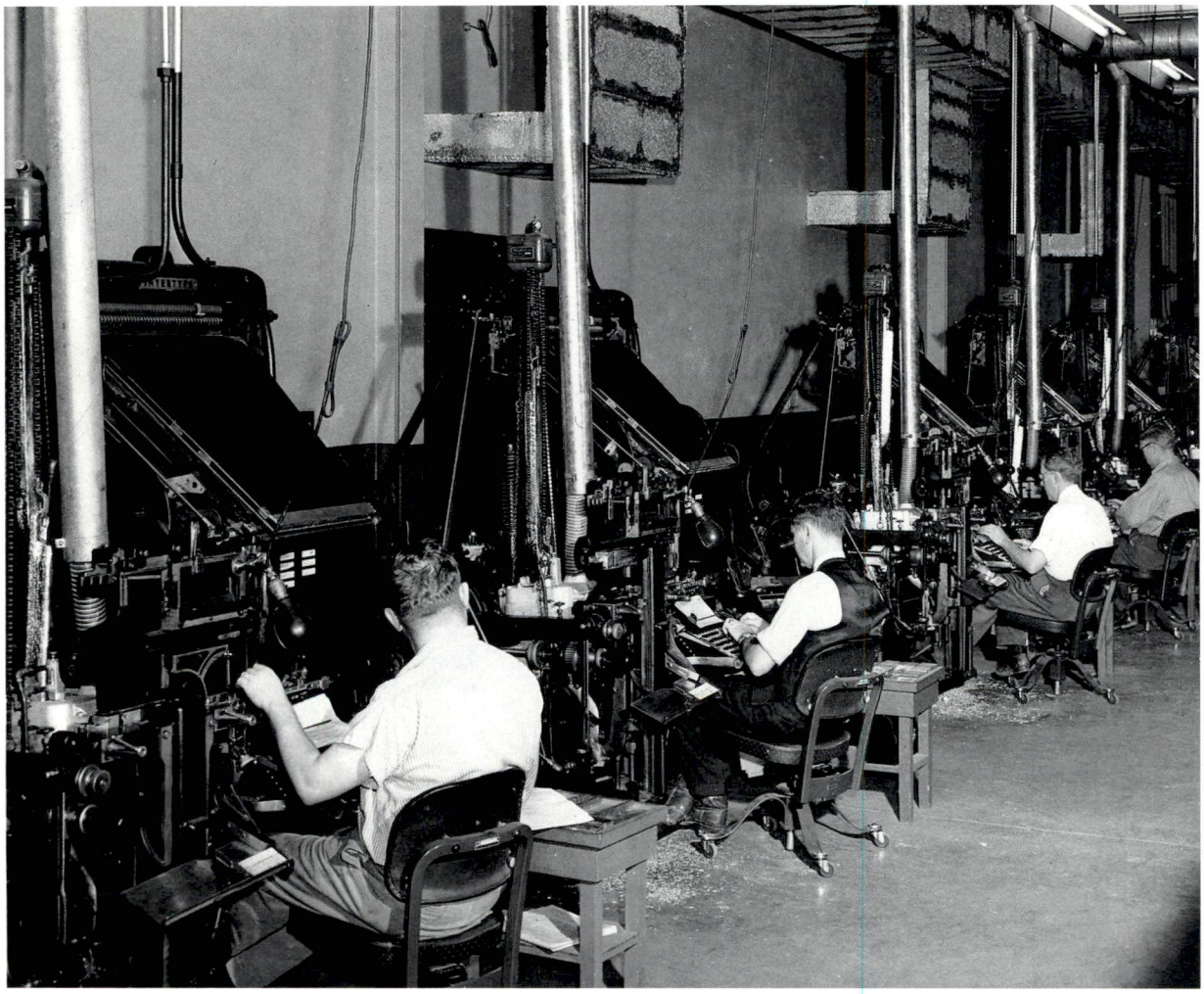
The Journal focused on the homefront during World War II.

hardly surprising that there was an electric air in the news shop just off Wall Street," said Royster, now editor emeritus. The extraordinary staff performance in the "Pearl Harbor Journal" of 1941 had raised the sights on what was possible. □ (Kilgore's colleagues were pleased that one of his ideas was abandoned. In 1947 he worried that the paper's name might be a drag on growth. Wasn't it too parochial for a publication with national aspirations, and didn't people harbor a crash-induced dislike of Wall Street? He suggested "World's Work" as a new name.) □ Kilgore insisted that business stories need not be dull. "Don't write banking stories for bankers," he told reporters. "Write for the banks' customers. There are a hell of a lot

▼ New York copydesk, 1940s.

more depositors than there are bankers." Lively, in-depth news features became a Journal page one trademark. □ Readers approved and circulation rose nearly sixfold, to 166,000, in the 1940s. In the 1950s it climbed to 707,000 and the Saturday paper was dropped. In 1966, a year before Kilgore died, Journal circulation hit one million. It had taken 77 years to reach this milestone. Within 15 years there was another doubling, to two million, in 1981, and the Journal had become the nation's largest daily. □ To serve a national audience with timely news, regional printing plants were opened in 15 states. Dow Jones' engineers, beginning with Joseph J. Ackell in the 1930s, pioneered technological developments to make a

▼ Dallas plant typesetters, 1949.



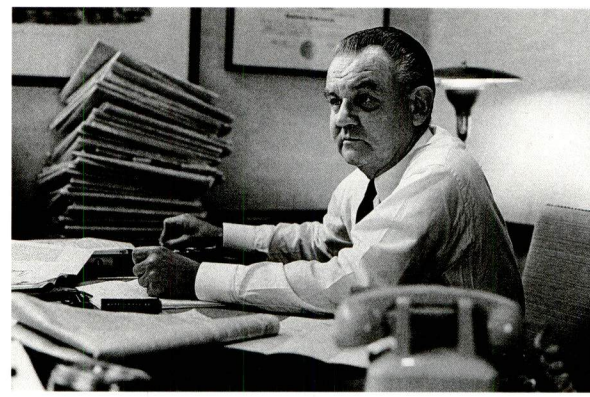
President Harry Truman

national newspaper possible – from electro-typesetting machines to the present satellite transmission of full pages to printing plants. □ Kilgore's successors in the news department continued to keep pace with readers' information needs in a world of dynamic economic and social changes. Coverage was broadened further, recognizing that business readers' interests go beyond their pocketbooks and include health, education and social forces affecting their lives. The Journal received increasing journalistic honors for comprehensive stories -- not just on business, but also on science, politics and international

▶ Bernard Kilgore

◀ The airline industry burgeoned after World War II.

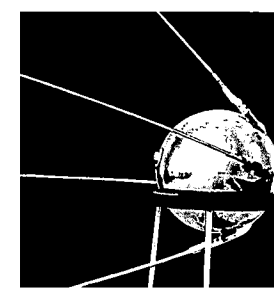
affairs. □ The Journal staff has been awarded 13 Pulitzer Prizes since 1947, when Grimes was honored for editorial writing. His successors, from Royster on, have continued to comment editorially with vigor in the spirit of Grimes, who wrote in 1951: "We believe in the individual, in his wisdom and his decency. We oppose all infringements on individual rights, whether they stem from attempts at private monopoly, labor union monopoly or from an overgrowing government." □ While the basic editorial-page philosophy of the Journal has been a constant, in recent years dissenting viewpoints have been introduced on opinion pages through use of more outside contributors and columnists. In 1983, a Leisure & Arts page was added. □ The



◀ Vermont Royster

▶ Heavy industry was one of the Journal's primary postwar beats.

paper's core coverage of business and finance was strengthened in the 1980s as the computer revolution accelerated, the pace of mergers and takeovers quickened, financial markets grew more complex and the global economy became more interdependent. □ Recognizing the increasing internationalization of business, decisions made by former managing editors William F. Kerby and Warren H. Phillips, who had become leaders of the company, led to the start-ups of The Asian Wall Street Journal in 1976 and The Wall Street Journal/Europe in 1983. □ Mindful of pressures on readers' time, editors introduced new indexes, more graphics and, in the domestic Journal in 1988, the three-section format that allows better organization and



Television, Sputnik and Levittown helped transform America during the 1950s.

William F. Kerby

display of news and statistics. □ The Journal's first issue in 1889 made it clear that the paper would be a prime medium for advertising -- at 20 cents a line then. In more recent years advertising managers -- including Robert M. Feemster, Theodore E. Callis and Donald A. Macdonald -- positioned the paper as "The Only National Business Daily" and as a publication that competes for advertising with national magazines, not local newspapers. Advertisers were drawn increasingly to address the Journal's growing and influential readership. Today, the introduction

▶ Little Rock, Ark., 1957.

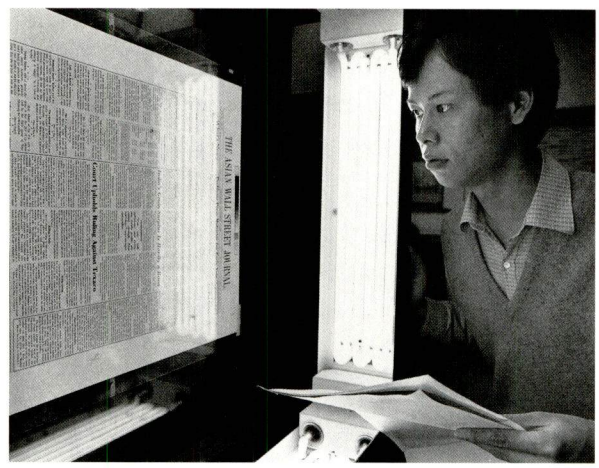
The Wall Street Journal entered the space age in the 1970s.

of subregional editions is broadening the advertising base further. In market share, Journal advertising exceeds that of the three major business magazines combined. □ The monumental task of distributing more than two million Journals daily has spurred modernization in circulation. And to speed papers to U.S. readers, the Journal started its own delivery system, which now serves about half of all subscribers. □ Shortly after the Journal first appeared 100 years ago, the Census Bureau declared that the frontier no longer existed in the

▶ First man on the moon, July 1969.

The Wall Street Journal/ Europe started printing in 1983.

United States. But, just as the early Journal wasn't to be bound by the confines of Wall Street, the newspaper and its sister enterprises at Dow Jones continue to move toward ever-expanding horizons. The men and women who produce the company's publications and services have a zest for pushing back the frontiers in the gathering and distributing of information vital to business and vital to business people as citizens. Through their efforts, electronic publishing has come of age alongside print, and today Dow Jones Information Services offers computerized retrieval



▶ The Asian Wall Street Journal was launched in 1976.

▶ At home and abroad, from Wall Street to Main Street, the 1980s presented the Journal with new reporting challenges.

BREAKFAST
7:00 - 10:30
McDonald's
USA
NASA
Discovery

of the Journal's contents and many other kinds of information. □ The motivation that transformed handwritten news bulletins into a global business newspaper -- to serve the customer better -- is stronger than ever as The Wall Street Journal enters its second century. The dedicated people who produce the Journal today echo a message "To Our Readers" that was printed at the turn of the century: □ "It is a source of much gratification to us to find our Journal so well appreciated....We hope and expect to improve the Journal as time goes on...."

▶ Dow Jones Information Services came of age alongside print.

▶ The introduction of a three-section paper in October 1988 was another step in the Journal's evolution.

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Amex Stocks C9
AP&M Indexes C16
Dividend News C6
DJ Industry Groups C19
Financing Business C10
Foreign Exchange C11
Trading C14
Instruments C20

THE WALL STREET JOURNAL.

MONEY & INVESTING

A. Gear's Stock Rose ... So Did Its Short Interest

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Technology: *Japan turns to venture capitalism to fund new technologies* Page B4.

Advertising: *In ad world, 'vice president' means just one of the gang* Page B6.

THE WALL STREET JOURNAL.

MARKETPLACE

Law: *Prosec after Illinois*

Who's News: *is out, as tu*

ENTERPRISE
BY BUCK BROWN

FTC May Lay Down Law On Earnings Claims

FEDERAL regulators are considering preempting state franchise laws on earnings claims, and the states may fight back—even though nearly all of them agree with the federal approach.

Currently, state franchise laws take precedence over federal regulations, except in rare instances

FOCUS ON FRANCHISING

...here the federal rules ...ricter of the two ...deral Tra... ...ly to...

franchisees, preventing them from using the franchise name and trademarks. But the change in the code means franchisers may not be able to stop franchisees from using trade secrets, such as training manuals and computer-software systems, says Marc P. Seidler, a partner with Rudnick & Wolfe, a Chicago law firm. That could allow some franchisees to continue operating their businesses under ... name, Mr. Seidler ... chise law...

New Sweeteners Head for th...

But One Entry Already Raises Safety Concerns

By ALIX M. FREEDMAN
Staff Reporter of THE WALL ...

During the '80s ... pink packets ... have ...

Satisfying America's Sweet ...

Estimated per-capita consumption ... of various types of sweet... the U.S. last year ... (in pounds)

THE WALL STREET JOURNAL.

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EASTERN EDITION ☆☆☆ PRINCETON, NEW JERSEY

What's News

* * *

Business and Finance

* * *

A THRIFT INDUSTRY PLAN is being readied by Bush officials that includes higher deposit-insurance premiums for banks and S&Ls. Also, the administration apparently plans to help fund thrift bail-outs by selling about $50 billion of long-term bonds, which could cost as much as $7 billion a year and be borne primarily by taxpayers. A proposed fee on thrift deposits has now been rejected.

(Stories on Pages A3 and C21)

* * *

Pennzoil has acquired 8% of Burlington Resources, indicating how it may use its $2.6 billion war chest for takeovers. Pennzoil said its plans aren't certain, but the move could portend a contest for Burlington, whose value is nearly $6 billion.

(Story on Page A3)

* * *

The U.S. economy was surprisingly strong in January, the latest employment report shows. Payrolls ... the jobless rate rose to ... a jump in the ... rents ...

World-Wide

* * *

MOSCOW AND BEIJING AGREED on a joint statement on Cambodia's future. The nine-point statement, released after China and the Soviet Union said Gorbachev would visit China in May for the first Sino-Soviet summit in 30 years, called for an "effective control mechanism" to supervise Vietnam's withdrawal from Cambodia, an end to foreign military aid and free elections. The statement was drafted during Shevardnadze's visit to China last week. The Soviet foreign minister, meanwhile, extended his stay in Pakistan, where he is expected to meet today with Afghan guerrilla leaders. (Related story in Column 1)

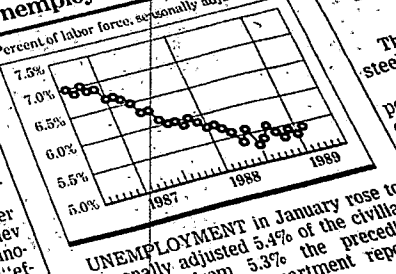
Radio Moscow said Soviet troops completed the pullout from Kabul, considered a major step toward meeting a Feb. 15 deadline to leave Afghanistan.

* * *

PARAGUAY'S STROESSNER FLEW into exile in Brazil following a coup. The 76-year-old former president, who ruled the South American nation for 34 years before his ouster Friday in a bloody coup, arrived in the neighboring country after Sao Paulo agreed to Asuncion's request to accept Stroessner. He had been under house arrest since his overthrow, which was led by Gen. Andres Rodriguez. The general was sworn in as president. The death toll from the coup has been estimated at as ... 300, but official figures haven't ... (Story on Page A6)

Unemployment Rate

Percent of labor force, seasonally adjusted.



UNEMPLOYMENT in January rose to a seasonally adjusted 5.4% of the civilian labor force from 5.3% the preceding month, the Labor Department reports. (See story on page A2.)

After 25 Years, Toy Maker Enjoys Fortune of Soldier

* * *

But G.I. Joe's Manufacturers, A Pacifist Lot, Don't Plan Much Birthday Hoopla

By JOSEPH PEREIRA
Staff Reporter of THE WALL STREET JOURNAL

He enlisted during the early days of th... Vietnam War. He has fought bat... around the world on land, in the air... the tub—without being injured, except ... a gash on his ... He ... the ... pleated ... without ... knocked out of ... movie ... Los ...

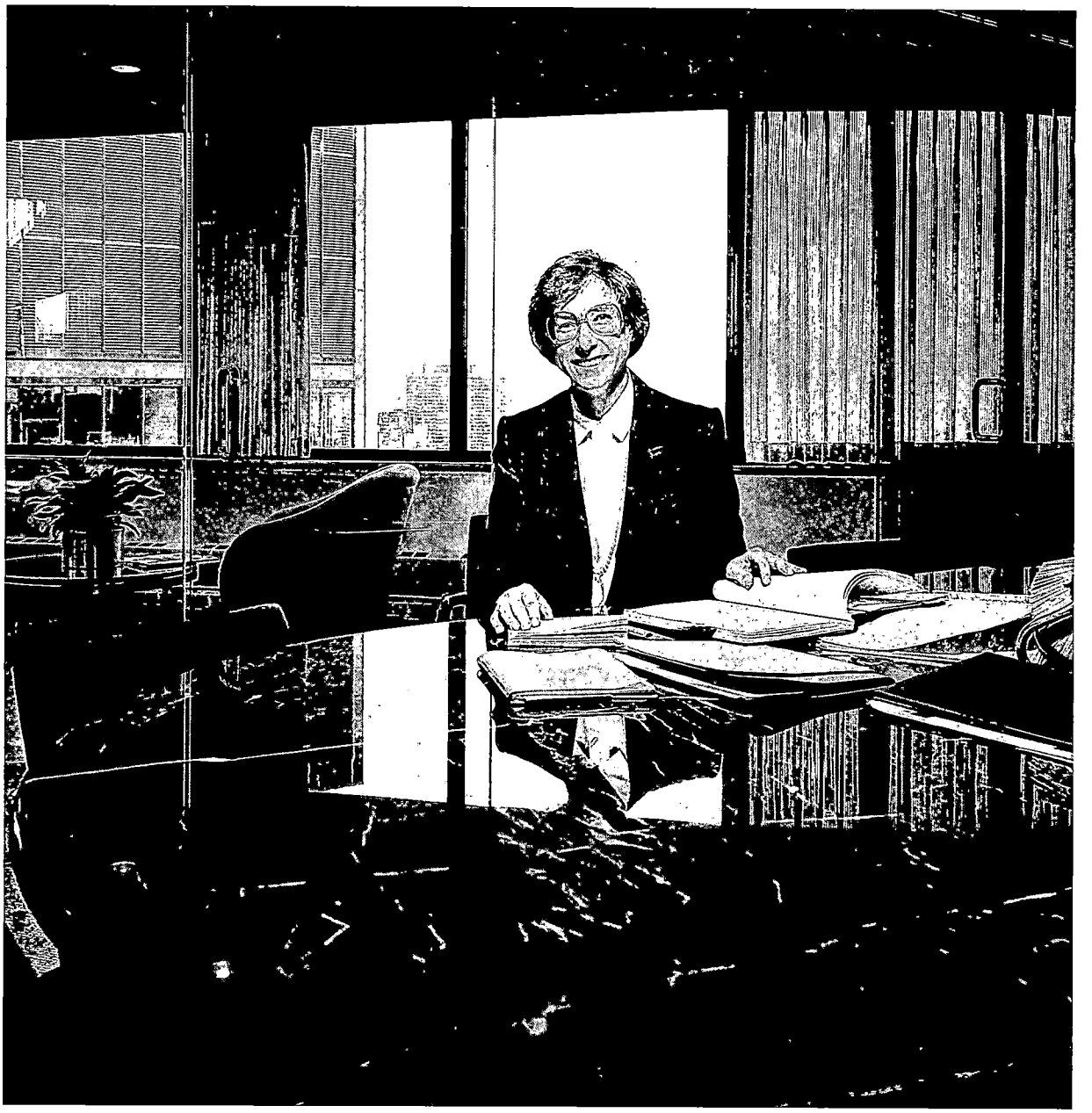
The Outlook

Steel Import Curbs: The Debate Goes On

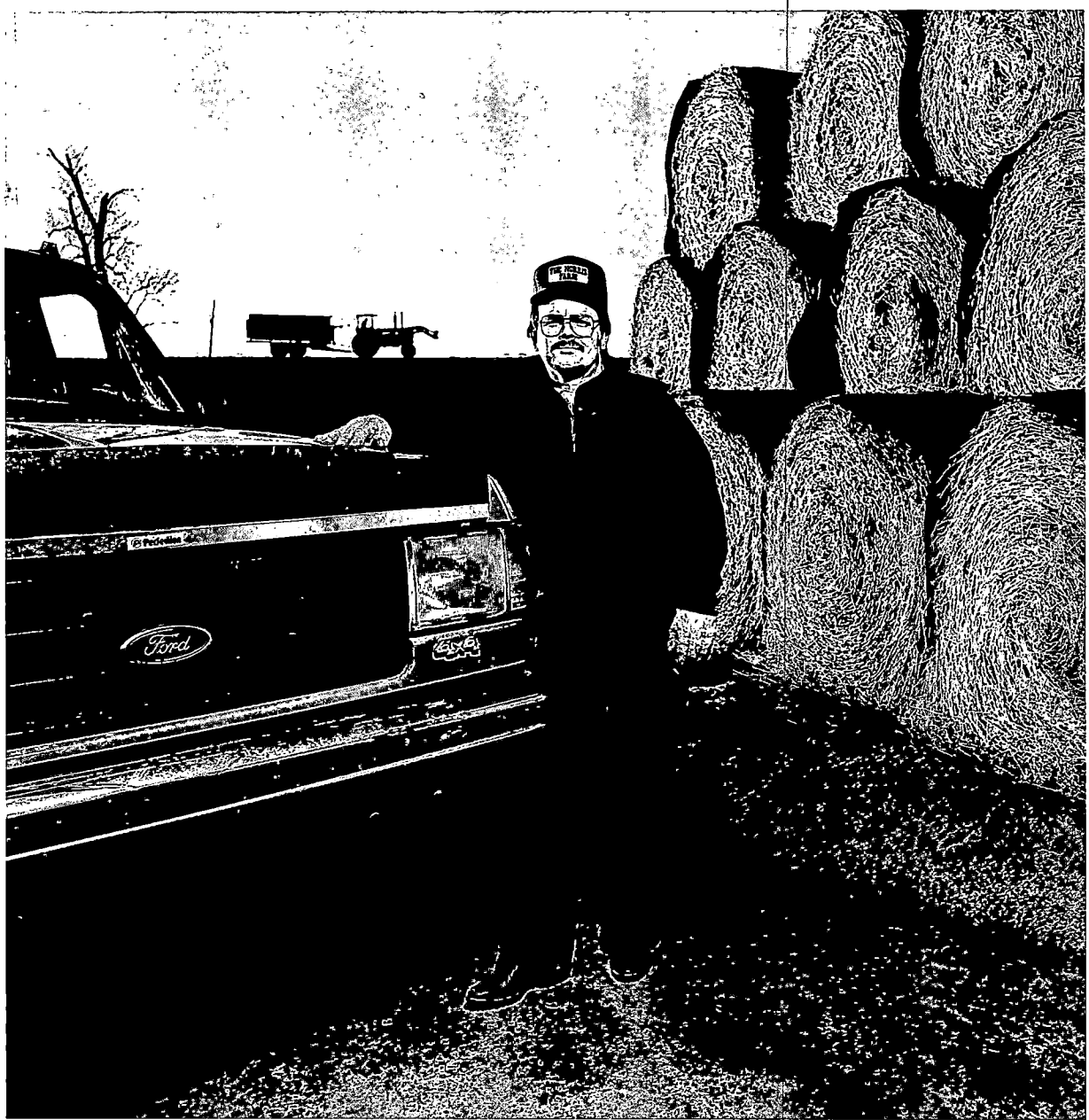
PITTSBUR...

The steel lobby is as unbendab... steel itself.

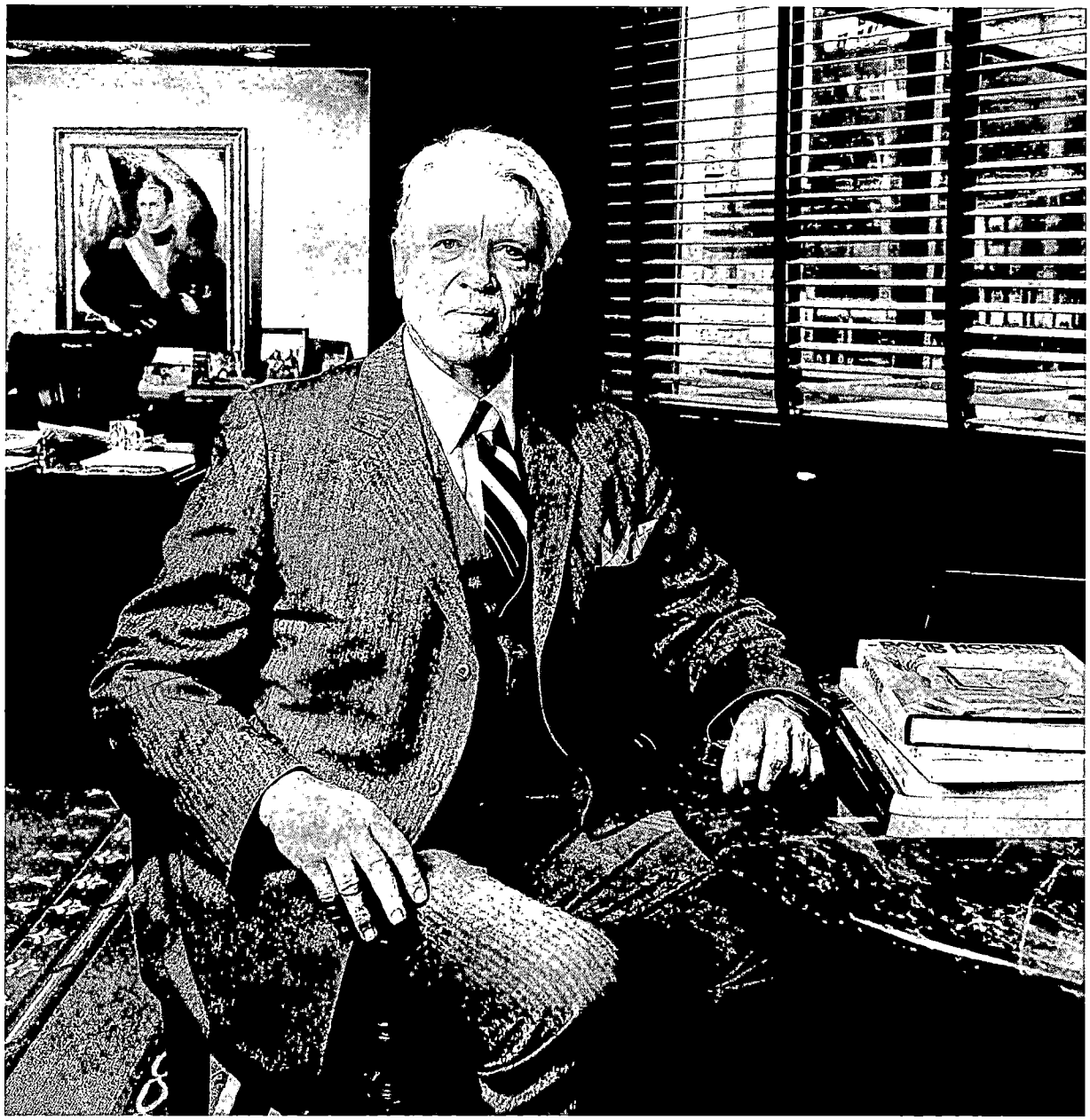
After months of vitriolic de... political panhandling, bills wi... duced Wednesday in both ... and Senate to extend a ... system of import prote... U.S. steel industry. Thi... Bush administration's ... trade tests—and a... House is supportive ... of the fall preside... the steelmaking ... still up for gra... ised to suppo... program, kn... agreement. This ... profits ... year, ... port ... the ... pr... r...



"The Journal brings a high level of inquiry and thoughtfulness to its subjects -- both national and international -- which makes it important to read. In a timely manner, it targets issues that broadly affect the business world. The feature stories add value and perspective." ROSALIE J. WOLF Principal, Aldrich, Eastman & Waltch Inc., a Boston real-estate advisory firm

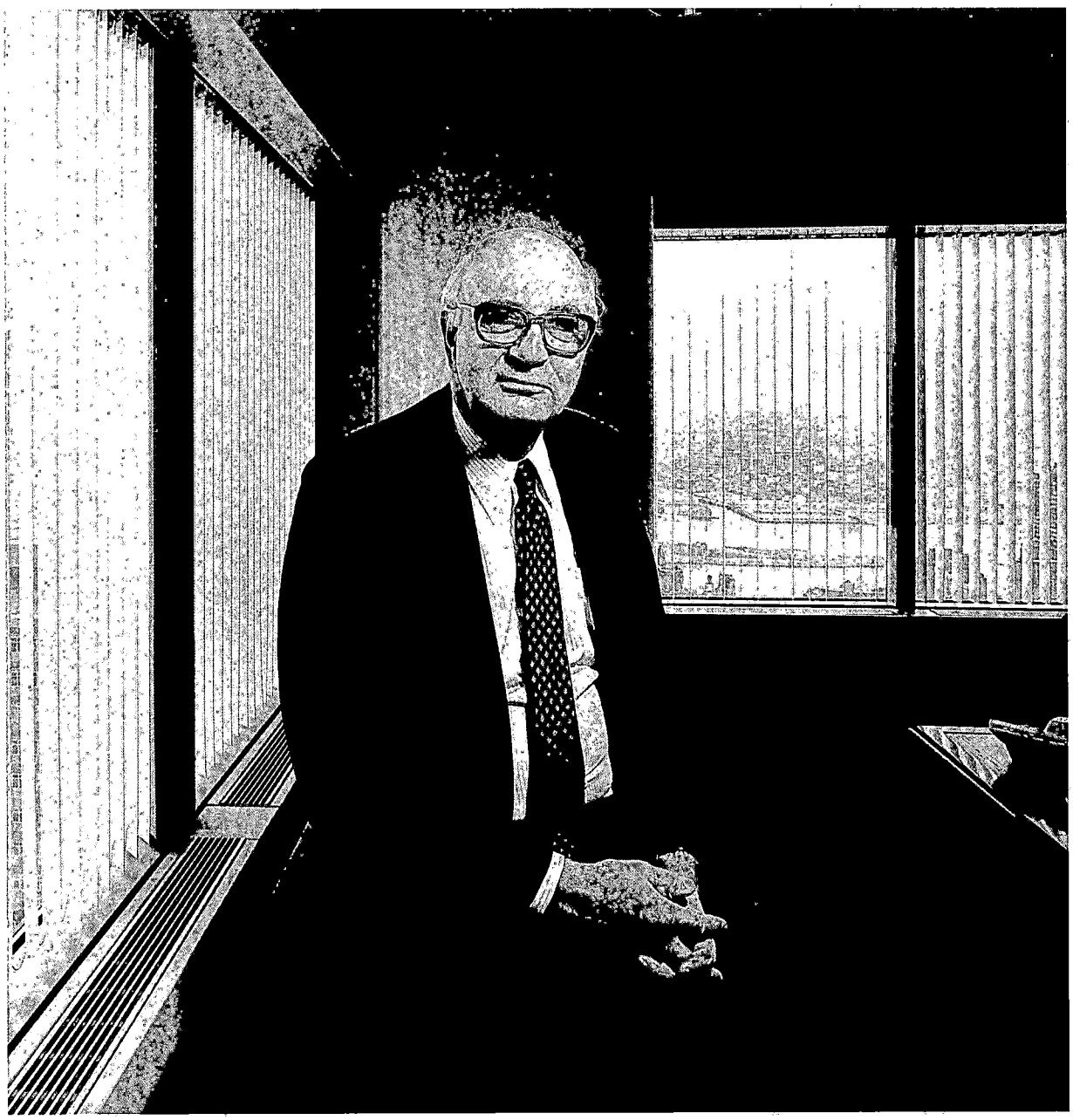


"When it comes down to it, we read The Wall Street Journal so we can keep abreast of the whole country's business base. You can get isolated here in the rural Midwest, and the Journal is our link back to the real business world of the movers and shakers on both coasts. After I read that front page in the morning, I feel comfortable that I'm abreast of the important business news of the day. And I like that comfort feeling." JERRY MOSS Vice President & General Manager, The Norris Farm Inc., a diversified, high-tech mega-farm based in Havana, Ill.



"The Wall Street Journal has helped me run this company better. I haven't run this company based on trends or fashions, and the Journal has helped firm my education toward that end. It is the national newspaper for thinking people. The Journal has a lot of meat to it. It's the only newspaper that I spend any length of time with." R. CROSBY KEMPER Chairman & Chief Executive, United Missouri Bancshares Inc., Kansas City, Mo.

"I've read The Wall Street Journal since I was 17 years old. I was one of those kids who charted stocks in high school. The Journal is just a part of the business. It's what you have to have to do business. It keeps me in touch with a myriad of things: earnings, overnight foreign-exchange quotes, credit markets, company news. For all of this information, the only place I know to get it is in The Wall Street Journal." ANTHONY WILLIS Stockbroker, A.G. Edwards & Sons Inc., Cleveland

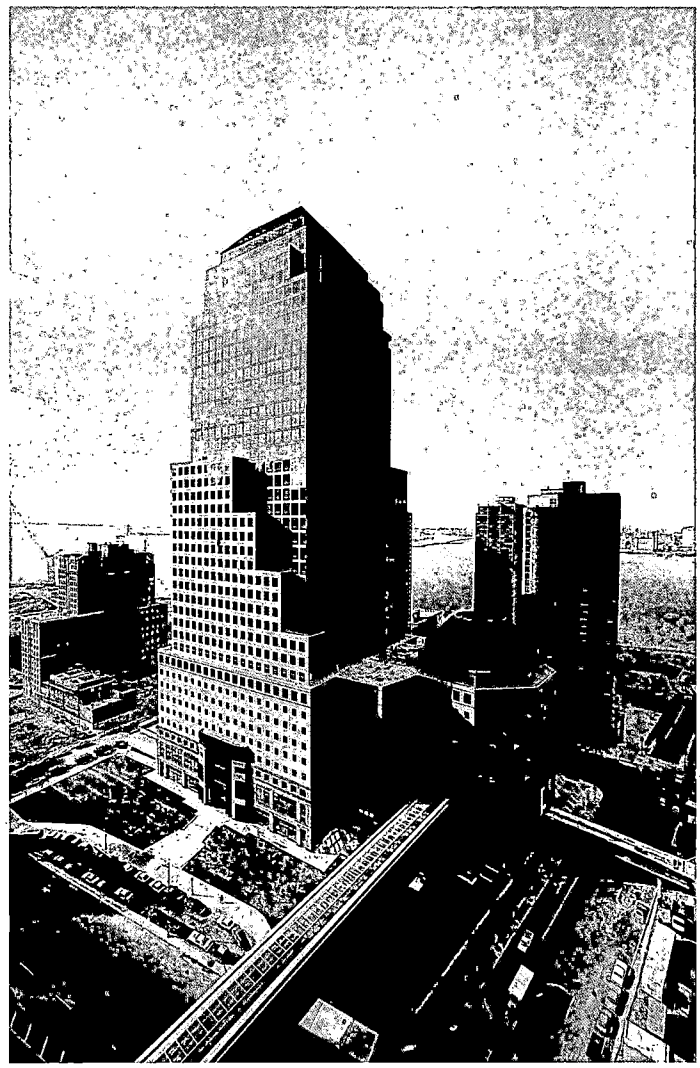


"Business reporting over the years has become much more informed; its breadth and depth are substantially greater. And The Wall Street Journal has consistently been a leader in that process."

PAUL A. VOLCKER Chairman, James D. Wolfensohn Inc., New York City, and former chairman of the Federal Reserve Board

"I continue to read The Wall Street Journal because education and business are closely related. You can't have an outstanding educational institution these days without developing the support of the business community. The Journal gives me access and insight into that community." MITCH MAIDIQUE

President of Florida International University, Miami, and former Harvard Business School professor and entrepreneur



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