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===== ATTACHMENT 1 =====
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ATT CREATOR: Gordon Li

TEXT:

--- Wednesday --- September 28, 1994 ---

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

Updated Each Morning At 11:50

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282 North Washington Street, Falls Church, VA (703) 237-5130

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PHOTO-OP, ISSUE-OP	SPOTLIGHT
300 GOP House candidates at	
Capitol show photogenic unity,	MIGHTY MORPHING MUD RANGERS
but their manifesto takes hits	
from budget analysts and social	The mud-slinging season
conservatives. Dems grateful	has arrived with a fresh
to have a campaign issue. (#22)	round of negative TV ads.
WITH A KNICK-KNACK HAITI-GATT	MA SEN: Romney (R) fires
House Foreign Affairs today	back at Kennedy's (D)
considers a 3/95 vote on troops	"twisted attacks." (#2)
in Haiti. WH throws Finance	MI SEN: Abraham (R) says
Chair HOLLINGS a bone, but his	Carr (D) reminds him of
threat remains to sit on GATT	Sen. Riegle (D) when it
until next year. (#23, 24)	comes to lobbyists. (#3)
	PA SEN: Wofford (D) hits
BUT IT'S A DRY RECOUNT	Santorum (R) on reform and
In first day of AZ Dem Senate	ethics. (#6)
re-tally, COPPERSMITH's lead	TX SEN: Fisher (D) says
grows to 141 votes. (#1)	Hutchison's (R) health-care

| donations resulted in "cash |
THIS TIME IT'S A LEGIT POLL | register politics." (#7) |
Speaker FOLEY is shown | WY SEN: In ad for Thomas |
trailing NETHERCUTT 51-37% in | (R), Cheney calls Sullivan |
Seattle TV poll. (#11) | (D) an F.O.B. (#10) |
| GA GOV: Millner (R) |
CLOSER THAN YOU THOUGHT? | calls it the "Clinton- |
SUN poll shows MD gov. race | Miller" team: "Now we're |
tight, with GLENDENING (D) over | feeling their pain." (#13) |
SAUERBREY (R) 47-40%, just | TX GOV: Richards (D) |
within margin of error. (#17) | calls Bush (R) a business |
| failure. (#19) |
LOUISIANA VOTES THIS SATURDAY | _____|

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

"We just think who the president is isn't
particularly relevant to this race."

-- David Seldin, spokesperson for MD Dem Gov. nominee Parris
Glendening and ex-Clinton WH press aide, Balto. SUN, 9/28.

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OPENINGS: GREENWIRE, APN's daily briefing on the environment, is
seeking a staff writer. Position open immediately. Please fax
resume and cover letter to Dale Curtis at 703-237-9100. ALSO,

there is an entry-level position open on APN's technical staff.
Candidates must have good verbal communications skills;
experience with modems and online communications; C++
programming; knowledge of DOS, OS/2, Windows, WordPerfect.
Please fax resumes to Karl Eisenhower at 703-237-5288.

???? OVERLOOKED ????

"HILLARY CLINTON IS PREGNANT!"

"First Couple's bundle of joy due in April!"

-- Front-page of this week's WEEKLY WORLD NEWS, 10/11 issue

===== SENATE WATCH =====

***1 ARIZONA: RECOUNT BEGINS; COPPERSMITH LEAD UP TO 141 VOTES**

The first day of the recount to determine a Dem nominee ended with Rep. Sam Coppersmith (D-01) picking up 15 votes and Sec/State Dick Mahoney getting an additional six; the recount is expected to be completed 9/29. But if the matter is not resolved by the end of the week, "Coppersmith will find it tough to raise enough money to beat Republican candidate Jon Kyl, who is likely to have more than \$4 million to spend." This was the first mandated recount in AZ history, required because Coppersmith led by less than 200 votes. Current totals: Coppersmith 82,010, Mahoney 81,869 (Muller, ARIZONA REPUBLIC, 9/28).

***2 MASSACHUSETTS: TED HITS ROMNEY ON MORMON RACIAL POLICIES**

"Although he previously said religion should not be a campaign issue," Sen. Ted Kennedy (D) said businessman Mitt Romney (R) "should be asked where he stood on his church's past racially exclusive policies." Kennedy's remarks came after Rep. Joe Kennedy (D-MA), his nephew, apologized for statements about the Mormon Church and said he hoped religion would not be an issue. Kennedy, "noting the Mormon Church in 1978 decided to allow blacks to become priests": "Where is Mr. Romney on those issues in terms of equality of race prior to 1978 and other kinds of issues in question?" Romney consultant Charles Manning "charged Kennedy had changed his tune on religion as the race has tightened" (Lehigh, BOSTON GLOBE, 9/27). More Manning: "They're getting to the religion thing. This is the first time Teddy's done it himself." Kennedy said Joe Kennedy had "raised important questions" and had "also indicated that some of the areas are not appropriate" (Miga, BOSTON HERALD, 9/27).

THE "SLEAZY" AD: Romney released a 30-second TV ad by Greg Stevens & Company 9/27 titled "Sleazy." TEXT: "The private investigators Ted Kennedy hired to dig up dirt got it wrong. The companies Mitt Romney ran provide generous health care benefits to all their employees and have helped create over 10,000 new jobs. But Kennedy's in big trouble -- so now he's stooping to twisted attacks -- distortions -- already called 'sleazy.' Ted Kennedy is trying to destroy Mitt Romney even though Kennedy's never held a job in the real world. After 32 years, the last thing he can talk about is change" (Romney release, 9/27).

THE MONEY SOURCE: According to a GOP report on Kennedy's fund-raising dating to early 1989, more than half of Kennedy's largest donations were raised outside the state, while only 23

percent were raised in Massachusetts" (Phillips, GLOBE, 9/27).

***3 MICHIGAN: ABRAHAM AD "MORPHS" CARR INTO RIEGLE**

Ex-MI GOP chair Spencer Abraham (R) unveiled a new 30-sec. ad 9/26 produced by Mike Murphy entitled "Twins." The spot features a picture of Rep. Bob Carr (D-08) being "morphed" into a picture of Sen. Don Riegle (D). ANNCR: "Congressman Bob Carr. After 18 years in Washington, he likes to do favors for lobbyists. Just like Don Riegle. And while Riegle takes too much special interest money ... (Riegle head morphs into Carr head) ... So does Carr. 74% of his money comes from out of state. Carr even voted for Bill Clinton's big tax increase. Just like Riegle did. No wonder Riegle supports Bob Carr for Senate. Career politicians Riegle and Carr. (Heads switch.) They're everything that's wrong with Congress" (Abraham release, 9/27). Carr manager Jack Weeks said the "mean-spirited attack ad against Bob Carr stinks of hypocrisy." He said Abraham, as NRCC chair, "raised \$33 million in special interest money from all over the country" (Carr release, 9/26).

***4 NEW JERSEY: HAYTAIAN SEARCHES FOR NAME RECOGNITION**

In a new ad produced by Murphy, Pintak, Gautier which began airing 9/26 in Phila. and NYC, Assembly Speaker Chuck Haytaian (R) defines himself as a "budget-cutting fiscal conservative" in the mold of Gov. Christie Whitman (R). But a "more subliminal -- yet equally central point of the commercial is the deliberate repetition of Haytaian's name which is unfamiliar to many voters." In the ad, Haytaian's name is mentioned 6 times in 30 seconds. It also appears 10 times in the form of banners, buttons, and bold type which "flash" across the screen. Local political analysts characterized Haytaian's ad, which never mentions Sen. Frank Lautenberg (D) by name, as "wise." Eagleton Institute's Cliff Zukin: "Before he can cut Lautenberg down, he's got to establish himself. ... If people don't know what a Haytaian is, it's hard to attach adjectives to it." The ad also touts Haytaian's 94-point plan to cut government waste. Haytaian, from the ad: "I balance my budget at home with my wife. You balance your budget. ... Washington thinks it's a gimmick." Lautenberg aides have noted that "during the Haytaian years in Trenton, state spending has increased by 2 1/2 times" Lautenberg manager David Eichenbaum: "There is just one little problem with Mr. Haytaian's television commercial: it's called his record" (Phillips, PHILA. INQUIRER, 9/27).

***5 OKLAHOMA: INHOFE TAKES ON MCCURDY AND TULSA WORLD**

Rep. James Inhofe (R-01) "bashed" Rep. Dave McCurdy (D-04) over the weekend for "flip flops" on issues like gays in the military and also "smacked" the TULSA WORLD, saying the newspaper has "self-righteously bashed Inhofe" in opinion pieces. In the "latest flurry of exchanged accusations," Inhofe Comm. Dir. Jack Edens produced a reprint from the 11/18/92 DAILY OKLAHOMAN that states, "(McCurdy) said he endorses President-elect Bill Clinton's plan to allow gays to serve in the armed services and sees no reason why they should not be treated like anyone else." The Inhofe campaign has accused McCurdy of "compromising away the ban (on homosexuals in the military) by supporting the 'don't ask, don't tell' policy." McCurdy manager Tim Phillips maintains

that Inhofe has "distorted" the article and the record: "McCurdy and Inhofe voted for the policy of Senate Armed Services Chairman Sam Nunn when it was introduced in the House. ... Both also voted against Clinton's policy." Phillips also noted another recent OKLAHOMAN article that quoted Nunn saying McCurdy "supported the same law that I backed and that all the conservative Republicans supported, and that's the current policy" (TULSA WORLD, 9/27). A WORLD editorial: "OK, so [Inhofe] lied about graduating from college. It was just a little lie ... Give the man a break. He is after all, a career politician. The trouble is that Inhofe doesn't know when to stop stretching the truth. ... Based on his record, Inhofe's little lies about when he graduated from college may be the least of his problems with the truth before this campaign ends" (9/24).

*6 PENNSYLVANIA: WOFFORD ON THE OFFENSIVE

Sen. Harris Wofford (D) released a new 30-second TV ad, titled "Straight," 9/27 that "exposes the gap" between Rep. Rick Santorum's (R-18) "political rhetoric and his actions in Congress." TEXT: "Who's being straight with Pennsylvania? Congressman Santorum got elected to Congress in 1990 by opposing the pay raise. Then he took it. Harris Wofford refused the pay raise. Santorum campaigned against taxpayer financed junk mail - then he spent hundreds of thousands of dollars on it. Wofford refused to send out junk mail, which saved taxpayers a million dollars. Santorum said he'd reform Congress, but he's charged with ethics violations by a non-partisan watchdog group" (Wofford release, 9/27). Santorum spokesperson Mike Mihalke: "It's cyclical for Wofford. The more vulnerable he is, the more he lies. The more he lies, the more vulnerable he appears. This is one desperate candidate whose campaign is in dire straights." A Santorum release says "the ad lies about Santorum's record and misrepresents Wofford's record" (9/27).

SANTORUM AD: Santorum's campaign is airing a TV ad statewide. A PHILA. DAILY NEWS ad watch says the key scene is a picture of Wofford with his strategist James Carville. The screen reads "Wofford's lies. Promised: A Middle-Class Tax Cut." DAILY NEWS's Weisensee: "When you make an ad accusing your opponent of lying, at the very least you should make sure you're not lying. This Brabender-Cox ad takes a quote by James Carville utterly out of context and distorts its meaning" (9/27).

"DOING A SLOW BURN": W. TIMES' "Inside the Beltway" reports Wofford's campaign is "doing a slow burn." Wofford "is said to believe Mr. Carville is spending too much time on the talk-show circuit promoting" the book he and wife, Mary Matalin, wrote together (9/27).

SANTORUM RILED: Santorum says the PA AFL-CIO "lied about his voting record in a mailing it sent to about 10,000 of its members." It gave him a score of zero while Wofford got 100%. Santorum says the group "lied about two of his votes -- the striker replacements" and NAFTA. PA AFL-CIO spokesperson Jim Deegan on Santorum: "Our people have a right to know whether a candidate has changed his position. And he has changed his position 'on striker replacements'" (Weisensee, DAILY NEWS, 9/24).

LIFE AFTER DEATH: W.S. JOURNAL's Seib writes that with the

death of health care reform, Wofford faces a "simple question" in his bid for re-election: "Is there life after health care?"

Though "lots of people have assumed the answer is no," analyst Terry Madonna comments, "I think he's in much better shape now than he was six months ago. He's got a much more focused campaign." In fact, a clear three step strategy in Wofford's campaign can now be seen. Step one: "Define the failure of health reform as a temporary product of Republican obstructionism. That keeps the issue alive for the middle-class voters who still want change and energizes blue-collar workers always suspicious of Republican intentions." Step two: "Capitalize on the new crime bill, particularly in the crucial suburbs. ... Wofford figures it plays well among suburbanites who lose no love for assault weapons." Step three: "Play up Sen. Wofford's own image as an outsider and reformer. ... Along the way Wofford's advisors ... hope to expose what they consider Rep. Santorum's weak underbelly: double standards in his own record as a reformer." Still, Santorum is "happy" to have Wofford accuse him of stopping Clinton-style health care: "I'm not sure I'd go out there accusing my opponent of doing something that 80% of the voters want you to do." But, ultimately this race will likely turn on "how big a drag President Clinton is, and how many Democrats bother to vote" (9/28).

WOFFORD THREATENS SENATE: Since Congress failed to pass any health reform legislation this year, Wofford introduced a bill to strip his colleagues of their "taxpayer-provided health insurance." Wofford: "I think it will be very hard for members of Congress in good conscience with a straight face to look their constituents in the eye" and tell them they have to keep paying for insurance for members of Congress "when we've failed to take action to see that they have the same kind of choice" (Griffith, PITTSBURGH POST-GAZETTE, 9/28).

***7 TEXAS: FISHER MAKES RARE APPEARANCE ON TV**

Businessman Richard Fisher (D), who won his primary race on a "diet of heavy TV advertising," is "returning to the airwaves with an assault" on his opponent, Sen. Kay Bailey Hutchison (R). In Fisher's "first real advertising since April," he focuses on the \$727,000 Hutchison has raised from the insurance and medical industries and "suggests a connection between those givers and her stand on health care reform." **PARTIAL TEXT:** "No wonder she now says we have the best health care system in the world. ... Cash register politics. It should be against the law. ... Government should have strong ethics, no cheating, no breaking the law." The second half of the ad makes a "veiled reference" to the Senator's indictment on ethics charges earlier this year, although Hutchison was later acquitted of the charges. Hutchison spokesperson David Beckwith attacked the figures used in the TV spot and called on the Fisher campaign to pull the ads off the air: "Only about one-third of that money came from health care related PACs. ... The rest came from ordinary citizens ... [and] they are not special interests at all unless you consider that any contribution is a special interest contribution." Beckwith, responding to the ethics attacks: "We have never challenged Mr. Fisher's integrity." The Fisher campaign said that the spot is a

factual, "comparative" ad and will stay up. Fisher's ad is the first one either candidate has run thus far in the general campaign. The Hutchison campaign said they expect to begin airing ads 10/3 (Ramsey, HOUSTON CHRONICLE, 9/28).

***8 VIRGINIA: ROBB AND WILDER MEET ON "POSSIBLE ENDORSEMENT"**

After gaining the backing of the VA Legislative Black Caucus, Sen. Chuck Robb (D) met with ex-Dem gov. Doug Wilder for about an hour to "talk about a possible endorsement." Robb, noting that the support of black voters is "central to any hopes I have of retaining my seat," described the meeting as "positive" and said he would "welcome" a Wilder endorsement at the "appropriate time." Meanwhile, Oliver North (R) held a news conference to offer a "small, single-tiered wedding cake adorned with two shotgun shells to dramatize what North called 'a bizarre shotgun wedding.' North accused the Clinton admin. of "engineering a cynical marriage of political convenience to resurrect Chuck Robb's 'failing, sagging campaign' by hitching his broken down 'Chuck Wagon' to Doug Wilder's 'star.'" North praised Wilder as a candidate and said he would welcome his support. Wilder spokesperson Glenn Davidson: "[Robb] didn't specifically ask [for Wilder's endorsement], nor was it tendered." When asked if Wilder would eventually endorse Robb, Davidson responded, "not necessarily," but added that "the timing and method of endorsements can be important." A Dem source commented that a Wilder endorsement of Robb is "possible," another called it "almost certain" (Whitley/Hardin, RICHMOND TIMES-DISPATCH, 9/28). North suggested that the WH might reward Wilder with a "high-ranking job" if he backs Robb: "I have no doubt Bill Clinton will do whatever is in his power to save his good friend Chuck Robb. ... We all know how the game is played" (Baker/Jenkins, W. POST, 9/28).

PRESIDENT NORTH? North "declined to guarantee" that he would not run for president after two terms in the Senate but added, "I have no other ambitions to any other office" (Kellman, W. TIMES, 9/28).

***9 WASHINGTON: GORTON, SIMS ENGAGE IN DEBATE DEBATE**

Sen. Slade Gorton (R), who spent the year on everyone's "endangered" list and then won an impressive 52% in the 9/20 open primary, may have found himself back on the list after a KING-TV post-primary poll conducted by Elway Research showed Gorton up 41-29% (see HOTLINE, 9/27). Gorton refused to commit to future debates after a 9/25 encounter with King Co. Councilmember Ron Sims (D), and Sims said such a refusal was an "insult" to WA voters and a "blatant attempt to hide behind a multi-million dollar warchest of special interest money" (Sims release, 9/27). Gorton has "opened the door to the possibility" of more debates with Sims, with his camp suggesting a decision will be made by 10/1. Debates in WA have "played an important role" in recent elections, as there have been "famous slipups": Ex-Gov. Albert Rosellini (D) "destroyed his comeback" in a '72 debate when he referred to Gov. Dan Evans (R) as "Danny Boy." Rep. Rod Chandler (R) "trounced" Patty Murray (D) in a '92 debate but then "inexplicably" broke into a verse of the old Roger Miller song, "Dang me." And Gorton made Sen. Warren Magnuson's (D) refusal to

debate an issue in his '80 upset win (Connelly, SEATTLE POST-INTELLIGENCER, 9/28). Meanwhile, an internal Gorton poll by Moore Information conducted 9/24 of 400 voters, +/- 5%, gave Gorton a 56-32% lead over Sims (NRSC release, 9/27).

*10 WYOMING: CHENEY, IN THOMAS AD, CALLS SULLIVAN A F.O.B.

Rep. Craig Thomas (R-At Large) aired a new TV ad 9/23 that features ex-WY Rep. Dick Cheney. From the ad, Cheney: "Bill Clinton's proposals for government run health care, higher taxes, gun control and his weak foreign policy have been a disaster for our nation. We need a Senator who thinks the way we do and will fight Bill Clinton's bad ideas. ... We simply cannot afford to send another friend of Bill Clinton's to Washington" (Thomas release, 9/23). Thomas spokesperson Dan Kunsman "said Cheney appeared in the ad 'free of charge'" (AP/Casper STAR-TRIBUNE, 9/27). A Rock Springs DAILY ROCKET-MINER editorial, responding to Thomas' charge that Gov. Mike Sullivan (D), as a friend of Clinton's, would not be able to work for WY in the Senate: "We consider that allegation to be completely without foundation. ... [Sullivan] has served Wyoming and served it well for the past eight years. His friendship with Bill Clinton or anyone else hasn't got in the way" (9/15).

===== ON THE HOUSE =====

*11 WA 05: ANOTHER POLL BRINGS BAD NEWS FOR FOLEY

A KING-TV poll, conducted 9/23-25 by Elway Research, surveyed 400 likely voters; margin of error +/- 5%. The poll showed atty George Nethercutt (R) leading Speaker Tom Foley (D), 51% to 37%, with 12% undecided (Hanson, SEATTLE POST-INTELLIGENCER, 9/28). Dem pollster Tim Hibbits said Foley is in "a very desperate battle for survival, as are all Democrats. ... There's no patience out there with what a corrupt, stinking morass Washington, D.C. is, and I think it will be taken out on him." Nethercutt said Foley "has lost touch with real people and has come to embody an aloof Congress that is wrapped up in its own games." N.Y. TIMES' Seelye writes Foley "has played right into Mr. Nethercutt's hands by bringing a lawsuit to overturn last year's approval of term limits for Congress." Pollster Stuart Elway said that after Foley filed suit, "voters in his district were deeply offended that someone would take such an active role in trying to overturn what the voters had approved" (9/28). Frosh Rep. Jennifer Dunn (R), a former WA GOP chair who attended the GOP Contract with America rally in DC, called Foley "the epitome of the Washington, D.C. insider" (POST-INTELLIGENCER, 9/28).

NOTE: A "Bullet" poll conducted in WA 05 for a Seattle TV station received wide publicity in the WA media and thus was covered in the HOTLINE 9/26. The "Bullet" poll, as conducted by Hypoteneuse Inc., uses a recorded voice (usually of a local news anchor) and urges respondents to use their touch-tone phones to respond. Its accuracy was greatly challenged during the Detroit Mayor's race in '93, although the TV station there stood by its use. The HOTLINE does not normally carry the results of these "Bullet" polls.

*12 BRIEFINGS: LOUISIANA GENERAL ELECTION IS SATURDAY

IA 04: Rep. Neal Smith (D) won his 18th term in '92 with 62%. He ran unopposed in '90. He has gotten at least 60% of the vote in every election (except '80) since 1962. And yet by all accounts Smith is in the race of his life. Surgeon Greg Ganske (R) "has been working doggedly to tap into anti-incumbent voter sentiment by painting Smith ... as a longtime congressional insider who has lost touch with Iowans." Ganske: "For 36 years he has done what every career congressman has done. They blame each other, spend more money and then raise your taxes." Smith: "I am able to work on things that are important to Iowa." Although in the House since '59, Smith has represented 10 of the 13 counties in the 4th CD for only the last two years after it was redrawn. He lost earlier in the year to chair the Approps. Committee. Ganske, who campaigns in a '58 DeSoto to remind voters how long Smith has been in Congress, supports a balanced-budget amendment, a line-item veto and term limits. ISU's Steffen Schmidt: "I think [Smith] is in real trouble. It will be an extremely tight race" (Gertzen, OMAHA WORLD-HERALD, 9/23).

LA 07: A candidate receiving 50% of the vote in the state's 10/1 primary is automatically elected, otherwise the top two candidates go on to an 11/8 runoff; all of LA's CDs are expected to be settled on Saturday. The one race worth watching is the battle between Rep. Jimmy Hayes (D) and ex-Rep. Clyde Holloway (R), a contest where the candidates are "slipping and sliding ... on a sea of mud," where each has "a similar determination to undermine the character of the other." Asked why he won't debate Holloway, Hayes said, "I only debate mammals." Holloway painted Hayes "as a rich man incapable of understanding the problems of working people like him." An internal GOP poll had Holloway about 10 points down (Snyder, N.O. TIMES-PICAYUNE, 9/26).

NE 02: In their first debate of the campaign, Rep. Peter Hoagland (D) and insurance exec. Jon Christensen (R) argued over Hoagland's characterization of his opponent as an extremist. Hoagland said, "He's a member of the radical right" who is "100 percent in agreement with Pat Robertson and Jerry Falwell." Christensen tied Hoagland to Pres. Clinton and responded, "I don't know the positions of [Falwell and Robertson], but what I do know ... is that this country is heading in the wrong direction" (Cordes, OMAHA WORLD-HERALD, 9/26). A Gallup poll shows Clinton to be the "most disapproved president of the past 25 years" in NE, "the highest disapproval rating for a U.S. president since the WORLD-HERALD began measuring the job performance of presidents when Richard Nixon was in the White House." Predictably, Clinton "has a standing invitation" to come to NE to campaign for the Dem ticket "from the Nebraska Republican Party" (Kotok, WORLD-HERALD, 9/27).

OH 06: Businessman Frank Cremeans (R) said he is against gay rights "partly because homosexuals made unwelcome passes at him when he was younger": "I've had two homosexuals after me in my lifetime. It happened once when I was 18 and later, when I was in graduate school. I had one of my professors after me. I'm opposed to that. If homosexuals are in the foxholes with our soldiers, it would be very demoralizing" (Kelly, MARIETTA TIMES, 9/21). Dem: frosh Rep. Ted Strickland.

TX 25: Univ./Houston's Richard Murray sees the race between Ken Bentsen (D) and Dr. Gene Fontenot (R) as a battle between "a famous-name Democrat going up against a rich guy willing to spend as much as \$2.5 million of his own money." Bentsen, nephew of Treas. Sec. Lloyd Bentsen, said his job "is to get out the message not only who Ken Bentsen is, but who Gene Fontenot really is. And he's a radical extremist." Fontenot "disputed" the "religious extremist" label the Dems have put on him, saying, "I go to church just like 160 million other people in the United States" (Kilday, DALLAS MORNING NEWS, 9/26). Rep. Mike Andrews (D) was defeated in the Senate primary.

WA 03: An internal poll for state Sen. Linda Smith (R) by Moore Information surveyed 300 likely voters; +/-6%. The poll, with leaners, had Smith with 52% and Unsoeld with 38%, 2% for Gun Control Party's Caitlin Davis Carlson and 8% undecided (NRCC release, 9/26).

===== GOVERNORS '94 =====

*13 GEORGIA: MILLER TIME IS CLINTON TIME, SAYS MILLNER AD

Businessman Guy Millner (R) is running a TV ad which "shows the strong tie" between Gov. Zell Miller (D) and "his longtime friend" Pres. Clinton. The spot shows Miller striding up to the podium to address the '92 Dem convention as an announcer says, "Zell Miller promised us Bill Clinton was a new Democrat. But the Clinton-Miller team has just given the same old thing. Broken promises and the largest tax increase ever, including Clinton's big tax increase on the middle class. The Clinton-Miller team. Now, we're feeling their pain" (Millner release, 9/27). Miller, on the ad: "This is a race for governor of Georgia. If Guy wants to run for president, he should be investigating when they are going to have filing for the New Hampshire primary" (Walston, ATLANTA CONSTITUTION, 9/28).

STUCK IN THE MUD: CONSTITUTION editorial: "The TV commercials in Georgia's race for governor have already descended deep into the mire. ... So far, the two men are exhibiting all the depth of a mud puddle, and in fact seem content to wallow in that puddle as long as the voters let them" (9/23).

*14 HAWAII: FOES FAULT FASI FOR FALSE FACTS

Best Party candidate/Honolulu Mayor Frank Fasi (I) said his latest ad "is designed to force his opponents in the race for governor to take stands on the issues. His challengers say the ad is 'vintage Frank Fasi.'" Ex-Rep. Pat Saiki (R): "What he does is shade the truth. And it's absolutely blatant. I really don't think he serves the voters well by giving them false information." LG Ben Cayetano (D): "I'm not offended, because Frank Fasi has made it a career to distort what people say. The man is really desperate. He's really grasping at straws. He hasn't moved (in the polls) in a long time and he knows if he doesn't do something he's going to stay there." The full-page ad in HI newspapers compares Fasi's record with those of Saiki and Cayetano. Fasi's opponents "say several of their positions have been misstated and also question the truth of some of Fasi's positions." Saiki "said the most blatant of the 'lies' suggests she favors same-sex marriage." She says she opposes same-sex

unions but is willing to consider domestic partnership laws. Cayetano said the ad "distorts Fasi's own record by claiming that he would stop all campaign contributions from anyone doing business with state or county government." Fasi had earlier promised not to accept such contributions but continued to do so when Cayetano and Saiki refused to follow suit. Cayetano: "He's already squeezed everybody for \$4 million, so he can talk like that" (Botticelli, HONOLULU ADVERTISER, 9/23). An ADVERTISER editorial: "Fasi as usual has played fast and loose with the truth. We wish he'd cut it out" (9/25).

***15 ILLINOIS: SEE YOUR AD & RAISE YOU AN OUTRAGE**

CHICAGO TRIBUNE's Kendall reports, after Dems and GOPers "took turns Sunday accusing each other of airing inaccurate television commercials ... each side vied to show the greatest moral outrage." An ad from Comptroller Dawn Clark Netsch (D) "includes criticism" of a law backed by Gov. Jim Edgar (R) containing an early release provision for prisoners that Edgar's running mate, LG Bob Kustra, "claimed Netsch had vowed not to criticize." Kustra: "I don't know if this is Dawn Clark Netsch personally involved in this deception, or whether hers is a campaign that is simply out of control." Netsch claims the ads are to "set the record straight" on her position on the death penalty. From the Edgar ad: "Netsch said that if elected governor she would sign legislation to abolish the death penalty." Netsch: "They have strongly suggested in their ads that I would commute the death sentences of everyone on Death Row - absolute utter falsehood and they know it" (9/26). CHICAGO SUN-TIMES' Neal reports that by "attacking" Netsch on the death penalty, "Edgar has defined" her "as soft on crime and has moved into an overwhelming lead." IL House Speaker Michael Madigan (D) "has acknowledged to Democratic fund-raisers that Netsch's weakness on the crime issue is a potential liability" for other Dem candidates (9/26).

CANCER: Netsch's husband, architect Walter Netsch, "last week completed six-and-a-half weeks of radiation therapy for skin cancer on his nose and ear." Netsch's running mate state Sen. Penny Severns "has been undergoing radiation and chemotherapy for breast cancer" (Collin/Wetzel, CHICAGO TRIBUNE, 9/27).

***16 IOWA: CAMPBELL TELLS BRANSTAD TO "QUIT WHINING"**

DES MOINES REGISTER's Yepsen reports that Gov. Terry Branstad (R) has "demanded" that AG Bonnie Campbell (D) apologize for a television ad, while Campbell said the governor should "quit whining." However, just a couple of weeks ago it was Campbell who "was demanding an apology and the governor who was admonishing her to quit complaining." The latest Campbell ad, which raises the case of Matthew Gill, a convicted killer who was released from prison after serving just a few years of a 60-year sentence, asserts that the case is part of Branstad's "shameful record on crime." Branstad said the ad is "false and a smear campaign and she knows it to be factually incorrect": "I ask her to pull this false ad, to apologize for it and to take charge of her campaign to see these things never happen again." Campbell: "The governor should quit whining. This ain't bean bag. It's hardball and he started the game" (9/27).

***17 MARYLAND: SAUERBRAY IS WITHIN SEVEN IN NEW POLL**

A Balto. SUN poll, conducted 9/21-23 by Mason-Dixon/PMR, surveyed 829 registered voters; margin of error 3.5%. Tested: Prince Georges Co. Exec. Parris Glendening (D), House Del. Ellen Sauerbray (R).

	ALL	MEN	WOMEN	BLACK	WHITE	FAV/UNFAV	ID
Glendening	47%	41%	53%	78%	37%	42%/ 21%	95%
Sauerbray	40	44	36	8	51	32 / 16	88
Undecided	13	15	11	14	12		

PARRIS AND JOHN-JOHN: Glendening "welcomed" JFK, Jr., cousin of Glendening running mate Kathleen Kennedy Townsend, for three 9/27 fundraising events while "keeping his distance" from Pres. Clinton. "Like many Democrats across the country," Glendening "has no interest" in bringing Clinton to MD, according to Glendening spokesperson/ex-WH press aide David Seldin. Seldin: "We're talking about Maryland and state government and what Parris can do to address the real problems of this state. We're not worrying about national issues, national politics. ... We just think who the president is isn't particularly relevant to this race." Sauerbray: "It's understandable that Glendening wouldn't want Clinton to campaign with him. After all, bringing in a fellow tax-and-spend liberal would only serve to point out their similarities. He obviously prefers to divert public attention from the real issues of this campaign by importing the Kennedy glitterati" (Waldron, Balto. SUN, 9/28).

MORE STAR POWER: NJ Gov. Christie Whitman stumped for Sauerbray 9/26. Whitman, on Sauerbray: "There are some striking parallels here. She's promising to cut taxes, not because it makes a good campaign slogan, not because it grabs headlines, but because it makes good economic sense" (W. POST, 9/27).

ELLEN'S COFFERS: "Charting the unexplored waters" of public financing, AG Joseph Curran (D) ruled that the GOP can spend no money on behalf of Sauerbray. Any money spent by the party on her behalf must count against the maximum of \$1 million in taxpayer funds Sauerbray can spend under public campaign financing law. The opinion "appears to be a major setback" for the GOP, which had hoped to spend its own money to help Sauerbray "close the money gap" on the "better-financed" Glendening. GOP officials called the opinion "politically motivated" and said they were considering a court challenge. MD GOP Chair Joyce Terhes: "They've tried to tilt the playing field. I think it will backfire on them" (Waldron, Balto. SUN, 9/24).

***18 MICHIGAN: NO "CLEAR WINNER" IN ENGLER-WOLPE DEBATE**

Under the header "Sparring match was missing a knockout blow," DETROIT FREE PRESS' McDiarmid reports on the 9/26 debate between Gov. John Engler (R) and ex-Rep. John Wolpe (D): "Frankly, Howard Wolpe, though he complained bitterly and repeatedly about how 'the governor isn't being straight with us,' didn't lay a glove on him." As for Engler, he "appeared relaxed and confident"; "made few, if any, mistakes" and "called Wolpe 'a taxpayer' or 'a liberal' at least a dozen times." McDiarmid writes Engler "must have won, right? Yeah ... I suppose. Although most of it was fairly benign and predictable. ... But it's a long way from over" (9/27). FREE PRESS' Christoff & Bell write Wolpe

"branded" Engler as a "deceptive, divisive leader, while Engler labeled Wolpe an incorrigible liberal who favors high taxes": "Neither was a clear winner. Wolpe appeared nervous and stumbled over his words, especially early in the debate" (9/27).

STABENOW "SNUBBED" AS UWSA RALLY: Wolpe running mate/state Sen. Debbie Stabenow (D) "was not permitted to speak as a stand in" for Wolpe at the United We Stand rally. Engler "got loud applause when he talked about his support for term limits and tough policies for welfare recipients." Wolpe, as expected, did not attend. MI UWSA's Susan Esser, who "wouldn't let Stabenow speak": "They are not going to manipulate us." Stabenow said she "overheard Engler say to Esser, 'No surrogates, right?'" Esser agreed, Stabenow said. Engler, on Stabenow's assertion: "Those were the ground rules in advance, and she knew that coming down here" (Cook/Adams, FREE PRESS, 9/24).

*19 TEXAS: IT'S NOTHING PERSONAL

Gov. Ann Richards (D) launched a "pointed television advertising attack" 9/27 against businessman George W. Bush's (R) business experience, claiming firms he has helped run have lost \$371.6 million since '85. PARTIAL TEXT: "He says that he is a successful businessman. But official records show that every other Bush business venture has lost money -- big money -- net losses of \$371 million. Texas is on the comeback trail. But can we afford the business experiences of George W. Bush?" (Ratcliffe, HOUSTON CHRONICLE, 9/28).

BUSH RESPONSE: Bush immediately countered by airing a new ad accusing Richards of "making a personal attack to avoid talking about issues" such as crime, education, and welfare. Having expected an attack from Richards, the Bush ad was taped 9/17 and edited 9/22. Both the Richards ad and the Bush ad are running statewide. The Richards camp said their ad is not a "personal attack" because it focuses on Bush's business experience. Richards spokesperson Chuck McDonald: "When Mr. Bush, or anyone else, presents business success as a qualification and record to hold public office, then that success and the public records that either document it or refute it should be examined." Bush spokesperson Karen Hughes: "Ann Richards' negative and untrue personal attack against George Bush's successful business career is Texas politics at its mudslinging worst." Bush, from his ad: "The governor and I have honest disagreements on the issues and that should be the focus of the campaign, not personal attacks" (CHRONICLE, 9/27).

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FORNIA CABLE =====

*20 SENATE/GOVERNOR: BROWN SPARKS DEM INTERNECINE WARFARE

The campaign of Sen. Dianne Feinstein (D) "found itself in an unusual position Monday -- defending itself against a political charge leveled by fellow Democrat" Treas. Kathleen Brown. The campaigns of both Gov. Pete Wilson (R) and Rep. Mike Huffington (R-22) distributed excerpts 9/26 from a recent Brown interview with the NATIONAL JOURNAL in which she discussed her personal opposition to the death penalty and "took swipes" at five prominent CA Dems. Brown: "I could have done what every

politician in California has done. I could have changed my position like Dianne Feinstein did and (U.S. Sen.) Barbara Boxer did and (Lt. Gov.) Leo McCarthy did and (former Rep.) Mel Levine did and (Assembly Speaker) Willie Brown did. Every single one of them changed their position to run for higher office. I couldn't do that the way I was raised. I was raised to believe that politics was also about principle and not just politics." Feinstein aides "were not amused." Manager Kam Kuwata: "She's just wrong. I don't know what the hell she's referring to. Maybe she should just check her facts. Anyone who knows Dianne Feinstein's record knows that she's been for the death penalty since the early 1970s." Wilson spokesperson Dan Schnur: "Kathleen Brown has somehow managed to disparage the integrity of five of the leading Democrats of the state of California. I don't think I've ever been able to do that before." Brown issued a statement noting Feinstein has had a "strong and consistent pro-death penalty position" for 25 years: "Mistakenly, Dianne Feinstein was included among a list of political figures who have changed their position on the death penalty" (Chance, SACRAMENTO BEE, 9/27).

***21 HOUSE: CLINTON A FACTOR IN CLOSE RACES**

SACRAMENTO BEE's Green writes Pres. Clinton's "unpopularity is emerging as a strong factor in a number of CA's close congressional races." San Jose State Univ.'s Stephen Van Beek said that "with polls showing Clinton's popularity at the lowest point of his presidency ... Democratic candidates in swing seats 'better have their own separate programs that they can sell to voters. ... Democrats are trying to run as independent of Clinton. Republicans are trying to tie them to Clinton." Rep. Richard Lehman (D-19), who came within 1,130 votes of losing to an "unknown" in '92, is "especially vulnerable." He faces ex-Mariposa Co. Supervisor George Radanovich (R), who "carries a cardboard cutout of Clinton to campaign appearances." GOP analyst Tony Quinn said, "I'd be especially worried if I were Vic Fazio even though the Republican is not a heavyweight candidate. That isn't an easy seat for a Democrat." Rep. Fazio faces businessman Tim LeFever (R) in the 3rd CD. In the 22nd CD being vacated by Senate candidate Michael Huffington (R), Assemblywoman Andrea Seastrand (R) faces professor Walter Capps (D). Seastrand aide Ralph Wunder said, "I can't tell you how happy I was to see Hillary Clinton come in here" for a Capps fundraiser (9/25).

===== NATIONAL BRIEFING =====

***22 GOP CONTRACT: "THE MOTHER OF ALL PHOTO-OPS"**

"Emboldened by the likelihood of big gains" in November, over 300 GOP House candidates "sought to spur a national GOP tide with a voter 'contract' vowing action on tax cuts, crime, welfare and term limits." GOP leaders "hope the long-planned manifesto will appeal to crucial independent voters and counter a widespread perception of Republicans as naysayers -- even as GOP tactics in Congress' final days have killed" Clinton's health-care reform and "threaten bills on education, the environment and campaign-finance reform" (Calmes, W.S. JOURNAL, 9/28). COPLEY's Barabak writes the GOP "offered a platform long on popular

promises but short on specifics of how to pay for the proposals" (S.D. UNION-TRIBUNE, 9/28). House Min. Whip Newt Gingrich: "This is the first step toward reviving the American civilization." Rep. Dick Armey (R-TX): "Today, we Republicans are signing a 'Contract with America.' We pledge ourselves, in writing, to a new agenda of reform, respect and renewal" (HOUSTON CHRONICLE, 9/27). The contract "promises a feel-good agenda of tax cuts, stronger defense and a balanced budget amendment." Gingrich: "Clinton is in such trouble with the American people that our job is to go out and offer a clear, positive alternative" (Welch, USA TODAY, 9/28). GOPers "touted the plan as a way to improve the economy and reduce the size of government" (Lemons, ARKANSAS DEMOCRAT-GAZETTE, 9/28). NBC's Brokaw: "It is long on promises, but short on sound premises" (9/27). CNN's Franken: "It was the mother of all photo-ops" (9/27).

DANGEROUS STRATEGY? The GOP "strategy represents a risk in a year when the political winds have been blowing in the party's favor. For one, it gives Democrats something to shoot at and forces the Republicans to defend the specifics of a program with unanswered questions." DCCC chair Vic Fazio: "What we have here isn't so much positive, but everything (Republicans) ran on during Reagan's heyday. We're able to go back on the offensive in district after district. ... Our Democratic candidates will be asking them to explain this and calling them to account" (Cooper, W. POST, 9/28). NBC's Myers: "An independent budget expert called it 'standard political bunk.'" Budget analyst Carol Cox Wait: "It doesn't add up because nobody wants to hear the truth. Everybody wants to talk about benefits and nobody wants to talk about cost" (9/27). Rep. Dick Armey (R-TX): "There is not one dime of increased spending in this ten point long legislative agenda" ("Crossfire," CNN, 9/27). NPR's Arnold: "While some Republican challengers were reluctant to come to Washington and line themselves with the establishment they were running against, the contract was difficult to oppose" (9/28).

DEM TALKING POINTS: ABC's Cochran: "For the moment Democrats are demoralized and can only hope that the Republicans have peaked too soon for an election that is still six weeks away" (9/27). Clinton pollster Stan Greenberg: "They have thrown something new into the mix that does not favor their candidates. It gives them a record. Up until now, they were running against the Democratic incumbent, and many of their challengers were just challengers. Now they have all signed onto trickle-down economics and trillion-dollar deficits, cutting Medicare and marching lock step with the Republican leaders in Congress, who, believe me, are not popular" (GANNETT NEWS SERVICE, 9/28). Rep. Bob Matsui (D-CA): "Frankly, I thought Republicans should have left a good thing alone. Now they've set themselves up. They can't cut taxes, increase spending and balance the budget at the same time without causing massive cuts in Social Security, Medicare, student loans and other middle-class programs" (S.F. CHRONICLE, 9/28). WH CoS Leon Panetta: "This is fraud, and I think the American people need to know that" (N.Y. NEWSDAY, 9/28). House Budget Chair Martin Sabo (D-MN): "It's hard to take the Republican plan seriously" (W. POST, 9/28). House Maj.

Leader Dick Gephardt: "It's really Reagan reupholstered" (PHILA. INQUIRER, 9/28). DNC adviser Tony Coelho: "They want to go back to where we were with big deficits. ... They used the credit card and didn't pay the bills. Now we need to go ahead and pay the bill that they put on the books" ("Inside Politics," CNN, 9/27).

HITS FROM THE RIGHT: Some "social conservatives" said that the contract "ignored family values." Free Congress Foundation Pres. Paul Weyrich: "'Contract With America' is fine as far as it goes. However, the document fails to address many of the concerns of the cultural conservatives and as such is incomplete. Republicans take social-issue conservatives for granted at their own peril" (Hallow, W. TIMES, 9/28).

THIS IS REFORM? Hours after signing the contract, "many of the GOP hopefuls attended a \$5,000-a-table fund-raising dinner at which individuals or political action committees purchasing a table could request a specific GOP House member or candidate to sit at their table." Gingrich: "It's perfectly legitimate." The DCCC "reportedly was sending a crew to film the GOP candidates entering, for possible use in campaign ads" (Leubsdorf, DALLAS MORNING NEWS, 9/28). Most reports noted the fund-raiser. NBC's Myers: "Gingrich said any term limit bill probably will apply only to future members of Congress." Gingrich: "I don't think you can say to everybody's who's been here 12 years, you know, this is your last term, you don't run again." Myers: "And politicians wonder why voters are cynical" (9/27).

OTHER REAX: David Broder writes, "It would be wonderful if we could balance the budget by improved CPR techniques, while cutting taxes at the same time. But it sounds suspiciously like the fairy-tale economics of the 1980s, which landed us in this budgetary mess. Do Republicans really want a referendum on that?" (W. POST, 9/28). N.Y. POST editorial: "We'd like to see a parallel document from the Democrats so Americans could choose between two competing philosophies and two distinct visions for the future" (9/28). USA TODAY editorial: "The GOP blew it, choosing ... to offer up yet another course of all politicians' favorite meal: free lunch" (9/28). N.Y. TIMES editorial calls the contract "duplicitous propaganda" (9/28). W. POST editorial: "Apart from the welfare cuts, the Republicans limit themselves to a list of only illustrative or 'possible' spending cuts. The list would not begin to get them to the balanced budget that they claim as a goal" (9/28).

*23 GATT: COMMERCE CHAIR HOLLINGS MAY STALL VOTE

Senate Commerce Cmte Chair Fritz Hollings (D-SC) has "threatened to use his powers" to hold up a vote "until well into next year" on the GATT implementing legislation that the admin. introduced to Congress 9/27. Hollings can utilize his powers as chair to hold up action for 45 days. The WH is "betting" that a lobbying blitz by Pres. Clinton and the Cabinet and Clinton's "friendship" with Hollings will get Hollings to back off. Hollings "could win promises of additional favors on textiles, telecommunications and other issues." In a "marathon drafting session" late 9/26, the WH failed to win Hollings over, despite some final deals meant to "woo" him. The admin. added provisions sought by Hollings "that could prompt foreign companies to charge

as much as 10% or more for their goods in this country as they do in their domestic markets, protecting U.S. companies." The admin. also "dropped a plan to reduce textile and apparel tariffs for Caribbean nations to the level of Mexico under NAFTA. The [admin.] plans to reintroduce the plan early next year" (Davis/Rogers, W.S. JOURNAL, 9/28). Clinton and USTR Mickey Kantor met with Hollings 9/27 but the admin. "received no assurances" that the measure would come to a vote this month. "With each step to placate Hollings," the admin. "has angered some pro-trade Republicans" (Behr, W. POST, 9/28).

OUTLOOK: GATT needs a majority in the House but Senate rules require it to receive 60 votes in that chamber. "It appears to have majorities in its favor in the House and Senate alike." It currently falls under the "fast-track" provisions which allow Congress only an up-or-down vote. The admin.'s "fast-track" authorization expires at the end of the year. If GATT does not come to a vote this year, some believe it could be larded with amendments next year. The two chief Senate sponsors are Senate Maj. Leader George Mitchell and ranking GOp on Senate Finance Bob Packwood (R-OR). Hill Dems "say they are not certain whether" Sen. Min. Leader Bob Dole "will try to drag his feet and let the bill lapse into next year -- denying President Clinton a major foreign policy victory and adding to his embarrassment at having lost health care" (Friedman, N.Y. TIMES, 9/28). House Min. Whip Newt Gingrich: "We're not as strong on GATT as we were [on NAFTA]. ... I am very cautious. If they don't have the votes locked, this is a high-risk gamble" (Davis/Rogers, W.S. JOURNAL, 9/28). Sen. Finance Chair Pat Moynihan (D-NY): "It is the largest tax cut in history and the culmination of 60 years of American trade policy. It must pass this year" (N.Y. TIMES, 9/28).

ANTI-GATT: Ross Perot, in an open letter to Congress, urged the Senate not to waive budget rules in order to pass GATT (UWSA release, 9/26). GATT will cost the U.S. an estimated \$11.5 billion in lost tariff revenues during its first five years. The Senate Finance Cmte and House Ways & Means have proposed how to make up the difference so that the deficit is not increased. Public Citizen's GATT Project called 46% of the new revenue proposals "funny money" based on "accounting gimmicks" (PC release, 9/26).

*24 HAITI: CLINTON ADMIN. WARNS CONGRESS AGAINST DEADLINE

NPR's Naylor reports, "Congress is uneasy with the presence with the American forces. ... [House Foreign Affairs smte] members are expected to ... set a deadline today for the troops' withdrawal, perhaps as soon as the end of the year or as late as next March" (9/28). W. POST's Lippman & Dewar report the Clinton admin. urged Congress not to set a specific date for ending U.S. military operation in Haiti, and "despite a chilly reception appeared to have enough support to fend off" a mandatory pullout deadline. Both Republicans and Dems "signaled that the initial success of the mission ... was not sufficient to overcome their anger at having been bypassed in making the decision to send the expedition." But senior members of both Houses indicated that they will not insist on a mandatory pullout deadline. Senate Min.

Leader Bob Dole: "We're not trying to create problems." Sen. Chris Dodd (D-CT) said he believed "second thoughts" about setting a deadline were "growing especially among Republicans, who, he said, are reluctant to ignore military advice against a deadline. ... But he acknowledged the reluctance of many senators to go home to face voters" without having set a deadline. Dodd: "We're not talking about military strategy ... we're talking about local political strategy." The House Foreign Affairs Cmte is scheduled to meet 9/28 to act on a resolution that would authorize the Haiti deployment until 3/95, at which point Pres. Clinton would have to seek cong. approval to continue. Rep. Bob Torricelli (D-NJ), who is critical of the admin. sending troops without a vote in Congress: "Democracy may be enhanced in Haiti by this operation, but not in the United States. ... Tying the president's hands is what the Constitution is all about" (9/28). Clinton admin. officials "took pains" to assure Congress that U.S. Forces wouldn't get drawn into "an open-ended and increasingly dangerous mission" in Haiti (Fialka/Cooper, W.S. JOURNAL, 9/28).

===== POLL UPDATE =====

*25 CNN/USA TODAY/GALLUP: POWELL AS GOPer BEATS CLINTON 54-34%
 1,008 adults surveyed 9/23-25; margin of error +/- 3% (CNN release, 9/28).

(RVs ONLY)

'94 ELECTION NOW 9/6-7 8/94 6/94 11/93 9/92 9/90

Republican 47% 48% 43% 42% 44% 43% 41%

Democrat 45 46 47 50 49 55 49

WHICH PARTY? DEMS GOP

More likely to keep U.S. out of war 38% 42%

Will do better job keeping U.S. prosperous 38 48

COLIN POWELL NOW 9/93

Would like to see him run for office some day 60% 49%

Would not like to see him run for office some day 28 30

PRES. ELECTION '96 NOW 9/93

Colin Powell, as the Republican 54% 40%

Bill Clinton, as the Democrat 34 38

CLINTON TIME SPENT ON FOREIGN POLICY MATTERS NOW 6/94

Too much 26% 22%

Not enough 25 25

About right amount 44 46

CLINTON'S APPROACH TO USING MILITARY FORCE IN INT'L PROBLEMS

Too reluctant 13%

Too eager 29

About right 54

ARISTIDE NOW 9/16-18

Favorable 20% 12%

Unfavorable 33 27

WHEN U.S. TROOPS LEAVE HAITI, THE HAITIAN PEOPLE WILL BE ...

Better off 52%

Worse off 7

Not changed 39

JIMMY CARTER'S ROLE IN CLINTON ADMIN. SHOULD ...

Be more active 22%

Be less active 19
Remain the same 58

===== TV MONITOR =====

*26 THIS MORNING: ABC's "GMA" hosted British Foreign Minister Douglas Hurd. NBC's "Today" hosted U.S. Amb. to Haiti William Swing. "CBS This Morning" hosted Israeli Foreign Minister Shimon Peres and U.S. Amb. to Haiti William Swing.

LAST NIGHT: ABC, CBS and CNN led with Haiti. NBC and "MacNeil/Lehrer" led with the Clinton-Yeltsin summit. "M/L" focused on health care with Sen. Maj. Leader George Mitchell and Sen. Phil Gramm (R-TX). CNN's "Moneyline" hosted NEC Dir. Robert Rubin. CNN's "Crossfire" hosted DCCC Chair Vic Fazio (D-CA) and House GOP Conference Chair Dick Armey (R-TX). CNBC's "Equal Time" hosted Rep. Tom DeLay (R-TX). AMERICA'S TALKING's "In Depth" hosted NEWSWEEK's Howard Fineman and Rep. Dave Camp (R-MI). ABC's "Nightline" examined jury selection for O.J. Simpson.

TONIGHT: C-SPAN airs a one-hour AR gov. debate between Gov. Jim Guy Tucker (D) and Sheffield Nelson (R) at 8:00p (EDT).

LAUGHS: Jay Leno, on the U.S. getting out of Haiti: "Since we have so many soldiers down there, Clinton ought to declare the whole thing a military base, shut it down. The boys would be home in a day." Leno, on John Bobbitt's desire to get back together with ex-wife Lorena: "Actually part of him wants to go back, part of him doesn't" ("Tonight Show," NBC, 9/27).

TOP TEN SURPRISES IN THE DOLLY PARTON AUTOBIOGRAPHY

- 10) At birth, doctor thought he was delivering triplets.
 - 9) Once hitchhiked cross-country without ever lifting a thumb.
 - 8) Makes all of her own leather mini-skirts by trapping and skinning vermin.
 - 7) She was the inspiration for the huge overhanging balcony at the new Grand Ole Opry.
 - 6) Went on tour in early '70's with Dalai Lama in a show called, "A Couple of Dollys."
 - 5) She was designed by same guy who did New York's twin towers.
 - 4) Tom Arnold once asked to marry her because he wanted to get his own show on "The Nashville Network."
 - 3) In order to remain vertical, wears special counterweights on her back developed by NASA.
 - 2) One night got drunk and slept with the Oak Ridge Boys.
 - 1) Consulted on the Wonderbra project.
- ("Late Show," CBS, 9/27).

===== TV SOUNDBITE =====

"It is long on promises, but short on sound premises."

-- NBC's Tom Brokaw, on the House GOP's

"Contract with America," 9/27

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===== END ATTACHMENT I =====

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Dianna A. Pierce (PIERCE_D) (WHO)

CREATION DATE/TIME: 5-OCT-1994 14:58:12.55

SUBJECT: White House Wire Report

TO: FAX (9-647-5573,rebecca) (TLXA1MAIL_\F:9-647-5573\C:rebecca)
READ:NOT READ

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
12:30 p.m. edition
Wednesday, October 5, 1994
Produced by the Office of News Analysis (OEOB 161, 6-5694)

Index of wire stories:

Clinton seen revising health strategy to stress costs
(DJ)
Clinton may soon find himself fighting rear-guard action
against new Congress (KR)
Democrats agree to delay in key trade vote (AP)
House delays vote on GATT bill until Thursday (Reu)
GATT test vote planned in House tonight (BBN)
Foley says GATT is not in trouble (UPI)
Last GATT vote on tap in House (UPI)
GATT hearing to address controversial telecommunications
provision (UPI)
Bentsen: Saudi faces short-term credit problems (Reu)
Agricultural price support and subsidy reform to
dominate 1994 farm bill debate (AP)
U.S. House votes smoking ban on foreign flights (Reu)
Kassenbaum, Helms in tussle over school prayer (AP)
Rostenkowski attorneys press constitutional case (AP)
Supreme Court freedom of speech case
surrounds the distribution of child pornography (AP)
Mandela says he will meet with Aristide while in
Washington (AP)
Military leaders attend funeral for 10 killed in U.S.
firefight (AP)
1,000 Bangladeshi troops head to Haiti (UPI)
Second apparent suicide of U.S. military man reported
(AP)
Second U.S. soldier commits suicide (UPI)
Russian military official urges conventional arms
adjustments (UPI)
Belgrade celebrates easing of sanctions, but is border
shut? (AP)
U.N. food convoys reach Gorazde (Reu)

Benin president Soglo leaves for U.S., Canada (Reu)
Factory orders soar in August (AP)
August factory orders up 4.4 percent (UPI)

CNN (12 p.m.)
Live coverage of Simpson trial

Hourly News Summary
Around the World, Around the Clock...with United Press
International.

-0-

Swiss authorities say they don't know what may have prompted a possible mass suicide in two separate locations. The bodies of at least 40 people were discovered earlier today.

-0-

The Commerce Department says orders for U.S. manufactured goods made their largest climb in more than a year-and-a-half during August. Commerce says factory goods orders increased 4.4 percent.

-0-

The military regime is crumbling in Haiti. The police chief has left for the Dominican Republic and another leader has promised to lay down his arms.

-0-

House Democratic leaders say they will try in the face of stiff opposition to get the embattled GATT legislation to the floor for a vote this evening.

House Republicans vow they will try to delay action on the global trade pact by attempting to defeat a procedural motion and block the legislation from coming up for a vote.

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A federal judge has ordered California to close its gas chambers, declaring them to be cruel and unusual punishment.

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Joan Kennedy has put off a challenge to her 12-year-old divorce settlement with Massachusetts Democratic Senator Edward M. Kennedy. She won't bring it up again until after the November 8 election. Senator Kennedy is in the battle of his political life.

Although Joan Kennedy refused to explain her decision, she reportedly may have been promised a more generous settlement if she delayed the case until after the election.

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By Shirley Smith (UPI)

REPEAT: Clinton Seen Revising Health Strategy To Stress
Costs

By Carl Johnston

Dow Jones Staff Reporter

WASHINGTON -DJ- Like General MacArthur and Arnold Schwarzenegger, health care reform - though defeated for now - shall return, and President Clinton may begin hammering out a new strategy as early as December.

However, the White House will likely couch the debate in different terms next year - stressing the need to change health care delivery systems to avert disastrous federal budget deficits at the turn of the century as well as health costs generally.

In an interview this week, Chief of Staff Leon Panetta said a fresh strategy for passing health care reform will likely figure into the administration's planning for a fiscal 1996 budget.

The budget process has already begun with federal agencies making their final spending requests for the coming fiscal year. Word around the White House is that the requests already exceed spending caps set by the 1993 budget law by a substantial sum and will require major trimming.

Major decisions on new spending won't be made until spending outlines begin to hit President Clinton's desk in December - after the heat of mid-term elections has passed.

"By December, when we make the budget decisions, we will clearly decide what our health care strategy will be as part of that," said Panetta.

"But there's no question a proposal (on health care) should be tested based on whether or not it's going to control not only the cost of Medicare, but also health care costs in this country," Panetta added.

(MORE) DOW JONES NEWS 10-05-94

11:49 AM

Clinton - Health Strategy -2: Universal Coverage Still Goal

Panetta said the administration will likely keep the focus more on controlling costs and the need to control government spending. Medicare, the government program providing health services for people 65 and over, is the fastest growing segment of the budget and a big reason why the administration expects the federal deficit to balloon again around the turn of the century after narrowing in the early 1990s.

One of the big failures of the unsuccessful bid for health care reform in 1994 was "to not keep enough of the focus on the issue of health care costs and the need to control those costs," said Panetta.

"That issue seemed to be lost in the debate," he said.

But the focus on costs doesn't necessarily mean the administration will jettison President Clinton's call for universal coverage.

"Under any scenario, I think we still have to move toward universal coverage," said Panetta. "My view is we have a linkage between cost control and universal coverage."

However, universal coverage could be an overall goal, rather than the target of one specific bill, according to one possible strategy the administration might consider.

"Whether you do it (universal coverage) in the context of one bill, or you try to phase it in, I think those kinds of decisions... are going to be left to the strategy team (to decide) between now and December," Panetta said.

Losing the health care initiative this year might actually prove to be a good thing since citizens and government will be forced to focus on continuing problems in the health care system, according to Panetta.

"In losing the bill, we are getting greater attention to the consequences that are taking place now in health care in the absence of reform," said Panetta. "We're seeing problems continue in costs and the loss of health care coverage."

Those problems won't go away next year, and may not ever go away without government action.

On the other hand, an argument for health reform based on costs could fail if health cost gains remain restrained as they have for the past couple of years and the federal deficit appears to be tame.

Just today, for example, Treasury Secretary Lloyd Bentsen came up with a statement that seems to undercut the argument that budget savings are needed.

Bentsen, speaking in Saudi Arabia, said the net effect of the Clinton administration's efforts to trim the U.S. budget deficit will total nearly \$700 billion in deficit reduction instead of \$500 billion, as originally thought.

(END) DOW JONES NEWS 10-05-94

11:51 AM

BC-TICE op-ed:SP

Clinton soon may find himself fighting rear-guard action against new Congress

By D.J. Tice

Knight-Ridder Newspapers

Like all mid-term congressional elections, this fall's campaign is widely seen as a ``referendum on the president." As is customary, a decisive vote of no confidence is confidently anticipated. Bill Clinton has masterfully implemented the one, sure-fire strategy for a drop in presidential popularity.

That is, he got elected and has attempted to govern. That alone does the trick almost every time.

Yet there is a sense in which support for Clinton has proven remarkably stable. In the latest polls, 40 percent of Americans praise the job the president is doing. That

is not meaningfully different from the 43 percent of voters who elected him in the first place which in turn was suspiciously like Walter Mondale's 41 percent in 1984 and Michael Dukakis's 44 percent in 1988.

Clinton is merely back where he began supported by the core liberal, Democrat constituency and by almost nobody else. The distinctive fact of Clinton's presidency is that, despite a healthy economy, he has won over so few Americans mostly because he hasn't much tried to win anyone over.

One suspects that few Americans wholeheartedly believed Clinton's 1992 campaign claim of being a "new Democrat." Many who voted for him secretly hoped, and many who didn't openly feared, that he was just another big government liberal in a thin but stylish moderate disguise.

He's mostly proved the skeptics right. Beginning in the first months of his administration, Clinton forcefully delivered on those campaign promises that had appealed to the left (favoring a tax hike on the rich, gays in the military, a stimulus spending program, etc.), while reneging on the promises with which moderates had been wooed. The middle class tax cut vanished like a daydream, replaced with an abortive proposal for a middle class fuel-tax increase. Welfare reform was faked, with a half-hearted proposal half-heartedly advanced.

It is true that Clinton pressed hard for NAFTA, has seemed surprisingly enthused about "reinventing government" reforms and has made reasonable appointments to the Supreme Court. But he also spent the past year prescribing a health care reform proposal many Americans perceived as a sweeping and irreversible expansion of government.

So the sizeable majority of voters who didn't back Clinton to begin with must be forgiven for feeling that only congressional Republicans and conservative Democrats have stood between them and enactment of a boldly statist agenda. If, as expected, they now elect more such protectors, Clinton may spend the remainder of his term protecting the country against bad Republican ideas.

How bad are the Republicans' ideas? In purely political terms, they are quite ingenious. The "Contract With America" all GOP House candidates have signed confronts Democrats with the unappetizing prospect of running against

broad-based tax cuts, term limits, tough welfare reform, a balanced budget amendment, curbs on lawsuits, and sundry other proposals that are only slightly less popular than springtime and hot fudge sundaes.

So far Democrats have been reduced to sputtering that tax credits do nothing for people who don't pay any federal taxes, while warning that the Republicans' Contract is just "Reaganomics" revisited.

These retorts will doubtless win Democrats the votes of millions of Democrats. But in the battle for the hearts of

middle-class independents, are Republicans paralyzed with fright at being re-linked with Reagan? Or is it Democrats being linked with Clinton who feel like horse thieves being linked with a noose?

Now, make no mistake: Combining large tax cuts, increased military spending and a constitutional balanced budget amendment would be foolhardy. Its one virtue would be that it might make politicians feel better about term limits.

But the Contract is keep this quiet just politics, a statement of general principle. Voters understand Republicans don't mean everything

in their proposal, any more than candidate Clinton meant everything he said.

At all events, Republicans have relearned an essential, if cynical, principle: The key to political success is to let the other party do the governing. No doubt Republicans, should they gain effective control of Congress, will be counting on Clinton-induced "gridlock" to block the most dubious parts of the Contract. The results may be decent government and excellent Republican politics for years.

More seriously, a substantial victory for Republicans this fall would produce a rare and intriguing allocation of federal political power, unseen in this country for more than 40 years a liberal president checking the anti-government instincts of a mostly conservative Congress.

That might not be a bad partnership, given the central and unavoidable challenge ahead of controlling federal spending, especially on runaway entitlement programs, without too cruelly depriving those in need.

Meanwhile, one trusts that the president remembers he asked for this job.

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(Doug Tice is an editorial writer for the St. Paul Pioneer Press, 345 Cedar St., St. Paul, MN, 55101.)

PM-World Trade, 3rd Ld-Writethru, a0559,610
Democrats Agree to Delay in Key Trade Vote
EDs: INSERTS 1 graf after 6th graf, The 123-nation... to
UPDATE with Foley saying vote will be this week; picks up
7th graf, Democrats said...

By DAVE SKIDMORE= Associated Press Writer=
WASHINGTON (AP) Democratic leaders worked to salvage a huge global trade bill today, delaying a key vote and agreeing to Republican requests for a hurry-up hearing about a controversial provision buried in the huge legislation.

Plans for a late-morning vote in a key procedural motion were postponed at least until later in the day, and

Majority leader Richard Gephardt said the so-called GATT bill would likely not be voted on until Thursday at the earliest.

The delay would give time for a committee hearing on a provision that Republicans questioned. It would provide for a discount on federal licensing fees for three companies developing the next generation of wireless telephone systems.

Although the White House strongly supports the measure, Democrats need Republican votes to win its approval. And late Tuesday, GOP Whip Newt Gingrich wrote House Speaker Thomas Foley calling for hearings before the measure came to a vote.

``Since the Senate will not vote on GATT until early December, there is no excuse for risking defeat by rushing a vote," Gingrich wrote.

The 123-nation GATT agreement would cut worldwide tariffs by about \$740 billion, reduce other barriers to trade and extend the rules of world trade to services and intellectual property such as computer programs and drug patents.

``The GATT legislation will be enacted (in the House) this week," Foley predicted to reporters. ``We're not retreating on GATT in any way."

Democrats said they were confident the measure would ultimately win approval. But they feared losing a procedural vote that was essential for the bill's passage, particularly with the GATT accord having become caught up in an election-year struggle that has dominated the final weeks of the congressional session.

Many Republicans want to deny President Clinton a victory before the Nov. 8 midterm elections. And some House Democrats, pressured by unions opposed to GATT, also want to put off the vote.

In his letter, Gingrich noted that the Senate will consider GATT at a lame duck session.

``Nothing is lost by taking our time and doing it right," he wrote Foley in a letter signed, ``Your Friend."

The administration says GATT would create thousands of jobs in the United States but concedes some industries, such as textile manufacturing, will suffer.

A vote on the debating procedures for the GATT bill promised to be the crucial first test. A `no' vote almost certainly would force the House to return in November or December.

Both supporters and opponents said the House procedural vote would be close. Majority Whip David Bonior, D-Mich., who opposes the GATT accord, said he expected Republicans to provide only 40 to 50 of the 218 votes needed.

The issue that drew Gingrich's attention was designed to clarify the FCC's ability to levy a licensing fee on three companies: American Personal Communications, which

is 70 percent owned by the Washington Post Co.; Cox Enterprises Inc. and Omnipoint Corp. Other companies, beginning in December, will have to bid for these licenses.

However, Rep. John Dingell, D-Mich., chairman of the Energy and Commerce Committee, said under the GATT bill the companies would pay \$534 million. Without the provision, the federal government risks an adverse court ruling that would mean the companies would get the licenses free, he said.

Senior administration officials said the broadcast licensing provisions had been thoroughly considered by both Democratic and Republican lawmakers advising the administration on the GATT bill.

"Wouldn't you think last-minute outrage was rather suspect?" Commerce Secretary Ron Brown asked reporters.

BC-TRADE-GATT-USA 1STLD (SCHEDULED)

House delays vote on GATT bill until Thursday

By Sue Kirchhoff

WASHINGTON, Oct 5 (Reuter) - House of Representatives Democratic leaders postponed a final vote on a sweeping GATT trade treaty until Thursday, but vowed to proceed with a make-or-break procedural vote on the measure.

"We're going forward later (Wednesday)" with the rule, House Majority Leader Richard Gephardt of Missouri told reporters after a closed-door meeting of House Democrats. He said lawmakers would probably vote on the GATT bill Thursday.

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? House Republicans, led by Newt Gingrich of Georgia, have vowed to vote against the rule setting out procedures for debate on the GATT bill. Defeat of the rule would kill chances for voting on GATT before Congress's scheduled October 7 recess.

"We'll win on the rule and we'll overwhelmingly win on the bill," said acting House Ways and Means Committee Chairman Sam Gibbons of Florida.

In an effort to further reassure nervous lawmakers, the House Energy and Commerce committee later Wednesday will hold a hearing on the so-called "pioneer preference" provisions of the GATT implementing legislation, which have been attacked by consumer groups and Republicans.

In a Tuesday letter to House Speaker Thomas Foley, Gingrich asked for hearings, calling the pioneer preference "a controversial, little understood provision that threatens to bring down the (GATT) agreement."

Tucked away in the massive GATT bill is a provision that would require The Washington Post Co, Cox Enterprises

and Omnipoint Communications to pay 85 percent of the cost of special federal licenses to provide state-of-the-art

telecommunications services.

GATT opponents say the provision would result in a government-provided windfall of up to \$2 billion for the companies.

But Democrats said the companies would have received the licenses free under Bush administration rules, and claimed that the provision would raise over \$400 million for the government.

"Some scabby people are opposed to it for their own corrupt reasons and the taxpayers will lose \$500 million," said a clearly angry John Dingell, chair of the House Energy and Commerce Committee Chairman, which regulates communications.

Dingell also accused opponents of "scummy" behaviour.

The General Agreement on Tariffs and Trade pact would effectively rewrite the rules of world commerce. Its approval by member governments last December was hailed as a major economic breakthrough. The Clinton administration estimates that the agreement would reduce worldwide tariffs by \$750 billion.

The House was expected to approve the measure easily, but a last-minute combination of Republican jitters and opposition by nearly 90 House Democrats has clouded its prospects.

Due to delaying tactics by South Carolina Senator Ernest Hollings, Senate leaders have been forced to call a special two-day session in late November solely to vote on GATT.

Many House lawmakers have complained that they do not want to be forced to vote on the GATT legislation -- which is supported by business but opposed by some labour, environmental and consumer groups -- so close to the November elections, especially if the Senate is taking a pass.

REUTER

BC-GATT-Test-Vote-Planned-in-House
GATT Test Vote Planned in House Tonight, Democrats Say
(Update1)

(Updating with White House reaction; Foley and Washington Post comments)

Washington, Oct. 5 (Bloomberg) -- House Democratic leaders, after a careful count of their support, decided to go ahead with a test vote later today on the new trade agreement that is designed to lower trade barriers worldwide.

Democrats predicted that they would prevail on today's vote to formally bring the trade bill to the floor. However, they said a vote on the White House-backed accord

under the General Agreement on Tariffs and Trade itself may be delayed until tomorrow. Senate action on the bill already has been postponed until a rare lame-duck session

on Dec. 1.

As he prepared for the GATT vote, House Speaker Tom Foley (D-Wash.) said he wasn't concerned about fluctuations in financial markets based on varying reports about the fate of the bill.

"I'm committed to passing GATT," Foley said. "But if you tell me

I have to do it by some time (for the markets), that's too bad. It's going to become law. Those who don't think so are betting a bad bet."

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President Clinton, who considers the trade agreement his biggest policy aim still before Congress, hasn't started any extraordinary efforts on behalf of the bill, his spokeswoman Dee Dee Myers said today. "There's no organized effort to call people," she said.

Still, White House Chief of Staff Leon Panetta urged a meeting of business leaders this morning to contact their members of Congress. Later, Panetta himself headed off to Capitol Hill to woo lawmakers.

Democrats were scurrying today to prepare for a hearing at 12:30 p.m. EDT today aimed at placating Republican concerns about a revenue measure in the 1,000-page bill which puts into place trade law changes from the Uruguay Round accord negotiated under the auspices of the General Agreement on Tariffs and Trade.

Gingrich Raises Issue

House minority whip Newt Gingrich raised the issue yesterday when he said several lawmakers object to a revenue measure attached to the bill that could be viewed as a gift to two of the nation's largest media companies, the Washington Post Co. and Cox Enterprises Inc.

American Personal Communications, which is 70% owned by the Post, and Cox were two of three companies originally given free wireless telephone licenses by the Federal Communications Commission under what is known as the pioneer preference program. The third company is Omnipoint Communications Corp. The FCC later changed its policy and told the companies they would need to pay for the licenses, at a cost that could exceed \$1 billion.

The GATT bill, which can't be amended under a fast-track procedure, sought to overrule the FCC order by setting the price closer to \$400 million for the wireless licenses -- giving what competitors complain would be a big price break to the Post and Cox. It ended up in the GATT bill because the Clinton administration was scrambling to find revenue to offset the expected \$12 billion loss in government revenues from lower trade tariffs.

In an editorial today, The Washington Post defended its position, saying the company was getting no break. The

Post said the license originally applied for was supposed to be free but now was costing the company \$400 million.

Republican Support Crucial

For his part, Gingrich said he favors the GATT bill. But he said many Republicans want more time to study it to see if there are other matters like the wireless measure. Republican support is viewed as crucial for passage of the test vote and the GATT bill itself.

House Ways and Means Committee Chairman Sam Gibbons (D-Fla.) said after a closed-door Democratic strategy meeting that his party believes it has the votes to prevail. "We will win on (the procedural vote to bring the GATT bill to the floor) and we will win overwhelmingly on the bill" implementing the accord, he said.

"We've been working on the bill and will continue to do that and we feel good about it," said House Democratic Leader Richard Gephardt of Missouri.

Chief of Staff Panetta told reporters yesterday that the White House believes it has 60 Republican votes and 170 Democratic votes in the House in support of the trade legislation.

When asked why GATT had suddenly become such a tough fight when it appeared passable six months ago, Panetta said, "It's gotten caught up in the general shooting back and forth that has gone on in these last weeks of this Congress. No matter how non-controversial the issue might appear to be, suddenly these issues become controversial in the last weeks of the session." --Tom Ferraro on Capitol Hill (202) 434-1897, with Dina Temple-Raston at the White House (202) 434-1884. /ch/daw/ba

(Story illustration: To graph the U.S.-Japan trade balance see JNTBUS (Index) GP. For more information on GATT, NI GATT; on Congress; NI CNG; on trade; NI TRD. For more on the Washington Post: WPO Equity> CN; on Cox: 1026Z Equity> CN.)

11:16 -0- (BBN) Oct/05/94 11:18 EOS (BBN) Oct/05/94 11:18 86

(UPI Spotlight)

Foley says GATT not in trouble

WASHINGTON, Oct. 5 (UPI) House Speaker Thomas Foley, refusing to set a definite timetable for considering the GATT trade bill, says (Wednesday) the legislation will pass the House this week. Asked if the leadership's decision to delay a vote on the bill until later Wednesday evening meant the legislation is in danger of defeat, Foley responded, "Absolutely not."

(UPI Spotlight)

Late GATT vote on tap in House

WASHINGTON, Oct. 5 (UPI) House Democratic leaders say they will try in the face of stiff opposition to get the

embattled GATT legislation to the floor for a vote (Wednesday evening). House Republicans vow they will try to delay action on the global trade pact by attempting to defeat a procedural motion and block the legislation from coming up for a vote.

(UPI Spotlight)

Hearing to air pioneer preference issue

WASHINGTON, Oct. 5 (UPI) House Democratic leaders, hoping to attract more Republican support for the GATT trade legislation, have scheduled a hearing (Wednesday) to address GOP concerns about a controversial telecommunications provision. Republican support for the global trade pact has eroded because of the provision, which would give discounts to three media giants for their licenses to deliver new mobile phone service.

BC-SAUDI-BENTSEN

Saudi faces short-term credit problems - Bentsen

By Rich Miller

JEDDAH, Oct 5 (Reuter) - Saudi Arabia is starting to have some problems paying its debts but its underlying creditworthiness is sound thanks to its huge oil reserves, U.S. Treasury Secretary Lloyd Bentsen said on Wednesday.

``They've begun to have credit problems insofar as meeting maturities on some indebtedness," Bentsen told reporters prior to a meeting with King Fahd. ``It's obvious they have to do more tightening of the budget."

After building an enormously wealthy economy, the world's largest oil exporter is facing a cash crunch brought on by weak oil prices and \$55 billion in payments to help finance the 1990-91 Gulf War.

The government has borrowed around \$70-\$80 billion in debt, almost all of it domestic, according to one local financial source.

Riyadh earlier this year negotiated delays in payments and delivery of some U.S. military equipment including

fighter planes and tanks.

The country, which will pay the U.S. government \$3.3 billion this year under those contracts, faces a payments bulge of some \$8 billion over the next two years on those deals.

The kingdom, though, is up-to-date on payments on a \$4.5 billion loan it arranged from international banks in 1991.

Bentsen, who arrived on Wednesday for a two-day visit, made clear that Riyadh's problems were only temporary and were similar to those faced by the United States before

the Clinton administration took action to reduce the U.S. budget deficit.

``They have short-term problems," he said. ``But the enormous oil reserves they have show the ultimate soundness of their indebtedness."

In a speech to Saudi business and government leaders, Bentsen urged Riyadh to modernise its economy by tightening its budget belt, opening up its markets, and giving private companies a bigger role.

Saudi Arabia has targeted a nearly 20 percent cut for this year. Bentsen, who met Finance Minister Mohammad Ali Abal-Khail and Oil Minister Hisham Nazer on Wednesday, praised that action.

But he said he planned to tell King Fahd that the country needed to go further.

``I am looking forward to seeing the king...and I intend to tell him how impressed I am with his economic programme," Bentsen said. ``I will encourage him to continue on this course and take additional actions to shrink the fiscal deficit."

That means more spending cuts, elimination of subsidies and privatisation of state-owned companies, Bentsen said.

He welcomed Saudi Arabia's plan to join the GATT world trade body and urged it to accept the stricter standards of the World Trade Organisation that is due to start up next year.

Besides calling on Saudi Arabia to tighten its budget belt and open its markets, Bentsen also made a pitch for U.S. industry in his meetings with Abal-Khail and Nazer.

Saudia, the state-run airline company, has said it plans to order new planes from Boeing and McDonnell Douglas but has so far given few details.

Bentsen said he encouraged Saudi officials to finalise that deal, which has an estimated value of up to \$7 billion.

REUTER

BC-KS-PAN--Farm Bill, Adv08-09,0750

For Release Weekend Editions, Oct. 8-9, and Thereafter.

AP KANSAS PANORAMA

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) Pressure for changes in the nation's agriculture price support and subsidy programs likely will dominate congressional debate on the 1995 farm bill, according to a new report.

The programs, which cost an estimated \$12 billion during 1994, are easy targets for lawmakers looking for ways to trim the federal budget and reduce the deficit.

``Critics are asking why the non-farm community should transfer an average of \$11.4 billion per year over the past 10 years in commodity support to farmers, and then only to those producing a few selected commodities,"

Jasper Womach, a Congressional Research Service agriculture specialist, wrote in an analysis of the farm bill.

Other big questions for the next farm bill is which sectors should benefit most from federal programs, the impact of new global trade treaties and whether environmental concerns will become a bigger factor.

There already have been reductions in direct payments and export subsidies for some commodities: Congress appropriated no money this year for honey, and wool and mohair programs are scheduled to expire at the end of 1995.

But there still are support programs for corn, sorghum, barley, oats, wheat, rice, cotton, tobacco, milk, oilseeds, peanuts, sugar cane and beets. Those programs take up 19 percent of the Department of Agriculture's budget and just 1 percent of total federal expenditures, according to the CRS report.

When most of the programs began during the Depression, farm household income was less than half the national average. Farmers often lacked electricity and indoor plumbing, and had poor roads to travel for services in town.

Now, farms are more modern, roads are excellent and farm income generally exceeds the national average, the CRS report found. In fact, 45 percent of today's farm operators say agriculture isn't their primary occupation.

“Today, it is the rural communities that appear to be providing jobs and income to many farm households, not vice versa,” Womach wrote.

Attempts to change farm programs likely will center on freezing yields and cutting acreage base on which payments are made, or by eliminating benefits for farmers whose non-agriculture income exceeds a certain level.

Such changes usually have minimal impact on the federal budget, the report found, because farmers can reorganize their ownership of land or make tenant arrangements to qualify for higher payments anyway.

On the global trade front, the report had a favorable agricultural forecast for the North American Free Trade Agreement and the General Agreement on Tariffs and Trade. And U.S. subsidies already conform to many international guidelines established by the treaties.

But the United States likely will have to make changes in programs where farmers are protected via controls on imports of peanuts, tobacco, sugar and dairy products. The treaties eventually will force an end to import quotas in favor of tariffs on those imported commodities, which then must be reduced over time.

The report said pressure also will be brought to change programs that allow cotton and grain growers to idle some acreage, which reduces supplies and raises market prices. Some critics believe this raises production costs and encourages foreign production, thereby hurting U.S.

competitive advantages

Export subsidies also will be scrutinized because GATT mandates that they be reduced worldwide.

“In a free trade environment, domestic packers and processors can simply turn to foreign suppliers when export subsidies move domestic supplies overseas and raise U.S. prices above world levels,” Womach noted.

The biggest environmental issue in the 1995 farm bill is the future of the Conservation Reserve Program, in which 36 million acres of highly erodible land are idled in return for payments of about \$50 per year for each acre. The total cost is about \$1.8 billion.

If budget reductions trigger lower commodity payments, some farmers will opt to put more land in production, the report said. Environmentalists are concerned that could mean more land erosion and loss of habitat for wildlife nationwide.

Two ideas to cut pollution from farming is to finance “green payments” to operators who divert land from environmentally damaging uses or to allow tax credits to farmers who adopt environmental plans for their land.

One other topic likely to be debated, Womach said, is whether to combine all the money used in current price support, crop insurance and disaster payments into a “farm revenue insurance” program. This simply would ensure a constant stream of income for every farmer, even if prices dropped sharply or a natural disaster wiped out crops.

The down side is a potentially high cost and the possibility that the government might have to make participation mandatory in order for it to succeed.

BC-USA-SMOKING

U.S. House votes smoking ban on foreign flights

WASHINGTON, Oct 5 (Reuter) - The House of Representatives has voted to ban smoking on all international flights to and from the United States but the measure may die in the Senate.

The House passed a bill Tuesday night to ban smoking

on the final leg of flights to the United States and the first leg of flights from the country by both foreign and U.S. airlines. Smoking was banned four years ago on all U.S. domestic flights except those that were six hours or longer.

The House bill would also extend the smoking ban to those flights. The bill now goes to the Senate but an aide said no action was expected this year.

The House and Senate are expected to recess this week or early next week for the November 8 elections, but the Senate will return in late November to vote on ratification of the General Agreement on Tariffs and Trade treaty.

REUTER

PM-KS--School Prayer, 1st Ld-Writethru,0400
Kassebaum, Helms in Tussle Over School Prayer
Eds: SUBS grafts 1-2 to UPDATE with Senate vote to end
debate. Picks up 3rd graf pvs, 'Helms ...'

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) A Senate vote today settled a
disagreement between Sens. Nancy Kassebaum and Jesse Helms
over how far Congress should go to protect voluntary
prayer in public schools.

The Senate voted 75-24 to force final action on an
education funding bill containing a school prayer
amendment introduced by Kassebaum, R-Kan. At least 60
votes were needed to cut off debate. The overall bill was
expected to pass later today.

Helms, R-N.C., has held up the measure for weeks in an
attempt to build support for his version of the school
prayer amendment, which would cut off federal funds to any
district that prevents voluntary, "constitutionally
protected" prayer.

Kassebaum's language also would cut off federal funds,
but only if the school district were found to willfully
have violated a court order requiring it to permit prayer
in schools.

"The courts will ensure that protected prayer is
permitted in our schools," she said. "If school
administrators willfully violate a student's
constitutional rights, they should be punished."

In 1962, the Supreme Court ruled religious activities
sponsored by public schools are unconstitutional. But
federal courts have issued conflicting rulings about
prayers at graduation ceremonies, leading to uncertainty
over the issue.

It is this very confusion that led Helms to propose his
amendment. During floor debate this summer, Helms said he
wanted Congress to provide clear direction to school
administrators about what was allowed.

"This amendment will tell them, 'you better not
prevent individuals from praying without studying the law,
not popular myths, about what is and is not
constitutional,'" he said.

But Kassebaum said that was an "unfair and
unreasonable" burden for administrators not trained in
interpretation of court orders.

"It is unreasonable to expect our school teachers and
administrators to be constitutional scholars," Kassebaum
said.

In addition, she said a funds cutoff would hit poorest
school districts the hardest and could lead administrators
to allow all prayer out of fear they might lose money.

In late July, the Senate approved Kassebaum's amendment
by a 93-7 vote, shortly after it rejected Helms' by a

53-47 vote. The House also decided to accept Kassebaum's language in a conference committee, but Helms has used parliamentary maneuvers to prevent a final vote in the Senate.

PM-Rostenkowski, 1st Ld-Writethru, a0439,560
Rostenkowski Attorneys Press Constitutional Case
EDS: Leads with 6 grafs to update with hearing; picks up
2nd graf pvs, The defense

By TOM STRONG= Associated Press Writer=
WASHINGTON (AP) Rep. Dan Rostenkowski's lawyers asked a federal judge today to dismiss political corruption charges against the congressman, arguing the government cannot police violation of internal House rules.

"We're not saying that congressmen are immune from prosecution," said Dan Webb, chief lawyer for the influential Chicago Democrat. But the federal government lacks authority to press charges in this case, he said.

Congress has criminalized rule violations such as bribery and receipt of illegal campaign contributions, but not those cited by the government against Rostenkowski, he told U.S. District Judge Norma Holloway Johnson.

"The rules they plead are rules that have never been incorporated by Congress into any criminal statute," Webb said.

Webb said the "rulemaking" clause of the Constitution allows the House and Senate to handle violations of their own rules.

Prosecutors were to make their case later this morning.

The defense argument that only the House can discipline a member for violating its rules could lead to lengthy federal appeals, perhaps to the Supreme Court, and could delay the trial for more than a year.

"It would be a minimum of months and a maximum of several years," Tom Buchanan, one of Rostenkowski's lawyers, said Tuesday. "It depends on how fast it moves."

Rostenkowski was indicted on 17 felony counts May 31. He is charged with converting \$636,600 in federal funds and \$56,267 in campaign funds to his personal use.

He has pleaded innocent and denied wrongdoing, but under House rules, he was forced to step aside as chairman of the Ways and Means Committee until the case is resolved.

Legal observers did not expect any surprises from arguments already made in court papers.

"The only thing that may come out new would be a new way of packaging an old position, a clever analogy, a nice twist," said E. Lawrence Barcella Jr., a Washington lawyer and former federal prosecutor.

Constitutional arguments relying on the rulemaking clause have had little recent success in criminal cases

against members of Congress. But Webb said in legal motions: "No previous charges ever brought against any member of the United States Congress have ever gone so far in violating the separation of powers doctrine."

In response, the government contended the constitutional provisions and internal rules of Congress "simply have nothing to say about common thievery. Certainly, none creates the virtual license to steal that the congressman has imagined for himself."

The indictment accused the lawmaker of hiring ghost employees, using his official account to buy personal gifts from the House Stationery Store, trading stamps for personal cash at the House Post Office and converting official vehicles to personal use.

The lengthy pretrial appeals are available because Rostenkowski is claiming protection under the Constitution's "speech or debate" clause. That prevents members of Congress from being "questioned" for their actions in a congressional speech or debate.

PM-Scotus-Kid Porn, 1st Ld-Writethru,610
Freedom of Speech Case Features Films by 15-Year-Old Porn
Star

EDs: LEADS with 11 grafs to UPDATE with arguments; picks up 7th graf pvs, bgng: That revelation ...

By LAURIE ASSEO= Associated Press Writer=
WASHINGTON (AP) In a case involving the movies of former porn queen Traci Lords, the Clinton administration urged the Supreme Court today to reinstate a federal law against distributing child pornography.

The law meets the Constitution's free-speech standards by requiring prosecutors to prove a defendant knew the pornographic material involved a sexual depiction of a child, Solicitor General Drew S. Days III told the court.

But the lawyer for Rubin Gottesman, a Los Angeles porn shop owner convicted of selling pornographic movies Lords

made at age 15, argued that the law did not require proof Gottesman knew Lords was underage. Lords is a native of Steubenville, Ohio.

"At the very least a person ought to know that he's committing a crime," said Gottesman's attorney, Stanley Fleishman.

Fleishman urged the justices to uphold a lower court ruling that said the law was unconstitutional and threw out Gottesman's conviction.

"This is a peculiar statute," mused Justice Sandra Day O'Connor. The Supreme Court clerk might violate the law if he received a copy of a Traci Lords movie as part of the case record, O'Connor said, and the justices might violate the law if they watched it.

Justice Antonin Scalia appeared sympathetic to Fleishman's argument that Congress did a sloppy job of

writing the child pornography law.

``We have always said we will not distort a statute from its meaning in order to uphold its constitutionality," Scalia said.

But Days said that although the law could be considered unclear, it did not specifically exclude the knowledge requirement. He said such a requirement usually is presumed to be part of a criminal law even if it is not spelled out.

Justice David H. Souter noted that the law ``would be a waste of ink" if Congress meant to exclude its main point the knowing distribution of child pornography.

The justices are expected to rule by July.

Gottesman, owner of X-Citement Video, was convicted of selling more than 100 Traci Lords videotapes to an undercover Los Angeles policeman in 1986 and 1987. Gottesman was sentenced to a year in prison and his company was fined \$100,000.

Lords already was a well-known porn star when it was discovered in 1986 that she had made many of her sex films when she was only 15.

That revelation led many video distributors to pull her movies from their shelves for fear of child-pornography prosecutions. The Adult Film and Video Association estimated the damage to its industry in the millions of dollars.

In 1982, the Supreme Court created a new exception to free-speech rights when it ruled the government can ban the sale and distribution of child pornography even if it is not legally obscene.

But the 9th U.S. Circuit Court of Appeals overturned Gottesman's conviction in 1992. The appeals court said the federal ban on distributing child pornography violates the Constitution because it doesn't require proof that a defendant knew that at least one of the performers was underage.

The law at issue makes it a crime for anyone to

``knowingly" transport or ship child pornography. The appeals court said the word ``knowingly" refers only to transporting or shipping but does not require knowledge that the material shows minors engaging in sexual activity.

Justice Department lawyers said in court papers that the 9th Circuit court's ruling did not reflect Congress' intent when it passed the child pornography law. The court should have interpreted the law in a way that would have made it constitutional, government lawyers said.

The case is U.S. vs. X-Citement Video, 93-723.

PM-Mandela-Aristide, 1st Ld-Writethru, a0537,290
Mandela Says He Will Meet with Aristide While in
Washington

EDS: SUBS 4th graf pvs, The meeting, with 2 graf to

update with meeting unlikely today; picks up 5th graf pvs,
Mandela also

By RITA BEAMISH= Associated Press Writer=

WASHINGTON (AP) South African President Nelson Mandela said today he intended to meet with Haiti's exiled President Jean-Bertrand Aristide while in Washington.

"I'm looking forward to seeing the president," Mandela said during a photo session before a breakfast meeting with Vice President Gore and several other members of President Clinton's Cabinet.

U.S. officials, who have staked the Clinton administration's prestige on restoring Aristide to power, had encouraged the meeting in light of the similar challenges faced by Aristide and Mandela to reconcile polarized societies.

Mandela's success so far in bridging the racial and class divides of his homeland to create a new democracy "would be an important message for President Aristide as he faces the challenge that he has ahead of him," one U.S. official told reporters.

Aides were working to fit the meeting into Mandela's tight schedule. The meeting was unlikely to occur before Thursday, an official said. Aristide was returning to Washington from New York where he had addressed the United Nations General Assembly on Tuesday evening.

Mandela also said this morning that his mission in search of U.S. investment dollars to rebuild South Africa's economy has gone well this week.

"The response has been very positive" in sessions he has held with U.S. business executives, Mandela said.

Mandela, after a stop in New York, is in Washington until Saturday for talks aimed largely at winning investor confidence and U.S. support to provide housing, electrification, educational parity and other pressing needs of the black majority population.

Mandela today described Clinton as "a man who is very sensitive to the needs of others."

PM-Haiti, 3rd Ld-Writethru, a0541,0877

Military Leaders Attend Funeral for 10 Killed in U.S. Firefight

Eds: LEADS with eight graf to UPDATE with Haitian leaders attend funeral for 10 killed in U.S. firefight. Picks up 7th pvs, 'Francois, Cedras...'

With PM-Haiti-Mood, PM-UN-Haiti, PM-Haiti-Glance
By ANDREW SELSKY= Associated Press Writer=

PORT-AU-PRINCE, Haiti (AP) Haiti's military leaders made a public appearance today to attend the funeral of 10 people killed by U.S. Marines in a firefight, the first casualties of the American intervention in Haiti.

Lt. Gen. Raoul Cedras, the army commander, and Brig. Gen. Philippe Biamby stood near the flag-draped coffins in

the courtyard of a military hospital as relatives of the dead wailed in grief. The 10 were killed in a Sept. 24 shootout with U.S. Marines in Cap-Haitien, Haiti's second-largest city.

Missing of the three coup leaders who ousted elected President Jean-Bertrand Aristide in 1991 was Port-au-Prince police chief Michel Francois. He fled before daybreak Tuesday to the neighboring Dominican Republic.

No Americans soldiers were at today's funeral. U.S. troops were busy patrolling the streets of the Haitian capital in search of "attaches," civilian auxiliary gunmen linked to Haiti's army.

As American helicopter gunships circled overhead, U.S. Special Forces troops raided the Port-au-Prince suburb of Petionville, looking for weapons and an attache who residents said was responsible for several murders.

The latest U.S. military figures say 95 people, many of them attaches, have been detained and more than 4,000 weapons seized, a military spokesman, Air Force Sgt. David Smith, said today.

Soldiers have worked with Haitians in recent days to identify the homes of suspected army auxiliaries who instilled fear with their harsh crackdown against Aristide supporters.

The hasty departure of Francois, whose attaches were responsible for most of the human rights abuses here, eliminates one of the leaders who might have been an obstacle to the return of Aristide.

Francois, Cedras and Biamby were to leave power under a last-minute agreement negotiated with former President Carter. Cedras, the most visible of the Haitian military leaders, has vowed not to leave the country.

Aristide supporters applauded Francois' departure, and urged the other coup leaders to do the same.

"It is an important step toward the re-establishment of democracy and peace. ... The others (Cedras and Biamby) should follow his example," Port-au-Prince Mayor Evans Paul, an Aristide supporter, said Tuesday.

The U.S. agreement with the Haitian military averted an invasion but paved the way for the arrival of 20,000 U.S. troops to ensure the return of Aristide, Haiti's first democratically elected president.

Aristide told the U.N. General Assembly in a speech Tuesday that he would return home by Oct. 15.

The Roman Catholic priest, who has been living in exile in Washington, said he hoped to bring peace to the nation.

"We say yes to reconciliation, no to violence, no to vengeance ... yes to justice," Aristide said.

In what could be another promising sign for Haiti, a feared paramilitary leader Tuesday claimed a conversion to pacifism.

Emmanuel Constant, leader of the paramilitary group the

Front for the Advancement and Progress of Haiti, which has tortured and killed pro-democracy activists, urged Haitians ``on every side" to put down their weapons and renounce violence.

But Constant's sincerity was in doubt: FRAPH is considered responsible for much of the terror waged in Haiti over the past year. And violence on Tuesday showed Aristide's peaceful resumption of power is far from assured.

U.S. troops found themselves in the delicate position of protecting Constant, one of Haiti's most notorious figures, as he addressed reporters outside the presidential palace.

Constant just days ago was one of Aristide's and Washington's most despised enemies.

``No more violence," Constant said. ``The future of our beloved republic is at stake."

It was more than Ira Kurzban, Aristide's Washington-based lawyer, could stand.

``Constant led and directed murder and terrorism in this country," Kurzban said disgustedly. ``He should be arrested and tried."

The 2,000 Haitian onlookers occasionally drowned out Constant's words with cries of ``Murderer! Murderer!" and shouts to American troops protecting him to throw him in jail.

On Monday, U.S. troops stormed the FRAPH headquarters in downtown Port-au-Prince and detained more than two dozen members.

But with thousands of weapons still reportedly in the hands of FRAPH members and other extremists and some Haitians thirsting for revenge, the potential for violence remains high.

U.S. soldiers rescued a man identified as a gunman linked to Haiti's military from a crowd that beat him

bloody on Tuesday.

Francois' departure may help defuse some tensions in the capital. He left after his brother Evans, already living in the Dominican Republic, wrote an open letter urging him to join his family in Santo Domingo.

Francois left behind a resignation letter defending his actions and crossed the Haiti-Dominican border in a four-wheel-drive vehicle.

After arriving at his brother's luxurious home in the Dominican capital, Francois stepped out of his jeep in a white tropical dress shirt and slacks.

He looked relaxed but refused to talk to reporters. ``Soldiers don't talk, only politicians," he said in a statement issued through his brother.

Bangladeshi troops head to Haiti

DHAKA, Oct. 5 (UPI) More than 1,000 Bangladeshi army troops and policemen headed Wednesday for trouble-torn Haiti to join U.S.-led Operation Uphold Democracy.

The troops and their equipment left Dhaka for the Caribbean nation aboard three U.S. Air Force C-141 Starlifters and one C-5 Galaxy transport planes.

The departure of the 1,150 troops was originally scheduled for Tuesday but had to be postponed because of bad weather over Guam and Hawaii.

Officials said the aircrafts have to take the long route over the Pacific because India, that does not support the military intervention in Haiti, refused to give overflight rights.

The deployment to Haiti brings the number of Bangladeshi troops currently abroad on U.N. peacekeeping duties to 4,950, an army official said.

Bangladeshi troops are currently deployed in Rwanda, Liberia, western Sahara, Bosnia-Herzegovina, Kuwait, Somalia, Mozambique, Georgia and Uganda.

PM-Haiti-Suicide,220

Second Apparent Suicide of U.S. Military Man Reported

WASHINGTON (AP) A Marine deployed on a mission to Haiti on board the USS Nashville apparently committed suicide during the night, a Pentagon official said today.

The official said the individual was killed by a gunshot wound and was found in the ship's berthing area.

If the cause of death is confirmed, it would be the second individual with the U.S. military to have committed

suicide during the ongoing military operation in Haiti.

No name or unit was immediately available, said the official, who spoke on condition of anonymity.

Some 1,800 Marines left northern Haiti on Monday aboard the amphibious ships USS Wasp and Nashville, bound for the United States.

However, the official said it could not be confirmed whether the Marine had actually gone ashore with those forces.

The Nashville is currently in port in Puerto Rico and the shooting is being investigated, the official said.

Spc. Alejandro Robles of Los Angeles died Sept. 27 of an apparent self-inflicted gunshot wound in Haiti. He was assigned to the 10th Mountain Division based in Fort Drum, N.Y.

The death occurred at Villa d'Accueil, Haiti's state guest house that American soldiers were preparing to house Haitian parliament members.

Second U.S. soldier commits suicide

WASHINGTON, Oct. 5 (UPI) One of the 1,300 U.S. Marines

pulled out of Cap-Haitien this week died of an apparent suicide early Wednesday, the second suicide among the troops sent to Haiti, a Pentagon spokesman said Wednesday.

The Marine was on standby alert aboard the USS Nashville in Puerto Rico when he died Wednesday morning sometime before 1:30 a.m. EDT of what apparently was a self-inflicted gunshot wound.

Details, such as the name and home city of the Marine, are being withheld by the Pentagon upon notification of next of kin.

The 1,300 Marines were part of the initial wave of U.S. troops sent to Haiti to oversee the ouster of the military junta and maintain order for the return in mid-October of the exiled Haitian president. The Marines were sent to a U.S. military port off the coast of Puerto Rico this week, where they remain in a ready reserve position to assist with possible flare-ups in Haiti.

On Sept. 27, a Fort Drum, N.Y., soldier died of an apparent suicide while on duty in Port-au-Prince. Army Spec. Alejandro Robles, 20, of Los Angeles, was said to be despondent over a troubled marriage when he turned his weapon on himself near the Villa D'Accueil, Haiti's state guest house that was being readied by soldiers to house members of Haiti's parliament.

(UPI Spotlight)

Russian urges conventional arms adjustments

MOSCOW, Oct. 5 (UPI) A top Russian military official warns (Wednesday) that a European defense pact will soon leave Russia with dangerous weak spots on its borders with new nations in the Baltic and Caucasus regions. First Deputy Defense Minister Mikhail Kolesnikov says Moscow will have to "exceed the levels" of tanks and other materiel set by the Conventional Forces in Europe treaty unless the 1990 agreement is revised.

PM-Yugoslavia, 1st Ld-Writethru, a0530,0551

Belgrade Celebrates Easing of Sanctions, But Is Border Shut?

Eds: Leads to UPDATE with U.N. representative traveling to Pale for talks with Bosnia Serbs on Sarajevo airport.

Edits to conform. No pickup

By MARK J. PORUBCANSKY= Associated Press Writer=

BELGRADE, Yugoslavia (AP) A U.N. decision to lift some of the sanctions imposed on Yugoslavia for instigating the war in Bosnia boosted morale in Belgrade today.

Belgrade's airport reopened to international flights for the first time in 28 months. The U.N. action also allows the resumption of sports and cultural contacts.

But the rest of the economic embargo imposed at the start of the war remains intact despite the headlines in Belgrade newspapers today.

“The blockade has fallen,” proclaimed the Vecernje Novosti newspaper in bold, black letters across its front page.

The Politika newspaper declared the U.N. decision “the beginning of the end of the blockade against our country.”

The U.N. decision affecting Serbia and Montenegro, the only states left after Yugoslavia's breakup, follows Serbia's promise to cut off its ethnic brethren across the border.

Questions have lingered over whether Serbian President Slobodan Milosevic has stopped war supplies to Bosnian Serbs, whom he supported during more than two years of war in Bosnia.

Brig. Gen. Bo Pellnas, head of a 100-member team monitoring the Yugoslav-Bosnia border, said his team found no evidence that Serbia is sending anything but humanitarian aid to Bosnia.

His report was submitted Tuesday to the U.N. Security Council, and some sanctions were automatically lifted at midnight, initially for 100 days.

An official with the Yugoslav foreign ministry, Branko

Brankovic, called the easing of the sanctions “a modest but important first step in lifting all sanctions.”

Brankovic said the full embargo should be lifted to discourage those who want to continue the war. He repeated the government's pledge that Yugoslavia will keep its border with Bosnia closed.

Yet there are suspicions military telephone lines and radar surveillance are still available to Bosnian Serb commanders, many of whom reportedly still draw salaries in Belgrade as officers of the Yugoslav army.

U.S. Defense Secretary William Perry asserted Friday that Bosnian Serbs are still getting war supplies from Serbia.

European Union foreign ministers meeting in Luxembourg Tuesday also appeared skeptical. “We feel that the border could be more effectively sealed,” said Germany's foreign minister, Klaus Kinkel.

Aeroflot, the airline of Serbia's traditional ally, Russia, said it would fly to Belgrade today. The Yugoslav national carrier JAT planned a flight to Moscow on Thursday.

By contrast, in Bosnia's capital the airport remained closed. Serbs besieging Sarajevo are demanding control of the airport, which they handed over to U.N. peacekeepers in July 1992.

Yashusi Akashi, the chief U.N. envoy for Yugoslavia and its former republics, said the United Nations will be firm with Bosnian Serbs.

Akashi stopped in Sarajevo today before going to Pale, the Serb stronghold east of the Bosnian capital, for talks on reopening the airport and unrestricted convoy movements.

Twenty-five U.N. convoys carrying aid or supplies for peacekeepers were denied permission by Serbs to move across Bosnia Monday. U.N. officials reported nearly two dozen convoys moving today, but many had restrictions on what and how much they could carry.

BC-YUGOSLAVIA-CONVOYS

U.N. food convoys reach Gorazde

ZAGREB, Oct 5 (Reuter) - Three United Nations food convoys reached Gorazde on Wednesday after being delayed at Serb checkpoints on their tortuous route through central Bosnia, a U.N. official said.

Nineteen trucks carrying 260 tonnes of flour unloaded in the eastern Bosnian Moslem enclave.

"All three convoys are safe and sound," said Ken Harvey of the U.N. High Commissioner for Refugees (UNHCR).

The UNHCR was denied permission to send a food convoy to Sarajevo on Wednesday after the Bosnian Serbs said they did not have enough time to process the paperwork, an

excuse Harvey described as "ridiculous."

The U.N. has been urgently trying to persuade the Bosnian Serbs to unblock U.N. aid operations as winter approaches.

Convoys are only just starting to move again after U.N. efforts to feed more than one million people in Bosnia were paralysed for 12 days by Serb forces in revenge for a NATO air strike that destroyed one of their tanks.

REUTER

BC-BENIN-USA

Benin president leaves for U.S., Canada

COTONOU, Oct 5 (Reuter) - Benin's President Nicephore Soglo has left for a two-week state visit to the United States and Canada, a presidential statement said on Wednesday.

It said that Soglo, who left on Tuesday night, would meet U.S. administration and congressional officials, United Nations Secretary-General Boutros Boutros-Ghali and businessmen.

On Thursday he is due to take part with South African President Nelson Mandela and U.S. Vice-President Al Gore in a ceremony handing over funds for African development.

The statement said that in Canada Soglo would discuss aid and the organisation of the 1995 francophone summit in Cotonou, a regular meeting of leaders of French-speaking countries modelled on the Commonwealth of former British colonies.

REUTER

PM-Factory Orders, 2nd Ld-Writethru, a0551,550

Factory Orders Soar in August

EDs: LEADS with 7 graf to UPDATE with market and analyst
reax, picks up 6th graf pvs, Manufacturing has...

By JAMES H. RUBIN= Associated Press Writer=

WASHINGTON (AP) Orders to U.S. factories soared 4.4 percent in August, the biggest gain in nearly two years. Today's report contributed to fears of inflation and rising interest rates and helped send financial markets down sharply.

The Commerce Department said the rise in the indicator of manufacturing plans the 11th in the last 13 months was led by increased demand for automobiles but was practically across the board.

The recovery for car orders followed a sharp decline in July when auto makers shut down plants for two weeks to retool for the 1995 models. Overall, orders fell 2 percent in July.

While analysts expected factory orders to rebound sharply in August, the increase easily exceeded expectations and is just the latest sign of the economy's staying power.

"It's more evidence that manufacturing is strong. We can't dismiss it as a fluke," said economist Carl Palash of MCM Moneywatch in New York City. "The Federal Reserve is going to have to tighten credit one or two more times this year."

Bond prices fell sharply on the news as the yield on the benchmark 30-year Treasury rose to 7.94 percent, its highest since May 1992. Stock prices followed, with the Dow Jones industrial average off more than 30 points by late morning. The dollar also was down against other currencies.

Manufacturing has been a mainstay of the expansion, now in its fourth year.

The rise in factory orders was the largest since they climbed 5.6 percent in December 1992.

Excluding the volatile transportation component, factory orders rose 2.4 percent in August. Excluding military orders, orders rose 4.4 percent matching the overall gain.

Orders for both durable and non-durable goods totaled a seasonally adjusted \$286.5 billion, up from \$274.3 billion in July.

Shipments, a measure of current production, increased 4.5 percent to \$287.9 billion in August, the strongest showing since they rose 4.7 percent in May 1979. Shipments have risen in 10 of the last 13 months. They fell 1.1 percent in July.

The backlog of unfilled orders declined 0.3 percent in August to \$447.2 billion, matching its decrease in July.

The orders backlog is often seen as a measure of whether current facilities and manpower are able to keep up with demand.

Inventories in August edged up 0.1 percent to \$387.1 billion, after a 0.9 percent increase in July.

Orders for durable goods, items expected to last more than three years, were up 6.1 percent to \$154.2 billion, after falling 3.9 percent in July. Just last week, the Commerce Department estimated durable goods orders rose 6 percent in August.

Orders for non-durable goods such as food and fuel were up 2.5 percent at \$132.3 billion, the 10th straight gain and the largest since August 1990. All major industries increased except leather goods.

Orders for non-defense capital goods excluding aircraft rose 2.2 percent in August after falling 3 percent in July. These orders often are a barometer of business plans to expand and modernize.

August factory orders up 4.4 percent

By JEFF BATER= UPI Business Writer=

WASHINGTON, Oct. 5 (UPI) Orders for U.S. manufactured goods made their largest climb in more than 1 & 1/2 years during August, pushed up by powerful demand for cars and trucks, the government said Wednesday.

Factory goods orders increased 4.4 percent, or \$12.2 billion, to \$286.5 billion, chalking up their 11th advance in 13 months, the Commerce Department said. Shipments, meanwhile, made their biggest jump in 15 years.

Orders decreased 2 percent in July, revised up from a previously reported 2.3 percent decline.

The August increase well exceeded the expectations of economists, and marked the largest since December 1992, when orders rose 5.6 percent.

While the 4.4-percent advance was broad-based, motor vehicle orders accounted for nearly half of that gain.

Transportation equipment orders increased 19.3 percent to \$38.5 billion after falling 14.8 percent in July, when carmakers closed their plants for two weeks as they made adjustments for the new, 1995 model year.

Excluding transportation orders, all other factory goods orders advanced 2.4 percent in August, compared to a 0.1 percent rise in July.

Cars and trucks are considered durable goods that is, expensive items designed to last at least three years.

Orders for durable goods rose 6.1 percent to \$154.2 billion after falling 3.9 percent in July.

Durable goods orders by category:

electronic equipment up 1.2 percent to \$22.5 billion; July was unchanged.

industrial machinery up 4.6 percent to \$29.8 billion; July slid 1.2 percent.

instruments and related products down 1.3 percent to \$10.8 billion; July decreased 5.1 percent.

stone, clay and glass up 0.2 percent to \$6.8 billion; July rose 4.7 percent.

primary metals up 4 percent to \$13.5 billion; July fell 0.6 percent.

fabricated metals up 3.5 percent to \$15.8 billion; July rose 1.8 percent.

all other durable goods up 1.2 percent to \$16.5 billion; July increased 0.6 percent.

Orders for non-durable goods increased 2.5 percent to \$132.3 billion after rising 0.4 percent in July.

Commerce's report also said unfilled orders decreased 0.3 percent a second straight month, falling to \$447.2 billion.

Inventories inched up 0.1 percent to \$387.1 billion, the seventh increase of the year, after rising 0.9 percent.

Shipments advanced 4.5 percent to \$287.9 billion, the 10th increase in 13 months and the largest climb since May 1979.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Kenneth R Chitester (CHITESTER_K) (WHO)

CREATION DATE/TIME: 5-OCT-1994 12:25:42.41

SUBJECT: 12:30 pm wire report

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TO: Keith O. Boykin (BOYKIN_K) (WHO)
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TO: Steven A. Cohen (COHEN_SA) (WHO)
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TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
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TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
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TO: Joshua A. King (KING_J) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: Cara A. Levy (LEVY_C) (WHO)
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TO: Aman, Sally J. (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
12:30 p.m. edition
Wednesday, October 5, 1994
Produced by the Office of News Analysis (OEOB 161, 6

-5694)

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Clinton seen revising health strategy to stress costs
(DJ)

Clinton may soon find himself fighting rear

-guard action
against new Congress (KR)

Democrats agree to delay in key trade vote (AP)

House delays vote on GATT bill until Thursday (Reu)

GATT test vote planned in House tonight (BBN)

Foley says GATT is not in trouble (UPI)

Last GATT vote on tap in House (UPI)

GATT hearing to address controversial telecommunications
provision (UPI)

Bentsen: Saudi faces short

-term credit problems (Reu)

Agricultural price support and subsidy reform to
dominate 1994 farm bill debate (AP)

U.S. House votes smoking ban on foreign flights (Reu)

Kassenbaum, Helms in tussle over school prayer (AP)

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Supreme Court freedom of speech case

surrounds the distribution of child pornography (AP)

Mandela says he will meet with Aristide while in Washington (AP)

Military leaders attend funeral for 10 killed in U.S. firefight (AP)

1,000 Bangladeshi troops head to Haiti (UPI)

Second apparent suicide of U.S. military man reported (AP)

Second U.S. soldier commits suicide (UPI)

Russian military official urges conventional arms adjustments (UPI)

Belgrade celebrates easing of sanctions, but is border shut? (AP)

U.N. food convoys reach Gorazde (Reu)

Benin president Soglo leaves for U.S., Canada (Reu)

Factory orders soar in August (AP)

August factory orders up 4.4 percent (UPI)

CNN (12 p.m.)

Live coverage of Simpson trial

Hourly News Summary

Around the World, Around the Clock...with United Press International.

-0-

Swiss authorities say they don't know what may have prompted a possible mass suicide in two separate locations. The bodies of at least 40 people were discovered earlier today.

-0-

The Commerce Department says orders for U.S. manufactured goods made their largest climb in more than a year

-and

-a

-half during August. Commerce says factory goods orders increased 4.4 percent.

-0-

The military regime is crumbling in Haiti. The police chief has left for the Dominican Republic and another leader has promised to lay down his arms.

-0-

House Democratic leaders say they will try in the face of stiff opposition to get the embattled GATT legislation to the floor for a vote this evening.

House Republicans vow they will try to delay action on the global trade pact by attempting to defeat a procedural motion and block the legislation from coming up for a vote.

-0-

A federal judge has ordered California to close its gas chambers, declaring them to be cruel and unusual punishment.

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Joan Kennedy has put off a challenge to her 12

-year

-old

divorce settlement with Massachusetts Democratic Senator Edward M.Kennedy. She won't bring it up again until after the November 8 election. Senator Kennedy is in the battle of his political life.

Although Joan Kennedy refused to explain her decision, she reportedly may have been promised a more generous settlement if she delayed the case until after the election.

-0-

By Shirley Smith (UPI)

REPEAT: Clinton Seen Revising Health Strategy To Stress Costs

By Carl Johnston

Dow Jones Staff Reporter
WASHINGTON

-DJ- Like General MacArthur and Arnold Schwarzenegger, health care reform - though defeated for now - shall return, and President Clinton may begin hammering out a new strategy as early as December.

However, the White House will likely couch the debate in different terms next year - stressing the need to change health care delivery systems to avert disastrous federal budget deficits at the turn of the century as well as

health costs generally.

In an interview this week, Chief of Staff Leon Panetta said a fresh strategy for passing health care reform will likely figure into the administration's planning for a fiscal 1996 budget.

The budget process has already begun with federal agencies making their final spending requests for the coming fiscal year. Word around the White House is that the requests already exceed spending caps set by the 1993 budget law by a substantial sum and will require major trimming.

Major decisions on new spending won't be made until spending outlines begin to hit President Clinton's desk in December - after the heat of mid

-term elections has passed.

"By December, when we make the budget decisions, we will clearly decide what our health care strategy will be as part of that," said Panetta.

"But there's no question a proposal (on health care) should be tested based on whether or not it's going to control not only the cost of Medicare, but also health care costs in this country," Panetta added.

(MORE) DOW JONES NEWS 10

-05

-94

11:49 AM

Clinton - Health Strategy

-2: Universal Coverage Still Goal

Panetta said the administration will likely keep the focus more on controlling costs and the need to control government spending. Medicare, the government program providing health services for people 65 and over, is the fastest growing segment of the budget and a big reason why the administration expects the federal deficit to balloon again around the turn of the century after narrowing in the early 1990s.

One of the big failures of the unsuccessful bid for health care reform in 1994 was "to not keep enough of the focus on the issue of health care costs and the need to control those costs," said Panetta.

"That issue seemed to be lost in the debate," he said.

But the focus on costs doesn't necessarily mean the administration will jettison President Clinton's call for universal coverage.

"Under any scenario, I think we still have to move

toward universal coverage," said Panetta. "My view is we have a linkage between cost control and universal

coverage."

However, universal coverage could be an overall goal, rather than the target of one specific bill, according to one possible strategy the administration might consider.

"Whether you do it (universal coverage) in the context of one bill, or you try to phase it in, I think those kinds of decisions... are going to be left to the strategy team (to decide) between now and December," Panetta said.

Losing the health care initiative this year might actually prove to be a good thing since citizens and government will be forced to focus on continuing problems in the health care system, according to Panetta.

"In losing the bill, we are getting greater attention to the consequences that are taking place now in health care in the absence of reform," said Panetta. "We're seeing problems continue in costs and the loss of health care coverage."

Those problems won't go away next year, and may not ever go away without government action.

On the other hand, an argument for health reform based on costs could fail if health cost gains remain restrained as they have for the past couple of years and the federal deficit appears to be tame.

Just today, for example, Treasury Secretary Lloyd Bentsen came up with a statement that seems to undercut the argument that budget savings are needed.

Bentsen, speaking in Saudi Arabia, said the net effect of the Clinton administration's efforts to trim the U.S. budget deficit will total nearly \$700 billion in deficit reduction instead of \$500 billion, as originally thought.

(END) DOW JONES NEWS 10

-05

-94

11:51 AM

BC

-TICE op

-ed:SP

Clinton soon may find himself fighting rear

-guard action
against new Congress

By D.J. Tice
Knight

-Ridder Newspapers
Like all mid

-term congressional elections, this fall's
campaign is widely seen as a ``referendum on the

president." As is customary, a decisive vote of no confidence is confidently anticipated. Bill Clinton has masterfully implemented the one, sure

-fire strategy for a drop in presidential popularity.

That is, he got elected and has attempted to govern. That alone does the trick almost every time.

Yet there is a sense in which support for Clinton has proven remarkably stable. In the latest polls, 40 percent of Americans praise the job the president is doing. That

is not meaningfully different from the 43 percent of voters who elected him in the first place which in turn was suspiciously like Walter Mondale's 41 percent in 1984 and Michael Dukakis's 44 percent in 1988.

Clinton is merely back where he began supported by the core liberal, Democrat constituency and by almost nobody else. The distinctive fact of Clinton's presidency is that, despite a healthy economy, he has won over so few Americans mostly because he hasn't much tried to win anyone over.

One suspects that few Americans wholeheartedly believed Clinton's 1992 campaign claim of being a "new Democrat." Many who voted for him secretly hoped, and many who didn't openly feared, that he was just another big government liberal in a thin but stylish moderate disguise.

He's mostly proved the skeptics right. Beginning in the first months of his administration, Clinton forcefully delivered on those campaign promises that had appealed to the left (favoring a tax hike on the rich, gays in the military, a stimulus spending program, etc.), while reneging on the promises with which moderates had been wooed. The middle class tax cut vanished like a daydream, replaced with an abortive proposal for a middle class fuel

-tax increase. Welfare reform was faked, with a half

-hearted proposal half

-heartedly advanced.

It is true that Clinton pressed hard for NAFTA, has seemed surprisingly enthused about "reinventing government" reforms and has made reasonable appointments to the Supreme Court. But he also spent the past year prescribing a health care reform proposal many Americans perceived as a sweeping and irreversible expansion of government.

So the sizeable majority of voters who didn't back Clinton to begin with must be forgiven for feeling that only congressional Republicans and conservative Democrats have stood between them and enactment of a boldly statist

agenda. If, as expected, they now elect more such protectors, Clinton may spend the remainder of his term protecting the country against bad Republican ideas.

How bad are the Republicans' ideas? In purely political terms, they are quite ingenious. The ``Contract With America" all GOP House candidates have signed confronts Democrats with the unappetizing prospect of running against broad

-based tax cuts, term limits, tough welfare reform, a balanced budget amendment, curbs on lawsuits, and sundry other proposals that are only slightly less popular than springtime and hot fudge sundaes.

So far Democrats have been reduced to sputtering that tax credits do nothing for people who don't pay any federal taxes, while warning that the Republicans' Contract is just ``Reaganomics" revisited.

These retorts will doubtless win Democrats the votes of millions of Democrats. But in the battle for the hearts of

middle

-class independents, are Republicans paralyzed with fright at being re

-linked with Reagan? Or is it Democrats being linked with Clinton who feel like horse thieves being linked with a noose?

Now, make no mistake: Combining large tax cuts, increased military spending and a constitutional balanced budget amendment would be foolhardy. Its one virtue would be that it might make politicians feel better about term limits.

But the Contract is keep this quiet just politics, a statement of general principle. Voters understand Republicans don't mean everything

in their proposal, any more than candidate Clinton meant everything he said.

At all events, Republicans have relearned an essential, if cynical, principle: The key to political success is to let the other party do the governing. No doubt Republicans, should they gain effective control of Congress, will be counting on Clinton

-induced ``gridlock"

to block the most dubious parts of the Contract. The results may be decent government and excellent Republican politics for years.

More seriously, a substantial victory for Republicans this fall would produce a rare and intriguing allocation of federal political power, unseen in this country for more than 40 years a liberal president checking the anti

-government instincts of a mostly conservative Congress.

That might not be a bad partnership, given the central and unavoidable challenge ahead of controlling federal spending, especially on runaway entitlement programs, without too cruelly depriving those in need.

Meanwhile, one trusts that the president remembers he asked for this job.

X X X

(Doug Tice is an editorial writer for the St. Paul Pioneer Press, 345 Cedar St., St. Paul, MN, 55101.)

PM

-World Trade, 3rd Ld

-Writethru, a0559,610

Democrats Agree to Delay in Key Trade Vote
EDs: INSERTS 1 graf after 6th graf, The 123

-nation... to

UPDATE with Foley saying vote will be this week; picks up 7th graf, Democrats said...

By DAVE SKIDMORE= Associated Press Writer=

WASHINGTON (AP) Democratic leaders worked to salvage a huge global trade bill today, delaying a key vote and agreeing to Republican requests for a hurry

-up hearing

about a controversial provision buried in the huge legislation.

Plans for a late

-morning vote in a key procedural

motion were postponed at least until later in the day, and Majority leader Richard Gephardt said the so

-called GATT

bill would likely not be voted on until Thursday at the earliest.

The delay would give time for a committee hearing on a provision that Republicans questioned. It would provide for a discount on federal licensing fees for three companies developing the next generation of wireless telephone systems.

Although the White House strongly supports the measure, Democrats need Republican votes to win its approval. And late Tuesday, GOP Whip Newt Gingrich wrote House Speaker Thomas Foley calling for hearings before the measure came to a vote.

``Since the Senate will not vote on GATT until early

December, there is no excuse for risking defeat by rushing a vote," Gingrich wrote.

The 123

-nation GATT agreement would cut worldwide tariffs by about \$740 billion, reduce other barriers to trade and extend the rules of world trade to services and intellectual property such as computer programs and drug patents.

"The GATT legislation will be enacted (in the House) this week," Foley predicted to reporters. "We're not retreating on GATT in any way."

Democrats said they were confident the measure would ultimately win approval. But they feared losing a procedural vote that was essential for the bill's passage, particularly with the GATT accord having become caught up in an election

-year struggle that has dominated the final weeks of the congressional session.

Many Republicans want to deny President Clinton a victory before the Nov. 8 midterm elections. And some House Democrats, pressured by unions opposed to GATT, also want to put off the vote.

In his letter, Gingrich noted that the Senate will consider GATT at a lame duck session.

"Nothing is lost by taking our time and doing it right," he wrote Foley in a letter signed, "Your Friend."

The administration says GATT would create thousands of jobs in the United States but concedes some industries, such as textile manufacturing, will suffer.

A vote on the debating procedures for the GATT bill promised to be the crucial first test. A 'no' vote almost certainly would force the House to return in November or December.

Both supporters and opponents said the House procedural vote would be close. Majority Whip David Bonior, D

-Mich., who opposes the GATT accord, said he expected Republicans to provide only 40 to 50 of the 218 votes needed.

The issue that drew Gingrich's attention was designed to clarify the FCC's ability to levy a licensing fee on three companies: American Personal Communications, which

is 70 percent owned by the Washington Post Co.; Cox Enterprises Inc. and Omnipoint Corp. Other companies, beginning in December, will have to bid for these licenses.

However, Rep. John Dingell, D

-Mich., chairman of the Energy and Commerce Committee, said under the GATT bill

the companies would pay \$534 million. Without the provision, the federal government risks an adverse court ruling that would mean the companies would get the licenses free, he said.

Senior administration officials said the broadcast licensing provisions had been thoroughly considered by both Democratic and Republican lawmakers advising the administration on the GATT bill.

``Wouldn't you think last

-minute outrage was rather suspect?" Commerce Secretary Ron Brown asked reporters.

BC

-TRADE

-GATT

-USA ISTLD (SCHEDULED)

House delays vote on GATT bill until Thursday

By Sue Kirchhoff

WASHINGTON, Oct 5 (Reuter) - House of Representatives Democratic leaders postponed a final vote on a sweeping GATT trade treaty until Thursday, but vowed to proceed with a make

-or

-break procedural vote on the measure.

``We're going forward later (Wednesday)" with the rule, House Majority Leader Richard Gephardt of Missouri told reporters after a closed

-door meeting

of?House?Democrats. He said lawmakers would probably vote on the GATT bill Thursday.

?

? ?House?Republicans, led by Newt Gingrich of Georgia, have vowed to vote against the rule setting out procedures for debate on the GATT bill. Defeat of the rule would kill chances for voting on GATT before Congress's scheduled October 7 recess.

``We'll win on the rule and we'll overwhelmingly win on the bill," said acting House Ways and Means Committee Chairman Sam?Gibbons?of Florida.

In an effort to further reassure nervous lawmakers, the House Energy and Commerce committee later Wednesday will hold a hearing on the so

-called ``pioneer

preference" provisions of the GATT implementing legislation, which have been attacked by consumer groups

and Republicans.

In a Tuesday letter to House Speaker Thomas Foley, Gingrich asked for hearings, calling the pioneer preference ``a controversial, little understood provision that threatens to bring down the (GATT) agreement."

Tucked away in the massive GATT bill is a provision that would require The Washington Post Co, Cox Enterprises

and Omnipoint Communications to pay 85 percent of the cost of special federal licenses to provide state

-of

-the

-art

telecommunications services.

GATT opponents say the provision would result in a government

-provided windfall of up to \$2 billion for the companies.

But Democrats said the companies would have received the licenses free under Bush administration rules, and claimed that the provision would raise over \$400 million for the government.

``Some scabby people are opposed to it for their own corrupt reasons and the taxpayers will lose \$500 million," said a clearly angry John Dingell, chair of the House Energy and Commerce Committee Chairman, which regulates communications.

Dingell also accused opponents of ``scummy" behaviour.

The General Agreement on Tariffs and Trade pact would effectively rewrite the rules of world commerce. Its approval by member governments last December was hailed as a major economic breakthrough. The Clinton administration estimates that the agreement would reduce worldwide tariffs by \$750 billion.

The House was expected to approve the measure easily, but a last

-minute combination of Republican jitters and opposition by nearly 90 House Democrats has clouded its prospects.

Due to delaying tactics by South Carolina Senator Ernest Hollings, Senate leaders have been forced to call a special two

-day session in late November solely to vote on GATT.

Many House lawmakers have complained that they do not want to be forced to vote on the GATT legislation -- which is supported by business but opposed by some labour,

environmental and consumer groups -- so close to the November elections, especially if the Senate is taking a pass.

REUTER

BC

-GATT

-Test

-Vote

-Planned

-in

-House

GATT Test Vote Planned in House Tonight, Democrats Say (Update1)

(Updating with White House reaction; Foley and Washington Post comments)

Washington, Oct. 5 (Bloomberg) -- House Democratic leaders, after a careful count of their support, decided to go ahead with a test vote later today on the new trade agreement that is designed to lower trade barriers worldwide.

Democrats predicted that they would prevail on today's vote to formally bring the trade bill to the floor. However, they said a vote on the White House

-backed accord

under the General Agreement on Tariffs and Trade itself may be delayed until tomorrow. Senate action on the bill already has been postponed until a rare lame

-duck session
on Dec. 1.

As he prepared for the GATT vote, House Speaker Tom Foley (D

-Wash.) said he wasn't concerned about fluctuations in financial markets based on varying reports about the fate of the bill.

"I'm committed to passing GATT," Foley said. "But if you tell me

I have to do it by some time (for the markets), that's too bad. It's going to become law. Those who don't think so are betting a bad bet."

?

President Clinton, who considers the trade agreement his biggest policy aim still before Congress, hasn't started any extraordinary efforts on behalf of the bill,

his spokeswoman Dee Dee Myers said today. "There's no organized effort to call people," she said.

Still, White House Chief of Staff Leon Panetta urged a meeting of business leaders this morning to contact their members of Congress. Later, Panetta himself headed off to Capitol Hill to woo lawmakers.

Democrats were scurrying today to prepare for a hearing at 12:30 p.m. EDT today aimed at placating Republican concerns about a revenue measure in the 1,000

-page bill

which puts into place trade law changes from the Uruguay Round accord negotiated under the auspices of the General Agreement on Tariffs and Trade.

Gingrich Raises Issue

House minority whip Newt Gingrich raised the issue yesterday when he said several lawmakers object to a revenue measure attached to the bill that could be viewed as a gift to two of the nation's largest media companies, the Washington Post Co. and Cox Enterprises Inc.

American Personal Communications, which is 70% owned by the Post, and Cox were two of three companies originally given free wireless telephone licenses by the Federal Communications Commission under what is known as the pioneer preference program. The third company is Omnipoint Communications Corp. The FCC later changed its policy and told the companies they would need to pay for the licenses, at a cost that could exceed \$1 billion.

The GATT bill, which can't be amended under a fast

-track procedure, sought to overrule the FCC order by setting the price closer to \$400 million for the wireless licenses -- giving what competitors complain would be a big price break to the Post and Cox. It ended up in the GATT bill because the Clinton administration was scrambling to find revenue to offset the expected \$12 billion loss in government revenues from lower trade tariffs.

In an editorial today, The Washington Post defended its position, saying the company was getting no break. The

Post said the license originally applied for was supposed to be free but now was costing the company \$400 million.

Republican Support Crucial

For his part, Gingrich said he favors the GATT bill. But he said many Republicans want more time to study it to see if there are other matters like the wireless measure. Republican support is viewed as crucial for passage of the test vote and the GATT bill itself.

House Ways and Means Committee Chairman Sam Gibbons (D

-Fla.) said after a closed

-door Democratic strategy meeting that his party believes it has the votes to prevail. ``We will win on (the procedural vote to bring the GATT bill to the floor) and we will win overwhelmingly on the bill" implementing the accord, he said.

``We've been working on the bill and will continue to do that and we feel good about it," said House Democratic Leader Richard Gephardt of Missouri.

Chief of Staff Panetta told reporters yesterday that the White House believes it has 60 Republican votes and 170 Democratic votes in the House in support of the trade legislation.

When asked why GATT had suddenly become such a tough fight when it appeared passable six months ago, Panetta said, ``It's gotten caught up in the general shooting back and forth that has gone on in these last weeks of this Congress. No matter how non

-controversial the issue might appear to be, suddenly these issues become controversial in the last weeks of the session." -

-Tom Ferraro on Capitol Hill (202) 434

-1897, with Dina Temple

-Raston at the White House (202) 434

-1884. /ch/daw/ba
(Story illustration: To graph the U.S.

-Japan trade balance see JNTBUS (Index) GP. For more information on GATT, NI GATT; on Congress; NI CNG; on trade; NI TRD. For more on the Washington Post: WPO
Equity> CN; on Cox: 1026Z
Equity> CN.)
11:16

-0- (BBN) Oct/05/94 11:18 EOS (BBN) Oct/05/94
11:18 86

(UPI Spotlight)

Foley says GATT not in trouble

WASHINGTON, Oct. 5 (UPI) House Speaker Thomas Foley, refusing to set a definite timetable for considering the GATT trade bill, says (Wednesday) the legislation will pass the House this week. Asked if the leadership's decision to delay a vote on the bill until later Wednesday evening meant the legislation is in danger of defeat,

Foley responded, ``Absolutely not."

(UPI Spotlight)

Late GATT vote on tap in House

WASHINGTON, Oct. 5 (UPI) House Democratic leaders say they will try in the face of stiff opposition to get the embattled GATT legislation to the floor for a vote (Wednesday evening). House Republicans vow they will try to delay action on the global trade pact by attempting to defeat a procedural motion and block the legislation from coming up for a vote.

(UPI Spotlight)

Hearing to air pioneer preference issue

WASHINGTON, Oct. 5 (UPI) House Democratic leaders, hoping to attract more Republican support for the GATT trade legislation, have scheduled a hearing (Wednesday) to address GOP concerns about a controversial telecommunications provision. Republican support for the global trade pact has eroded because of the provision, which would give discounts to three media giants for their licenses to deliver new mobile phone service.

BC

-SAUDI

-BENTSEN

Saudi faces short

-term credit problems - Bentsen

By Rich Miller

JEDDAH, Oct 5 (Reuter) - Saudi Arabia is starting to have some problems paying its debts but its underlying creditworthiness is sound thanks to its huge oil reserves, U.S. Treasury Secretary Lloyd Bentsen said on Wednesday.

``They've begun to have credit problems insofar as meeting maturities on some indebtedness," Bentsen told reporters prior to a meeting with King Fahd. ``It's obvious they have to do more tightening of the budget."

After building an enormously wealthy economy, the world's largest oil exporter is facing a cash crunch brought on by weak oil prices and \$55 billion in payments to help finance the 1990

-91 Gulf War.

The government has borrowed around \$70-\$80 billion in

debt, almost all of it domestic, according to one local financial source.

Riyadh earlier this year negotiated delays in payments and delivery of some U.S. military equipment including

fighter planes and tanks.

The country, which will pay the U.S. government \$3.3 billion this year under those contracts, faces a payments bulge of some \$8 billion over the next two years on those deals.

The kingdom, though, is up

-to

-date on payments on a \$4.5 billion loan it arranged from international banks in 1991.

Bentsen, who arrived on Wednesday for a two

-day visit, made clear that Riyadh's problems were only temporary and were similar to those faced by the United States before the Clinton administration took action to reduce the U.S. budget deficit.

``They have short

-term problems," he said. ``But the enormous oil reserves they have show the ultimate soundness of their indebtedness."

In a speech to Saudi business and government leaders, Bentsen urged Riyadh to modernise its economy by tightening its budget belt, opening up its markets, and giving private companies a bigger role.

Saudi Arabia has targeted a nearly 20 percent cut for this year. Bentsen, who met Finance Minister Mohammad Ali Abal

-Khail and Oil Minister Hisham Nazer on Wednesday, praised that action.

But he said he planned to tell King Fahd that the country needed to go further.

``I am looking forward to seeing the king...and I intend to tell him how impressed I am with his economic programme," Bentsen said. ``I will encourage him to continue on this course and take additional actions to shrink the fiscal deficit."

That means more spending cuts, elimination of subsidies and privatisation of state

-owned companies, Bentsen said.

He welcomed Saudi Arabia's plan to join the GATT world trade body and urged it to accept the stricter standards of the World Trade Organisation that is due to start up

next year.

Besides calling on Saudi Arabia to tighten its budget belt and open its markets, Bentsen also made a pitch for U.S. industry in his meetings with Abal

-Khail and Nazer.

Saudia, the state

-run airline company, has said it plans to order new planes from Boeing and McDonnell Douglas but has so far given few details.

Bentsen said he encouraged Saudi officials to finalise that deal, which has an estimated value of up to \$7 billion.

REUTER

BC

-KS

-PAN-

-Farm Bill, Adv08

-09,0750

For Release Weekend Editions, Oct. 8

-9, and Thereafter.

AP KANSAS PANORAMA

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) Pressure for changes in the nation's agriculture price support and subsidy programs likely will dominate congressional debate on the 1995 farm bill, according to a new report.

The programs, which cost an estimated \$12 billion during 1994, are easy targets for lawmakers looking for ways to trim the federal budget and reduce the deficit.

``Critics are asking why the non

-farm community should transfer an average of \$11.4 billion per year over the past 10 years in commodity support to farmers, and then only to those producing a few selected commodities," Jasper Womach, a Congressional Research Service agriculture specialist, wrote in an analysis of the farm bill.

Other big questions for the next farm bill is which sectors should benefit most from federal programs, the impact of new global trade treaties and whether environmental concerns will become a bigger factor.

There already have been reductions in direct payments and export subsidies for some commodities: Congress appropriated no money this year for honey, and wool and mohair programs are scheduled to expire at the end of

1995.

But there still are support programs for corn, sorghum, barley, oats, wheat, rice, cotton, tobacco, milk, oilseeds, peanuts, sugar cane and beets. Those programs take up 19 percent of the Department of Agriculture's budget and just 1 percent of total federal expenditures, according to the CRS report.

When most of the programs began during the Depression, farm household income was less than half the national average. Farmers often lacked electricity and indoor plumbing, and had poor roads to travel for services in town.

Now, farms are more modern, roads are excellent and farm income generally exceeds the national average, the CRS report found. In fact, 45 percent of today's farm operators say agriculture isn't their primary occupation.

“Today, it is the rural communities that appear to be providing jobs and income to many farm households, not vice versa,” Womach wrote.

Attempts to change farm programs likely will center on freezing yields and cutting acreage base on which payments are made, or by eliminating benefits for farmers whose non

-agriculture income exceeds a certain level.

Such changes usually have minimal impact on the federal budget, the report found, because farmers can reorganize their ownership of land or make tenant arrangements to qualify for higher payments anyway.

On the global trade front, the report had a favorable agricultural forecast for the North American Free Trade Agreement and the General Agreement on Tariffs and Trade. And U.S. subsidies already conform to many international guidelines established by the treaties.

But the United States likely will have to make changes in programs where farmers are protected via controls on imports of peanuts, tobacco, sugar and dairy products. The treaties eventually will force an end to import quotas in favor of tariffs on those imported commodities, which then must be reduced over time.

The report said pressure also will be brought to change programs that allow cotton and grain growers to idle some acreage, which reduces supplies and raises market prices. Some critics believe this raises production costs and encourages foreign production, thereby hurting U.S. competitive advantages

Export subsidies also will be scrutinized because GATT mandates that they be reduced worldwide.

“In a free trade environment, domestic packers and processors can simply turn to foreign suppliers when export subsidies move domestic supplies overseas and raise U.S. prices above world levels,” Womach noted.

The biggest environmental issue in the 1995 farm bill

is the future of the Conservation Reserve Program, in which 36 million acres of highly erodible land are idled in return for payments of about \$50 per year for each acre. The total cost is about \$1.8 billion.

If budget reductions trigger lower commodity payments, some farmers will opt to put more land in production, the report said. Environmentalists are concerned that could mean more land erosion and loss of habitat for wildlife nationwide.

Two ideas to cut pollution from farming is to finance "green payments" to operators who divert land from environmentally damaging uses or to allow tax credits to farmers who adopt environmental plans for their land.

One other topic likely to be debated, Womach said, is whether to combine all the money used in current price support, crop insurance and disaster payments into a "farm revenue insurance" program. This simply would ensure a constant stream of income for every farmer, even if prices dropped sharply or a natural disaster wiped out crops.

The down side is a potentially high cost and the possibility that the government might have to make participation mandatory in order for it to succeed.

BC

-USA

-SMOKING

U.S. House votes smoking ban on foreign flights

WASHINGTON, Oct 5 (Reuter) - The House of Representatives has voted to ban smoking on all international flights to and from the United States but the measure may die in the Senate.

The House passed a bill Tuesday night to ban smoking

on the final leg of flights to the United States and the first leg of flights from the country by both foreign and U.S. airlines. Smoking was banned four years ago on all U.S. domestic flights except those that were six hours or longer.

The House bill would also extend the smoking ban to those flights. The bill now goes to the Senate but an aide said no action was expected this year.

The House and Senate are expected to recess this week or early next week for the November 8 elections, but the Senate will return in late November to vote on ratification of the General Agreement on Tariffs and Trade treaty.

REUTER

PM

-KS-

-School Prayer, 1st Ld

-Writethru,0400

Kassebaum, Helms in Tussle Over School Prayer

Eds: SUBS grafs 1

-2 to UPDATE with Senate vote to end
debate. Picks up 3rd graf pvs, 'Helms ...'

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) A Senate vote today settled a
disagreement between Sens. Nancy Kassebaum and Jesse Helms
over how far Congress should go to protect voluntary
prayer in public schools.

The Senate voted 75

-24 to force final action on an
education funding bill containing a school prayer
amendment introduced by Kassebaum, R

-Kan. At least 60

votes were needed to cut off debate. The overall bill was
expected to pass later today.

Helms, R

-N.C., has held up the measure for weeks in an
attempt to build support for his version of the school
prayer amendment, which would cut off federal funds to any
district that prevents voluntary, "constitutionally
protected" prayer.

Kassebaum's language also would cut off federal funds,
but only if the school district were found to willfully
have violated a court order requiring it to permit prayer
in schools.

"The courts will ensure that protected prayer is
permitted in our schools," she said. "If school
administrators willfully violate a student's
constitutional rights, they should be punished."

In 1962, the Supreme Court ruled religious activities
sponsored by public schools are unconstitutional. But
federal courts have issued conflicting rulings about
prayers at graduation ceremonies, leading to uncertainty
over the issue.

It is this very confusion that led Helms to propose his
amendment. During floor debate this summer, Helms said he
wanted Congress to provide clear direction to school
administrators about what was allowed.

"This amendment will tell them, 'you better not

prevent individuals from praying without studying the law,
not popular myths, about what is and is not
constitutional,'" he said.

But Kassebaum said that was an "unfair and

unreasonable" burden for administrators not trained in interpretation of court orders.

``It is unreasonable to expect our school teachers and administrators to be constitutional scholars," Kassebaum said.

In addition, she said a funds cutoff would hit poorest school districts the hardest and could lead administrators to allow all prayer out of fear they might lose money.

In late July, the Senate approved Kassebaum's amendment by a 93

-7 vote, shortly after it rejected Helms' by a 53

-47 vote. The House also decided to accept Kassebaum's language in a conference committee, but Helms has used parliamentary maneuvers to prevent a final vote in the Senate.

PM

-Rostenkowski, 1st Ld

-Writethru, a0439,560

Rostenkowski Attorneys Press Constitutional Case
EDS: Leads with 6 grafs to update with hearing; picks up
2nd graf pvs, The defense

By TOM STRONG= Associated Press Writer=

WASHINGTON (AP) Rep. Dan Rostenkowski's lawyers asked a federal judge today to dismiss political corruption charges against the congressman, arguing the government cannot police violation of internal House rules.

``We're not saying that congressmen are immune from prosecution," said Dan Webb, chief lawyer for the influential Chicago Democrat. But the federal government lacks authority to press charges in this case, he said.

Congress has criminalized rule violations such as bribery and receipt of illegal campaign contributions, but not those cited by the government against Rostenkowski, he told U.S. District Judge Norma Holloway Johnson.

``The rules they plead are rules that have never been incorporated by Congress into any criminal statute," Webb said.

Webb said the ``rulemaking" clause of the Constitution allows the House and Senate to handle violations of their own rules.

Prosecutors were to make their case later this morning.

The defense argument that only the House can discipline a member for violating its rules could lead to lengthy federal appeals, perhaps to the Supreme Court, and could delay the trial for more than a year.

``It would be a minimum of months and a maximum of several years," Tom Buchanan, one of Rostenkowski's

lawyers, said Tuesday. ``It depends on how fast it moves."

Rostenkowski was indicted on 17 felony counts May 31. He is charged with converting \$636,600 in federal funds and \$56,267 in campaign funds to his personal use.

He has pleaded innocent and denied wrongdoing, but under House rules, he was forced to step aside as chairman of the Ways and Means Committee until the case is resolved.

Legal observers did not expect any surprises from arguments already made in court papers.

``The only thing that may come out new would be a new way of packaging an old position, a clever analogy, a nice twist," said E. Lawrence Barcella Jr., a Washington lawyer and former federal prosecutor.

Constitutional arguments relying on the rulemaking clause have had little recent success in criminal cases against members of Congress. But Webb said in legal motions: ``No previous charges ever brought against any member of the United States Congress have ever gone so far in violating the separation of powers doctrine."

In response, the government contended the constitutional provisions and internal rules of Congress ``simply have nothing to say about common thievery. Certainly, none creates the virtual license to steal that the congressman has imagined for himself."

The indictment accused the lawmaker of hiring ghost employees, using his official account to buy personal gifts from the House Stationery Store, trading stamps for personal cash at the House Post Office and converting official vehicles to personal use.

The lengthy pretrial appeals are available because Rostenkowski is claiming protection under the Constitution's ``speech or debate" clause. That prevents members of Congress from being ``questioned" for their actions in a congressional speech or debate.

PM

-Scotus

-Kid Porn, 1st Ld

-Writethru,610
Freedom of Speech Case Features Films by 15

-Year

-Old Porn
Star

EDs: LEADS with 11 grafts to UPDATE with arguments; picks up 7th graf pvs, bgng: That revelation ...

By LAURIE ASSEO= Associated Press Writer=

WASHINGTON (AP) In a case involving the movies of former porn queen Traci Lords, the Clinton administration urged the Supreme Court today to reinstate a federal law against distributing child pornography.

The law meets the Constitution's free

-speech standards

by requiring prosecutors to prove a defendant knew the pornographic material involved a sexual depiction of a child, Solicitor General Drew S. Days III told the court.

But the lawyer for Rubin Gottesman, a Los Angeles porn shop owner convicted of selling pornographic movies Lords

made at age 15, argued that the law did not require proof Gottesman knew Lords was underage. Lords is a native of Steubenville, Ohio.

“At the very least a person ought to know that he's committing a crime,” said Gottesman's attorney, Stanley Fleishman.

Fleishman urged the justices to uphold a lower court ruling that said the law was unconstitutional and threw out Gottesman's conviction.

“This is a peculiar statute,” mused Justice Sandra Day O'Connor. The Supreme Court clerk might violate the law if he received a copy of a Traci Lords movie as part of the case record, O'Connor said, and the justices might violate the law if they watched it.

Justice Antonin Scalia appeared sympathetic to Fleishman's argument that Congress did a sloppy job of writing the child pornography law.

“We have always said we will not distort a statute from its meaning in order to uphold its constitutionality,” Scalia said.

But Days said that although the law could be considered unclear, it did not specifically exclude the knowledge requirement. He said such a requirement usually is presumed to be part of a criminal law even if it is not spelled out.

Justice David H. Souter noted that the law “would be a waste of ink” if Congress meant to exclude its main point the knowing distribution of child pornography.

The justices are expected to rule by July.

Gottesman, owner of X

-Citement Video, was convicted of selling more than 100 Traci Lords videotapes to an undercover Los Angeles policeman in 1986 and 1987. Gottesman was sentenced to a year in prison and his company was fined \$100,000.

Lords already was a well

-known porn star when it was discovered in 1986 that she had made many of her sex films

when she was only 15.

That revelation led many video distributors to pull her movies from their shelves for fear of child

-pornography

prosecutions. The Adult Film and Video Association estimated the damage to its industry in the millions of dollars.

In 1982, the Supreme Court created a new exception to free

-speech rights when it ruled the government can ban the sale and distribution of child pornography even if it is not legally obscene.

But the 9th U.S. Circuit Court of Appeals overturned Gottesman's conviction in 1992. The appeals court said the federal ban on distributing child pornography violates the Constitution because it doesn't require proof that a defendant knew that at least one of the performers was underage.

The law at issue makes it a crime for anyone to

``knowingly" transport or ship child pornography. The appeals court said the word ``knowingly" refers only to transporting or shipping but does not require knowledge that the material shows minors engaging in sexual activity.

Justice Department lawyers said in court papers that the 9th Circuit court's ruling did not reflect Congress' intent when it passed the child pornography law. The court should have interpreted the law in a way that would have made it constitutional, government lawyers said.

The case is U.S. vs. X

-Citement Video, 93

-723.

PM

-Mandela

-Aristide, 1st Ld

-Writethru, a0537,290

Mandela Says He Will Meet with Aristide While in Washington

EDS: SUBS 4th graf pvs, The meeting, with 2 grafs to update with meeting unlikely today; picks up 5th graf pvs, Mandela also

By RITA BEAMISH= Associated Press Writer=

WASHINGTON (AP) South African President Nelson Mandela said today he intended to meet with Haiti's exiled President Jean

-Bertrand Aristide while in Washington.

``I'm looking forward to seeing the president,"
Mandela said during a photo session before a breakfast
meeting with Vice President Gore and several other
members of President Clinton's Cabinet.

U.S. officials, who have staked the Clinton
administration's prestige on restoring Aristide to power,
had encouraged the meeting in light of the similar
challenges faced by Aristide and Mandela to reconcile
polarized societies.

Mandela's success so far in bridging the racial and
class divides of his homeland to create a new democracy
``would be an important message for President Aristide as
he faces the challenge that he has ahead of him," one
U.S. official told reporters.

Aides were working to fit the meeting into Mandela's
tight schedule. The meeting was unlikely to occur before
Thursday, an official said. Aristide was returning to
Washington from New York where he had addressed the United
Nations General Assembly on Tuesday evening.

Mandela also said this morning that his mission in
search of U.S. investment dollars to rebuild South
Africa's economy has gone well this week.

``The response has been very positive" in sessions he
has held with U.S. business executives, Mandela said.

Mandela, after a stop in New York, is in Washington
until Saturday for talks aimed largely at winning investor
confidence and U.S. support to provide housing,
electrification, educational parity and other pressing
needs of the black majority population.

Mandela today described Clinton as ``a man who is very

sensitive to the needs of others."

PM

-Haiti, 3rd Ld

-Writethru, a0541,0877

Military Leaders Attend Funeral for 10 Killed in U.S.
Firefight

Eds: LEADS with eight grafts to UPDATE with Haitian leaders
attend funeral for 10 killed in U.S. firefight. Picks up
7th pvs, 'Francois, Cedras...'
With PM

-Haiti

-Mood, PM

-UN

-Haiti, PM

-Haiti

-Glance

By ANDREW SELSKY= Associated Press Writer=
PORT

-AU

-PRINCE, Haiti (AP) Haiti's military leaders made a public appearance today to attend the funeral of 10 people killed by U.S. Marines in a firefight, the first casualties of the American intervention in Haiti.

Lt. Gen. Raoul Cedras, the army commander, and Brig. Gen. Philippe Biamby stood near the flag

-draped coffins in the courtyard of a military hospital as relatives of the dead wailed in grief. The 10 were killed in a Sept. 24 shootout with U.S. Marines in Cap

-Haitien, Haiti's second

-largest city.

Missing of the three coup leaders who ousted elected President Jean

-Bertrand Aristide in 1991 was Port

-au

-Prince police chief Michel Francois. He fled before daybreak Tuesday to the neighboring Dominican Republic.

No Americans soldiers were at today's funeral. U.S. troops were busy patrolling the streets of the Haitian capital in search of ``attaches," civilian auxiliary gunmen linked to Haiti's army.

As American helicopter gunships circled overhead, U.S. Special Forces troops raided the Port

-au

-Prince suburb of Petionville, looking for weapons and an attache who residents said was responsible for several murders.

The latest U.S. military figures say 95 people, many of them attaches, have been detained and more than 4,000 weapons seized, a military spokesman, Air Force Sgt. David Smith, said today.

Soldiers have worked with Haitians in recent days to

identify the homes of suspected army auxiliaries who instilled fear with their harsh crackdown against Aristide supporters.

The hasty departure of Francois, whose attaches were responsible for most of the human rights abuses here, eliminates one of the leaders who might have been an obstacle to the return of Aristide.

Francois, Cedras and Biamby were to leave power under a last

-minute agreement negotiated with former President Carter. Cedras, the most visible of the Haitian military leaders, has vowed not to leave the country.

Aristide supporters applauded Francois' departure, and urged the other coup leaders to do the same.

``It is an important step toward the re

-establishment of democracy and peace. ... The others (Cedras and Biamby) should follow his example," Port

-au

-Prince Mayor Evans Paul, an Aristide supporter, said Tuesday.

The U.S. agreement with the Haitian military averted an invasion but paved the way for the arrival of 20,000 U.S. troops to ensure the return of Aristide, Haiti's first democratically elected president.

Aristide told the U.N. General Assembly in a speech Tuesday that he would return home by Oct. 15.

The Roman Catholic priest, who has been living in exile in Washington, said he hoped to bring peace to the nation.

``We say yes to reconciliation, no to violence, no to vengeance ... yes to justice," Aristide said.

In what could be another promising sign for Haiti, a feared paramilitary leader Tuesday claimed a conversion to pacifism.

Emmanuel Constant, leader of the paramilitary group the Front for the Advancement and Progress of Haiti, which has tortured and killed pro

-democracy activists, urged Haitians ``on every side" to put down their weapons and renounce violence.

But Constant's sincerity was in doubt: FRAPH is considered responsible for much of the terror waged in Haiti over the past year. And violence on Tuesday showed Aristide's peaceful resumption of power is far from assured.

U.S. troops found themselves in the delicate position of protecting Constant, one of Haiti's most notorious figures, as he addressed reporters outside the

presidential palace.

Constant just days ago was one of Aristide's and Washington's most despised enemies.

"No more violence," Constant said. "The future of our beloved republic is at stake."

It was more than Ira Kurzban, Aristide's Washington

-based lawyer, could stand.

"Constant led and directed murder and terrorism in this country," Kurzban said disgustedly. "He should be arrested and tried."

The 2,000 Haitian onlookers occasionally drowned out Constant's words with cries of "Murderer! Murderer!" and shouts to American troops protecting him to throw him in jail.

On Monday, U.S. troops stormed the FRAPH headquarters in downtown Port

-au

-Prince and detained more than two dozen members.

But with thousands of weapons still reportedly in the hands of FRAPH members and other extremists and some Haitians thirsting for revenge, the potential for violence remains high.

U.S. soldiers rescued a man identified as a gunman linked to Haiti's military from a crowd that beat him

bloody on Tuesday.

Francois' departure may help defuse some tensions in the capital. He left after his brother Evans, already living in the Dominican Republic, wrote an open letter urging him to join his family in Santo Domingo.

Francois left behind a resignation letter defending his actions and crossed the Haiti

-Dominican border in a four

-wheel

-drive vehicle.

After arriving at his brother's luxurious home in the Dominican capital, Francois stepped out of his jeep in a white tropical dress shirt and slacks.

He looked relaxed but refused to talk to reporters. "Soldiers don't talk, only politicians," he said in a statement issued through his brother.

Bangladeshi troops head to Haiti

DHAKA, Oct. 5 (UPI) More than 1,000 Bangladeshi army troops and policemen headed Wednesday for trouble

-torn
Haiti to join U.S.

-led Operation Uphold Democracy.
The troops and their equipment left Dhaka for the Caribbean nation aboard three U.S. Air Force C

-141
Starlighters and one C

-5 Galaxy transport planes.
The departure of the 1,150 troops was originally scheduled for Tuesday but had to be postponed because of bad weather over Guam and Hawaii.

Officials said the aircrafts have to take the long route over the Pacific because India, that does not support the military intervention in Haiti, refused to give overflight rights.

The deployment to Haiti brings the number of Bangladeshi troops currently abroad on U.N. peacekeeping duties to 4,950, an army official said.

Bangladeshi troops are currently deployed in Rwanda, Liberia, western Sahara, Bosnia

-Herzegovina, Kuwait,
Somalia, Mozambique, Georgia and Uganda.

PM

-Haiti

-Suicide,220
Second Apparent Suicide of U.S. Military Man Reported
WASHINGTON (AP) A Marine deployed on a mission to Haiti on board the USS Nashville apparently committed suicide during the night, a Pentagon official said today.

The official said the individual was killed by a gunshot wound and was found in the ship's berthing area.

If the cause of death is confirmed, it would be the second individual with the U.S. military to have committed

suicide during the ongoing military operation in Haiti.

No name or unit was immediately available, said the official, who spoke on condition of anonymity.

Some 1,800 Marines left northern Haiti on Monday aboard the amphibious ships USS Wasp and Nashville, bound for the United States.

However, the official said it could not be confirmed whether the Marine had actually gone ashore with those

forces.

The Nashville is currently in port in Puerto Rico and the shooting is being investigated, the official said.

Spc. Alejandro Robles of Los Angeles died Sept. 27 of an apparent self

-inflicted gunshot wound in Haiti. He was assigned to the 10th Mountain Division based in Fort Drum, N.Y.

The death occurred at Villa d'Accueil, Haiti's state guest house that American soldiers were preparing to house Haitian parliament members.

Second U.S. soldier commits suicide

WASHINGTON, Oct. 5 (UPI) One of the 1,300 U.S. Marines pulled out of Cap

-Haitien this week died of an apparent suicide early Wednesday, the second suicide among the troops sent to Haiti, a Pentagon spokesman said Wednesday.

The Marine was on standby alert aboard the USS Nashville in Puerto Rico when he died Wednesday morning sometime before 1:30 a.m. EDT of what apparently was a self

-inflicted gunshot wound.

Details, such as the name and home city of the Marine, are being withheld by the Pentagon upon notification of next of kin.

The 1,300 Marines were part of the initial wave of U.S. troops sent to Haiti to oversee the ouster of the military junta and maintain order for the return in mid

-October of the exiled Haitian president. The Marines were sent to a U.S. military port off the coast of Puerto Rico this week, where they remain in a ready reserve position to assist with possible flare

-ups in Haiti.

On Sept. 27, a Fort Drum, N.Y., soldier died of an apparent suicide while on duty in Port

-au

-Prince. Army

Spec. Alejandro Robles, 20, of Los Angeles, was said to be despondent over a troubled marriage when he turned his weapon on himself near the Villa D'Accueil, Haiti's state guest house that was being readied by soldiers to house members of Haiti's parliament.

(UPI Spotlight)

Russian urges conventional arms adjustments

MOSCOW, Oct. 5 (UPI) A top Russian military official warns (Wednesday) that a European defense pact will soon leave Russia with dangerous weak spots on its borders with new nations in the Baltic and Caucasus regions. First Deputy Defense Minister Mikhail Kolesnikov says Moscow will have to "exceed the levels" of tanks and other materiel set by the Conventional Forces in Europe treaty unless the 1990 agreement is revised.

PM

-Yugoslavia, 1st Ld

-Writethru, a0530,0551

Belgrade Celebrates Easing of Sanctions, But Is Border Shut?

Eds: Leads to UPDATE with U.N. representative traveling to Pale for talks with Bosnia Serbs on Sarajevo airport.

Edits to conform. No pickup

By MARK J. PORUBCANSKY= Associated Press Writer=
BELGRADE, Yugoslavia (AP) A U.N. decision to lift some of the sanctions imposed on Yugoslavia for instigating the war in Bosnia boosted morale in Belgrade today.

Belgrade's airport reopened to international flights for the first time in 28 months. The U.N. action also allows the resumption of sports and cultural contacts.

But the rest of the economic embargo imposed at the start of the war remains intact despite the headlines in Belgrade newspapers today.

"The blockade has fallen," proclaimed the Vecernje Novosti newspaper in bold, black letters across its front page.

The Politika newspaper declared the U.N. decision "the beginning of the end of the blockade against our country."

The U.N. decision affecting Serbia and Montenegro, the only states left after Yugoslavia's breakup, follows Serbia's promise to cut off its ethnic brethren across the border.

Questions have lingered over whether Serbian President Slobodan Milosevic has stopped war supplies to Bosnian Serbs, whom he supported during more than two years of war in Bosnia.

Brig. Gen. Bo Pellnas, head of a 100

-member team
monitoring the Yugoslav

-Bosnia border, said his team found no evidence that Serbia is sending anything but humanitarian aid to Bosnia.

His report was submitted Tuesday to the U.N. Security Council, and some sanctions were automatically lifted at midnight, initially for 100 days.

An official with the Yugoslav foreign ministry, Branko

Brankovic, called the easing of the sanctions ``a modest but important first step in lifting all sanctions."

Brankovic said the full embargo should be lifted to discourage those who want to continue the war. He repeated the government's pledge that Yugoslavia will keep its border with Bosnia closed.

Yet there are suspicions military telephone lines and radar surveillance are still available to Bosnian Serb commanders, many of whom reportedly still draw salaries in Belgrade as officers of the Yugoslav army.

U.S. Defense Secretary William Perry asserted Friday that Bosnian Serbs are still getting war supplies from Serbia.

European Union foreign ministers meeting in Luxembourg Tuesday also appeared skeptical. ``We feel that the border could be more effectively sealed," said Germany's foreign minister, Klaus Kinkel.

Aeroflot, the airline of Serbia's traditional ally, Russia, said it would fly to Belgrade today. The Yugoslav national carrier JAT planned a flight to Moscow on Thursday.

By contrast, in Bosnia's capital the airport remained closed. Serbs besieging Sarajevo are demanding control of the airport, which they handed over to U.N. peacekeepers in July 1992.

Yashusi Akashi, the chief U.N. envoy for Yugoslavia and its former republics, said the United Nations will be firm with Bosnian Serbs.

Akashi stopped in Sarajevo today before going to Pale, the Serb stronghold east of the Bosnian capital, for talks on reopening the airport and unrestricted convoy movements.

Twenty

-five U.N. convoys carrying aid or supplies for peacekeepers were denied permission by Serbs to move across Bosnia Monday. U.N. officials reported nearly two dozen convoys moving today, but many had restrictions on what and how much they could carry.

BC

-YUGOSLAVIA

-CONVOYS

U.N. food convoys reach Gorazde

ZAGREB, Oct 5 (Reuter) - Three United Nations food convoys reached Gorazde on Wednesday after being delayed at Serb checkpoints on their tortuous route through central Bosnia, a U.N. official said.

Nineteen trucks carrying 260 tonnes of flour unloaded in the eastern Bosnian Moslem enclave.

"All three convoys are safe and sound," said Ken Harvey of the U.N. High Commissioner for Refugees (UNHCR).

The UNHCR was denied permission to send a food convoy to Sarajevo on Wednesday after the Bosnian Serbs said they did not have enough time to process the paperwork, an

excuse Harvey described as "ridiculous."

The U.N. has been urgently trying to persuade the Bosnian Serbs to unblock U.N. aid operations as winter approaches.

Convoys are only just starting to move again after U.N. efforts to feed more than one million people in Bosnia were paralysed for 12 days by Serb forces in revenge for a NATO air strike that destroyed one of their tanks.

REUTER

BC

-BENIN

-USA

Benin president leaves for U.S., Canada

COTONOU, Oct 5 (Reuter) - Benin's President Nicephore Soglo has left for a two

-week state visit to the United States and Canada, a presidential statement said on Wednesday.

It said that Soglo, who left on Tuesday night, would meet U.S. administration and congressional officials, United Nations Secretary

-General Boutros Boutros

-Ghali and businessmen.

On Thursday he is due to take part with South African President Nelson Mandela and U.S. Vice

-President Al Gore in a ceremony handing over funds for African development.

The statement said that in Canada Soglo would discuss aid and the organisation of the 1995 francophone summit in Cotonou, a regular meeting of leaders of French

-speaking countries
modelled on the Commonwealth of former British colonies.
REUTER

PM

-Factory Orders, 2nd Ld

-Writethru, a0551,550
Factory Orders Soar in August
EDs: LEADS with 7 graf to UPDATE with market and analyst
reax, picks up 6th graf pvs, Manufacturing has...
By JAMES H. RUBIN= Associated Press Writer=
WASHINGTON (AP) Orders to U.S. factories soared 4.4
percent in August, the biggest gain in nearly two years.
Today's report contributed to fears of inflation and
rising interest rates and helped send financial markets
down sharply.

The Commerce Department said the rise in the indicator
of manufacturing plans the 11th in the last 13 months
was led by increased demand for automobiles but was
practically across the board.

The recovery for car orders followed a sharp decline in
July when auto makers shut down plants for two weeks to
retool for the 1995 models. Overall, orders fell 2 percent
in July.

While analysts expected factory orders to rebound
sharply in August, the increase easily exceeded
expectations and is just the latest sign of the economy's
staying power.

"It's more evidence that manufacturing is strong. We
can't dismiss it as a fluke," said economist Carl Palash
of MCM Moneywatch in New York City. "The Federal Reserve
is going to have to tighten credit one or two more times
this year."

Bond prices fell sharply on the news as the yield on
the benchmark 30

-year Treasury rose to 7.94 percent, its
highest since May 1992. Stock prices followed, with the
Dow Jones industrial average off more than 30 points by
late morning. The dollar also was down against other
currencies.

Manufacturing has been a mainstay of the expansion, now
in its fourth year.

The rise in factory orders was the largest since they
climbed 5.6 percent in December 1992.

Excluding the volatile transportation component,
factory orders rose 2.4 percent in August. Excluding
military orders, orders rose 4.4 percent matching the
overall gain.

Orders for both durable and non

-durable goods totaled a seasonally adjusted \$286.5 billion, up from \$274.3 billion in July.

Shipments, a measure of current production, increased 4.5 percent to \$287.9 billion in August, the strongest showing since they rose 4.7 percent in May 1979. Shipments have risen in 10 of the last 13 months. They fell 1.1 percent in July.

The backlog of unfilled orders declined 0.3 percent in August to \$447.2 billion, matching its decrease in July. The orders backlog is often seen as a measure of whether current facilities and manpower are able to keep up with demand.

Inventories in August edged up 0.1 percent to \$387.1 billion, after a 0.9 percent increase in July.

Orders for durable goods, items expected to last more than three years, were up 6.1 percent to \$154.2 billion, after falling 3.9 percent in July. Just last week, the Commerce Department estimated durable goods orders rose 6 percent in August.

Orders for non

-durable goods such as food and fuel were up 2.5 percent at \$132.3 billion, the 10th straight gain and the largest since August 1990. All major industries increased except leather goods.

Orders for non

-defense capital goods excluding aircraft rose 2.2 percent in August after falling 3 percent in July. These orders often are a barometer of business plans to expand and modernize.

August factory orders up 4.4 percent
By JEFF BATER= UPI Business Writer=

WASHINGTON, Oct. 5 (UPI) Orders for U.S. manufactured goods made their largest climb in more than 1 & 1/2 years during August, pushed up by powerful demand for cars and trucks, the government said Wednesday.

Factory goods orders increased 4.4 percent, or \$12.2 billion, to \$286.5 billion, chalking up their 11th advance in 13 months, the Commerce Department said. Shipments, meanwhile, made their biggest jump in 15 years.

Orders decreased 2 percent in July, revised up from a previously reported 2.3 percent decline.

The August increase well exceeded the expectations of economists, and marked the largest since December 1992, when orders rose 5.6 percent.

While the 4.4

-percent advance was broad

-based, motor
vehicle orders accounted for nearly half of that gain.

Transportation equipment orders increased 19.3 percent to \$38.5 billion after falling 14.8 percent in July, when carmakers closed their plants for two weeks as they made adjustments for the new, 1995 model year.

Excluding transportation orders, all other factory goods orders advanced 2.4 percent in August, compared to a 0.1 percent rise in July.

Cars and trucks are considered durable goods that is, expensive items designed to last at least three years. Orders for durable goods rose 6.1 percent to \$154.2 billion after falling 3.9 percent in July.

Durable goods orders by category:

electronic equipment up 1.2 percent to \$22.5 billion; July was unchanged.

industrial machinery up 4.6 percent to \$29.8 billion; July slid 1.2 percent.

instruments and related products down 1.3 percent to \$10.8 billion; July decreased 5.1 percent.

stone, clay and glass up 0.2 percent to \$6.8 billion; July rose 4.7 percent.

primary metals up 4 percent to \$13.5 billion; July fell 0.6 percent.

fabricated metals up 3.5 percent to \$15.8 billion; July rose 1.8 percent.

all other durable goods up 1.2 percent to \$16.5 billion; July increased 0.6 percent.

Orders for non

-durable goods increased 2.5 percent to \$132.3 billion after rising 0.4 percent in July.

Commerce's report also said unfilled orders decreased 0.3 percent a second straight month, falling to \$447.2 billion.

Inventories inched up 0.1 percent to \$387.1 billion, the seventh increase of the year, after rising 0.9 percent.

Shipments advanced 4.5 percent to \$287.9 billion, the 10th increase in 13 months and the largest climb since May 1979.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

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CREATION DATE/TIME: 5-OCT-1994 18:13:06.80

SUBJECT: 6:30 pm wire report

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TO: Amanda Crumley (CRUMLEY_A) (WHO)
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TO: David Dreyer (DREYER_D) (WHO)
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TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
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TO: Arthur L. Jones (JONES_A) (WHO)
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TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
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TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
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TO: Joshua A. King (KING_J) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: Cara A. Levy (LEVY_C) (WHO)
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TO: Marlene A. MacDonald (MACDONALD_M) (WHO)
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TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TO: Dianna A. Pierce (PIERCE_D) (WHO)
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TO: Aman, Sally J. (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ: NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ: NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ: NOT READ

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
6:30 p.m. edition
Wednesday, Oct. 5, 1994
Produced by the Office of News Analysis (OEOB 161, 6
-5694)

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Clinton signs \$264 billion defense spending bill (AP)
Federal agencies improve under Clinton: study (Reu)
Clinton stumping in 10 states for Democrats (Reu)
Whitewater special counsel names Watergate lawyer (Reu)
Dash named to Whitewater probe (UPI)
Bentsen urges Saudi Arabia to further reduce its fiscal
deficit (BBN)
DOT proposal would protect tiniest tots from airbag
impacts (AP)
Final bell nears for education bill (AP)
Former senator testifies on nomination to head base
closings commission (AP)
Environmental issues roar in '94 elections (AP)
Perot's report card gives few lawmakers passing grade
(GNS)

US will complete Haiti job and leave, Clinton says (AP)
Days in power slipping away, Army strongman weeps at soldiers' burial (AP)
US, Haitian military come face to face (Reu)
Negotiators restart high

-level talks on nuclear issues
(AP)
Sites for December summit are announced (Reu)
Chinese dissidents win US human rights award (Reu)
Agreement to permit upgrading of US

-Cuban phone service
(AP)
Threat against Americans reported in Karachi (AP)
Adams says peace more real after US trip (Reu)
CNN (6 p.m.)

Live coverage of Simpson trial

AM

-Page 1 Advisory, 0336
For Thursday AMs
AP recommendations for Page 1 at this hour:
CULT DEATHS: Twenty

-one bodies made a neat circle on
the floor of a red, mirror

-lined chapel hidden beneath the
burning farmhouse. Some were dressed in red, black and
white ceremonial robes. Ten had plastic garbage bags tied
around their necks with cords, and some had their hands
bound. Twenty had bullets in their heads. In three ski
chalets 90 miles away, police discovered more bodies,
badly burned by fires apparently set by remote control. In
all, authorities found 48 bodies on Wednesday, including
several children, and indications of a mass murder

-suicide
by a cult they hadn't known existed. AM

-Cult Deaths. By
Alexander G. Higgins.
AP Photo ZUR104, policemen carry dead bodies from the
farm, by Edi Engeler.
HAITI: His days in power slipping away, Haiti's
military strongman wept Wednesday at a funeral service for
10 of his men killed in a shootout with U.S. Marines.
AM

-Haiti. By Anita Snow.

AP Photo PAP105, Cedras drops a handful of dirt on a grave, by J. Scott Applewhite.

BAD KNEES: Researchers have found a way to heal damaged cartilage, a breakthrough that could help hundreds of thousands of people with bad knees and other balky joints. The experimental treatment involves growing the patients' own cartilage cells in test tubes, then injecting the tissue into the damaged joint. AM

-Bad Knees. By
Science Writer Daniel Q. Haney.

CULTURAL SUPERIORITY: Voters have taken away the conservative Christian Coalition's control of the Lake County, Fla., school board, spelling the end of a policy under which the schools were told to teach that American culture is second to none. AM

-Cultural Superiority.

BOX: In a rare public statement, a sister of O.J. Simpson's ex

-wife expressed frustration Wednesday at Simpson's aggressive efforts to dismiss evidence in his double

-murder case. AM

-Simpson

-Nicole's Sister.
Refer to AM

-Simpson

-Slayings.
The AP

Hourly News Summary
Around the World, Around the Clock...with United Press
International.

-0-

The Pentagon has identified the Marine who died of an
apparent suicide as 21

-year

-old Lance Corporal Maurice Williams of Detroit. Williams was the second U.S. soldier

involved in the intervention of Haiti to die of a

self

-inflicted gunshot wound.

-0-

During a White House news conference, South African President Nelson Mandela declined to commit himself to sending South African troops to join the U.S.

-led military operation in Haiti. Mandela said he wants to act in concert with neighboring nations on the question of troop deployment in Haiti.

Mandela said he would try to explain to exiled Haitian President Aristede the ``crucial importance of national reconciliation."

-0-

A jury in Pensacola, Florida is deliberating the federal case against Paul Hill in the deaths last July of a doctor and his escort outside an abortion clinic. The jury received the case after a brief closing argument from Hill, who represented himself.

-0-

Judge Lance Ito refused to suppress evidence seized during search of O.J. Simpson's home. Defense attorneys claimed they have new evidence that Los Angeles police lied about their reasons for entering the estate.

-0-

Federal prosecutors and the DEA say a wholesale heroin trafficking ring has been smashed with the arrest of six suspects, including the organization's kingpin who was captured in Puerto Rico. Officials say the ring netted nearly one BILLION dollars during a six

-year period.

-0-

By a three

-to one margin, the Senate voted down a

measure to legalize prayer in schools.

-0-

The Clinton administration will permit five American telecommunications companies to improve telephone service between Cuba and the U.S. The joint announcement came from the State Department and Federal Communications Commission.

-0-

Stocks closed moderately lower in heavy trading. The Dow Jones industrial average fell 13 points to 37

-hundred

-87. Volume was around 350 million shares.

-0-

By Larry Webb (UPI)

AM

-Clinton

-Mandela, 4th Ld

-Writethru, a0700,690

Clinton Promises Mandela U.S. Fund to Help South Africa
Business

Eds: UPDATES throughout to clarify numbers, eliminate
redundancy, edit

By RITA BEAMISH= Associated Press Writer=

WASHINGTON (AP) Capping two days of celebration with Nelson Mandela, President Clinton announced a \$100 million fund to help entrepreneurs in southern Africa. Half will go to South Africa in hopes it will be an economic engine for the region.

The two countries also will establish a high

-level

commission to boost energy, education and development projects.

"The new South Africa with Nelson Mandela's wise leadership has won the fight for freedom. Now it stands at the crossroads of hope," Clinton said Wednesday with the South African president at his side.

"The old and deep wounds of apartheid are not small ones," Clinton said, "but you can be certain that the United States will continue to do everything in our power

to support the new nation."

The new \$100 million Southern Africa Enterprise Development Fund is in addition to a \$600 million, 3

-year

package of assistance that Clinton pledged in May.

Some \$212 million of the \$600 million already has been committed. Officials said it includes \$150 million in loan guarantees that are expected to leverage nearly \$500 million in financing for new housing construction. In addition, \$50 million in loan guarantees will support electrification projects in the impoverished black township areas. Some \$30 million is allocated for basic health care.

Clinton also announced that Peace Corps volunteers next year will travel for the first time to South Africa to work on sanitation, agriculture, education and rural health care.

"You have shown us the way and we look forward, sir, to walking down the road with you," Clinton told Mandela.

Mandela thanked Clinton for U.S. support and credited the American president with "ensuring that Africa does not become a forgotten continent."

Mandela said he is still considering Clinton's request to provide police or military support for the U.S.

-led

military action in Haiti. The decision will be made in consultation with other countries of southern Africa, he said, adding, "We are keen to answer collectively as a region."

He also said he would meet with exiled Haitian President Jean

-Bertrand Aristide while in Washington.

Clinton said he was grateful for that because "the Haitian people will see that you can bring a country where there have been deep, even bloody divisions, together."

The new \$100 million enterprise development fund will be under the chairmanship of a former Atlanta Mayor Andrew Young.

It is designed to provide equity financing, loans and guarantees, financial advice and technical help for small and medium business ventures, officials said. It is designed for black and other disadvantaged people.

Patterned on similar funds set up for Eastern Europe and former Soviet states, it will allocate \$50 million to South Africa and the rest to other southern African states. U.S. officials already are looking to South Africa as a cornerstone for expanding stability and economic growth in the region.

"This has been both a summit meeting and a celebration for so many Americans who have so strongly support South African democracy

and now we're in the process of working on the future," Clinton said before the news conference with Mandela.
Mandela is on a five

-day visit to Washington that includes an address to a joint meeting of Congress on Thursday. Clinton hosted a lunch Wednesday for the South African leader and members of the Congressional Black Caucus.

Clinton credited the black lawmakers with helping "raise the consciousness of all Americans to the terrible injustice of apartheid" in South Africa.

In addition to the money pledged by Clinton in support of South Africa's transition to a post

-apartheid democracy, the federally supported Overseas Private Investment Corp. is offering \$150 million in new equity funds to provide capital and risk insurance for prospective business executives in South Africa.

The World Bank forecasts the economy of sub

-Saharan Africa, boosted by South African trade, will grow by 3.9 percent a year from 1994

-2003.

BC

-SAFRICA

-MANDELA

-USA 2NDLD

Mandela urges Aristide to embrace reconciliation
(Eds: updates throughout with joint news conference)

By Steve Holland

WASHINGTON, Oct 5 (Reuter) - South African President Nelson Mandela Wednesday publicly urged Haitian President Jean

-Bertrand Aristide to lead a movement toward national reconciliation when he returns to his divided Caribbean country.

Mandela, at a joint news conference with President Clinton concluding his two

-day state visit to Washington, said he would press the message to Aristide at a hastily scheduled meeting Thursday.

"We sincerely hope they will realise the crucial importance of national reconciliation and to heal the

wounds of the past by involving all the parties which may have been at cross purposes with one another," Mandela said.

It was a powerful message from the 76

-year

-old black

leader who emerged from 27 years in prison to be elected president of South Africa's first majority government.

Aristide, 41, was ousted in a coup three years ago and U.S. occupation troops are clearing the way for his return to Haiti in the next 10 days.

Clinton said he was grateful to Mandela for agreeing to meet Aristide.

"The Haitian people will see that you can bring a country where there has been deep, even bloody divisions together, and work together in a spirit of freedom, reconciliation, democracy and mutual respect," he said.

Mandela predicted he would make some progress in his talks with Aristide, saying he had found in two previous meetings that he "has a very serious weakness that I intend to exploit: He is man who can think. He is flexible. He is broad

-minded."

Aristide has said repeatedly he is in favour of national reconciliation in Haiti once Haitian military leaders are gone. But Haiti's elite, backers of the military, fears retribution from Aristide's downtrodden supporters once he returns to power.

Mandela, asked if South Africa would contribute troops to the international coalition in Haiti, said it was under consideration but that he would only do so if other countries in his region did so as well.

Mandela's weeklong visit to the United States is intended to drum up private U.S. business investment in his country and reassure potential investors they need not fear destabilising conflict.

The United States last May pledged \$600 million in assistance over three years to South Africa, and about \$220 million of that has been spent. Clinton announced no new aid, but simply outlined details of the next phase.

He said most of the aid would come in the form of loan guarantees that "will be used to guarantee nearly a half billion dollars of new housing in South Africa.

"We will also contribute \$50 million to help bring electricity to the townships and \$30 million to support basic health care," Clinton said.

Clinton also said Vice President Al Gore and South African first deputy president Thabo Mbeki would head a joint bi

-national commission to provide a high

-level boost
to projects involving energy, education and development.

Although a state visit is often an opportunity for the United States to grant assistance to give the visiting leader something to take home, U.S. budget constraints are keeping the White House from increasing aid.

"You can't always have new money -- because there is no money in this country," one official said.

To help encourage private U.S. companies to invest in South Africa, the Overseas Private Investment Corporation announced projects worth \$100 million, bringing its total commitment to South Africa since last spring to \$173 million.

REUTER

Clinton - Haiti, GATT

-2-: Mandela Says Aristide 'Flexible'
WASHINGTON

-DJ- President Clinton got a boost from South African President Nelson Mandela in dealing with Haiti during a joint press conference Wednesday which ended Mandela's two

-day state visit to Washington.

Mandela revealed that he met twice with Haiti President Jean

-Bertrand Aristide during his Washington stay and said he found Aristide, who hopes to return to Haiti this month under cover of a U.S. occupation force, to be both "reasonable" and "flexible."

The South African leader also revealed he was holding consultations with other southern African nations on whether to join a U.N. peacekeeping mission in Haiti.

The statement comes after indications that General Raoul Cedras, who ousted Aristide in a military coup, won't leave Haiti Oct. 15, as U.S. officials expect. Asked whether the U.S. will do anything to make Cedras leave, Clinton responded, "I have left that question to the Haitians to resolve."

"The important thing for the American people is that the situation, with great difficulty, has remained calm overall," Clinton said. He noted parliament has reopened and is considering amnesty for Cedras and others and Haitian refugees are leaving a U.S. military base at Guantanamo.

Asked about differences with Aristide on the U.S. military mission in Haiti, Clinton said, "We think the mission is clearly defined in terms of scope and times."

"We are on the same mission that we went there with," said Clinton. "I feel the American people will be

comfortable with the definition of the mission as it is."

Mandela said he hoped the new Haitian regime led by Aristide "will realize the crucial importance of national reconciliation."

(MORE) DOW JONES NEWS 10

-05

-94

5:02 PM

BC

-TRADE

-GATT

-CLINTON

Clinton confident Congress will pass trade pact

WASHINGTON (Reuter) - President Clinton said Wednesday he remains confident Congress will approve the GATT world trade pact despite apparent misgivings that have stalled action in both houses.

"As we get closer to it (a vote on GATT), I would expect people who have always supported it to support it, and there will be majority for it. We will continue to push it," Clinton said during a joint news conference with visiting South African President Nelson Mandela.

MORE

BC

-TRADE

-GATT

-CLINTON

-2 WASHINGTON

"There is still time for Congress to act on this, for the House to act on GATT," Clinton said in response to a question. "It has always been a bipartisan issue. It's a huge job

-gainer for America ... It's the biggest world tax

-cut in history."

The Senate has deferred a vote on the accord until after it's election

-year break and will return to deal with GATT in late November. That tack was required because

of the opposition of Senate Commerce Committee Chairman Ernest Hollings of South Carolina, a textile

-manufacturing state where opposition to GATT's liberalized import rules is strong.

Clinton and other GATT supporters still hope the House of Representatives will vote on the pact in the next day or so, before going out on break, but it was not clear at the time of the news conference whether the House would agree to do so.

REUTER

AM

-GSA Chief

-Ethics,590

Probe of GSA Chief Latest Ethical Embarrassment for White House

By RICHARD KEIL= Associated Press Writer=

WASHINGTON (AP) From first

-class airplane trips to alleged use of top aides for personal errands, the conduct of President Clinton's most prominent Republican appointee has created another ethical headache for the administration.

Roger Johnson, who heads the General Services Administration, the government's chief landlord, is under investigation by his agency's inspector general. He has been accused of using subordinates to carry out personal tasks for him, including taking his Mercedes to the car wash.

In a statement released Wednesday, GAO press officials described Johnson's troubles as ``inadvertent actions occurring during his transition from 35 years as a private sector executive to public service."

``As Mr. Johnson became aware of any actions which were inappropriate, he took full responsibility for the infractions and ensured that similar actions did not recur," the statement added.

GSA officials declined further comment, citing the investigation. For now, the White House is taking a similar approach to the controversy.

A White House official said most of the incidents happened a year ago, Johnson took ``appropriate action" and the White House ``knew about it." The official, who spoke on condition of anonymity, said the White House was waiting to see the inspector general's investigation and would decide then whether any further action is necessary.

The investigation focuses on whether Johnson used GSA employees for such tasks as waiting at his home for

deliveries and repairmen and handling his personal correspondence, as well as taking his Mercedes to the car wash, according to administration officials familiar with the probe.

Revelations about Johnson's alleged abuses of power have been dribbling out for weeks. Previous issues include how Johnson and an aide traveling on government business secured first

-class upgrades earlier this year, a situation that led them to pay back \$386 each to make up the difference in ticket prices.

The news on Johnson comes at a bad time, just after Agriculture Secretary Mike Espy announced Monday that he would resign to fight the ethics charges that have been leveled against him.

The Espy and Johnson cases are the latest embarrassments for an administration that swept into Washington promising higher, tougher ethical standards.

On Monday, Espy resigned as an independent counsel continued investigating whether he violated ethics rules by accepting favors from companies regulated by his agency.

Housing and Urban Development Secretary Henry Cisneros has come under fire in recent weeks as critics question whether he misled the FBI about payments he has made to a former mistress.

Roger Altman, a close friend of Clinton's, was forced to resign his senior Treasury Department post after offering false and misleading testimony to Congress about the Whitewater affair.

Josh Steiner, the top aide to Treasury Secretary Lloyd Bentsen, was forced to disavow his own personal diary entries about the unfolding Whitewater crisis, telling the Senate Banking Committee that, in essence, even though he is a Yale University graduate presumably capable of factual, accurate writing, his own private musings bear no relation to reality.

And there is the tangled Whitewater affair, with independent counsel Ken Starr probing the Clintons' long

-ago real estate doings with the owner of a failed Arkansas S&L.

Johnson explained his ethical dilemma this way in an interview published Wednesday in The Washington Post: "I know what's ethical and what's not."

"It's just (that there are) very different rules here. ... I know I didn't understand (every technical guideline). I wasn't naive, but I didn't understand it. I do now."

-Clinton

-Defense,270

Clinton Signs \$264 Billion Defense Spending Bill

WASHINGTON (AP) President Clinton signed a \$263.8 billion defense spending bill Wednesday while making clear he does not believe its terms limit his flexibility to deal with events in Bosnia.

The authorization measure, which Clinton said will provide for a strong national defense, represents a \$2.8 billion increase over the 1994 fiscal year which ended Sept. 30.

Adjusted for inflation, however, that translates into a defense spending cut of just under 1 percent, the 10th consecutive real decline in the defense budget. In all, 18 percent of the total federal budget would go for defense under the new law.

Included in the defense bill for fiscal 1995 is authorization for another aircraft carrier, three guided

-missile destroyers and six C

-17 airlifters. It authorizes development funds for a new attack submarine, the F

-22 fighter, a Marine Corps V

-22 tilt

-rotor troop carrier and a new reconnaissance helicopter for the Army.

The bill Clinton signed encourages but does not order him to lift the international arms embargo over Bosnia.

In a statement issued after the signing, Clinton said he interprets the legislation as leaving ``flexibility to calibrate our actions as events develop."

He said he believes he also has additional flexibility to determine how proposals relating to the arms embargo should be implemented.

``This flexibility is critical for ensuring that the United States remains in a position to react to developments in the manner that best serves our nation's interests," Clinton's statement said.

BC

-CLINTON

-AGENCIES

Federal agencies improve under Clinton - study

By Laurence McQuillan

WASHINGTON (Reuter) - The performance of several federal agencies improved since President Clinton took office but his cutbacks in the federal workforce may be paring ``vital brain cells," a study released Wednesday said.

The study conducted for Financial World magazine found improvement in the operation of six agencies or departments, including the Department of Veterans Affairs and the Department of Housing and Urban Development. No agency studied received a lower rating.

``On whole, we've seen impressive improvements in the 10 departments" studied, Katherine Barrett, who helped oversee the management study said through a spokesman.

Basing the grades on each agency's skill and efficiency in management, the magazine found that compared to a 1992 survey, when George Bush was president, the VA went from a grade of C+ to B- and HUD improved from a D to C- grade.

The Department of Energy went from a D+ to a C-, while the Department of Education brought its grade of C up to a C+, the study found.

The Department of Transportation went from a C+ to a B- and the Health Care Financing Administration, which administers both Medicaid and Medicare, improved from a C+ to a B-, the study found.

Receiving the same grade as in the previous study was the Social Security Administration, which was given a B, the Internal Revenue Service, which had a B+, the Employment and Training Administration which had a C+, and the Food and Nutrition Service, which kept its B- grade.

The survey also issued the Department of Agriculture a C rating. It was not studied in the 1992 review.

Citing improvements stemming from reform efforts led by Vice President Al Gore, the survey warned that cutbacks in the ranks of federal workers pose ``potentially fatal flaws."

In an open letter to Clinton, the magazine said the projected \$108 billion in savings predicted under the administration's ``re

-inventing government" effort may fall short of its goal, something chalked up to ``traditional Washington oversell."

Clinton's efforts to slash the size of the federal government was criticized because in some cases too much of the burden fell on mid

-level managers.

``Cuts are coming heavily from middle management," the magazine found. ``To be sure, some supervisors should go. But we fear you're paring away some vital brain cells."

REUTER

BC

-CLINTON

-CAMPAIGN

Clinton stumping in 10 states for Democrats

WASHINGTON, Oct 5 (Reuter) - President Clinton will barnstorm at least 11 states in an effort to boost Democratic candidates before November 8 congressional elections, the White House said Wednesday.

A spokeswoman, Ginny Terzano, said Clinton's main message will be ``to point out the differences between the status quo policies that the Republicans are pushing and the solid efforts by Democrats to keep the country on sound economic footing."

She said the travel would also serve to reject the widely held notion that Democratic candidates have been running away from the president because of his relatively low popularity ratings.

``You'll see him go to states where the critics have said it's a tough race out there," she said. ``We're putting him into places where we think we can make a difference on election day."

The Democrats are trying to limit the damage expected in the elections for all 435 seats in the House of Representatives, 35 Senate seats and 36 of the country's 50 state governors.

The party in control of the White House has traditionally lost seats in Congress in the so

-called
mid

-term elections.

States that Clinton is expected to visit in the weeks ahead include New Jersey, Michigan, Connecticut, Florida, New Mexico, New York, California, Ohio, Rhode Island, Illinois and Washington state.

REUTER

BC WHITEWATER

Whitewater special counsel names Watergate lawyer

WASHINGTON, Oct 5 (Reuter) - Samuel Dash, the attorney who investigated the Watergate scandal for Congress, has been appointed ethics counsel for the Whitewater inquiry involving President Clinton.

Whitewater independent counsel Kenneth Starr, in naming the new appointee, said in a statement that Dash, a Democrat best known as chief counsel for the Senate Watergate Committee in 1973

-74, would provide ``ethical

and professional advice."

Starr, a Republican, was named in August to investigate any possible violations of criminal law involving President Clinton or Hillary Rodman Clinton's dealings with the Whitewater Development Corporation or the failed Madison savings bank in Little Rock owned by James McDougal.

McDougal was the Clintons' partner in Whitewater, a failed real estate venture in Arkansas.

A special three

-judge panel of the U.S. Court of Appeals named Starr, a conservative Republican lawyer who worked in the Justice Department in the Reagan and Bush administrations, to take over the politically sensitive investigation.

A number of Democrats in Congress criticised the selection of Starr, who has never prosecuted a criminal case.

Starr's appointment of Dash, who worked for the Democrats on the Watergate committee and now a widely respected Georgetown University law professor, appears to answer some of the criticism.

Starr described Dash, a former federal prosecutor, as "a leading lawyer and scholar in the administration of criminal justice and professional responsibility."

REUTER

Dash named to Whitewater probe

By MICHAEL KIRKLAND=

WASHINGTON, Oct. 5 (UPI) Independent counsel Kenneth Starr has appointed Samuel Dash, a key lawyer in the 1970s Watergate investigation, as ethics counsel for the Whitewater probe, Starr's office announced Wednesday.

The independent counsel is conducting an investigation stemming from the failed Whitewater land deal involving President Clinton and first lady Hillary Rodham Clinton.

Allegations include possible improper transfers of money from a failed Arkansas thrift, the Madison Guaranty Savings & Loan, to the Whitewater Land Development Corp., which was owned by the Clintons and James McDougal, the owner of the thrift.

Investigators are also looking into allegations that some Madison funds may have been improperly funneled to one of the gubernatorial campaigns of Clinton, a former governor of Arkansas.

There have been no public allegations so far, however, that the Clintons knew of any improper conduct.

Dash is best known as chief counsel for the Senate Watergate Committee in 1973

-74, the Democrat

-dominated

panel that investigated charges against late Republican President Richard Nixon, who resigned in August 1974 amid the scandal from a break

-in by Nixon loyalists at the Democratic National Committee headquarters at Washington's Watergate complex. Dash currently teaches law at Georgetown University.

As ethics counsel, Dash ``will furnish, as needed, ethical and professional advice to the independent counsel and his staff," according to a statement released by Starr's office.

Starr was appointed Whitewater independent counsel this summer by a federal three

-judge panel despite a recommendation from Attorney General Janet Reno that special counsel Robert Fiske be given the position.

In the absence of an independent counsel law, Reno appointed Fiske on Jan. 20 as special counsel investigating the Whitewater matter. The independent counsel law was re

-enacted by Congress in June.

Starr, solicitor general in the Bush administration and a contributor to GOP candidates and causes, has been criticized by Democrats as a partisan Republican.

Democrats, led by Sen. Carl Levin of Michigan, also have questioned the propriety of the process leading up to Starr's appointment.

The three

-judge panel was chaired by Judge David Sentelle, a protege of Sen. Jesse Helms, R

-N.C. Sentelle was appointed to the court by President Ronald Reagan.

Sentelle has acknowledged that he met with Sen. Lauch Faircloth, R

-N. C., the week before Starr's appointment, but denies that they talked about replacing Fiske with Starr.

Faircloth was the Senate's most vociferous critic of Fiske after the special counsel cleared the administration of criminal wrongdoing in contacts between the Treasury Department and the White House on the progress of the Whitewater investigation.

Fiske also said his investigation found that White House deputy counsel Vince Foster committed suicide in July 1993 in a northern Virginia park.

Rep. Dan Burton, R

-Ind., and a few other House

Republicans claim that the circumstances surrounding Foster's death are suspicious despite investigations by Fiske and the FBI that concluded otherwise.

Starr has not said so far whether he will reopen the investigation into the Treasury

-White House contacts or
Foster's death.

BC

-Bentsen

-Urges

-Saudi

-Arabia

-to

-Further

Bentsen Urges Saudi Arabia to Further Reduce Its Fiscal Deficit

Washington, Oct. 5 (Bloomberg) -- U.S. Treasury Secretary Lloyd Bentsen today urged Saudi Arabia to do more than cut the nation's budget by 20% in an effort to reduce its fiscal deficit.

The government of King Fahd is reducing water and power subsidies as part of its effort to slash the budget by one

-fifth. "I will encourage (the king) to continue on this course and take additional actions to shrink the fiscal deficit," Bentsen said in a speech prepared for delivery in Jeddah, Saudi Arabia.

The kingdom can make additional spending cuts, further eliminate subsidies and diversify its economy to generate income from additional sources, he said. In addition, selling state

-run businesses to private investors "will give a push to the economy and bring in needed revenues," Bentsen said.

Separately in the speech, Bentsen touted the Clinton administration's efforts to cut the U.S. budget deficit. He repeated estimates that the original projection of reducing the federal deficit by \$500 billion over five years now has been changed to a projected saving of \$700 billion because of the strong growth in the U.S. economy.

The administration has reduced the number of workers in the government by 80,000 already, and it plans to slash

more than a quarter million by the time the program is done, Bentsen said.

The Treasury secretary also praised the Saudi government for lifting some aspects of the Arab nations' boycott of Israel and its trading partners.

"I look forward to the day when the boycott -- in all of its aspects -- is a thing of the past," Bentsen said.

"You recognize, as do we, the importance of open markets to encouraging economic growth."

Already, the two

-way trade between the U.S. and Saudi Arabia tops \$15 billion. -

-Michelle Fay Cortez (202)
434

-1841/daw

(For more information on Bentsen: NI TRE; on trade: NI TRD; on Saudi Arabia: NI SAUDI) 15:46

-0- (BBN) Oct/05/94
15:47 EOS (BBN) Oct/05/94 15:47 86

AM

-Babies

-Airbags, 1st Ld

-Writethru, a0630,680

DOT Proposal Would Protect Tiniest Tots From Airbag Impacts

Eds: INSERTS 4 grafs after 11th graf pvs, "Felrice estimated ..." to UPDATE with automaker support, consumer advocate opposition to proposed rule, pick up 12th graf pvs, NHTSA Administrator ...

By KIM I. MILLS= Associated Press Writer=

WASHINGTON (AP) The Transportation Department wants to allow makers of sports cars and light trucks to install a manual cutoff switch for passenger

-side airbags in an effort to protect infants riding in car seats that face backward.

"Our research has concluded that there is a potential problem with the interaction of rear

-facing child seats and airbags," Transportation Secretary Federico Pena said at a news conference Wednesday.

Conceding that he was not aware of any child who has been injured or killed as a result, Pena issued a proposed

new rule that would apply only to vehicles without rear seats, such as pickup trucks and sports cars.

“We're not going to wait until we have a potential problem on our hands,” he said.

Pena showed a videotape of a crash test in which an airbag inflated into a front seat holding a dummy baby strapped in a rear

-facing car seat. The airbag lopped over the car seat, forcing the dummy's neck to snap forward and its head to smash into the passenger seat.

Barry Felrice, DOT's associate administrator for rule

-making, said such an impact “could lead to serious injury and possibly death.”

Rear

-facing car seats are designed to protect children who weigh less than 20 pounds.

Under the proposed rule, drivers would have to use the ignition key to activate the cutoff device. “This would make the device simple and easy to use but still require conscious thought and deliberate action on the part of the user,” according to the rule.

The agency is suggesting a requirement that the airbag be manually reactivated because “motorists making stop

-and

-go shopping trips with infants might forget, after making one of their stops, that the airbag has been automatically reactivated and needs to be manually deactivated again.”

The National Highway Transportation Safety Administration is also proposing that manufacturers install a yellow warning light visible to both driver and passenger as a reminder to turn the airbag back on when the vehicle is no longer carrying an infant.

Felrice estimated the added cost of the device at “somewhere between \$5 and \$10 per vehicle.”

The American Automobile Manufacturers Association commended the Transportation Department for its proposal.

“The manual shut

-off switch provides a short

-term answer,” the association said in a statement.

“Automakers and their suppliers are working on long

-term improvements, such as developing technology for an

automatic passenger airbag deactivation."

But Clarence Ditlow, director of the Center for Auto Safety, said the technology already exists to automatically reactivate the airbag.

"If they opted for a switch, the one that recycles (after a period of time) is better," Ditlow said. "The fact is that a light, or a warning, is always less effective than an automatic device."

NHTSA Administrator Dr. Ricardo Martinez said the rule would be in effect for only two years because the agency believes the automotive industry will have developed other technological solutions, such as front seat pressure or infrared sensors.

The proposed rule will be open for comment for 60 days after it is published in the Federal Register. If adopted, it would become effective 30 days following publication of the final rule.

Starting in August, NHTSA began requiring labels on rear

-facing child safety seats that warn of the danger of using them in front seats equipped with passenger

-side air bags. Cars equipped with passenger air bags already were required to have warning labels on their sun visors.

The vast majority of vehicles without back seats do not now have air bags.

Federal law requires that all passenger cars have airbags and safety belts for both driver and right

-front passenger by the 1998 model year. Light trucks will have to meet the same standard by model year 1999.

AM

-Education Bill, 2nd Ld

-Writethru, a0692,710

Final Bell Rings for Education Bill

Eds: Top 3 grafts new to update with final passage of bill; picks up 3rd graf pvs, School prayer ...

By CAROLE FELDMAN= AP Education Writer=
WASHINGTON (AP) Turning back a Republican

-led filibuster over school prayer, the Senate gave final approval Wednesday to an education bill providing billions of dollars to help students in impoverished districts, train teachers and reduce school violence.

The vote was 77

-20.

The House already has approved the legislation reauthorizing for five years the Elementary and Secondary Education Act, which expired Friday. President Clinton has indicated his support for the bill.

School prayer advocates, led by Sen. Jesse Helms, R

-N.C., tried to block a final vote on the bill. Helms thought the prayer language included in the bill was too weak.

“America is in the midst of an historic struggle between those who on one hand yearn for a restoration of traditional values envisioned by our founding fathers and on the other hand by those who contend that anything goes,” he said.

Sen. Edward Kennedy, D

-Mass., countered: “Those who are voting against ending this filibuster are voting against education. They are voting against federal aid to hard

-pressed local schools. They are voting against teachers and students. They are voting against major reforms and improvements in the most important federal assistance for schools in every city, town and village in America.”

The Senate voted 75

-24 to break the filibuster. The only Democrat voting against cutting off debate was Sen. Richard Shelby of Alabama.

The legislation protects the right of students to participate in voluntary, constitutionally protected prayer and cuts off federal education funds to school districts found to have “willfully violated” a court order that they allow the prayer.

Helms argued that involving the courts in the issue created an impossible hurdle for students and their parents.

He preferred school prayer language that had been passed by the House but dropped when Senate and House negotiators settled differences between their separate version of the bill.

The legislation authorizes \$12.7 billion for fiscal 1995; \$11 billion has been appropriated.

The act's biggest program aids impoverished districts. Even to the end, senators fought bitterly about the formula for allocating nearly \$7 billion in those so

-called Title I funds.

More than 90 percent of the nation's school districts

receive Title I funds, and the Clinton administration sought to target limited resources to the children who needed them the most. Its proposal was rejected in both the House and Senate by members reluctant to approve a formula that would cost their own districts money.

House and Senate negotiators approved a compromise agreement that phases in a redistribution of funds over five years.

“We refined that program,” said Sen. Claiborne Pell, D

-R.I. “It is better targeted to children most in need.”
Sen. Dan Coats, R

-Ind., argued that 33 states would lose money under the formula approved by the conference committee.

But Kennedy said 34 states actually come out ahead. “His charts are completely wrong,” he said.

Coats came back on the Senate floor later to defend his numbers. “All this senator did was present the figures that were presented to him by the Congressional Research Service,” he told his colleagues.

Whoever is right, conferees saw to it that no school district will lose money during the first two years of the reauthorization.

After that time, the first \$6.6 billion in Title I funds will be distributed according to the current law. Anything over that amount will be allocated under a complicated formula that provides for some targeting.

The bill would:

Require local school districts to adopt a one

-year
expulsion policy for students who take guns to school. Local officials could modify the punishments on a case

-by

-case basis.

Authorize \$655 million in fiscal 1995 for Safe and Drug

-Free Schools programs.

Bar the use of federal education money for programs that promote sexual activity, whether homosexual or heterosexual, or for distributing condoms in schools.

Expand programs for teachers' professional development to all subjects, not just math and science.

AM

-World Trade, 1st Ld

-Writethru, a0625,780

Foley Says New World Trade Hurdle Can Be Overcome

Eds: INSERTS 1 graf after 4th pvs, Foley, D

-Wash., to

UPDATE with Clinton quote; ADDS 3 grafs to UPDATE with Republican quotes from hearing

By DAVE SKIDMORE= Associated Press Writer=

WASHINGTON (AP) Struggling to save a huge global trade agreement, House Speaker Thomas Foley delayed a critical vote Wednesday but pledged to somehow get the measure passed this week before Congress goes home.

A bill implementing the accord negotiated under the General Agreement on Tariffs and Trade has become caught up in an election

-year struggle that has dominated the final weeks of the congressional session.

Republicans anxious to deny President Clinton a victory before the Nov. 8 midterm elections and Democrats wary of angering union supporters have been pushing to postpone consideration.

Foley, D

-Wash., put off by a few hours a crucial procedural vote on approving the rules of debate on the bill. And that was enough to push the vote on the bill itself to Thursday at the earliest.

``There's still time for Congress to act on this,"

President Clinton told reporters at the White House.

``GATT ... has always been a bipartisan issue. It's a huge job gainer for America ... and it's the biggest world tax cut in history."

U.S. Trade Representative Mickey Kantor, in a last

-minute pitch, said the 123

-nation accord, by cutting worldwide tariffs by \$740 billion, will produce an economic surge in the United States and abroad, creating 300,000 to 700,000 U.S. jobs. The agreement, he said, will force the rest of the world to play by the fair

-trading

rules Americans believe in.

``Like it or not, change is inevitable. ... We can't stop globalization, we've got to make it our friend," he told the Senate Commerce Committee.

The agreement also reduces other barriers to trade and extends the rules of world trade to services and intellectual property such as computer programs and drug

patents.

But opponents, including Sen. Ernest F. Hollings, D

-S.C., the chairman of the committee, say it will open American markets to a flood of manufactured goods produced in low

-wage countries, destroying jobs at companies making textiles, aircraft, automobiles and other goods.

The Senate already has postponed its GATT decision until Dec. 1 because Hollings is exercising his right to hold the bill in his committee for 45 days. But Foley said he remained determined that the House would act before going home.

"I don't want anybody to get any misconceptions. We are not retreating from GATT in any way," the speaker said. "I am firmly and absolutely committed to doing everything I can to enact GATT this week."

He said the House schedule was adjusted Wednesday to accommodate lawmakers attending the funeral of former Rep. Claude Harris of Alabama and a reception for South African President Nelson Mandela.

The delay also allowed time for the House Commerce Committee to conduct a hurry

-up hearing on an obscure provision of the GATT bill, which has raised an outcry among the accord's opponents.

The No. 2 Republican in the House, Rep. Newt Gingrich, R

-Ga., wrote to Foley on Tuesday saying a hearing was needed to clear up confusion about the provision granting a discount on federal licensing fees to three communications companies developing the next generation of wireless telephone systems.

Democrats are hoping the hearing, conducted by House Commerce Committee Chairman John Dingell, D

-Mich., will mollify enough Republicans to allow GATT to clear the procedural hurdle by a narrow margin. House Republican Leader Bob Michel of Illinois, who is supporting speedy action on GATT, also recommended the hearing.

The issue that drew Gingrich's attention was designed to clarify the Federal Communication Commission's ability to levy a licensing fee on three companies: American Personal Communications, an affiliate of the Washington Post Co.; Cox Enterprises Inc. and Omnipoint Corp. Other companies, beginning in December, will have to bid for these licenses.

However, Dingell said without the provision in the GATT bill, the federal government risks an adverse court ruling

that would mean the companies would get the license for free.

Under the GATT bill, the companies would pay \$534 million, according to the Congressional Budget Office. That's why it's in the bill. It's part of the financing package to offset the \$12 billion in tariffs the United States is expected to lose in the first five years the accord is in effect.

The initial reaction from Republicans at the Energy and Commerce Committee hearing was positive. They supported the provision and blamed a rival company, Pacific Telesis, for stirring up the controversy.

``From the get

-go this is a hearing about more for the taxpayers, not less," said Rep. Michael Oxley R

-Ohio.

``This is not a billion

-dollar giveaway," added Jack Fields, R

-Texas.

AM

-Export Goals,590

Administration Expects Exports To Top \$1 Trillion by Year 2000

With AM

-World Trade, Bjt

By MARTIN CRUTSINGER= AP Economics Writer=

WASHINGTON (AP) Despite a rising trade deficit, the Clinton administration said Wednesday it was well on the way to achieving its goal of boosting U.S. exports above the \$1 trillion mark by the end of the decade.

In its second annual ``National Export Strategy" report to Congress, the administration said the federal government would spend \$3.29 billion to promote U.S. exports in 1994 and \$3.46 billion in 1995, up from \$3.1 billion spent last year.

Those estimates included in the report marked the first time the executive branch has ever attempted to pull together a budget for all its export promotion activities, which are scattered among 19 different federal agencies.

Commerce Secretary Ron Brown, who presented the report to Congress, said the administration's aggressive promotion efforts over the past year had helped to win 70 major export contracts for U.S. industry. The contracts amounted to more than \$17 billion in new exports, which should translate into 275,000 new jobs, he said.

In last year's report, the administration set a goal of boosting U.S. exports of goods and services from \$640 billion in 1993 to over \$1 trillion by the year 2000, an increase that would support 6 million new jobs.

Brown said he believed the administration was "well on track" to achieve that goal. "In fact, we believe we should set an even more ambitious objective of \$1.2 trillion," Brown said.

But while U.S. exports have been rising, imports are rising even faster and America's trade deficit in goods is projected to top last year's \$132.6 billion imbalance. The administration has said it expects this situation to turn around once America's major overseas markets resume faster growth.

In transmitting the report to Congress, President Clinton said his administration had made substantial progress in implementing virtually every one of the 60 goals it had established a year ago to enhance exports.

"I was determined to make the expansion of American sales abroad a cornerstone of our economic policy and our policy," Clinton said. "We are at the beginning of a new era of fierce commercial competition in the global marketplace and I am determined that we as a nation fulfill our enormous potential."

The administration counted among its successes the establishment of new trade finance programs by the U.S. Export

-Import Bank and the elimination of a variety of Cold War controls on high

-technology exports which had reduced the value of goods requiring government approval by more than \$32 billion.

Brown said its export goals would be met in part through a strategy of concentrating on the 10 biggest emerging markets: Mexico, Argentina, Brazil, China, India, Indonesia, South Korea, Poland, Turkey and South Africa.

Senate Banking Committee Chairman Don Riegle, D

-Mich., and other committee members praised the administration for pursuing initiatives that Congress for years had unsuccessfully tried to get the Reagan and Bush administrations to support.

But Sen. John Kerrey, D

-Mass., said the administration needed to do more to reorder the spending priorities for export promotion. He noted that two

-thirds of federal dollars were still going to boost agricultural exports, even though they account for only 10 percent of total U.S.

exports.

``We are under

-funding our manufacturing industries and we have to reverse this," he said.

AM

-Base Closings,360

Former Senator Testifies On Nomination To Head Base Closings Commission

By JIM ABRAMS= Associated Press Writer=

WASHINGTON (AP) Former Illinois Sen. Alan Dixon pledged Wednesday to work to protect local communities if he is confirmed as head of the Defense Base Closure and Realignment Commission.

Dixon was before the Senate Armed Services Committee, where he served for nine years, to testify on his nomination to the delicate job of recommending which bases will be shut down as part of the Pentagon's spending and personnel cuts.

Dixon would be responsible for a third round of closures scheduled for next year. The chairman during the first two rounds, in 1991 and 1993, former New Jersey congressman Jim Courter, resigned in June.

Sen. Sam Nunn, D

-Ga., the chairman of the Armed Services Committee, said he would push for quick confirmation so Dixon and his new staff would have time to prepare for next year's round. There has been no opposition to the nomination, but the Senate is scheduled to adjourn at the end of this week.

Dixon, who as chairman of the Armed Services subcommittee on readiness, sustainability and support helped write the legislation that created the commission in 1990, said he was concerned about the effects on communities after bases are closed.

``There's a great deal of dissatisfaction in the local community about the post

-closure situation," he said.

Nunn said that since the commission was formed, 70 major bases in the United States have been closed and 38 others realigned. He said annual savings from the actions will reach \$4 billion by the end of the decade.

Dixon served in the Senate from 1981 to 1993, when he was defeated in the Democratic primary by Sen. Carol Moseley

-Braun. Both Moseley

-Braun and Illinois's other

senator, Paul Simon, were on hand to introduce Dixon to the committee.

Dixon, who now works at a St. Louis law firm, said he was aware of the potential for conflict of interest as a member of the commission. He said he has already recused himself from representing three clients with connections to bases.

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TAKE 1 OF 2

DECISIONS '94

ENVIRONMENTAL ISSUES

ROAR IN '94 ELECTIONS

Eds: Another in the continuing GNS political series.
Decisions '94. With sidebar, POLS

-WESTWAR.

Graphic: Logo, graphic on GGN.

Photo: On GPN Oct. 5

By KEN MILLER=

Gannett News Service=

WASHINGTON A Phoenix television ad for Arizona GOP Senate candidate Jon Kyl fills the screen with Bill Clinton's face as a somber

-sounding narrator reads the words under the president's picture.

``Washington is waging war on the West and on our pocketbooks, but Jon Kyl is fighting to change the way business is done."

In Texas, virtually every state and local politician, Democrat and Republican alike, have picked over the Endangered Species Act and lampooned protective measures for an endangered songbird, the golden

-cheeked warbler, as a symbol of mutant federal environmental policies.

Eastern environmentalists are wrapping their arms around GOP Sens. John Chafee of Rhode Island and James Jeffords of Vermont, long

-time friends of the green movement and just maybe important allies should Republicans take the Senate next month.

Whether it is the amorphous ``property rights" movement defining many Western races, or the meat

-and

-potatoes toxics and pollution issues still playing in the East, environmental causes remain a big part of politics.

“In our polling, we find just as many people as ever who say they are environmentalists or are concerned about environmental issues,” said Peter Kelley of the League of Conservation Voters LCV political arm of the environmental movement.

Out of dozens of “priority” House and Senate races this fall, LCV has plucked 14 to target with added cash through its EarthList campaign. Some were picked to try to keep old friends around; some to make new ones in open seats; some to try to stem the arrival of bare

-knuckled enemies.

LCV expects to steer \$1 million in contributions and personal donations to candidates this cycle.

“They’re all crucial in that we’re looking at a potential environmental disaster in the November elections,” said Kelley, adding the green ranks in the next Congress likely will be thinner.

“But the Democrats are probably going to do worse this year than the environmentalists,” he said. “A lot of the seats the Democrats are worried about losing are already held by anti

-environmentalists. Environmentalists will do better than the Democrats, but we’re still looking at a net loss of seats and a more hostile Congress next year.”

It’s high time, responded Barbara Grannell, executive director of People for the West, a 6

-year

-old activist group created to blunt LCV’s clout.

“It’s all about accountability,” Grannell said of her group’s new scorecard that rates House and Senate incumbents on a handful of votes on such issues as mining and rangeland reform; the National Biological Survey, created by Interior Secretary Bruce Babbitt to inventory plant and animal species; and a bill to set aside vast tracts of the California desert as a park.

Grannell said commodities and property rights issues “will be a deciding factor in every election in the West in November.” She said Babbitt, who spent much of his first year in office touring the West to win converts for his stillborn mining and range reform programs, has backed off out of concerns those programs are killing Democratic candidates.

In the West, where environmental issues take on added

weight because of the impact on jobs and regional economies, stakes couldn't be higher.

Many races loom as referenda on the so

-called ``New

West," a place populated increasingly by urban emigres, many from California, who are shifting land use philosophies away from historic commodity and extractive industries.

The new environmental politics confront the administration with painful choices. There are 119 electoral votes in the West a region Clinton won in 1992 but environmental policies will cost him some of those votes in '96.

``If Bill Clinton and Bruce Babbitt are going to run a campaign designed to win in Idaho, Utah and Wyoming, they're going to lose California, Washington and Oregon," said LCV President Jim Maddy. He said efforts by Clinton to mollify a now

-hostile Western interior, where mining and grazing reforms are most opposed, hurts him in more environmentally attuned urban states.

Clinton cannot afford to lose California's 54 electoral votes, but Maddy said environmental policies perceived as weak

-kneed will cost him support in the Golden State, where his 1992 successes already are eroding.
MORE

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TAKE 2 OF 2; bc

-POLS ENVIRONMENT

-l; xxx already are
eroding.

Maddy looks at the prospect of Clinton trying to cling to no more than 20 electoral votes in the Intermountain West as opposed to initiating land reforms that will help win more than three times that in the coastal states: ``I don't need a calculator to figure it out, but that's what's got him confused."

While Maddy said Clinton seems to confront environmental issues ``like a deer in the headlights," green guru and Vice President Al Gore recently completed a Western campaign swing to boost Democratic fortunes.

Gore helped LCV EarthList candidate Rep. Elizabeth Furse, D

-Ore., raise \$140,000.

Of more immediate concern, the elections will determine how the 104th Congress deals with the mangled environmental agenda of the 103rd.

Rep. Billy Tauzin, D

-La., is leading a drive to inject the "property rights" issue into as many pieces of legislation, and as many campaigns, as possible.

The idea of reimbursing landowners for losses stemming from a government action was used to stall renewal of the Endangered Species Act, and is one of the nation's hottest environmental issues. In a "Contract with America" event Sept. 27, more than 300 GOP House candidates called for a "takings" provision to reimburse property owners up to 10 percent of losses from government action.

It has permeated the 1994 political season in Arizona, which also has a state referendum on property rights "takings."

"It is part of the war on the West," said Scott Celley of Kyl's campaign, who said the issue "is part of every race in Arizona this year; it is a position that divides candidates for governor, Senate candidates, and each of the House races that are truly being contested."

A classic Old West

-New West showdown is the Senate
gunfight between first

-term Republican Conrad Burns and Democratic challenger Jack Mudd in Montana. While Mudd's environmental credentials are short of what some groups would like, Burns' strong defense of Montana's commodity industries embody the Sagebrush Rebellion against federal intrusion.

"The Marlboro Man is a 1950's image that doesn't go along with the 1990's reality about the West," the Sierra Club's Daniel Weiss said of Burns.

Likewise, the Wyoming race between Rep. Craig Thomas, a staunch property

-rights Republican, and Democratic Gov. Mike Sullivan, to replace retiring GOP Sen. Malcolm Wallop is in part a referendum on national land

-use practices.

"Bill Clinton and Bruce Babbitt are pariahs in Wyoming and there's nothing you can do about it," Maddy said, adding that Sullivan could have slammed the door on the race long ago, but allowed Craig to get his foot in.

"Mike Sullivan will either find the fire in his belly

or not," Maddy said. ``Democrats are going to lose that seat if Mike Sullivan doesn't get on the ball. He can take it or lose it." Thomas is attacking Sullivan as waffling on the crucial rangeland issue and failing to blast Babbitt for his land policies.

In the race to succeed retiring Sen. Dennis DeConcini, D

-Ariz., Kyl and Democratic Rep. Sam Coppersmith have found Clinton and DeConcini central campaign issues.

While Kyl's ad talks about a ``war on the West" by Clinton, it makes only oblique references to the considerable environmental differences between the two candidates.

Spokeswoman Stephanie Cohen said Coppersmith enjoys the support of the LCV and the Sierra Club's political branch, thanks to his stand with environmentalists on the property

-rights ballot measure Proposition 300 and his risky call for mining and grazing reform.

So far this year, the Sierra Club said, eight of its Senate candidates in contested races have won, two have lost. On the House side, 55 Sierra Club

-backed candidates have won contested primaries, 13 have lost.

In northern California, first

-term Democratic Rep. Dan Hamburg's district embodies many of the emotional issues at stake this year. Hamburg faces former Rep. Frank Riggs, whom he narrowly defeated in 1992. Hamburg defeated former Rep. Doug Bosco, now a lawyer for a lumber company, in the primary.

Hamburg, one of LCV's target candidates, was attacked by Riggs and praised by House Democratic leaders for his handling of a bill to add thousands of acres of old

-growth forests owned by Bosco's employer to the Six Rivers National Forest and to protect yet more redwood acreage as a wilderness.

``Mr. Riggs is trying to portray the legislation as a job

-killer that's destroying the economy of the north coast," said Hamburg spokesman Tom Pier. ``He's trying to get a lot of mileage by portraying Dan as some kind of extremist."

Environmentalists endorsed Republican Chafee even though Democratic challenger Linda Kushner scores well on their issues. The reason: If Chafee loses, and the Republicans win the Senate, the environmentalists' worst

nightmare Sen. Alan Simpson, R

-Wyo. would take over the pivotal Senate Environment and Public Works Committee.

``Jeffords and Chafee are key races for us," said Kelley. ``We need friends on both sides of the aisle."

BC

-WINLOSE national:WA

103rd Congress has its share of both winners and prominent losers

(ARCHIVE PHOTO; details below)

By Steven Thomma
Knight

-Ridder Newspapers

WASHINGTON Ask a neighbor, a co

-worker, or even a politician, what they think of Congress these days and odds are the answer will be something like ``What a bunch of losers."

Indeed, the 103rd Congress has its share of folks who are ready to go home and lick their wounds. But there also were some who hit the jackpot. Here's a look at the fate of some of the winners and losers.

WINNERS

Rep. Newt Gingrich, R

-Ga.

Gingrich is doing what no Republican has been able to do in 40 years: scaring the heck out of Democrats in the House. In line to become Republican leader in the House next year and with a chance to become speaker if Republicans take control, Gingrich has waged a scorched earth campaign attacking the Democratic majority as corrupt, Godless and hopelessly out of touch.

It appears to be working. Gingrich has tapped a deep vein of angst and anger among voters who hate Washington and Congress. Even if he does not win a majority and become top dog in the House, Gingrich is almost certain to have enough clout to block most Democratic initiatives and maybe even to pass some of his own.

Willis Gradison

As a little known Republican congressman from Cincinnati, Gradison had a hard time making his views heard in the health care wars. He spent many weekends away from his family, on the road back to his district. And he had to scrape by on his Congressional salary of about \$130,000 a year.

Then, he won big by quitting. He left the House to

become president of the Health Insurance Association of America. He got to stay at home more. He increased his salary by an estimated 200 percent. And, as the man behind the ``Harry and Louise" ads ridiculing President Clinton's health care plans, he helped kill them.

Sen. Bob Packwood, R

-Ore.

Reports of his political death were premature. He still faces hearings before the Senate Ethics Committee on charges that he sexually harassed women. But Packwood rebuilt some of his reputation as a knowledgeable and thoughtful legislator. Once hounded with barrages of questions about the sexual allegations, Packwood was mostly being asked about health care reforms at term's end. He has rebounded at home, as well. A majority in Oregon once thought he should resign; now a majority feels he should stay.

Sen. Sam Nunn, D

-Ga.

When his party's president the first in 12 years needed help in his early, rocky days, Nunn turned a cold shoulder. Gays serving openly in the military? Fat chance, said the formidable chairman of the Senate Armed Services Committee. His stubborn opposition forced the White House to back down to the watered down, ``Don't ask, don't tell" policy that allowed gays to serve, but not to display their sexual preference. And what was the punishment for the party member who broke ranks with his own president? Nothing. In fact, when Clinton needed help in Haiti, he turned to Nunn and elevated him to statesman part of the team led by former President Jimmy Carter that brokered a peaceful resolution of the crisis.

Sen. Phil Gramm, R

-Texas

While other Republicans, like Senate Minority Leader Bob Dole, of Kansas, were constrained to at least appear to be willing to work with Democrats, Gramm jumped out early into an entertaining and successful role as an unrepentant and intensely partisan obstructionist. Back when there appeared to be wide support for substantial health care reform, Gramm warned that ``people would be hunting Democrats with dogs" if it passed. Now, the rest of the pack appears to have caught up with Gramm. And, as one of the most visible and quotable Clinton critics, Gramm is well positioned to tap into conservative, anti

-Clinton money and wage a formidable run for the White House himself in '96.

LOSERS

Sen. George Mitchell, D

-Maine, the majority leader

It was one, two, three strikes and you're out. Strike one: he passed on the opportunity to sit on the Supreme Court, undoubtedly a dream of the former federal judge. Rather, he stayed in the Senate to shepherd through the president's health care reforms. Strike two: health care died anyway.

Strike three? Mitchell is considered a likely choice as the next commissioner of baseball. But, with the national pastime called on account of greed, Mitchell could end up presiding over ... nothing.

House Speaker Tom Foley, D

-Wash.

In an effort to fight back a popular term limits movement in his state, Foley may have inadvertently limited his own. Foley filed suit to challenge the state

-imposed term limits, believing them an unconstitutional state intrusion on a federal matter. But that is legal mumbo

-jumbo to the voters who favor the limits, and they are mad at Foley.

After 30 years in the House, Foley teeters on the edge of extinction. In a wide

-open primary, only 35 percent of the voters favored him. The remainder spread their votes for four Republicans. In the general election, he trails Republican attorney George Nethercott by a whopping 37

-51

percent. He could be the first speaker to lose his seat since 1860.

Rep. John Dingell, D

-Mich.

He inherited the dream from his father, but now may have to pass it on, unfulfilled, to his son. As a New Deal member of the House, the late John D. Dingell Sr. started proposing national health insurance in 1943. His son has proposed a health care bill in every two

-year Congress

since taking his dad's seat in 1955.

Despite his rank as the powerhouse chairman of the Energy and Commerce Committee, where he bends legislation to suit his will and the needs of his auto industry constituents, Dingell could not even move a health reform bill out of his committee. The family crusade likely will

fall now to Christopher, Dingell's son, who is waiting in the wings for his dad's retirement.

Rep. Dan Rostenkowski, D

-Ill.

His rise to power as chairman of the tax

-writing Ways

and Means Committee surprised no one. He was the son of Chicago machine politics, and the wheeling and dealing with colleagues and lobbyists over Bombay gin and fat steaks came naturally.

What did surprise Washington was the extent of the allegations against him when he was indicted this year on charges of embezzling more than \$600,000. Among the charges: using taxpayer money to pay people to clean his house, mow his lawn, even photograph his daughter's wedding. House rules forced him out of the chairman's seat.

A conviction could force him out of the House.

Rep. Marjorie Margolies

-Mezvinsky, D

-Pa.

A 1,300

-vote margin swept her into office, making the former TV reporter the first Democrat since 1916 to win the grudging support of the conservative, Republican district in the wealthy suburbs of Philadelphia. Now, a single vote threatens to carry her into oblivion.

-END

-OF

-AUTOBREAK(1)-

-AUTOBREAK(2)

-FOLLOWS

BC

-WINLOSE

----- AUTOBREAK (2)-----

Under intense pressure from the White House and Democratic party leaders, she abandoned her opposition and cast the deciding vote for President Clinton's 1993 deficit reduction plan. That vote, which saved the plan's tax increases along with its spending cuts, hangs like an albatross around her neck. She trailed Republican John Fox

in recent polls.

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(Archive photos photos that have moved more than a week ago are available from the KRT Photo Archive through PressLink dialup via Macintosh computer. For information, call (800) 435

-7578 or (202) 383

-6099.)

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PEROT'S REPORT CARD GIVES FEW LAWMAKERS PASSING GRADE

WASHINGTON A scorecard by Ross Perot's ``United We Stand America" gives a few members of Tennessee's congressional delegation good marks, but no one gets an ``A."

Sen. Jim Sasser, D

-Tenn., and Rep. John Duncan,
R

-Knoxville, each received ``B" grades. Other scores included a ``C" for Republican Reps. Don Sundquist, Memphis, and Jimmy Quillen, Kingsport. Reps. Marilyn Lloyd, Chattanooga; Jim Cooper, Shelbyville; and Bob Clement, Nashville all Democrats each received a ``D."

Meanwhile, ``Fs" were given to Reps. Bart Gordon,
D

-Murfreesboro, John Tanner, D

-Union City, and Harold
Ford, D

-Memphis, as well to Democratic Sen. Harlan
Mathews.

Perot's group ranked members on several issues it identified as important. Rankings are based on votes cast on five bills in the Senate and eight bills in the House.

The more members agreed with the Perot group, the higher their grade. Some issues:

President Clinton's 1993 budget and tax package, which the group opposed.

A bill that would make Congress apply laws to itself that it passes for others, which the group supported

The North American Free Trade Agreement, which it opposed

The lobbying disclosure bill, which it supported
An "A to Z" spending

-cut proposal, which it
supported
A balanced

-budget amendment and a bid to place that
amendment, term limits and the line

-item veto on the
ballot in every state all of which the group supported.

"If your members of Congress aren't listening, hold
them accountable," Perot said in a letter included with
the report.

"Many members of Congress have served too long. They
ignore their constituents and jump as high as the special
interests tell them.

"Your vote is the only current term limit available.
With your vote, you can demonstrate that you are more
powerful than the special interests and that Congress is
not for sale at any price."

United We Stand America, founded by Perot, serves as
the grass

-roots lobbying group for the Texas billionaire
and 1992 independent presidential candidate.

AM

-US

-Haiti, 1st Ld

-Writethru, a0661,750

U.S. Will Complete Haiti Job and Leave, Clinton Says
Eds: Updates in top 9 grafs with Clinton, Mandela comment,
picking up in 3rd graf pvs, No member; adds 5 grafs at end
with Marine suicide
With: AM

-Haiti

By SUSANNE M. SCHAFER= AP Military Writer=
WASHINGTON (AP) President Clinton dismissed concerns
Wednesday that the United States could be dragged into
deeper military involvement in Haiti. He said U.S. troops
would stay with the mission they first embarked upon.

"We're going to complete it, turn it over to the
United Nations and bring our people home," Clinton said
at an afternoon news conference with South African
President Nelson Mandela.

At a separate news conference, Defense Secretary

William Perry expressed surprise that there has not been more violence in Haiti since U.S. troops entered the country three weeks ago.

“The surprise is not that there's been some violence, but that there hasn't been more,” Perry told reporters at the Pentagon.

The situation in Haiti “is much better than we anticipated and it continues to improve,” the secretary added. “It's been a country with a history of violence.”

Clinton said there was no cause for worry in the refusal of exiled Haitian President Jean

-Bertrand Aristide

to sign an agreement covering the rules and procedures for U.S. forces in Haiti.

“I wouldn't let that concern you too much,” he said.

“We think the mission is clearly defined in terms of scope and time. We always knew there would have to be some flexibility in the early weeks.”

“We are on the same mission that we went there with; we're going to stay with that mission,” he said.

Mandela, for his part, said he was consulting with other African leaders on Clinton's request that South Africa provide police or military support for the Haitian operation. He said the countries of southern Africa were “keen to answer collectively as a region.”

No member of the U.S. military has lost his or her life in a clash with Haitians, nor have any accidents taken place during the huge logistical move that paved the way for the deployment of more than 20,000 troops, Perry said.

There have been, however, two reported suicides among the U.S. forces deployed to the region.

Perry termed the Haiti operation exceptionally well executed and said U.S. forces are “doing what we can” to get any street violence under control.

By the end of the week squads of U.S. civil

-military

specialists will be in about 20 towns to work with local authorities preparing for the transition to a democratic government, the secretary said. These units are already in about a dozen of the country's larger towns, he said.

The United States is also helping train a Haitian unit that will be in charge security for deposed President Jean

-Bertrand Aristide, who has said he intends to return to Haiti on Oct. 15, the secretary said.

Queried whether he believed enough was being done to quell street violence in time for Aristide's return, Perry said, “I think actions underway by the U.S. military forces are adequate in that regard.”

The defense secretary also said he believed that Haiti's army commander, Lt. Gen. Raoul Cedras, should

leave Haiti before or shortly after Aristide's return.

Under a last

-minute agreement negotiated with former President Carter, Cedras is to step down by Oct. 15. But he has vowed not to leave the country.

Carter's agreement with the Haitian military averted an invasion and paved the way for the arrival of U.S. troops to ensure the return of Aristide, Haiti's first democratically elected president.

Also Wednesday, the Pentagon reported that Lance Cpl. Maurice A. Williams, 21, died of an apparently self

-inflicted gunshot wound earlier in the day while aboard the USS Nashville.

The ship was in port at Roosevelt Roads, Puerto Rico, at the time of the incident.

Williams' home of record was Detroit, Mich., and he was assigned to a division based in Camp LeJeune, N.C., the Pentagon said. He was on board one of two vessels with 1,800 Marines on board that had left northern Haiti on Monday.

Spc. Alejandro Robles of Los Angeles died Sept. 27 of an apparently self

-inflicted gunshot wound in Haiti. He was assigned to the 10th Mountain Division based in Fort Drum, N.Y.

AM

-Haiti,0781

Days in Power Slipping Away, Army Strongman Weeps at Soldiers' Burial
With AM

-Haiti

-Neighborhood Bully, Bjt, AM

-Haiti

-Amnesty
AP Photos PAP103,105

-106
By ANITA SNOW= Associated Press Writer=
PORT

-AU

-PRINCE, Haiti (AP) His days in power slipping

away, Haiti's military strongman wept Wednesday at a funeral service for 10 of his men killed in a shootout with U.S. Marines.

Even as Lt. Gen. Raoul Cedras sat ramrod straight at the service, staring at the caskets draped with the red

-and

-blue Haitian flag, Haitians speculated on his imminent departure, along with that of fellow coup leader Philippe Biamby and the military

-installed government of Emile Jonassaint.

Another leader of the September 1991 military coup, Lt. Col. Michel Francois, skipped town Tuesday for a new life in the neighboring Dominican Republic.

The de facto leaders have until Oct. 15 to quit power under a U.S.

-Haitian agreement being enforced by 20,000 American troops, including U.S. soldiers surrounding the white

-domed Presidential Palace and Cedras' two

-story headquarters across the street.

Cedras has vowed to remain in Haiti but under terms of the agreement worked out with former President Carter, he and Biamby will resign after elected President Jean

-Bertrand Aristide returns to power next week.

As for the provisional president, U.S. Embassy spokesman Stanley Schrager said: "We have no word on what Jonassaint's plans are. ... It's clear he cannot continue to occupy the palace."

Haitians, meanwhile, helped U.S. soldiers track down army

-allied gunmen who had terrorized neighborhoods since the coup ousted Aristide from the presidency only seven months after Haiti's first freely democratic election.

The gunman, known here as an attache, was forced to face his victims Wednesday without his weapons. After Samuel Chery was detained by the U.S. soldiers and led away from a poor neighborhood in suburban Petionville, his victims banded together and burned down his house.

Aristide supporters also took control of a police

-band radio, yelling political slogans to already demoralized

police: ``Where is your father (Francois) now?"

Since the ouster of Aristide, a Roman Catholic priest, Haitian soldiers had beaten and humiliated Aristide supporters by saying: ``Where is your Father now?"

One employee of the Francois

-controlled state telephone

company fatally shot himself Wednesday, saying in a note that Francois' departure left him with no choice but to commit suicide.

At the funeral Cedras had to face his fellow soldiers, many of them suspicious that he would sell them out. He was in an audience of 300, some of them soldiers' relatives so carried away by grief that they had to be physically removed.

Cedras repeatedly buried his face in his hand during the service. Brig. Gen. Biamby stared straight ahead. Jonassaint clasped his hands together tightly and looked disturbed as the soldiers' relatives wailed in grief.

Col. Carl Dorelien, chief of army personnel, called for reconciliation and forgiveness to those who gathered for the funeral in the courtyard of the capital's military hospital.

The simple gray caskets were lined next to the stage where two Roman Catholic priests officiated, each coffin covered with the Haitian flag and bearing a black

-and

-white photograph of the person inside.

``I've lost the father of my five children!" a small unidentified woman in a black veiled hat wailed over and over again.

``Who do I have now that they have killed my brother?" cried Manno Francois, a middle

-aged woman whose brother,

Lt. Augustin Valentin, was among those killed.

Several relatives, including a young man who kept screaming ``Woe is me!" had to be carried away on the shoulders of some of the other mourners when they disrupted the service. The prayers of the priests were inaudible above the cries.

The 10 men were killed in the northern town of Cap

-Haitien a week ago Saturday during a firefight with U.S. Marines outside a police station. The gunbattle produced the first casualties since U.S. forces came to Haiti on Sept. 19.

U.S. troops in Cap

-Haitien initially buried the men in

plain green body bags, without ceremony. At Cedras' request, the bodies were exhumed by U.S. soldiers and taken to the capital for a military funeral.

After the service, a military brass band of trombones and tubas played several dirges, followed by ``Taps" by a lone trumpeteer. Cedras tossed the first shovelful of dirt on the first casket.

After the ceremony police guards, recently disarmed by the United States, were unable to find a rifle for the traditional gun salute.

Cedras, protected by five bodyguards, left in a white four

-wheel

-drive truck after maneuvering through a gantlet of reporters and photographers. He did not speak to reporters.

BC

-HAITI

-FORCES (SCHEDULED)

U.S., Haitian military come face to face

By Jane Arraf

CROIX

-DES

-BOUQUET, Haiti (Reuter) - U.S. soldiers making their first contact with the military in this army outpost of the capital have broken down more than one symbolic barrier.

``If the Americans weren't here, we couldn't touch this fence," said one of a crowd of boisterous Haitians pressed against the wire Tuesday as the captain of the special forces team briefed Haitian soldiers on why they were there.

The Haitians enjoying a momentary reprieve from terror not only touched the fence, they sang, joked and laughed -- mostly about Joseph Michel Francois, the feared police captain who fled to the Dominican Republic Tuesday.

Inside, Major James Nelson told a ring of Haitian soldiers in tan uniforms gathered under a tree that the U.S. army wanted to help them rebuild their country and responded to complaints that the Haitian military was not being treated with respect.

``What we are trying to get across to them what exactly is the role of the military in a democracy and how they are subservient to the civilian population," he later told reporters.

``I haven't heard any arguments but there was a lot of

headshaking," he said.

Inside the stone building, which a plaque says was inaugurated in 1969 by ``Dr Francois Duvalier'', the country doctor

-turned dictator, clerks filled in hand

-written records while a few townspeople sat on benches waiting for an audience.

The special forces team, out of Fort Bragg, North Carolina, planned to start what they describe as public relations patrols this week in Crois

-de

-Bouquets, an outpost on the road to the Dominican border about an hour from the capital.

Nelson, whose team acts as an advance party for other troops, said the Haitian soldiers were worried about their future under a plan to dramatically reduce the size of the army after deposed President Jean Bertrand Aristide returns.

``I tell them it's just like U.S. soldiers after the Gulf War -- we went down from 750,000 to 450,000 and an awful lot of people were given pink slips and told to go out and find jobs and that may be the same case here."

Nelson's comments were met by skepticism by some of the Haitian soldiers, who in a space of days have seen the military regime that has ruled Haiti with an iron fist crumble.

``The Haitian army does not need to be professionalize. It was already professional. The only thing wrong is that we need more equipment," said one officer who was considering resigning.

The officer, who did not want to give his name, blamed the Haitian military's reputation for brutality on agitators who were mobilizing easily led illiterate masses against them and insisted that the army was welcomed by townspeople.

``It's very different here than in Port

-au

-Prince. We don't have any problems with the population," he said.

The population beyond the fence disagreed.

``One of my friends was brought here and beat up last night," said one of the women, who saw the man arrested after he fought with a soldier dressed in civilian clothes at a party.

She said she saw the man, a jeweler, being beaten to the ground with sticks and later beaten again by soldiers

from the military headquarters.

Haitian officers, asked about the arrested man by name and another man brought bloodied into the military headquarters just before the U.S. soldiers arrived, said they had no information on the cases.

The local people said feared paramilitary gunmen known as "attaches" had been subdued by the American troops' presence, but not eliminated.

"We are still sleeping in the cane fields to hide from the attaches," said one woman. "The ones who are still here are angry because the U.S. soldiers are here."

"If they catch us alone without the Americans they will hurt us," said a 22

-year

-old builder in the crowd.

Townpeople said FRAPH, the main paramilitary organization being dismantled by the Americans, had shut down its official office in Croix

-des

-Bouquets several months ago because of infighting.

"But they still come every morning to raise the flag," said one woman.

REUTER

AM

-NKorea

-US

-Talks, 1st Ld

-Writethru, a0693,0449
Negotiators Restart High

-Level Talks on Nuclear Issues

Eds: LEADS with 10 grafts to UPDATE with North Korean official saying negotiations are between U.S. and North Korea only and telling South Korea to stay out. Pickup 8th graf pvs, 'After last ...

By ELIZABETH OLSON= Associated Press Writer=

GENEVA (AP) North Korean and U.S. negotiators resumed high

-level talks Wednesday in a bid to break the deadlock over opening the communist country's nuclear program to outside inspection.

U.S. delegation leader Robert L. Gallucci met for one hour with his North Korean counterpart, Vice Foreign

Minister Kang Sok Ju, at the Koreans' lakeside mission.

``They discussed the agenda for tomorrow's full plenary," said U.S. spokesman Larry Taylor. He said the latest round of negotiations was expected to last several days.

Among the sticking points in the talks is Washington's demand that Pyongyang give international inspectors access to two suspected nuclear waste sites. That would help determine if North Korea was diverting any weapons

-grade
plutonium from its nuclear reactors to build a bomb.

North Korea maintains the sites are unrelated to nuclear weapons and may not be inspected because they contain military secrets.

The demand by the U.N. International Atomic Energy Agency to inspect the two sites 18 months ago touched off the current round of tension on the Korean peninsula.

South Korean President Kim Young

-sam said Wednesday
that tensions would not be defused until those two sites are inspected.

At the United Nations, North Korean Deputy Foreign Minister Choi Su Hon said that only the United States and North Korea can resolve the nuclear dispute and told South Korea to stay out.

``The nuclear issue on the Korean peninsula is an issue to be resolved by the Democratic People's Republic of Korea and the United States and no other party is entitled to intervene in this bilateral process," Choi told the U.N. General Assembly.

He said that the U.S.

-North Korean agreement to hold
talks ``shows that if the two sides work together to resolve the issue with trust, impartiality and equality, they will bring about a good, fruitful outcome."

After last week's talks deadlocked, Gallucci returned to the United States last Friday to consult with Secretary of State Warren Christopher. During Gallucci's absence, talks on the technical level continued with no signs of a breakthrough.

Other important issues being discussed are disposal of spent fuel rods that could be used to extract plutonium and replacing North Korea's reactors with more modern equipment that is less suitable to production of plutonium.

The North has refused South Korean reactors, apparently to avoid losing face before its capitalist rival.

-USA

-LATAM

Sites for December summit are announced

CORAL GABLES, Fla (Reuter) - Organizers of December's Summit of the Americas announced Wednesday that the event will take place at several sites and include at least two addresses by President Clinton.

Thomas ``Mack" McLarty, senior counselor to the president, told a news conference Clinton will give a public address on the significance of the summit to Miami residents and to the American people Friday, December 9, at the Biltmore Hotel in Coral Gables.

Later Friday, Clinton will host the 33 heads of state attending the summit at a private dinner.

Clinton will meet Saturday, December 10, with the heads of state at the Viscaya Museum and Gardens in Miami.

The following day -- at the James L. Knight Center in Downtown Miami -- Clinton will summarize the results of the summit and discuss plans for the future, McLarty said.

The Summit of the Americas will mark the first time all the democratically elected leaders of the Western Hemisphere will meet.

At Clinton's invitation, the leaders will gather in Miami to discuss the stimulation of economic growth, strengthening of democracy and promotion of sustainable development.

REUTER

BC

-CHINA

-USA

-AWARD

Chinese dissidents win U.S. human rights award

WASHINGTON (Reuter) - Chinese dissidents Wei Jingsheng and Ren Wanding Wednesday were named to receive the Robert F. Kennedy Human Rights Award for their role in advancing human rights and democracy in China.

But Wei, first paroled in September 1993 after a long prison term, has not been seen in public since April 1, when he was detained after meeting a senior U.S. diplomat.

And Ren, jailed since 1989, is seriously ill after being detained for his role in the Tiananmen Square pro

-democracy movement.

The award foundation, named after the former U.S. attorney general and champion of human rights, said in a statement: "Some day, when the Chinese people control their government, Wei Jingsheng and Ren Wanding will be recognized as national heroes."

“These men stand as leading symbols of the thousands of Chinese citizens who are unjustly imprisoned, cruelly tortured or charged with treason, simply for speaking their minds.”

The first parole of Wei came at the height of Beijing's unsuccessful bid to host the 2000 Olympics, sparking speculation that he was freed to improve both Beijing's human rights record and its standing in the Olympic bid derby.

Wei served 14½ years of a 15

-year prison term stemming from his criticism of the communist government during China's tumultuous Democracy Wall period in the late 1970s.

In his six months of freedom, Wei openly criticized the government and said he had no regrets about taking a public stand.

Ren was first detained in April 1979 after denouncing the government's arrest of Wei and spent the next four years in prison. During the 1989 pro

-democracy fight he railed against human rights abuses and urged freedom for political prisoners.

As a result, he is currently serving a seven

-year sentence for what Chinese authorities describe as “counterrevolutionary propaganda and incitement,” the statement said.

The two will share the \$30,000 prize at a ceremony November 15 in Washington.

REUTER

AM

-US

-Cuba,340
Agreement to Permit Upgrading of U.S.

-Cuban Phone Service
By GEORGE GEDDA= Associated Press Writer=
WASHINGTON (AP) The Clinton administration approved plans Wednesday for the first upgrading of telephone service between the United States and Cuba in more than 30 years.

Acting on a recommendation by the State Department, the Federal Communications Commission approved proposals worked out between Cuba's national telephone company and five U.S. telecommunications companies.

The breakthrough occurred when Cuban officials dropped a demand made earlier this year for a \$4.85 surcharge for

collect calls made to the United States. The administration rejected that amount as too high but accepted a subsequent Cuban proposal for a \$1 surcharge.

An FCC statement said the new proposal was more in line with the 60

-cent average surcharge in the region. The Clinton administration and much of the Cuban exile community had contended the \$4.85 proposed surcharge would have netted huge earnings for Cuba's dollar

-starved economy.

The FCC said the antiquated system now in place permits less than 1 per cent of the more than 60 million calls from the United States to Cuba to get through.

Until 1992, the U.S. embargo against Cuba precluded any upgrading of telecommunications services between the two countries. But the Cuba Democracy Act, which took effect that year, authorizes such improvements as a means of enhancing people

-to

-people contacts across the Straits of Florida.

The companies involved in the negotiations are Wiltel International, Inc.; MCI Telecommunications Corp.; LDDS Communications, Inc.; Sprint Communications Company; and IDB WorldCom Services, Inc.

Approval of the applications will also permit AT&T to improve its capability to serve Cuba because a new service agreement with the Cuban national firm becomes effective on the conclusion of negotiations with the five firms.

Another outgrowth of the embargo is that Cuba for more than 30 years has been denied access to its share of fees resulting from U.S.

-Cuba telephone traffic more than \$85 million.

The status of those funds remains unchanged.

AM

-US

-Pakistan,100

Threat Against Americans Reported In Karachi

WASHINGTON (AP) A threat to harm U.S. citizens prompted the State Department to warn Americans in Karachi, Pakistan, to be careful and vary their schedules.

The U.S. consulate has received "uncorroborated information" of the threat, but there is no additional

information, the department said in an announcement Wednesday.

In the meantime, all U.S. citizens in Karachi should ``exercise prudence and caution, vary their schedules as much as possible and report any unusual occurrence to the police and

-or the U.S. consulate," the statement said.

BC

-IRISH

-USA

-ADAMS 2NDLD (SCHEDULED)

Adams says peace more real after U.S. trip
(Eds: Adds Adams luncheon speech quotes paras 11

-14)

By Patrick Worsnip
WASHINGTON, Oct 5 (Reuter) - Irish republican leader Gerry Adams met members of Congress Wednesday to complete a Washington visit that he said had made hopes for peace in Northern Ireland ``more of a reality."

Adams, head of Sinn Fein, political wing of the Irish Republican Army, added a Capitol Hill stop to his three

-day Washington visit before rounding out his two

-week, nine

-city tour with visits to San Francisco and Los Angeles.

``The number of days we have spent here have in their own way been quite historic," he told a news conference. He met Tuesday for the first time with U.S. officials after President Clinton lifted a ban on such contact.

``We have made the hope (for peace) more of a reality today on the fifth of October than it was two and a half days ago," Adams said. ``We have taken an enormous move forward for peace and for justice and reconciliation in Ireland."

Tuesday's meeting with U.S. officials represented a clear success for Sinn Fein, which is trying to persuade the British government to let it join Northern Ireland peace talks. But it fell short of Adams' desire to see Clinton at the White House.

Instead, he met John Kornblum, assistant secretary of state for European affairs; Leon Furth, Vice President Al Gore's national security adviser; and Nancy Soderberg of

the National Security Council.

Adams told reporters Wednesday that ``the decision by President Clinton to lift the visa ban on me has been a very pro

-active commitment (to Irish peace) by the administration."

He said his first meeting with U.S. officials ``was a constructive, positive, businesslike first step in formulating an engagement between Sinn Fein and the administration here, and I think it bodes very well for the future."

Clinton authorised the meeting as a result of what the White House called the IRA's historic decision on August 31 to declare a ceasefire in its 25

-year

-old guerrilla war against British rule in Northern Ireland.

British officials insist they are not overly bothered by the augmented contacts between Adams and the U.S. administration, while making it clear that London -- not Washington -- is in charge of negotiating a permanent peace.

In a luncheon speech Wednesday, Adams urged the British government to ``stop fumbling with the ball" and seize the opportunity for peace by immediately opening talks that included Sinn Fein along with other Northern Irish parties.

``The British government must embrace this process," he told the Council on Foreign Relations. ``It must stop fumbling with the ball -- (Prime Minister John) Major needs to grasp this momentous opportunity and run with it -- keeping his eye at all times on the big prize -- peace.

``Mr Major has said that he expects to be in discussions with Sinn Fein before Christmas -- why delay, why not now?" Adams asked, adding that the United States could help the British government appreciate the chance that existed.

Britain says it will only invite Sinn Fein to talks when it is convinced the IRA ceasefire is permanent.

In speeches to supporters across the United States, Adams has stressed that it is time to forget the past, move the peace process forward and bring Catholics and Protestants together to work out a future for Northern Ireland.

He tried to put the same message across on a television talk

-show Tuesday night to Ken Maginnis, an Ulster Unionist Party member of the British parliament, but was rebuffed by Maginnis, who said: ``I most certainly

do not trust Gerry."

Adams sidestepped questions by Maginnis and CNN talk show host Larry King on whether the IRA ceasefire was permanent. "I want to see a permanent peace," he said.

REUTER

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Dianna A. Pierce (PIERCE_D) (WHO)

CREATION DATE/TIME: 7-OCT-1994 09:40:03.89

SUBJECT: White House Wire Report

TO: FAX (9-647-5573,rebecca) (TLXA1MAIL_ \F:9-647-5573\C:rebecca)
READ:NOT READ

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
9 a.m. edition
Friday, Oct. 7, 1994
Produced by the Office of News Analysis (OEOB 161, 6-5694)

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World War II (AP)
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Hourly News Summary
Around the World, Around the Clock...with United Press
International.

-0-
The rich get richer, but the poor get more numerous.
The latest annual pverty report from the Census Bureau
finds 15 percent of the entire U.S. population lives below

the official poverty level.

This is the same percentage as in the previous annual report, which means a net increase in the number of poor. The poverty boundary: when a family of four lives on less than 15-thousand dollars a year.

-0-

Hundreds of Haitians have returned to their country from the U.S. Naval Base at Guantanamo Bay. The State Department says many more are now willing to return now that international peacekeepers are there.

Both houses of Congress have passed resolutions urging President Clinton to withdraw troops from Haiti as fast as possible. In the Senate there were only eight votes against.

Some congressmen said President Aristide didn't deserve saving. Others said President Aristide was elected with more than 67 percent of the vote in an election with better turnout than most U.S. elections.

-0-

The Senate race in Massachusetts is still a dead heat. A Boston Herald poll finds Republican Mitt Romney still LEADS Ted Kennedy by two points. The number of undecideds has fallen but is still significant...one in 10.

Senate leader George Mitchell has hinted to reporters that there is a chance this year that Republicans will regain control of the Senate. Mitchell openly predicts losing several Democratic Senate seats.

-0-

Evidence seized from O.J. Simpson's Ford Bronco CAN be used against him. Judge Lance Ito ruled that the search of the truck, while not expressly covered in the warrant, WAS warranted.

-0-

Health officials in India meet today to discuss their deadliest health crisis...and it's NOT the black plague. In the same three weeks that saw 51 plague deaths, 34-thousand people died in India from tuberculosis.

-0-

U.S. health official report the highest level of childhood inoculations ever, 67 percent of all children in America. But this means millions still do NOT get their inoculations against tuberculosis, measles and other diseases.

-0-

Many people are encouraging more trade with Mexico, but that's LEGAL trade. The recording industry has issued a report which says Mexico has become the world's second-biggest market for pirate recordings. China is first.

-0-

By Howard Dicus (UPI)

-0-

BC-Philippines-Clinton ttttt

Clinton: U.S.-Philippine Ties Have Strengthened Since World War II

AP Photo Available

MANILA, Philippines (AP) President Clinton said relations between the United States and the Philippines, a former American colony, has "grown stronger" since both countries fought Japan in World War II.

Clinton's statement was contained in a message inscribed on a bronze plate attached to a granite slab that was presented Friday by U.S. Ambassador John Negroponte to Tourism Undersecretary Mina Gabor.

The granite slab will form part of a rock garden that would be unveiled on Oct. 20 to commemorate the 50th anniversary of the 1944 landing of Allied forces at Palo town on Leyte Island during the war.

The Leyte Landing, which followed the Battle of Leyte Gulf, the biggest naval battle in history, paved the way for the liberation of the Philippines from the Japanese.

"The bonds between Filipinos and Americans, forged in the fires of World War II, have grown stronger through the years," Clinton said. "May the future be one of peace and prosperity that Filipinos and Americans, together, fought so hard to ensure."

Australia, New Zealand, Vietnam, Canada, India, and Thailand, have sent similar "rock messages" and 11 others have promised to do the same.

Clinton will not be present at the anniversary rites but he will visit the Philippines Nov. 12 on his way to the Asian Pacific Economic Cooperation meeting in Jakarta.

U.S. Defense Secretary William Perry will lead the American delegation at the Leyte rites.

teves

BC-BILL national:TB

In nation's midsection, Clinton in political trouble over character issue, dashed expectations

(HAS TRIM)

By William R. Neikirk

Chicago Tribune

SAVOY, Ill. At the Old Orchard Bowling Lanes on a recent Tuesday night in this village south of Champaign, NLC1 shut out NLC2, 8-0, in league play.

Afterward, team members, representing National Letter Carriers union locals, joined forces over beer to shut out Bill Clinton, 4-0, in a traditional form of non-league play known as political chatter.

"Clinton's got a real P.R. problem. He's Billy Slick. He's got to overcome that, but I don't think he will be able to do it," said Kent Nash, a letter carrier who

voted for Clinton, but won't again unless the Republicans put up Dan Quayle.

In the nation's midsection, which helped provide Clinton with his margin of victory in 1992, there is simmering political discontent borne of concerns about Clinton's character and dashed expectations over his presidency. Elected with only 43 percent of the popular vote nationwide, Clinton won Illinois, Ohio and Missouri, but lost in Indiana and Kansas.

A 1,000-mile drive through the center of the Midwest, from Kansas City to Columbus, yielded ample evidence that Clinton is in political trouble here, much as he is nationally, despite an improved economy and a handful of legislative victories.

Many said they had believed Clinton when he said he would change the way Washington works, when he promised higher standards, declared war on special interests and offered new investment to provide higher-wage jobs in the future. Now they feel betrayed, angered by a blur of Whitewater-Paula Jones-scandal-resignation-gridlock-business-as-usual.

Many also say they do not share what they perceive to be Clinton's values. And much of the general anti-Washington anger gets vented specifically at the president.

But all is not grim for Clinton. While 6 in 10 of those interviewed had a negative opinion, many admire his intelligence and willingness to take on major issues such as health care and free trade.

Interviews indicate that the president still could win over some Americans who think less of him, if the Republicans put up a candidate they dislike in 1996.

"He's had the guts and intestinal fortitude to take on issues that will raise the ire of certain segments, such as doctors and insurance companies," said Charles Young, a lawyer in Effingham, Ill., who voted for Ross Perot. "These are people with a lot of clout."

Interviews with more than six dozen people in five states found a public angry and cynical about the conduct of government in Washington. The modest record of Clinton's 20-month presidency appears to have deflated the high perhaps unrealistic hopes that he could bring about fundamental change.

In some important respects, Clinton's relatively low popularity should come as no surprise. Nearly 6 in 10 voters chose someone else in 1992's three-way race, and opinion surveys now show Clinton's approval rating at roughly 4 in 10. Moreover, presidents typically suffer their lowest ebbs at the midpoint of their first term.

But the disaffection expressed about Clinton often involves lingering questions about character and integrity more than the results of specific policies, an indication that it may be more difficult for him to rebuild his popularity than it was for other presidents.

“Clinton came in as the new guy in town,” said another letter carrier, Rich Frazier, over the clatter of falling bowling pins. “As stories of his personal life and administration scandals came out, people became disillusioned. Then there were foreign-policy mishaps, and failure of the health-care bill.”

The bill of particulars against Clinton in the Midwest covers many concerns, but appears to stem from an underlying belief that the president broke a mystical bond with voters that he would be a “new Democrat” able to carry out a cleanup agenda when he arrived in Washington.

Now, the “new Democrat” theme appears to have lost its political magic with many voters, and some local party officials.

“His liberal views betray him on abortion, the gay issue, on everything,” said Mike Altgilbers, who runs a cabinet shop in Effingham. “He changes his mind more often than the weather.”

Paul Quirk, a political science professor at the University of Illinois, said Clinton's decision to admit gays to the military was one of several decisions unpopular among Midwesterners. Then, he said, the Whitewater land-development affair and reports of womanizing worked to erode the trust people once had in him.

“Any president who had more personal trust would have been able to withstand these unpopular political decisions better,” said Quirk, who believes that presidents are increasingly prisoners of public opinion.

Any decision that requires the less-trusted Clinton to depart significantly from public opinion such as his decision to intervene in Haiti is greeted skeptically by a less-forgiving public, he said.

(EDITORS: NEXT 7 GRAFS OPTIONAL)

Then there's the character issue, which cuts both ways with many people in the Midwest.

“He's a draft-dodging, pot-smoking womanizer,” said Matt Roberts, an Indianapolis maintenance supervisor of apartments who voted for George Bush in 1992.

But many others say Clinton's personal life isn't important to them. “I'm disappointed in the way he's being treated,” said Don Wittenbrink of Dix, Ill., who works for Illinois Power.

Still, the range of complaints against Clinton is wide. In Effingham, sporting goods store manager John Taylor complained about gun control. Eric Althhoff, the coroner and vice chairman of the county's Democratic Party, said he did not agree with Clinton's support of abortion rights and his appointment of Joycelyn Elders as surgeon general.

Several people said that, despite Clinton's efforts to get in touch with people through town meetings, he and his government are as out of touch as any they have seen.

Barbara Payne, executive director of the American Red Cross' Illini Prairie Chapter in Urbana, said she would

like to see Clinton and his top officials spend a day or two working in social services.

``It would help if they saw what the real world is like," she said.

(END OPTIONAL TRIM)

Perhaps most astonishing is that a better economy has done little to improve Clinton's popularity. Hubert Sturgill, a retired trucker and Teamsters Union member in Dayton, said Clinton brags about new jobs, but many of them are minimum-wage jobs.

``I voted for Clinton the last time," Sturgill said with some anger. ``That's the last time I will vote for a Democrat."

Back at the bowling alley, letter carrier Kent Nash said that Clinton's health-care proposal would have taxed him too heavily. ``The Democratic Party has gotten too far into my pocketbook," he said.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

BC-HILLARY-w-BILL national:TB

Negative feelings about first lady appear to be rising

(HAS TRIMS)

By William R. Neikirk

Chicago Tribune

ST. LOUIS Painting her nails at a table in the fast-food area of Union Station, Doris Seay spoke admiringly of President Clinton and unfavorably of his critics.

But then, without prompting, the 55-year-old food service worker said: ``Do you think his wife is the strong person in the family? Sometimes her strength is overwhelming. She should tone it down a bit ... She's trying to take over her husband's job. I wonder if she's always been like that."

Just north of the city, Victoria Carver, 25, a student at St. Louis Community College, also supported the president but found the first lady overly aggressive.

``I think she needs to chill out," said Carver, from Pacific, Mo. ``They should dose her with some Valium."

Throughout the Midwest, if not the whole country, negative feelings about Hillary Rodham Clinton appear to be rising. Since coming to the White House on Jan. 20, 1993, hailed as the embodiment of the modern professional woman, she has become a controversial, divisive figure with much of the public.

Of the more than six dozen people interviewed at random in a driving trip of nearly 1,000 miles through the Midwest, nearly 6 in 10 found fault with the highly public role she has taken. Though unscientific, this survey parallels a Wall Street Journal/NBC News poll released last week that showed that only 39 percent of Americans had a positive feeling toward the first lady, down 7 points from

July.

Widely respected by many professional women for her pioneering role as an activist first lady, she also arouses deep distrust, even derision, among many others in a region with a reputation for traditional values and considered vital to her husband's chances for a second term.

Even those who dislike her acknowledge that she is destined, as a capable woman who openly dispenses policy advice, to leave an indelible mark on the presidency. The intense feeling about her, pro and con, reverberates through the cities and rural areas of the Midwest and can be found among young and old, among the well-to-do and the working classes.

When the Clintons took office, she tapped a reservoir of goodwill as a strong, modern woman who had built a solid career as a lawyer and breadwinner. When the president put her in charge of health-care reform, 64 percent of Americans approved of the appointment, according to a Washington Post/ABC News poll.

But support for Hillary Clinton eroded as she played a rugged political game. She pushed a plan for universal health coverage long after it was clearly dead. And she labeled as politically motivated the criticism of her controversial investments and her role in the Whitewater land-development case.

With the fading of that original goodwill and her continued outspokenness against critics, Clinton has increasingly been subjected to personal attacks and talk-show insinuations that she is, in essence, running the country.

(EDITORS: NEXT 4 GRAFS OPTIONAL)

The closest parallel is the sharp criticism Eleanor Roosevelt received when she assumed a highly public role as first lady.

In the Midwest, Clinton's efforts to make the unofficial office of first lady a more powerful position appear to be running into strong resistance and making many people uneasy.

Americans historically have been ambivalent about strong, assertive women. But their current unease seems to have more to do with concern about whether the presidency should be shared than with old-fashioned notions about the role of women.

Throughout the American presidency, first ladies have always played a powerful role in politics and policy, but their actions were often cloaked from public view and few engendered the antipathy that Clinton does.

(END OPTIONAL TRIM)

"We didn't elect her," said Earl Finder of Urbana, a Republican.

Don Amann of Belleville, Ill., who voted for Ross Perot for president, added, "I don't believe she should be in

politics."

"I don't think he's running the show," said John Cleveland, a Detroit truck driver. "She's the one behind it all."

Candy King, a secretary from Overland Park, Kan., who sings country music on the side, said during a break at Kansas City's City Market that, while she supports the president, "I think he'd do better if she stepped out of the spotlight."

"The smartest thing they did after Hillary failed on health care is that they shut her up," said Linda Sparks of Indianapolis, president of a company that trains workers. Sparks, who said she voted Republican, added, "I'd hide her for a while."

(EDITORS: NEXT GRAF OPTIONAL)

Even some supporters say she is hurting the president politically and urge a lower profile.

(END OPTIONAL TRIM)

But Susie Mattingly, owner of a cafe and chocolate shop in Greenfield, Ind., and her co-worker, Ruth Huckaby, say they greatly respect Clinton and understand the difficulty of her role.

"I think she's done a good job, and I bet it's been an uphill battle all the way," said Mattingly. "Nobody wants her there doing anything but saying, 'Hello, how are you? So nice seeing you today. Enjoy yourself. Have a cup of tea.'"

(EDITORS: NEXT 2 GRAFS OPTIONAL)

Often Clinton's critics imply he is weak by suggesting she is strong.

"Is it President Bill or is it President Hillary?" asked Mike Geyer, of Springfield, Ind., a maintenance supervisor at an apartment complex.

(END OPTIONAL TRIM)

Nancy Hall, a Prairie Village, Kan., publications consultant, said she understands the arguments of those who say that the country elected only one president.

"At the same time, there is plenty of work for everyone. It is a huge job to run this country," she said, noting that the first lady or the presidential spouse, if the nation ever elects a woman should, and will, play a powerful role in the future. "The times are changing. This was inevitable. The person who is first bears the brunt of the criticism."

Leah Blase, a St. Louis representative of a yearbook publishing firm, said she didn't agree with many of Hillary Clinton's ideas, and "maybe she's a little bit too aggressive," but she said she respected her and recognized her as an important model for women in the workplace.

"People blame the breakdown of the family on people like Hillary," said Blase, who voted for former President Bush. "It's not true. It's no longer an 'Ozzie and Harriet' world. I get more strength from people like

her."

(EDITORS: STORY CAN TRIM HERE)

Without regard to the larger questions of a presidential spouse's legitimate role in modern America, many women who work and have power in their own right still feel a bit uneasy about the Clinton's style.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

PM-Economy, 1st Ld, a0428,150

URGENT

September Unemployment Rate At Four-Year Low

EDs: LEADS with report

By ROBERT NAYLOR JR.= AP Labor Writer=

WASHINGTON (AP) The unemployment rate slid to 5.9 percent in September, the lowest rate in four years, the government reported today. The news was certain to upset already jittery financial markets.

The Labor Department said 239,000 new jobs were added to the nation's non-farm payrolls, less than most economists were predicting, but still a strong showing in an economy that has added nearly 2.5 million jobs this year. Economists had predicted an increase of about 250,000.

The rate dropped from 6.1 percent in August.

Positive economic news this week has spooked already nervous financial markets with renewed worries about inflation, and Wall Street worried about a strong employment report.

Investors worry that strong economic news, like a sizable increase in the number of new workers, will fuel inflation, lowering the value of their holdings.

MORE

PM-Economy, 1st Ld-1st Add, a0528,160

WASHN: their holdings.

The 5.9 percent rate was the lowest since October 1990, when a 5.8 percent rate was recorded. The government changed its survey methods this year to a system that picks up some people who had previously been overlooked. Labor Department officials could not say what the 5.9 percent rate would have been under the old system, but the new system tends to slightly increase the number.

Many economists have said a strong employment report would put more pressure on the Federal Reserve to push up short-term interest rates for a sixth time this year.

Earlier this week, stock and bond prices fell when the index of leading economic indicators, the government's primary gauge of future economic activity, showed its biggest increase since March. Another report that showed factory orders increasing more rapidly in August than in nearly two years also sent Wall Street reeling.

MORE

PM-Economy, 1st Ld-2nd Add, a0528-529,160

WASHN: Street reeling.

Investors look for any signs of inflation in the report and were certain to be concerned, as well, about a 3-cent increase in the average hourly wage, which was higher than most economists expected.

Last month, the markets initially rallied after the report showed payroll growth substantially lower than predictions. But stock and bond prices dropped after investors noticed a 2-cent increase in average hourly wages.

''You take every bit of information you've got, you plow everything together and you take into account momentum and the seasonal factors. Ultimately you dig down and you see this economy is growing at a fairly decent clip,' said James Annable, chief domestic economist with First National Bank of Chicago.

Analysts said investors would use a stronger-than-expected report to pressure Federal Reserve Chairman Alan Greenspan to push up interest rates before the November meeting of the Federal Open Market Committee, which decides the increases.

MORE

PM-Economy, 1st Ld-3rd Add, a0528-529-531,160

WASHN: the increases.

As expected, hiring gains were biggest in service-related industries, including 65,000 new hires by federal, state and local government agencies. Bureau of Labor Statistics Commissioner Katherine D. Abraham said many of the new government hires were college and university professors added by schools dealing with swelling enrollments.

Construction was up a moderate 19,000 after falling 3,000 last month. Construction gains were greatest in the Spring, but tapered off after interest rates began rising.

Manufacturing payrolls declined 3,000, a showing worse than most economists predicted, although they expected that sector to be weak. Manufacturing was up by 39,000 the previous month. Retail establishments added 40,000 jobs.

The average work week was up a tenth of an hour to 34.6 hours, while manufacturing workers averaged 42 hours and 4.6 hours of overtime. The average work week has remained at or near record levels for most of the year.

MORE

PM-Economy, 1st Ld-4th Add, a0528-529-531-533,140

WASHN: the year.

The Labor Department said 7.7 million Americans were

out of work, with the number of people looking for jobs dropping by 308,000 in September. Since January, the number of people seeking employment has dropped about 1 million and the unemployment rate has dropped eight tenths of a percent.

The number of people with jobs increased 462,000 in September, bringing the year-to-date total to 1.7 million. The Labor Department said 521,000 people have given up looking for jobs and are categorized as "discouraged" workers."

Hiring gains were greatest among adult men. Black job seekers were most likely to be unsuccessful finding work. The black unemployment rate was 10.7 percent, compared to 10.2 percent for Hispanics and 5.1 percent for whites.

No Pickup

BC-USA-ECONOMY-JOBS URGENT

September jobless rate falls to 5.9 percent, job growth strong

WASHINGTON (Reuter) - The U.S. unemployment rate fell to 5.9 percent in September, the lowest in four years, the Labor Department said Friday, as the surging economy added 239,000 new jobs outside the farm sector.

The department also revised upward the number of new jobs created in August, to 246,000 from the previously reported 179,000.

The September jobless rate, down from 6.1 percent in August, was the lowest since the 5.8 percent level of October 1990.

REUTER

Jobless rate down to 5.9 percent

By JEFF BATER= UPI Business Writer=

WASHINGTON, Oct. 7 (UPI) The nation's unemployment rate sank to its lowest level in nearly four years during September, while non-farm business payrolls increased by a strong 239,000 jobs, the Labor Department said Friday.

Labor also reported worker earnings accelerated, while the work week grew a little longer.

The jobless rate dropped 0.2 percentage points last month to 5.9 percent from August's 6.1 percent. It was the lowest level since October 1990's 5.8 percent; Labor used a different system back then, however, to calculate the unemployment rate.

Paced by increased hiring by business services in September, business payrolls grew by 239,000 jobs after climbing in August by 246,000 jobs, a figure revised sharply up from a previously estimated 179,000-job increase.

The latest increase in payrolls was roughly on target with estimates by most analysts, who were expecting an advance of about 250,000 jobs.

"The labor market continued to improve in September,"

said Katharine Abraham, commissioner of the Bureau of Labor Statistics.

To gauge payrolls, Labor surveys U.S. businesses. It found that in September, manufacturing jobs fell by 3,000 and construction jobs increased by 19,000. Other goods-producing industries shed 1,000 jobs.

The U.S. service sector created 224,000 jobs, including 40,000 in retail and 65,000 in government as Election Day nears, requiring temporary workers to man voting precincts.

Other services industries adding jobs included transportation and utilities, personnel supply and moviehouses.

The work week for private sector employees in September lengthened by six minutes to 34.6 hours. The factory work week was unchanged at 42 hours, while overtime for manufacturing workers held steady at 4.6 hours.

Hourly earnings for private sector workers climbed 3 cents a bit higher than past increases to an average \$11.16.

Weekly wages averaged \$386.14, up \$2.15 from August's \$383.99.

To gauge the jobless rate, the Labor Department surveys U.S. households. It found that in September, the civilian labor force expanded by 154,000 people to 131,343,000.

The number of employed among that total increased by 462,000 to 123, 628,000, while the number of unemployed decreased by 308,000 jobs to 7, 715,000.

Jobless rate for past year

WASHINGTON, Oct. 7 (UPI) Civilian unemployment rates for the past year, revised and adjusted for seasonal factors, as reported Friday by the Labor Department.

Month	Percent
September 1993	6.7
October	6.7
November	6.5
December	6.4
January 1994	6.7
February	6.5
March	6.5
April	6.4
May	6.0
June	6.0
July	6.1
August	6.1
September	5.9

Jobless rates by category

WASHINGTON, Oct. 7 (UPI) Unemployment rates by

category, seasonally adjusted, as reported Friday by the Labor Department.

Category	Sept	Aug	July	Sept 93
Civilian	5.9	6.1	6.1	6.7
Adult men	5.1	5.4	5.6	6.3
Adult women	5.3	5.4	5.3	5.8
Teenagers	17.0	17.5	17.7	17.9
White	5.1	5.3	5.4	5.8
Black	10.7	11.5	11.2	12.5
Hispanic	10.2	10.2	10.1	10.0

Jobless rate by industry

WASHINGTON, Oct. 7 (UPI) Industry unemployment rates, seasonally adjusted, as reported Friday by the Labor Department.

Industry	Sept	Aug	July	Sept 93
Mining	5.5	5.1	6.1	7.5
Construction	10.7	10.5	10.9	14.1
Manufacturing	5.4	5.4	5.8	7.2
Transport & Util.	4.5	4.9	5.3	5.3
Whsl & rtl trade	6.9	7.5	7.5	7.5
Finance	4.5	3.8	3.7	4.0
Government	3.1	3.7	3.4	2.8
Agriculture	10.9	11.1	12.6	10.4

Volcker Says Disturbing Signs On Economic Growth Masked

NEW YORK -DJ- A "feel-good" attitude by Americans toward the economy masks disturbing signs about future growth, former Federal Reserve Chairman Paul Volcker warns.

The underlying problems of a large budget deficit, a low U.S. savings rate and a low rate of industrial expansion eventually will hurt growth, said Volcker, an economist known for his victorious war on inflation in the 1980s.

Asked for his prediction on interest rates - his own best weapon against inflation in eight years at the Fed's helm - he said, "I suggest that in this economic climate, don't be surprised if interest rates go up."

Volcker said President Clinton's successful efforts at cutting the deficit were leading to complacency.

"Whatever we think about the near-term economy, and it's been doing obviously very well, we're not in anything like an optimistic position for the future. Far from it, investment's too low to support growth, productivity is below potential and the dollar is vulnerable," he said.

Volcker also said U.S. dependence on borrowing abroad will grow more painful as other countries pull out of recession and raise their interest rates. He said investment money will pursue the highest interest rates in whatever country.

(END) DOW JONES NEWS 10-07-94
8:24 AM

Polls: Ted, Mitt in dead heat in Mass.

BOSTON, Oct. 7 (UPI) Incumbent Democrat Edward M. Kennedy remains locked in a statistical dead heat with Republican challenger Mitt Romney in the Massachusetts Senate race, according to two new polls published Friday.

A Boston Herald-WCVB-TV poll had Romney leading Kennedy 46-44 percent, with 12 percent undecided with just a month to go before the Nov. 8 general election. Two weeks ago a similar poll had Romney on top 44-42 percent.

A Boston Globe-WBZ-TV poll had Kennedy ahead 49-44 percent with the rest undecided, a slight change from two weeks ago when a similar poll had Kennedy leading 48-46.

Pollsters said both new surveys were within the margin of error, making the race a statistical dead heat.

The Globe poll suggested that a barrage of negative ads by Kennedy has apparently taken the steam out of Romney's momentum and raised questions about the millionaire businessman, who is making his first run for public office.

The poll also suggested that there is strong voter sentiment to send someone new to Washington instead of Kennedy, who has been in office for 32 years.

Globe Pollster Gerry Chervinsky said Kennedy "has stopped Romney's momentum" and that "doubt has been raised in people's minds about whether Romney really is on the side of the working person."

The Herald poll also indicated Kennedy's ad campaign has had an impact.

"People are more likely to be turned off when they hear about Romney's business record," said Herald pollster R. Kelly Myers.

Myers also found some good news for Kennedy. He said if there is any movement among independents, a critical voting group in this race, "it looks as if it's going in Kennedy's direction."

In the gubernatorial race, both polls indicated incumbent Republican William Weld had increased his huge lead over Democratic challenger Mark Roosevelt.

BC-SOUTHVOTE national:WA

The South rises again, as a growing Republican force

(HAS TRIMS)

(PHOTO; details below)

By Craig Crawford

Orlando Sentinel

ATLANTA In a rust-stained wooden cabin at Pickett's Mill Historic Site on Highway 92 the Sons of the Confederacy meet the Republican challenge.

It was on this same patch of red clay and pines 130 years ago that their ancestors fought Union soldiers commanded by a GOP president, delaying by a few days the

burning of Atlanta.

But on this day the grandsons, great-grandsons and one real son of Rebel Democrats throw horseshoes and eat from boxes of Kentucky Fried Chicken, nodding approval at a Republican office-seeker.

“Conservative Democrats have been betrayed by their party leaders in Washington,” GOP congressional candidate Bob Barr tells Darren Wheeler, whose great-uncle John F. Davis was killed at the Civil War battle of Chancellorsville, Va., in 1863.

Wheeler and Barr were sharing their hostility toward gun control provisions in the crime bill that President Clinton had just signed. But in a way they were really talking about something larger, a political and cultural whirlwind transforming the South.

In politics, it means that Republicans could officially shatter what Democrats once called their Solid South, picking up the 15 congressional seats needed for a majority of the region's delegation. Nationally, the GOP hopes to win at least two dozen once-Democratic seats, with more than half the largest bloc coming from the South.

(EDITORS: NEXT GRAF OPTIONAL)

Culturally, the South has shifted from a rural farm life of modest hardware stores and Saturday night barn dances to a suburban sprawl spilling into Wal-Mart super stores and multiplex cinemas. You see more fast-talking entrepreneurs barking orders on portable phones and fewer folks in overalls sitting on the front porch chewing wads of tobacco.

(END OPTIONAL TRIM)

Republicans, once the scourge of voters here, have gone from holding 10 percent of the region's seats in Congress 30 years ago to a chance at dominating the South's ranks of Capitol Hill lawmakers.

“We're swapping sides,” says Wheeler, 33, wearing a T-shirt depicting Fort Sumter, S.C., where the first shot was fired in what Confederate sympathizers still call “the war of Northern aggression.”

(EDITORS: NEXT 2 GRAFS OPTIONAL)

Two more states Georgia and North Carolina are poised to join Florida in November as the South's majority Republican congressional delegations. Party leaders now see the region as their emerging national base.

Republicans last ran the South with rifles and cannons. During reconstruction in the 1870s it took the Union army to force the region to accept GOP officeholders.

(END OPTIONAL TRIM)

Older Southerners, like Bill Myers, 86, can't shake their Democratic tradition. He remembers his father, Joshua, a Confederate drummer boy for Gen. Stonewall Jackson, telling stories about federal troops after the war forcing voters to accept Republican “carpetbaggers” for Congress and other offices.

“I’ve never voted for anything but a Democrat, so I guess I won’t be changing any time soon,” says Myers, whose son and grandson are registered Republicans.

Many Southerners are flocking toward Republicans, weary of “liberalism” and furious at Clinton’s policies favoring gays in the military, higher taxes and bigger government.

With more than a dozen Dixie Democrats in Congress retiring this year, Republicans could win seats their party hasn’t held since the Civil War era.

Richard Petty knows. The legendary race car driver, wearing his trademark sunglasses, urges GOP enthusiasts in his home state of North Carolina to persuade their neighbors to break Old South tradition and vote Republican.

(EDITORS: NEXT 2 GRAFS OPTIONAL)

“If you talk to those people, you’ll find they’re conservative,” Petty tells a rally for GOP congressional candidate Richard Burr in Winston-Salem. “They’ve just voted Democrat-so long they don’t know better.”

Later, sitting at a table handing out autographs you must swear you’re a Republican to get one Petty stresses that all conservatives should be voting for his party. He waves unconverted autograph seekers to a nearby registration table, where they can join the GOP and become worthy of his signature.

(END OPTIONAL TRIM)

“As long as you’re conservative, you can vote Republican,” says Petty, who describes himself as to the right of Sen. Jesse Helms, North Carolina’s conservative icon.

It’s not difficult to find signs of today’s GOP march on the South.

(EDITORS: NEXT 2 GRAFS OPTIONAL)

Just look at the bumper stickers and billboards along the highways through the motherlode of Southern republicanism Virginia, North Carolina, South Carolina, Georgia and Florida.

Only Republicans seem to identify their party affiliation on campaign materials, usually in letters at least as large as the candidates’ names.

(END OPTIONAL TRIM)

But for a knockout dose of what drives many Southern voters, turn on the radio. On Interstate 20 near Aiken, S.C., punch the scan button on the AM dial. Be patient. Watch it spin through the channels, searching for a station.

And when it finally lands, you hear the unofficial Voice of Republicans, the mound of sound himself, live from New York City, the unforgettable RUSH LIMBAUGH:

“Day 602 today of the Raw Deal,” Limbaugh shouts, reciting his daily countdown of the Clinton presidency’s first term. “860 days of America’s longest running hostage crisis remain. Only 56 days until the November

elections."

If anything, Limbaugh is sure of himself.

"As you people know, when I say something about anything, there generally is nothing left to be said," Limbaugh reminds listeners. "Because my analysis is so keen, my insight so profound, my ability to articulate so unparalleled."

And Limbaugh, whose afternoon show is the highest-rated radio program in nearly every Southern media market including Orlando, passionately believes that Bill Clinton and his Democratic friends are the enemy.

(EDITORS: NEXT 3 GRAFS OPTIONAL)

On this day he chides the president for getting tough on Cuba just to help Florida's embattled Democratic Gov. Lawton Chiles.

"Our Cuban policy is as much about protecting the governorship of Florida as anything else," Limbaugh explains during a plug for GOP candidate Jeb Bush, son of Limbaugh's friend, former President George Bush. "Once Lawton Chiles started screaming about those Cuban exiles, that's when Clinton moved. The whole Cuban mess is all about domestic policy."

Talk radio, dominated by political conservatives, seems to be reaching the hearts and minds of voters in ways that the nation's elected leaders cannot fathom.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

BC-SOUTHVOTE

----- AUTOBREAK (2)-----

(END OPTIONAL TRIM)

On Interstate 95 in southern Georgia, a newcomer to the radio scene, Chuck Harder, broadcasting from White Springs, Fla., promotes a Chinese idea for dealing with death-row prisoners.

"Why shouldn't we just rip their organs out?" Harder asks listeners. "Our tax dollars fed them in prison. So their guts belong to us. Plenty of folks needing livers, or whatever, wouldn't mind a fresh one from some scumbag behind bars."

Less than an hour later at JB's Steakhouse in Fitzgerald, Ga. the idea comes up at the noon meeting of the Kiwanis Club. While listening to Democratic congressional candidate Craig Mathis promote more prisons to stop crime, someone in the back of the room says, "How about forced organ donation?"

As the crowd knowingly laughs, several raise their mason jars of sweetened tea to approve.

Mathis, who brags to voters that he won't be "Clinton's water boy," tells Fitzgerald's Kiwanis members that he'll defy his party leaders if he goes to Washington.

"Enough is enough," the Albany lawyer says. "The

liberals have thrown our money into government giveaways for too long. All able-bodied people on welfare should go to work."

When the applause subsides, Fitzgerald City Council member Tim Raynor, a registered Democrat, poses a question that underlies the partisan shift in Southern politics.

"That all sounds good, but why should I vote for you instead of a Republican?" Raynor asks. "It's getting to the point that there's not much difference between the campaign talk of Democrats and Republicans. But it seems like Republicans stay conservative when they get in office, while Democrats line up behind liberal party leaders so they can move up in seniority."

(EDITORS: NEXT 3 GRAFS OPTIONAL)

Mathis gives an answer about how he would be different, but Raynor's point sticks in the mind long after the candidate's rhetoric fades.

In November, Southern Democrats could finally face a political contradiction they have long avoided. Years ago the party lost the region for presidential races, winning the South in only one national race Jimmy Carter's 1976 campaign since Lyndon B. Johnson abandoned the White House in 1968.

But throughout those years Democrats in the South kept their grip on state offices and congressional delegations, mainly by running as hard as Republicans against their party's liberal national leaders.

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Democrats are now in danger of becoming what Republicans were more than a century ago: a party of blacks shunned by conservative whites. In some states, such as Florida, dwindling ranks of Democrats in Congress are dominated by blacks representing majority black districts.

In the 1992 presidential campaign only 34 percent of the South's whites voted for Clinton, while 83 percent of the blacks supported him.

Rep. Sam Gibbons, D-Fla., who has watched the political sea change during his three decades in Congress, says Republicans gained their foothold in the South when Democrats embraced blacks.

"The fundamental basis of the Republican Party in Florida began in the 1930's when Roosevelt began to treat blacks more like human beings and individuals," Gibbons says. "It began there, and it has escalated on up. There is that race difference and the Republicans have been able to capitalize on it, creating what is, in effect, an all-white party."

Racially tinged debates rage across the South as fervently as ever. Lately, it has been a battle over the NAACP's crusade to remove Confederate symbols from Southern state flags.

At the Holiday Inn in Atlanta the all-white Southern Heritage Preservation Society gathers at dawn with

homemade signs to protest. They're angry that the company refuses to fly the Georgia state flag at its hotels.

``Holiday Inn has sided with people who compare our flag to Nazi symbols, which is just ridiculous," says SHPS member Bill Rockwell, wearing a T-shirt that reads, ``If you don't like our flag then you can just leave our state."

(EDITORS: STORY CAN END HERE)

Anyone who doubts the power of Confederate memories here should watch the Atlanta police bomb squad detonate still-live shells from Union General William T. Sherman's cannon pounding of the city.

``That was a good blast," says city worker Carlos Serrano, after exploding one of the corroded but deadly lead shells, shaped like an oversized bullet.

Every year some of the artillery fodder, called the ``Atlanta express" by Sherman's thankful troops, turn up in the churned earth of Atlanta's relentless construction projects.

``Sooner or later somebody is going to set one off and kill themselves," says Serrano, who found the latest shell at a school playground. ``I guess you could say that Sherman fella is still blowing up the place."

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(Photo available from KRT Photo Service; call 202-383-6099. Photos move on KRT Photo Service and are posted to the ``KRT Daily Photos" icon in category folder on PressLink the day the story moves. One week after transmission, photos are available via keyword search in the KRT Photo Archive on PressLink; call (800) 435-7578 or (202) 383-6099.)

PM-Iraq-Kuwait, 1st Ld Writethru, a0505,0469
Opposition Says Iraq Amassing Troops Near Kuwait Again
Eds: LEADS throughout to UPDATE with quote from opposition, alleged troop movement affecting stock markets. Minor editing. No pickup.

By JEROME SOCOLOVSKY= Associated Press Writer=
NICOSIA, Cyprus (AP) Iraqi opposition groups say Saddam Hussein has again mobilized troops along the border with Kuwait while threatening to mount ``a new confrontation against the outside world."

But a U.N. observer mission that patrols the Iraq-Kuwait border said all appeared quiet on both sides. ``We don't have any information about massing troops at the border," said U.N. spokesman Besselin Kostov.

Iraq's August 1990 invasion and occupation of Kuwait triggered the Persian Gulf War, in which a U.S.-led coalition defeated Iraq and drove Saddam's forces from the small emirate.

The opposition Iraqi National Congress, based in Iraq's semi-autonomous northern Kurdish area, said in a statement Thursday that Iraqi Republican Guard divisions encamped in

the north have been ``rapidly moving toward the cities of Basra and Amara" near the southern border with Kuwait.

``Saddam has always been capable of doing anything, as long as he can keep his power, his grip," Latif Rachid, vice president of the congress's Executive Council, said in a telephone interview from London.

The opposition claim comes at a delicate time in international efforts to restrain Iraq from further aggression in the Gulf.

Baghdad warned Thursday it would prevent U.N. monitoring of its military facilities unless the Security Council eased its 4-year-ban on the sale of Iraqi oil.

The council convenes next week to discuss whether Iraq has complied with U.N. conditions to lift the embargo, which has devastated its economy by depriving the country of its main source of revenue.

After Saddam met Thursday with his Revolutionary Command Council, the state-run Iraqi News Agency said Iraq must ``prepare for a new position that would put things in order to deliver the Iraqi people out of this tragic suffering."

Kuwait, in an official statement published today in the Al-Watan newspaper, called the Iraqi pronouncements ``an open threat to the security and stability of the State of Kuwait and ... a blatant violation" of Security Council resolutions.

The reported troop movements affected stock markets in Asia and Australia, combining with speculation over higher U.S. interest rates to strengthen the dollar against the yen, traders said. Trading also affected prices on markets in Australia and Thailand.

The Iraqi National Congress statement said Iraq's alleged mobilization ``comes in the wake of several threats by the Iraqi regime to launch a new confrontation against the outside world."

``For the past week Iraqi regime officials and the state-controlled media have issued warnings that Saddam may lash out in anger at the U.N. sanctions, which are eroding his power base," the statement said.

PM-China-Nuclear, 1st Ld Writethru, a0499,0404

URGENT

China Detonates Nuclear Test

Eds: LEADS throughout to UPDATE with background. No pickup.

By CHARLENE L. FU= Associated Press Writer=

BEIJING (AP) China conducted its second nuclear test this year today, defying pressure to join an international moratorium on such blasts.

The Chinese Foreign Ministry issued a statement confirming that an underground nuclear test had been conducted, the official Xinhua News Agency reported.

The test explosion was China's third in just over a

year.

The first news of the test, which had been expected for weeks, came from Australia. Acting Foreign Minister Gordon Bilney said the blast in northern China was detected by the Australian Seismological Center in Canberra at 11:25 p.m. EST Thursday.

It had an estimated yield equivalent to between 40 and 150 kilotons of TNT, Bilney said.

China also conducted tests in October 1993 and June 1994.

The Chinese statement did not say where today's test was conducted or give its strength. Previous tests have been at China's Lop Nor testing site in the far-western region of Xinjiang.

Unlike other major nuclear powers, including the United States, China has refused to join an international moratorium on nuclear tests.

But it maintains that its tests have been limited in scope and says its nuclear weapons are solely for defensive purposes.

"Among all the nuclear states, China has conducted the least nuclear tests," Xinhua quoted an unidentified ministry spokesman as saying. "It has always exercised great restraint on the question of nuclear tests and will continue to do so in the future."

Bilney condemned China for being "out of step" with negotiations for a Comprehensive Test Ban Treaty by 1996 and international moves toward nuclear disarmament.

But the Chinese statement said China was "actively participating in the negotiations" on a test ban.

"China will put an end to its nuclear test once the treaty comes into effect," the statement said.

China is believed to have the smallest arsenal of the declared nuclear powers, with about 250 to 300 warheads.

The 38-nation Conference on Disarmament began negotiations in January on a comprehensive test ban treaty. China is among the participants.

The United States, the former Soviet Union and Britain agreed on a partial test ban in 1963 covering tests in the atmosphere, outer space and underwater. Underground tests were not covered in that treaty.

BC-NUCLEAR-CHINA (SCHEDLUED)

China flexes nuclear muscles with new test

By David Schlesinger

BEIJING, Oct 7 (Reuter) - China flexed its muscles as a member of the world's nuclear-weapons club by setting off its second test blast in four months on Friday.

China's Foreign Ministry spokesman, in a statement released on the official Xinhua news agency, announced the test nearly six hours after it was detected by Australian seismologists.

The official announcement gave no details of the explosion, which follows a similar one in June.

It repeated China's assertion that it exercised great restraint in testing and reaffirmed support for international efforts to ban nuclear weapons.

“The spokesman said in a statement that China possesses a small amount of nuclear weapons solely for the purpose of self-defense, and maintains that the nuclear-weapon states should agree to the complete destruction of all nuclear weapons at an early date,” Xinhua said.

Early indications of the size of the explosion came from an Australian seismological centre, which said it had recorded data consistent with a medium-to-large nuclear explosion at China's underground nuclear testing facility of Lop Nor, in the western region of Xinjiang.

The Australian Seismological Centre in Canberra said an explosion of between 40 to 150 kilotonnes occurred at 0325 GMT. It said the blast registered between 6.1 and 6.3 on the open-ended Richter scale.

China's statement pointed out that its testing programme is tiny compared to other powers.

“Among all the nuclear states, China has conducted the least nuclear tests,” the Foreign Ministry spokesman said.

“It has always exercised great restraint on the question of nuclear tests and will continue to do so in the future.”

Western analysts believe China has conducted 41 tests, compared to 1,000 by the United States.

Other nuclear powers, including the United States, France and Britain, have agreed to a moratorium on nuclear testing, however, and negotiations started for a Comprehensive Nuclear Test Ban Treaty earlier this year.

China repeated its commitment to negotiate such a treaty.

“China is actively participating in the negotiations on a comprehensive nuclear test ban treaty held in Geneva and hopes to see the conclusion of the said treaty at the earliest possible date or no later than 1996,” the Foreign Ministry spokesman said.

“China will put an end to its nuclear tests once the treaty comes into effect.”

An Asian diplomat in Beijing said he believed China, which became a nuclear power in 1964, was planning at least two more tests as part of a programme that will take it up to the 1996 date.

China has come under strong international criticism for its continued nuclear testing.

After the June explosion, Japan angrily protested to Beijing, threatening to review plans to extend massive aid to China in 1996 if it continued to conduct tests. The United States stressed its deep regret.

Australia immediately condemned China for the

explosion on Friday, saying it was deeply disappointed that it had again shown disregard for international opposition to nuclear testing.

"We have been urging China to join other nuclear weapon states in declaring a moratorium on its testing programme," acting foreign minister Gordon Bilney said in a statement.

"China must come to terms with the imminent fact of a ban on nuclear testing for all time and in all environments," Bilney said, adding that he had instructed the Australian embassy in Beijing to protest against the explosion.

REUTER

China confirms 41st nuclear test

BEIJING, Oct. 7 (UPI) China confirmed it exploded its 41st nuclear device Friday at a test site in the remote west of the country, despite an agreed ban on further testing by the rest of the world's declared nuclear powers.

Australian scientists detected the test early Friday, and estimated its yield to have been between 40 and 150 kilotons of TNT.

The test was detected at 1:25 p.m. local time (0325 GMT) by seismologists at the National Seismology Center in the Australian capital, Canberra. The detonation occurred at Lop Nor, in northern China's Xingjiang Province.

A Chinese Foreign Ministry spokesman confirmed the test, but defended Beijing's violation of the unofficial testing moratorium by saying China has carried out far fewer tests than the United States, Britain, France or Russia.

"China conducted an underground nuclear test today (Friday)," he said.

Once the Australian Seismology Center detected the test, the Australian government was quick to react.

Australia's acting Foreign Affairs Minister Gordon Bilney condemned the test, saying it was disappointing that China had once again shown disregard for international opposition to such tests.

Bilney said he had instructed Australia's ambassador in Beijing to convey Australia's concerns about the test to the Chinese authorities.

"Australia, along with many other countries, protested against nuclear tests carried out by China in October, 1993, and June, 1994," Bilney said in a statement. "We have been urging China to join other nuclear weapons states in declaring a moratorium on its testing program."

"China's continued testing is out of step with the positive atmosphere of these negotiations, as well as with China's own support for nuclear disarmament and its commitment to negotiation of a Comprehensive Test Ban Treaty by 1996.

"China must come to terms with the imminent fact of a

ban on nuclear testing for all time and for all environment," Bilney said.

China, however, justified the test by saying it only keeps a nuclear arsenal for defensive purposes.

``Among all the nuclear states, China has conducted the least nuclear tests. (China) possesses a small amount of nuclear weapons solely for the purpose of self-defense," the Chinese Foreign Ministry spokesman said.

The spokesman said China would continue to strive for a complete ban on nuclear testing by 1996, despite being the only declared nuclear state to continue controlled explosions of hydrogen bombs.

``China is actively participating in the negotiations on a comprehensive nuclear test ban treaty, and will put an end to its nuclear tests once the treaty comes into effect," he said.

China's Lop Nor test site is located 165 miles (265 km) from the provincial capital of Urumqi. The country's last nuclear explosion was conducted June 10, and provoked statements of concern from the United States, Britain and Japan.

(material provided by Ruth Youngblood in Beijing and Bill Perry in Sydney. edited by Ian McCaleb in Washington)

BC-TAIWAN-USA

Taiwan complains of US ``over-tolerance" of China

By James Clarke

TAIPEI, Taiwan (Reuter) - Taiwan President Lee Teng-hui, in

a rare burst of criticism, has complained of American ``over-tolerance" of China and called U.S. policy adjustments toward the island ``negligible."

``We have no intention of interfering in U.S.-mainland Chinese relations, but the United States' deliberate oversight of Taiwan's burgeoning democratic system and market economy is due evidently to the United States' over-tolerance of the Chinese Communists," Lee said in a speech Thursday evening.

The speech was delivered to delegates to Business Week magazine's Asia Chief Executive Forum in Taipei and made available by Lee's office on Friday.

U.S. policy toward China diminishes its reputation as one of the world's leading democracies and impedes the movement of the Asia-Pacific region towards peace and prosperity, Lee told the delegates.

Washington accorded official recognition to Beijing after switching ties from Taipei in 1979 and allows only unofficial contact with the island.

Taiwan and China have been rivals since the Nationalists fled to the island at the end of the Chinese civil war in 1949. Beijing has sought to isolate the government on Taiwan and blocked it from participating in international activities.

In the last year Taiwan has tried to break out of its isolation, with Lee making unofficial ``vacation" trips to visit southeast Asian leaders and vigorously but unsuccessfully defending his right to take up an invitation to attend the opening of the Asian Games in Hiroshima, Japan.

Last month China blocked a renewed bid by Taiwan to join the United Nations. Beijing resumed Taipei's seat in 1971.

Taiwan has said it wants its president to attend next month's Asia Pacific Economic Cooperation forum (APEC) summit in Jakarta, Indonesia, but pressure from China made it virtually impossible for Lee to attend the summit, local media said.

APEC, a potentially powerful trade body, groups 15 Pacific Rim countries including the United States, Taiwan, China, Australia and southeast Asian nations.

President Clinton, aiming to strengthen economic and commercial ties with the island, approved last month the first adjustments in U.S. policy toward Taipei in 15 years and allowed more high-level visits.

REUTER
