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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JUNE 6, 1989 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Bush Suspends Military Sales To China -- President Bush suspended military sales to China Monday, and warned Chinese leaders that "it's not going to be business as usual" following their bloody confrontation with prodemocracy demonstrators.

(Washington Post, Washington Times, AP, UPI, Copley, Scripps Howard)

Guard Attempts To Assassinate Premier Li Peng -- An officer on guard at Beijing's Great Hall of the People fired four shots at Premier Li Peng, but the Chinese leader escaped with only a slight wound, a newspaper reported Tuesday. (AP)

Troops Clash In Western Beijing -- Chinese troops reluctant to enforce martial law have clashed with other forces in western Beijing, Western diplomats said Tuesday. (Reuter)

Administration May Sell 60 F16s To Pakistan -- The Bush administration is considering the sale of 60 F16 fighter jets to Pakistan at a cost of \$1.4 billion and may announce an agreement during the visit here of Pakistani Prime Minister Bhutto, according to U.S. officials. (Washington Post)

NETWORK NEWS (Monday evening)

CHINA CRACKDOWN/PRESIDENT -- The President has stepped up his public disapproval of the Chinese government.

IRAN/PRESIDENT -- President Bush said Monday that he'll make no overtures to Iran's new leaders until the nine Americans now being held hostage in Lebanon are freed.

SOVIET UNREST -- In ethnic violence in the republic of Uzbekistan, dozens of people are reported dead.

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INTERNATIONAL NEWS

BUSH SUSPENDS MILITARY SALES TO CHINA

President Bush suspended military sales to China Monday, and warned Chinese leaders that "it's not going to be business as usual" following their bloody confrontation with prodemocracy demonstrators.

Accusing the army of "brutally suppressing popular and peaceful demonstrations" in attacks that have left hundreds dead, the President said he wanted to "signal" the military that "we want to see restraint."

Bush rejected calls from Congress for more severe action, including the withdrawal of the U.S. ambassador in Beijing. He said he also has ruled out for now imposing sanctions because "I don't want to hurt the Chinese people." But he said he was reserving the option to take more action if there is more violence.

At a hastily called White House news conference...Bush also announced suspension of military exchanges with China and U.S. aid to humanitarian efforts to help victims of the violence....

Key democratic and Republican members hailed Bush's response, although several urged stronger sanctions.

(David Hoffman & Helen Dewar, Washington Post, A1)

Bush Halts Arms Aid To China, Urges Restraint In Beijing

Relying on instinct and personal knowledge of China, President Bush Monday halted \$685 million worth of arms sales to Beijing but refused to sever the carefully crafted U.S.-Chinese relationship.

"This is not the time for an emotional response," Bush told reporters at the White House, "but for a reasoned, careful action that takes into account both our long-term interests and recognition of a complex internal situation in China." ...

White House officials admitted to congressional leaders Monday that the situation in China is "confusing," but Bush hopes that moderate factions will rise to power and that the military will rebel....

Bush said Monday, "I can't begin to fathom for you what exactly led to the order to use force."

"I condemn it; I don't try to explain it," Bush said.

(Ann McFeatters, Scripps Howard)

Bush Invokes Sanctions Against Chinese For Repression Of Students

President Bush, harshly condemning the Chinese military's violent crackdown on prodemocracy demonstrators, Monday suspended American military aid to China and warned that burgeoning commercial ties between the U.S. and China would be cut if the repression continues.

Bush, speaking at a hastily called press conference at the White House, said, "The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China, which has been built on a foundation of broad support by the American people."

Bush also said the U.S. government would give a "sympathetic review" to requests from any of the 40,000 Chinese students in the U.S. who wanted to extend their student visas.

(Benjamin Shore, Copley)

Bush Responds To Chinese Massacre

President Bush, in the first formal U.S. response to the massacre of peaceful democracy demonstrators in Beijing, suspended military sales to China Monday but said he did not want to break diplomatic relations.

"When you see these kids struggling for democracy and freedom, this would be a bad time for the United States to pull out," Bush said in a statement that drew support from Congress and visiting Chinese students....

In addition, Bush...announced a review "of other aspects of our bilateral relationship as events in China continue to unfold." ...

Bush said it would be "180 degrees wrong" to recall the new U.S. ambassador to China, James Lilley, a former top CIA official, since it would deprive the U.S. of "the best listening post" in Asia.

(Thomas Ferraro, UPI)

Bush Suspends Arms Sales To China, Praises Chinese Protester

President Bush suspended U.S. arms sales to China on Monday to protest the military's bloody weekend crackdown and called on people around the world to stand symbolically with the young Chinese demonstrator who braved a column of tanks.

"That image I think is going to be with us a long time," Bush told an evening meeting of business executives in a departure from a prepared text on education....

Bush told an audience of the nation's top business leaders he was haunted by the "bravery of that individual that stood alone in front of the tanks rolling down the main avenue." ...

Bush also told members of the Business Roundtable that U.S. companies should continue to trade with China, [and] that he did not support a suspension of trade despite the military brutality. (AP)

BUSH DEFENDS RESPONSE TO BEIJING BLOODBATH

It was noon Saturday in Kennebunkport when President Bush...abandoned his optimistic view that the situation in China would get better...as intelligence and news reports filtering in Saturday showed that the People's Liberation Army had fired on students in Beijing.

"There was a hope that this was an aberration," said a Bush aide, but when the pictures of bloodied students appeared on television, "that was shown not to be the case." ...

"That's what prompted his statement on Saturday," said an administration official Monday....

As the killings continued Saturday night and into Sunday, the President said "look, we've got to take some action." ...

Asked at a White House press conference Monday if he moved too slow in reacting to the violence in China, Bush said: "I don't think we've waited so long...I made very clear in a personal communication to Deng Xiaoping my views on this."

(Paul Bedard & Warren Strobel, Washington Times, A11)

BUSH GETS BIPARTISAN PRAISE FOR MOVES AGAINST CHINA

President Bush won praise from across the political spectrum for his cautious steps in response to the brutal violence in China, but with the plaudits came warnings that tougher actions might be needed soon....

"We agreed right around the table...that the President's actions were just right," Sen. Pell...said after a 45-minute White House meeting between the President and congressional leaders....

[Sen. Cranston, Copley reported, gave Bush an "A-plus for his words, for the diplomacy and the directness and knowledge he displayed.... I think he's taken the appropriate steps."]...

Sen. Helms...said Bush was "taking it one step at a time. It's fine so far. It depends on whether the atrocities continue." ...

"Let's take it cautiously," added Rep. Synar. "One of the things we don't want to do is hurt the people themselves." (Joseph Mianowany, UPI)

ANALYSTS FEAR CHINA MAY BE SLIDING TOWARD CIVIL WAR; LITTLE BUSH AND U.S. CAN DO ABOUT IT

U.S. officials and other analysts fear that China may be sliding toward a prolonged period of violent turbulence and perhaps civil war, events that would cause untold suffering in China and seriously set back U.S. interests in Asia and beyond.

The analysts said there is little the U.S. can do, aside from the kind of symbolic support for the prodemocracy movement President Bush offered Tuesday in halting U.S. arms sales and military exchanges with China....

Richard Holbrooke, a former top China analyst at the State Department, emphasized that China's leaders "are tough, ruthless communist leaders." ...

Shu-Park Chan, a Santa Clara University engineer...said in a telephone interview Monday that the students "are reorganizing and will be better-prepared for the next confrontation [which] will be even stronger than this one." ...

"A civil war could be coming, and it would be a disaster," said Martin Lasater, a China expert at the U.S. Naval War College in Newport, R.I. Lasater added that with the West unwilling to cooperate with a repressive Chinese government, the Chinese leadership would be virtually forced to turn to Moscow for economic and technological assistance.

(David Wood, Newhouse)

U.S. IS KEY TO CHINA'S MILITARY MODERNIZATION

The suspension of arms shipments to China by President Bush Monday was aimed at strengthening the hand of Chinese army moderates and warning hard-liners that their rearmament program could be derailed if repression continues, administration officials said....

Bush stopped short of imposing a permanent ban on this military assistance, officials said Monday, for fear of losing leverage to influence events in China....

The People's Liberation Army already has the bullets, tanks and helicopters it needs for continuing its bloody suppression of student demonstrations. However, administration officials contended that the prospect of Bush making his suspension a permanent ban might moderate the behavior of the Chinese army, which is still technologically primitive and faces modern Soviet divisions on its northern border.

(George Wilson, Washington Post, A16)

CHINESE NOT LIKELY TO BE CRIPPLED BY U.S. ARMS CUTOFF

...U.S. analysts said Monday that the arms cutoff [to China ordered by President Bush Monday] is not expected to affect China's military production capability, which is largely self-sufficient....

What could be affected is the pace of modernization for the Chinese military, which by some estimates is 20 years behind the technical expertise of U.S. and Soviet forces, analysts said.

(Bill Gertz, Washington Times, A11)

U.S. SIGNALS OPPOSITION TO USE OF FORCE

The U.S. measures against China announced by President Bush were designed to express U.S. opposition to the use of force in Beijing and encourage prodemocratic elements of the Chinese civilian and military leadership without rupturing the wide interaction between the two countries that has developed in the past 10 years, administration officials said Monday.

Explaining the policy behind his actions in unusually candid fashion, Bush told a news conference, "There clearly is turmoil within the ranks of the political leadership as well as the People's Liberation Army. And now is the time to look beyond the moment to important and enduring aspects of this vital relationship for the United States." ...

The extensive web of relations, which until a few weeks ago was considered secure and almost unshakeable, is now at risk because of the bloody crackdown in Tiananmen Square.... This is because the basic orientation of the Chinese regime toward its own people and toward the outside world seems to have shifted radically, at least for the moment, and in ways abhorrent to American public opinion.

(News analysis, Don Oberdorfer, Washington Post, A16)

BUSINESSES BEGIN BEIJING PULLOUT

NEW YORK -- American businesses said Monday they yanked workers from Beijing because of the army's massacre of civilians, and U.S. airlines canceled China layovers to avoid stranding planes if airports closed....

"With respect to our own staff, I think it is time to withdraw for a while," said Jerome Cohen, an international lawyer whose firm has offices in Beijing. "Until this weekend I thought that was unwarranted. But now we have to think of people's safety." ...

"A political uncertainty and a standoff is one thing. A massacre is another," said Martin Weil of the U.S. China Business Council. (AP)

ACROSS U.S., A FRANTIC HUNT FOR NEWS

NEW YORK -- Horror stories about army atrocities in Tiananmen Square and on college campuses in Beijing circulated like wildfire Monday among Chinese students and scholars in this country as their frenzy for news from China intensified....

While the students are preoccupied about their classmates' safety at home, other Chinese Americans interviewed here said they were jolted into action by the wanton killings and President Bush's initial, low-key response....

"To say [Bush] deplores violence is totally out of proportion with the situation," Yu Ying-shih, a professor of East Asian history at Princeton, said of Bush's initial reaction Saturday. "It disgusts me."

(Marianne Yen, Washington Post, A12)

GUARD ATTEMPTS TO ASSASSINATE LI PENG

HONG KONG -- An officer on guard at Beijing's Great Hall of the People fired four shots at Premier Li Peng, but the Chinese leader escaped with only a slight wound, a newspaper reported Tuesday....

The daily Ming Pao, [a Chinese language paper respected for its coverage of China], quoting unidentified sources, said the guard was killed immediately, members of his family were arrested and about 170 other guards at the Great Hall were quickly disarmed.

It did not identify the slain officer but said his sister and a girlfriend and her brother were among the victims of the weekend assault by army troops on students in Beijing's Tiananmen Square. (AP)

TROOPS CLASH IN WESTERN BEIJING

BEIJING -- Chinese troops reluctant to enforce martial law have clashed with other forces in Beijing, Western diplomats said Tuesday....

One diplomat said groups of the 38th Army, long seen as unhappy about enforcing martial law...were fighting troops loyal to President Yang Shangkun.

Diplomats said they have no details of the size of the revolt....

A Western diplomat said he had received two independent accounts of a battle at about 1:00 a.m. local time in the south of the Chinese capital that left at least 30 military vehicles burned out.

"We presume it was troops against troops," he said.

(William Kazer, Reuter)

CHINESE ARMY UNITS SEEN NEAR CONFLICT

BEIJING -- Opposing armies maneuvered to confront each other Monday night and early Tuesday in a power struggle here that raised the prospect of a civil war beginning in this capital.

...More than 30,000 troops of a Chinese field army loyal to senior leader Deng Xiaoping and his allies braced for possible clashes with other army units believed to have opposed the weekend military assault on prodemocracy demonstrators here....

Thousands of troops from around the country were reported to be converging on the capital Monday night, some loyal to Deng...and some believed to be opposed and preparing to confront the 27th Field Army....

The government and the military Tuesday were locked in a fierce struggle for control between hard-liners and more moderate forces.

(Daniel Southerland, Washington Post, A1)

BUSH COPEs WITH PRELIMINARY SUCCESS

When President Bush was asked whether his journey to the Western summit was his greatest political triumph, he smiled and said "No" without an instant's hesitation.

Was it his election to be president? "Now we're talking," Bush said, relaxed and satisfied as Air Force One neared the runway Friday....

It had been his best week since the inauguration. Now the challenge is to make it last. The successes that heartened Bush and his high command are preliminary.

Proposals are not achievements. And the agenda already has changed, posting a new challenge. What was to have been a series of leadership briefings on NATO turned instead from last week's success to this week's crisis -- the savage Chinese crackdown on protesters demanding democracy.

-more-

(Walter Mears, AP)

POLISH PARTY ACKNOWLEDGES STUNNING DEFEAT BY SOLIDARITY
Top Officials Apparently Rejected By Voters

WARSAW -- Poland's Communist Party acknowledged Monday that the Solidarity union movement scored a stunning victory in Sunday's historic parliamentary elections, but opposition leaders warned that the rejection of the ruling Communist leadership had been so one-sided that it might touch off a serious political crisis.

Although no official results were announced for the election...Solidarity said its compilations showed that all 161 candidates for the Sejm, or lower house, would be elected in the first round of voting, as would most of the nominees for the 100-member Senate....

In a terse statement on state television Monday night, Communist Party spokesman Jan Bisztyga acknowledged that the results of the election were "truly disadvantageous" for the party but he said the leadership would not alter its commitment to reforms.... But, he warned that "if triumphalism and adventurism create an anarchic situation in Poland, democracy and social peace would be seriously threatened."

(Jackson Diehl, Washington Post, A1)

DOZENS REPORTED KILLED IN SOVIET ETHNIC TURMOIL
Scores Of Homes Burned In Uzbekistan Strife

MOSCOW -- Legislators from the Soviet Central Asian republic of Uzbekistan blamed a mixture of "hooliganism" and deep-rooted historical grievances Monday for the weekend clashes there that may have left dozens of people dead and hundreds injured in the Soviet Union's latest flareup of ethnic violence....

Uzbek members of the new Congress of People's Deputies said the turmoil grew out of hostility between the republic's Uzbek majority and members of the Meshket minority who have long sought to be allowed to return to their ancestral homes in Soviet Georgia....

Soviet President Gorbachev and other Soviet leaders who have promoted government openness have warned that ethnic violence could jeopardize political and economic reforms.

(Michael Dobbs, Washington Post, A9)

ADMINISTRATION MAY SELL 60 F16s TO PAKISTAN
Announcement Possible As Bhutto Visits

The Bush administration is considering the sale of 60 F16 fighter jets to Pakistan at a cost of \$1.4 billion and may announce an agreement during the visit here of Pakistani Prime Minister Bhutto, according to U.S. officials.

John Kelly, assistant secretary of state-designate for Near Eastern and South Asian Affairs, said during testimony before the Senate Foreign Relations Committee Monday that the sale was "probably going to be the subject of an announcement within the next day or two" in connection with her visit which began Monday....

The wisdom of the proposed sale has already been questioned by some members of Congress who fear it will only fuel further the conventional and nuclear arms race under way between Pakistan and India and divert Pakistani resources away from needed economic investment at home.

(David Ottaway, Washington Post, A4)

U.S., BRITAIN PRESS NEW IRANIAN LEADERSHIP TO END EXTREMISM

NICOSIA, Cyprus -- Iraq and Kuwait expressed hopes for peace after the death of Ayatollah Khomeini, but the U.S. and Britain said Monday that normalizing relations depends on ending the extremism he espoused....

In London, Foreign Office Minister Lord Glenarthur said Britain is ready to resume normal relations with Iran if the Tehran government renounces international terrorism and violence.

President Bush said the U.S. will review ruptured relations with Iran "as soon as we see some move away from oppression and extremism." But he said he would not make overtures to the new government in Iran as he was "not sure yet" about the meaning of changes there following Khomeini's death. (AP)

MOURNERS BLOCK KHOMEINI FROM FINAL RESTING PLACE

ATHENS -- The burial of Ayatollah Khomeini was postponed Tuesday after throngs of mourners blocked the vehicle carrying [his] body...leaving it stranded in downtown Tehran, the Islamic Republic News Agency reported....

"The vehicle carrying the body is reportedly stranded in a downtown street in Tehran due to the massive crowd," the news agency said. "The date of the burial will be announced later." (Ralph Joseph, UPI)

THOUSANDS MOURN KHOMEINI

Eight Crushed To Death In Tehran As Crowds View Body

TEHRAN -- The body of Ayatollah Khomeini, sealed in a white shroud and encased in glass atop a pyramidal funeral bier, lay in state here Monday on a dusty plain as hundreds of thousands of Iranians gathered to pay tribute to their deceased spiritual leader.

By mid-morning, the wailing and chanting mourners...had grown so large and dense around the 30-foot-high bier that eight people were crushed to death and hundreds more injured by the intense pressure of the crowd, Iran's state news agency reported....

Iran's official news agency Monday said that [Khomeini]...died from a heart attack. (Patrick Tyler, Washington Post, A9)

U.S. SAID CONCERNED OVER PALESTINIAN CROSS-BORDER RAIDS

The U.S. Monday expressed concern over recent cross-border attempts by Palestinians to infiltrate into Israel but said it would go ahead with a planned June 8 meeting with the PLO.

"This series of infiltration attempts during the past week in South Lebanon is very disturbing," State Department spokeswoman Margaret Tutwiler said.

"We urge those responsible to refrain from incidents that can only result in further violence and bloodshed," she added. (Reuter)

OAS TO RENEW MEDIATIONS WITH NORIEGA

The OAS meets here Tuesday amid expectations it will send three foreign ministers back to Panama in a new effort to induce Gen. Noriega to surrender control of the country and permit democratic civilian rule, diplomatic sources said Monday....

Secretary of State Baker met Monday with Ecuadoran Foreign Minister Diego Cordovez and OAS Secretary General Joao Baena Soares to discuss next steps....

According to sources, the ministers, despite being rebuffed by Noriega on their earlier visit, believe it is too early to concede failure.

(John Goshko, Washington Post, A6)

BANKERS EXPRESS DOUBTS ABOUT BRADY PLAN

Treasury Secretary Appeals For Support At Madrid Conference

MADRID -- An appeal to commercial bankers by Treasury Secretary Brady to support his new debt strategy for the Third World met a chilly response Monday at a private gathering of prestigious international bankers.

In an indirect allusion to food riots in Argentina and related political problems throughout Latin America, Brady warned that "everyone here shares a common interest" not only in a drive for economic growth, but also "to foster democracy." ...

But questions from the bankers almost unanimously reflected concern or suspicion about the Brady Plan. Separately, a number of bankers said that debtor countries were lobbying for too large a percentage of writeoffs, insisting that huge private market discounts do not represent the true value of their loans.

(Hobart Rowen, Washington Post, C2)

EDITOR'S NOTES: "Battle Tanks Seize Position On Avenue Of Eternal Peace," by Daniel Southerland, appears in The Washington Post, page A1.

"Low Morale, Declining Status May Complicate Army's Role In China's Crisis," by Lena Sun, appears in The Washington Post, page A17.

"Pol Pot's Resignation Seen As a Khmer Rouge Ploy," by Joseph De Rienzo, appears in The Washington Times, page A9.

NATIONAL NEWS

BUSH ANNOUNCES EDUCATION ADVISORY COMMITTEE

President Bush, who vowed to be an "education president," Monday announced he will create an education policy advisory committee to help improve America's troubled schools.

"Our schools are in trouble -- real trouble," Bush told the Business Roundtable Conference on Education. "The time for study is past. It's time to take action now."

A Bush spokesman...said the advisory committee...will provide the President with status reports on the state of the nation's educational system.... "They will be the President's eyes and ears in education," he said. (Thomas Ferraro, UPI)

ATTEMPTS TO STREAMLINE PENTAGON PROCUREMENT SOFTEN AMID RESISTANCE OF A JEALOUS BUREAUCRACY

Top Pentagon aides quietly made a startling proposal recently: Wipe out about 20,000 of the military's nearly 100,000 jobs directly responsible for purchasing.

The aides viewed the massive retrenchment as a bold first step in President Bush's campaign for "the most effective defense, not just the most expensive." ...

But reform-minded Defense Secretary Cheney apparently pulled back. According to current and former defense officials, he rejected the proposal for deep cutbacks, claiming it was backed up by too little analysis and that it could disrupt the military's acquisition system....

Clearly, the defense secretary who came in promising changes has been daunted by his own procurement organization -- a world-wide bureaucracy.... It's politically difficult to eliminate the patchwork of jealously guarded fiefdoms within the Pentagon, each one with some authority to decide which weapons to purchase and how much to pay for them. (Andy Pasztor, Wall Street Journal, A30)

ELIMINATE PACS BUT PUT NO LID ON HONORARIA, QUAYLE SAYS

Political action committees should be eliminated, but unlimited honoraria for members of Congress is OK, Vice President Quayle said Monday.

And, he said, he fears that the cost of campaigning and the cost of living in the capital may restrict Congress to the very rich or the very young.

Quayle said, "I've never been particularly bothered by the amount of honoraria a member of Congress takes as long as it is disclosed. I think people are smart enough to make up their minds on that."

Abolishing PACs "would be a prudent thing to do.... But I don't think it's...the panacea to this [ethics] thing," he said.

(Joycelyn Winnecke, Scripps Howard)

JACKSON SEES ATTORNEY GENERAL ON BEHALF OF REP. GRAY

Attorney General Thornburgh Monday rejected a request by Jesse Jackson for a special counsel's probe of news leaks about a possible FBI probe into personnel practices in the office of Rep. Bill Gray.

"I wish he would, but he won't," Jackson said minutes after a private meeting with Thornburgh. "We cannot have the fox investigating the hen house." ...

Thornburgh declined comment Monday, but Jackson said the attorney general told him that his own reputation depends on the success of his investigation of the leaks. (John Bennett, Scripps Howard)

DISCOVERY ON THE IRAN-CONTRA PAPER TRAIL

The original version of a White House document showing that then-President Reagan approved a secret 1985 deal to reward Honduras for its continued support of the Nicaraguan contras has been found in Los Angeles among presidential files set aside for the Reagan library, according to informed sources....

Sources close to new congressional inquiries expressed concern that other relevant documents in Reagan's presidential files may never have been selected out by a White House system and thus never seen by the Hill's Iran-contra panel. But so far, the House and Senate intelligence panels are not addressing this broader question.

(Walter Pincus & Joe Pichirallo, Washington Post, A21)

MINORITIES SET BACK ON JOB BIAS

The Supreme Court Monday made it more difficult for minorities to use statistics to win claims of racial discrimination in employment while making it substantially easier for employers to rebut discrimination charges.

The 5-4 decision, written...by Justice White, was hailed by business lawyers...and condemned by civil rights lawyers....

Barry Goldstein, an attorney with the NAACP Legal Defense and Educational Fund...said the court "reversed the most important fair employment decision that the Supreme Court has ever made." ...

Stephen Bokat, general counsel of the U.S. Chamber of Congress, said the ruling relieved employers who had been "scared" by recent rulings "that suggested that statistical disparities alone would be enough to require employers to disprove the claim" of discrimination.

(Al Kamen, Washington Post, A1)

MAJOR BANKS LOWER PRIME RATE A HALF POINT

Major banks Monday lowered their prime interest rates by half a percentage point, to 11 percent, signalling reduced borrowing costs for consumers and businesses.

The action came amid mounting evidence of an economic slowdown, which is almost certain to induce the Federal Reserve to slightly relax its grip on the supply of money and credit, according to both Wall Street analysts and government sources.

The banks' move was initiated by Citibank Monday morning.

(Paul Blustein, Washington Post, C1)

EDITOR'S NOTE: "Democrats Tag Seat 'Pepper Memorial'; GOP Sees Opening," by the AP, appears in The Washington Times, page A5.

NETWORK NEWS SUMMARY

(Monday Evening, June 5)

CHINA

ABC's Peter Jennings: The question is this: Does the continuing civil unrest in China mean the country is on the verge of civil war? There are thousands of heavily armed troops supported by tanks and artillery in various positions around Beijing tonight, their commanders apparently fearing not so much another confrontation with students as a counterattack by other divisions of the Chinese army. Across China there are signs of anger with what's been going on, and in Washington the President has stepped up his public disapproval of the Chinese government.

ABC's Jim Laurie reports that the people have turned to guerrilla action to oppose the army. The more people think of the weekend massacre the more angry they get. People here are no longer surprised at estimates that 7,000 may have been killed or wounded by the army.

Jennings: A U.S. intelligence report sent to the President today says that the crucial element in China now is whether reluctant army units will join in the government crackdown or fight it. Some American analysts believe that division within the military has actually widened -- that officers opposed to the violence are gaining strength.

Jennings: The State Department today described the situation in China as chaotic. It advised Americans not to travel there. There are an estimated 10,000 Americans living in China now, including 370 American students in Beijing. Tonight many of them, as well as other foreigners, are at the very least apprehensive.... Condemnation of the Chinese government was virtually universal today. At the White House, just as President Bush was about to come under intense pressure from Congress, he announced a series of sanctions against the Chinese government.

ABC's Brit Hume: Under mounting pressure from Congress for stronger measures than his mild statements of the weekend, the President used a hastily called news conference to say publicly what he had said through private channels to his old friend Deng Xiaoping.

(President Bush: "The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China.")

Mr. Bush said he is suspending government military sales to China, which consist largely of new U.S. technology China is buying for its F-8 fighter plane. He also suspended military visits and meetings between the two countries, offered the 40,000 Chinese students in this country permission to stay longer, and offered U.S. aid through the Red Cross for students injured in the army assault.

Hume continues: But with the situation still unfolding, a power struggle apparently underway in the military, and the U.S. as yet unsure who is in charge and who will come out ahead, the President refused to take such further steps as recall of the U.S. ambassador.

(President Bush: "When you see these kids struggling for democracy and freedom, this would be a bad time for the United States to withdraw and pull back and leave them to the devices of a leadership that might decide to crack down further.")

With Chinese students demonstrating in the streets of Washington, the President invited some Chinese students to meet with him in the Oval Office. They applauded his actions.

(GWU student Jia Hao: "And also it would be a big blow to those who are responsible for the massacre -- those vultures of Beijing.")

Earlier reaction from Capitol Hill was also favorable, indicating the President has bought some time for a policy of continued involvement with China in the hope that its leaders may yet turn away from violence. (ABC-Lead)

NBC's Tom Brokaw: China tonight is a country consumed by rage, grief, chaos and rumor. It seems to be teetering between a military state and civil war. There are reports of military units fighting other military units -- a bloody division brought on by the weekend massacre in Tiananmen Square in which certainly hundreds -- probably thousands -- were killed. Rumors that Deng Xiaoping is dead or dying. Rumors. Nothing confirmed.... Deng Xiaoping, the Chinese leader, the 84-year-old godfather of Chinese economic reform, is the subject of twin rumors tonight that he ordered the troops to shoot the demonstrators or that he is gravely ill, maybe dead. A senior Administration official in this country said the death rumor is unsubstantiated. The White House is operating on the premise that he is still alive.... In this country President Bush condemned the weekend massacre and appealed for political and military restraint while imposing a series of U.S. sanctions.

NBC's Jim Miklaszewski: After two days of criticism that he was too weak in his response to the violence in China, President Bush took action. In a White House news conference, the President condemned the military crackdown in Beijing and put the Chinese government on notice.

(President Bush: "I think it is very important that Chinese leaders know it's not going to be business as usual, and I think it's important that the army know that we want to see restraint.")

The President cut off all U.S. military sales to China both by the government and private business, and stopped all visits between U.S. and Chinese military leaders. He also ordered special consideration for Chinese students who want to stay in the U.S., and offered humanitarian and medical aid to the victims of the violence through the Red Cross. But Bush rejected calls for stronger measures -- to impose economic sanctions and recall the U.S. ambassador. The President said he did not want a total break in U.S.-China ties for the sake of the longstanding relationship and the student demonstrators.

(President Bush: "When you see these kids struggling for democracy and freedom, this would be a bad time for the United States to withdraw and pull back and leave them to the devices of a leadership that might decide to crack down further.")

Miklaszewski continues: Later, in a meeting set up to highlight the sanctions, visiting Chinese students praised the President's actions.

(GWU student Jia Hao: "And also it would be a big blow to those who are responsible for the massacre -- those vultures of Beijing.") Overall, the actions won widespread approval from Capitol Hill.

(Rep. Solarz: "I think it's a significant step in the right direction.")

But many lawmakers still believe the President should have gone further. Sen. Helms has prepared legislation calling for economic sanctions if the bloodshed continues.

(Sen. Helms: "It will send a forceful message as to what they can expect if they don't stop this slaughter in Beijing.")

President Bush said he reserves the right to take additional steps if the violence escalates. While the sanctions are considered pretty much symbolic, President Bush remains optimistic and predicts that the students will ultimately prevail in their demands for democracy. At the same time, however, some U.S. officials fear that the current violence in Beijing may have set back U.S.-China relations for years.

Brokaw: The State Department called the situation in China "chaotic" -- an understatement. It urged all Americans in the city, about 10,000 of them all together, to stay indoors and told several hundred Americans attending colleges in Beijing to leave their campuses and go to hotels. It also warned against travel to the city. For their part, American businesses say they have begun evacuating their employees from Beijing. (NBC-Lead)

CBS's Dan Rather: A huge force of soldiers and tanks took up positions in Beijing today, the specter of an all-out civil war hovered over the Chinese capital. More civilians died as tanks fired at unarmed civilians in the streets. Some people tried to fight tanks with their hands. But the occupying army in the capital now seems to be preparing for a possible assault by other elements of the military, perhaps an attempt at a military coup. The Communist Party hard-liners who dominate the government of China have had nothing to say. None has appeared in public for several days.

CBS's John Sheahan says there are credible reports of soldiers who have set their own vehicles on fire and withdrawn in disgust at making war on their own people.

Rather: President Bush today issued his toughest statement on China so far, saying its leaders were "brutally suppressing a peaceful movement." President Bush ordered limited sanctions, but says he does not want to break relations.

CBS's Wyatt Andrews: Abandoning his early wait-and-see approach, the President today sent a get-tough message to the Chinese military. He suspended all U.S. military sales to China, declaring the United States cannot do business as usual.

(President Bush: "And I think it's important that the army know that we want to see restraint, and this is the best way to signal that.")

The order puts in limbo \$686 million in military sales to China, effectively halting American assistance to the Chinese F-8 fighter program and stopping U.S. aid to two ammunition factories.

Andrews continues: Top-level military visits are also suspended. In addition, Mr. Bush offered Red Cross help for those injured in the violence, ordered a review of U.S. relations with China, and said the United States would sympathetically view requests from Chinese students who want to extend their visits in the United States. Significantly, the President did not suspend any other trade with China or cut off diplomatic relations with Beijing.

(President Bush: "This would be a bad time for the United States to withdraw and pull back and leave them to the devices of a leadership that might decide to crack down further.")

A group of four Chinese students, hastily invited to the White House, hailed the President's new plan.

(Chinese student: "A measured response, I think, may help the things in China move toward a good direction.")

Despite earlier complaints that the President moved too slowly, this latest plan of action won immediate support.

(Rep. Foley: "I think the actions he's taken are prudent, and I agree, I think, the United States ambassador should remain there.")

(Zbigniew Brzezinski: "We have to condemn what has been happening, but we have to do it in such a way that we do not foreclose the possibility of a closer relationship again.")

Yet Mr. Bush will still face pressure to do even more.

(Sen. Helms: "I am going to seek contingency legislation to suspend trade, investment, financial and other ties to this brutal communist government.")

That the Chinese military appears divided against itself is not seen as a bad sign here at the White House. President Bush, who is reading the tea leaves and watching television just like everyone else, says a splintered military proves a high level of support for the students, and that the idea of democracy has taken root in China for good.

Rather reports that the governments of Cuba and Vietnam backed the Chinese government's crackdown and massacre today. (CBS-Lead)

IRAN

ABC's John McWethy: There was no new offer from President Bush to try to improve relations with Iran now that Khomeini is dead -- just a blunt challenge.

(President Bush: "They know what they need to do. They have been a terrorist state, and as soon as we see some move away from oppression and extremism of that nature we will review our relationship.")

The President demanded release of the nine Americans being held hostage by pro-Iranian groups in Lebanon. Only then will the U.S. consider talking to Iran. The Bush Administration is taking a tough approach to Iran because officials argue there is no reason to believe the new government there will be any better than the one headed by the Ayatollah Khomeini. In fact, there is some concern within the intelligence community that Iranian-inspired terrorism might actually increase as different factions in Iran try to use the terrorist weapon to gain influence. Some analysts argue now would have been a good time to offer a more positive message to Iran to give those factions who want better relations with the West something to work with. The President obviously disagreed. (ABC-2, CBS-5)

Brokaw: President Bush said today that he'll make no overtures to Iran's new leaders until the nine Americans now being held hostage in Lebanon are freed, and British officials said their relations with Iran cannot return to normal until Iran's death sentence on author Salman Rushdie is withdrawn. (NBC-4)

POLAND

Jennings reports that the official results of the first real election in Poland in 40 years wouldn't be released until Wednesday. The Communist Party has already conceded that opposition candidates running under the banner of the independent union Solidarity won by a landslide, and then the government warned Solidarity not to get carried away by its victory.

ABC's David Ensor reports that Lech Walesa is worried that the party could react to this setback by calling off further moves towards democracy. In a dramatic announcement at the top of tonight's news, the government conceded defeat in the election and promised continued reforms. Solidarity spokesmen applauded the approach, saying it contrasts favorably with the brutality in China. But Solidarity officials are still uneasy. (ABC-6, NBC-2, CBS-2)

SIBERIAN TRAIN

Brokaw: In Moscow today President Gorbachev denounced as a disgrace the deadly gas pipeline explosion in the Ural mountains yesterday; 462 people were killed and/or are missing. Gorbachev said a spark ignited liquid petroleum gas leaking from the pipeline.

NBC's Bob Abernethy reports that at the new Congress Mikhail Gorbachev, who visited the disaster scene yesterday, gave a solemn report. (Gorbachev: "How could such a thing come to pass? The incompetence, irresponsibility, bad management. This outrage. I say to you comrades, we won't get anywhere if we permit such laxness.") (NBC-3, ABC-8, CBS-4)

SOVIET UNREST

Jennings reports that in ethnic violence in the republic of Uzbekistan near the Afghan border, dozens of people are reported dead and more than 70 hospitalized. (ABC-7, CBS-3)

JOB DISCRIMINATION

Jennings reports that in an Alaska salmon cannery case, the Supreme Court has made it harder for minorities to prove they are victims of job discrimination by ruling today that minorities have to show that it is actually company policy which causes racial imbalance without a valid business reason for having it that way. (ABC-3, CBS-6)

PRIME RATE

Jennings: Major banks cut their prime rate half a percent to 11% today. They were following the lead of a small bank in St. Louis that cut its prime last Friday.... (ABC-5, NBC-5, CBS-9)

FOREIGN MEDIA REACTION

NATO SUMMIT

"In short, however famously they may be getting on, the Bush Administration does want to put relations with Britain on a different footing. The Bush White House is in effect drawing up a new pecking order. What we've seen throughout this week and here again today is George Bush making himself the dominant force in Western politics and Western thinking...." (Channel 4 News, Britain)

"The enormous change now being wrought in the international political landscape means that the Western Alliance no longer needs a tough guy in the shape of Mrs. Thatcher. For the Americans, concerned now to deal delicately with an awakened Germany, the British role as organizer of the European allies has become an embarrassment and a problem rather than a help." (Guardian, Britain)

"Bush has become the leader of the Western world. Gorbachev must beware if Bush 'the cautious, the man without a vision' continues his offensive.... But 'the world continues even after the summit.' The initiative is now in the Western camp and time runs short, notably in Vienna where decision on cuts of conventional armaments must be made if one does not want to see disunity prevail again in NATO ranks. George Bush will have to maintain the pressure even though this is not his style." (Radio France, Jean-Luc Hess, France)

"The Brussels Atlantic summit did not erase all NATO problems with a magic wand. An abyss remains for example between Thatcher's absolute intransigence and Genscher's ambiguous flexibility. Much more important, it was an occasion for the United States to discover a daring and clever President and for the Europeans to get to know a competent and open partner...." (Radio Europe, France)

"What nobody still considered possible came about after all: NATO's anniversary summit ultimately turned out a success.... George Bush deserves the lion's share of the credit for this historic event. His conventional arms control proposal, in terms of contents and timing, was a diplomatic masterpiece. Not only did he force a consensus among the continental Europeans...he also eliminated all doubts about the conception and quality of U.S. policy and diplomacy.... With Bush's proposal Gorbachev is put faster and more thoroughly to the test than he will probably like to see. Consequently, it cannot be excluded that the Warsaw Pact will now erect new obstacles...and discover new problem areas where the devil is in the detail. This however, will be a fairly uncomfortable position for Moscow, since the whole world would see that rhetoric is one thing and substance yet another...." (Rheinischer Merkur/Christ und Welt, West Germany)

"George Bush is resorting to polite diplomatic fibs when he tries to make people believe that there were neither winners nor losers in the SNF dispute. The clear winners of this poker game are Margaret Thatcher and the Bush Administration, which did not prove to be quite as clumsy as some Bonn politicians thought it would...." (Deutsches Allgemeines Sonntagsblatt, West Germany)

"The last-minute compromise formula cannot conceal the fact that NATO's severe crisis continues unabated.... Politically speaking, the modernization really revolved around the Anglo-Saxon claim to supremacy. With Great Britain's backing, the United States wants to assert its leadership role in security policy against the FRG's claim to leadership in detente...." (Deutsches Allgemeines Sonntagsblatt, West Germany)

"To keep the Germans down? This continues to be, though it is never openly said, one of NATO's reasons for existence.... The U.S. and British insistence on the Lance modernization was, in political terms, nothing but an attempt to...solidify the German division with a new missile fence.... It's paradoxical. The French have one foot in and one foot out of NATO; the British have one foot in the EC, but not the other. We, in turn, who with Teutonic faithfulness are sworn in on both these alliances, are accused of being freeloaders, unpredictable or a floating kidney whenever we assert our interests as clearly as all the others. The reason is that we keep bringing up our desire for reunification.... German unity? We can find it in a different kind of structure than one central German state, namely under the roof of a free Europe in which there is room for two free German states. Unless we openly commit ourselves to this, we continue to run the risk of NATO being used as an instrument to discipline the Germans." (Die Zeit, West Germany)

"Bush has every reason to be satisfied.... He dispelled all doubts, resolving the SNF dispute in a way that enables the Germans and the British to sing victory, while, in reality, Bush is the winner. He convinced the skeptics, throwing on the Vienna negotiating table the most audacious disarmament proposal in the history of East-West relations. George Bush showed that he can change course when international circumstances require it.... He finally emerged from the shadow of his predecessor...." (Il Tempo, Italy)

"In manner, President Bush has come across on the international scene as a man of presence. He knows what he is talking about. He acts like a man who is head of the most powerful nation on earth -- and he has now made the response to Moscow's proposals the world has been waiting for. Much more remains to be done -- but President Bush has made a start." (Irish Independent, Ireland)

"The fact that the summit which was anticipated with fear, turned out to be a thorough success is a small miracle. Furthermore, Bush succeeded in getting wide applause for a withdrawal of American troops from Europe. It took a long time before the new American President was able to put his stamp on global politics. His first step deserves at least to be called promising." (Haagsche Courant, The Netherlands)

"Bush created a style: to let himself be beaten, play it cool, and unexpectedly rise from the ashes with a surprising sparkle. The strategy was repeated in Europe.... In a spectacular coup de theatre, Bush launched the boldest challenge to the charismatic Soviet leader.... Without realizing it Bush gave in to the pacivists. Never before had a leader gone so far on disarmament issues...." (O Journal, Portugal)

"In these first days after the summit, the U.S. President can be satisfied with a job well done.... Bush's policies mean a step toward detente and better understanding and cooperation. This is really gratifying...." (Politika, Yugoslavia)

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Press Conference Party

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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 12, 1991
6:00 A.M. EST EDITION

INTERNATIONAL NEWS

Baker Visits Violence-Afflicted Israel -- Secretary Baker arrived on his first mission to Israel Monday as a wave of Arab-Israeli violence shook this country, but said he found "signs of new thinking" among old antagonists in the Middle East.

(Washington Post)

NATIONAL NEWS

Bush Pushes Crime War -- President Bush moved Monday to convert victory in the Persian Gulf to victory on Capitol Hill, demanding passage by June 14 of anti-crime proposals that the last Congress refused to enact.

(Washington Times, Washington Post, Scripps Howard)

Democrats Plan Quick Action On New Civil Rights Bill -- House Democrats say they hope to move swiftly on a new civil rights bill while focusing heavily on its benefits for women, a strategy aimed at blunting charges that passage would lead to quotas in hiring.

(AP)

NETWORK NEWS (Monday evening)

BAKER TRIP -- Secretary Baker is in Israel looking for a willingness to talk, rather than a commitment on specifics.

The Israeli government, while insisting it will not give up the occupied territories in exchange for peace, is still casting the Baker visit in a positive light.

CRIME BILL -- Both sides are saying that security at home is even more important than security in the Gulf.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-7

NETWORK NEWS.....B-1

FOREIGN MEDIA.....C-1

INTERNATIONAL NEWS

BAKER'S MEETING WITH SHAMIR OVER; 'SIGNS OF CHANGE' IN ARAB ATTITUDES

JERUSALEM -- Secretary Baker, finding signs of new Arab attitudes toward Israel, met with Prime Minister Shamir today in an effort to push the nascent peace process forward with a positive Israeli response....

Shamir's media adviser, Avi Pazner, said Shamir agreed with Baker on a two-track approach to a Middle East settlement. "We have the feeling we can start to try to make the process of peace go," Pazner said. (Barry Schweid, AP)

BAKER VISITS VIOLENCE-AFFLICTED ISRAEL Secretary Finds 'New Thinking' In Mideast And Foreign Minister Levy Agrees

JERUSALEM -- Secretary Baker arrived on his first mission to Israel Monday as a wave of Arab-Israeli violence shook this country, but said he found "signs of new thinking" among old antagonists in the Middle East....

The army reported Monday evening that two soldiers were killed and two wounded Monday in the Gaza Strip when they were struck by a car driven by a Palestinian. Officials said they were still investigating whether this was a deliberate attack or an accident....

After a dinner meeting Monday night, Baker and Israeli Foreign Minister Levy indicated they were somewhat optimistic about reviving the Middle East peace process in the wake of the Gulf war. Baker said, "I have seen what I consider to be signs of new thinking" among Arab leaders toward Israel. Levy said Baker's report left him with the impression that the Arab states "are beginning to show signs of change."...

Israeli officials said the Arab attacks of the last two days dramatized Israel's continuing security problems. "This is why we have to be very careful about going toward concessions that may be fashionable, but weaken our defenses," said Shamir's adviser, Avi Pazner in a reference to the land-for-peace formula that is favored by President Bush.

(Jackson Diehl & David Hoffman, Washington Post, A14)

IRAQI OPPOSITION DISCUSSES OUSTER OF SADDAM HUSSEIN

BEIRUT -- Iraqi opposition groups banned in their homeland resumed their three-day meeting Tuesday on ousting Saddam Hussein amid reports of fierce violence in the Iraqi capital....

As the 325 Iraqi opposition secular, Sunni Moslem and Shiite religious figures prepared for the next session, Beirut Radio broadcast a French report that Saddam had been wounded in an assassination attempt.

The radio quoted the French TF-1 TV report as saying that one of Saddam's guards opened fire on him in Baghdad, wounding the Iraqi leader and killing senior aide Taha Yassin Ramadan. There was no confirmation of the report.

Iraqi opposition sources reported fierce violence in Baghdad. They said many people were killed or wounded in street gunfights between troops loyal to Saddam and dissidents. (Riad Kaj, UPI)

PALESTINIANS AND BAKER TO CONFER

Secretary Baker pushed headlong into the convoluted world of Palestinian politics Monday, declaring that he will meet today with leaders from the occupied West Bank and Gaza Strip but will ignore their insistence that they carry the banner of the PLO.

Baker...also said he was pleased by Israel's initial reaction to his ideas....

"We have our problems with the PLO," Baker said. "We used to have a dialogue with the PLO. That dialogue is terminated. We think the PLO made a substantial error in supporting Saddam Hussein in the war that recently concluded."

Baker's statement that the U.S. dialogue with the PLO was "terminated" suggested a toughening of his position...but that rhetorical flourish seemed to conflict with Baker's plan to meet today with a group of prominent Palestinians, most of whom closely identify with the PLO.

"These people are as much PLO as anyone," said Daoud Kutab, a pro-PLO Palestinian journalist....

Palestinian leaders meticulously designed their delegation to include representatives of each of four PLO factions....

"This means a resumption of the dialogue between the PLO and the United States," insisted Saeb Erakat, a college professor and one member of the group.

(Doyle McManus & Daniel Williams, Los Angeles Times, A1)

**FRENCH ENVOY URGES ISRAEL TO 'ENGAGE'
Rocard Sees Opening On Palestinian Issue**

French Prime Minister Rocard, after meeting with President Bush at the White House, said Monday Israel should take advantage of the Gulf war to move toward a solution to the Palestinian issue. He predicted close cooperation between the U.S. and France in any Middle East diplomacy.

Rocard said the Gulf war had "further strengthened" the relationship and the "mutual trust" between France and the U.S., and played down any differences -- including the timing of an international peace conference for the region -- as mostly questions of procedure....

Bush lauded French participation in the Gulf war, saying, "We were just solidly together." He called France "A key, terribly important country" in helping to resolve the longstanding problems of the Middle East.

(Dan Balz, Washington Post, A16)

AS KUWAIT'S ROYALTY RETURNS, CHAOS REIGNS

KUWAIT CITY -- Two weeks after liberation, the big question is: "Who's running Kuwait?"

Everyone seems to be tugging in different directions as the half-deserted capital city licks its wounds and enforces martial law.

Food is still scarce, telephone lines are dead, and water and electric power are rationed. The banks are still closed, and the Iraqi dinar remains the currency of the moment.

Yet the government, which has declared a three-month period of martial law, seems to be directing most of its energy toward catching Palestinian collaborators, not restarting the country.

(Rowan Scarborough, Washington Times, A1)

**SAUDIS WARY OF TAKING LEAD IN MIDEAST PEACE
Old Animosities Toward Israel Still Linger**

RIYADH -- Many in the West hoped that after victory over Iraq, a newly confident Saudi Arabia would lead the way toward reconciliation between Arab countries and Israel.

But if interviews in recent days with more than two dozen Saudi Arabians from a variety of backgrounds are any indication, such hopes may be premature. These Saudis suggest that the war has done little to soften Arab attitudes toward Jews and Israel....

Many of those interviewed talked about what they described as layers of Zionist conspiracy stitched beneath the surface of the multinational coalition organized by the U.S.

However, many also vented fury at King Hussein for siding with Iraq during the war and at Palestinians for rejoicing when Scud missiles fell on Saudi cities. They said these wounds would not be healed easily in peacetime. Still, none said their anger at Iraq's Arab allies translated into a changed attitude toward Israel.

(Steve Coll, Washington Post, A16)

**IRAQI TREATMENT OF PILOTS 'SEVERE'
U.S. Officials Cite Malnourishment,
'Duress,' Delayed Medical Care**

Eight U.S. Air Force pilots were treated "in a fairly severe fashion" resulting in injuries while they were prisoners of war in Iraq, an Air Force general said Monday.

The general said the anti-war statements some U.S. servicemen made on Iraqi TV "were given under duress of a variety of types," but said he could not elaborate.

All of the pilots are malnourished, some of whom lost as much as 30 pounds, and several suffered broken bones and hearing loss, said Brig. Gen. Robert Peal, commander of Malcolm Grow Air Force Medical Center at Andrews Air Force Base.

(Mary Jordan, Washington Post, A17)

**TURKS MEET WITH IRAQI OPPOSITION
Policy Shift Seen A Blow To Saddam; Fighting Continues**

BEIRUT -- The Iraqi opposition gained important political support Monday as Turkey announced that high officials of its government, in a major policy reversal, have met with Iraqi Kurdish leaders who are attempting to overthrow Saddam Hussein.

The announcement from Ankara by Turkish President Ozal came as more than 20 Iraqi opposition groups opened a three-day meeting here intended to forge a unified approach toward their goal of toppling the regime in Baghdad.

Ozal...noted Monday that other countries including Britain and France have been meeting with Kurdish leaders and that Turkey had more at stake in the region....

Fighting reportedly intensified in several areas in Iraq Monday, according to accounts by opposition sources that could not be independently verified. Opposition leaders here claimed that 60,000 Iraqi troops had surrendered or defected and that half the pro-Saddam units in northern Iraq had collapsed.

(Jonathan Randal, Washington Post, A1)

FOR U.S. AND IRAN, A CHANCE FOR TIES

Iraq' military defeat and the prospect of creating new security arrangements for the Gulf provide an opportunity for the U.S. and Iran to repair their long-tattered relationship -- if the two sides decide to do so.

The two countries have emerged from the Gulf war with three common goals: the military containment of Iraq, preservation of Iraq's territorial integrity and the creation of a postwar security structure in which Tehran plays an important political role.

But the convergence of interests does not mean that the U.S. and Iran are now poised to bury their longstanding differences. Rather, it reflects a practical realization by both sides that since they are destined to be involved in the region they may as well cooperate."

"At this stage, both sides are peering through the window," said Gary Sick, who has written and lectured extensively on U.S.-Iranian relations. "They haven't climbed through."

(Elaine Sciolino, New York Times, A14)

TERRORISM THREAT HAS DIMINISHED, STATE DEPT. SAYS

The State Department announced Monday that with the cessation of hostilities in the Gulf war, "we believe the threat from Iraqi sponsored terrorism has lessened" throughout the world.

While cautioning that "previous wars in the Middle East have frequently been followed by a terrorist aftermath" and that the general danger of anti-American terrorism prompted by the Gulf war remains real, the statement said, "There is currently no specific and credible information on a terrorist threat to the American public."...

The AP reported that tourism industry officials have seen an increase in international travel by Americans in recent weeks.

(Jim McGee, Washington Post, A15)

REPORT: MORE IRAQI AGENTS ARRESTED IN EGYPT

CAIRO -- Security authorities have arrested five Egyptians accused of trying to smuggle explosives for Iraqi-sponsored terrorism, the state-owned newspaper Al-Ahram reported Tuesday.

The arrests brought to 32 the number of alleged Iraqi agents reported arrested in Egypt....

Al-Ahram said the five men were arrested Sunday after arriving from Jordan. (AP)

JORDAN LINK REPORTED FOR SPIES SLAIN IN SYRIA

The undercover agents who were killed by Syrian terrorists last fall, apparently after the U.S. compromised their identities during a diplomatic exchange with Syria, were working inside Syria for Jordan's state intelligence service, several Bush administration officials say.

The agents were among Jordanian intelligence operatives working inside Palestinian terrorist groups who have provided Jordan with valuable information on terrorist activities, the officials said. Jordan, in turn, has shared much of that data with the CIA and other Western espionage services responsible for preventing terrorist acts. (Michael Wines, New York Times, A8)

-more-

HOSTAGES IN LEBANON REPORTEDLY MOVED
Sources Say Men Held By Shiites In Bekaa Valley

BEIRUT -- Pro-Iranian Muslim extremists holding 13 Western hostages have moved the captives from Beirut's southern slums to new hideouts in eastern Lebanon, security sources said Monday.

The report coincided with a fresh drive by the U.S. and Britain to secure the release of the hostages through the efforts of Iran and Syria....

The sources, who spoke on the condition of anonymity, said the captives are believed to be held in hideouts controlled by Shiite fundamentalists in and around Baalbek in Lebanon's Bekaa Valley.

(Farouk Nassar, Washington Post, A15)

MAJOR FORGES NEW EC ALLIANCE WITH GERMANY

BONN -- Prime Minister Major, anxious to end his country's isolation in the EC, has forged a new alliance with Germany and signaled a clear break with the European policies of his predecessor Margaret Thatcher.

At an Anglo-German summit Monday, Major called for London and Bonn to cooperate "warmly" in the EC and made clear he did not share Thatcher's distrust of the Germans or the fear that they would dominate a more closely integrated Community.

"I think the message that emerges from this summit is the extent and the warmth of the coming together in relationships between Britain and Germany," Major told a news conference. "In Britain we're very pleased with this." (Richard Murphy, Reuter)

NORTH KOREA IN GULF 'SHOCK'

PYONGYANG -- The dramatic success of U.S. forces in the Persian Gulf has had a major impact on North Korean military thinking, long based on the same Soviet technology that took such a beating in Iraq.

Diplomats here and in Beijing say Kim Il Sung...must now realize after Iraq's defeat that conventional warfare on the tense Korean peninsula is a "non-option."

"There's no doubt the Gulf war was a big shock to the leadership," said one senior diplomat here who requested anonymity....

"America was regarded as a paper tiger in Asia," said an Asian diplomat in Beijing. "It was beaten like a wet rat in Vietnam, and because of this we tended to underestimate it. But the Gulf war has changed all that."...

"America kept its promise that if Saddam was not out of Kuwait by Jan. 15, they would attack. That was a real shock," he said.

(Michael Breen, Washington Times, A1)

**LAWMAKERS WALK OUT OF PARLIAMENT,
HOLD VIGIL WITH PROTESTERS**

BELGRADE -- Opposition lawmakers stormed out of Serbia's parliament early Tuesday and joined a vigil by anti-communist protesters mounting the most serious challenge to Marxist rule in Yugoslavia's largest republic....

"Let them have their one-party parliament," said one lawmaker, Milan Paroski....

The remaining lawmakers met into the night to discuss the crisis, and police in riot gear kept an eye on the protesters in central Belgrade. (AP)

**BELGRADE PROTEST ECHOES PRAGUE UPHEAVAL
Serbian Anti-Communist Movement Swells After Crackdown**

BELGRADE -- What began here Saturday as a bloody melee between Serbian police and bottle-throwing anti-government protesters has matured in the streets in the past three days into a powerful, peaceful anti-communist demonstration reminiscent of Prague in the revolutionary fall of 1989....

After nearly three days of nonstop chanting and speechmaking, the young people in the streets appear to have checked the government's willingness to use force, and riot police stayed well away from the crowd....

In response to the protests, the Serbian government Monday organized a demonstration in support of itself. More than 30,000 people, many bused in from state-owned factories, gathered outside central Belgrade in a rally "for the defense of the republic."

(Blaine Harden, Washington Post, A1)

SKINNER SEES INCREASED U.S.-BRITISH AIR COMPETITION

An agreement guaranteeing landing rights at London's premier airport for two strong U.S. airlines may spark increased competition between British and American carriers, Transportation Secretary Skinner says.

Skinner offered the prediction Monday as he announced the successful end of prolonged talks to enable United and American airlines to replace struggling Pan Am and TWA at Heathrow Airport.

"This agreement should be seen as the prelude to more important talks in the near future to liberalize the aviation relationship between the U.S. and the United Kingdom," Skinner said at a news conference. (Lawrence Knutson, AP)

EDITOR'S NOTES: "After Victory A Sense Of Unease [In Saudi Arabia]," by Steve Coll, appears in the Washington Post, A1.

"Gulf Victory Spurs Congressional Calls To Punish Saddam," by Steven Koarow, appears in the Washington Post, A3.

NATIONAL NEWS

BUSH APPEALS TO PATRIOTISM IN PUSHING CRIME PACKAGE Key Provisions Identical To Past Proposal

President Bush, dressing up last year's crime package in this year's surge of patriotism over the Gulf war, called on the Democratic Congress Monday to honor the nation's veterans by giving them "an America where it is safe to walk on the streets."

Bush's crime package, sent to Congress Monday, contains some new twists but offers basically the same elements as a proposal sent to Capitol Hill in 1989 and last year. "The truth is the vast majority of these core proposals are identical to those that we sent up two years ago," Bush told an audience of law enforcement officials brought to the White House for the unveiling of the package....

What is principally new between last year...and this year is the President's soaring popularity in the wake of the Gulf victory and his repeated references to veterans of that war in promoting the package....

Sen. Biden...suggested that war victory or not, Bush is likely to have the same problem this year with his crime package that he had last year. Biden said the Democrats are "ready right now" to approve virtually all of the elements of the White House bill, as long as Bush will accept new federal controls on assault weapons and more federal funding for state and local law enforcement.

"One of the biggest reasons the returning veterans are not safe on the street is because of these assault weapons," Biden said, not because too many appeals are being filed by inmates or because a federal death penalty is lacking for some crimes.

(Ann Devroy & Michael Isikoff, Washington Post, A4)

Bush Pushes Crime War

President Bush moved Monday to convert victory in the Persian Gulf to victory on Capitol Hill, demanding passage by June 14 of anti-crime proposals that the last Congress refused to enact.

"The time to act is now; the time to schedule congressional hearings is now," Bush said as he prepared to spend political capital on a domestic issue -- a policy area where he has been reluctant to confront Congress in the past.

"We are on a 100-day clock," he told the National Association of State Attorneys General in the East Room, referring to the countdown he began Wednesday in a speech to a joint session of Congress.

The President's plan contains one major new twist -- it would allow firearms to be used as evidence of federal crimes even if seized during an illegal search....

"Simply put, if the President would join the Congress in banning the murderous weapons that are killing police officers, children and countless innocent bystanders, we could easily pass a comprehensive crime bill within the next 100 days," Sen. Biden said.

(Frank Murray, Washington Times, A1)

Bush Sends Anti-Crime Bill To Congress: Seeks Early Passage

Spurned by Congress for two years, President Bush resubmitted his controversial anti-crime bill Monday and demanded passage in 100 days.

If Bush hopes to use his record-high 90-percent popularity rating to push the bill through, he is likely to be disappointed.

The bill angers liberals because it seeks to expand the federal death penalty.

Some conservatives dislike the bill's curbs on automatic weapons, including a ban on gun magazines that fire more than 15 rounds without reloading....

In appealing for passage of the bill, Bush said it is "on America's most wanted list. No more loopholes. No more rolls of the dice."

Rep. Conyers said Bush's bill has "nothing that hasn't been tried -- and failed -- over the years of trying to get through."

(Ann McFeatters, Scripps Howard)

DEMOCRATS PLAN QUICK ACTION ON NEW CIVIL RIGHTS BILL

House Democrats say they hope to move swiftly on a new civil rights bill while focusing heavily on its benefits for women, a strategy aimed at blunting charges that passage would lead to quotas in hiring.

With the bill expected to clear its first congressional hurdles today, House Education and Labor Chairman Ford said supporters didn't plan to delay because of opposition from President Bush at a time of his enormous postwar popularity.

"I don't legislate on the basis of poll results," said Ford, a key supporter of the bill. "I wouldn't bring out a different bill if his popularity were at an all-time low."...

Rep. Gephardt said in an interview the civil rights bill is one of several the Democrats hope to move on quickly....

"We came very close last time," Gephardt said. "I think we can do it."...

Supporters were put on the defensive by descriptions of an unreleased poll and research survey done by a private firm on their own behalf. It was first disclosed by the Washington post, which said the studies found important groups of white voters have come to see civil rights advocates as pressing for special, preferential benefits instead of equal opportunity.

(William Welch, AP)

**SOME BUSINESS AND GOP LEADERS OPPOSE TAX CUTS
BECAUSE OF FEARS OVER INEVITABLE OFFSETTING BOOSTS**

...Continuing deficits and new pay-as-you-go budget rules have left some corporate and GOP leaders worried that seemingly attractive tax-cut proposals would inevitably turn out to be a Trojan horse concealing offsetting tax boosts. Add to that mix congressional Democrats' rhetoric for "tax fairness," and the alert is sounding that any such tax increases would hit businesses and upper-income taxpayers.

"Politically, any major corporation that comes out today for tax cuts its shooting itself in the foot," says Rob Perlman, vice president, taxation, for Intel Corp.

A similar warning is going out to Republicans from an unlikely source: Sen. Gramm....

While Gramm takes aim against bipartisan measures to cut the payroll taxes that finance Social Security, others apply the warning of hidden tax increases as well to President Bush's proposal to reduce taxes on capital gains, which Gramm supports....

At the American Business Conference, which speaks for the chief executives of 100 mid-sized companies, Barry Rogstad, president, says, "We're not pushing capital gains on the Hill right now because I quite honestly think it would be foolish."

(Jackie Calmes, Wall Street Journal, A20)

SCHROEDER PITCHES FAMILIES' PLIGHT**New Chair Of Panel On Children Vows It Will Be Seen And Heard**

...Rep. Schroeder's appointment last week as chairwoman of the House Select Committee on Children, Youth, and Families has left the most senior woman in Congress with a feeling that she has taken command of one of the hottest troops on Capitol Hill....

In an interview...Schroeder said her priorities for the coming year include measuring the way federal tax laws work hardships on families; developing model state statutes that would protect the economic interests of children when their parents divorce; monitoring the education goals established by the White House; and searching for ways to bring down teenage birthrates.

"The good news is that the right and left are starting to come together on some of these issues," said Schroeder, citing legislation introduced by Republicans in the House and Senate to increase the personal tax exemption for children.

(Paul Taylor, Washington Post, A19)

U.S. ISSUES PROPOSED RULES ON HIRING DISABLED PEOPLE

The Bush administration has issued another set of proposed rules for carrying out the Americans With Disabilities Act, this time on hiring and accommodating disabled workers.

For example, the regulations...place strict limits on how far employers may go in inquiring about a job applicant's disability.

Under the rules, employers may not directly ask about an applicant's disability, whether it is an obvious impairment like blindness or a hidden condition like diabetes, high blood pressure or AIDS....

The regulations do permit employers to detail the physical requirements of a particular job and to ask whether the applicant can fulfill them.

(Steven Holmes, New York Times, A19)

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CRITICS RAP STRATEGIC OIL BILL AS DISGUISED TAX

A Senate bill requiring millions of barrels of imported oil to be diverted into the government's strategic reserve is a disguised import tax that will have to be paid by consumers, the Bush administration and others say.

"To me, it looks and acts suspiciously like an oil import fee," said Sen. Chaffee, who complained Monday that the higher costs would hit some areas such as New England especially hard because they rely heavily on imported oil....

"It's a sacrifice that should be made," Sen. Johnston contended, acknowledging that diverting about nine percent of oil imports would cost some \$5 billion a year and probably increase oil prices about four cents a gallon.

The proposal also had the support of Sen. Wallop...but the administration opposes it, saying it amounts to an energy tax and would threaten economic growth....

"The effect would be the same as (an oil import) tariff," Assistant Energy Secretary Robert Gentile testified.

(H. Josef Hebert, AP)

FOOD PROGRAM CUTS THOUSANDS IN AREA

Higher food prices and rising need have forced governments in the Washington area to stop providing food to thousands of undernourished children and mothers....

"It seems like the [federal] budget doesn't take care of the people who need it..." said Columbia resident Karen Johnson, who learned last week that her twin daughters, age four, will no longer get their free monthly [food allowance].

The cutbacks mean that mothers who had depended on the Women, Infants and Children program for much of their children's food are now having trouble getting even basic necessities....

Some help may be on the way. President Bush has asked for an increase of nearly \$225 million in WIC funding as part of his 1992 budget.

(Brooke Masters, Washington Post, A1)

PRESSING CASE FOR NATIONAL SERVICE

Supporters of national service -- the idea that citizens ought to be encouraged to give a year or two out of their lives to their country -- are trying to seize the opportunity accorded their cause by the ongoing celebrations of the service just rendered by U.S. troops in the Gulf....

But the outcome of the conflict with Iraq also presented supporters of various national service schemes with a large problem: The very successes of the war -- how fast it went, how low the casualties were, how skilled the troops proved to be -- may have been the best argument ever for the volunteer military. Why, ask opponents of national service, do we need to alter what works?...

At [one] level, the quest for national service is a particular obsession of Democrats who think that middle-class voters are wary of welfare programs like the old GI Bill, which provided generous benefits to those who were widely thought to have earned them through service in W.W. II. The advantage of such programs, says Sen. Nunn, is that they restore "the crucial link between civic duty and public reward." They also did a lot to promote upward mobility.

(E.J. Dionne, Washington Post, A19)

LIBERALS FIND JUDGE GUILTY OF BIGOTRY

Liberal interest groups have targeted a federal judge in Miami for their first concerted attack on a judicial appointment since the defeat of Judge Robert Bork's nomination to the Supreme Court four years ago.

The liberals charge that U.S. District Judge Kenneth Ryskamp of Miami is unsuitable for a seat on the 11th U.S. Circuit Court of Appeals in Atlanta because he is insensitive toward racial minorities and women....

"In general, they're trying to Bork him by distorting his record to make him look like an insensitive bigot," said Thomas Jipping, legal affairs analyst with Coalitions for America. "With Bork the Left simply misinterpreted the facts. But with Ryskamp they're just misstating them."...

Supporters say the anti-Ryskamp coalition contains no one who has had any contact with the judge. They cite as an example a letter signed by seven members of minority groups who have argued cases before him.

"We have found no active practitioner who has experienced any judicial mistreatment at his hands, not anyone who knows of any such treatment on his part," the letter said. "To the contrary, our commonly-held view is that he has always been fair, decent and objective, as well as competent."

(Dawn Weyrich Ceol, Washington Times, A4)

ROEMER DECIDES 'TIS NOBLER IN GOP**Louisiana Maverick's Governor Abandons Democratic Party**

BATON ROUGE -- Louisiana Gov. Roemer, the Hamlet of bayou politics, Monday finally resolved who and what he wants to be: a Republican.

At a ceremony on the front lawn of the governor's mansion that resembled an inauguration, Roemer formally abandoned the Democratic Party, and act that brought to an end a decade of soul-searching by the brooding maverick from Shreveport and culminated months of recruiting by President Bush and national Republican operatives who viewed Roemer as a pivotal convert in their renewed bid to realign the South.

(David Maraniss, Washington Post, A1)

BUSH DIDN'T LEAVE HOME WITHOUT IT

George Bush -- president, commander in chief, leader of the free world -- had to prove his identity Monday.

The skeptic: 8-year-old Anthony Henderson at a suburban Washington high school.

"How do I know you're the president?" Anthony asked.

Bush produced a driver's license: "See. B-U-S-H."

"Bush, George.... So you are the president."

"I know how I can prove it. There's a great big black limousine car out there."

Or better: an autograph card. "You can take it home."

"The teacher said we can't take autographs."

Some days you can't win. (Jessica Lee, USA Today, A1)

EDITOR'S NOTES: "The Search For Bush's Other Barbara [the President's W.W. II TBM Avenger torpedo bomber]," by Donnie Radcliffe, appears in the Washington Post, E2.

-End of A-Section-

NETWORK NEWS

(Monday evening, March 12)

BAKER TRIP/ISRAEL

ABC's Peter Jennings: We begin tonight with another American effort to shape a permanent peace in the Middle East. We've said that many times in the last 25 years. This time, the Secretary of State, James Baker, is the man who wants to make a difference. He and President Bush hope that this time, after the battlefield defeat of Saddam Hussein, there is a more widespread interest than usual in compromise and settlement among enough Arabs and enough Israelis to really make a difference. Baker's already been to Saudi Arabia, Kuwait and Egypt; tonight he's in Israel.

ABC's John McWethy reports from Israel. The visit is one Baker is not likely to forget.

(TV Coverage: Secretary and Mrs. Baker stepping off plane.)

Within minutes of landing, the Secretary saw glimpses of the many faces of this country, including those from the right wing, who fear Baker will ask Israel to give up too much.

(TV Coverage: Israeli demonstrators; man holding sign reading "Baker lives in occupied Texas.")

The Secretary and his wife Susan were taken to Israel's memorial to the six million Jews killed by the Nazis. It was intended to be a powerful introduction to the heritage of this country. And for the Bakers, it clearly was.

(TV Coverage: The Bakers in memorial; Mrs. Baker crying.)

At this point, Baker is looking for a willingness to talk, rather than a commitment on specifics. The Israeli government, while insisting it will not give up the occupied territories in exchange for peace, is still casting the visit in a positive light.

(Yossi Olmert, Israeli government spokesman: "There is no question that there is going to be progress. There has to be progress. But one visit in itself cannot make all the difference.")

Hoping that it will make a difference, Baker announced that he will become the first Secretary of State to ever meet a delegation of Palestinians in Israel. One who will probably be in the meeting Tuesday says it is a good sign.

(Hanan Ashrawi, Bir Zeit University: "This new phase means that a new political process is starting, and perhaps there is going to be real, effective action.") (ABC-Lead)

ABC's Dean Reynolds reports from Israel. Today there were four funerals for the women who were stabbed to death by a Palestinian in Jerusalem Sunday. The Palestinian, from a Gaza Strip refugee camp, told police he did it to send Secretary Baker a message.

(Secretary Baker: "What has happened, in my view, is an effort to kill peace.")

There was more. Israelis believe six Arab gunmen were trying to do the same. They came across the border from Jordan today and wounded two soldiers before the Israeli army killed all of them.

(Defense Minister Arens: "I suppose they're trying to make a very special impression and maybe send a very special message to Secretary Baker as he arrived today.")

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Reynolds continues: The day's last bloody message was received at an Israeli hospital tonight: two Israeli soldiers were wounded, and two others died in a hit-and-run attack by a Palestinian driver in Gaza. A day like this left Palestinian moderates with little to say.

(Daoud Kuttab, Palestinian journalist: "I cannot explain it, other than just deep frustration and bad luck for the Palestinians.") It is sure to lead to a greater crackdown on the Palestinians, and provide political ammunition for extremists on both sides who oppose any compromise. But a new poll of Israelis out today says half the country still believes in giving up occupied land if it will bring peace. That attitude may yet give Secretary Baker something to build on.

CBS's Tom Fenton reports a Palestinian protest strike brought all activity to a halt in the Old City of Jerusalem. Many of the Palestinians are turning their backs on Secretary Baker and the American peace initiative. But not all of them. Opinions are divided in the Palestinian community. Some thought it worthwhile to meet Baker. (ABC-2, CBS-3)

NBC's Tom Brokaw: The United States and allied forces took 100 hours to defeat Saddam Hussein. It will take much longer, however, to find a permanent peace, especially since Operation Desert Storm wasn't the only war in the region. Arabs and Israelis were warring over the weekend and again today as Secretary Baker arrived.

NBC's John Dancy reports on the Baker visit. One of the women stabbed by the Palestinian Sunday was a newly-arrived Soviet emigrant. A grim Defense Minister Arens said the attack should be an abject lesson to Secretary Baker about life in Israel.

(TV Coverage: Arens and other Israelis looking at dead body.)

(Arens: "As you can see, there is a cease-fire in Iraq; there's no cease-fire here.")

Baker will find Israeli leaders like Benjamin Netanyahu as hard-nosed as ever about talking to Palestinians.

(Deputy Foreign Minister Netanyahu: "We don't ask them to cede their claims for the territories in advance of negotiations. I don't think it's wise for them to ask us. That's not a way to begin negotiations, that's the way to torpedo negotiations.")

Baker had dinner tonight with Foreign Minister Levy to stress that the U.S. is looking for a sign from Israel that it wants to restart the peace process.

(Baker: "There will not be peace in the region unless the parties themselves conclude that they want peace and are willing to do the hard, nitty-gritty work that's involved in getting there.")

Israeli officials had Baker visit the Holocaust Museum. Baker's wife sobbed as she looked at the memorial. And Baker called it a chilling reminder of a tragedy that must never be repeated.

(TV Coverage: Baker laying wreath at memorial.) (NBC-Lead)

CBS's Bill Plante reports Secretary Baker says he brings no specific blueprint for peace on his first trip to Israel.

(Baker: "We come with some ideas, we hope we hear some ideas. I think we've heard some ideas in the first couple of days. I believe we've heard some ideas here this evening.")

Just before Baker arrived, escalating Israeli-Arab violence caused him to cancel a walking tour of the Old City of East Jerusalem.

Plante's report continues:

(Baker: "What has happened, in my view, is an effort to kill peace. And it makes us even more determined to work just as hard as we can.")

A U.S. official says all Baker is trying to do is to get Israelis and Palestinians to break the old taboos and just start talking.

(CBS-2)

U.S. POWs

CBS's Connie Chung: The 21 American prisoners of war freed by Iraq are now telling their stories. Some were indeed beaten by their captors. But CBS's David Martin learned surprising information about one POW whose battered face we all remember.

Martin reports that Navy Lt. Jeffrey Zaun has told military officers that some of the wounds to his face were self-inflicted in an attempt to discourage his Iraqi captors from displaying him on television. The attempt failed, and the picture of Zaun's face gave rise to fears that U.S. POWs were being mistreated. Pentagon officials now confirm that some of the prisoners, especially those captured early in the war, were beaten.

(Brig. Gen. Robert Poel, USAF doctor: "They parachuted into a very hostile environment; they remained captives by people that were threatened by their presence; and they treated them in a very severe fashion.")

Most POWs have told their debriefers that the cold was the worst part of life in what they called the "Baghdad Biltmore." They were given only a pad and a thin blanket for the winter nights. They were given only one meal a day of pita bread and tomato soup.

(Poel: "...Usually, the soup would be served off the top of the pot to the prisoners, and if there was anything of substance on the bottom, the guards would usually get that.")

Some prisoners lost as much as 30 pounds.

Chung reports Iraq says the remains of 14 allied troops killed in the Gulf War will be returned tomorrow. It's not known if any of the 14 was an American. The U.S. says 24 Americans are missing in action.

(CBS-Lead)

Jennings reports the 21 former prisoners of war who came home this weekend were greeted at their homes. At Ft. Gordon, GA, pretty much of a typical reception.

(TV Coverage: Cheering, flag-waving crowds.)

Confirmation that everything they'd heard and read about support on the home-front was true.

(ABC-12)

IRAQI POWs

Brokaw reports that efforts to repatriate Iraqi POWs hit a snag today. A Saudi official said that some 500 prisoners were taken to the border to be handed over, but Iraq refused to accept them, citing logistical problems.

(NBC-3)

TROOP RETURNS

NBC's Andrea Mitchell reports that politicians on the Hill are competing to see who can offer the most benefits to returning troops. Families of reservists were perhaps the least-prepared.

Mitchell's report continues:

(**Sen. Bumpers:** "So left maybe a wife or husband back home to cope under terribly adverse circumstances.")

The White House and Congress agree on raising combat pay, providing benefits for POWs, extending unemployment insurance, increasing life insurance benefits. But along the way, members of Congress started piling on hundreds of extras -- full back pay for reservists who work for the federal government; new education benefits for the entire military; special relief for business in towns near military bases. If it all passed, it would mean \$1.2 billion over five years in extra benefits for a volunteer army.

(**Sen. Glenn:** "They took their pay in peacetime, and that's fine. But they also knew what their commitments were.")

(**TV Coverage:** OMB Director Darman walking with Andrea Mitchell.) The budget director warns that money spent on veterans will have to be cut from other programs, unless paid by foreign countries.

(**Darman:** "What we don't want to do is just have a long laundry list of things that should and shouldn't be in that adds up to billions of dollars that can't be funded.")

The President certainly doesn't want to veto benefits for the troops, so Darman is trying to work out a compromise. And for Congress, passing some of these extras may not be as important as simply announcing that they've proposed them. (NBC-5)

NBC's Jim Cummins reports on the troop return and the effect on local economies. When thousands of troops shipped out on short notice, it had a devastating effect on the economies small hometowns. Now that they're returning, business is expected to boom. Airlines and car dealerships, among others, are offering huge discounts. (NBC-4)

WOMEN IN COMBAT

Brokaw reports on the burial of Army Maj. Marie Rossi, who became familiar to millions through here television interviews. She and three of her crew died in a crash one day after the cease-fire. (TV Coverage: Arlington National Cemetery funeral.)

CBS's Jim Stewart reports on Rossi's burial and the aftermath of female troop performance in the Gulf, where women carried weapons -- unlike some times in Vietnam -- and used them. It remains to be seen whether this will be a watershed experience for females in uniform, or a high-water mark.

(**Rep. Beverly Byron:** "I'm not ready to say today that we will open all combat areas to women.")

The public and non-forces seem to agree. But to the surprise of many, most Americans don't seem upset that women are allowed to work close to the frontlines and pay with their lives.

(NBC-7, CBS-12)

'HIGHWAY OF DEATH'

ABC's Sheilah MacVicar reports on a largely-ignored second highway out of Kuwait where Iraqis had been bombed while trying to flee.

(TV Coverage: Bombed-out vehicles, burnt bodies.)

Allied military officials in Kuwait City say they aren't even sure when the convoy was attacked. The only allied soldiers here today were scavenging for souvenirs.

(TV Coverage: Soldiers picking amid debris.)

(ABC-3)

ABC's Bob Zelnick reports on the Pentagon's policy of bombing fleeing Iraqi troops during the war. Pictures of the aftermath have raised questions about whether it was necessary to rain such destruction on an army whose retreat had become a rout, and whether the military was slow to acknowledge what was going on. Even after Radio Baghdad announced that Iraqi forces had been instructed to retreat from Kuwait, military briefers continued to insist that the allies were confronting a fighting retreat. Most military analysts agree that if the Iraqis had wanted to be safe, they should have made it clear they were surrendering.

(Gen. Bernard Trainor (ret.)): "These were tactically capable military forces with their arms and armaments, and therefore they were legitimate targets of war." (ABC-4)

IRAQI UNREST

Jennings reports the State Department says there was less fighting today between Saddam's troops and the forces trying to overthrow him in the south of Iraq, and more in the north. One State Department official tells ABC that at least some Iraqi army regulars are fighting alongside the government's opponents.

ABC's Charles Glass reports on Saddam's enemies. More than 300 Iraqi dissidents from more than 20 groups came to Beirut today to try to form the first united Iraqi opposition to Saddam. In the north, Kurdish leaders claim their guerrillas have seized most of the towns and have been joined by thousands of army deserters. In the south, Shi'ites also claim Saddam is losing town after town. In the rest of Iraq, opposition sources say Muslims and Christians, Arabs and Kurds, are all fighting against the regime. All the opposition groups, from the Islamic fundamentalists to the communists, say they want to give Iraq democracy. (ABC-5, CBS-5)

KUWAIT

CBS's Martha Teichner reports from Kuwait on videotaped footage of Iraqi soldiers accused of looting being executed in Kuwait by Iraqi officers. The tape is dated last Nov. 29.

(TV Coverage: Blindfolded soldiers tied to soccer goalposts being shot while people look on.) (CBS-6)

Brokaw reports that pro-democracy activists in Kuwait today demanded the emir set a date for parliamentary elections.

NBC's Mike Jensen reports on the costs of Kuwaiti reconstruction. Most of Kuwait's basic structures are intact, and for every house that's been seriously damaged, there is an entire neighborhood that was not destroyed. There is very little structural damage to highways or bridges. And oil refinery damage has been limited; they won't have to be rebuilt from the ground up. The experts had been predicting that reconstruction could cost \$50 to \$100 billion. Now they say it will be only a fraction of that. (NBC-2)

TRAVEL ADVISORY

Brokaw reports the State Department has lifted its wartime travel advisory for Americans worldwide, but did urge travelers to exercise caution. (NBC-9)

BEIRUT HOSTAGES

Chung reports that sources in Beirut say the Western hostages have been moved to new hideouts in the Bekaa Valley. This comes as the U.S. and Britain reportedly are making a new push to win their release. Of the six American hostages, the longest-held is Terry Anderson, kidnapped six years ago this week. (CBS-4)

CRIME BILL

NBC's John Cochran: The President figures he's in pretty good shape when it comes to veterans; after all, he is the commander-in-chief, the U.S. casualties in the war were low, and on top of that, he will talk about veterans every chance he gets.

(TV Coverage: President Bush at dais in East Room.)

George Bush, war leader, turned to domestic matters today. The war was in the background. But veterans were in the foreground.

(President Bush: "And our veterans deserve to come home to an America of improved schools, better jobs, stronger laws against discrimination, increased home ownership, and families that are healthy and together.")

You would never know it, but Bush was talking to a group which had come to hear him plug his crime package.

(TV Coverage: Police officers and others in audience.)

Even so, Bush found a way to connect veterans with his war on crime.

(President Bush: "Our veterans deserve to come home to an America where it is safe to walk the streets.")

With the war over, the President had time to visit an elementary school.

(TV Coverage: President walking into school room.)

But there was a military connection here, too: Bush chose a school where Marine volunteers tutor the kids.

(TV Coverage: Marines tutoring kids.)

One of the kids wasn't so sure Bush really was the commander-in-chief.

(Kid, at table with President: "Are you really the President?")

President: "Yeah! Yeah. Didn't you know that? What'd you think, I was a pretending guy? Did ya? Did you really think that? Well, heck, how can I prove it to you? I don't have any ID. Let's see. [produces wallet] Let's see if I got an ID. Let's see, I don't think I do. How do I prove it, possibly? This is very difficult. Here's my driver's license. See what that says?")

The kid must have been a Democrat. He wasn't satisfied with the driver's license, so he made the President show him a credit card, too.

Brokaw: On the other hand, he may have been a reporter, John Cochran. You know, check it out. (NBC-6)

Jennings: President Bush sent his crime bill back to Congress today with the same message he gave the Congress five days ago. The troops who fought in the Persian Gulf, he said, deserve to come home to an America where it is safe to walk the streets. It all sounds familiar to congressional critics, who say they have seen this package before.

ABC's Ann Compton:

(TV Coverage: President Bush at dais in East Room.)

The major points in the President's anti-crime bill are the same ones he sent to Capitol Hill two years ago. But this time he's adding his new argument that America's streets have become more dangerous than a war zone.

(**President Bush:** "Today, two years later, another 294 policemen and -women are dead. Two-hundred-and-ninety-four. Almost three times the number of precious American lives lost during this entire Gulf War.")

He is going after loopholes that frustrate police, starting with the so-called exclusionary rule. The President would make it more difficult for judges to exclude important evidence so long as police gathered it in good faith. He would reform Habeas Corpus rules so defendants cannot file endless, what he called frivolous appeals. The President would add five extra years in prison for those who commit a crime carrying a semi-automatic weapon, and five years for felons found carrying any guns after they get out of prison. And he wants the death penalty for some serious federal crimes, including major drug dealing. Congressional Democrats say they could approve much of this crime agenda if President Bush will accept a ban on assault weapons.

(**Sen. Biden:** "We could do this in 15 minutes. It's a shame that those very soldiers who avoided getting killed by the equivalent of an Uzi sub-machine gun out there in the desert are likely to be killed by one back there on the streets.")

To succeed with a crime bill this year, both sides are now using the argument that security at home is even more important than security in the Gulf.

(ABC-6)

CRIME

Brokaw reports that in East Los Angeles alone, there have been seven gang-related murders since Jan. 1, well ahead of last year's record pace. An influx of immigrants from Central and South America has given gangs hundreds of new recruits. This winter has been the deadliest season among the Hispanic gangs.

(TV Coverage: Graphic footage of gang warfare, deaths.)

The mounting death toll does not discourage gang membership.

(NBC-8)

ROEMER SWITCH

Jennings: In other political news, the Democrats have lost one of their governors to the Republican Party. Louisiana's Buddy Roemer became the first governor to change parties while in office.

Chung: Louisiana went today from having a Democratic governor to having a Republican -- and they didn't even have to change the name on the door. Governor Buddy Roemer officially announced he is splitting from the Democrats and joining the GOP. (ABC-7, CBS-8)

YELTSIN/GORBACHEV

Jennings reports that Boris Yeltsin's conservative critics in the Soviet parliament debated whether to censure him for his increasing attacks on the central government. The critics decided against the move, fearing it would make him even more popular on the streets.

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ABC's Jim Laurie reports on the increasingly bitter struggle for power between Mikhail Gorbachev and Boris Yeltsin.

(Yeltsin: "In his promises of radical reform, Gorbachev has deceived us. Let us now declare war on the nation's leadership, which has led us into a quagmire.")

(Gorbachev: "You so-called democrats are thirsting for power. They have failed by legal means, so now they fight on the streets, with demonstrations and strikes.")

Yeltsin has recently lost support in the Russian Federation Parliament. His radical demands that Gorbachev resign and the Soviet bureaucracy be dismantled did not sit well with the politicians and bureaucrats there. Next weekend both men will seek to boost their power through referenda. Gorbachev wants nationwide approval of the continued preservation of the Soviet Union, with limited autonomy to republics. Yeltsin is urging Russians to vote no on the proposal, which he says puts too much power in Gorbachev's hands. He also wants Russians to approve a plan to elect the Russian president by popular vote. (ABC-9)

YUGOSLAV UNREST

Jennings reports that for the third day in a row, thousands of Yugoslavs turned out for a demonstration against the communist government of Serbia. There was an equally large counter-demonstration organized by the government. (ABC-10)

SALVADOR ELECTIONS

Jennings reports the ruling right-wing Arena Party has won the most votes in Sunday's congressional elections. But a coalition of leftist parties made their strongest showing since the civil war began 11 years ago, getting nearly one-fifth of the vote. (ABC-11)

CHOLERA EPIDEMIC

NBC's Robert Bazell reports on the Peruvian cholera epidemic. The disease has struck more than 60,000 people, claiming about 1,000 new victims every day. So far, 300 have died. Health officials say the death rate has been relatively low because of a massive international effort to send medical supplies to Peru. Experts believe the cholera will remain confined to poor areas of Peru and neighboring countries, and that immigrants and visitors won't contaminate the U.S. (NBC-12)

VALDEZ SPILL SETTLEMENT

Chung reports a federal judge cleared the way today for what could be a billion-dollar settlement over the Exxon Valdez spill in Alaska. The judge said Alaskan villagers seeking damages should not be left out in the cold. (CBS-7)

GAS PRICES

Brokaw reports gasoline prices are now their lowest since before the Gulf War, averaging \$1.17 a gallon. (NBC-10)

FOREIGN MEDIA REACTION

ARABS-ISRAEL

"Bush's Words Must Be Taken Seriously"

"The most important part of President Bush's speech to Congress, and the most surprising for us, were his remarks about the Palestinian problem and the Arab-Israeli conflict.... But if Bush may excuse us, in order for the U.S. to regain credibility among the Palestinians and in the Arab world his words must first be translated into action.... Whatever differences we had with President Bush on the Gulf crisis and his war with Iraq, he proved to be a man of his words, staunch on position and convictions. When this man's attention is turned to the Arab-Israeli conflict, his words must be taken seriously." (an-Nahar, West Bank)

"A Speech To Absorb Arab Rage"

"The American President's speech was meant to absorb Arab rage against a most ferocious and brutal war waged by the U.S. against Iraq. The speech came a few days before Baker goes to the Middle East, carrying proposals mistaken as new, which continue to ignore the PLO, the sole representative of the Palestinian people." (ash-Shaab, West Bank)

"Baker's Joy Ride"

"Baker is going to take the sting out of an old Israeli argument that he cannot properly appreciate the territorial problem so long as he has not flown over Israel's 'narrow waist' or climbed the Golan Heights.... It can be assumed that he will not change his views even when he realizes that the Green Line encompasses an area which is not much bigger than a family farm in Texas. Baker is coming to Israel to check if there is a chance for a deal -- one of his favorite words. Not only does he not have a plan; he hasn't even the faintest idea of how to do what." (Hadashot, Israel)

"A Letter To Secretary Baker"

"Like the Iraqis before the war, the Israelis don't take the Americans seriously enough.... In order to succeed, you must not make do with half-measures.... Israeli society is pragmatic, but its government is made up of ideologues." (Maariv, Israel)

"Bush's 'Sop' To Palestinians"

"Bush's address to the Congress is liable to turn Secretary Baker's Middle East tour into a failure.... By returning the Palestinian issue to the top of the international agenda, (Bush's statements) will strengthen Arafat." (Moshe Zak, Maariv, Israel)

"Americans Cannot Have Their Cake And Eat It"

"If the huge Saudi-U.S. arms deal is carried out...(it) will be a death blow to the idea of Middle East arms control. No explanation can justify this arms deal."

(Zeev Schiff, Haaretz, Israel)

-End of News Summary-



News Summary

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INTERNATIONAL NEWS

Kurdish Rebels Say Iraqis Bombing Kirkuk Oil Wells -- A Kurdish guerrilla leader said Iraqi government helicopters bombed rebel-held oil wells near the northern city of Kirkuk Wednesday.
(Reuter)

Iran Organizing Hussein's Foes, Arab And Foreign Diplomats Say - Iran has been organizing and arming many of the Iraqi rebels who have spearheaded the revolt against Saddam Hussein in southern Iraq, senior Kuwaiti officials and Arab and foreign diplomats in Kuwait City say.
(New York Times)

Kuwaiti Cabinet Resigns -- Kuwait's cabinet resigned Tuesday in a move intended to bring in new officials as the nation rebuilds from nearly seven months of Iraqi occupation, the emirate's U.N. ambassador said.
(Reuter)

NATIONAL NEWS

Foley Says No Compromise On Civil Rights Bill In Sight -- Rep. Foley says no compromise is in sight with the White House on civil rights legislation and he expects a House vote on a Democratic-sponsored version this spring.
(AP, UPI)

NETWORK NEWS (Tuesday evening)

ECONOMY -- There are more and more signs that the recession is bottoming out.

STOCK MARKET -- Inflation figures, coupled with an announcement by IBM of lower-than-expected profits, drove the Dow down 62 points.

GULF PAYMENTS -- The Senate voted to ban arms sales to countries which don't pay their war debts to the U.S. in full.

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INTERNATIONAL NEWS

PLANES TARGETED IF IRAQ STALLS ON PEACE, U.S. SAYS

U.S. military officials have devised plans for resuming hostilities against Iraq, initially by targeting aircraft on the ground, if Saddam Hussein's government continues to resist allied conditions for a formal cease-fire, Bush administration officials said Tuesday.

Allied military officials have warned Saddam's government that its warplanes will be shot down if they take off inside Iraq. Despite the threat, U.S. officials said Tuesday, there is direct evidence that Iraq is still using combat helicopters to suppress domestic uprisings.

Under orders from Gen. Schwarzkopf, allied military officials in Saudi Arabia have made preparations to resume attacks on Iraqi aircraft on the ground if the helicopter missions continue and if President Bush decides to give the order, U.S. officials said.

Even if the Iraqi flights cease, the President could order the military to launch a renewed air campaign if Saddam's regime drags its heels in agreeing to pay war reparations or resists new allied demands such as the destruction of chemical weapons, the officials said.

(Melissa Nealy, Los Angeles Times, A1)

KURDISH REBELS SAY IRAQIS BOMBING KIRKUK OIL WELLS

DAMASCUS -- A Kurdish guerrilla leader said Iraqi government helicopters bombed rebel-held oil wells near the northern city of Kirkuk Wednesday.

Jalal Talabani, of the Patriotic Union of Kurdistan, said in a statement issued in Damascus that the bombing was a violation of Iraq's cease-fire agreement with U.S.-led allied forces last month.

"Iraqi helicopters began at 0730 GMT (2:30 EST) Wednesday March 20 bombing oil wells in the Kirkuk area, setting many of them ablaze," Talabani said.

"We urge the international community to intervene to put an end to the dictator's actions," he said, referring to Saddam.

(Reuter)

FIGHTING STILL HEAVY IN IRAQ

Heavy fighting continued inside Iraq Tuesday, with Kurdish rebels claiming progress in battles in the northern city of Kirkuk and government forces appearing to consolidate their authority over cities in the south, according to U.S. officials and reports from the region.

U.S. officials described the situation in Iraq as confused. They said that while Kurdish rebels in northern areas appeared to have gained the upper hand over forces loyal to Saddam Hussein, there were conflicting reports about whether the rebels had taken control of the oil city of Kirkuk. The officials said reports from fleeing refugees of heavy casualties and executions in the southern city of Basra appeared to be accurate.

In Washington...one senior [administration] official predicted that [a cease-fire] resolution could be approved by early next week, but others said that timetable might be too optimistic, given the size and complexity of the resolution.

(Dan Balz & John Goshko, Washington Post, A1)

IRAN ORGANIZING HUSSEIN'S FOES, ARAB AND FOREIGN DIPLOMATS SAY

KUWAIT CITY -- Iran has been organizing and arming many of the Iraqi rebels who have spearheaded the revolt against Saddam Hussein in southern Iraq, senior Kuwaiti officials and Arab and foreign diplomats here say.

The officials, who base their statements on intelligence reports, say Iran has embarked on a methodical campaign to unseat Saddam and replace him with a friendly Shiite Moslem government....

Kuwaiti officials said the Iraqi rebels in the south were organized into two groups. One is made up of Shiite soldiers from the Iraqi Army who were captured during the Iran-Iraq war and who remained in Iran. The other is recruited from Iraqi families of Iranian origin who were rounded up by Iraq near the start of the Iran-Iraq war and deported to Iran.

An administration official said Tuesday that the Iraqi rebels were "getting both humanitarian and military aid from Iran, adding: "There are longstanding ties between the Iranian government and Iraqi dissidents. They don't have to recruit these guys. They volunteer."
(Youssef Ibrahim, New York Times, A1)

IRAQI SPEAKER ACCUSES IRAN OF SENDING SABOTEURS TO IRAQ

BAGHDAD -- Iraq Wednesday accused its former foe Iran of sending saboteurs across the border who it said caused widespread destruction in Iraqi cities torn with unrest in the three weeks since the end of the Gulf war.

Parliament speaker Saadi Mahdi Saleh, opening an extraordinary session of the national assembly, said: "Iraq is facing the last phase of the imperialist, Zionist conspiracy to destroy Iraq's remaining unharmed infrastructure."

"It has been established that Iran itself has prepared large groups for quite some time for this action and for this occasion," he added....

Saleh suggested that the U.S.-led coalition and Iran had coordinated a plan to destroy Iraq.

"It seems that they have agreed on these roles.... The Americans...managed to destroy the basic projects and major installations. What has remained was left for those hooligans," Saleh said.
(Maamoun Youssef, Reuter)

**NEWSPAPER PREDICTS RELEASES;
HOSTAGE-HOLDERS AND ISRAEL SIGNAL PROGRESS**

BEIRUT -- A newspaper said Wednesday that Western hostages in Lebanon will be freed this week, including all six Americans believed held by pro-Iranian factions. It said the Americans would be in Syria on Saturday.

The front-page report in the conservative Ad-Diyar newspaper comes amid intensified cooperation by the U.S., Iranian and Syrian officials aimed at securing the hostages' release....

The report came just a few hours after the pro-Iranian Shiite Muslim group holding two American hostages reiterated its preconditions for their release and Israel cited new efforts to secure the hostages' release....

Ad-Diyar, which is based in Christian East Beirut, does not have a record of accurate reporting on the 13 Westerners missing in Lebanon.
(Farouk Nassar, AP)

BUSH EXPECTED TO FORGIVE SHARE OF POLISH DEBT

Polish President Walesa arrived here Tuesday for a week-long state U.S. visit, and when he goes to the White House today, President Bush is expected to announce that the U.S. will forgive a major share of Poland's debt to help its transition from communism to a free-market economy....

Tuesday, a senior U.S. official, who spoke on condition he not be named, said the U.S. is likely to "go beyond the 50 percent" [in debt forgiveness given the Poles by the Paris Club] for the \$2.9 billion Poland owes the U.S. He would not specify what the Bush administration is prepared to do.

However, Robert Barry, and aide to Deputy Secretary of State Eagleburger, told the House Foreign Affairs subcommittee on Europe and the Middle East last Thursday that the U.S. had been prepared to write off 100 percent of what Poland owes the U.S. government.

(Washington Post, A26)

JAPAN ENVOY BLAMES GULF CRISIS ON U.S.

A Japanese diplomat, angered by American criticism of Japan's refusal to play a larger role in the multinational coalition in the Gulf, lashed back Tuesday and blamed the U.S. for spawning the crisis by refusing to learn how to conserve energy.

"It [the crisis] is your [America's] fault," Masamichi Hanabusa, Japanese consul general in New York and Japan's second-highest ranking diplomat in the U.S., told reporters. "You caused the problem.

Japan, Hanabusa said, sharply reduced its oil consumption in the 1980s, a period when the U.S. largely relaxed its conservation efforts. As a result, he said, Japan does not deserve the reputation of being more dependent on Middle Eastern oil than the U.S. is.

Actually, U.S. Department of Energy statistics show that Japan...does rely more of Gulf oil producers than does the U.S.

(James Risen, Los Angeles Times, A4)

SENATE DUNS GULF ALLIES IN ARMS VOTE

The Senate voted overwhelmingly Tuesday to ban arms sales to allies that have not fulfilled their pledges to help pay for the Gulf, a reflection of Congress' impatience with the pace of payments.

The provision, strongly opposed by the Bush administration, is part of a supplemental spending measure that would provide as much as \$15 billion to pay the military costs of the war until more of the foreign pledges -- now in excess of \$50 billion -- are paid.

Senators approved the legislation on a 98 to 1 vote. Sen. Hatfield, a strong opponent of war, cast the lone dissenting vote; Sen. Bradley did not vote....

The administration said it preferred language the House approved last week that said, "Congress may consider appropriate action" if payments are not made by April 15.

The administration also objects to language added by the Senate that would bar President Bush from selling or giving any military equipment now in the Middle East to any nation in the region without congressional approval as "an unnecessary burden on [its] ability to conduct foreign affairs."

(John Yang, Washington Post, A1)

WHITE HOUSE DENIES WAR-PROFIT CHARGE

The White House flatly denied Tuesday German political charges that the U.S. is reaping a cash profit on the Gulf war and calmed the outrage of Sen. Warner that critics ignore 329 U.S. deaths in the effort.

"We're not going to make a profit on the war. It won't happen," White House press secretary Fitzwater said at a briefing after the question was raised with President Bush during a meeting with congressional leaders....

The issue of money seemed to dominate the interest of lawmakers at the session with Bush even as Senate Democrats charged that Kuwait, Saudi Arabia and the UAE were paying too slowly.

Rep. Foley said there had been "apparently false reports that the Germans were attempting to renegotiate their commitment."...

"Let me pick up from the German question," Sen. Warner said as he left the White House. "I raised that just in the last few minutes. I said, 'Mr. President, I express indignation that anyone would say we are trying to profit out of this war, when the United States lost over 300 lives, many wounded, and incalculable personal sacrifice back here at home among families.'"

(Frank Murray, Washington Times, A10)

**PRO-ISRAEL LOBBY COLD TO CONCESSIONS
AIPAC Silent In Supporters' Requests
To Soften Stance In Wake Of War**

...More and more, elected officials...who have strong pro-Israel voting records are asking Israel and the Americans who back it to make concessions in resolving the Arab-Israeli conflict and to soften the stances that give them a controversial reputation.

But AIPAC is greeting such proposals with silence. At the conclusion of its annual conference Tuesday, the influential lobby reiterated firm stances on a range of key issues in the Arab-Israeli relationship. It vowed to fight arms sales the Bush administration has proposed making to the Arab countries of the Gulf, in spite of the high-profile participation by those countries in the U.S.-led war against Iraq to liberate Kuwait....

An indication of the support for Israel in Congress was the attendance of 48 senators and nearly 100 House members at the AIPAC dinner Monday night....

"There is by all means more and more diversity in views toward Israel among congressmen," one congressional aide said. "There is a tendency to question whether Israel should get all that it wants. But it hasn't gotten to the point where congressmen are willing to condition aid to Israel on Israel making compromises, though."

(Gary Lee, Washington Post, A1)

ISRAEL SAYS U.S. SHOULD PROD ARABS TO MAKE PEACE

JERUSALEM -- Foreign Minister Levy told a group of U.S. congressmen that they should do more to prod Israel's Arab neighbors into making peace, chastising the U.S. for trying to be the "barometer of the Middle East."

The 28-member congressional delegation, meanwhile, chatted Tuesday with some of the same Palestinian leaders from the occupied West Bank and Gaza Strip whom Secretary Baker met....

"The United States cannot just settle for being the barometer of the Middle East...because then it will have no influence on the weather," Levy said during a 25-minute breakfast speech to the visiting Americans.

Levy...also dampened the optimism felt by several in the delegation that Israel might be more willing than before the Gulf war to trade parts of the Golan Heights to Syria in return for assurances of peace.

"Why do we have to deal with what they will demand, and who will demand what, and what will be the Israeli response when they are not even sitting with us yet?" Levy asked. "All of this debate seems to me to be totally irrelevant. I would define it as an unsuccessful sport." (Jonathan Ferziger, UPI)

**RETIRING ISRAELI GENERAL WOULD TRADE LAND FOR PEACE
Suggestion Criticized By Hard-Liners**

JERUSALEM -- Israel's outgoing military chief of staff was quoted Tuesday as saying the Palestinian uprising could not be quelled with force and that a peace settlement was "worth much more than territory."

Lt. Gen. Dan Shamron's suggested support for a U.S.-backed formula under which Israel would trade occupied land for peace with the Palestinians drew immediate criticism from hard-line government politicians....

Israel's hawkish housing minister, Ariel Sharon...accused Shamron of "donning the underwear of politicians before taking off his stripes." (Washington Post, A23)

PLO AIDE QUILTS AFTER REMARKS ON PALESTINE

NICOSIA -- A top adviser to PLO Chairman Arafat resigned after he was quoted as saying Palestinians would settle for a state that does not include the entire West Bank and Gaza Strip, officials said Tuesday.

The officials said by telephone from Tunis that Bassam Abu Sharif resigned in a letter to Arafat last week but that it was not clear if Arafat would accept it. "The chairman has tried to get hold of him, but he cannot locate him," one official said.

(Washington Post, A23)

**SECOND LIBYAN PLANT SET GEARING UP
FOR CHEMICAL ARMS PRODUCTION**

Libya is building a new plant to produce chemical weapons and also has been making large amounts of poison gas at another facility once thought to have been destroyed by fire, U.S. officials say.

The new facility is near the existing poison gas factory at Rabta, a town about 60 miles southwest of Tripoli, one official said. "Large scale" production of poison gas has been under way at Rabta since last summer, he added.

The official, who spoke on condition of anonymity, declined to say how far the Libyans have come with the second plant.

"There is convincing evidence that Libya is continuing its chemical weapon program and may have begun construction of a second chemical warfare agent production plant in addition to the one operating at Rabta," said Rear Adm. Thomas Brooks, director of naval intelligence. (Ruth Sinai, AP)

KUWAITI CABINET RESIGNS

U.N. -- Kuwait's cabinet resigned Tuesday in a move intended to bring in new officials as the nation rebuilds from nearly seven months of Iraqi occupation, the emirate's U.N. ambassador said....

Ambassador Abulhassan said the prime minister submitted the resignations, which were immediately accepted by the emir.

Abulhassan said the new cabinet should be named in about a week. "This is the first step in putting the new house in order," said Abulhassan.

He declined to speculate if the cabinet reshuffling was in response to demands by some Kuwaitis for greater democracy and more popular say in choosing the 22-seat cabinet. (Reuter)

**KUWAITI BANKS TO REOPEN; NEW CURRENCY PLANNED
Official Says Iraqis Removed \$950 Million In Gold Bullion**

KUWAIT CITY -- Kuwait Tuesday announced plans to reopen the country's banks Sunday, indemnify citizens who stayed during Iraq's military occupation and issue new currency to replace more than \$2 billion reported stolen by the Iraqis.

The announcement by Salem Abdulaziz Sabah, the governor of Kuwait's Central Bank, appeared designed to breathe life into an economy virtually snuffed out by the seven-month Iraqi occupation and to head off growing public discontent over the slow pace of restoration efforts. (William Branigin, Washington Post, A21)

SPECIAL FORCES BUSY IN KUWAIT

KUWAIT CITY -- U.S. Special Forces teams have been directly involved in "taking down" suspected Palestinian terrorist safe houses here, according to a Special Forces team leader.

The soldier said the U.S. teams were interested mainly in finding documentation about terrorist cells affiliated with the notorious Abu Nidal, which were thought to have been left behind by retreating Iraqi forces.

He and two other Special Forces members, interviewed separately, said the U.S. Embassy here was "fragged" shortly after Kuwait was liberated.

A diplomatic source confirmed there was a hand grenade attack several days after the embassy was reoccupied, but he downplayed the significance of the event. (Tom Diaz, Washington Times, A1)

**EXILES TO NOWHERE JAM BORDER VILLAGE IN IRAQ
Refugees In U.S.-Held Zone Plead For Food**

SAFWAN -- This U.S.-held Iraqi border town, which in peaceful times flourished on trade with travelers between Kuwait City and Basra, has now become a wasteland for its residents and thousands of refugees stranded with little food and nowhere to go.

As of Tuesday -- when relief officials announced a tentative agreement for the U.S. military to provide food and water -- 5,000 Iraqis fleeing their government's bloody repression of a Shiite Moslem uprising had crowded in Safwan, fully overwhelming the once-sufficient farming town. (Nora Boustany, Washington Post, A1)

30,000 FLEEING WAR, GET SHELTER IN IRAN, U.N. OFFICIALS SAY

More than 30,000 Iraqi refugees, fleeing from the civil war in southern Iraq, have taken shelter in refugee camps in southwestern Iran, according to U.N. health officials who visited the camps last weekend.

Most of the refugees are women, children and elderly people, according to Hiroshi Nakajima, the director-general of the World Health Organization, who visited Iran last weekend....

Nakajima said refugees described heavy fighting in southern Iraq and reported that in some cases, women and children were being used by the combatants as "human shields." Refugees told U.N. officials that many Iraqi families had been killed in the fighting or by mine explosions while trying to cross the border.

(Susan Okie, Washington Post, A22)

IMF CHIEF WANTS TO LIMIT ARMS SALES

TORONTO -- Arms exporting countries should consider banning export credits for weapons sales to the Middle East, the managing director of the IMF, Michel Camdessus, said Tuesday.

"I am truly mindful of the difficulties in the way of such an arrangement," he told a conference on development. "But the objective is important enough to warrant the effort."

Camdessus said he had suggested his idea to several world leaders and they are considering the proposal. He told reporters that the export credit ban could prove quite unpopular in his native France, a major arms exporter.

But the IMF chief said in order for Middle Eastern countries to recover from the economic damage inflicted by the Gulf war, they must stop their excessive spending on arms. (Reuter)

**REPORT: DECLINING U.S. COMPETITIVENESS
THREATENS ECONOMY, SECURITY**

The U.S. is losing badly to foreign competition in numerous high-tech fields considered crucial to the country's economic future and national security, said a study released Wednesday.

The Council on Competitiveness found that in areas from silicon production to robotics, U.S. industry is not expected to be a factor over the next five years.

"America's once-commanding lead in the critical technologies driving economic growth and national security is being seriously challenged by foreign competitors," the council, an organization composed of industry, labor and education leaders, concluded in its two-year study....

In a sobering assessment, it found that in 15 of the 94 critical technologies, the U.S. is so far behind that it is not likely to have a presence in the world market through the mid-1990s....

Among the report's recommendations:

President Bush should act immediately to make technological leadership a national priority by directing the Office of Science and Technology to work with American industry in setting research goals and then supporting the research with increased federal spending. (Martin Crutsinger, AP)

CHENEY ADAMANT ON CUTTING TROOPS

Secretary Cheney has rejected calls from military service heads and some senators to use Operation Desert Storm and the growing power of Soviet hard-liners as an excuse to derail a planned 24 percent cut in forces, according to senior administration officials.

Cheney's surprise decision, which President Bush has endorsed, cooled a heated debate within the administration over the future of the military....

Cheney's decision brought a sigh of relief at the OMB, which feared a bloody fight with congressional Democrats if last year's budget deal was reopened....

"We have our first opportunity to craft a military force to meet the new national security demands," a senior administration official said. "We have the opportunity to do it right."

(Paul Bedard, Washington Times, A1)

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SOVIETS OFFER 'HALF A LOAF' ON EUROPE ARMS PACT

Although Secretary Baker indicated that no progress was made on arms issues in Moscow last week, the Soviets did offer "half a loaf" toward ending the deadlock over Moscow's attempt to exempt several major military units from the CFE Treaty, U.S. sources said Tuesday.

The Soviet position was rejected, U.S. officials said, because the U.S. and its NATO allies are insisting that the Soviets renounce their effort to reinterpret the agreement after it was signed.

Still, the Soviet proposal -- to count half the approximately 5,000 tanks and other weapons in dispute against the treaty limits -- is viewed as heartening to some degree. "It's not there yet," said one official, "but they do seem to want to find a solution rather than stonewalling." (Robert Toth, Los Angeles Times, A9)

EUROPEANS VIEW SHIFT BY SOVIETS WITH CONCERN**West Caught Short By Flouting Of Conventional Forces Treaty**

PARIS -- Moscow's continuing refusal to abide by the terms of an agreement restricting conventional forces in Europe is causing second thoughts among allied governments about the nature of new East-West security arrangements.

The euphoria that surrounded the signing of the CFE treaty here last November...has dissipated as Western governments start to measure the impact of the recent rise in influence on President Gorbachev of military hard-liners....

Now, talk about early progress toward an independent European security organization is diminishing as sentiment is swinging toward maintaining a strong military role for NATO, according to officials in several allied capitals.

East European governments that once belonged to the defunct, Soviet-led Warsaw Pact also are telling the West that their difficult transition to market-based democracies, coupled with the risk of civil disorder among their Balkan and Soviet neighbors, requires NATO to play the leading role in preserving military security in Europe. (William Drozdiak, Washington Post, A21)

YUGOSLAV ARMY TAKES EQUIVOCAL STAND

ZAGREB -- The Yugoslav army, after four ominous days of "considering emergency measures," promised Tuesday to stay out of politics but claimed a right to intervene in ethnic or political disputes anywhere in the country....

Part of the army's ambiguous declaration was a categorical promise not to "interfere in political agreements about the future of the country," but it also warned it would not permit "civil war" or "interethnic, interrepublic and interparty bickering" -- apparently leaving the door open for intervention in political protests if the army judges them to be violent.

(Blaine Harden, Washington Post, A25)

REBEL GROUPS CLAIM VICTORY

NAIROBI -- The Tigrean rebels in Ethiopia claimed Tuesday they captured a large governmental arsenal and killed nearly 1,000 troops in their push toward the capital, Addis Ababa.

Another guerrilla group, the Eritrean separatists, reported launching an offensive on the Red Sea coast and said they were moving toward Assab, the only port under Ethiopian government control and site of the nation's only fuel refinery. (AP)

EDITOR'S NOTES: "Gorbachev Forges Odd Coalition With Russian Nationalists, Church," by David Remnick, appears in the Washington Post, A27.

"Kahane's Son Rips Bush's Israel Policy," by Carleton Bryant, appears in the Washington Times, A4.

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NATIONAL NEWS

FOLEY SAYS NO COMPROMISE ON CIVIL RIGHTS BILL IN SIGHT

Rep. Foley says no compromise is in sight with the White House on civil rights legislation and he expects a House vote on a Democratic-sponsored version this spring.

The House Judiciary Committee voted 24-10 Tuesday to approve the Democratic bill, similar to the one President Bush vetoed last year. It rejected the White House's more modest alternative on a voice vote.

"We think it ought to be enacted in the early months of this session," Foley said later. He said he expected a vote in April or May.

Foley expressed a willingness to reach a compromise that would avert another veto.

"If the administration showed an interest in moving in the direction of the bill that was vetoed last year, I think that we would be open to a discussion about that. But so far I know of no specific compromise in the works," he said. (William Welch, AP)

House Panel Passes Democrats' Civil Rights Bill

...The panel's vote on the measure followed three hours of largely partisan sniping over whether the Democratic version is, as Republicans claim, "a quota bill."

"In its continuing resistance to making the workplace completely free from discrimination treatment, the administration has conjured up the inflammatory word 'quota,'" the committee chairman, Rep. Brooks, said. "...That's hogwash or worse. They know it and you know it. It gets good press. It gets peoples' hackles up. But it doesn't honestly state the issue..."

But Rep. Hyde said the measure would result in "A color conscious society" by creating the presumption of guilt "based only on crude race or gender statistical imbalances in the workplace." (Will Dunham, UPI)

SENATE PANEL APPROVES HIGHER MILEAGE RULES; WHITE HOUSE PROMISES VETO

A Senate committee approved a bill Tuesday that would require automakers to build cars that have much higher gas mileage than today's models, but Bush administration officials said the President would veto the measure.

"I don't think there's any question that if (the legislation) passes, we're going to have a veto fight," Secretary Skinner said in an interview. "This bill is unacceptable."

The measure, which the Senate Commerce, Science and Transportation Committee approved 14-5 with bipartisan support, would require carmakers to produce vehicles that are 40 percent more fuel efficient in model year 2001 than they were on average in 1988....

Sen. Bryan, who cosponsored the bill with Sen. Gorton, said he hoped the proposal would help reduce the nation's dependence on imported oil and thus "spare us the necessity of having to send forces back to the Middle East." (Michael Arndt, Chicago Tribune)

OFFICIAL TELLS OF U.S. PLAN TO DISCOURAGE ABORTIONS

A top federal official told a House panel Tuesday that the Bush administration was preparing to take steps to steer pregnant women away from clinics and hospitals where abortion was "pervasive."

In his first appearance before Congress, Dr. William Archer, the new Deputy Assistant Secretary for Population Affairs at HHS, said the government was preparing to draw up a list of family planning clinics and hospitals with "acceptable" anti-abortion approaches....

Archer told the panel that under the administration's rule, if a woman asked about an abortion, clinics supported by his agency would only be allowed to tell her that the clinic did not offer information about abortion services....

If a woman in danger of death asked the clinic doctor whether a particular hospital provided abortion, or for any other information about abortion, the doctor may not tell her, Archer confirmed. But he said the question was too hypothetical to be realistic.
(Philip Hilts, New York Times, A22)

BUSH PITCHES 'POINTS OF LIGHT' AGAIN

President Bush said Tuesday that "points of light" -- people who volunteer their time to help others -- are "a critical answer to America's social problems."

"This approach isn't a dodge for responsibility of any level of government," Bush told 150 media executives at a White House briefing....

"Every social problem is being solved somewhere..." said Bush. "Everyone can be a point of light."

"I am even more convinced today than I have ever been that points of light are a critical answer to America's social problems," he said. (AP)

PRESIDENT GRABS LOCUTION FOR WIFE

President Bush put a new twist on Saddam Hussein's wartime catch phrase Tuesday night and hailed his wife, Barbara, as the "Mother of all Bushes."

Speaking at the Radio and Television Correspondents' Association dinner, Bush praised U.S. press coverage of the Gulf war even as he tweaked reporters.

Bush said he was urged to take the Desert Storm coalition all the way to Baghdad to "take out the man who caused me so much grief and anger. And I said no, let CNN take Peter Arnett out."

He also noted that some Iraqi soldiers had surrendered to members of the press and exclaimed: "I can't imagine surrendering to the press. To Mary McGrory, I say, 'Never! Come and get me. I'll never surrender!'"...

On a more serious note, Bush said the war had "reminded us of the value of a free press" in defending democracy and offered a toast "to the men and women who are the eyes and the ears of democracy." (AP)

WANTED IN DOMESTIC AGENDA: UNITY THAT U.S. HAD IN WAR

Sen. Daschle has this dream: Now that the war is over, the government and news media begin to focus on domestic problems with the same intensity they gave the Persian Gulf....

Daschle laughs at the fantasy. But he said, "Without unity of purpose with a clear objective, without George Bush on television late at night calling attention to the American people, without a full-scale debate in Congress and without the full attention of the media, the changes that are needed will not be made."...

Almost all the two dozen administration officials, lawmakers, economists, and political strategists interviewed in the last week agree with Daschle's assessment. But they also agreed that such unity was not in the offing, certainly not this year.

"The rest of this year will be an anti-climax," said Sen. Rudman....

The fundamental problems, those interviewed agreed...[are]: an education system inadequate for the 21st century, 20 percent of all children in poverty, homelessness and serious crime in nearly every community, soaring medical costs, and savings and productivity rates so low that they threaten Americans' standards of living.

(David Rosenbaum, New York Times, A1)

DOMESTIC POLICY'S DISADVANTAGES**Presidents Find More Flexibility, Clear Successes On World Stage**

George Bush isn't the first president to learn that foreign policy is easier and more rewarding than domestic policy.

Stuart Eizenstat, Jimmy Carter's domestic policy adviser, suggests a simple question to prove the point: Which do you remember more fondly, the Camp David accords...or Carter's energy program, the product of an exhausting and costly slog through Congress? If you said the energy plan, Eizenstat would be gratified but probably wouldn't believe you.

For domestic policy mavens such as Eizenstat, a president's difficulty in making a mark through what he does at home is one of the major shortcomings of the modern presidency. But it is deeply imbedded in our system of government....

Robert Greenstein, director of the liberal Center on Budget and Policy Priorities, said that even with better perks, domestic policy would still lack the presidential appeal of foreign affairs. "The difficulty [in domestic affairs] is moving the system to get something major accomplished in the first place," he said. "That's more difficult than the lack of 21-gun salutes."

(E. J. Dionne, Washington Post, A17)

LEGAL GROUP OPPOSES COLLEGE GRANT POLICY

The conservative Washington Legal Foundation said Tuesday it will challenge Secretary Alexander's refusal to enforce his department's ban on race-exclusive scholarships.

The foundation, which filed the initial complaint last May that led to the ban, said it will file suit tomorrow seeking a federal court order to enforce the ban against more than 700 colleges using race-exclusive scholarships....

An attorney at the Washington Legal Foundation, John Scully, said the foundation fears Alexander's review may be a "political sham."

"The issue is so clear-cut that he should stand up and stand tall and announce a policy against race-exclusive scholarships," he said. (Ronald Taylor, Washington Times, A3)

NOMINEE DEFENDS CIVIL RIGHTS RECORD**Bush Choice For Appeals Court
Faces Tough Questions In Senate**

Kenneth Ryskamp, on the first day of Senate Judiciary Committee hearings on his nomination to a federal appeals bench, Tuesday defended his membership in a country club accused of excluding blacks and Jews while committee Democrats questioned his sensitivity to racial issues.

Ryskamp...said he was deeply committed to civil rights and believed his club's reputation for discrimination was undeserved.

Ryskamp also said his remarks from the bench in police brutality and discrimination cases had been "misconstrued" by civil rights groups who oppose his nomination....

At the start of the hearing, Sen. Biden...told Ryskamp, "You have become a controversial nominee." During a lunch break, Biden said the judge "has not helped himself" in answering committee members' questions. (Sharon LaFraniere, Washington Post, A17)

EDITOR'S NOTES: "Death In Detroit: A Soldier's Tragic Return," by Don Phillips, appears in the Washington Post, A1.

-End of A-Section-

NETWORK NEWS

(Tuesday evening, March 19)

ECONOMY

ABC's Ted Koppel: On the face of it, today's economic news was pretty good -- consumer prices were up last month, an inflationary signal, but they rose only two-tenths of one percent. New home construction, an indicator of a reviving economy, was way up last month. Nevertheless, as ABC's Stephen Aug reports, those signs could be misleading.

Aug reports that aside from food and energy, which tend to fluctuate widely, the prices of everything else rose a sharp seven-tenths of one percent. Much was due to large increases in postage rates, clothing prices and alcoholic beverages. Price forecasters are worried that this kind of inflation could make it more difficult for the economy to pull out of the recession.

(Donald Rataczjak, economic analyst: "The big problem is that inflation could outstrip wage gains after gasoline prices stabilize, and that should lead to reduced consumer purchasing power, and that would slow down the economic recovery.")

New home construction rose 16.4 percent last month. But some analysts are cautious.

(Warren Lasko, executive vice president, Home Mortgage Association: "I think we bottomed out in the housing market in January, and in February we're seeing the first signs of a comeback. You know, we were down so far there's almost no place to go but up.")

There are still large numbers of unsold homes on the market, and without a strong recovery in the housing industry, hardly anybody sees a strong recovery in the economy anytime soon. (ABC-Lead)

NBC's Tom Brokaw: The Administration has been saying here that the recession will be shallow and brief. And tonight there are signs that it could be coming to an end. Nationwide, housing starts are up more than 16 percent. That's the sharpest gain in more than a year, and consumer prices are up only slightly.

NBC's Mike Jensen reports that there are more and more signs that this recession is bottoming out. Not only are housing starts up, so are applications for building permits.

(David Seiders, National Association of Homebuilders: "We're betting the housing sector now is on an upswing, and that it'll help pull the overall economy out by about mid-year.")

Housing starts still are one-third lower than they were a year ago. But the University of Michigan says consumer confidence took a huge leap in early March. Manufacturing still is in the doldrums, but there are hopeful signs here and there. Even the travel business is picking up, partly because airlines have slashed prices. The recovery will not be quick; economists call it "L-shaped," which means coming quickly and leaving slowly. (NBC-Lead)

CBS's Ed Bradley: The long national housing slump may finally be coming to an end. The government says new home construction went through the roof last month, up more than 16 percent -- the best showing in a year.

-more-

CBS's Ray Brady reports on the jump in construction.

(Barbara Allen, housing analyst: "What is happening is just an extraordinary turnaround, the likes of which I have not seen since I've been covering the home-building industry.")

In 1981, monthly payments on a house soaked up around 36 percent of your income, more than many people could afford. Today those monthly payments are taking only 22 percent of your income, and that's a big difference. That difference is bringing out first-time homebuyers. Traditionally it's the housing industry that lifts the economy out of a recession. Optimists say that like the start of spring, this could, at the very least, be a sign of better times to come. (CBS-Lead)

DOW JONES

Koppel reports that the inflation figures, coupled with an announcement from IBM that first-quarter earnings would be much lower than expected, drove the Dow Jones Industrial Average down more than 62 points to close at 2867 in heavy trading.

(ABC-3, NBC-2, CBS-3)

UNEMPLOYMENT

ABC's Ken Kashiwahara reports on the "underemployed," people in low-paying jobs because their old jobs have vanished, the number of which is growing. Many of them, especially middle-managers and professionals, may not have jobs to go back to. Since the last recession in the early '80s, corporate America has slashed payrolls to become more competitive in the world market. An estimated four million jobs in Fortune 500 companies have disappeared. While underemployment may have been a temporary feature of previous recessions, this time it could become permanent. (ABC-2)

MIDEAST PEACE

Koppel reports that at the White House this morning, Secretary Baker and the President briefed congressional leaders on the search for peace in the Middle East. Baker said again that he had had a good response from Israel and the Arab states in moving the process forward. In Israel, however, the government appeared to be having second thoughts.

ABC's Dean Reynolds reports on the prospects for peace. It was only a week ago that Baker and Prime Minister Shamir were seemingly the best of friends.

(TV Coverage: Secretary Baker shaking hands with Prime Minister Shamir indoors and outdoors.)

Shamir pledged allegiance to the peace process, and the first gesture appeared to come on Sunday when an Israeli cabinet minister said the Golan Heights could be part of peace talks with Syria. But then Shamir heard about the speech.

(Shamir, today: "The Golan Heights is not the subject of territorial negotiations.")

Reinforcing Shamir's point, Housing Minister Sharon immediately announced plans to triple the Jewish population in the Golan to make sure it remains "an inseparable part of Israel." As for the Palestinians, Baker met last week with 10 Palestinians whom the U.S. believes could be part of peace talks with Israel.

-more-

Reynolds continues: Today, Shamir's office said all 10 Palestinians are unacceptable because they support the PLO. "I don't know who is more dangerous," Shamir was quoted as saying, "Yasser Arafat or Faisal Husseini."

(TV Coverage: Secretary Baker with Palestinians.)

That's Husseini on the left, next to Baker. Yesterday Israel's army chief of staff, Gen. Dan Shimron, said Israel might not need to keep the occupied West Bank and Gaza Strip if it can reach a peace settlement with its neighbors. That squares with U.S. Mideast policy. But today, Shimron was denounced by members of Shamir's party and other right-wing factions. (ABC-4)

GULF DONATIONS/SENATE

Koppel reports the Senate voted to ban arms sales to any country which doesn't pay its war debt to the U.S. in full. The White House opposes the ban, but the Senate Appropriations Committee says that out of \$54 billion promised by the allies, less than half has actually been paid. (ABC-6, CBS-10)

NBC's John Cochran: The President met today with congressional leaders who wanted answers to two questions: Are the coalition allies reneging on promises to help pay for the war? And when will American boys and girls be coming home, especially those in Iraq? (TV Coverage: President Bush and congressmen in Cabinet Room.)

Some congressional leaders told the President they were worried that the internal unrest in Iraq will delay the departure of American troops.

(Sen. Warner, outside West Wing: "And so all of this says to the average trooper in the field: 'Hey, wait a minute. Am I not going to be on my redeployment schedule because of these facts? And the President said, 'I'll take that into consideration; I'm going to clarify.'")

(TV Coverage: President Bush walking up steps.)

Although the President clarified nothing today, other Administration officials tell NBC News that U.S. ground troops could be out of the Gulf by September. As for U.S. forces in southern Iraq, a senior Administration official said they could leave by the end of this month if the U.N. agrees quickly on permanent cease-fire conditions and if Iraq accepts those conditions. The big question: will Iraq really pay full war reparations, especially to Kuwait? But U.S. lawmakers had another question: Will American allies really fulfill their pledges to help pay for the war? In Germany, some left-wing politicians said Chancellor Kohl should not pay the full \$5.5 billion he promised to Bush. After meeting with the President, the mayor of Berlin said Germany will not renege.

(Mayor Eberhard Diegpen, outside West Wing: "Germany will stand to the agreements we have had, with the supporting of the United States of America.")

But the Senate voted 98 to 1 to halt arms sales to allies that are slow in meeting their pledges to pay war costs.

(Sen. Byrd, on Senate floor: "But the pace at which we are receiving contributions from our allies is a real concern to me and the members of the committee, particularly with regard to the cash-rich Gulf states.")

White House aides dismissed the vote as totally unnecessary and an attempt by Congress to look tough now that the war's over. (NBC-3)

GULF WITHDRAWAL

CBS's Jim Stewart reports on U.S. Gulf troop withdrawal plans. The timing of the U.S. withdrawal could be threatened by the bitter civil war there.

(Pete Williams, Defense Dept.: "It hasn't had any impact on it yet, and the withdrawal scheduled of forces from that area is contingent upon leaving enough forces there to not only patrol the area but also safeguard those who are there.")

So far, 80,000 U.S. troops have come home, leaving about 460,000 still in the region. Some ships loaded for war were stopped before they left the U.S., and because the military planned for a much longer war, government contracts are still spewing forth thousands of desert boots and uniforms, plus warehouse loads of spare parts. Stopping the flow will be easy, one general said, but getting everything back will take some time. He warned that if the cease-fire should break down, the whole process can be reversed with the snap of a finger. (CBS-9)

IRAQI UNREST

Brokaw reports that while the Kurds seem to have the upper hand in the northern part of Iraq, Saddam is now winning in the south. But there is a steady stream of refugees pouring out of southern Iraq and headed for Kuwait.

NBC's Bill Lagattuta reports on the refugees trying to escape the civil war, all of whom have horror stories to tell. Today, Iraqi television broadcast pictures of a damaged hospital in the southern town of Basra, which it said was the work of the rebels. One man who drove down from Basra said the opposition was winning but that now the army is using very heavy artillery fire. Many of the refugees are sick or wounded, and there is no health care left in southern Iraq. The population of one Red Cross refugee camp has doubled in one week's time. (NBC-4)

Bradley reports Kurdish rebels are claiming control of the key oil center in Kirkuk in northern Iraq. Resistance is dying in the southern city of Basra, according to Iraqi soldiers on the run.

CBS's Bert Quint reports on Iraqi soldiers continuing to surrender to U.S. troops. They pleaded with the troops to take them prisoner or let them leave Iraq. But the Americans turned them around with some sympathetic advice.

(U.S. soldier: "We cannot take you as prisoners of war because there is no war. This is just advice: Until the treaty is signed, you need to hide out, okay?") (CBS-7)

KUWAIT

Brokaw reports the Kuwaiti government took a step toward putting its financial help in order. It announced that banks will reopen on Sunday. It also took delivery of its new currency, to replace the billions looted by Iraq. The government will restore all Kuwaiti bank accounts to their pre-invasion levels, and for every citizen who stayed in Kuwait during the occupation, they'll provide a bonus worth about \$1,600. (NBC-5)

Bradley reports the Kuwaiti prime minister reportedly quit today, but the emir is said to have asked him to form a new government. Kuwait took a hard line today on hundreds of Palestinian, Iraqi and other prisoners charged with war crimes, and said prosecutors will seek to hang most of them. (CBS-8)

Koppel reports oil officials in Kuwait today were predicting that the emirate could begin shipping oil again within a year. Earlier, officials had said putting out the fires and getting oil flowing could take two years or longer. But some observers watching the slow pace of restoring basic services in Kuwait are not optimistic.

ABC's Jim Bitterman reports on the reconstruction effort. More equipment arrived today to fight the oil fires. But sources say that because the Kuwaitis haggle over less than one million dollars in contract details, the firefighting effort has been delayed by at least two weeks. In addition, water ships couldn't be unloaded because no one had the right hose connection. Saturday the water was flowing from one water station -- today the station is out of operation. There signs of progress here and there. But red tape sometimes stalls needed equipment for days. A U.S. official involved in the reconstruction said it's very difficult to impart any sense of urgency about getting anything done here. (ABC-5)

HOSTAGES IN LEBANON

Bradley reports terrorists holding Americans Jesse Turner and Alan Steen in Lebanon say they will not be freed until Israel releases hundreds of Arab prisoners. The statement today from the pro-Iranian Islamic Jihad came with a photo of Turner. (TV Coverage: Photo of Turner.) (CBS-6)

BAKER/WALESA

Brokaw: Lech Walesa arrived in Washington on his first big foreign trip as president of Poland. Walesa was greeted by Secretary Baker. He'll meet with President Bush tomorrow. (TV Coverage: Walesa walking with Baker.) (NBC-13)

DEBTS/COMMENTARY

NBC's John Chancellor: ...A group of Western countries has agreed to forgive \$16 billion in Polish debt.... The U.S. share will be something like \$1.5 billion. Then there's the \$7 billion in Egyptian debt, forgiven last fall when Egypt joined the coalition against Iraq. And President Bush announced plans to forgive part of the \$12 billion owed by Latin American and Caribbean nations.... Who's going to forgive us our debt when this year's deficit comes in at \$325 billion? It's another example of the Administration's priorities, which seem these days to be more concerned with foreign enterprises than with domestic problems. (NBC-14)

NORIEGA TRIAL

Brokaw: Two co-defendants of Manuel Noriega were found guilty in Miami of cocaine charges. One was a Miami real estate salesman, the other a Colombian importer. They were convicted of helping Noriega trade guns for cocaine. (NBC-7, CBS-11)

SOVIET PRICE INCREASES

Koppel reports President Gorbachev announced price increases on a wide range of basic items including food and clothing. The average increase is 60 percent, with some items like meat and bread expected to triple in price. Soviet citizens are supposed to be paid compensation for some, but not all, of the increases. (ABC-7)

RADIATION/ENERGY DEPT.

NBC's Robert Bazell reports on the results of a study published in the Journal of the American Medical Association, which suggests that even low levels of radiation may be more dangerous than federal officials had originally thought. The study found a slightly increased incidence of leukemia deaths among Oak Ridge Laboratory, Tenn., workers, even though their exposures were within the occupational limits set by the government. Some scientists say that as a result of today's study, the permissible level should be lowered for workers at nuclear-power generating plants and people who live near weapons plants.

(Dr. Ernest Sternglass, University of Pittsburgh: "It is clear that we have underestimated the risk of low levels of radiation by at least ten times, and eventually, I believe, probably by closer to 100 times.")

But federal officials are not planning any action at this time.

(Dr. Paul Ziemer, Energy Dept.: "This study in itself would not give us an indication that standards should be changed.")

The study at Oak Ridge is relatively small. But researchers are looking at workers in many other nuclear facilities. If the apparent association between low-dose radiation and leukemia persists, the government will have to lower the permitted doses.

CBS's Erin Hayes reports on the findings.

(H. Jack Geiger, Physicians for Social Responsibility: "It suggests that long exposure to low doses of radiation is significantly more dangerous than the government has believed and that many scientists have believed.")

Most of those who died were exposed for a very long time; the cancers didn't show up for decades. This has researchers thinking twice about whether any level of radiation is safe. The Department of Energy downplayed the results of today's study.

(Dr. Paul Ziemer, DOE: "In layman's terms, we're saying that the risk is minimal, if you keep your dose relatively low and well below the standard.")

ABC's George Strait reports today's study seems at odds with three previous reviews of the medical records of the workers, which found no evidence of increased cancer deaths. But researchers say this study followed the workers seven years longer than previous ones. The Energy Department, which paid for the study, says there is no reason for immediate concern. Still, acknowledging the potential danger of low-level radiation, the department has instituted procedures in the hopes of finally eliminating all human exposure to radiation in the nuclear industry. (NBC-10, CBS-4, ABC-11)

ABC's Barry Serafin reports on the Hanford, Wash., nuclear plant, where workers and people who live in the area were for years exposed to large amounts of information and were misled by the government.

Serafin continues: From the 1940s to the 1960s, despite warnings from a top health official at the plant, large amounts of radiation were released, some deliberately. That was all kept secret.

(John Keating, Energy Dept.: "The people here in the plant were concerned about radiation releases." Serafin: "But they weren't telling anyone." Keating: "Well, there was a -- the world was different at that time.")

(Dr. John Gofman, nuclear physicist: "To do it without notifying the people that are the victims of such a release, namely having received the radiation, is unconscionable -- I would say in the realm of criminality.")

Last July the government finally admitted that thousands of people in eastern Washington and Oregon were secretly exposed to enough radiation to cause illness. In fact, Hanford released 30,000 times as much radioactive iodine as the Three Mile Island accident in 1979. Many who no longer live in the area are just now finding out about it. Those who lived around Hanford want not just financial compensation, they want medical help. But under federal law, the government is immune to such lawsuits. The chairman of the House subcommittee which oversees nuclear weapons plants says if studies link health problems to Hanford radiation, he would support a federally-funded medical program.

(Rep. Synar: "We have a moral responsibility as a nation to take care of this, and we better damn well do it pretty quick.")

(ABC-12)

BLACKS/SENATE

NBC's Andrea Mitchell reports on the problems of blacks and the Senate's search for solutions. If you're black, young and male, you're more likely to die from a gunshot wound than any other cause, and more likely to be out of school or work.

(Rod Simmons, young black male: "They figure when they look at a young black man, a young black man does only one thing: rob people, steal money, use drugs.")

Older black men aren't doing much better in the job hunt. For a majority of black men, the American dream has become a nightmare.

(VA Gov. Wilder: "Approximately one in every four young black American males between the ages of 20 and 29 is behind bars, on probation or on parole.")

It is a crisis for which politicians have no solutions. The Senate Banking Committee called people together today to at least talk about the threat to millions of young black men.

(Dr. Billy Jones, New York City Mental Health Commissioner, to committee: "I think we have a generation of young black men now who have difficulty, in the sense of being able to express their own aggression and need for self-assertion.")

Black male soldiers had a better chance of surviving the war in the Gulf than the war on the streets. Army Specialist Anthony Riggs had only just arrived home in Detroit when car thieves killed him outside his mother-in-law's house. With no answers and no money, Congress is talking about trying to save the youngest black youths, which probably means giving up on the rest.

(NBC-9)

L.A. POLICE BEATING

Koppel reports that Rodney King, the man beaten by LAPD officers earlier this month, has filed a \$56 million lawsuit against the city -- one million dollars for each time he was hit or kicked.

-more-

ABC's Judy Muller reports on the increased public outrage over the beating, as a result of yesterday's release of police audio and computer messages from the night of the beating.

(Willie Brown, Calif. state assembly speaker: "I believe that those officers were carrying out a pattern of conduct that has been tolerated in that police system for a very long time.")

A union representing 700,000 workers in the L.A. area voted for Police Chief Daryl Gates's resignation.

(William Robertson, AFL-CIO: "He's got to set aside his monumental ego and do a service to this community which he claims he loves.") Mayor Tom Bradley has consistently dodged the question of whether Gates should resign. But after the latest developments, he issued a statement saying that he was sickened by the police communications that night, adding, "It is no longer possible for any objective person to regard the King beating as an aberration." (ABC-8)

NBC's Don Oliver reports that Rodney King said in a public statement that he did not think his beating was racially motivated. King's lawyer said he had told him he was scared to say yes and start a riot, that there were more good people than bad people out there. But transcripts of computer messages among the policemen that night involved joking about the incident.

(Cmdr. Rick Dinse, L.A.P.D. Internal Affairs: "One could deduce from the terminology and knowing what occurred here that some of these comments could be racial, yes.")

Release of the transcripts has renewed speculation that the beating was racially motivated.

(Melanie Lomax, Police Commission Head: "Any time you have 15 white police officers, not a Hispanic or a black among them, engaging in this kind of animalistic behavior against a black man, the question of race has to come up.") (NBC-6)

CBS's Jerry Bowen reports on the incident. Over the police radio, there was laughter as the officers called for an ambulance.

(Melanie Lomax: "The tapes confirm a sadistic, a racially biased attitude by some officers and the officers involved in this pursuit.") (CBS-5)

TROOP HOMECOMING/BANGOR, ME.

NBC's Fred Briggs reports on the small city in Maine which has given the returning troops a huge welcome home. Bangor is just a stopover for refueling for the returning troops, but hundreds and then thousands of citizens have held unorganized celebrations at the airport for every planeload of Desert Storm veterans.

(TV Coverage: Crowds greeting and hugging troops, waving flags.) The troops couldn't believe it, at first.

(Soldier: "I think this is one hell of a welcome. It beats the [bleep] out of Vietnam.")

CBS's Bob McKeown reports on the homecomings. Many who come to the airport are veterans themselves, wanting to ensure the heroes of Desert Storm get a warmer welcome than those who served in Vietnam.

(Gulf soldier: "I've never been here before. This is great. And we're home! And America supported us the whole time. They did. It makes me feel good. It really does.") (NBC-15, CBS-14)

EDITORIALS/COLUMNISTS

MIDEAST PEACE

No Mideast Miracle From Baker -- "...Secretary Baker's visit to Israel and neighboring countries can't be written off as a waste of time. After all, Baker said in advance he had no specific formula to offer.... But Baker managed to expand the American role as a potential intermediary between Israel and its Arab adversaries, as well as consolidate gains from the allied victory over Iraq.... Skeptics must hope that the U.S., in courting President Assad of Syria, is more prescient than it was in its pre-war dealings with Saddam. Surely, however, Israelis can be confident the Administration will not press them to pursue a course that would leave the Jewish state vulnerable to attack from Syria - or any other Arab source." (Cleveland Plain Dealer, 3/17)

Mr. Baker's Quest -- "Secretary Baker is quickly learning that, especially when it comes to the Mideast, the more things change, the more they remain the same. Top among these is the Israeli-Palestinian dispute.... Fortunately, Baker seems smart enough not to expect too much too soon. He is a Texas lawyer with a proven talent for bargaining. Thus, he has suggested confidence-building steps that the Arab states can take to nudge Israel away from its feeling of isolation. Now he must urge the Palestinians to curtail the intifada and violence while convincing Israelis that a possible trade of land in the occupied territories for peace would be in their long run best interest." (St. Louis Post-Dispatch, 3/17)

Land For Peace? Get Real -- "...Israeli concessions *must* be preceded by Arab concessions. otherwise, there won't be any Israeli concessions. That isn't intransigent. It's realistic. It is, after all the Arabs who have something to prove.... People who blather mindlessly about 'land for peace'...would do well to take a closer look at the hard realities of the situation.... Anyone who seriously expects the Israelis to shut their eyes, forget the past and trade strategically important land for mere Arab promises is naive at best." (New York Daily News, 3/14)

Baker's Diplomatic Linkage -- "...Americans should not be surprised, or disappointed, that Secretary Baker's initial postwar explorations...yielded no startling breakthroughs.... Baker is not merely playing the role of a canny dealmaker when he tells Israelis and Arabs that he senses a readiness for new thinking among his interlocutors.... The strategic situation of Israel is much less perilous than it has been.... If peace can be forged in the Mideast, it will begin in a linkage between Saddam's defeat and a negotiated settlement of the conflict between Israel and the Palestinians." (Boston Globe, 3/14)

Why Is [Baker] Smiling? -- "...Secretary Baker left his last stop on the Mideast swing, Damascus, feeling upbeat. One can reasonably wonder why. Neither the Arab nor Israeli leaders with whom he conferred appeared to budge a centimeter from previous positions that divide them." (Atlanta Constitution, 3/15)

The Postwar Order -- "...It appears that the Bush Administration's anti-Israel tilt is to continue in regard to the so-called Palestinian question.... The obligation to compromise ought to lie with the Arab states whose fat has just been pulled from the fire by U.S. troops.... Before Israel starts giving up territory that provides its survival buffer against enemy neighbors, regional peace ought to have lasted for more than a few days. None of this is to say Israel should not or need not be party to negotiations, only that the outcome not be predetermined by outlandish conditions."
(Richmond Times-Dispatch, 3/13)

Peace And Security: Lesson 1 -- "...'Territory for peace' may sound like an easy equation to those unacquainted with the violent, fanatical nature of Israel's neighborhood; the vulnerability of Israel's pre-1967 borders; the insane Jew-hatred that pulses in the Arab world; the memory, never far from Israelis' consciousness, that only a generation ago, European Jewry was destroyed in gas chambers and death camps by the followers of a dictator who preached 'Death to the Jews.' The prerequisite to peace-brokering is education. With his lessons this week, Baker took a big step forward."
(Boston Herald, 3/13)

New Thinking -- Or Old? -- "On the first day of his junket to the Mideast, Secretary Baker proclaimed that he had detected signs of 'new thinking' on the part of Arab states toward Israel.... Unfortunately, on the same day, four Israeli women were knifed to death in the streets and a well-armed band of Palestinians was caught crossing the border from Jordan. That sounds pretty much like old thinking to us.... The Administration has made it clear that it wants the Palestinian issue settled on the basis of 'land for peace.' That, too, sounds like old thinking.... A Palestinian state already exists in the Mideast: Jordan. Rather than beating on Israel to render itself militarily indefensible, why not put the heat on King Hussein...to deliver on a homeland?"

(Detroit News, 3/13)

Baker Finds 'New Thinking' As A Prelude To A Just Peace -- "...Secretary Baker, in the course of his visits to Middle Eastern capitals, says he has discovered 'new thinking' about the Mideast among Arab leaders. It would be extraordinary if he had not.... There is an era of good feeling in the Middle east -- an era in which it could be possible to do what might have been unthinkable a mere six months ago. New thinking among the Arabs calls for new thinking among the Israelis as well. If there is none, if the Israelis cling to the slogans that have guided their policy-making since 1948, the good feeling will evaporate, and fresh confrontations will follow."
(Cincinnati Enquirer, 3/15)

Middle East Priorities -- "...The first task after the Gulf war is to set that region aright before tackling...the Israeli-Arab conflict. President Bush and Secretary Baker seem to have set their priorities in this order, and it is the right one.... Premier Shamir was unyielding in refusing to accept, specifically and publicly, what Bush had called 'the principle of territory for peace.'... This was predictable. What caused surprise was Baker's wise reluctance to put real pressure on either side, preferring to settle for assertions that the Gulf War had opened new opportunities."
(Baltimore Sun, 3/17)

-End of News Summary-

*5 TV, WAR AND BANK RUNS

The reporting of the Iraq crisis and the seizure of the Bank of New England seem certain to raise questions about the responsibilities of TV journalism as it effects policy and events. It is more than the impact on policy-makers of the news-politics talk shows (Alan Hirsch: "The influence of these shows transcends their agenda setting function." Martin Schram: "The politicians either watch or have their aides watch them. They want to find out what the public is being told" (WASH. POST, 1/6). Given the size of audience, the impact of nightly news and interview programming on the networks may be far greater.

"COUNTDOWN TO CONFRONTATION -- 9 DAYS": That was last night's version of the CBS Evening News intro to its crisis watch on Iraq. It was followed by Dan Rather's "exclusive interview" of Iraq Foreign Minister Aziz and Rather's closing commentary from Baghdad: "As war-drums beat along the Potomac and the Tigris ... misunderstandings and confusion litter the path that diplomats are walking tonight. Both sides have their war machines in place. Both sides say that they are ready for war. Both sides will tell you that they have been flexible. But now, nine days before the deadline runs out on a war that could engulf the world, both sides will tell you that there is absolutely no common ground. Both sides will tell you, that in many ways, they have simply stopped feeling" (CBS, 1/7).

BANK RUN? On "McLaughlin Group," US NEWS' Mort Zuckerman predicted that one of the big 4 NYC banks (not Citibank) would fail (1/5). But the nightly network news/interviews on the failure of the Bank of New England may have sent just as depressing signals. FDIC's Seidman appeared on PBS' MacNeil/Lehrer, CNN's Crossfire and ABC's Nightline: "I hope it's a special case, but I can't guarantee anybody it is. Whether or not this is going to be a spreading problem depends on what is going to happen to our economy over the next year. Are we going to have a shallow, short recession or a deep and longer recession? ... If we have a deep and longer recession, then, unfortunately, we will probably see additional failures of this nature" (MacNeil/Lehrer 1/7). MONEY MAGAZINE's Jordan Goodman: "It's a real crisis of confidence in the banking system. You had, last week, the [RI] situation, now you have the Bank of New England. It makes people very shaky, nationwide, about the banking system" ("Nightline," ABC, 1/7). NEWSWEEK's Jane Bryant Quinn: "Mr. Seidman doesn't know how big the problem is any more than anybody else out there. ... I'm sure that we are going to have another taxpayer bailout. ... You have got to be nuts to keep your money in any institution, credit union, S&L or bank that has private deposit insurance. ... When you talk about what could happen to the FDIC fund, one thing they have not built in ... is the possibility of runs, because people lose confidence" ("Nightline," 1/7). Rep. Charles Schumer (D-NY): "Given the fact that this is the first recession that this newly deregulated industry is in, I think the odds are that more will fail" ("MacNeil/Lehrer," PBS, 1/7).

--- Thursday --- October 11, 1990 ---

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--- THE DAILY BRIEFING ON AMERICAN POLITICS ---

Updated Each Morning At 11:30

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FL GOV: "DRAMATIC REVERSAL"?

Chiles picks up endorsement of pro-choicers and drops support for parental consent legislation. But he says it's not a contradiction of his earlier pledge to avoid abortion issue. (#2)

TX GOV: A NEW DRUG ISSUE

Richards questions Williams' relationship with target of drug-money probe. Today's DALLAS MORNING NEWS quotes witness contradicting Williams' claim the two never met. (#7)

PULSE: RADIO TALK-SHOW HOSTS

From S.F., Detroit, Dallas to Boston, they report spectrum from apathy to ANGER. (#15)

OR SEN: "HATFIELD SHAKEN"

After poll shows tight race, he returns home with several staffers including Packwood's Chief of Staff. New ad mentions Lonsdale by name. (#12)

OR 05: KOPETSKI BY 10?

TV station pol has him over incumbent Smith 47-37%. (#17)

SPOTLIGHT

MORNING HEADLINES (#14)

- "Bush's shifts..."
- "BUSH SHIFTS STAND..."
- "Bush shifts again..."
- "President waffles..."
- "President's hedging..."
- "Bush tax retreat..."
- "Bush's flip flop..."
- "Bush flip a flop..."
- "Uncertainty..."
- "Bush Baffles Congress..."
- "Confusion clouds work..."
- "Confusion grips budget..."
- "Confusion reigns..."
- "Bush to Congress:
You figure it out."
- "Flip flop has pols
chuckling"
- "Wanted: A leader..."
- "McClellan in Charge"

TV was neither kinder nor gentler: "White House aides ... said Bush's position was somewhere between flip and flop" (John Cochran, NBC, 10/10)

===== QUOTE OF THE DAY =====

"Frankly, considering the type of campaign these candidates have run, you start to wonder what exactly it is that they are on."
-- Bexar County Sheriff Copeland in an open letter to both Richards and Williams to make public their medical records.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. **Panel:** Fred Barnes, Pat Buchanan, Jack Germond, Morton Kondracke.

Buchanan: ...The key thing is not simply this deficit that these guys are focusing on. They're doing plastic surgery on an economy that's having a heart attack and they had best focus on getting that economy out of the recession into which it's headed.

Barnes: ...Ronald Reagan had something that Bush doesn't have and needs now, and that is an ideological rudder to steer you through a time like this. Instead we have Bush who is following this George McClellan strategy, where he has all these forces and resources but he won't fight. To have a President say that he would love to have a 31 percent top rate and a 15 percent capital gains rate but -- oh, gee, I can't fight for that, it won't happen -- is ridiculous. He ought to go out and fight for it. The worst thing he did all week was that "read my lips." That was terrible; that mocked a pledge that people took very seriously and they're going to have a hard time taking him seriously again.

Germond: ...Bush doesn't stand for anything, he never has.... Bush has lost...15 or 20 points in his popularity. What that tells you...is that he spends popularity without getting anything for it. If he was going to spend 15 to 20 points of his popularity he should have gotten a bill.

Kondracke: ...I think what he showed this week is petulance.... He throws up his hands and says, let Congress do it. And what is going to happen now is Congress is going to...do it. They're going to come up with a proposal that is probably a Democratic-style proposal and they're going to force him to decide whether to veto or not, and I'll bet you that he can't veto it because he's afraid of shutting down the government. He's not leading anymore.

McLaughlin: Do you take some comfort, however, that 54 percent of Americans still blame the Congress and not George Bush?

Barnes: Yeah, but Bush is going to take the hit on this. They blame Congress in general, they blame Bush specifically.... This idea of being in favor of the rich -- why has he lost on that argument? Because he won't fight. He hasn't gone out and campaigned in favor of the capital gains cut as an economic growth measure; he's said practically nothing about it.

Germond: ...Bush has put himself -- and his party -- on the wrong side of [the fairness and progressivity issue], which was just the opposite of what Reagan appeared to be.

Buchanan: ...President Bush had an impregnable political position in no new taxes, and in Gramm-Rudman he could have controlled the affair. He comes out of this fortress down on the field, tries to deal in this ad-hockery, it comes apart, he's given away his party's position and his own pragmatism has failed. What you've got is a President who's floundering.

McLaughlin: ...In view of Bush's sinking polls and the abandonment his no new taxes pledge and his state of war with Republicans on the Hill and general confusion inside the White House, what's the Democrats' best strategy between now and the election?

Kondracke: Why do they need a strategy? Bush needs a strategy....

Buchanan: ...When you see somebody who's in a real foul-up, get out of the way....

Kondracke: [The Democrats] are going to come up with a package that has fairness written all over it. They're going to use this identification of the Republican party as the party of the rich. They're going to ring Bush's neck with it. The Democrats are going to have a capital gains proposal targeted at the middle class.

Buchanan: I think the Democrats are going to keep this whole little mess going because it is hurting the President.

Germond: They don't have to keep it going. The fact is, the pressure now is on congressional Republicans in both Houses to buy something, and the reason is...they need to change the subject before the election.

McLaughlin: What is the best thing George Bush can do now? ...He's got to get control of the situation, that's a given....

Barnes: Times come along every now and then when you can go in and get some serious spending cuts, and he can do that. What he's got to do is say, I want to cut capital gains, I want to cut the Social Security payroll tax, I want to cut defense, I want to cut entitlements, I want to cut spending, and then if he needs to gain some revenue he can raise the gas tax or something like that.

Buchanan: Fred is right on the mark. What he says is, look folks, it's a new ballgame. The economy's gone down, the deficit is not the key problem; the key problem is the economy. Give them that Social Security tax, go for the 15 percent capital gains, go for Gramm-Rudman cuts. Be bold and be a leader.

McLaughlin: A prescription for suicide.... What's the best thing George Bush should do?

Germond: Perhaps from the Democrats' standpoint he ought to hire Pat Buchanan to be his advisor.... He ought to get the Democratic leaders and the Republican leaders, not that big a team, into the White House, show some leadership and get the best deal he can to get it over with....

McLaughlin: ...George Bush should declare a continuing resolution next week until the 15th of November, telling the Congress that everyone is fully aware that this Congress is playing games, no one is going to advance a serious budget plan between now and the election because they are filled with pusillanimity, and then he attacks the Congress throughout the campaign as did Harry Truman.... Kill the negotiations now, bring them back for a lame-duck Congress.

NETWORK NEWS

Wednesday evening, July 4

GORBACHEV/COMMUNIST PARTY

ABC'S PETER JENNINGS: We are tonight in the middle of an important week overseas, a time of redefinition. Here in London the leaders of Western Europe, the U.S. and Canada are about to reexamine their alliance, because standing up to the Soviets, as they've done successfully more than 40 years, no longer seems as urgent. And in the Soviet Union again tonight Mikhail Gorbachev struggles to maintain his power while trying to keep the Communist Party from breaking up. Today Mr. Gorbachev said he would meet a self-imposed deadline for improvement or resign.

ABC'S JIM LAURIE reports that it was during a break in the session that Gorbachev made his startling promise, underlining the importance he attaches to perestroika. He told reporters that he and his government will resign if there is no improvement in the next two years. Later, Gorbachev's chief economic adviser, Leonid Abalkin, issued a warning that if the Communist Party tries to stop the move to a free market it'll be swept from power. "If you want full shops and an end to the shame of long lines," Abalkin said, "a market economy is the only way to go, and the move requires sacrifice." That idea was greeted by stony silence from delegates who fear radical reform. The party also tackled today an even more immediate economic crisis, the threat of a one-day strike next week by the nation's 200,000 coal miners. So the congress voted to approve a resolution asking miners to postpone their strike and appealing to Gorbachev to open talks with them. Gorbachev told reporters he was ready to work with the miners to improve their difficult living conditions. In this often-divided congress, there was one major point of agreement today. Speaker after speaker reaffirmed the need to keep Mikhail Gorbachev head of the Communist Party. The fact remains that however strong the disagreements on party policy have been this week, few want to take it out on Gorbachev personally. For no one believes this party could hold together long without him.

JENNINGS: The official government newspaper Izvestia published a poll today showing that only 28 percent of those surveyed thought the party congress would make any real difference to their lives. And nowhere is there more disenchantment with the party than among the young. They simply no longer regard the party as necessary to their future. (ABC-Lead)

CBS'S DAN RATHER: Two-hundred fourteen years ago the Continental Congress met in Philadelphia and threw down its historic challenge to colonial rule. The Declaration of Independence -- All men are endowed with rights, it said -- life, liberty, the pursuit of happiness. And whenever any form of government becomes destructive of those ends, in the words of the declaration, "it is the right of the people to alter or abolish it."

RATHER continues: Today, here in Moscow, a Soviet Communist Party congress is threatened with a historic challenge to communist rule. The charge is that communism has become destructive at those ends - the life, liberty, and happiness of the Soviet people. The question: Will Soviet communism be altered or abolished?

CBS'S BARRY PETERSEN reports that Mikhail Gorbachev was learning the hard lesson of democracy today, that giving people freedom means that they are free to turn against you. And he said he is ready to accept the consequences if his programs fail. "I think if there are not changes in two years," he told reporters, "that this leadership should go of its own accord."

RATHER: As if to underscore how much is at stake in this power struggle, the Soviet Communist Party for the first time this week released an estimate of its property holdings -- more than \$8 billion -- most of it in real estate. But that doesn't even include the vacation homes, special stores and health facilities reserved for the party elite. Gorbachev has repeatedly vowed to get rid of his party perks, but the system is still deeply entrenched and deeply resented.

RATHER talks with Princeton University director of Soviet studies STEVE COHEN:

RATHER: ...Why doesn't Gorbachev take over as president, forget about trying to run the party, take the property the party owns and use it to operate the country?

COHEN: Terrific question. Only today a mile from here behind the Kremlin on the river 4,000 radicals gathered and said to Gorbachev at the top of their lungs, walk away from that horrible party. Lead the country to reform at the present. But he can't do it. Maybe he wants to do it. He can't, and for a simple reason: There's a little democracy here, there's a little democracy there, in Leningrad, but in the provinces the party is supreme. It has everything in its hands -- the local police, the local militia, the schools, the health care -- and until that party apparatus is broken in the provinces, it might take five years, Gorbachev couldn't rule the country in the provinces.... (CBS-Lead)

NBC'S TOM BROKAW: Good evening from Moscow. While Americans celebrate 214 years of freedom, this country is in the middle of its second revolution of this century. The first one replaced one form of tyranny with another, and now the Soviet people are demanding liberation. The Soviet Communist Party continues to meet here, trying to figure out how to deliver that without giving up too much power.

BROKAW talks with U.S. Ambassador to the Soviet Union JACK MATLOCK about differences between U.S. and Soviet political experience:

MATLOCK: The fact that our forefathers came specifically to come to the United States to start a new life and because they could find freedom there and build it, made it really easier -- with all the difficulties we've had -- made it easier than to change a culture in place which has not known freedom, and where you've really got to break old habits as well as create new ones.

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