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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 3, 1993

PRESS BRIEFING
BY DEE DEE MYERS

The Briefing Room

1:25 P.M. EDT

MS. MYERS: Good afternoon. A couple of quick announcements. We have good news on a couple fronts. First, a statement from the President on the confirmation of Ruth Bader Ginsburg.

"I'm extremely pleased at the swift and determined action by the U.S. Senate in overwhelmingly confirming Ruth Bader Ginsburg to the United States Supreme Court. I want to thank Chairman Biden, Senator Hatch and their colleagues on the Judiciary Committee, and the Senate as a whole for the prompt consideration of her nomination.

"As President, I am proud of having nominated such an outstanding jurist who demonstrated in the confirmation process tremendous intellect, integrity, comprehension of the law, and compassion for the concerns of all Americans. I am confident that she will be an outstanding addition to the Court and will serve with distinction for many years."

In addition, as you all know by now, the Senate passed the National and Community Service Trust Act by a vote of 58 to 41, with seven Republicans voting aye. That's obviously good news. We've again broken gridlock, one more step toward breaking gridlock, and that's very good news.

Q When is she going to be sworn in?

MS. MYERS: I don't have the details on that yet. We'll let you know as soon as we have them.

Questions.

Q It will be here at the White House?

MS. MYERS: I think we'll have something here at the White House, and as soon as we have the details we'll let you know.

Q Are you still confident --

Q On what? Question.

MS. MYERS: The question was, are you doing something here at the White House for Justice Ginsburg. And the answer was, probably, and as soon as we have the details we'll let you know.

Q Senator Johnston says he's going to vote against the plan. Were you counting on his vote in order to get it passed in the Senate?

MS. MYERS: No. I don't -- we have not counted on his vote. But I think that our prognosis stands that we expect we will have the votes. When all is said and done, this will pass both the House and Senate.

Q Well, that's one down. Whose vote are you counting on?

MS. MYERS: Well --

Q Let's go down the list.

MS. MYERS: Yes, let's not. I think that -- you know, these things -- the sort of shifting dynamic that occurs, as you know. And we expect this will be extremely close. I don't know that we'll have it locked up before the votes are actually cast. But when the tally is taken, I think we'll have the votes we need.

Q The 38 Democrats who voted against the budget before have asked to meet with the President, and I wonder if he's going to do that.

MS. MYERS: That's the first I've heard of it and we'll let you know as soon as we have an answer.

Q I know it's sort of late coming.

MS. MYERS: Pardon me?

Q I said it's late coming.

MS. MYERS: Okay. Yes, I'll check.

Q Is the President going up to the Hill tomorrow morning? To the House Democratic Caucus?

MS. MYERS: I think there's -- excuse me -- a very good chance that he will. It's very likely.

Q To the House Caucus?

MS. MYERS: To the House Democratic Caucus, yes. He's been invited.

Q Dee Dee, what's your impression of why the United States got what it wanted on Bosnia this time when it couldn't get it a few months ago? Did the U.S. representative in Brussels go in with a tougher position to begin with -- we're going to do this, and you can do it with us or not?

MS. MYERS: I think it's a different set of circumstances. First, this is a slightly -- well, a different policy than the lift and strike policy which is still the preferred U.S. position. This was slightly different than that. I also think circumstances in Bosnia have changed. The strangulation of Sarajevo is of great concern to the United States and to our allies, and that is a situation which we're watching very closely. So I think these things together -- I also think that attacks on the peacekeepers there have certainly made a difference. And I think that this sends a clear statement, the agreement yesterday, that the lessons of Mogadishu ought not be ignored, that attacks on peacekeepers will be responded to.

Q But did the U.S. go in with a tougher position?

MS. MYERS: Well, I think we were very committed to taking action. We always believed that our allies would come with us.

Q More committed than last time around?

MS. MYERS: No, we were very committed last time, too. We went to this, though -- again, I want to emphasize that circumstances have changed. This is a different position -- circumstances on the ground in Bosnia have changed and the tax on the

peacekeepers, I think, all made for a different set of circumstances. But we're very grateful for the agreement that happened in Brussels yesterday, and we're moving forward.

Q Well, the allies changed then.

Q How will the decision be made on when you actually strike? And will it be a U.S. decision or a joint decision? And what are the triggers for the actual strikes?

MS. MYERS: Well, as was made clear yesterday coming out of Brussels, it will be something that's done in conjunction and consultation with the U.N. As you know, the military authorities will meet to determine the command and control structure and work out some of the other details. And then we'll go forward from there. NATO will have to meet again at some point to consider this. But the next step is the recommendations from the military authorities.

Q Is this something that could be carried out quickly, though? Or are we talking a long way down the road?

MS. MYERS: Well, again, the next step is the military authorities have to work out the details like the command and control structure and other things, then they'll go back to NATO. I think, obviously there is some urgency attached to this, but I don't have a firm time line.

Q What is the difference in the situation on the ground and the political situation now that caused you to finally take some action? What's the difference between when they were killing people in smaller towns than killing people in Sarajevo?

MS. MYERS: Well, I think that --

Q What's he talking about?

MS. MYERS: The question was, again, what's changed, what's the difference on the ground in Bosnia now, as compared to in May? I think that, certainly, the circumstances are much more dire

--

Q Dire, in what sense?

MS. MYERS: Well, Sarajevo, I think is threatened in a way that it wasn't previously threatened. I think that's a key strategic point in Bosnia. I think also that water supplies and power supplies have been cut off, humanitarian deliveries are being interfered with in a way that they weren't previously. U.N. peacekeepers are being attacked. And I wouldn't -- then there are things like the World Health Organization's report that with winter coming, if something isn't done the humanitarian consequences would be dire.

Q They said that last winter. I mean, is it the

number of people who are faced with harm or --

MS. MYERS: That, and the strategic importance of Sarajevo and the symbolic --

Q Strategic to what?

MS. MYERS: For the Bosnian state. And I think the symbolic importance of Sarajevo is important as well. If we're going to have a negotiated settlement, it is our view that we have to protect Sarajevo. And we're continuing to press. Our goals remain the same, that -- to prevent further humanitarian deterioration and to do what we can to reach a negotiated settlement, which has always been our goal.

Q Will you use force to break the siege before winter? Is that an unofficial deadline?

MS. MYERS: I think that we've made it clear that we're willing to use air strikes and other efforts to prevent further humanitarian deterioration, to prevent the strangulation of Sarajevo. Now, the specific details as to how and when are something that will be worked out. The next step is the military authorities have to come back to the U.N. with some recommendations on command and control. So I can't speak to the specifics, but I think the intent is clear -- that the allies are willing to take additional action, including air strikes, to stop the strangulation of Sarajevo, to stop the potential humanitarian disaster, and to continue to push for a negotiated settlement.

Q Well, recognizing you can't put a deadline or a time line on it, the fact that you cite the WHO report about the problems impending with winter, does that not suggest that force would be used to break the siege prior to the onset of cold weather?

MS. MYERS: I think clearly the onset of cold weather and the reports about the potential consequences were a factor here. But, again, I'm not going to comment specifically on what the time line might be.

Q When is he going to consult with Congress?

MS. MYERS: Those discussions have been ongoing for months, as you know.

Q No, no, just a little -- chairman in there. That's not Congress.

MS. MYERS: Oh, we've had a number of conversations with members and we'll continue that.

Q But the full Congress in a formal way. He's supposed to do it -- go up there and get permission, according to the

Constitution.

MS. MYERS: I don't believe that's necessary.

Q That's right. And when he went into Baghdad he went in there without any permission or anything at all and he violated the Constitution.

MS. MYERS: I think we have made it clear that we intend to continue to act consistent with the War Powers Act.

Q What's she saying, that Clinton went into Baghdad?

MS. MYERS: We went to Baghdad without congressional authority.

Q Who went to Baghdad?

MS. MYERS: We had a little attack on there a while ago. (Laughter.)

Q Oh, you mean the bombing. Oh, I thought there may have been a trip I missed. (Laughter.)

MS. MYERS: Oh, no.

Q You didn't see the sign-up sheet for that trip? (Laughter.)

Q It was a family pool. (Laughter.)

Q It's nothing to joke about.

Q Awwwww.

Q -- go back to the North Atlantic Council.

MS. MYERS: Pardon me?

Q You mentioned you have to go back to the North Atlantic Council to get a firm NATO go-ahead before actual strikes occur. Do you also have to return to the U.N. Security Council for a new resolution, or do you find the authority in the previous resolution having to do with all means necessary for delivery of humanitarian aid?

MS. MYERS: Yes, we believe that this action is consistent with existing U.N. Resolution 770, which authorizes any means necessary to protect humanitarian assistance.

Q So you're not planning to go back to the Security Council for new authority?

MS. MYERS: We don't believe that's necessary.

Q Wait a minute, you say consistent with that. Do you believe it's authorized by that or merely consistent with it?

MS. MYERS: No, we believe it's permissible under 770. It's allowed by 770.

Q Will there be any mention of Bosnia tonight in his speech? How long will the address tonight be?

MS. MYERS: The address is approximately 20 minutes and will focus specifically on the economy.

Q And then tomorrow his plan is to go to the Democratic Caucus at 8:30 a.m., the Urban League speech at 10:30 a.m., and what else is on his agenda?

MS. MYERS: The rest of the schedule is still sort of coming together. I think that we're fairly certain he's going to go up for the Democratic Caucus.

Q What about the rest of the week?

MS. MYERS: Still unclear. We'll see how things develop. I think we're leaving a lot of flexibility on Thursday and Friday as the House and Senate considers the final package.

Q Anything firmed up for next week?

MS. MYERS: Not yet.

Q For those of us who have to write early addition stories, could you characterize the speech a little bit, what he hopes to accomplish, that kind of thing?

MS. MYERS: The speech is intended to lay out -- to talk about the economic plan, that it is consistent with his stated principles and what it will do, the benefits it will provide, for

example, for -- he'll talk about how it will achieve \$500 billion or roughly \$500 billion in deficit reduction, that 80 percent of new taxes fall on people who make more than \$200,000 a year, that the plan is very fair, that there will be an earned income tax credit that rewards work -- all the things you've heard us talk about --that 90 percent of small businesses will actually get a tax cut under this plan, that it will create jobs and get the economy moving.

At the same time, I think he'll emphasize the stakes here; there is no alternative, there is no other plan. And I think it is hard to imagine that a conference or some other budget deal would provide more deficit reduction, more investment, or more prospects for job growth.

Q Why is that hard to imagine?

MS. MYERS: Because there's just no precedent for it.

Q Well, he said this morning that you've got to come back anyway and do more.

MS. MYERS: Well, I think that's -- if this deal passes and you lock in \$500 billion in deficit reduction, then you can move forward and talk about additional spending cuts. I think that's something the President indicated today and has said all along he would be willing to do. But I think since you have pressure on one side for additional spending cuts and pressure on another side for more investments, the thing that gets lost in the mix is potentially deficit reduction. And the President has said all along he wants \$500 billion in deficit reduction; it looks like we'll get about 99 percent of the way there.

Q Will all the major networks carry the speech?

MS. MYERS: I believe so. Yes, that's what we're told, that all four networks will carry it.

Q Dee Dee, will there be an appeal by the President for people to call their members of Congress and ask them to support it? Will he be that specific?

MS. MYERS: I don't know that there will be a direct appeal, but I think I said yesterday we certainly wouldn't urge people away from that.

Q Can you explain, Dee Dee, what the President meant this morning when he was talking about the retroactivity to January? He was somewhat apologetic that that was in there. What was that all about?

MS. MYERS: Well, I think that -- the President's original proposal was retroactive. It would have tax increases on wealthy income earners starting January 1st. The tax cuts are also retroactive under the President's plan. For example, the capital gains provision is retroactive, the expensing provision for small businesses is retroactive. But what the President was pointing out was that this was just something that was, as they tried to protect the President's investments and the \$500 billion in deficit reduction, it became necessary to meet his objectives was a Congressional decision, one that was in his original proposal.

Q He spoke as if he regretted it.

MS. MYERS: Well, I think it was taken out in the Senate proposal and then we had reached an agreement on that. I think he was comfortable with that; if you could meet the deficit reduction and the investment targets. But the conferees found that difficult to do.

Q Let me see if I have this right. The President supported having it the beginning of January. He supported moving it to the middle of the year. And now he moved it back and he supports that, too.

MS. MYERS: He can live with it. I think it helps the package to meet his goals. It was something the conferees decided to do.

Q Dee Dee, to follow up on that, what did he mean, then, when he said that he would hope to have some options to offset the retroactivity or was he referring to the underwithholding? It wasn't clear what he meant by that when he said he hopes to have some options to offset it.

MS. MYERS: I'll have to take that. But I think he partly was referring to the fact that a lot of the tax cut provisions are retroactive. And I will check and see if there's any other specifics that may be coming down the line.

Q Dee Dee, you described the tug-of-war between the people who want more investment and the people who want more spending cuts. As the President tries to address that in his speech tonight, which side wins out?

MS. MYERS: I think a good balance of deficit -- you have \$500 billion in deficit reduction, investments that will help create jobs and get the economy moving again.

Q Well, I guess -- let me rephrase it then. Not that you'll answer it, but I'll try to rephrase it. What does the President determine to be a more effective way of winning support for this in the next few days? I mean, assuming you have other votes, as you say, maybe this isn't as important, but if you don't have --there are still some votes wavering, which one of those two competing interests is more important for the President to articulate?

MS. MYERS: What? Investment of deficit reduction?

Q Investment or spending cuts.

MS. MYERS: Well, I think people want to make sure there's a good balance of both. Obviously, I think some members of the Senate have said that they're problem is that it doesn't include enough spending cuts, although there are \$254 billion in spending cuts. Others have said, and particularly members of the House have said that they're worried that there's not enough investment. We believe that this strikes a balance that will allow it to pass both Houses and maintain the President's commitment to deficit reduction.

Q What do you say, for instance, to Senator Lieberman, who said this morning that he still didn't think there

were enough investment cuts?

MS. MYERS: Enough spending cuts?

Q I'm sorry, enough investment incentives.

MS. MYERS: Well, I think that there are a lot of investment incentives, things that the President has talked about continually throughout this process. Obviously, the President proposed more in his original plan, but through the congressional process, ended up with a package that he thinks will create jobs, does invest in our future in a way that's productive.

I think that democracy is an inherently sometimes messy process, but I think the President believes that the final package, it contains both an adequate number of spending cuts -- \$254 billion -- plus enough investments to create jobs and get the economy moving again. I think he believes that this package provides a fundamental shift in direction away from trickle down and away from tax and spend, perhaps, of the '70s, toward a new direction that is more investment and growth oriented. I think he feels good about the results of this.

Q Which House and Senate conferees has the President spoken with last night and today? And can you tell us is he zeroing in on a certain number or a certain -- specific names that you can tell us to try and win them over to the package?

MS. MYERS: No, I don't have a list, and I think the President is going to continue to talk to a number of members over the course of the next few days, starting with the House Democratic Caucus tomorrow.

Q You don't know who he spoke with today?

MS. MYERS: I don't have a list.

Q What's he doing today?

MS. MYERS: He's spending some time working on his speech. He's had several meetings this morning. He's meeting with the -- some of the opinion leaders from Oklahoma and then doing regional media from Nevada.

Q Will we get a text tonight before --

MS. MYERS: I hope so, but I can't guarantee it. I mean, we'll do the best we can.

Q What time?

MS. MYERS: As soon as it's ready.

Q Will there be any excerpts released in advance?

MS. MYERS: Depends on when it's ready. I think that's possible, but if we have a text in advance. But it just depends on how the process goes.

Q What about Shirley Chader? Is there any concern about her failure to pay Social Security taxes?

MS. MYERS: No, and let me get -- I'm glad you asked that. She apparently had -- between 1969 and 1975 had a number of different domestic help people that would come in, did not pay Social Security taxes on them since she had a number of different ones. From 1975 on, she had a full-time person for whom she paid Social Security taxes. Nonetheless, she's gone back, calculated what they owed in back taxes, and paid those recently. That is consistent with the administration's position on the Social Security tax issue, which is that people have to be current. They have to be up-to-date. Certainly there is a precedent for people who have made that mistake and gone on to be confirmed.

Q How recently did she pay them?

MS. MYERS: I don't have a date. I think within the context of the last few months.

Q When do they have to be current?

Q Since she was nominated?

MS. MYERS: I don't know.

Q What does current mean?

MS. MYERS: They have to be current before they're nominated. She's expected to be nominated later -- officially nominated later today. In order to be nominated, you have to have --

Q Do you have to have been current, or do you have to get current before the nomination?

MS. MYERS: You have to get current.

Q In other words, you have to pay up, then you can be nominated?

MS. MYERS: Essentially. I mean -- and I think in the context of this -- this, again, was for a brief period from 1969 to 1975. It's not that brief -- six years. But -- (laughter) -- but I think it's important to note that she voluntarily -- she complied with the law from 1975 on when she had a single person --

Q Did she find everybody in those six years?

Q Are any of them still alive?

MS. MYERS: I don't think it matters. You don't have to pay them any money; you have to pay the government money. But I think her records reflect --

Q In other words, this is not for the benefit of the help; it's for the benefit of the government?

Q It's for deficit reduction.

MS. MYERS: I don't make the rules.

Q -- democracy is inherently messy.

Q So it's more than one person? It was not a single baby-sitter?

MS. MYERS: I don't know on whom -- she had a -- the distinction here is that they had a number of people who worked for short periods of time or at the same time. They didn't pay Social Security taxes until they had a full-time person. Now I can go back if you want to know how many that she owed back taxes on. But the point is she's current, she paid Social Security taxes on her household help from '75 -- oh, it's only one person I'm informed.

Q And secondly, is it a problem on the Hill, given the particular job that she's up for, because it is --

MS. MYERS: We don't believe so. We don't believe it's an obstacle to her nomination. Again, this is something that happened nearly 20 years ago and she is current.

Q What is the President doing after his speech tonight? There's a private event at the Hyatt. What is that?

MS. MYERS: It is an event for Jack Brooks.

Q Is there any expectation that this speech tonight will change any specific Senate votes? And if that's not the expectation, then why do you need to do it?

MS. MYERS: I think the expectation is that the speech will help as the President continues to build support for this plan,

and he continues to let the American people know what's in it. As people -- over the course of the past couple of weeks, I think, the President and others have done a particularly good job in explaining what's in the package, what's at stake, how it will benefit them, who pays, who benefits. And as that has happened, I think that there's been an increase in support. I think this is one more step in that direction. It's an opportunity for him to talk directly to the American people about what's at stake in this package. And we do

expect that to build support for it.

Q Dee Dee, any new word on the Vince Foster investigation? When it will be wrapped up, that sort of thing?

MS. MYERS: Nothing new from yesterday.

Q Are White House people still being questioned?

MS. MYERS: Not that I know of, but I'll take that. I don't think so.

Q The President keeps mentioning, though, there's more to come in the way of spending cuts down the line, and one example he keeps giving is the National Performance Review when it comes out next month. Do you have a ballpark figure of how much in the way of savings?

MS. MYERS: Not yet, but we will. Obviously something that the National Performance Review set out to do was to find ways to make government operate more efficiently. And we'll have an announcement on that soon.

Q Anything on travel next week?

MS. MYERS: No, other than I think we will travel one, perhaps two days. And I don't have any details on that yet.

Q You've got one -- two days plus Thursday and Friday, right?

MS. MYERS: Yes, I'm sorry. Before we leave for Denver.

Q So, in other words, some travel four days?

Q Two day trips?

MS. MYERS: Yes. Well, the President -- before he leaves Washington for the period which we talked about yesterday, which is the 12th through the 26th. So, in other words, Monday, Tuesday, Wednesday he could travel one or two of those days next week. And then, of course, he leaves on Thursday to go to Denver and doesn't come back to Washington until the 26th.

Q Dee Dee, what effect do you think the President's showing a resolve in Bosnia will have as he negotiates with members of Congress on a domestic budget plan?

MS. MYERS: That's -- I don't have any idea what effect that will have. I think, though, that this has been a very good week for the President -- or it's shaping up to be a good week, put it that way. Obviously, I think he's very pleased with the results yesterday in Brussels. We have the Supreme Court nominee confirmed today as well as a couple of other nominees -- Tom Payzant over at

the Department of Education and Sheldon Hackney at NEH; Louis Freeh passed out of the Judiciary Committee. Obviously, we're very pleased about the national service results. So it's shaping up to be a very good week, and I think all of it together is having an effect on Congress.

Q A related question if I might, and that is everybody on the Hill seems to say that you do have the votes on both sides of the House, and yet you continue to low-ball it down here. What's the purpose of low-balling it?

MS. MYERS: I don't think we're trying to -- I think we're very determined not to take any votes for granted. We're not going to take one vote for granted. We're going to continue to work it up until the time that the last vote is counted.

Q But you're not in doubt about the outcome?

MS. MYERS: I think we've said we're going to work very hard. We expect it to be close, but ultimately we expect it to pass in both the House and Senate.

Q Dee Dee, related to that, Congressman Stenholm is talking about maybe getting together with a handful of conservative Democrats in the House and opposing the bill and hoping to come back with another bill that doesn't have an energy tax at all. Has the President spoken to him? Are you confident that Stenholm will vote for the package in the end?

MS. MYERS: I think we'll have to wait and see how Congressman Stenholm votes. We certainly wouldn't take his vote for granted. The President believes that this is a good package, that it's fair, that the energy tax in it is reasonable, that it comes at a very low cost to middle class voters -- about \$30 a year -- and that it's inherently a good package and that Congress ought to pass it.

Q What is your answer to the Republican charge that this is the biggest tax increase in history?

Q Of the world. (Laughter.)

MS. MYERS: It's the biggest deficit reduction package in the history of the world. (Laughter.)

Q So it could be both.

Q So you don't have an answer for it, then? You let it stand -- that charge stand?

MS. MYERS: I'll have to check. I think that the 1990 package still stands as the biggest tax increase in history, but -- and that was one, I would point out, Senator Dole supported.

Q Do you mean to say they got more revenues out of the 1990 package than you're going to get out of this one?

MS. MYERS: I think we can make that case.

Q I don't think you want to make that case, Dee Dee.

MS. MYERS: I said I'd have to get back to you, Brit, but --

Q Please do.

MS. MYERS: I'd be happy to.

Q Whatever happened to the Travel Office five? A couple of weeks ago you said the White House was working quickly to get new jobs. Do they have jobs? Are they still on administrative leave?

MS. MYERS: No, they're -- I think what we said was they're on administrative leave pending the results of the FBI investigation. So they're still on administrative leave. And I don't know what the status of other employment is.

Q You were going to find them jobs elsewhere in government.

Q They had held meetings with the White House Counsel's Office in the last three weeks, and they were told that they would be given jobs. It had nothing to do with the investigation.

MS. MYERS: They're still on administrative leave and being paid. And I will take the question of the exact status of that. But they're still being paid.

Q Were you able to ascertain whether Vince Foster was, in fact, working as the private lawyer for Mr. and Mrs. Clinton and whether he was being paid separately --

MS. MYERS: Yes, he did handle -- made sure that -- he did handle business for the First Family, made sure that they were in compliance with necessary laws, and he was not compensated outside of his White House salary for that.

Q Is that proper, Dee Dee, under ethics regulations?

MS. MYERS: Is what proper?

Q His acting as a private lawyer at the same time he served in the job --

MS. MYERS: He wasn't acting as a private lawyer. It's

within his responsibilities in the White House Counsel's Office that he was acting.

Q The question you were asked is whether he was advising them about private matters apart from presidential matters.

MS. MYERS: Well, private matters would be things like putting their assets into a blind trust, which was one of the things

--

Q He was involved in that, too?

MS. MYERS: Somewhat, yes. But those are things -- I mean, it is within the purview of the Counsel's Office to handle those kind of issues -- issues dealing with the residents, issues dealing with the First Family within the context of the White House Counsel's Office.

Q The question is whether he was doing for them things that they would otherwise have had to engage private attorneys or a private lawyer to do. Now, is it your position that these are actually job-related and presidency-related and, therefore, followed in the legitimate purview of the Counsel's Office, or is it your view that these things fall outside that, but he was doing them anyway?

MS. MYERS: He handled some matters for the First Family. I think that you probably need to talk to somebody who is more steeped in the law, and I'm happy to help you, provide that, as I told you a little while ago, today. So when this is over I can put you in touch with the right person to talk about the specific legal issues. I'm not a lawyer.

Q Changing the subject, Senator Nickles put a hold on Dr. Elders for Surgeon General. Does the White House think this is just a symbolic gesture? What do you think?

MS. MYERS: I'm unaware of any action he might have taken. I will have to take that question. I don't know what's happened up there.

Q Do you think there's any chance of getting her through this week?

MS. MYERS: I don't know.

Q Are you doing anything to try to get it?

MS. MYERS: Again, that's the first I've heard of Senator Nickles taking any --

Q He put a hold on it until after the recess.

Q Well, I mean, you know that there's only three days

left in the session and you know they haven't voted on her yet. I mean, are you expecting a vote?

MS. MYERS: I'd be happy to take the question, Mike. I don't know.

Q Assuming that the budget passes, what kind of events would happen here over the weekend or next week? Would there be some sort of a ceremony with Democratic members of Congress. Would Senator Dole be invited? (Laughter.) What would happen?

Q How about Senator Boren? (Laughter.)

MS. MYERS: As soon as we have schedule details I'm happy to provide them. We don't have any for Thursday, Friday, Saturday, Sunday, Monday, Tuesday, Wednesday of next week.

Q -- invite Senator Boren just so --

MS. MYERS: Absolutely, and Senator Dole.

Q We'll be at the stakeout.
END 1:53 P.M. EDT

#104-08/03

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Christopher F. Edley, Jr (EDLEY_C) (OMB)

CREATION DATE/TIME:26-OCT-1993 16:37:00.00

SUBJECT: Eleanor, Statehood, Walter Dellinger

TO: Lorraine C. Miller (MILLER_L) (WHO)
READ: UNKNOWN

CC: Jocelyn M. Jolley (JOLLEY_J) (WHO)
READ: UNKNOWN

CC: Martha Foley (FOLEY_M) (OMB)
READ: UNKNOWN

TEXT:

EHN called me yesterday concerned about getting a Justice Department opinion on accomplishing statehood through statute rather than constitutional amendment. This has been stuck in OLC for months, pending Dellinger's confirmation, which came last week. Markup is tomorrow.

I called Walter, who since confirmation has been consumed by Haiti, Bosnia, Somalia, War Powers and DC National Guard. Nevertheless, he and his deputies were heroic, stayed up until 2:00 am, spent an hour with Webb this morning. Walter is cautiously optimistic that, eventually, they will produce a 30-page opinion that departs from precedent going back to Bobby Kennedy, but that Walter feels is correct on the merits.

I called Eleanor and told her we are cautiously optimistic, but no letter for markup. Next step is the floor, and I need to sit on DOJ to produce the letter in time to be helpful. But I need to know the deadline.

Eleanor claims that the Speaker wants to pounce on this quickly after markup -- as early as next week. Do you have a way of confirming with the Speaker's office whether they are planning to move that quickly? If they are, I need to tell DOJ to move in crisis mode and get closure. You (and Alexis?) need to consider whether a memo supporting a statutory approach is an important enough action to call for AG or POTUS involvement, rather than a quiet letter to the Hill.

Anyway, please let me know what the Speaker's office says.

Thanks, sweetheart.

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Kenneth R Chitester (CHITESTER_K) (WHO)

CREATION DATE/TIME:24-JAN-1994 15:17:00.00

SUBJECT: 3:30 pm wire report

TO: Heather Beckel (BECKEL_H) (WHO)
READ: UNKNOWN

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ: UNKNOWN

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Carola McGiffert (MCGIFFERT_C) (WHO)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: David Seldin (SELDIN_D) (WHO)
READ: UNKNOWN

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ: UNKNOWN

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: UNKNOWN

TO: Karen Finney (FINNEY_K) (WHO)
READ: UNKNOWN

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ: UNKNOWN

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ: UNKNOWN

TO: Aman, Sally J. (SALLY J. AMaN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Joseph W. Cerrell (JOSEPH W. CERRELL@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Kukis, Heidi (HEIDI KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Payne, Julia M. (JULIA M. PAYnE@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: UNKNOWN

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ: UNKNOWN

TO: Keith O. Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
3:30 p.m. edition
Monday, Jan. 24, 1994
Produced by the Office of News Analysis (6

-7151)

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CNN Headline News (3 p.m.)

Clinton just about to name new defense chief

Supreme Court says RICO can be used on abortion
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expected

Clinton speaks by phone with Cabinet workers on quake

Mideast talks continue in Washington

Christopher meets with Chinese foreign minister; no
progress on human rights

PM

-Clinton

-Defense Chief, 3rd Ld

-Writethru, a0558,780

Clinton to Nominate Perry as Defense Secretary

EDs: New throughout to UPDATE with Clinton comments,
additional reaction; minor editing; no pickup. Will be
topped after expected 3 p.m. EST announcement

By RON FOURNIER= Associated Press Writer=

WASHINGTON (AP) President Clinton plans to nominate
William J. Perry, the No. 2 man at the Pentagon, as his
next Secretary of Defense, White House officials said
today.

The two officials, speaking on condition of anonymity,
said Clinton would end another embarrassingly public
search process and name Perry at a 3 p.m. EST
announcement.

Perry, who had expressed some reservations about the
job over the weekend, is deputy secretary of defense and
has been regarded as a front

-runner for the top spot since

nominee Bobby Ray Inman, a retired admiral, bowed out last
Tuesday with a blast at his critics.

``He's a great choice. Perry's a real professional with
depth of experience," said Sen. Joseph Lieberman,
D

-Conn., a member of the Senate Armed Services Committee who confirmed the reports with Pentagon officials.

Without confirming that Perry would get the job, Clinton denied reports that several prominent prospects, including Sen. Sam Nunn, D

-Ga., had turned him down.

“The job was absolutely not offered to anyone else. Absolutely, categorically not offered to anyone else,” Clinton told reporters after a conference call to aides surveying the California earthquake damage.

Aides said they expected Clinton to make the announcement today because he doesn't want the news to overshadow his State of the Union address Tuesday. The selection and confirmation of a new defense chief would fill and embarrassing gap in the White House's foreign policy team.

Perry is a respected military expert with a background in both academe and industry. He is credited with pushing the successful Stealth aviation technology on Air Force officials who resisted it in the 1970s.

Perry, 66, has managed to maintain the trust and confidence of the military establishment while taking on the unpopular task of overhauling how the Pentagon spends money on acquisition and research.

Perry served briefly in President Carter's defense department. Before his return to government early last year, Perry worked for a San Francisco investment banking firm; a Menlo Park, Calif., consulting firm; and as a professor of engineering at Stanford University.

“I think he'll make an excellent secretary,” Rep. Sonny Montgomery, D

-Miss., a senior member of the House Armed Services Committee, said today.

The news came shortly after an senior administration official, speaking on condition of anonymity, disputed a

New York Times report that cited Pentagon officials as saying Perry told White House Chief of Staff Mack McLarty on Saturday he did not want the Cabinet post.

Perry met with Clinton on Friday, but was not offered the job, the official said.

“They had a good conversation, about what he thought the job should be,” the official said. Clinton did not offer Perry the job at that point, but the president made clear he was a candidate, the official added.

The official said that the White House scheduled a “vetting meeting” for Saturday, which is a meeting with White House lawyers to begin their final background check.

Perry asked that that meeting be put on hold, because “he wasn't ready to make a commitment” at that point, the official said. “It's a big step and he wanted time to

think about it."

Vice President Al Gore met with Perry later in the day and told him to take his time with the decision, and emphasized that the administration wanted to consider him as a candidate, the official said.

"At that point, Perry realized that there was no reason not to let the process go forward. ... He met with the White House lawyers on Sunday," the official said.

In addition to its embarrassment over Inman's abrupt withdrawal, the White House has also been told by two prominent defense experts, Nunn and former Republican Sen. Warren B. Rudman of New Hampshire, that they did not want to be considered for the job.

Clinton said today he had contacted Nunn, who has said for months he did not want to be defense secretary, and asked if the senator was still not interested in the post. "He told me again that he's not interested," Clinton said.

"I don't want to overstate it," Clinton said. "I think Sam Nunn always knew that if he were ever interested in that job, I was very open to that."

The White House forced Defense Secretary Les Aspin to announce his resignation last month. Aspin agreed to stay on until a successor was found.

Aspin's troubled tenure included controversies over the Clinton policy on gays in the military and the deaths of U.S. humanitarian forces in Somalia.

BC

-CLINTON

-DEFENSE 1STLD (SCHEDULED)

CLINTON READY TO NAME NEW NOMINEE FOR PENTAGON
(Eds: new story previewing Clinton announcement)

By Charles Aldinger

WASHINGTON, Jan 24 (Reuter) - President Clinton said Monday he was about to divulge his new choice for defence secretary to succeed Les Aspin, and U.S. officials predicted it would be Aspin's second

-in

-command, William

Perry.

Perry, 66, now deputy defence secretary, is an expert on the arms industry and military spending who is popular in Congress and would seem likely to be confirmed easily for a hot

-seat post now known around town as the job no one wants.

He would replace retired intelligence official Bobby Ray Inman, who suddenly withdrew from consideration to succeed Aspin last week because of unflattering press scrutiny. Clinton acknowledged Monday he had sounded out Senate defence expert Sam Nunn, a Georgia Democrat, and speculation has ranged over a variety of other unwilling prospects.

Clinton, in a brief encounter with White House reporters, declined further comment on any specific choice but said he expected to announce it shortly. Aides said they expected him to do so at a 3 p.m. EST (2000 GMT) appearance.

Perry had been rated among the leading post

-Inman

candidates to replace Aspin, who resigned under pressure last month from a post that has become a focus for controversy swirling around Clinton efforts to usher America's vast armed services establishment through an era of painful change.

Changes that have struck sparks within the military, among its critics -- or both -- include continuing efforts to slash defence spending and staffing, bring defence strategy and armaments into line with post

-Cold War needs,

ease the traditional ban against homosexuals in uniform and broaden the role of women in combat

-related posts.

Administration officials told Reuters earlier Monday that Perry had overcome some hesitation about the top post and had informed the White House he would accept the job if nominated.

One senior administration official said privately that Perry had expressed hesitation to the White House on Saturday, but also talked with Vice President Al Gore and ``has since told the White House he was willing to be a candidate."

Perry, who dislikes the limelight, met with government lawyers Sunday to begin the process of investigating his background and record.

The New York Times Monday quoted Pentagon officials as saying Perry was hesitant after watching Aspin go through bitter public uproars over admitting gays to the military and on U.S. military policy in Somali, Bosnia and Haiti.

Clinton declined comment on that report but said ``the only accurate story" he has seen on the nominee issue was one that said Nunn, the Senate Armed Services Committee chairman, had been offered the job.

He said he had talked to Nunn about taking the job both during his transition to the presidency after he was elected in November 1992 and again recently.

``I think Sam Nunn always knew that if he was

interested in that job, that I was open to him," Clinton said.

But he denied he had had to twist arms to get a nominee.

Both Nunn and former Republican Senator Warren Rudman of New Hampshire, another defence expert, have said they do not want the Pentagon portfolio.

Others mentioned as possible candidates had been CIA Director James Woolsey, Martin Marietta Corp. Chairman Norman Augustine and even Treasury Secretary Lloyd Bentsen.

Aspin, who announced in December he was resigning effective January 20, has agreed to stay on until a replacement is confirmed by the Senate. A vote could be more than a month away with Congress, which returns Tuesday from its year

-end holiday, due to take a two

-week
recess in mid

-February.
REUTER

(Clinton to announce defense secretary choice at 3 p.m. EST)

Clinton expected to name Perry to defense secretary

WASHINGTON (UPI) President Clinton was expected Monday to elevate Deputy Defense Secretary William Perry to secretary of defense, replacing Les Aspin in the top Pentagon post.

Perry, 66, a former Stanford University engineering professor, has been widely reported to be the reluctant front

-runner for the post.

Clinton told reporters in the Oval Office that several reports concerning possible candidates were "inaccurate" in the aftermath of the withdrawal of ret. Adm. Bobby Ray Inman from consideration as a replacement for defense secretary.

"We'll have an announcement today in just a few hours," Clinton said.

Clinton strongly denied he had offered the post to anyone but Sen. Sam Nunn, D

-Ga., chairman of the Armed
Services Committee, since Inman bowed out last week.

Clinton recalled that he had first offered Nunn the post during the transition period before he became president. After Inman pulled out, the president said he checked with Nunn to see if his position was the same, and

found out the senator still was not interested in the Pentagon post.

``It was categorically not offered to anyone else," he said.

The president responded with a sharp ``no" when asked if he thought he should offer the job to anyone whose arm had to be twisted.

Perry reportedly has told the White House that he is not interested in the top Pentagon post at the Defense

Department. But The New York Times said Monday that Perry was under pressure to take the job.

PM

-Clinton

-Quake, 1st Ld

-Writethru, a0563,400

Clinton to Quake Relief Workers: `Chins Up'

EDS: INSERTS 1 graf after 3rd graf pvs, He said, to add LA Times report on cost estimate; picks up 4th graf pvs, Clinton said; SUBS 5th graf pvs, ``I pleased, to restore dropped word `am' in quote

WASHINGTON (AP) President Clinton today urged relief workers in the Los Angeles earthquake relief effort to ``just keep your chins up and keep working" and said he would do what he could to speed federal aid.

The president conferred in a telephone call with members of his Cabinet and other federal officials who are in Los Angeles.

He said he would meet later in the day at the White House with Budget Director Leon Panetta to ``nail down the broad outlines" of how much money should be in a federal emergency appropriation bill to provide relief.

The Los Angeles Times reported today the administration will ask Congress for at least \$4 billion in earthquake relief and officials say the figure could go much higher. The newspaper quoted a senior official who put the cost of current plans at \$4 billion to \$5 billion.

Clinton said he anticipated that once he sends the legislation to Congress it will be approved in a matter of days.

``I am pleased with the work you've done," the president told the federal officials.

James Lee Witt, head of the Federal Emergency Management Agency, told Clinton that the government's ``top priorities" right now were ``meeting the immediate needs of victims," including water, food, a dry place to sleep and medical treatment.

He said disaster relief applications were being

processed as quickly as possible.

Asked by Clinton how long it would take to get checks out, Witt said the first checks went out on Sunday. "We will have thousands of checks coming out each day. There will be more checks each day."

The checks are for temporary rental assistance. The agency has taken 24,717 applications for such grants.

Clinton complimented the "local leadership in the area" and said, "I think we'll be in pretty good shape today" in terms of lining up federal assistance.

"Just keep your chins up and keep working on it," Clinton told the federal officials. "We'll do what we can here."

For many in Los Angeles, today was the first day back to work after last week's crippling earthquake.

Clinton promises quick action on more emergency aid
By LORI SANTOS=

WASHINGTON (UPI) President Clinton conferred with top aides who were in earthquake

-ravaged Los Angeles Monday and said he expects to move promptly to ask Congress for additional funds for the area.

Clinton made the promise while speaking 20 minutes in a conference call with Transportation Secretary Federico Pena, Housing and Urban Development Secretary Henry Cisneros, and James Lee Witt, director of the Federal Emergency Management Agency.

The president was briefed by the three he dispatched last week to Los Angeles to coordinate federal relief efforts and said he was pleased that the initial press for assistance had apparently eased.

"I'm very encouraged that the lines have gone down at the disaster assistance centers," Clinton said.

The officials reported that as of Monday morning, 63,927 disaster assistance applications had been processed and when Clinton asked when checks would start going out, Witt said some were issued yesterday and "thousands" will go out on a daily basis now.

Clinton flew to the area last Wednesday to view the damage and pledged more than \$240 million in direct federal assistance. He said he expected a recommendation for seeking an emergency supplemental from Congress later in the day from Leon Panetta, the director of the Office of Management and Budget.

Panetta has been assessing the losses and was to report to Clinton on "what we can ask for from Congress when they come back," the president said.

Legislators return to Washington on Tuesday.

On Wednesday, Clinton pledged \$140 million, followed by an additional \$100 from a disaster fund on Thursday. He

also made California eligible for specific relief programs in various federal departments and waived for the first week any demand that the state pay its one

-quarter share
of federal disaster relief efforts.

``I just hope that we can keep on top of all this," Clinton said on the telephone conference call. ``Just keep your chins up, keep working at it and we'll do what we can here to get this supplemental passed in a hurry."

``I will follow up on that end," he pledged.

The high

-profile discussion, conducted in full view of reporters, was part of a White House campaign to be seen as responding fully to the natural catastrophe in a state wracked by recession and other disasters, and which will be critical to a Clinton re

-election.

Officials have been scrambling to respond quickly and fully to the quake, which struck Los Angeles a week ago, registering 6.6 on the Richter scale.

Earlier, White House press secretary Dee Dee Myers said Clinton was concerned about continuing difficulties.

``Clearly there are problems," said Myers, adding that most snags were due to the volume of requests for help.

AM Health Reform,650

Doctors Advertise Against Health Plans, See Loss of Control Over Care Decisions

By CHRISTOPHER CONNELL= Associated Press Writer=
WASHINGTON (AP) The American Medical Association charged on Monday that the Clinton health plan and other bills before Congress would let government or insurance company bureaucrats, not physicians, decide what care patients get.

On the eve of the new session of Congress that could decide the fate of health reform, the doctors' association launched a new \$1.6 million print advertising campaign demanding a bigger say for doctors in health reform.

AMA leaders also expressed concern that ``giant, profit

-seeking corporations" could come to dominate the health system under the types of changes that President Clinton and others are pushing.

``We're going to be asking doctors all over the country to make information available to patients ... so that medicine's voice can be heard," Dr. James S. Todd, the AMA's executive vice president, told a news conference.

The AMA has its own prescription for achieving universal health coverage, antitrust reform, lower malpractice insurance premiums and other changes to ensure that doctors play a major role in deciding how health care is delivered and paid for."

The AMA ad shows a doctor's hands on a patient's shoulder under the legend, "This is the moment of truth."

"Would you rather trust your life to an MD or an MBA?" asks the headline of the ad, which ran in The Washington Post and The Wall Street Journal and will appear in the three news magazines.

"There is a serious problem with the health system reform plans now being debated in Congress. They don't guarantee that your physician will continue to set the quality standards for medical care," it warns.

"That means government and insurance company administrators could end up determining which types of treatment are appropriate for patients like you. And which types of treatment you'll be denied.

"These bureaucrats may have good intentions. But they don't have the scientific knowledge and training to make such decisions," it said.

The AMA has already printed 1 million copies of a brochure for doctors' offices on how the Clinton health plan would affect patients and their families. It is planning another 1 million copies.

Dr. Lonnie R. Bristow, the chair of the AMA board, said the AMA is not ruling out the health insurance purchasing cooperatives that are at the heart of the Clinton proposal and some rival bills. But they need "certain safeguards," he said.

On corporate health giants, Todd said, "What we oppose is the bottom

-line mentality of some of these corporate entities where profits and dividends to the investors appear more important than the needs of the patients."

The AMA has 296,000 members, or almost half the nation's practicing physicians. The White House says that other doctors' groups with collectively more members internists, family practitioners, pediatricians and other primary care doctors are more supportive of the Clinton plan.

On Capitol Hill on Monday, National AIDS Policy Coordinator Kristine Gebbie told a House subcommittee that millions of Americans with disabilities, AIDS or HIV, as well as American Indians and migrant workers, would benefit from the Clinton plan.

"Thirty

-seven million Americans, including many people who have special needs, go without health coverage," Gebbie said in testimony before the House subcommittee on

health and the environment. She said the Clinton plan includes ``measures that will provide special protections and secure access and quality for our vulnerable populations."

People with disabilities or chronic illnesses such as AIDS would not lose their health coverage, and no person could be discriminated against in obtaining comprehensive care, Gebbie said.

BC

-HEALTH

-DOCTORS

AMA LAUNCHES PUBLIC RELATIONS CAMPAIGN ON REFORM

WASHINGTON (Reuter) - The American Medical Association said Monday it was launching a grassroots public relations campaign to insure its concerns about health care reform were heeded by lawmakers.

AMA Executive Vice President Dr James Todd and board Chairman Dr Lonnie Bristow said the physicians' group was concerned that some of the plans being considered would take treatment decisions out of the hands of doctors and patients and put them in the hands of bureaucrats and business executives.

``That worries us a great deal," Todd said at a news conference.

``Physicians take the Hippocratic oath, the corporation does not," Bristow said.

The effort is being launched as Congress returns Tuesday from recess and begins work on the complex reform effort.

The AMA shied away from taking specific aim at President Clinton's proposed reform which would set up state

-run health alliances, require employers to buy insurance for workers, provide universal benefits and ensure coverage could not be denied based on pre

-existing medical conditions.

But they said there were concerns about any plan that establishes an excessive bureaucracy that would interfere with the treatment of patients.

The group said it would not endorse any one of the handful of reform proposals now pending before Congress, but instead work with both Democrats and Republicans to ensure the AMA's concerns are addressed in any plan that eventually emerges from Congress.

In the meantime, the group said it is sponsoring a grassroots campaign to provide doctors across the nation

with information about the reform proposals and to encourage them to be active in community discussions on the issue.

The campaign will also include newspaper ads, one of which appeared in Monday's Wall Street Journal asking readers "would you rather trust your life to an MD or an MBA?"

The AMA said its lobbying priorities were:

- Universal health care coverage for all Americans.

- Assuring that physicians play a significant role in making treatment decisions and how they are paid for.

- Guaranting patient choice of health plans and doctors.

- Changing antitrust laws that bar doctors from negotiating quality of care and level of coverage with insurance and hospital plans.

- Creating a new "public/private partnership" to set and monitor national quality of care standards.

REUTER

AM

- Scotus Rdp, Bjt,920

Supreme Court Gives Abortion Clinics Weapon Against Protesters

By RICHARD CARELLI= Associated Press Writer=

WASHINGTON (AP) A unanimous Supreme Court ruled Monday that protesters who block access to abortion clinics or in other ways conspire to stop women from having abortions may be sued as racketeers.

The decision, which could threaten Operation Rescue and other anti

- abortion groups with financial ruin, also allows federal courts to order a halt to illegal protests

at clinics.

Although focused only on interpreting a federal anti

- racketeering law, the decision is a big victory for the National Organization for Women and the Clinton administration.

NOW had taken the case to the high court, and the administration had sided with NOW's view of the disputed

law.

Lower courts had thrown out the nationwide class

-action

lawsuit that tried to invoke the anti

-racketeering law

against Operation Rescue and other groups. Monday's decision reinstated the lawsuit, which stems from anti

-abortion protests in Chicago and other cities.

``The court has added another weapon to our arsenal for attacking the terrorism of extremists in the anti

-abortion

movement," said Helen Neuborne of the NOW Legal Defense Fund. ``We're very pleased."

But Randall Terry of Operation Rescue said, ``The Supreme Court has told civil protest to go to hell." He said, ``This is a vulgar betrayal of over 200 years of tolerance towards protest and civil disobedience. The iron heel of government now will be used to crush dissent."

Nothing in the ruling dealt directly with abortion. The court in 1992 reaffirmed the core holding of its landmark Roe vs. Wade decision of 1973 that women have a constitutional right to abortion.

Monday's ruling focused on alleged crimes committed against abortion clinic employees and patients. The court said such conduct can lead to lawsuits under federal Racketeer Influenced and Corrupt Organizations legislation, called RICO.

The decision means:

Anti

-abortion groups and individuals sued successfully over their conduct can be forced to pay triple damages. The NOW lawsuit alleges criminal violations dating back to 1982.

The leaders of anti

-abortion groups may be sued

successfully as conspirators even if they are not physically present when illegal conduct occurs.

Federal judges may invoke RICO to issue injunctions against anti

-abortion activities.

The court last year ruled abortion clinic operators cannot invoke the Ku Klux Klan Act of 1871 in suing those who block women's access to abortion clinics.

That ruling led to an effort in Congress to provide more federal protection for women seeking abortions. The House and Senate have passed separate versions of the

Freedom of Access to Clinics Act, and the legislation will be before a conference committee when Congress reconvenes.

The court's new decision falls far short of resolving all legal issues surrounding anti

-abortion activities.

Just last Friday, the justices agreed to clarify how far courts and local governments may go in restricting protesters outside clinics.

That case, to be decided by July, pits the free

-speech

rights of protesters against the rights of women seeking abortions and of abortion clinic employees to be free from harassment, intimidation or other illegal conduct.

Anti

-abortion leaders such as Terry call themselves civil rights activists and distance themselves from those responsible for such violent acts as the killing of Dr. David Gunn outside a Pensacola, Fla., clinic last year.

Monday's decision was hardly surprising. The court consistently has refused to narrow how the broadly worded RICO law is applied.

Enacted in 1970, RICO was aimed at organized crime. But increasingly it is used in lawsuits involving just about any business dispute.

Writing for the court, Chief Justice William H. Rehnquist said RICO can be invoked even when the alleged crimes have no economic motive.

Crimes spurred by ideology or politics can give rise to a RICO lawsuit, Rehnquist implied in an opinion that some day also might be invoked to sue foreign

-based terrorists

over crimes committed in the United States.

RICO makes it a crime for ``any person employed or associated with any enterprise in ... interstate or foreign commerce ... to participate in a pattern of racketeering activity."

Under RICO, a pattern of racketeering amounts to two or more ``predicate acts" from a long list of underlying crimes, including extortion. NOW's lawsuit alleges that a coalition of anti

-abortion groups are engaging in extortion by use of harassment, assault, destruction of property and other illegal acts.

In his opinion, Rehnquist said, ``The questions of whether (those sued) committed the requisite predicate acts and whether the commission of those acts fell into a pattern are not before us."

In other actions Monday, the court:

Ruled in a New Mexico case that illegally fired workers can be ordered reinstated with back pay even if they lied while challenging their firings.

Refused to use a case from Michigan to rein in the fees airports charge airlines for using runways, passenger terminals and other services. Those fees topped \$3 billion in 1991.

Passed up a chance to clarify whether targets of criminal investigations may invoke the privilege against forced incrimination and refuse to surrender their subpoenaed personal papers.

That action, in a New York case, may carry some significance for Sen. Bob Packwood, R

-Ore., who is
invoking his right against self

-incrimination in battling
sexual misconduct allegations and possible criminal charges.

AM Congress Returns, Bjt,870

Congress Returns, Focusing on Health Care, Crime

By DAVID ESPO= Associated Press Writer=

WASHINGTON (AP) With midterm elections looming, Congress convenes Tuesday for a session likely to be dominated by President Clinton's call for radical health care reform and by partisan wrangling over crime and spiced by probes of two powerful lawmakers.

Proposals to overhaul the welfare system and the financing of congressional campaigns also dot the agenda, and leaders hope to complete action on a package of changes covering Congress itself.

The aftershocks from the Los Angeles earthquake will reach the Capitol as lawmakers debate whether to finance the cleanup and reconstruction costs by cutting elsewhere in the budget. A Senate debate is set for February over a balanced budget amendment to the Constitution.

But when Clinton delivers his State of the Union address Tuesday night, he is expected to put particular stress on health care and crime. And even before he clears his throat to speak, the election

-year jockeying has
begun.

``The American people want the health care system changed and I think anybody who prevents that or contributes to its prevention runs a political risk," says Senate Majority Leader George Mitchell.

?

? House Republican Whip Newt Gingrich, virtually certain to become his party's leader in that chamber next year,

attacked Clinton?and? Democrats on crime late last week and said the administration favors a ``gradual approach to socialism" when it comes to health care.

The voters' priorities are clear. A Wall Street Journal

-NBC News poll last week reported that 93 percent of those responding want Clinton and Congress to confront crime; 83 percent favor changes in the welfare system, and 67 percent want something done about health care.

Politics will never be far in the background. All 435 House seats will be on the ballot this year, and 34 of 100 Senate seats, with Republicans looking to cut into Democratic majorities in both houses.

There's more than the usual volatility, because last year's record crop of 114 House freshmen is this year's record crop of nervous first

-time incumbents.

Two veterans face legal jeopardy.

Rep. Dan Rostenkowski, chairman of the House Ways and Means Committee, is under continuing investigation in an outgrowth of the House Post Office scandal.

Sen. Bob Packwood of Oregon, senior Republican on the Senate Finance Committee, is being investigated by the Senate ethics committee on allegations of sexual harassment. There have been calls for public hearings,

although Senate GOP leader Bob Dole said last week he doubted Republicans would support them as long as there are issues pending in the courts.

Rostenkowski and Packwood hold pivotal positions for the health care debate, by all accounts the major business for the year. A half

-dozen competing proposals have been introduced, each providing for less than Clinton's top

-to

-bottom overhaul of the system. The president favors creation of enormous purchasing cooperatives, permanent, guaranteed coverage for all and a mandate on employers to help pay the bill.

``As you get around the country and people respond to what they perceive is the Clinton plan, they say 'I'm not sure I want to go that far,'" House GOP leader Bob Michel said in a CBS interview Monday.

But House Speaker Thomas Foley, on the same program, rebutted swiftly. ``To just take one part of it and not deal with other parts of it is not going to work," he said.

Dole also has called for less comprehensive changes

than Clinton is proposing. He said Sunday he hopes to forge a common GOP position, then negotiate with the White House and majority Democrats.

In an interview, Mitchell said he didn't expect health care passage until fall meaning lawmakers will be taking their final votes shortly before the November elections.

Said Dole: "I think we'll pass some health care bill. It may not look like the Clinton package, but he'll still get credit for it. Fine. That's the way it works."

That presumably would be fine with Democrats, too, who together with Clinton vowed to break gridlock a year ago and whose political fortunes are tied closely to enacting the president's program.

Crime legislation is likely to be settled far sooner than health care.

The Senate late last year cleared a bipartisan, \$22.3 billion measure. The House passed a more modest measure, and the prospect is for a struggle between conservatives who favor more emphasis on punishment and prisons and liberals who favor greater emphasis on prevention and treatment for offenders.

Welfare reform enjoys support from the voters, and from Sen. Daniel Patrick Moynihan, the New York Democrat who chairs the Senate Finance Committee. But the same committees that will be immersed in health care must legislate welfare reform, and Clinton has yet to submit a bill for consideration.

Both houses cleared campaign finance legislation last year, but major differences must be worked out.

Leaving aside overseas crises, the major foreign policy legislation likely this year will overhaul the foreign aid program and redefine congressional war powers.

AM Congress Pay,340
Nader Says Members Of Congress Overpaid
With AM

-Congress Returns, Bjt
By JIM ABRAMS= Associated Press Writer=
WASHINGTON (AP) Congressional salaries have gone up \$36,000 in inflation

-adjusted dollars since 1981 while the incomes of average Americans have stagnated, Ralph Nader said in a study released Monday.

"When the economic gap between the rulers and the ruled grows too large, democracy suffers," the consumer activist said in the report entitled "Congressional Aristocrats and Ordinary Americans."

In 1955, the report says, members of Congress received \$12,500, the equivalent of \$68,000 in inflation

-adjusted

1993 dollars. By 1981 salaries had risen to \$60,662, or \$97,296 in 1993 dollars, and in 1993 went up to \$133,600.

In contrast, median family incomes have stayed the same or dropped slightly. In 1972, the median family income in 1993 dollars was \$38,760. Twenty years later it was \$38,266, the report said.

It said the gap between congressional pay and the median family income grew 57 percent from 1981 to 1992, going from \$61,000 to \$96,000.

``Too many members of Congress are blissfully oblivious to the economic woes of ordinary Americans," Nader said.

``This leads to legislative outcomes which repeatedly reflect the interests of corporate and wealthy groups at the expense of the vast majority of hard

-working American taxpayers."

Rep. Andy Jacobs Jr., D

-Ind., has sponsored a bill to reduce congressional pay to the 1989 level, and Nader and his partner in the report, the Congressional Accountability Project, asked people to support such a move.

In 1989 members voted themselves a substantial raise, from \$89,500 to \$125,100. The current level of \$133,600 will not change in 1994.

The report also questions the pensions provided to members of Congress. It said that if House Speaker Thomas S. Foley were to retire at the end of this year, his expected annual pension benefit would be \$123,804, compared to the \$8,088 the average retired worker will receive in Social Security benefits in 1994.

AM

-US

-Russia,590

Clinton Support For Yeltsin Under Attack On Capitol Hill
With AM

-Russia Politics, Bjt

By BARRY SCHWEID= AP Diplomatic Writer=
WASHINGTON (AP) President Clinton's unwavering support

for Boris Yeltsin came under attack Monday on Capitol Hill. Senators said the Russian president had been given a blank check even as the lives of ordinary people suffer.

``What I see is a standard of living going in a negative direction," said Sen. Dianne Feinstein, D

-Calif.

But Clinton's senior adviser on Russia, Strobe Talbott, defended U.S. strategy. He said Yeltsin was true to the "essence of democracy" by consistently submitting his policies to the Russian voters, even his armed attack last October on the Russian parliament.

Talbott, who was nominated by Clinton in December to be deputy secretary of state, cautioned Yeltsin and Prime Minister Viktor Chernomyrdin that they must stick to monetary and fiscal policies aimed at inflation or risk the support of the U.S. government, international banks and foreign investors.

"Gradual reform is a prescription for hyperinflation and economic collapse," he said in testimony to the Senate Appropriations subcommittee on foreign operations.

Two key reformers, Yegor Gaidar and Boris Fyodorov, who urged cuts in subsidies to inefficient enterprises as a way to combat inflation, are not in the new Russian Cabinet while Chernomyrdin has declared an end to "the period of market romanticism." Ministers worried that closing plants would spur unemployment appear to have won out.

But Talbott said controlling budget deficits and inflation should be the "first and foremost" tasks of the Russian government. At the same time, he said, the government must cushion the adverse impact of reform with temporary unemployment benefits and other social programs.

"Inflation, if it gets out of control, threatens to destroy the economic life of individuals and states alike," he said. "It can topple governments, sometimes with the ugliest and most dangerous results."

Talbott has played a key role in steering Clinton, a friend for 25 years, into backing Yeltsin through his dissolution last year of Russia's constitutional court, armed attack on hardliners in parliament and withdrawal of a promise to hold early presidential elections.

He called for patience. "This is a process that is going to take a generation or more," Talbott said of the conversion of a Communist system into one that has already put most enterprises into private hands.

But several members of the subcommittee challenged Clinton's unswerving support for the Russian leader.

Sen. Arlen Specter, R

-Pa., said he was "very concerned how far we will let President Yeltsin go." Citing the disbanding of the court and the attack on the White House, Specter said Yeltsin had been given "pretty much a blank check."

The subcommittee chairman, Sen. Patrick Leahy, D

-Vt., questioned the use of Russian troops in conflicts in Georgia and other "near abroad" areas as well not

extending immediate membership in NATO to Eastern and Central European countries.

Leahy said Yeltsin comes out of a tradition of tsars and dictators. "I don't want to see us acting toward him as we did to the Shah of Iran."

And Sen. Mitch McConnell, R

-Ky., said "it appears that our foreign policy in that part of the world is whatever Boris Yeltsin says."

McConnell also charged the administration with permitting Russian authorities to divert some of the houses to be built with congressional funds for Russian officers being withdrawn from the Baltics.

Talbott and J. Brian Atwood, administrator of the Agency for International Development, denied the allegation though McConnell said he had a U.S. government memorandum to support it.

BC

-YUGOSLAVIA

-USA 1STLD

CLINTON SAYS BOSNIAN FACTIONS MUST DECIDE ON PEACE
(Eds: updates throughout, recasts)

By Steve Holland

WASHINGTON (Reuters) - President Clinton said Monday that there were limits to how much the international community could do to halt bloodshed in Bosnia and that there was no consensus among NATO leaders for air strikes.

Of the former Yugoslavia's warring Serbs, Muslims and Croats, Clinton said: "They're going to have to make up their own mind to quit killing each other."

His comments marked a rejection of a French request that the United States join in imposing a peace settlement in Bosnia. French officials made the request in Paris in talks with visiting Secretary of State Warren Christopher.

"I don't think that the international community has the capacity to stop people within that nation from their civil war until they decide to do it," Clinton told reporters.

The president, who joined NATO leaders at a Brussels summit two weeks ago in reaffirming support for air strikes in certain cases, said it did not appear that either the NATO allies or U.N. Secretary

-General Boutros
Boutros

-Ghali, backed the use of air power at this time.

NATO had pledged to use air strikes to prevent a

strangulation of Sarajevo and other U.N. "safe areas" and called for operations to relieve U.N. troops in Srebrenica, an encircled Muslim enclave, and to open Tuzla airport for aid supplies.

A mortar attack that killed six children in Sarajevo Saturday led to renewed calls from Bosnia's Muslim

-led

government for air strikes against besieging Serb forces.

"I don't have any information that leads me to believe that the other NATO allies ... have changed their

mind about whether there should be any bombing at this time," Clinton said.

Clinton predicted there would be no settlement in Bosnia "until the sides decide that they have more to gain from signing a peace agreement than by continuing the fighting."

He said the Bosnian Muslims "appear to be the most reluctant to sign a peace agreement at this time" because they have been able to obtain some weapons and have made some battlefield gains in recent weeks.

"The killing is a function of a political fight between three factions," Clinton said. "Until they agree to quit doing it, it's going to continue."

He said there are ways to "retard it, to keep it in bounds, to keep it in humanitarian limits. And I wouldn't rule out any of those options."

"But there has been no decision by anybody to enter that war on the side of one of the combatants, which is what some would like," Clinton said.

The United States has generally supported the Bosnian Muslims in the conflict, leading a failed effort last spring to persuade Western allies to lift the arms embargo against them so the Muslims could arm themselves.

Clinton said a peace pact was still possible if the Bosnian Muslims can work out access to the Adriatic Sea and gain protection of Sarajevo and Muslim enclaves to the east.

He said he hoped the changing situation on the battlefield would make it more likely that a peace settlement could be achieved.

REUTER

BC

-CIS

-RUSSIA

-USA 1STLD (SCHEDULED)

U.S. TELLS RUSSIA TO STICK TO REFORM

(Eds: adds quotes, details, byline)

By Alan Elsner

WASHINGTON, Jan 24 (Reuter) - The United States Monday sent a strong signal to Russia's new government to stand firm against inflation, saying the alternative was economic chaos leading to a political explosion.

Ambassador Strobe Talbott, the point man for U.S. policy toward Russia, told a Senate Appropriations subcommittee the Clinton administration did not believe that reform was dead in Russia, despite the results of parliamentary elections last December 12.

Talbott, nominated to be deputy secretary of state, said it was not surprising that many in the West reached that conclusion as a result of the strong nationalist and communist backlash in t

BC

-CIS

-RUSSIA

-SHCHERBAKOV

RUMOURED SUCCESSOR URGES RUSSIA'S FYODOROV TO STAY

MOSCOW, Jan 24 (Reuter) - The man tipped to replace radical reformer Boris Fyodorov as Russia's finance minister said on Monday he had tried to persuade him to stay in the government.

Vladimir Shcherbakov, a former Soviet deputy prime minister, said in an interview with Russian television he had "quite a long talk" with Fyodorov on Monday.

"My point of view is that he needs to stay in that post (of finance minister). That was the subject of our conversation," said Shcherbakov, who currently holds no position in government.

Fyodorov has criticised the cabinet as a Soviet

-style

team, and said last week he had no inclination to join it, but he has not yet been formally dismissed.

He has forecast that the government will sharply raise spending, abandon monetary discipline and create a disastrous new wave of inflation.

Shcherbakov did not say how Fyodorov had responded at their meeting. Nor did he comment on Russian media reports that he had been offered the finance portfolio.

Shcherbakov said he shared the view of Prime Minister Viktor Chernomyrdin that the monetarist methods espoused by Fyodorov "must be complemented with an arsenal of others."

He said the battle against inflation should also be waged by legislative means -- by refining economic laws -- and by organisational measures such as improving the

system of payments and transport infrastructure.

Shcherbakov did not elaborate.

REUTER

Russia's population falling

MOSCOW (UPI) The population of Russia fell by approximately 300,000 last year, as deaths by natural causes overtook the birth rate, a Labor Ministry specialist said Monday.

The drop in population was recorded in preliminary statistics covering 68 of 79 regions of Russia, ministry demographer Alexander Tkachenko told the official Itar

-Tass news agency.

Although the decline is less than 1 percent of Russia's population, 150 million, the government called the country's demographic situation "unfavorable," and predicted the population will drop further if current trends continue.

One forecast suggests that with prevailing birth rates of 1.5 children per family, Russia will suffer a steep decline in population based on current birth and death

rates.

This trend will also lead to an overall "ageing," of society, with pensioners making up an increasingly larger part of society, the Labor Ministry said.

Russia's population rose by roughly 1 million per year through the 1980s, but experienced a slowdown at the turn of the decade.

1991 was the last year of growth with an increase of 200,000. Figures showed a fall for the first time in 1992, with a population decrease of 207,000.

BC

-FRANCE

-CHINA 1STLD

BALLADUR SEES CLOSER ECONOMIC TIES WITH CHINA
(Eds: adds Peyrefitte comments)

PARIS, Jan 24 (Reuter) - French Prime Minister Edouard Balladur, eager to improve Franco

-Chinese relations, met

Foreign Minister Qian Qichen on Monday and said the two countries would forge tighter economic links.

Balladur said he also raised the subject of human rights in China during his 45

-minute meeting with Qian --

a sensitive issue that visiting U.S. Secretary of State Warren Christopher also discussed with Qian later.

"I believe that in the months to come we will be able to see that France and China have started to cooperate more closely, especially on economic issues," Balladur told reporters.

Paris is keen to win lucrative new contracts in China after promising this month to stop selling arms to Taiwan and reaffirming that it recognised China's claim to the island.

France's sale of 60 Mirage fighters to Taiwan in 1992 prompted Beijing to virtually exclude French industry from the world's fastest growing market for more than a year. China's economy is currently growing at a yearly average of 14 percent.

According to French Trade and Industry Minister Gerard Longuet, the row over the fighters cost French firms three billion francs (just over \$500 million) in lost sales but the employers' federation CNPF said it cost twice that sum.

Balladur said no date had been agreed for his expected visit to China. His spokesman said it would probably be in March.

French officials have said Balladur, underlining France's eagerness for closer economic ties, might participate at the opening of a nuclear plant built by the French state

-controlled company Framatome at Daya Bay in southern China.

Balladur's recently appointed special envoy, Alain

Peyrefitte, said he would leave for China on Wednesday to lay the groundwork for the prime minister's visit.

Peyrefitte said he would participate in celebrations on Thursday commemorating the 30th anniversary of the establishment of diplomatic relations between Paris and Beijing.

Chinese news reports had said Balladur was expected to take part in the celebrations.

Peyrefitte served as minister under former president Charles de Gaulle, who was in power when diplomatic ties were launched.

Balladur's envoy said he might raise the possibility of reopening France's consulate in Guangzhou, part of the country's most economically vibrant region. China had closed the consulate to retaliate against the sale of the Mirages.

Peyrefitte also restated the government's position that Paris could carry on with sales of defensive arms to Taiwan. He said Paris had agreed not to sign ``contracts for the sale of offensive arms in the future."

Balladur said he had raised the question of human rights in China during his wide

-ranging talks with Qian.

``I said that in a world which is undergoing unification, there must also be a certain link between...conceptions of the rights of man," Balladur said.

France was one of the harshest critics of the Chinese army's crushing of protests in Beijing's Tiananmen Square in June 1989.

REUTER

AM

-US

-China,590

China Pledges Talks on Political Prisoners

By RITA BEAMISH= Associated Press Writer=

PARIS (AP) China pledged Monday to discuss U.S. concerns about 235 political prisoners, a step toward meeting human rights conditions set by President Clinton, U.S. officials said.

Secretary of State Warren Christopher characterized his meeting with Chinese Foreign Minister Qian Qichen as positive. However, he added, ``We have not made enough progress to justify my saying there has been significant overall progress."

The meeting was the latest in a series of human rights discussions that are a precursor to U.S. renewal of China's favorable trade access to U.S. markets. Christopher and Qian agreed to intensify their talks as a June 3 deadline approaches for Clinton's decision on renewing most

-favored

-nation, or MFN, status for China.

Qian told reporters, ``We don't believe the question of human rights should be linked to the question of trade, but we are ready to discuss all these issues."

Details of the meeting were provided by senior U.S. officials traveling with Christopher.

China agreed for the first time to discuss in detail 235 specific detainee cases cited by the Clinton administration, many relating to the 1989 pro

-democracy

demonstrations in Tiananmen Square, said Assistant Secretary of State John Shattuck. Not included were 100 Tibetan cases on which the United States is seeking information.

Qian also promised to respond in detail on the cases of nine relatives of dissidents who have been barred from

emigrating.

"This meeting has carried the process forward but we also believe there is considerable work to be done," said Assistant Secretary of State Winston Lord.

Chinese Vice Minister Liu Huaqui will visit Washington this week and Shattuck will go to China in February.

Christopher also pressed China to use its influence with North Korea to further progress on inspections of North Korea's nuclear facilities. The U.S. officials said China had been cooperative in that area.

The secretary raised concerns about forced population control in China and urged high

-level talks with the Dalai

Lama, the spiritual and cultural leader of the Tibetan people who fled into exile after the communist takeover.

Even as Christopher and Qian met, reports from Hong Kong quoted a U.S.

-based religious group saying that Chinese authorities have detained three Roman Catholic priests and two bishops who led prayers in defiance of the ruling Communist Party.

U.S. officials said they had not heard of the case. Shattuck told reporters that Christopher made clear to Qian the Clinton administration would not take kindly to any "slippage or backsliding on human rights during the time that progress is being sought."

Clinton is under heavy pressure from U.S. businesses to continue MFN status for China, with its low tariffs on many Chinese exports.

But in an executive order last May, the president linked MFN renewal to human rights progress, including releasing all political prisoners, allowing freedom of emigration, permitting international broadcasts, and ending cultural and religious repression in Tibet.

Recently, China has released two Tibetan prisoners, promised U.S. inspection of prisons to assess whether they are violating a U.S. ban on prison

-made exports, and agreed to let the Red Cross inspect prison conditions.

Chinese officials told some U.S. officials they had hoped Christopher would announce a visit to China, but the secretary said only that he was considering the invitation.

However, one Christopher aide said a visit by the secretary could occur even before the June 3 MFN deadline

if the Chinese show progress on human rights.

China agrees to discuss its political prisoners with U.S.

PARIS (UPI) Chinese Foreign Minister Qian Qichen agreed for the first time Monday to discuss with Washington the cases of 235 political prisoners held by the Beijing government.

John Shattuck, assistant secretary of state for Human Rights, told a news conference the cases would be discussed this week with Chinese authorities in Washington and that he would follow up the talks with a visit to Beijing in February.

The offer was made during Qichen's talks with Secretary of State Warren Christopher Monday.

This opening by the Chinese was a "sign of progress," said Shattuck, but he said he agreed with Christopher's declared caution following the meeting. There is still a long way to go before U.S. demands for improved human rights in China could be met, he said.

Last May, U.S. President Bill Clinton demanded evidence of significant improvements in civil and political liberties in China before he would consider renewing favorable trade benefits.

Christopher said earlier Monday the Chinese authorities did not appear willing to make sufficient improvement in their human rights record to meet Clinton's demands.

The names of the 235 prisoners whose cases are to be discussed were presented to the Beijing government last October. Washington estimates at least 3,300 people have been imprisoned on political grounds since a pro

-democracy
uprising was crushed in Tiananmen Square in 1989.

Questioned before his meeting with Christopher over rumors that three prominent Chinese dissidents are to be released from prison in the coming days, Qichen simply replied "maybe."

Without a renewal of favored trading status for China, commerce between the two countries would be seriously damaged.

PM

-US

-Bosnia,380
Christopher Against Forced Solution to Crisis in Bosnia
With PM

-Christopher
By RITA BEAMISH= Associated Press Writer=
PARIS (AP) The United States today rejected a French suggestion to resolve the civil war in Bosnia by forcing a political solution on the warring factions, U.S. officials

said.

Secretary of State Warren Christopher told French Foreign Minister Alain Juppe that the idea of imposing borders on the Croats, Serbs and Muslims who are fighting for control in the former Yugoslav republic "logically could lead the suggestion of using troops" to enforce the solution, a senior official said.

Christopher said the United States was unwilling to commit troops to such an effort and Juppe acknowledged that, the official said.

"It was really a concept as to whether in view of the fact that the negotiating process has come to a difficult passage, would it make sense to design a settlement and seek to impose it on the parties?" said the official, who spoke on condition of anonymity. Juppe sought Christopher's view on the idea, which was not formulated in any detail, the official said.

Instead of endorsing that concept, the U.S. and French officials today decided to try to "reinvigorate" the peace talks. Talks aimed at dividing up Bosnia between the warring parties recently collapsed in Geneva.

Christopher's meetings with Juppe, President Francois Mitterrand, and Premier Edouard Balladur came during a visit to Paris to meet with the Chinese on human rights and against a backdrop of increasing frustration on the part of Europeans about the war in Bosnia.

Although NATO allies less than two weeks ago presented a unified front and a new hardline to use air strikes if needed in Bosnia, the NATO countries have since appeared in disarray.

British Defense Secretary Malcolm Rifkind said England may withdraw its 2,500

-strong force from the United Nations peacekeeping force this summer.

French officials have said they also are looking into withdrawal. France's 6,000 troops represent the largest contingent in the 15,000 member peacekeeping force.

U.N. Secretary General Boutros Boutros

-Ghali, who has the authority to order the air strikes, said in an interview published Monday that the international community lacks the will to use force to end the civil war that has claimed 200,000 lives.

And U.N. military commanders have bitterly denounced the U.N. leadership and member nations for failing to supply sufficient support to stop the fighting.

UPI Spotlight

Clinton indicates allies not inclined to intervene in Bosnian war

WASHINGTON (UPI) President Clinton has just about

ruled out international intervention or air strikes to end the conflict in Bosnia- Herzegovina because neither the

United Nations nor the allies are inclined to take such action. Clinton predicted the nearly two

-year

-old war will not end until the three sides involved in the bloody ethnic conflict agree to a settlement.

AM

-Nuclear Arms,0494
Conference on Disarmament Pushes for New Look, Anti

-Nuke
Pact
By ALEXANDER G. HIGGINS= Associated Press Writer=
GENEVA (AP) The 38

-nation Conference on Disarmament,
encouraged by its success approving a global chemical weapons ban, is ready to tackle an even greater threat: nuclear arms.

French Ambassador Gerard Errera, who takes over as chairman when the conference's annual meeting opens Tuesday, said that before taking up atomic weapons, the group must expand to include nations such as North Korea, which is suspected of building a nuclear arsenal.

“It is precisely by having the presence of those countries that we can try to make headway in concluding a number of agreements that will be negotiated by all those concerned, signed by all those concerned, and respected by all those concerned,” Errera said.

The conference's membership should be broadened to take into account changing alignments and to include all nations that have or might acquire nuclear weapons, Errera said.

Thirty

-three countries, including Iraq, Israel, South Africa and North Korea, have applied to join. Conference members were unable to agree last year on who to admit.

This year, the conference will focus on approving a universal ban on nuclear weapons testing, building on the 1963 partial test

-ban treaty, Errera told reporters Monday.

“This is the first time since the emergence of the

nuclear weapon that there's been an international consensus by the five recognized nuclear powers and the others in accepting the idea of negotiating a treaty to ban nuclear testing," he said.

Errera declined to set a timetable for approval of a global ban, but said he did not think it would take as long as it did to approve the 1992 chemical weapons treaty. Negotiations for that treaty began in the 1960s.

Vladimir Petrovsky, secretary

-general of the conference, said delegates are working with an eye on 1995 negotiations to renew the Nuclear Nonproliferation Treaty.

Errera agreed. "We have to move as rapidly as possible" to make progress on a test ban before then, to encourage delegates to extend the nonproliferation treaty

indefinitely, he said.

Anti

-nuclear groups in the United States have pushed for a global test ban by the end of this year. President Clinton ordered a 15

-month suspension of U.S. tests last June, but the United States has been prepared to resume testing since China conducted a nuclear test last October.

Congress has set a September 1996 target for the end of nuclear testing.

Conference members have said a full test ban would help make the nonproliferation treaty more effective in halting the spread of nuclear weapons.

"I don't think it's a good idea to speak of timetables," said Errera. "What people have in mind is to get a sound treaty, a good treaty that will serve the interests of the international community and therefore will be acceptable by all members of the international community, including the nuclear powers."

AM

-D

-Day Anniversary, Adv31,0698

\$adv31

For release Monday AMs Jan 31 and thereafter

Beaches Ready for Another Invasion 50 Year

AP Photo Planned

By GRAHAM HEATHCOTE

Associated Press Writer

POOLE, England (AP) American and Canadian veterans of the Normandy invasion in 1944 have already secured the

beaches for the 50th anniversary celebration in June.

Hotels from Portsmouth and Southsea westward along the English Channel coast to Weymouth are booked solid for the period around June 6, which was D

-Day in 1944, the beginning of final campaign to free western Europe from Nazi occupation.

Towns and villages have arranged hundreds of events: dances, reunions, civic lunches and dinners, concerts and displays of wartime aircraft, weapons and vehicles. Museums are updating their collections and people who lived through those times are being invited to retell their stories.

Thirteen heads of state are expected to attend ceremonies in England and France, according to D

-Day coordinator Frances Fee of the Southern Tourist Board.

“Nine confirmed are President Bill Clinton, Queen Elizabeth II and Belgium, Canada, France, Luxembourg, Netherlands, Norway and Poland,” she said. “We also expect the Czech Republic, Denmark, South Africa and Zimbabwe.”

Three million soldiers and 2,727 ships were involved in the largest amphibious military operation in history.

On June 6, 1944, the first day of Operation Overlord,

57,500 American and 75,000 British and Canadian soldiers landed on five Normandy beaches by sea and 23,000 dropped onto French soil by parachute or in gliders.

“This is likely to be the last time that D

-Day will be remembered with support from governments because of the age of the survivors,” said Bruce Grant

-Braham, mayor of Poole, the takeoff point for the assault on Omaha Beach.

“We commemorate, not celebrate, out of respect for those who never returned,” said Grant

-Braham, 42, who was not born when the invasion occurred. “The people around here remember American assault engineers training with
4

-inch mortars on Canford Heath and blowing out the windows in an old folks' home.”

Grant

-Braham's, late father, Vivian, was a British army captain in the transport corps who went in with the Canadians at Juno Beach.

“My father told me it was the most terrifying day of his life,” the mayor said.

The D

-Day Museum at Southsea, next door to Portsmouth, is the only museum in Britain devoted to telling the whole story of the invasion. It houses the Overlord Embroidery, a 272

-foot work made by 20 women over five years that depicts in vivid colored panels how the invasion was planned and carried out.

This year, British amateur divers gave the museum relics recovered from the Merderet River at Ste. Mere

-Eglise in France, where paratroopers of the U.S. 82nd and 101st airborne divisions were dropped.

Museum director Stephen Brooks has an American helmet with a bullet hole, barrels of two U.S. M

-1 rifles, an American gas mask, German shell cases and clips of bullets.

Hundreds of groups totaling more than 20,000 people have booked tours of the museum from April 1 to Oct. 31.

Southwick, a village near Portsmouth whose thatched cottages and Golden Lion pub have changed little, was at the heart of the D

-Day preparations.

Gen. Dwight D. Eisenhower, the Allied supreme commander, had his headquarters at Southwick House. In the library of the Georgian mansion, after delaying the invasion for 24 hours because of bad weather, he announced the decision to attack on June 6 with the words, “OK, let's go.”

Southwick House contains the wall map 14 feet high and 20½ feet wide used for plotting Operation Neptune, the naval part of Overlord. It shows the cross

-Channel routes for the invasion fleet and will be displayed to the public this summer for the first time.

Eisenhower and British Gen. Bernard Montgomery, commander of Allied land forces, used to meet by the fireplace in the lounge bar of the Golden Lion pub.

The barmaid then, Edwina Williams, recalled that Eisenhower would have a glass of beer while Montgomery sipped a fruit drink or mineral water “because he was

teetotal.”

End Adv for Mon AMs Jan 31

**Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]**

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2015-0017-F Segment 2

Bucket: WHO

Creation Date: 1994-01-31

Subject: Memo For Pat

Creator: Paul R. Carey CAREY_P WHO

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Margaret M. Suntum (SUNTUM_M) (WHO)

CREATION DATE/TIME: 25-FEB-1994 10:09:00.00

SUBJECT: 1994-2-19 Lake Backgrounder on Bosnia Deadline

TO: Chad H. Griffin (GRIFFIN_C) (WHO)
READ: UNKNOWN

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: UNKNOWN

TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)
READ: UNKNOWN

TO: Manager Infomgt (INFOMGT) (SYS)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: Ernest D. Gible (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

TO: Kenneth R Chitester (CHITESTER_K) (WHO)
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THE WHITE HOUSE

Office of the Press Secretary

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIAL

February 19, 1994

The Roosevelt Room

3:30 P.M. EST

SENIOR ADMINISTRATION OFFICIAL: Welcome to Saturday afternoon at the White House. Why don't I just try to bring you all up to date, and I will not do what I did yesterday and tell you all what our policy is. The President did that this morning and I agree with every word of it. (Laughter.)

Q Could that be on the record? (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: No. (Laughter.) Let me say in general, first, though, that I think it would be wrong to be either optimistic or pessimistic about what is happening. What will determine the course of events over the next 24-plus hours are the facts on the ground. And I would suggest to you that I'm starting to read reports of, well, the Serbs have said that they will comply and there are reports of movements; therefore, a collective sigh of relief and it's over. And that is not the case.

I just got an update from our people, and our reports are that there was no shelling that took place on the 19th, which is almost over now there. We do not have reports that the Serbs turned in heavy weapons to the cantonment areas during the day there. There were some turn-ins by the Bosnian government. But on the other hand, there is some evidence that the Serbs may be -- Bosnian Serbs -- may be getting ready to enter cantonment areas with some weapons, we don't know how many.

The U.N. reports that there are columns moving out of the exclusion zone, but we cannot confirm how many or how many weapons there might be in those columns. And we do have evidence

that some weapons systems still remain in place around Sarajevo, but I'm not prepared to tell you how many.

Q These columns -- you mean moving weapons completely out of these centers -- taking them out as opposed to putting them --

SENIOR ADMINISTRATION OFFICIAL: What we have reports of is Bosnian Serb columns moving in the direction of out of the exclusion zone.

Q Carrying armor, or not?

SENIOR ADMINISTRATION OFFICIAL: I can't confirm.

Q Just convoys or --

SENIOR ADMINISTRATION OFFICIAL: I can't confirm, but presumably --

Q Trucks or --

Q You said heavy weapons are still in place? You said there is evidence that some weapons are still in place.

SENIOR ADMINISTRATION OFFICIAL: Right.

Q Is it a small number?

SENIOR ADMINISTRATION OFFICIAL: Everything is relative, including the word small. I'd say -- I can't tell you how many.

Q You also said there is some evidence that the Serbs may be getting ready to move more stuff into the cantonment zone. What sort of evidence would you have that would show us they are getting ready to do it?

SENIOR ADMINISTRATION OFFICIAL: I'm in a difficult area here which I can't talk about sources, but there is some evidence of that.

Q But, as of now, are there any Serb weapons that have been turned over to U.N. control?

SENIOR ADMINISTRATION OFFICIAL: Oh, yes. And again, I can't give you an exact number, but somewhere between 50 and 100 are under the control of the U.N. now in cantonment areas.

Q Would you say your information is we're still a long way from the acceptable level of withdrawal or --

SENIOR ADMINISTRATION OFFICIAL: I don't want to say a long way because, again, our evidence is not complete here in what is going on. The Bosnian Serbs have said that they will comply fully.

In fact, they have said that they would comply fully by this evening. There are reports from the U.N. they believe that we are making real progress here. And again, I don't think we should be characterizing that progress and saying that it is nearly complete or not nearly complete. Again, we'll just keep looking at the facts and see what the situation is tomorrow.

Q But they already have broken their promise, they have not fulfilled their promise which was to put all their weapons in cantonment by tonight, by midnight local time.

SENIOR ADMINISTRATION OFFICIAL: There may also be some lag time in our -- in the evidence that we can get on this, so I wouldn't reach a conclusion on that either. But, in any case, that is simply what they said. The NATO deadline is tomorrow at 1700 hours, our time.

Q To what degree is the weather a deterrent in withdrawing -- in moving these weapons out of there?

SENIOR ADMINISTRATION OFFICIAL: Well, there are reports of heavy snowfalls, which may be inhibiting their ability to move them. On the other hand, if they are unable to move weapons, then the U.N. has said that if they would place U.N. soldiers around those sites and separate the crews from the weapons.

Q So when you said before that some weapons remain in place, are you concerned that there is not a legitimate reason for those weapons to remain in place?

SENIOR ADMINISTRATION OFFICIAL: Don't know the reason.

Q You know there something -- the snowstorm, is that --

SENIOR ADMINISTRATION OFFICIAL: I can't tell you why. It may be that they are leaving them there; it may be that they haven't simply moved those weapons yet; it may be that there's no -- we simply don't know.

Q Do you have information that the Bosnian Serbs are telling the United Nations, we're having problems with transportation so let's keep in touch, we need some of your men to come see --

SENIOR ADMINISTRATION OFFICIAL: I don't know. I know they are talking. I simply can't answer that.

Do you want me to run through the -- okay, go ahead.

Q I'm sorry. Well, actually it's policy --

SENIOR ADMINISTRATION OFFICIAL: Okay, number one, I went through the rest of my little bits for the day. But again, our

policy is clear, as the President said. And as I said yesterday, the NATO decision is a decision. The deadline is a deadline, and we will see what the facts are tomorrow.

On the question of Russian troops going to Bosnia, our reports are that 400 troops will be coming in from Croatia where they have been serving, and that another 400 will be coming in from Russia. The timing of their arrival is uncertain now, probably tomorrow. And they --

Q For both troops?

SENIOR ADMINISTRATION OFFICIAL: Yes, which doesn't mean they will arrive at the same time, but probably tomorrow. And we are told now that they will be under the command, or at least the operational control of General Rose and UNPROFOR.

Q Who is telling you that?

SENIOR ADMINISTRATION OFFICIAL: I talked to Ambassador Albright an hour or so ago, maybe a little more, and she said she'd confirmed it with U.N. officials. But we're getting the same reports also --

Q Are you getting any directly from Moscow?

SENIOR ADMINISTRATION OFFICIAL: No. As I said yesterday, this is -- I think Russian officials have said this also, but this is an issue between the U.N. and the Russians

Q Where are the Russian troops going to be?

SENIOR ADMINISTRATION OFFICIAL: The U.N. is working out where they would be deployed now.

Q The Russians seem to be assuming that their troops will necessarily automatically, systematically, be used as bumper troops --

SENIOR ADMINISTRATION OFFICIAL: No, the U.N. will make those decisions with the Russians. And the final deployment decisions, as far as we know, have not been made yet.

Q But the Russians wish to be bumper troops, right?

SENIOR ADMINISTRATION OFFICIAL: I wouldn't assume that now. They have said they would be under the operational control of the U.N.

Q That's never happened before, has it?

SENIOR ADMINISTRATION OFFICIAL: What?

Q Russian troops under operational control of the United Nations?

SENIOR ADMINISTRATION OFFICIAL: Oh, 400 have been with UNPROFOR in Croatia.

Q Is there a difference between under United Nations and under operational command --

SENIOR ADMINISTRATION OFFICIAL: Well, I'm trying to use the precise words, and I wouldn't worry about this too much. And if you say command, you're not going to lose future Pulitzer prizes for -- (laughter.) It is a distinction that is important to us, for example, in peacekeeping operations. Command means that on such issues as who gets promoted, who has the final authority, et cetera, that almost always remains national. It does with us. We would not give up our command to U.N. commanders. Operational control means that the U.N. commanders then can say you go here, you go there. Sort of tactical control. And I was just trying to be precise in words.

Q Will Russians be serving under the same terms that the French and the Canadians and the Dutch and the rest of peacekeeping force are serving under?

SENIOR ADMINISTRATION OFFICIAL: I haven't heard otherwise.

Q Yesterday you said something like you would trust -- you didn't say trust --

SENIOR ADMINISTRATION OFFICIAL: Expect.

Q Expect General Rose to put the Russian troops in the proper place.

SENIOR ADMINISTRATION OFFICIAL: I don't think I said in the proper place.

Q You said proper place at one point.

SENIOR ADMINISTRATION OFFICIAL: Well, I'm sure he will. I expect that he will.

Q There's a report that the Bosnian vice president is saying that actually the Serbs are bringing things in. Are you aware of any of this or --

SENIOR ADMINISTRATION OFFICIAL: Into the cantonment areas?

Q No, it seems -- that into that exclusionary zone --

SENIOR ADMINISTRATION OFFICIAL: Oh, you mean from outside?

Q Yes.

SENIOR ADMINISTRATION OFFICIAL: Haven't seen evidence of that.

Q There's another report from Bosnia that placement of U.N. personnel would make air strikes problematic at best because they are going to spread all around the kinds of places that may or may not be under --

SENIOR ADMINISTRATION OFFICIAL: General Rose has been very clear that if there are U.N. troops around a site, then they have control of that site. And indeed he has gone further and said that if the Serbs are anybody else were to try to -- and I don't know who else it would be -- but if they were to try to regain control of those weapons, they would have to fight for them. That certainly implies that control means control; that they would have control of those sites and, obviously, then the issue of attacking them would not arise.

Q Again, the Bosnian vice president said it would make air strikes technically impossible given the fact the peacekeepers would be deployed. Otherwise, it would be hit by the air strikes. Do you share his interpretation or are you saying it's possible?

SENIOR ADMINISTRATION OFFICIAL: No, again, because if there are U.N. forces at the site, then that site would -- then the Serbs would not have control of the piece and NATO would not strike them.

Q The 400 troops that are coming from Croatia and the other former Russian troops coming from Russia, you say they are coming in? Where are they going to go before Rose deploys them? Where do they show up, to Sarajevo?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q Do they fly into Sarajevo?

SENIOR ADMINISTRATION OFFICIAL: I'm not sure exactly how they would get there.

Q Regardless of the ultimatum tomorrow and 7:00 --

SENIOR ADMINISTRATION OFFICIAL: The one group would.

Q From Moscow?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q What objective criterion do you use to determine

whether the terms of the ultimatum have been met?

SENIOR ADMINISTRATION OFFICIAL: Let me say a word on that because this is an important thing as you think about tomorrow, and I've said this to a number of you already.

We were very careful in the proposal that we made to NATO, and NATO was very careful in the terms of its decision not to overstate what our objective here is, because we wanted to be sure that our objectives and our means were equivalent -- that we were not promising to do things that we could not technically do. Therefore, NATO did not say that as of the deadline all artillery pieces will have been removed. The reason for that is that you can't know, for example, whether there might be some mortars hidden in garages or houses somewhere in that area. We simply can't know that.

So, we phrased this with great precision to say that any artillery pieces in that area after the deadline are subject to attack. That we clearly can do. And so, again, the terms are that any pieces there are subject to attack. And this is not a question of judging whether there is an 80 percent or 90 percent or something.

Q -- striking those that are there?

SENIOR ADMINISTRATION OFFICIAL: It means they are subject to attack?

Q Subject to attack, but not --

Q So are you committed to attack?

SENIOR ADMINISTRATION OFFICIAL: We are committed to implementing the decision. I'm also not trying to hint that we won't do it. I'm just saying that we are committed to the decision, they are subject to attack. And I don't want to talk about operational planning.

Q Sir, are you afraid or do you consider that NATO strike power is sort of stymied by the fact that -- apparently decided to spend the night from Sunday to Monday in Sarajevo and that a Russian colonel coming from Moscow who is apparently not a member of the U.N. is visiting along with him?

SENIOR ADMINISTRATION OFFICIAL: No. Should I go on --

Q What is your analysis of this?

SENIOR ADMINISTRATION OFFICIAL: Of which?

Q The coming in and the sticking around just to make sure that they will comply --

SENIOR ADMINISTRATION OFFICIAL: Well, this is an

important moment for the Russians and I think they want to have Churkin there to make sure that everything goes smoothly.

Q Churkin -- he said that any air strikes would be a rash action, and he said if NATO decided to carry out air strikes at all costs in Sarajevo and -- (inaudible) -- crisis between NATO and Russia. So obviously for them there was no grounds whatsoever for an air strike. Is it correct to say that? Or how do you see exactly --

SENIOR ADMINISTRATION OFFICIAL: I think clearly, the Russians would prefer that air strikes not take place and that is one of the reasons why they have been encouraging the Bosnian Serbs to comply with the NATO decision.

Again, I would reiterate that the NATO decision is a decision and we are very firm in our intention to see it fulfilled.

Q But as they told you in your communication with them, that as far as they are concerned there is no ground whatsoever for air strikes now.

SENIOR ADMINISTRATION OFFICIAL: Perhaps I could describe to you a conversation that took place this afternoon between Secretary Christopher and Foreign Minister Kozyrev. It was a very good conversation. They reviewed the situation on the ground. Christopher noted that the evidence remains ambiguous about Serb compliance as of this time and said that we need full Serb compliance with their commitment to remove heavy weapons; and Kozyrev agreed that Serb compliance is necessary. And he said that he and Churkin would continue to stress that with the Serbs --

Q Did he agree that should there not be compliance there would be grounds for air strikes?

SENIOR ADMINISTRATION OFFICIAL: He agreed that there should be compliance. And you can draw your own --

Q Who decides whether there is compliance? Have we decided whether, if there is a stray piece of artillery someplace, whether it makes sense to take the extreme step of going after it even if there seems to have been efforts elsewhere to remove other artillery?

SENIOR ADMINISTRATION OFFICIAL: I wouldn't characterize that as an extreme step necessarily but --

Q Major step.

SENIOR ADMINISTRATION OFFICIAL: Whatever.

Q Step. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: Sort of an offhand

gesture -- okay. Let me -- actually, let me come back to that just for a moment, okay -- in just a moment.

While we're on conversations today, the President did speak with Mitterrand this morning. They -- it was not a lengthy conversation. How long would you say -- 10 minutes, something like that. They reviewed the situation on the ground. They expressed a common commitment to take action if necessary. And Mitterrand was every bit as firm about that as the President is. They spoke briefly about agreeing that the operational details are in place to take action if necessary, and again, of course, Secretary Perry and General Shalikashvili will be going out, leaving this evening for Aviano. And I would expect that the President will be speaking again tomorrow to foreign leaders, but it's not decided yet --

Q Who initiated that call to Mitterrand?

SENIOR ADMINISTRATION OFFICIAL: Mitterrand did. Well, Mitterrand had -- his office had said that they would like to have a call and then I think we -- then we agreed on the time. I don't have actually --

Q Would Yeltsin be one of those he's calling tomorrow?

SENIOR ADMINISTRATION OFFICIAL: We really haven't decided who.

Now I'll come back to what else the President's been doing. I told you about Christopher's conversation with Kozyrev. I've talked to counterparts and so has Perry, I believe. Okay, let me talk about the diplomatic track generally.

We do believe, as I said yesterday, that since power and diplomacy cannot or at least should not be separated, that this period offers a very strong opportunity for making progress on the diplomatic front. Ambassador Redman has been exploring the positions of the parties, including the Bosnian government. He has been making progress here, but we are not at a point yet of clarity.

And, again, as you all know, we are not, in case it crossed your mind, pressuring the Bosnian government into a position. And if you would like me to repeat that 18 times, I will. We feel very strongly about it.

He was in Athens, as you know, at the end of the week to -- because the Greeks are the presidents of the European Union now -- are consulting with them; consulted with the Russians while he was there. He is now in Frankfurt for more meetings, and our expectation is that the talks will begin again probably at the beginning of March.

All right. Processes. And let me emphasize this -- the process here is that the North Atlantic Council authorized NATO

military authorities, who, in turn, have authorized the NATO CINC South -- Admiral Boorda, who happens to be an American, but in this case is acting as the NATO CINC South -- to launch such attacks if necessary.

Let me just pause there for a moment. The point here is that this is not a decision that is made in all of the NATO capitals. That decision was made by the NAC -- the decision to give the NATO commander that authority. So it is not that we will be sitting here tomorrow afternoon and trying to decide and then flash out a message. That is being done there on the ground. That's on the NATO side. On the U.N. side then, the recommendation is made by U.N. military commanders.

Now, the first such strikes must be approved by the United Nations. The United Nations has, in effect, a check-off here. We understand that the Secretary-General of the United Nations has given that authority to Mr. Akashi, who is the Secretary General's representative in Zagreb. When it comes down to it in practice, I cannot tell you exactly whether Akashi will exercise that authority himself or then check with New York. I think it will depend on how he sees the situation at the time. We can't know that. But apparently the Secretary General has given Akashi that authority.

After the first so-called ice breaker, where the U.N. does have this formal check-off, then further NATO air strikes would be carried out in coordination with the U.N. military commanders. And the reason for this is there are a lot of U.N. troops and U.N. HCR people on the ground, and you need to make sure that those strikes are coordinated with the U.N. people to see to their safety.

If there is -- the way it works is if there is then an irreconcilable difference as they try to coordinate at that level, then it would go up the chain to resolve those differences. But these would be NATO operations.

Q On the ice breaker, Rose goes to Akashi, is that the first step?

SENIOR ADMINISTRATION OFFICIAL: -- Cot and Rose and then to Akashi.

Q Goes up which chain? Which chain -- you say if there's irreconcilable differences --

SENIOR ADMINISTRATION OFFICIAL: Their respective chains and then up through the NATO command. I suppose to New York then.

Q Does the President have --

SENIOR ADMINISTRATION OFFICIAL: Don't anticipate that would --

Q Nonetheless, the U.N. either on the ground or in New York has, even after the first strike -- it's the U.N. --

SENIOR ADMINISTRATION OFFICIAL: They're involved. They are coordinating with them, but it is not the formal check --

Q But if they say, no, NATO can't launch the plane anyway, it would have to go --

SENIOR ADMINISTRATION OFFICIAL: I think we would have to see that when we got to it.

Q So from the ground up it would be Rose, Cot, Akashi.

SENIOR ADMINISTRATION OFFICIAL: Right.

Q How does the board determine whether air strikes are necessary? Does it consult with Rose to reach that determination or is --

SENIOR ADMINISTRATION OFFICIAL: They've been working very closely on this for the last few days.

Q They reach that decision jointly?

SENIOR ADMINISTRATION OFFICIAL: Presumably jointly. They may disagree, but they would try in the first instance to work it out jointly, I'm sure.

Q Does the President have the power to override any NATO-U.N. decision? In other words, could he order air strikes not to be conducted?

SENIOR ADMINISTRATION OFFICIAL: Theoretically so, since he -- I believe, since he has ultimate command over American forces. But I would not expect that to happen.

Q But he couldn't order an air strike by himself?

SENIOR ADMINISTRATION OFFICIAL: Not according to the terms of the NATO decision, no.

SENIOR ADMINISTRATION OFFICIAL: I was going to say that he has ruled out unilateral --

Q So do you expect that at 7:00 p.m. tomorrow night the situation will remain ambiguous in some way, that we won't know whether to be pessimistic or optimistic? (Laughter.) I mean, in part, is there a problem with the weather --

SENIOR ADMINISTRATION OFFICIAL: I think we'll know a lot more by tomorrow evening about what the facts are on the ground.

But what I'm suggesting is that you not think that at one minute past 7:00 p.m. tomorrow evening there will necessarily be a go or a no go.

Q You said that Christopher, in his conversation with Kozyrev characterized the situation on the ground as ambiguous --

SENIOR ADMINISTRATION OFFICIAL: Which is not, let me emphasize, to say that the deadline is not real. At 1701 p.m. Sunday evening any Serbian artillery pieces in the exclusion zone --

Q At 1901.

SENIOR ADMINISTRATION OFFICIAL: At 1901.

Q A deadline is a deadline. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: Sorry -- they are subject to attack.

Q That's essentially a political decision --

SENIOR ADMINISTRATION OFFICIAL: It is not essentially a political decision.

Q Can you elaborate on that?

SENIOR ADMINISTRATION OFFICIAL: The military commanders on the ground will decide based on the evidence on what is going on in the ground.

Q Is there a plan of action short of launching an air strike for dealing with weapons that are not withdrawn? I mean, would they be willing to try to secure or surround these weapons without launching an air strike?

SENIOR ADMINISTRATION OFFICIAL: Well, the U.N. is already seeking to do that. And the terms of the NATO decision are air strikes. In other words, we're not looking at ground operations or fighting their way in. But they are now, as the Serbs agreed, going in to take over weapons that the Serbs say that they can't move.

Q What about weapons that they can move that they do not move before the deadline, that they're unable to move those weapons because of --

SENIOR ADMINISTRATION OFFICIAL: Well, then they can say, please, come in and secure them. But if they don't, they are subject to air strikes. We are not looking at ground operations.

Q Subject to air strikes means they will be bombed? Is there sole discretion there?

SENIOR ADMINISTRATION OFFICIAL: They are subject to air attacks, and I'm not going to talk about operational concerns here.

Q There was a big, there seems to be big room for interpretation here. They were subject to air strikes, but it didn't mean they would be bombed. There is big room for political interpretation of what could happen.

SENIOR ADMINISTRATION OFFICIAL: The political decision was made by the North Atlantic Council a week ago Wednesday.

Could I talk a little bit, if you want, about what's going on here -- a day in the life of the White House -- because I know some of you had questions about how are we tracking this, what is the President doing, all that.

This morning at 8:45 a.m. the President made the call to Mitterrand. At 9:00 a.m. I got an intelligence briefing in the Situation Room on the situation on the ground. The President then met with his White House advisors and his national security advisors, including Secretary Perry, Secretary Christopher, General Shalikashvili and myself and a number of, as I said, his White House advisors. As you know, then he made his statement at 10:06 a.m. precisely. And then he held a further brief meeting with us afterwards. At around 10 of 3:00 p.m. this afternoon I got another - an update on the situation on the ground. At 3:00 p.m. I filled in the President and discussed the situation with him some more, reported to him on the Christopher-Kozyrev call, et cetera. I'm sure there will be another update this evening with the President.

Q Who initiated the call between Kozyrev and Christopher?

SENIOR ADMINISTRATION OFFICIAL: I couldn't tell you -- I'm sorry. The State Department could.

Do you happen to know?

SENIOR ADMINISTRATION OFFICIAL: No, I don't.

SENIOR ADMINISTRATION OFFICIAL: Then tomorrow morning at 8:30 a.m. or 9:00 a.m. there will be another intelligence briefing. And if there are major events, of course, during the night, the President will be informed by the Situation Room. And we'll be then updating the President at 10:30 a.m.

I'm trained to stop talking when it clicks. (Laughter.)
For her, I don't even breathe. (Laughter.)

At 10:30 a.m. Secretary Perry is going to call the President tomorrow morning. As I said, there will probably be other calls then to foreign leaders probably midday-ish.

We will be here if you have questions. I will be here, Dee Dee will be here, Don will be here. I'll probably do a backgrounder again, if you wish, in the early afternoon sometime. We can work it out mutually. Let's see -- that will be to see where events are going and what would be the best time for you.

Q To get back to policy, if the approach works in Sarajevo, do you think NATO should consider extending it to other towns in Bosnia like Srebrenica or -- try to stop the seige by the Serbs? Is that under consideration?

SENIOR ADMINISTRATION OFFICIAL: I think the first step is Sarajevo. Sarajevo is so important militarily, politically, psychologically so important in symbolic terms also, that clearly the main focus now, the focus now has to be on Sarajevo. And then we will see. Let me note two things about it. One is the NATO decision at the summit to open the Tuzla airport and to see to the rotation in Srebrenica and both of those are proceeding. And the other is to, not just in the context of your question, but of what could happen afterwards, to remind you that there is now a long-standing commitment for close air support for any UNPROFOR troops that request it when under attack.

Q Just to satisfy myself on this point -- I understand that you say that the political decision was made a week ago, but isn't it perfectly possible that two different, reasonable governments will look at the situation on the ground and make two different assessments about what should be done as a result of that? And what happens in that case?

SENIOR ADMINISTRATION OFFICIAL: Again, let me say that this is not a decision that will be made in every NATO capital tomorrow. I'm not saying that there won't be consultations, but that the call is to be made, certainly in the first instance by Boorda and Rose and Cot, and let's see what happens.

Q But what happens if the U.S. talks to Boorda and says, "We think you should go," and another government -- the Canadians talk to him --

SENIOR ADMINISTRATION OFFICIAL: We don't call Boorda and say, we think you should go. Boorda is a NATO commander here. He happens to be an American. We're glad he's an American, but he is the NATO commander -- NATO -- the NAC made a decision that after the deadline -- dadadada dadadada -- you've heard it 40 times now -- are subject to attack.

Q And in reality, you don't think he's going to run his decision by the White House?

SENIOR ADMINISTRATION OFFICIAL: I do not expect that Admiral Boorda will be calling us tomorrow to say, what do I do?

Q But is it possible that after the fact --

SENIOR ADMINISTRATION OFFICIAL: I'm not ruling out consultations then should there be disagreements or whatever, but I am saying that this is --

Q So you expect to be only informed and not ask for input?

SENIOR ADMINISTRATION OFFICIAL: Essentially. Unless there are disagreements or -- let's see what happens. I don't want to rule that out, but that is the process.

Q How do you -- all the facts coming in; some good ones, some bad ones, some difficult to interpret. You might even have a -- so the person responsible for the global interpretation of that is -- would be, first, the U.N. --

SENIOR ADMINISTRATION OFFICIAL: We're not making global interpretations here. We are making interpretations of facts on the ground. And let's see where we are tomorrow.

Q In the President's address this morning, he was significantly harder -- than I have heard him before. I mean, very specifically saying they bear the primary responsibility. And I noticed that there was not a lot of talk of compliance by the Muslims -- at least by name. I think he said "and others" was the word. Do you agree that it was harder --

SENIOR ADMINISTRATION OFFICIAL: No, not really. We have said --

Q And so is there something going on here that --

SENIOR ADMINISTRATION OFFICIAL: No, I think it was a summary of what we have been saying over the past year. You were hearing it all in one place again. But if you go back, I think, to the statement he made a week ago Wednesday, it was less detailed, but I think the tone was about the same.

Q It seemed to be, if those guys would stop fighting -- it didn't sound like the Serbs were the bad guys the last time. As much, as strongly.

SENIOR ADMINISTRATION OFFICIAL: Well, we have said that before.

Q Are all other sides --

SENIOR ADMINISTRATION OFFICIAL: There was some other part of this.

Q Well, also the compliance of the Muslims was not specifically referred to, at least as far as I could see.

SENIOR ADMINISTRATION OFFICIAL: We have -- and I think in that statement said that everybody has to comply. In fact, the Bosnian government has turned over into cantonment a number of its weapons, including tanks. So apparently they are complying. Now, it's easier to tell with them, of course, because they are within -- primarily within the Sarajevo area. And one of the cantonment areas is inside the lines in Sarajevo where the government can place its heavy weapons.

Q So you're satisfied the Serbs --

SENIOR ADMINISTRATION OFFICIAL: Again, I would not be optimistic or pessimistic about anybody, just for the record. But there has been action on their part.

Q Will the President consult with congressional leaders before he launches -- well -- (laughter) --

SENIOR ADMINISTRATION OFFICIAL: There's been a lot of congressional consultation going on. He called in all of the congressional leaders, as you'll recall a week ago Wednesday and talked this through with them in great detail. During the past week -- the Congress is recessed now, so there haven't been meetings with members of Congress. But we did a couple of briefings at a staff level yesterday. We're making phone calls to congressional leaders. And I think they are -- and the President sent up yesterday, as you know, a report to the Congress consistent with the War Powers Act.

Q Will the President consult with -- or phone Yeltsin before air strikes are launched?

Q Or try?

Q Or try to. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: Instant communications as you know; no problem.

Q Ambassador Pickering said that that would be a good idea --

SENIOR ADMINISTRATION OFFICIAL: I think probably, yes.

Q At its basis, what is the disagreement between the United States and Russia over handling this problem, or what --

SENIOR ADMINISTRATION OFFICIAL: Let me go beyond probably. I would think, yes, the President would make an effort to speak with him.

Q At its heart what is in disagreement between the United States and Russia over the handling of this problem? What

underlies --

SENIOR ADMINISTRATION OFFICIAL: Right now, I don't see a real disagreement because the Russians are pressing the Bosnian Serbs to comply with the NATO decision.

Q Well, but they repeatedly say they don't accept the NATO ultimatum; they don't -- so why --

SENIOR ADMINISTRATION OFFICIAL: They're pressing the Bosnian Serbs to abide by it.

Q With respect to the order, if it becomes necessary, would it -- does it require a new order from President Clinton --

SENIOR ADMINISTRATION OFFICIAL: No.

Q Everything in on auto pilot, as it were?

SENIOR ADMINISTRATION OFFICIAL: Well, no, there are real live human beings --

Q I mean with respect to any order to use military aircraft, to participate in action --

SENIOR ADMINISTRATION OFFICIAL: We would put American aircraft at the service of NATO and the NATO commander --

Q And there's else the President has to do in order for those planes to take off and run a mission for --

SENIOR ADMINISTRATION OFFICIAL: That's right. This does not mean he is a disinterested observer. And we would be following this very, very closely. And he has, as he said in his

statement, consulted very closely with General Shali to make sure that all the planning has gone smoothly, that every effort has been made to ensure the safety of our pilots, to make sure that we have, for example, search and rescue teams standing by, and he's been briefed on air defenses, et cetera. He has gone through all that.

Q At some point, though, did he not have to issue an order of some sort giving control of U.S. forces to NATO before this operation --

SENIOR ADMINISTRATION OFFICIAL: He retains command, to come back to a distinction we made earlier, but he has turned over operational control through the NAC decision to the NATO commanders.

Q When is that done?

SENIOR ADMINISTRATION OFFICIAL: The time of the NAC decision.

Q What standard or analysis --

SENIOR ADMINISTRATION OFFICIAL: And Secretary Perry and General Shali, again, just so that we are doing everything we should, are in Aviano tomorrow to go over all of this to make sure that they, like the other ministers of defense, are satisfied with the planning and state of readiness. So we're doing -- this is not a new thing. American forces have been under the operational control of NATO for a long time.

How come you say, "One more question," with the President and it's about four -- (laughter.)

Q You were doing so well.

SENIOR ADMINISTRATION OFFICIAL: And also, why do you just have this smile on your face as you're sitting back there?
Thank you.

THE PRESS: Thank you.
END4:14 P.M. EST

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jeffrey L. Eller (ELLER_J) (WHO)

CREATION DATE/TIME:19-JUL-1994 17:09:00.00

SUBJECT: For Calvin

TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)

READ: UNKNOWN

TEXT:

PRINTER FONT 12_POINT_COURIER

AM-TX--Haiti-Gonzalez, Bjt,0365

Gonzalez Reminds Clinton Of War Powers Resolution

mmpa

By MICHELLE MITTELSTADT Associated Press Writer

WASHINGTON (AP) Texas Congressman Henry B. Gonzalez reminded President Clinton in a letter Tuesday that any military intervention in Haiti

must receive congressional approval under the War Powers Resolution.

The maverick San Antonio Democrat has penned similar cautionary notes to administrations both Democratic and Republican over the years,

during tensions in Somalia, Bosnia and the Middle East.

This time, the United States is threatening an invasion if Haiti's military rulers don't reinstate elected President Jean-Bertrand

Aristide, whom they ousted in a 1991 coup.

Clinton said Monday that he had made no decision with regard to an invasion. "We don't rule anything out," he told reporters as he boarded

Air Force One in Florida.

Gonzalez takes Congress' oversight role and the Constitution so seriously that he sought to impeach President Bush over actions during the

Persian Gulf War. He similarly sought impeachment against President Reagan

after U.S. troops were ordered into Grenada in 1983.

In his letter, the House Banking Committee chairman demanded that Clinton comply with the Constitution and the War Powers Resolution if military intervention in Haiti is contemplated.

The War Powers Resolution, enacted in 1973, requires Congress to authorize all deployments of American troops in hostile situations abroad.

"While Congress has debated U.S. policy toward Haiti to some extent ... this is no substitute for a declaration of war against Haiti by

Congress under the Constitution or for compliance with the War Powers Resolution," he wrote.

Senate Republicans tried unsuccessfully last year to require that Clinton obtain advance congressional clearance before any military action in

Haiti. The president responded that Congress shouldn't unduly infringe on his presidential power to use U.S. forces when American interests are threatened.

Gonzalez also urged the White House to develop a clearly defined mission with regards to Haiti. ``As preparations for a U.S. invasion are clearly being made, our soldiers deserve to know from the outset what is expected of them," he wrote, noting that the last U.S. invasion of Haiti resulted in a 19-year occupation.

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

CREATOR: Kenneth R Chitester (CHITESTER_K) (WHO)

CREATION DATE/TIME: 1-AUG-1994 18:19:07.34

SUBJECT: 6:30 pm wire report

TO: Heather Beckel (BECKEL_H) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ: 2-AUG-1994 08:11:48.74

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 1-AUG-1994 18:19:53.72

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Carola McGiffert (MCGIFFERT_C) (WHO)
READ: 2-AUG-1994 08:57:57.15

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: Aman, Sally J. (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: 3-AUG-1994 12:27:09.64

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: 1-AUG-1994 18:19:22.05

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: 1-AUG-1994 19:34:43.02

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

TO: Keith O. Boykin (BOYKIN_K) (WHO)
READ: 1-AUG-1994 18:19:24.12

TO: Joshua A. King (KING_J) (WHO)
READ:NOT READ

TO: Emily A. Lenzner (LENZNER_E) (WHO)
READ:NOT READ

TO: Cara A. Levy (LEVY_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ: 2-AUG-1994 00:01:02.93

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 2-AUG-1994 11:10:14.15

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: 1-AUG-1994 18:28:57.79

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
6:30 p.m. edition
Monday, Aug. 1, 1994
Produced by the Office of News Analysis (OEOB 161, 6

-5694)

Index of wire stories:

- World headlines (UPI)
- Clinton tries to spark health care reform drive (Reu)
- Clinton swings back at health critics (UPI)
- South Jersey lawmakers predict Congress will pass health plan (GNS)
- Poll: Clinton's job rating down (GNS)
- Can Clinton save the baseball season? Experts say don't try (BBN)
- Timber towns suspicious of "Billy bucks" (AP)
- Whitewater intrigued both Bush and Clinton administrations, Senate told (AP)
- RTC chief says he was stunned by Whitewater heads

-up
(BBN)
Whitewater notebook: Broadway bound, magic bus, tie of the day (AP)
Treasury lawyer testifies in Whitewater hearing (Reu)

Missouri Senator questions abrupt halt of Foster suicide interviews (AP)

US, Canada reach agreement on wheat dispute (AP)
US

-Canada wheat pact limits imports for one year, Kantor says (BBN)

Pentagon budget may be short of goals (UPI)

CIA worried about spy's spending four years ago (Reu)

Washington keeping up pressure on Haiti (Reu)

US probes Buenos Aires bombing (UPI)

CNN (6 p.m.)

Continued live coverage of Senate Banking Committee Whitewater hearings

Hourly News Summary

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

-0-

The Clinton administration has rejected a Bosnian

-Serb

call for renegotiating an international peace proposal.

The State Department says the U.S. may be willing to arm the Bosnian government in defiance of a United Nations weapons embargo.

-0-

On Capitol Hill...top regulators told the Senate Whitewater hearings that no White House official who was

briefed about the case...attempted to influence its handling.

-0-

In Los Angeles federal court, reputed Hollywood madam Heidi Fleiss and her father, Dr. Paul Fleiss, pleaded innocent to charges of money laundering, conspiracy and fraud. Their trial was scheduled for October 11th. In the meantime, both remain free on bond of 50

-thousand dollars each.

-0-

President Clinton has criticized what he called the ``fearmongers" who are attacking his health care reform

plan. He also urged Congress to resist an apparent Republican strategy of partisan politics.

-0-

Lisa Marie Presley has made it official...confirming her marriage to entertainer Michael Jackson. The daughter of the ``King of Rock" says she and the ``King of Pop" were married eleven weeks ago.

-0-

The Coast Guard says it rescued another 64 Haitian migrants over the weekend...raising the July total to a record of more than 16

-thousand.

-0-

The Marines are being sent

-in to battles those wildfires in Washington state. A battalion of 550

-Marines
is joining 72

-hundred firefighters trying to control fires
that have blackened 132

-thousand acres over the past eight
days.

-0-

There's a tentative contract agreement to end that week

-long transit strike in Los Angeles. The walkout forced hundreds of thousands of bus riders to find other forms of transportation to get to their jobs.

-0-

Stocks closed sharply higher. The Dow Jones industrial average jumped 33

-points to 37

-hundred

-98. Big board
volume was around 250

-million shares.

Prices ended slightly higher on the American Exchange and narrowly mixed on the NASDAQ.

-0-

By Larry Webb

BC

-HEALTH

-CLINTON (SCHEDULED)

CLINTON TRIES TO SPARK HEALTH CARE REFORM DRIVE

By Gene Gibbons

JERSEY CITY, NJ, Aug 1 (Reuter) - President Clinton, battling sagging polls and public lethargy, carried his health care reform campaign into the industrial northeast

Monday as Congress neared a decisive moment on his top domestic priority.

Speaking at a rally in a New Jersey park overlooking the Statue of Liberty, Clinton said the issue was "whether America at long last will join the ranks of all the other industrialised nations of the world" and provide health care for all its citizens.

"This decision rests no longer in my hands alone. The Congress has been under enormous pressure ... Don't let the fear mongers, don't let the dividers, don't let the people who disseminate false information frighten the United States Congress into walking away from the opportunity of a lifetime," he said.

Clinton was heckled by a small group of demonstrators at the rally that featured music by pop rock group, Boys 2 Men, and Peter Dinklage of the folksinging trio Peter, Paul and Mary.

He reminded his audience of a few thousand that "the naysayers" also opposed his economic programme, which he said has lowered the deficit and generated nearly 4 million new jobs.

Clinton made health care reform the central issue of his 1992 campaign for the White House. About 39 million Americans have no health insurance, and he claims millions more are at risk of losing benefits.

Before leaving Washington, he met Senate Democratic leader George Mitchell, who plans to unveil a bill Tuesday that could make or break the president's campaign to overhaul the U.S. health care system.

Mitchell's action is potentially pivotal because the House of Representatives is to begin debating health care reform legislation Friday. Unless health care reform seems

likely to pass the Senate too, the House is unlikely to risk it in this congressional election year.

Mitchell has said his plan will provide health insurance to several million children and pregnant women who currently have no benefits. Coverage will expand through subsidies, tax incentives and insurance market reforms until 95 percent of the population has benefits.

An employer mandate would be added shortly after the turn of the century if those earlier reforms leave more than five percent of the population uninsured.

But public opinion polls show a paradox that complicates prospects for congressional action this year. Although Americans overwhelmingly favour health care benefits for all, they are divided on how to finance it.

This may account for the apparent lack of a groundswell of action at the grass roots on behalf of Clinton's initiative.

The battle over health care is further complicated by Clinton's continued drop in popularity, eroding his clout on Capitol Hill.

A poll by Louis Harris and Associates made public over the weekend found that 40 percent of adults surveyed gave

the president an "excellent" or "pretty good" approval rating. Fifty

nine percent thought his job performance was "fair" or "poor."

The Harris group noted that Clinton's approval rating is sliding despite an improvement in the economy.

The survey of 1,249 adults, conducted between July 25 and July 28, found that poorer people were more likely than the wealthy to approve of the president's job performance.

REUTER

Clinton swings back at health critics

By LORI SANTOS=

JERSEY CITY, N.J., Aug. 1 (UPI) President Clinton on Monday criticized the "fearmongers" who are attacking his health care reform initiative and urged Congress to resist an apparent Republican strategy of partisan politics.

Clinton, visiting participants in a cross

-country bus caravan for health care, took several swipes as such critics, some of whom ringed his audience with signs denouncing the legislative variations of his reform plan as high

-cost government programs that will lead to "rationing" of health care.

The president, addressing some 2,000 supporters at

Liberty State Park, at one point singled out a woman who stood among several hundred fenced

-off protesters holding up a placard demanding: "No socialized medicine."

Clinton asked his crowd if the woman would similarly object to Medicare, which also was roundly criticized, particularly by Republicans, when proposed 30 years ago but now is considered a generally successful government health program.

"Do you think that's socialized medicine? I don't," Clinton said to the applause of his chosen audience.

The president, meeting for the second time in three days with one of four main cross

-country bus caravans traveling toward Washington, urged congressional Republicans to abandon their leadership's reported strategy of rejecting any Democratic

-led health care proposal. Only one Republican in Congress so far has expressed support for any version of the Clinton plan.

Clinton told reporters before his speech in New Jersey that he still remained optimistic that enough Republicans would help him get a reform plan passed.

"We can get it if they'll come work with us," he said.

But back in Washington, GOP leaders on Capitol Hill kept up their barrage of criticism. "Even a blind man can see there is no consensus on health care in Washington, D.C.," said Sen. Phil Gramm of Texas.

"The president is going all over the country on these

bus tours, saying, 'Tear down the best health care system in the world and build one in the image of the Post Office,'" Gramm told reporters. "It's not going to happen."

Clinton rejected such criticisms as the work of well

-funded industry lobbyists waging a campaign of "enormous disinformation" against his reform efforts.

"Don't let the fearmongers, don't let the dividers, don't let the people who disseminate false information frighten the United States Congress into walking away from the opportunity of a lifetime," Clinton told the rally gathered on a hot, overcast afternoon across the Hudson River from the Statue of Liberty.

"Tell the members of Congress you will support them," he said. "This is not partisan politics."

Clinton, citing his hotly contested proposal to require employer contributions to worker health coverage, insisted to the rally in Jersey City that both foreign companies

and most U.S. companies have proven that employers can fund worker health insurance and still remain competitive.

Administration officials, who have faced opposition to the so

-called employer mandate from various business interests, Monday cited the case of Starbucks Co., a chain of gourmet coffee shops that has managed to fund health benefits for both full- and part

-time workers and still be rated as one of the country's fastest

-growing companies.

Clinton also cited the cases of three New Jersey families, all of whom told him at a brief meeting before his speech that they are self-employed workers who worry daily about their ability to afford health insurance.

``If they get up and go to work and obey the law and do their best to raise their children, they deserve health insurance," he said. ``All the yellers and shouters in the world will not change the basic facts."

bc

-nj

-health

S. JERSEY LAWMAKERS PREDICT CONGRESS WILL PASS HEALTH PLAN

Attn: Camden.

By DAVID BAUMAN=

Gannett News Service=

WASHINGTON Southern New Jersey lawmakers have different opinions on health reform except for one point: Congress will pass a plan this year because lawmakers fear that doing nothing may cost them their jobs.

``Enough people have reputations bound up in this that, yes, we will pass something," asserts Rep. Robert Andrews, D

-Bellmawr.

And this week, as the struggle to pass health care

legislation enters its showdown phase on Capitol Hill, Andrews and the region's other three lawmakers are busy staking out their positions.

``My bottom line," he says ``is that we should have universal health coverage in this country without raising taxes. If we let the market work, that's the way to go."

Despite strong public support for President Clinton's idea of guaranteed health benefits for all Americans,

Congress is stuck on finding a way to pay for that goal's multibillion

-dollar cost.

Debate over an employer mandate forcing employers to pay a portion of workers' health care costs has become the central controversy after months of deliberations in congressional committees.

Like most Republicans, Rep. James Saxton of Vincentown, opposes mandates, warning they would bankrupt too many small businesses.

"The leadership's plan grossly underestimates costs," Saxton insists, referring to a plan Democratic House leaders unveiled Friday that would phase in employer mandates.

"We'll have a vote (on health care) by Aug. 12, but a bill with employer mandates will not pass," he predicts.

However, Saxton, noting neither party wants to shoulder the blame for a failure to reform health care, adds:

"There's still time for compromise."

For example, he supports a key element of the Democrat plan to force the insurance industry to adopt community rating systems such as those used in New Jersey that require everyone to pay the same premiums regardless of expected health costs.

"We're all for making health care accessible," Saxton says. "But if the leadership forces an approach of employer mandates and a government

-run system, then there won't be a lot of Republican support."

The complexity of the health reform issue need not keep Congress from action, contends Rep. Christopher Smith, R

-Robbinsville, who favors a more incremental approach to reform but favors the president's goal of universal coverage.

Saying little time is being allowed to develop a broad public consensus on a specific plan let alone for lawmakers to consider it against alternatives, Smith maintains: "We're dealing with an artificial time frame that's politically driven so Democrats can extol victory at election time."

"They feel that if they don't do it now, they never will get it done," Smith observes. "I think we can get some reform this year, though."

Smith says he would support plans that protect people from losing health insurance, enable workers to take their coverage with them from job to job, revamp medical malpractice law, and preserve for people the right to choose their own doctor. He opposes employer financing and

covering abortion services as a mandatory health care

benefit.

“There are things we can pass right now with a consensus bill, and then move on to other issues in later years,” he argues. “We should continue to work on this issue to come up with a better product.”

Andrews agrees, saying health care reform is “of such magnitude” that it should not be narrowly passed.

While applauding President Clinton's commitment to health care reform, he has joined a bloc of moderate and conservative Democrats giving bipartisan support to a less ambitious plan drafted by Reps. Jim Cooper, D

-Tenn., and
Fred Grandy, R

-Iowa.
The Cooper

-Grandy bill would subsidize insurance for
low

-income people but stop short of compelling businesses to buy coverage for their workers.

“The country has moved away from the administration on this issue,” contends Andrews. “The market over the past three years has made unprecedented changes. Private expenditures for health care have fallen, while public expenditures have risen. If we let the market work, that's the way to go.”

But “incremental or partial plans” fall short of the nation's needs, responds Rep. William Hughes, D

-Ocean
City.

He maintains that Congress “must pass a health bill that makes good on most of the president's promises because of the broad base of public support for reform.”

“It's not going to get any easier, so we should move ahead when there is a window of opportunity, and that is now,” says Hughes.

bc

-harris poll

POLL: CLINTON'S JOB RATING DOWN

By HUMPHREY TAYLOR=

Gannett News Service=

President Clinton's job rating continues to slip, with only 40 percent of all adult Americans giving him a positive score in the newest Harris Poll.

Meanwhile, 59 percent rate his performance negatively. They say he's doing an “only fair” or “poor” job

compared to the 40 percent who says he's doing an
"excellent" or "pretty good" one.

His rating has fallen in every Harris Poll since
February this year, when it was 50 percent positive and 48
percent negative.

The poll does not tell why this has happened but it
probably reflects a combination of factors, including the

growing doubts about the president's health care plan (but
not the importance of health care reform), the continuing
drum beat of attention on Whitewater and his low ratings on
foreign policy issues from Haiti to Rwanda.

The continuing strength of the economy seems to have
done little or nothing to improve the public's view of the
president. In the past, the state of the economy has
usually been the single most important factor in helping
or harming other president's standings.

This Harris Poll also is bad news for advocates of
health care reform. The lower the president's job rating,
the less likely members of Congress are to be influenced
by appeals from the White House.

One reason the president's standing has declined is
that most independent voters now give him poor marks. His
negative job rating among independents is 70 percent
almost as high as it is with Republicans (78 percent).

The poll of 1,249 adults was conducted July 25

-28. The
margin of error is plus or minus 3 percentage points.

(Humphrey Taylor is the Chairman and CEO of Louis
Harris and Associates, Inc.)

BC

-Can

-Clinton

-Save

-the

-Baseball

-Season?

Can Clinton Save the Baseball Season? Experts Say Don't Try

Washington, Aug. 1 (Bloomberg) -- Today's burning
question racing around the nation's capital: Is it a
national emergency if there is no national pastime?

Baseball fans apparently think so.

In an appearance in Cleveland this weekend, President
Clinton said the first 15 wellwishers who shook his hands

asked if there wasn't something he could do as the most powerful man in America to avert a baseball strike scheduled for Aug. 12.

But today labor leaders, attorneys and political consultants said any meddling by Clinton would be an error.

"Clinton's got enough problems with Bosnia, Haiti and North Korea. This isn't a national emergency, he should stay out of it," said James Oldman, a professor specializing in labor law at Georgetown University.

Baseball players and owners are on a collision course over a new labor agreement with the main sticking point being the owners' desire for a cap on player salaries. The players plan to walk off the diamond Aug. 12 if their demands aren't met, and the salary cap demand isn't dropped.

A strike would mark the tenth baseball work stoppage

since 1972 and quite likely would mean the end of the 1994 season, World Series and all. Some owners say they might sit out the entire 1995 season too.

Turner Calls For Intervention

The situation prompted Ted Turner, owner of the Atlanta Braves, to suggest that Clinton get involved and try to force the sides to arbitration.

Lawyers and political analysts say Clinton would be foolish -

-politically and legally -- even to try.

"It would be fairly astonishing for a president to intervene in a baseball strike," said one lawyer who used to work closely with the Major League Baseball Players Association and didn't want to be named.

"Politically, he shouldn't get involved with any strike that doesn't have a settlement right around the corner. This one doesn't. He'd end up getting blamed for the end of baseball," he said.

For his part, Clinton said after his experience in Cleveland that he hoped ballplayers wouldn't walk off the field. He was speaking as a fan in a city where the subject is particularly touchy. The Cleveland Indians are enjoying huge crowds in a brand new stadium and are in the thick of a pennant race for the first time since the 1950s.

Political fallout aside, Clinton would have to make a case just to get involved.

No National Emergency

According to the National Labor Relations Act of 1935, the president can only step in when "in the opinion of the president" the strike would affect an entire industry and "will imperil the national health or safety."

"A baseball strike isn't a national emergency," said David Parker, spokesman for the National Labor Relations Board in Washington.

The Major League Players Association wouldn't say whether it wanted the president to play a role. "We'll have to get back to you on that," said John Russo, a spokesman for the players.

Government intervention in sports isn't without precedent. Last spring, the Justice Department's agreeing to mediate a dispute between black basketball coaches and the National Collegiate Athletic Association kept the coaches from striking.

And presidents have stepped into labor disputes before. At the end of 1993, with a telephone call, Clinton ended the American Airlines strike in favor of the workers -- a symbolic reversal of the PATCO strike of 1981, when Ronald Reagan flexed his presidential muscle by firing the air

-traffic controllers.

But those incidents didn't involve what has been known for more than a century as the national pastime.

Bruce Lindsey, the president's special counsel who played a role in the American Airlines settlement, sees this as a different situation loaded with political

problems.

"Let the owners and players do it," Lindsey said while waiting for the president to board his helicopter to New Jersey this morning. "The gulf between (the owners and players) is huge." -- Dina Temple

-Raston at the White
House (202) 434

-1884 /daw/ba (For more on the Clinton
administration: NI EXE; on labor issues: NI LABOR. For
more baseball news and information: BSP5. For more sports
news: BSP)

-0- (BBN) Aug/01/94 16:20 EOS (BBN) Aug/01/94
16:20 86

AM

-OR-

-Billy Bucks, Bjt,380
Timber Towns Suspicious of "Billy Bucks"
Eds: Also moved for PMs
porcarjbsl

LOWELL, Ore. (AP) Some folks in Northwest timber towns are thankful for the grants and loans made available by President Clinton to help revitalize their communities, but others snidely call them "Billy bucks."

The Northwest Economic Adjustment Initiative, which

earmarked \$234 million to help towns hurt by logging cutbacks, is as well

-received here as Reconstruction in Atlanta.

"If they decide they want to give us some money, great; we're glad to have it," Mayor Warren Weathers said. "But let's face it: they're bigger than we are. They won, and now we've just got to figure out a way to survive out here."

This town of 800 people in rural Lane County is ringed by hillsides of Douglas fir, trees that are protected under the Northwest Forest Plan.

Meanwhile, the president's plan will not replace the jobs lost to mill closures, Weathers said.

"The Clinton plan's been an empty promise," he said. "For those of us on the losing end, it's a real shame."

Most of the \$20 million approved for dispersal so far has gone to improvements in such things as streets and sewers, enabling towns to bring in new businesses and industries.

So far, ecosystem restoration has provided only about 200 jobs in Oregon, said Lane County Commissioner Steve Cornacchia, one of two state members on the regional allocations team.

"Compare that to whatever figure you want to use regarding jobs already lost in Oregon's timber industry, whether it's 6,000 or 30,000, and that just doesn't cut it," he said. "At the same time, 200 jobs is better than nothing."

Many officials had hoped to put people back to work more quickly.

"The first year has been a rush for everybody because

no one had a good idea of how this thing was going to function," said Jennifer Kang, spokeswoman for the Oregon Economic Development Department.

"It's been kicking and punching all the way, but we all want to make the changes we need to so we can function this way on a long

-term basis."

While critical of the program, Weathers had praise for local U.S. Forest Service employees supervising a \$20,000 grant that could help develop a local industrial park.

Linn County Commissioner Dave Schmidt said he believes the program "is doing some good. But it's probably not meeting the expectations a lot of people had for it."

AM Whitewater, Ark Bjt,830
Whitewater Intrigued Both Bush and Clinton
Administrations, Senate Told
Eds: Also moving on national wire

By MIKE FEINSILBER= Associated Press Writer=

WASHINGTON (AP) A career government regulator told senators Monday he gave information about a Whitewater

-related investigation to the Treasury Department with a plea that it go no further. But soon after, the Clinton White House obtained the confidential information.

Underscoring the political nature of the case, the same regulator also disclosed the Bush administration had sought information about the Resolution Trust Corp. investigation six weeks before the 1992 election.

Clinton officials through 40 contacts with regulators ultimately were more successful at getting information about the probe of Madison Guaranty Savings and Loan, the Senate Banking Committee was told.

"The RTC has been a political football since day one," William Roelle, a former RTC vice president and a 25

-year civil servant, told lawmakers.

As Whitewater hearings entered a second week, Roelle and other RTC officials repeatedly said they were never pressured to alter their investigation of Madison.

But they also asserted that too much confidential information about the probe reached political appointees.

"It was supposed to be confidential ... and the RTC breached that responsibility," said John Ryan, acting head of the agency. He also acknowledged that in the end the Madison case was not handled routinely.

Madison, which failed in 1989 at a cost to taxpayers of at least \$47 million, was owned by the Clintons' Whitewater business partner, James McDougal.

Criminal referrals recommendations for possible prosecution written by RTC investigators allege President Clinton and Hillary Rodham Clinton may have benefited from possible wrongdoing at the S&L.

In other developments Monday:

Ellen Kulka, the RTC's general counsel, said Deputy Treasury Secretary Roger Altman made a "startling" request for a private briefing on the status of the Madison investigation for Clinton's personal lawyer, David Kendall.

Kulka said it would have created an "inappropriate appearance" to do so and she rejected the request. Ryan said when he learned of the request he was "surprised" and "disgusted."

Other testimony by Kulka was at odds with earlier statements by Treasury aide Benjamin Nye. Kulka said she did not tell Altman during a Feb. 1 meeting that the Madison investigation would not be completed before the deadline for civil lawsuits expired Feb. 28. But in

testimony read by Sen. Alfonse D'Amato, R

-N.Y., Nye was quoted as saying said Kulka had reveal such information, which ultimately was passed to the White House.

In the House, two Republicans asked the Justice Department to investigate whether Treasury Secretary Lloyd Bentsen did anything improper in obtaining interview transcripts from an ethics review of the Clinton administration's handling of Whitewater. The matter was first reported by The Associated Press on Saturday.

"We believe the independence of this independent investigation has been seriously compromised," Reps. Frank Wolf of Virginia and William Clinger of Pennsylvania, wrote Attorney General Janet Reno.

Altman, who is expected to be questioned closely Tuesday about apparent discrepancies in his story, was asked in a television interview if he would be "the fall guy." Altman said he knew "a lot of people think that I'm going to be," but when he tells his story he would "put to rest the questions."

Roelle, then an RTC vice president, said he told Treasury Department officials on Sept. 27, 1993, about the Madison investigation, imploring that the information be kept confidential. Instead, Treasury General Counsel Jean Hanson told the White House about the referrals three days later.

"I believe it would have been better if no one had known about these criminal referrals," Roelle said.

He also said Altman should never have been given two conflicting jobs as a top political officer at the Treasury and as head of a theoretically independent agency, the RTC.

"I think Roger Altman was put in a terrible situation and I don't think it's one that he wanted to be in," Roelle said.

Talking about the Bush White House interest, Roelle said he was disturbed to find out, in September 1992, that then

-White House Counsel C. Boyden Gray had been asking then

-RTC Chairman Albert Casey about the Madison case and the Clinton connection.

When Casey, a Bush appointee, asked what he could tell Gray, Roelle said he told Casey that "it would be inappropriate to discuss it with the White House."

"Mr. Casey said 'OK, I'll tell them that,'" Roelle said.

Gray told the AP on Monday "I have no recollection of it at all. It's a puzzle."

BC RTC

-Chief

-Says

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-Was

-Stunned

-by

RTC Chief Says He Was Stunned by Whitewater Heads Up
(Update2)

(Updating with testimony from RTC officials)

Washington, Aug. 1 (Bloomberg) -- The Treasury Department's top lawyer ignored a plea for confidentiality and advised the White House of an investigation into a failed Arkansas thrift with ties to the Clintons, Congress was told today.

William Roelle, a former regulator with the Resolution Trust Corp., said he urged general counsel Jean Hanson on Sept. 27 not to discuss the RTC case with anyone.

Regardless, three days later, Hanson informed the White House of a criminal referral in the probe that named President and Hillary Rodham Clinton as possible witnesses.

Appearing at the second day of the Senate Banking Committee's Whitewater hearings, Roelle said: "Criminal referrals are highly sensitive matters. They should not be discussed outside the agency."

Hanson, who followed Roelle in testifying before the Senate panel, maintains Deputy Treasury Secretary Roger Altman instructed her to inform the White House of the RTC criminal referral.

Altman, who claims he cannot recall giving Hanson any such instruction, is to testify before the committee tomorrow.

Roelle indicated that the RTC investigation of the Madison Guaranty Savings & Loan was a poorly kept political secret in both Democratic and Republican circles.

He disclosed that in the final months of the 1992 presidential campaign, the Bush White House asked the RTC about the highly sensitive probe.

Sen. John Kerry (D

-Mass.), a member of the Senate Banking Committee, said the inquiries were directed by C. Boyden Gray, President Bush's White House counsel.

The Associated Press reported that Gray, in a weekend

interview, denied ever learning anything about the investigation.

Roelle said the RTC told the Bush White House that it

would have been improper to discuss the case.

Madison was owned by Jim McDougal, a partner of the Clintons in the Whitewater Land Development Corp., a real

-estate venture in the Arkansas Ozarks.

Whitewater special counsel Robert Fiske is now attempting to determine if funds were unlawfully funneled from Madison to Whitewater or to Clinton's 1984 gubernatorial campaign.

McDougal and the Clintons deny any wrongdoing.

John Ryan, acting head of the RTC, testified today he was stunned to learn that the Clinton White House was advised of the criminal referral.

But Ryan, Roelle and other RTC officials insisted no one in the administration attempted to interfere with the agency's investigation. The RTC cleans up failed S&L's.

``No one at the Treasury Department has exerted any pressure or done anything to influence the investigation of Madison."

And, Ryan said, ``I did not instruct anyone (at the RTC) to do anything other than to find the truth."

Regardless, some Republican lawmakers have called on Altman to resign, saying he was less than candid with Congress last winter in first disclosing a series of more than three dozen White House

-Treasury contacts about the RTC probe.

At the time, Altman was acting head of the RTC. He subsequently stepped down from the independent federal agency, but kept his job at the Treasury Department.

Appearing today on NBC, Altman said he and other Treasury officials ``made mistakes" in contacting the White House last year and winter about a federal probe.

``But," Altman insisted, ``nothing unlawful occurred and nothing unethical occurred, and I think that is the bottom line."

Special Whitewater counsel Fiske, in a report June 30, said there was insufficient evidence to bring criminal charges for the contacts. But he refused to pass judgment on the propriety of the meetings, which occurred between March 1993 and last February.

The non

-partisan Office of Government Ethics ruled Saturday that the White House

-Treasury contacts didn't violate ethics rules. But the office said some of these

meetings were at least troubling and questioned if Treasury officials understood the rules.

Ryan and Roelle were joined at the witness table today by Ellen Kulka, the RTC's general counsel, and Stephen Katsanos, an RTC press officer.

Kulka insisted she did not tell Altman during a Feb. 1 meeting that the RTC's Madison probe wouldn't be completed in time to file lawsuits prior to the expiration of the statute of limitations on Feb. 28.

But Sen. Al D'Amato (R

-N.Y.) challenged that assertion, reading a deposition to committee staffers by another Treasury official who said Kulka did reveal such inside

information.

Kulka responded by saying, "I told Mr. Altman that it is certainly an unusual circumstance to have such a short period of time to examine such complex issues."

Congress last winter, at D'Amato's urging, passed legislation to extend the statute of limitations in the Madison case, and Clinton signed the measure into law.

The House Banking Committee is to resume its own Whitewater hearings Wednesday. Both panels are expected to complete the first phase of their limited proceedings by Friday.

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-Tom Ferraro (202) 434

-1800/daw/mfr/

(For more information on Congress; NI CNG; on Clinton administration; NI EXE)

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AM

-The Spectators,650

WHITEWATER NOTEBOOK: Broadway Bound, Magic Bus,
Tie

-of

-the

-Day

By JILL LAWRENCE= Associated Press Writer=
WASHINGTON (AP) Whitewater is heading for the Great
White Way.

Comic Jackie Mason turned up at somber Senate hearings
Monday in search of fodder for his one

-man Broadway revue,
and pronounced the material ``great."

``Jackie Mason: Politically Incorrect" is a compendium
of Mason's vitriolic, some say vindictive, views. Chief
among his targets is President Clinton.

``You're supposed to think nothing is happening when
it's right in front of your face," Mason said outside the
hearing room as four savings and loan clean

-up officials
assembled at the witness table to testify. ``The blood is
all over this whole Clinton administration."

So what's so funny about that?

``It sounds very funny when you talk about it on the
stage," Mason said. ``By the time I get through with it,
it's a very funny situation. The hypocrisy becomes
hilarious when you exaggerate it and you show how stupid
it is."

=

Randall Terry, best known for his anti

-abortion group
Operation Rescue, is expanding his portfolio to include a
general call for Clinton's impeachment.

Terry drove into town Monday on an ``Impeach Clinton
Tour '94," broadcasting appeals to senators to ``do your
job" from a huge bus emblazoned with a long list of
conservative grievances against Clinton.

He squeezed in a half

-hour at the Whitewater hearing
before busing over to the Justice Department to protest
the dispatch of federal marshals to abortion clinics under
siege.

Terry declared the Whitewater congressional hearings a
political minuet and a joke. He further accused Clinton of
``politicizing" last week's murder of a doctor and his
escort outside a Pensacola abortion clinic.

Posting federal marshals ``at every abortion mill, that
is ridiculous," Terry said. ``Put federal marshals in the
crack districts."

Then he hopped back onto the bus, a rolling
advertisement for 17 offenses Terry apparently considers
impeachable. Among them: Troopergate, Whitewatergate,
draft

-dodging, abortion and the mysterious ADFA, an
Arkansas development agency that some conservatives
maintain was funneling business to Clinton friends.

=

Pat Mahoney, director of the Christian Defense
Coalition, turned up at the Senate Banking Committee to

get first

-hand Whitewater material for a four

-day speaking
tour. He'd also been following the proceedings on C

-SPAN.

``Evangelicals are much more interested in what's going on in this room than ordinary Americans," Mahoney said. Why? They are politically sensitive ``and they felt character was an issue in 1992 ... We want integrity in the White House."

Mahoney said he wasn't around when Congress investigated the Iran

-Contra affair and didn't know if evangelicals had dogged those hearings as well.

``If they didn't, they should have," he said.

=

White House spokesman David Dreyer, dogging the Whitewater hearings for the administration, is keeping his spirits up and his ties lively.

On Monday, with witnesses from the Resolution Trust Corp. scheduled to testify about their work cleaning up the S&L mess, Dreyer's tie was covered with bills of various denominations.

``I thought it would be appropriate," he said.

RTC general counsel Ellen Kulka opened her testimony on an unusually personal note, telling the committee she interviewed for the job a year after her husband had died following a four

-year illness.

Her husband, she said, had encouraged her to become a lawyer and take on a full

-time career when their children were small, at a time when such women were exceptional.

Her grown children subsequently encouraged her to take the RTC job, she said, though others urged her not to become associated with such a troubled agency.

Kulka said she accepted the position largely because of ``the desire to start anew with an absorbing and challenging set of responsibilities.' Then she added dryly: ``This is one circumstance where getting your wish carries with it more than could be anticipated."

BC WHITEWATER

-HANSON

TREASURY LAWYER TESTIFIES IN WHITEWATER HEARING

WASHINGTON (Reuter) - Treasury General Counsel Jean Hanson Monday began speaking for the first time publicly about her contacts with the White House last fall about a possible criminal probe of a savings and loan linked to President and Hillary Rodham Clinton.

Hanson was testifying before the Senate Banking Committee about why she had alerted former White House counsel Bernard Nussbaum last September about press leaks concerning Madison Guaranty Savings & Loan, the institution at the center of the Whitewater affair.

REUTER

AM

-MO- Whitewater

-Bond, Bjt,0525

Missouri Senator Questions Abrupt Halt of Foster Suicide Interviews

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) Sen. Christopher Bond, a member of the Senate panel investigating Whitewater, said Monday that Democrats abruptly halted a probe that may have shed more light on the suicide of White House counsel Vince Foster.

In an op

-ed article published Monday by The Washington Times, the Missouri Republican said the last

-minute

decision not to allow questioning of officials in the U.S. attorney's office in Little Rock, Ark., was an example of ``the entire Whitewater fiasco."

``The death of Vincent Foster is shrouded in mystery not because it is mysterious, but because there has been an attempt to keep the investigators and the American people from learning all the relevant facts," Bond wrote.

Bond, a member of the Senate Banking Committee, said an agreement was reached between the panel's Republicans and its Democratic chairman, Sen. Donald Riegle of Michigan, to interview officials in the Little Rock federal prosecutor's office about a search warrant signed the day of Foster's death, July 20 of last year.

That warrant authorized the FBI to search the offices of Capital Management Services Inc., owned by former judge David Hale, then the target of a Small Business Administration fraud probe into use of minority loans.

Hale, who pleaded guilty to two felonies in the case, claims then

-Arkansas Gov. Bill Clinton tried to influence him to loan \$300,000 to Whitewater Development Corp.

investors. Clinton and his wife, Hillary Rodham Clinton, were investors in the Whitewater land venture.

Before his death, Foster was working in part on the Clintons' tax returns for Whitewater.

Knowledge of the Hale search warrant easily could have spread in Little Rock, Bond suggested. There is evidence associates in Foster's former law office tried unsuccessfully to contact him the day he died.

"It is possible that Mr. Foster knew of the search in advance," Bond wrote.

Special Counsel Robert Fiske said his probe into the Whitewater affair found no evidence Foster knew about the warrant. But Bond said that conclusion was based on a single interview with one assistant prosecutor in the U.S. attorney's office.

To investigate further, Bond staffers arranged to hold telephone interviews with other people on the U.S. attorney's staff last Tuesday. The Justice Department agreed to the depositions and sent a representative to Little Rock to monitor them, Bond said.

One hour before the depositions were to begin, Democratic lawyers "abruptly informed" Bond's attorneys the information sought was beyond the scope of the first installment of Banking Committee hearings. That came after Riegle previously had agreed to the interviews.

A Democratic source on the Banking Committee who spoke on condition of anonymity said there was no attempt at a cover

-up and that Bond set up the depositions without coordinating them with either party's lawyers in advance.

By the time those attorneys were made aware of Bond's plans, the source said, it was too late to decide whether the depositions violated the Senate's agreement with Fiske not to delve into areas he still was investigating.

Questions also arose about whether the depositions ran counter to the Senate's own vote to limit the initial Foster suicide probe to actions of police after his body was found, the source said.

AM

-US

-Canada Wheat,450

URGENT

US, Canada Reach Agreement on Wheat Dispute

Eds: also on some national wires; Baucus comment grafs 6

-7

By MARTIN CRUTSINGER= AP Economics Writer=

WASHINGTON (AP) The United States and Canada reached

agreement Monday in a contentious fight over wheat that had threatened to spark a full

-blown trade war, members of Congress said.

The agreement will limit overall wheat imports from Canada by imposing high tariffs on shipments above certain levels, according to farm state lawmakers who were briefed on details of the accord.

U.S. Trade Representative Mickey Kantor was scheduled to discuss the agreement with reporters later in the day.

``It's not everything I would like to see, but it

nonetheless is the first step that will essentially stop the shipments above a certain level," said Sen. Byron Dorgan, D

-N.D. ``It will bring the speeding train to a halt."

Dorgan said the agreement will create a separate set of tariffs for durum wheat, the variety grown mainly in North Dakota and Montana that is used to make pasta. The fight over durum wheat was at the core of the dispute.

Sen. Max Baucus, D

-Mont., chairman of the Senate Finance subcommittee that handles trade matters, said the pact was a good deal for his state and America's wheat farmers in general.

``It does sharply limit exports from the current levels and should go a long way towards stabilizing prices," he said.

American wheat farmers had complained that the Canadian government was unfairly subsidizing and pricing its wheat exports and this was robbing them of millions of dollars annually in lost sales.

The administration had faced a stiff lobbying effort from wheat state lawmakers to put limits on Canadian wheat. However, the government of Canada had threatened to retaliate by imposing higher tariffs on a variety of American products ranging from wine to tomatoes.

The agreement, which will be presented to Canada's Cabinet on Tuesday, would avert the threat of such a tit

-for

-tat trade war erupting. It came after lengthy negotiations and a series of telephone calls between Washington and Ottawa over the past several days.

Sen. Kent Conrad, D

-N.D., said after being briefed on the accord that he believed it represented ``a significant

reduction from current levels on durum and all wheat."

Figures compiled by Dorgan's office show that durum accounted for 570,000 metric tons of the nearly 2.5 million metric tons of wheat that the United States imported from Canada in the marketing year that just ended.

Last month, the International Trade Commission had recommended caps of anywhere from 360,000 tons to 500,000 tons for durum wheat and semolina, the flour from durum.

BC

-U.S.

-Canada

-Wheat

-Pact

-Limits

-Imports
U.S.

-Canada Wheat Pact Limits Imports for One Year, Kantor Says

Washington, Aug. 1 (Bloomberg) -- Canada has agreed to ``substantially" limit its wheat shipments to the United States for a year, U.S. Special Trade Rep. Mickey Kantor said today.

The last

-minute agreement averts sanctions the U.S. had threatened to impose to curb Canadian wheat imports, which U.S. farmers had complained were flooding markets and reducing the price they receive for their crops.

Canada had vowed to retaliate if the U.S. imposed sanctions, raising the possibility of an escalating trade conflict between the world's two largest trading partners.

Details on the settlement were being withheld pending a meeting of the Canadian cabinet tomorrow morning at 10 a.m. EDT.

The unexpected compromise came hours before a deadline for imposing sanctions on Canadian wheat shipments. It followed a weekend of marathon negotiations between top trade officials from both nations. Canadian officials left Washington left Saturday to return to Ottawa. At that time, there was no accord, according to Agriculture Secretary Mike Espy.

The U.S. proposed that Canada cut durum wheat exports to the U.S. from 108 million bushels annually to a range between 36 million bushels and 55 million bushels a year.

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-Roger Runnigen in Washington (202) 434

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illustration: For a six

-month chart on spring wheat, see:
NWU4

Cmdty> GPO. For a menu of commodity news: BBN2; grain news:
NI GRN; news on agriculture: NI AGD, AGR; on Canada: NI
CANDA; on trade: NI TRD; on the Clinton administration: NI
EXE)

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86

(UPI Spotlight)
Pentagon budget may be short of goals
WASHINGTON, Aug. 1 (UPI) The General Accounting Office
says (Monday) the Defense Department may have overstated
savings and underestimated future costs by as much as \$150
billion. A GAO report analyzing defense spending through
1999 concludes the Clinton administration has set more
goals than the Pentagon's spending program will support.

BC

-USA

-SPY
CIA WORRIED ABOUT SPY'S SPENDING FOUR YEARS AGO
WASHINGTON, Aug 1 (Reuter) - Confessed spy Aldrich
Ames and his free

-spending ways set off alarm bells at CIA
headquarters in Langley, Virginia, four years before he
was caught, according to newly declassified documents
released Monday.

A December 1990 memo from the CIA's
Counterintelligence Centre asked the Office of Security to
reopen an investigation into Ames, noting that Ames had
access to a number of operations that were ``compromised"
in the 1980s.

Ames, who is serving a life sentence for selling
secrets to Russia in return for more than \$2 million, had
passed a lie

-detector test in May, 1986 that led CIA
investigators to believe he was not the mole they were

after.

At least a dozen U.S. spys were believed executed as a result of Ames' betrayal.

Senator Dennis DeConcini of New Mexico, chairman of the Senate Intelligence Committee, provided reporters a copy of the declassified memo.

"Our request (to reopen the investigation) is based on our receipt of information concerning Ames' lavish spending habits over the past five years," the author, whose name remained classified, wrote.

It noted that Ames' bought an Arlington, Virginia, home for \$540,000 without obtaining a mortgage. He was "sparing no expense" renovating his kitchen and redecorating. He also bought a Jaguar for \$49,500.

The memo also tracked some bank deposits that were considered large for a civil servant who never made more than \$70,000 a year.

The author speculated that he could have obtained the money legally either through inheritance or from his in

-laws in Colombia.

"There is a degree of urgency involved in our request," the two

-page memo said.

It said that Ames had been assigned to the Counterintelligence Centre where his access to secrets was initially limited.

"Unfortunately, we are quickly running out of things for him to do without granting him greater access," it said.

Ames, 52, who has bragged to reporters in interviews how easy it was for him to fool the CIA, pleaded guilty to espionage on April 28 in a plea

-bargain agreement in which he asked for leniency for his wife, Rosario.

REUTER

BC

-HAITI

-USA 3RDLD (SCHEDULE)

WASHINGTON KEEPING UP PRESSURE ON HAITI
(Eds: inserts dole statement, paras 2, 8

-11)

By Steve Holland

WASHINGTON, Aug 1 (Reuter) - The United States kept up a war of words with Haiti's military rulers Monday, saying they must give up power soon or face ouster.

But there was concern on Capitol Hill about any

U.S.

-led invasion of Haiti. Senate Republican leader Bob Dole of Kansas said on the Senate floor that "there is no emergency in Haiti requiring the dispatch of American troops."

The White House was talking tough a day after the U.N. Security Council essentially gave the United States a

blank check to oust Haiti's military leaders and restore to power exiled President Jean

-Bertrand Aristide.

The Security Council voted 12

-0, with China and Brazil

abstaining, to authorise a U.S. invasion and occupation of Haiti if sanctions fail to remove its military government.

White House spokeswoman Dee Dee Myers said Haiti's rulers "need to decide what they're going to do soon."

Madeleine Albright, U.S. ambassador to the United Nations, told ABC

-TV's "Good Morning America" that the military rulers could leave "voluntarily and soon or involuntarily and soon."

"We have not set a deadline because we believe they are now going to have to get this message. We have not said what 'soon' is specifically because we want the pressure here to work," Albright said.

Dole said it was fine to get international support for a mission in Haiti, "but it is no substitute for the support of Congress and the American people."

"Congress has a role to play and we have not done so," Dole said. "Let's not set a dangerous precedent and abdicate our war powers to the United Nations."

The senator said he was willing to work with Clinton on a bipartisan Haiti policy. He said this situation is not like the 1980s invasions of Grenada or Panama where a quick response was needed, but rather is more like the 1991 Gulf War where a steady buildup of forces was required.

He pointed out that in that instance, then

-President

George Bush sought and obtained congressional approval.

The U.S. position is that military leader General Raoul Cedras, his deputy, General Philippe Biamby, and Port

-au

-Prince's police chief, Colonel Michel Francois, who led the coup that overthrew Aristide in September

1991, must resign or leave the country.

The United States has 2,400 troops and 14 warships near the Turks and Caicos Islands north of Haiti.

As for whether an invasion can be avoided, Myers said: "The ultimate objective is to have the military guys resign or leave the country. We've made that clear to them."

She said Clinton will continue to consult members of Congress about his Haitian policy.

"For the president to make any changes in the course of action, I think he would continue to prepare the American people for it," Myers said.

Albright said that despite the U.N. action, an invasion of Haiti was not the only option to force out Haiti's rulers. She said the resolution laid out the military option and, coupled with economic sanctions, the pressure was designed to "tighten the noose around the neck of the Haitian leadership."

Haiti's isolation from the outside world, at least by air, was completed Saturday when the last scheduled flight left the Caribbean nation.

"Yesterday was the last flight out of Haiti, the targeted financial sanctions are working and we are also going to be tightening the border between the Dominican Republic and Haiti," Albright said.

The two nations share the island of Hispaniola.

Haiti's de facto government declared a state of siege early Monday after the U.N. vote, and Albright said that indicated the military rulers "are getting nervous."

State Department spokesman Mike McCurry said the siege declaration, made at 3 a.m. -- "the only time that the de facto government apparently can stomach the courage to address the citizens of Haiti" -- was by its very nature illegal.

"That action itself by the illegal de facto government is illegal ... because under the Haitian constitution, only the National Assembly can declare a state of siege," McCurry said.

REUTER

U.S. probes Buenos Aires bombing

By JORGE A. BANALES

WASHINGTON, August 1 (UPI) U.S. law enforcement agencies are processing forensic information brought from Buenos Aires, Argentina, where a bomb explosion last month killed 95 people at a Jewish community building, the State Department said Monday.

The Clinton administration sent to Argentina a team including representatives from the State Department's Diplomatic Security bureau, the FBI and the Treasury Department's Bureau of Alcohol, Tobacco and Firearms "as a testament to how serious we saw this bombing," said Barbara Bodine, the State Department's acting coordinator

for counterterrorism.

Bodine made the statements at a joint hearing of the House International Security, International Organizations and Human Rights, and the Western Hemisphere Affairs subcommittees.

At the same hearing, Argentine Ambassador Raul Granillo called the July 18 explosion "the worst terrorist incident" ever in his country. The explosion destroyed a building housing the Argentine

-Israeli Mutual Association and other Jewish community groups, killing at least 95 people.

"In order to help the Argentines, the forensic information has been brought back to the States," Bodine said. "It will be processed in the FBI and ATF labs...and for continuity of evidence purposes an Argentine forensic expert has come along, so that we can prosecute these people to the fullest."

Although the U.S. authorities "do not have any conclusive evidence," recent bombings in Buenos Aires, London, and Panama "do bear the hallmarks of a Hezbollah

operation," Bodine said, referring to the Iranian

-backed Islamic group.

"A statement about the attacks has been made by a group using the name Ansar Allah, which appears to be an offshoot of Hezbollah," she said.

Rep. Tom Lantos, D

-Cal., said "it is simply unacceptable to many of us that as citizens of the one remaining superpower in the world there should be an atmosphere of fear permeating this society in anticipation of terrorist attacks by extremist Islamic thugs who have no regard for human life but are hell

-bent on pursuing their objectives by all means at their disposal."

The U.S. team sent to Argentina and to Panama after an explosion on a civilian airplane that killed 22 people, 13 of them Jews, included the FBI "top forensic expert," who led the investigation of the World Trade Center bombing in New York that resulted in the conviction of Islamic militants, Bodine said.

"To help prevent such attacks happening in the future, we are also providing extensive training to Argentina," she said. "A very important point is the need for effective exchanges in intelligence."

Granillo called on Congress to "continue its work in this field, supporting initiatives aimed to increase international cooperation in the fight against

terrorism."

The July 18 bombing ``has been the most serious attack against the Jewish community anywhere in the world since World War II," he said. ``The Jewish community is an integral part of our nation, where people from different origins share similar values and goals."

``The appropriate response to terrorism cannot be found outside the law," he said. ``In this context, the Argentine government will not stop until those responsible (for the attack) are brought to justice."

According to Bodine, the training now being provided to Argentine security forces include ``post

-blast investigation, explosive incident countermeasures, and a terrorist interdiction seminar."

``We have been deeply concerned over the past several years about the development of a Hezbollah presence in Latin America," said Bodine, who later this month will be replaced by Philip Wilcox. ``My successor will be doing a trip to about six key Latin American countries to discuss both Hezbollah presence, Iranian Embassy presence, and possible steps that can be taken.

The Argentine government of President Carlos Menem, Bodine said, will raise the issue of terrorism at the Summit of the Americas, a meeting of Western Hemisphere leaders called by Clinton. The summit is set for December in Miami.

BC

-TAIWAN

-USA

U.S. TO SELL AIR DEFENSE EQUIPMENT TO TAIWAN

WASHINGTON, Aug 1 (Reuter) - The U.S. Defence Department said Monday it planned to sell 80 electronic countermeasure pods for F

-16 aircraft to Taiwan at an estimated cost of \$150 million.

The Pentagon said the sale would not affect the basic military balance in the region. It said Taiwan would use the equipment to maintain its defence capabilities.

The prime contractor for the proposed sale is Raytheon Co.

REUTER

BC

-TURKEY

-USA

U.S. TO SELL MISSILES TO TURKEY

WASHINGTON, Aug 1 (Reuter) - The U.S. Defence Department said Monday it planned to sell nearly 600 missiles to Turkey at an estimated cost of \$137 million.

The sale includes 500 Sidewinder air

-to

-air missiles,
80 AMRAAM air

-to

-air missiles and 16 Harpoon
shiplaunched

-guided missiles.

The proposed sale would help improve the military capabilities of Turkey and contribute to U.S. foreign policy and national security objectives, the Pentagon said in a statement.

Principal contractors for the missiles are Raytheon Co., Loral Corp., Hughes Aircraft and McDonnell

-Douglas
Corp.
REUTER

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

CREATOR: Margaret M. Suntum (SUNTUM_M) (WHO)

CREATION DATE/TIME: 2-AUG-1994 16:52:04.49

SUBJECT: 1994-8-2 Myers Briefing

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ: 2-AUG-1994 17:29:35.75

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-
822EDOWD(A)ESUSDA.GOV@MRX@EOPMRX)
READ:NOT READ

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-
822JPOLEY(A)ESUSDA.GOV@MRX@EOPMRX)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-
822MWOLFE(A)MH1.JS.MIL@MRX@EOPMRX)
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TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 2-AUG-1994 18:01:47.22

TO: Steven A. Cohen (COHEN_SA) (WHO)
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TO: Arthur L. Jones (JONES_A) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TO: Virginia M. Terzano (TERZANO_V) (WHO)
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TO: Lorraine A. Voles (VOLES_L) (WHO)
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TO: Nancy L. Ward (WARD_N) (WHO)
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TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: Kenneth R Chitester (CHITESTER_K) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Rica F. Rodman (RODMAN_R) (WHO)
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TO: Joshua Silverman (SILVERMAN_J) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Lori E. Abrams (ABRAMS_L) (WHO)
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TO: Rahm Emanuel (EMANUEL_R) (WHO)
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TO: Alexis M. Herman (HERMAN_A) (WHO)
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TO: Ricki Seidman (SEIDMAN_R) Autoforward to: Margo L. Spiritus (SPIRITUS_M)
(WHO)
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TO: Carter Wilkie (WILKIE_C) (WHO)
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 2, 1994

PRESS BRIEFING
BY DEE DEE MYERS

The Briefing Room

2:20 P.M. EDT

MS. MYERS: This is an "in case you missed it." Secretary Bentsen pointed out yesterday that in the first 100 days after taking effect, the Brady Bill stopped more than five percent of weapons purchases, so that's literally thousands of weapons that might otherwise have been purchased by people with criminal backgrounds or other problems were prevented from doing so. So that's a little on the good news front. With that --

Q On that line, Sarah Brady is very critical of the compromise reached on the crime bill because of the exception for the pawnbrokers -- they can sell back guns to people. Does the President still believe that exception is worth going ahead?

MS. MYERS: Oh, absolutely. The President said that he didn't want any one element to hold up the crime bill. And I would just point out that if you look at not who is against the bill but who is for it, it has the overwhelming support of the law enforcement community, people who are on the front lines of fighting crime, whether it's the prosecutors or the police officers, or the district attorneys, or the attorneys general, or any number of law enforcement organizations from around the country who are very enthusiastically advocating passage of the bill. We expect that it will come up in the House. The rule will be voted on tomorrow, and then hopefully the entire bill should the rule pass.

Q Do you have the votes for the bill?

MS. MYERS: I think we're optimistic. We're hopeful that the House will take this up and vote passage tomorrow. He may make a couple of phone calls on this later today just to make sure that everything is on track.

Q Members of the hierarchy of the Treasury Department up on Capitol Hill and elsewhere are contradicting each other in seeming to have real questions about each other's voracity on their number of matters. Doesn't the President feel that maybe he needs to do something about the structure of his staffing over there? And does he believe that he's getting really effective work out of the Treasury Department team as it's currently construed?

MS. MYERS: The first point is, yes, absolutely he has great faith in the Treasury Department under the leadership of Secretary Bentsen. That has been a very effective department in the past 18 months during this administration, and the President is confident that it will continue to do that.

I would just point out that the three investigations that have been already concluded, looking into contacts between the White House and the Treasury, have concluded that no laws were broken and no ethical standards were violated. We've cooperated fully here

at the White House, and the Treasury Department, as the President

instructed, and we expect that the congressional hearings will find the same thing, that no legal or ethical standards were violated.

Q Does the President intend to make any changes in his team?

MS. MYERS: At this point, the President has full confidence in his team, in Secretary Bentsen, in Deputy Secretary Roger Altman and the rest of the team over at Treasury.

Q What do you mean by "at this point"?

MS. MYERS: I should not qualify it. The President has full confidence.

Q Dee Dee, is the First Lady now prepared to revise the statement she made in her news conference on April 22nd that Maggie Williams did not remove any documents from Vince Foster's office, but that, in fact, the documents were simply transferred to lawyers, as Bernard Nussbaum had suggested was appropriate? Apparently Mrs. Williams has made it plain that, in fact, the documents were in the residence safe for five days and were taken there at Mrs. Clinton's direction by Ms. Williams. Is the First Lady now going to revise what she said?

MS. MYERS: I think that it is true that Maggie didn't remove any documents from Vince's office; they were removed by Bernie Nussbaum.

Let me just make a couple of points. First of all, I think that is one area that is still under investigation by Mr. Fiske, and so I think it would be inappropriate for me to say too much about it. You're free to call Lloyd Cutler if you want to discuss more details about this. But I do think that a portion of that leaked out -- I don't know where it came from -- and so Maggie Williams and others at the White House have confirmed that, in fact, files were transferred from --

Q It's in a memo --

MS. MYERS: No, I'm just pointing out -- the source of this story originally was something that leaked out from the ongoing investigation. It has, I'm pointing out, in fact, been confirmed by people at the White House that the files went from Mr. Nussbaum to Maggie for safekeeping over the weekend while Bob Barnett and others went to Little Rock for the funeral of Mr. Foster.

The President and the First Lady did not look at those files. A messenger from Mr. Barnett's office, who was then acting as the President and First Lady's personal attorney, picked the files up on Monday and took them to Williams & Connally.

Q

Q Was the President aware that that was done?

MS. MYERS: I don't believe so.

Q It was in the residence safe?

MS. MYERS: There is an office on the third floor, and, I think, a closet with a lock where they keep some of their personal documents.

Q Who had access to them in the meantime and while they were there, do you know?

MS. MYERS: I don't know.

Q Why those files, of all the files in Foster's office?

MS. MYERS: I don't know if they -- exactly what files there were. And again, this is something that is continuing to be investigated by Mr. Fiske, and so it's --

Q That would be the reason why the First Lady would have nothing further to say at this time?

MS. MYERS: I think that there's an ongoing investigation looking into this. And again, I think we did what we could to clarify events around a memo that was leaked. But at this point, I think we will -- I would refer you to Mr. Cutler's office for any additional questions.

Q Was it not also indicated at the time that the President -- neither the President, nor the First Lady was given any briefings based upon the information given by Treasury and-or RTC officials to White House aides? That appears to be contradicted by the presence of this rather long Harold Icke's memo to Mrs. Clinton, doesn't it?

MS. MYERS: I don't think I'm going to comment on that at this time. I think the President has made a statement about what he knew and when he knew it, and I don't think it would be appropriate for me to say anything more.

Q If I could just follow up on what Brit was asking, one more thing. Without going back voluminously through the record, it's my recollection that both you and Mark were asked a lot of questions in the last few months about the chain of custody of those papers, and made statements that I'm sure you believed were true at the time, but Maggie must have known were not.

MS. MYERS: I think that's a fair point. And I think, in hindsight, we should have been more clear about exactly what the chain of custody on those documents was. And I think that was a mistake. And I think after March, when documents and individuals were subpoenaed and we began cooperating with the ongoing investigation, I think then it was difficult for us to talk to one another here about specific incidents. But in hindsight, I think clearly we should have been more specific about the chain of custody

for those documents.

Q So, Dee Dee, are you saying then that you did know what the chain of custody was?

MS. MYERS: No, I said earlier today that I did not know. But we as the White House --

Q So when you say you should have been clearer, meaning --

MS. MYERS: That we, the White House, should have been more clear about the chain of custody on the documents.

Q So Maggie should have told you or told someone?

MS. MYERS: I don't think it's useful to go through exactly who should have said what to whom, other than I think we left a misimpression. And I think in hindsight, we should have been more careful not to do that.

Q But you were in a situation then, you're saying, where you were making erroneous statements. Maggie Williams was noting your erroneous statements and making no move to correct them.

MS. MYERS: No, I think my statements were incomplete. I don't know that they were -- they certainly were not intentionally misleading. They were incomplete and -- but I think -- again, I'm not going to point fingers or name names, but I think that there were additional facts that we could have presented that would have made it more clear what the exact chain of custody was; and in hindsight, we should have done that.

But after March, I think it became difficult due to the ongoing investigations. And again, we were very -- on the advice of counsel, I think, restricted from talking to one another about specific incidents.

Q Whose responsibility is it to make sure that you, as the President's spokesman, have that information or are able to make those points clear?

MS. MYERS: Well, I think that depends. I think -- again, I --

Q In this case, is there any responsibility on Maggie Williams?

MS. MYERS: I don't think it's useful to get into that. I certainly think Maggie is an excellent representative of the President and First Lady. She's very straightforward and works extremely hard. I'm certainly not here to implicate anybody. I think clearly we've made some mistakes, particularly around the end of the year, the beginning of this year, with reference to some of the answers that we provided. I think we've acknowledged that in the past. And, again I think we could have been a little clearer about the chain of custody on those documents. But I think we've done what we can to confirm the facts as we know them since.

Q On Haiti, can you give us an update on where the White House stands vis-a-vis a possible compromise with Cedras

departing in exchange for perhaps new elections in which Aristide may be a candidate, but in which he would not necessarily be directly restored by the United States?

MS. MYERS: There's been no change in our policy, which is that we do not recognize the de facto government of Haiti under the auspices of the military rulers and their friends. We would not recognize any elections there under that regime. There is certainly not an atmosphere there conducive to democratic elections. What we continue to insist upon is the restoration of democracy and the return of President Aristide, who was duly elected and still has time left in his term, which we expect that he will serve.

Q Would you be willing to discuss or accept a compromise in which democracy was restored, but Aristide may not be restored?

MS. MYERS: There's been no change in our position. We expect democracy to be restored, and President Aristide, who was elected with 67 percent of the Haitian people's vote as their elected leader, to be restored as well.

Q When Richardson met with the President last week, was there any discussion of a possible slight of hand that would achieve some kind of an exit of the Cedras regime?

MS. MYERS: No.

Q Dee Dee, to follow up on Haiti, Congressman Richardson has been invited back. Does the White House think he should go?

MS. MYERS: I don't know who here -- I was unaware of his invitation --

Q Cedras apparently has --

MS. MYERS: I'm just not aware that he was invited. Last time, he was briefed by people in the administration about what the details of our policy were and where we were. He went down there on his own initiative certainly as a congressman. He is free to travel as he sees fit. But if he's heading back down there, I'm sure he'll talk with us and we can have a chance to talk about where we are in this process.

Q I think what he's saying is that he'd like White House approval before he went back.

MS. MYERS: I don't know whether he's contacted anybody here yet, or not. I would expect that he would talk to people here. But if that conversation takes place, we'll have a little more to say about what our expectations for his trip are. He went as an individual citizen the last time, as you know, as a member of

Congress.

Q -- was reported today of people standing in line in Port au Prince to apply for asylum and taken out of line by Haitian thugs and then a warning has been sent at least through, I believe, the U.S. Embassy to news organizations down there to be careful what they print. Your view of these things, and also, given these developments and the state of siege now being in place for 24 hours, has the threat assessment for Americans down there or foreigners in general changed?

MS. MYERS: I don't think that we've issued any additional advisories out of the State Department. I can double-check that and get back to you. As far as I know there has been no additional -- obviously, we're very concerned about reports that people who were waiting to apply for asylum in Port au Prince or other places were roughed up. We're looking into that through our embassy down in Haiti. Obviously, we're very concerned about it, and we continue to watch the situation generally. But I know of no other official advisories or warnings.

Q Do you have anything on the shooting of one of the opposition leaders?

MS. MYERS: No, nothing for you on that.

Q Back to the Whitewater hearings -- Roger Altman testifies this afternoon, and he says that he's going to stay and fight and won't be the fall guy. Does the President also want Altman to stay and fight?

MS. MYERS: The President has confidence in Roger Altman, thinks he's done an excellent job as Deputy Secretary of the Treasury and hopes that he'll stay on.

Q Some people looked at the statement that was issued last week, the one-sentence statement supporting Altman, and interpreted it as in fact being sort of an invitation to leave. Do you think -- what do you think of that?

MS. MYERS: I think that's ludicrous. The President put out a statement affirming his faith in a member of his sub-Cabinet. I think that that speaks for itself. The statement said the President had confidence in Mr. Altman and hoped that he would stay on, and I think that should be taken at face value. The President has confidence in Roger Altman and hopes that he'll stay on. He's done an excellent job, he's a key member of the economic team in this administration, he's well respected by his colleagues both in the White House, at the Treasury Department, and around the administration. And I think the President's words speak for themselves.

Q And who do you want to be the fall guy?

(Laughter.)

Q If not him, who? If not now, when?

Q How about the General Counsel? Does he feel that same way about her?

MS. MYERS: He stands by all the employees at Treasury.

Q Rita asked about this first, and then Susan took a stab at it. The President says he has confidence in Altman and in Bentsen. But what's happened the last two days is, under oath, Treasury Department officials are contradicting one another. And Fiske's investigation notwithstanding, that's never happened before. Does that create any kind of problem --

MS. MYERS: I don't know that that's never happened before. I certainly wouldn't be willing -- in what context has it never happened before?

Q I meant in context of Whitewater. This is a new thing that's happened in the last two days. That's why we're asking about it.

MS. MYERS: Well, certainly people have different --

Q You keep saying he's doing a good job --

MS. MYERS: Right.

Q -- but what we're saying that based on what's happened yesterday and today, is this a problem at all that these three officials are telling different stories under oath?

MS. MYERS: I think that that is -- sometimes people have different recollections or differing recollections of events. It is certainly not for the White House to try to sort those out. I would just remind you that three investigations have been conducted about the contacts that are now being discussed on the Hill -- one by Mr. Fiske, one by the Office of Government Ethics, and one by White House Counsel Lloyd Cutler. All three of those -- well, Mr. Fiske's concluded that no laws were broken; and the OGE and White House inquiries concluded that no ethical standards were broken.

The congressional hearings will go forward. I think Mr. Altman will have his chance to respond and to answer the members of Congress and members of Senate's questions today, and we'll wait and hear what he has to say. But I think certainly every bit of evidence, every conclusion to date supports that nothing -- no wrongdoing was committed. And so I think --

Q Well, you said, in answer to my question, different recollections. Is the White House confident that that's all this is, differing recollections?

MS. MYERS: Don't -- it's not for me or the White House or the President to make those judgments. There are three independent -- or two independent investigations and one White House Counsel inquiry which looked at these questions and reached conclusions based on the facts, and talked to all the people involved.

Q But the conclusion, wasn't it, that there was nothing illegal --

MS. MYERS: Nothing illegal and no ethical standards were broken.

Q Does that mean that the general standards of probity, propriety, willingness to be forthcoming that Mr. Clinton has set for his administration have been met? How can that be so in the face of this welter of contradictions?

MS. MYERS: Well, I think, first of all, people have been extremely forthcoming, extremely cooperative with all the ongoing inquiries, including the current congressional inquiry. I think -- what was the first part of your question; I lost my train of thought.

Q Well, I'm just saying that, yes, they've been cleared of official violations of one kind or another; that doesn't mean Mr. Clinton's standards --

MS. MYERS: The point I wanted to make was -- of course, the President does not -- would expect the truth and straightforward responses from all members of this administration, which I think all members have provided to the best of their ability. But I think Mr. Cutler, in his testimony and in subsequent conversations with you all in the media, has said that some errors in judgment were committed and some mistakes were made, and that he has, among other things, tried to make it clearer to people here in the White House what their obligations are, what the rules are and how best to follow those to avoid making similar mistakes in the future.

I wouldn't say that no mistakes were made. Clearly, I think we've admitted that some were. But I think that the three investigations have concluded that no laws were broken and no ethical standards were violated. I think the President, of course, would expect the highest standards of professional integrity from every single member of this administration.

Q In his prepared statement, Altman apologizes if he misled anyone. Do you think an apology is warranted in this case?

MS. MYERS: I leave that to Mr. Altman's judgment. But I think if he feels that he inadvertently misled someone and he feels that it's appropriate to apologize, then that's a good thing.

Q Do you have any concerns that the -- on the subject of health care -- that the Senate bill that Senator Mitchell is introducing today will undercut attempts in the House to get more expanded coverage and employer mandates?

MS. MYERS: From everything -- I think Senator Mitchell is scheduled to do his press conference at what -- 3:00 p.m. -- and I think all expectations are that his bill will include universal coverage through employer mandates somewhere down the line.

Q But it's triggered down the road and it's a soft trigger and it's not nearly what the House bill is.

MS. MYERS: I don't know if it's a soft trigger. I haven't seen the final language; I think it's a fairly hard trigger. But I think that it is now up to the various -- to the two Houses to pass the various versions of their bills and then to work it out in conference. I think what's most important, and what the President is very gratified about, is that both bills contain commitment to universal coverage, cost containment, and they both preserve choice and quality within the system.

Q If you were a House member, why would you go to the well and vote for employer mandates against the opposition of lobbyists in your district when the Senate is taking a dive on that?

MS. MYERS: Well, I think we'll have to let the legislative process play itself out here. I think clearly there will be some byplay, some back and forth between the House and the Senate as the decisions about when and what to vote on first are reached. And I think we'll have to wait until next week to see exactly how the votes are scheduled. I think Senator Mitchell said he expected the first votes on his bill could come as early as the middle of next week.

And I think that certainly there will be an attempt by both Houses and whatever extent we can help do that to facilitate voting in both Houses and reach some kind of a mutually acceptable bills in both Houses that can lead to a conference report that will pass.

Q Is retaining some form of employer mandate critical to the President's support for the Mitchell plan?

MS. MYERS: What is critical to the President is universal coverage. And what he has said is that nobody has shown him a way to get to universal coverage other than some kind of a shared responsibility between employers and employees.

As he's said all along, he'd be open to looking at other ways to get there. But nobody's been able to show him one other than an employer mandate or some kind of shared responsibility. That builds on the current system -- the current private sector system that we have now; it is the least disruptive; and it does get you to universal. So we'll see exactly what's in Senator Mitchell's bill. But certainly, from all of his conversations with the President, between the President and Senator Mitchell, I think the President believes the Senator is going to produce a bill that he will be able

to support.

Q Dee Dee, the Whitewater hearings are going on just as health care is really reaching the crescendo here. What is the White House understanding of the impact that these hearings will have on the health care debate?

MS. MYERS: Well, I think first, as the President has made clear, everybody here has done everything they can to cooperate with the ongoing congressional inquiries.

But I think that the general public and certainly people that are here are much more engaged in the debate and the battle to win passage of health care reform. That is one of the President's -- it is his primary domestic policy goal this year. It is one of the things that he ran for President to achieve. It is certainly much more important in terms of the future of this country than the ongoing hearings.

We'll continue to cooperate; we'll do everything we can to make sure that we provide the documents and the individuals that the Senate and the House request. But it's not going to interfere

with our fight to pass health care. I don't think it is something -- I think the American people are much more interested in knowing whether or not they'll be able to keep their health care if their child gets sick or they change jobs or they move, than in additional information that's already been explored by three separate inquiries; although, certainly, we will continue to cooperate.

Q But just the fact that the hearings are taking place, it seems at least in the polls that people are more concerned, they have more doubts about the President. And could that have an impact on his political strength --

MS. MYERS: Well, I think what's more likely to have an impact is -- I'll leave that for you all to analyze, but I think if you look at what's happening -- for example, the crime bill. It was stalled in Congress for six years. I think with the President's -- it's something that he cares a great deal about, something we had fun talking about this last week, but something that he campaigned on every day -- calling for 100,000 new police officers, a ban on assault weapons, more community policing, more money for prevention, all those things that are now in the crime bill, which we expect will pass -- we hope will pass the House tomorrow and the Senate sometime next week. I think that will have more of an effect on people understanding the kind of progress this administration is making and is committed to making. And I think that will have more of an effect on the health care debate than anything else.

Q You don't think that it has any impact on the polls?

Q -- I mean, the crime bill has passed every election year in Congress. What did you mean by that?

MS. MYERS: There hasn't been a crime bill passed in six years. That was passed and signed into law? Six years -- this one's been in the works since 1988.

Q On Bosnia -- any comments about Serbia's warning to the Bosnian Serbs before tomorrow's meeting -- the Bosnian Serbs are going to meet tomorrow and President Milosevic made a strong warning

today --

MS. MYERS: Oh, that they should accept the Contact Group plan.

Q Yes.

MS. MYERS: Certainly that's our position. Their refusal to do so far we believe is a mistake. As the Contact Group said on Saturday, there will be consequences for their continued refusal to accept the plan, beginning with expanded sanctions and increased enforcement of existing sanctions, as well as a discussion which will result in, I think, additional resolutions down the line for expanding exclusion zones and expanding enforcement of those exclusion zones. Ultimately, this could lead to the lifting of the arms embargo if things continue.

Now, I think the Bosnian Serbs know that; we've made that very clear to them, and we continue to urge them to accept the Contact Group's plan as the only viable step toward peace.

Q Several questions on the press conference tomorrow night. Did the White House originally want to do an address to the nation as opposed to a press conference?

MS. MYERS: No, it was always envisioned as a press conference -- well, actually, I shouldn't say that. I'm confusing

two topics in my own head. We discussed a number of things on health care, but decided to do a press conference.

Q You weren't turned down, you just decided press conference instead. Is that correct?

MS. MYERS: Yes. We sort of discussed a number of options and decided that this was the best way to go for a couple of reasons. One, I think we're at a critical point in the debate on health care, and it's an opportunity for the President to talk directly to the American people about that. It's also been a while since we've had an open-ended press conference where you all could ask questions about anything that was on your minds, and I think there's a lot of things out there on both foreign and domestic policy that you might have questions about.

Q Are all the networks going to cover it as far as you know --

MS. MYERS: They've certainly been notified. We're hopeful, but they don't make commitments and we certainly aren't able to request them.

Q Is this basically a health care press conference from the President's point of view, or will he talk about something on Haiti in particular or --

MS. MYERS: No, it's not on Haiti. I think there's been some misinformation to that end out there. He will open with a brief

statement, probably around five minutes, where he will focus on health care, but will probably also touch on crime -- especially if, as we hope, the crime bill passes the House tomorrow, and probably the economy and the progress the economy has made in the last 18 months under the President's stewardship. And then he'll throw it open to questions which will be open-ended.

Q When will the President talk to the nation about Haiti? And what is a far-off deadline -- at some point at which there is an end here on Haiti?

MS. MYERS: First of all, there is no scheduled address on Haiti. Certainly the President will talk about it. He'll very likely be asked a question about it tomorrow night and he'll continue to talk about it. But there is certainly nothing scheduled, nothing formal. In terms of a time line, we continue to pursue our policy which included tightening sanctions. We're in the process of, I think within the next two weeks, we'll have an expanded multinational observer group on the Dominican border to help tighten down sanctions there.

As you know on Saturday, the last commercial flight left Port au Prince. There's now no longer any commercial air links between Haiti and the rest of the world, so I think there's an increasing sense of isolation in Haiti, which is having an effect. There are some signs of fissure and pressure being placed on the military by some of their former supporters.

The bottom line is, we're continuing to focus on our sanctions policy. At the same time, the President has not ruled anything out. He hasn't taken any options off the table. We now have cleared the diplomatic hurdle in the U.N., giving the President flexibility on this. But we don't have any time lines, I don't expect we'll set any.

Q Doesn't Cedras expect a deadline?

MS. MYERS: At this point, we have no plans to. We're going to continue to pursue the sanctions policy. We think it's having some effect.

Q Isn't that sending a mixed message, though? Unless there's an absolute --

MS. MYERS: I don't think so --

Q -- deadline, isn't this a mixed message?

MS. MYERS: I don't think that the coup leaders in Haiti should have any questions or any doubts about this. President Clinton and this administration is very serious about it. It is our objective to restore democracy and President Aristide. The international community supports that, as was evidenced in the 12-0

vote on Sunday in the United Nations in support of this policy, and I think we're moving ahead.

Q You say that as you note, this is a critical time for the health care debate. But is there also a sense within the administration that this is a critical time for the Clinton presidency? As you've also noted, the economic figures have generally been good, but the personal approval ratings don't come anywhere near reflecting that.

MS. MYERS: I think that throughout history, presidents, leaders committed to change have found the environment for making change difficult. And this President came in with a number of major changes that he wanted to see, starting with the budget. And people said a year ago, as we were in the final phases of that budget battle, that this budget would be sort of armageddon; that if we did this, we would eliminate jobs, plunge the country further into a recession, and basically destroy life as we know it in the free world.

I think most of those predictions have not only been wrong, but the exact opposite has taken place. We've seen strong economic growth, low inflation, very, very strong job creation. Manufacturing and all kinds of other sectors of the economy are picking up.

So I think that the President is going to continue to push for change. It's not easy. I think, certainly, get the crime bill done and the health care bill done this year -- people will, hopefully, judge him by his results.

Q But, again, the question is, is this a critical time for this presidency?

MS. MYERS: I think it is an important time for this presidency, sure. I don't think it's any secret that this President has worked and fought very hard to pass health care reform. He thinks it's critical not only to the health of individual citizens of this country, but as he made clear, important to our long-term fiscal health -- that unless you can do something to contain the costs of entitlements and the growth in entitlements which is driven in many ways by health care spending, then you can't bring the deficit down and you can't install the kind of fiscal responsibility that he thinks is critical to long-term economic health in this country. So this is a very important fight to him; there's no question about it.

Q On health care, Senator Mitchell, who I believe was scheduled to unveil his bill on the Senate floor prior to his press conference at 3:00 p.m. -- are you saying that the portion of the bill that calls for everybody else to be brought -- everybody above 95 percent to be brought into as part of universal coverage sometime

after 2000 meets what you have consistently said is the President's goal of a reasonable time? Has the President been told what that

time frame is, he knows what it is and that's acceptable to him as a reasonable time for universal coverage?

MS. MYERS: Again, I don't know if we've seen the final details of the bill, but generally, in his discussions with Senator Mitchell he has concluded that, as described, Senator Mitchell's bill is something that he could support.

Q Is the President going to try to help settle the baseball strike?

MS. MYERS: Secretary Reich, as you know, has had conversations with the mediators on both sides. I think the administration has offered to be helpful. I think it is our view that in these kinds of disputes, it is best that the two sides can sit down together and work out their differences across the table. If we can be helpful toward that end, I think we will. At this point, again, Secretary Reich is leading the effort in having conversations.

Q Is the President personally doing anything or making any calls?

MS. MYERS: No.

Q

MS. MYERS: Not that I know of.

Q -- question on the AIDS Policy Director. The appointment of an interim director -- does that mean you're continuing to search, that the interim person isn't your final choice?

MS. MYERS: Correct. She's made it very clear that she expects to serve only in the interim. I believe today is Kristine Gebbie's last day. And we wanted somebody strong, familiar with the issue, respected by the community to serve in that job in the interim. But we expect -- I think she said she would serve no later than the middle of September, maybe the end of September. So we fully expect to have a new AIDS coordinator named by that time.

Q -- said during the appointment of the last one that they were upset with the delay and they were expressing concern again today that there appears to be another long delay in picking someone. Do you have a time line or anything like that?

MS. MYERS: Again, I think that the interim director has said she will only stay for a short period of time, a matter of weeks, and we fully expect to have a new AIDS coordinator before she goes back to HHS.

Q Is there anything wrong with the leading contenders

--

MS. MYERS: We just haven't reached a conclusion on it

yet. I think there are a number of strong candidates. And again, we expect to have a permanent appointment soon.

Q It was evident that when the President appointed Kristine Gebbie that he felt she had all the qualities you listed herself. What went wrong with her tenure?

MS. MYERS: Well, I think she chose to resign. So maybe that's a question better directed to her. I think the President said

at the time that she'd done a good job, she'd served ably and well. She felt it was time to move on, and so we're looking for a replacement.

Q Was there any effort by the administration to get her to reconsider?

MS. MYERS: I don't think so. But I think it was her decision to go. I think the President respected that decision.

Q Is it the nature of the job that, because of all the activist groups that are as activist as they are, that perhaps it's an --

MS. MYERS: There's no question it's a difficult job; primarily because, I think, people are dying. And no matter how much you do, you have to wonder if it's ever enough as long as people are continuing to die of this terrible disease. So I think anybody coming in has to understand that they're racing against the clock and it's going to be a difficult battle every single day. But I think there are, fortunately, people out there who are willing to take it on.

Q Dee Dee, does the President have any comment on the amendment that was voted in the Senate yesterday to deny federal funding to any school district that teaches homosexuality as a way of life?

MS. MYERS: I don't have anything for you on that.

Q Will you take that?

MS. MYERS: Sure.

Q Dee Dee, back on Haiti for a second -- Dole has a resolution that would require congressional approval before any invasion. Does Clinton believe that he would need congressional approval if he decides to go into Haiti? Does he object to that?

MS. MYERS: We will continue to consult with Congress, as we have throughout this process. That is not an amendment that we would support.

Q Why?

Q Does he believe he doesn't need congressional approval, in his opinion?

MS. MYERS: I think he'll continue to consult with Congress, but that's all I'll say about it. We will consult with Congress, but would not support a resolution that would require approval.

Q Why not?

MS. MYERS: Because the President believes that consulting with Congress is the right thing to do and that it would interfere with his ability to make foreign policy.

Q Why does he think it's more important to get the approval of the United Nations other than the Congress?

MS. MYERS: Well, I think it's important to signal to

send to the coup leaders in Haiti that this is not just the U.S., it's the international community. And I think that continues to put pressure on the coup leaders in Haiti to do what they must do, which is step aside. Certainly the President has talked with Congress

about this, will continue to do that; consultations are ongoing on a regular basis.

Q How would the President feel about a debate in Congress, to be followed by a vote, as occurred before the Gulf War, for example? Does the President want that to occur, or not?

MS. MYERS: At this point, I would say that we just have -- that's perhaps premature. He would not support the Dole amendment; we'll continue to consult.

Q What's premature? The consideration of an invasion?

Q By Congress?

MS. MYERS: Yes, the discussion of a -- the vote with a specific time line and all that.

Q Suppose the debate were on a resolution comparable to the resolution adopted by the U.N.? Surely you're not saying that the time is right for the U.N. to act, but for the U.S. Congress to please be quiet?

MS. MYERS: No, I simply meant that the President doesn't plan to go to Congress with any kind of question like that at this point.

Q I understand that. But the question, though, was how would he feel about a congressional debate and vote on a measure comparable to the U.N. measure?

MS. MYERS: I think, certainly, that's Congress' prerogative. I don't know whether there are any plans in Congress to do that.

Q Do you welcome a debate?

Q Are you saying that the President feels he could invade Haiti without congressional approval -- yes or no?

MS. MYERS: First of all, as I think we made clear a number of times, the President has not ruled that out. And we have had and will continue to have discussions with Congress about this. This is something, of course, we would expect and wish to hear from Congress on, that process is ongoing.

Q The President feels he can invade Haiti without a direct vote of Congress, not consult, but a direct vote?

MS. MYERS: I think that that's clear.

Q The War Powers Act and all that -- does he feel this applies?

MS. MYERS: We have always said we would act consistent with the War Powers Act, and we would continue to consult Congress as we have throughout this process.

Q You said it is clear that you do not have to go seek approval?

MS. MYERS: Consistent with.

Q The schedule for the rest of the week.

Q You're talking about his power as Commander-in - Chief?

MS. MYERS: Correct.

Tomorrow the President has no public appearances. He has a series of just meetings, internal meetings about a number of things until the press conference which is at 8:00 p.m. Again, expect about a five minute opening statement and then 25 or 30 minutes of questions.

On Thursday there's a Cabinet meeting which is at 9:00 a.m. The main topic will be health care. The Cabinet, just by way of background, has been extremely active in the health care reform fight as has the President. In fact, just as a little primer, they have done in the past two weeks over 80 editorial boards, 150 radio interviews and more than 50 health care events.

In the next couple of weeks I think you can expect an equally vigorous push by members of the Cabinet. So we'll see if there is going to be a pool spray at the top of that. And then at 4:00 p.m. he's doing the Young American Medals ceremony. That's it for Thursday.

Friday there are no public events on the schedule. There will something on Friday, there will be an economic event on Friday. We're still working through the details. But in addition to, I think, getting some additional figures -- I think unemployment figures come out on Friday -- it will be roughly one day short of a year since the President's budget passed. So I think it will be an opportunity for us to reflect a little bit on the last 12 months.

Q There is this big push on health care, and there's no event Wednesday, Thursday or Friday?

MS. MYERS: Well, Wednesday there's a prime-time press conference where the President will talk to potentially millions of Americans.

Q No events Thursday and Friday?

MS. MYERS: Nothing on Thursday at this point and on Friday we're going to focus on the economy for a day. In the meantime though I think --

Q Is there a statistic or something coming out on

Friday?

MS. MYERS: It's more tied to the one-year anniversary of the budget passing.

Q Unemployment numbers maybe?

MS. MYERS: Unemployment numbers do come out on Friday. But certainly there will be a lot of other opportunities -- the Vice President is doing events; the First Lady is doing events this week on health care.

Q The Vice President's in Poland. Is he doing health care --

MS. MYERS: Then he's back. I think he comes back -- he's actually in Kiev today. On Thursday the Vice President will speak to a health care rally on Capitol Hill. On Friday the First Lady will speak to Health Right, which is a health care advocates group on Capitol Hill. Today Mrs. Gore greeted the Southern and Central Express -- at the Naval Observatory this morning. The

Cabinet will be fanning out all over the country. There will be no shortage of health care events, and I think the President will continue to be very involved.

On Saturday night he goes to Detroit, which is a fundraiser. There will be no public events.

Q Just a fundraiser?

MS. MYERS: Just a fundraiser. He'll probably take the pool. I don't know yet whether the event is open for pool remarks. We'll check into that, but it's just go out to Detroit and come right back.

Q Being paid for by the Democratic National Committee?

MS. MYERS: Yes, and I was going to get some information on that which I haven't yet done.

Q What time does he leave?

MS. MYERS: Do we have Saturday here. I think I only have through Friday. I take that back. He leaves -- it's all TBA. So, that's the schedule and Sunday is a down day.

Q What happened to plans for a health care rally in Detroit on Saturday and also for the President to greet the bus people Wednesday, I think?

MS. MYERS: I guess the Vice President is doing that. They're still coming here tomorrow and meeting with the First Lady.

The First Lady will do that event; the President is just going to do the press conference tomorrow. And on Thursday the Vice President will do the event on Capitol Hill which the President was never scheduled to do.

Q Is he trying to put some distance between himself and the bus people?

MS. MYERS: I think after stops in Independence, Missouri, and yesterday in Liberty Park, New Jersey, that that's really not true.

Q Will the bus people actually come here?

Q The "bus people." (Laughter.)

MS. MYERS: The bus people will be here tomorrow to see the First Lady.

Q What about the Saturday rally in Detroit?

MS. MYERS: We had talked about possibly doing an event, but I think he's just going to do the fundraiser now.

Q Is it because you've seen protestors each time you've gone out?

MS. MYERS: No.

Q It's unrelated?

MS. MYERS: No, I think there have been a minimal of protestors. At the President's events? You weren't with us on either Saturday or Monday.

Q Because they were kept several blocks away.

Q Plenty of people there.

MS. MYERS: Well, there was plenty of our people there as well.

Q Oh, it's all your people, huh? (Laughter.)

Q What's the latest story on the subject of the Stones?

MS. MYERS: They are not coming here today.

Q Why?

Q What about Thursday?

MS. MYERS: Don't know. Don't know.

Q Dec Dee, we heard that wild horses couldn't keep them away? (Laughter.)

MS. MYERS: On that note.

THE PRESS: Thank you.

END 3:05 P.M. EDT

#189-08/02

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

CREATOR: Kenneth R Chitester (CHITESTER_K) (WHO)

CREATION DATE/TIME: 3-AUG-1994 15:11:12.06

SUBJECT: 3:30 pm wire report

TO: Heather Beckel (BECKEL_H) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 3-AUG-1994 15:30:44.18

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Carola McGiffert (MCGIFFERT_C) (WHO)
READ: 3-AUG-1994 18:06:51.60

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 3-AUG-1994 18:07:21.05

TO: Aman, Sally J. (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: 3-AUG-1994 16:19:37.42

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ:NOT READ

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: 3-AUG-1994 15:11:14.65

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

TO: Keith O. Boykin (BOYKIN_K) (WHO)
READ: 3-AUG-1994 15:11:16.85

TO: Joshua A. King (KING_J) (WHO)
READ:NOT READ

TO: Emily A. Lenzner (LENZNER_E) (WHO)
READ:NOT READ

TO: Cara A. Levy (LEVY_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ: 3-AUG-1994 16:09:13.08

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 4-AUG-1994 18:07:42.33

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
3:30 p.m. edition
Wednesday, Aug. 3, 1994
Produced by the Office of News Analysis (OEOB 161, 6

-5694)

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PM Health Reform, 4th Ld

-Writethru, a0611,990

Mitchell Pitches Compromise Health Reform Plan

EDs: SUBS 17th graf, The long

-awaited... with two grafs to

UPDATE with Foley not guaranteeing action; picks up graf 18, Health coverage.; SUBS pvs graf 20, Mitchell said..., with one graf to CORRECT subsidy figure to \$900 billion
sted million

AP Photo WX101

By CHRISTOPHER CONNELL= Associated Press Writer=

WASHINGTON (AP) A sobered President Clinton, touched by the story of a man who buried his uninsured wife two days ago, declared today it was time for members of Congress to ``make the tough decisions and not to walk away" from health

-care reform.

As Clinton put fresh pressure on Congress to act,

Senate Majority Leader George Mitchell voiced confidence that legislators would approve health reforms this year, and Minority Leader Bob Dole indicated a Senate filibuster was unlikely.

Under sunny skies, the president and Hillary Rodham Clinton welcomed hundreds of ``Health Security Express" bus riders to the South Lawn to culminate their trek to Washington to press for health reform.

John Cox, who lost his wife, Jan, to stomach cancer while he was traveling with the caravan, told a hushed White House crowd: ``We buried her Monday and I'm here today to tell Congress that right is right."

``Unless we can ensure universal health coverage to all Americans, then life, liberty and the pursuit of happiness for some is just a dream," said, Cox, a Christian broadcaster from Athens, Texas. His wife's cancer bills were not covered by insurance because the illness was deemed a pre

-existing condition.

Clinton embraced Cox, wiped away a tear and then

declared in a cracking voice: "Congress has to decide whether it's going to listen to the insurance companies or to Jan Cox's last wish."

He said Congress had signed on to make the tough decisions and not to walk away," adding that legislators can't duck "those that are difficult, controversial and make people mad."

Mitchell said his compromise plan to get 95 percent of Americans covered by the turn of the century represented an attempt "to come up with a rational and coherent plan that represents what is best for the country and ... has some reasonable chance of being enacted."

But Dole said Mitchell will "need a great deal of flexibility" to push a bill through.

Some moderate Democrats who have dug in their heels against any forced contributions by employers expressed misgivings Tuesday about Mitchell's backstop provision that could require some employers to pay half their workers' premiums in the year 2002 and beyond.

"You just can't sell mandates to the United States Senate," Dole said today on NBC television.

"There's no filibuster strategy," the Republican leader said. "But let's face it, we need a long debate on it."

Mitchell, at a breakfast with health reporters, said, "I don't think there's going to be a filibuster. I don't have any plans to break a filibuster."

Mitchell said he was certain that health care reform will be enacted, but added, "there is not a chance in the world that this bill will pass the Senate unchanged."

Clinton lauded the compromise proposal, saying it "provides for universal coverage (and) enables Americans to keep their current insurance and their doctor." He said it would achieve "what the American people want health coverage that can never be taken away."

House leaders delayed until Monday the deadline for their bill and rival plans to be submitted to the Rules Committee.

The long

-awaited debate will open Tuesday in the Senate, and later in the week in the House. Mitchell has vowed to make the Senate work six days a week until it is done.

House Speaker Thomas Foley said today he couldn't guarantee that the House would act on health care before its scheduled August recess, due to start Aug. 12. "The scheduling is getting pretty tight," Foley said.

Health coverage is expected to be the main topic of Clinton's scheduled news conference tonight.

Democrats in both chambers have made major alterations to the battered plan that Clinton proposed in December, but House Majority Leader Richard Gephardt's bill stayed closer to the White House mark. It included a requirement

that employers contribute 80 percent of the premiums and promised to cover everyone by 1999, a year behind Clinton's schedule.

Mitchell said most of his subsidies upwards of \$900 billion over 10 years would come from savings in Medicare and Medicaid; most of Medicaid would be scrapped, with the poor getting help to buy private insurance instead.

Citing a drop in the percentage of Americans with health insurance from 90 percent in 1980 to 85 percent today, Mitchell said, "If we can reverse the downward trend, move up to 95 percent and have a mechanism in place for going the rest of the way, it will be a truly significant and lasting achievement."

The retiring majority leader, who gave up a shot at the Supreme Court to concentrate on enacting health reform, said, "I did not have a plan that could have gotten us to higher than this. This is the best I can do."

But Dole said Tuesday that, "It's not going to fly."

Some 100 million people would get some form of subsidy under Mitchell's plan, said the Kansas Republican, whose less sweeping alternative is backed by 40 of 44 Senate Republicans.

Sen. Nancy Kassebaum, R

-Kan., said Mitchell's bill "sands down some of the sharp edges in the Clinton plan," but still promised too much and smacked of heavy

-handed government.

Sen. Joseph Lieberman, D

-Conn., said Mitchell could get 60 votes if he dropped the distant employer mandate.

That requirement would only be triggered in 2002 if voluntary measures had failed to produce 95 percent coverage by 2000 and Congress did nothing to insure everybody else. Even then, the mandate would only hit firms with 25 or more employees in states with less than 95 percent coverage; those businesses would split the premiums with their workers. Workers in smaller firms would have to buy their own coverage.

BC

-CLINTON (SCHEDULED)

CLINTON SEEKS BOOST FOR HEALTH CARE, SAGGNG IMAGE

By Susan Cornwell

WASHINGTON (Reuter) - President Clinton, fighting to keep health care reform alive in Congress, prepared for a rare prime

-time news conference Wednesday to press that

issue and try to reverse his own slide in public opinion polls.

The president, whose own health care plan was scrapped by Congress, is now urging passage of two very different Democratic proposals in the House and Senate to achieve his top domestic priority, insurance coverage for all Americans.

White House spokeswoman Dee Dee Myers said Clinton would use the 8 p.m. EST news conference to tell the nation that this Congress must pass meaningful reform in its remaining weeks in session.

"I think it's an uphill fight," Myers said. "I think the president is starting out behind. And I think over the course of the next few weeks you're going to see the president and his allies ... fighting like crazy to get this done."

She said she thought the House and Senate alternatives, which Clinton has embraced with his own proposal buried, have a realistic chance of passage.

But neither measure currently has the votes it needs, and the Senate version, introduced by Democratic Majority Leader George Mitchell of Maine only Tuesday, falls short of the universal coverage Clinton said he wanted.

Clinton hammered away at Congress and the "organized interests" he said were trying to prevent reform when he spoke to a supporters on the South Lawn Wednesday morning.

"This is a decision America has been walking away from for 60 years. It's been long enough, folks," he told several hundred people who had ridden "health care express" buses around the country to advocate universal insurance coverage.

Clinton said there was a national consensus for universal health insurance, but no consensus among elected officials "to make the tough decisions to get to universal health care."

When it's time to make a decision, he said, those who "hired on" should make it -- "and the members of the U.S. Congress hired on."

The battle over health care is complicated by the plunge in popularity that has eroded his clout on Capitol Hill.

A poll by Louis Harris and Associates made public last weekend found that only 40 percent of those surveyed gave the president an "excellent" or "pretty good" job approval rating while 59 percent rated him "fair" or "poor."

That slide comes despite improvement in the U.S. economy.

In consequence, Clinton was expected to talk up his accomplishments at the news conference, including economic growth and a crime bill expected to pass Congress this week.

He will probably also face questions about the

Whitewater affair involving controversial Arkansas business dealing by him and his wife, the subject of extensive congressional hearings on Capitol Hill this week.

But asked if those hearings were hurting Clinton and making it harder to pass health care, White House Chief of Staff Leon Panetta said they were ``background noise" and added, ``What people really care about is health care."

It will only be the third news conference in ``prime time" evening television hours for Clinton, who prefers less formal daytime affairs or televised ``town meeting" formats.

The previous two were on June 17, 1993, and last March 16.

REUTER

(ED: Clinton to hold news conference at 8 p.m. EDT)
 Clintons welcome ``reform riders"

WASHINGTON (UPI) President and Mrs. Clinton, making an all

-out push for health care reform legislation, Thursday welcomed to the White House several hundred riders on the so

-called Health Security Express who chanted ``pass it now" at a rally on the south lawn.

The first lady, arguing that health security is a ``moral issue," told the emotional gathering ``I am very optimistic. This is a crucial moment in the fight for health care."

``We have traveled many miles to reach this point," she told the riders, who traveled in a bus caravan from Oregon to New Jersey to lobby for a revision of the nation's health care system. ``It's been worth all the effort every one has brought to the task."

She added passage of the health package ``will say a lot about what kind of people we are and what kind of nation we will become."

Several selected riders recounted their ordeals facing grave illness without insurance and funds for treatment.

John Cox of Athens, Texas, said he broke down in tears when he discovered that his new job did not include benefits a fact he said he learned after his wife, Jan, was diagnosed with cancer.

Cox was riding on one of the buses when his wife died. She was buried last Monday.

``I'm here to tell Congress to pass that (health care reform) and do it now," he said.

Wiping away a tear, Clinton then stepped up to the microphone and spoke passionately of the need for action on Capitol Hill.

``Congress has to decide whether to listen to the insurance companies or to Jan Cox's last wish," the

president said.

``We all know what the problem is here. You've just ridden a bus across the country. It is because organized, intense, discrete minority interests are doing very well on a system that costs more than any other country's and covers fewer people," he said. ``And every time you try to change it, they say, well, the world will come to an end."

``We have a consensus in this country on health care," he said. ``What we do not have is the consensus among the people who represent them."

In some ways, the event was a warm

-up for Clinton's prime time news conference Wednesday evening, during which he was expected to highlight the drive for passage of health care legislation that is universal, affordable will help contain costs.

White House press secretary Dee Dee Myers told reporters that reform legislation proposed by House Democratic leader Richard Gephardt, D

-Mo., and Senate Majority leader George Mitchell, D

-Maine, are both acceptable to the president.

Although Mitchell's bill would cover only 95 percent of the population until early in the next century, she insisted it would lead eventually to universal coverage the president's bottom line.

Myers said this is a ``historic moment," noting that health care reform legislation has never reached this point in Congress since Medicare was passed in 1965.

After the rally, White House chief of staff Leon Panetta met with the leaders of several organizations and urged a last

-minute push to get action from Congress.

``We are now at the stage where we have to get it through the next five yards," Panetta said.

BC

-HEALTH CONGRESS (SCHEDULED)
CONGRESS TUGS ON HEALTH REFORM, WHITE HOUSE RALLIES

By Donna Smith

WASHINGTON (Reuter) - Senate Majority Leader George Mitchell's compromise health reform plan was seen by moderate Democrats as a move in the right direction but Republicans said Wednesday it was still too bureaucratic.

As lawmakers engaged in a political tug of war over health reform, President Clinton and first lady Hillary Rodham Clinton sought to put human faces on the issue at a White House rally for about 400 people who joined a nationwide bus caravan in support of health reform.

John Cox of Athens, Texas, said he joined the "Health Security Express" two weeks ago at his wife Jan's urging although she was dying of stomach cancer.

The couple had no insurance to pay for treatment because her condition was diagnosed while he was changing jobs and the new insurance policy would not cover a pre

-existing condition.

"We buried her Monday and I am here today to tell Congress that right is right," Cox said.

Clinton, choking back tears, said "Congress has to decide whether it's going to listen to the insurance companies or to Jan Cox's last wish."

The insurance industry, although supportive of Clinton's goal of employer

-paid health benefits, has fought many aspects of the proposed plan with highly effective television ads.

Mitchell, when he unveiled his plan Tuesday, acknowledged the problems of juggling the various economic interests in trying to strike a compromise.

"No human being -- indeed, perhaps not the Lord himself -- could write a bill which everyone in the health care industry would endorse, because there are directly competing economic interests that are irreconcilable ...," he said.

The compromise plan aims to cover at least 95 percent of the population by 2000 through insurance market reforms and creating new government subsidies to provide children and pregnant women with insurance and to help low

-income families and unemployed workers buy insurance.

If those steps fall short of covering 95 percent of the population then a standby requirement that employers pay 50 percent of workers' insurance would be put into effect in those states that fell short of the target.

While some centrist Democrats, including Senator John Breaux of Louisiana, praised Mitchell's effort as a "major step in the right direction", Republicans were unimpressed.

"Let's face it, it's got about 16, 17 new taxes in it. It's got a lot of regulation," Senate Republican Leader Robert Dole told NBC's "Today" show.

Mitchell's compromise plan buoyed some moderate lawmakers in the House of Representatives who are concerned that the bill that will be brought to the floor

next week by Richard Gephardt of Missouri, the second ranking Democrat in the House, is too liberal.

"It's a clear improvement," said Representative Jim Cooper, a Tennessee Democrat. "It forces House members to be more realistic and to start thinking about 95 percent coverage instead of 100 percent."

The House bill would force employers to pay at least 80 percent of their workers' insurance costs and would create a new Medicare program to cover the poor, unemployed and small businesses. The bill, which is scheduled to be taken up by the full House next week, appears to be short of the 218 votes needed for passage.

Cooper, who has been working with a small group of moderate Democrats and Republicans to forge a bipartisan plan, said his group expects to unveil its ideas Monday.

One of the biggest obstacles is the so

-called employer mandate and many House Democrats want to wait and see what the Senate does before voting on the issue. Many are worried about taking a politically risky vote for a mandate in an election year only to have it rejected by the Senate.

REUTER

AM

-Clinton's Plea, 420

Cancer Victim's Husband Urges Health Coverage for All With AM Health Reform, Bjt

By NANCY BENAC= Associated Press Writer=

WASHINGTON (AP) For just a moment, the rancorous health

-care debate quieted Wednesday. As President Clinton wept silently behind him, John Cox told a hushed White House crowd about his wife's death from cancer.

"We buried her Monday and I'm here today to tell Congress that right is right," said the Christian broadcaster from Athens, Texas. "Unless we can ensure universal health coverage to all Americans, then life, liberty and the pursuit of happiness for some is just a dream."

Jan Cox couldn't get medical coverage for her stomach cancer.

When she died, her husband was on a bus tour to press for better health coverage for all Americans.

Clinton rose to embrace Cox and declare in an emotion

-choked voice: "Congress has to decide whether it's going to listen to the insurance companies or to Jan Cox's last wish."

Cox was at the White House as one among hundreds of

people who joined the Health Security Express bus caravan to promote Clinton

-style health reform.

Hillary Rodham Clinton told the South Lawn crowd: ``All of you rode these buses because you know that no Americans should have to suffer from illnesses and accidents and financial stress ... because their health insurance disappears or doesn't really mean what it should when you read the fine print,"

With the health

-care debate at a critical point in

Congress, Mrs. Clinton told the crowd: ``Just like your bus trip, the next few weeks won't be easy,"

Both Clintons sought to shift the focus from the harsh debate over just how best to improve Americans' health coverage to the gripping stories of people like the Cox family.

``Make this debate about John and Jan Cox ... and about the personal stories that are here in this audience and all across America," Clinton urged.

The president, gaining steam after his sober beginning, declared it was time for Congress to face up to the tough decisions it signed on for, and said legislators can't duck decisions that are ``difficult, controversial and make people mad."

He even took a lighthearted jab at Congress' tendency toward long debate.

``I know we're supposed to deliberate up here," he said with a laugh. ``But we have now deliberated through three generations."

PM Whitewater Hearing, 8th Ld

-Writethru, a0646,1050

Bentsen Warned About Aides' Testimony

Eds: SUBS 4th graf pvs: ``If we xxx, to UPDATE with Altman sayins he won't resign, picks up 5th graf: In the xxx

By LARRY MARGASAK= Associated Press Writer=

WASHINGTON (AP) Citing incomplete and contradictory Whitewater testimony, a Senate committee chairman today admonished Treasury Secretary Lloyd Bentsen to instruct his top aides to be more forthcoming to Congress.

``I think that's a problem we can't have again," Senate Banking Committee Chairman Donald Riegle, D

-Mich.,

sternly told Bentsen, a member of the Senate for 22 years before joining the Clinton administration last year.

Deputy Treasury Secretary Roger Altman, one of the witnesses challenged by skeptical senators on Tuesday,

gave essentially the same testimony today to the House Banking Committee, which resumed its Whitewater hearings.

“If we had to do this all over again, we would have done it better,” said Altman, obviously weary from his 10

-hour Senate grilling, which began late Tuesday afternoon. “I don't intend to resign,” he told a Republican who requested that he step aside.

In the Senate, Riegle told Bentsen that Altman had “acknowledged answers not as complete as they could have been.”

Riegle also questioned statements of Joshua Steiner, Bentsen's chief of staff, who disavowed his frank, and potentially damaging, diary entries about White House interest in the investigation of Madison Guaranty Savings and Loan.

In one case, Riegle said, “the answer turned in effect from a yes to a no” after repeated probing by committee members.

He sought Bentsen's assurance that he would direct his staff to give the committee “direct, full, complete answers.”

“That certainly is my intention and my direction to anybody representing Treasury,” a subdued Bentsen replied.

Madison, an Arkansas thrift, was owned by Clinton's business partner in the Whitewater land venture, and criminal referrals said the president and his wife, Hillary Rodham Clinton, may have benefited from improper actions at the S&L.

Before the hearing started, Bentsen, a former senator, socialized with his old colleagues. But the jovial atmosphere in the room turned tense as the Riegle called the session to order.

Bentsen told the Senate panel that it wasn't until March 3 that he discovered Altman, then acting head of the RTC, had met with White House staff about the Madison investigation.

“I have turned the Treasury Department upside down, I have turned my memory inside out, we went through thousands and thousands of documents and can't find one written briefing to me on these White House meetings,” he said.

He took responsibility for his department's actions, but noted that Altman had since recused himself from the Madison investigation.

“What you have here is a unique confluence of circumstances that, when you strip away all the rhetoric, resulted in actions that broke no criminal law, did not violate the ethics rules and did not in any way effect the Madison case,” Bentsen said.

Discarding the cordiality usually accorded former

senators, Sen. Alfonse D'Amato, R

-N.Y., repeatedly
challenged Bentsen on his advice to Altman.

"I think you had an obligation to give him counsel to
step aside," D'Amato told Bentsen.

His voice rising, Bentsen bristled, "I don't agree
when I didn't have the facts in the case."

At no point in his prepared remarks did Bentsen deliver
support for Altman, but he said under questioning that he
sympathized with the difficult position his deputy was in.

The treasury secretary did not respond directly when
asked if anyone should lose their job over the handling of
the Whitewater matter.

"I think that whatever happened here was not with the
intent to harm," he said. "I think there were some
errors in judgment but I haven't found anyone who calls
them right all the time."

In the House hearing, Rep. Bill McCollum, R

-Fla.,
focused on why Altman hadn't immediately disqualified
himself from the Whitewater

-related Treasury inquiry,
since Altman was a friend of the president.

The question of disqualification "is a false issue,"
Altman replied. Altman reiterated that he had already said
he would let RTC officials handle the Whitewater

-related
matter without his involvement.

Altman contended Tuesday he did not intentionally
mislead the Senate when he gave incomplete testimony Feb.
24 on contacts with the White House about Whitewater while
conceding that he should have disqualified himself earlier
from overseeing an investigation involving his old friend,
Clinton.

Altman, who was shown a videotape of his February
testimony, said he simply may have misunderstood senators'
questions.

Sen. Pete Domenici, R

-N.M., said the past Senate
testimony bordered on lying.

Sen. Connie Mack, R

-Fla., said: "You have repeatedly
given non

-responsive answers, which you justify with
semantic gymnastics. ... I can't help but conclude your
every statement to this committee is to evade, not to
inform."

Altman's troubles began last year after, as deputy Treasury secretary, he began wearing a second hat: acting chief of the Resolution Trust Corp.

The RTC is investigating allegations that Clinton's former Whitewater Development Corp. caused losses at Madison, which failed at a cost to taxpayers of between \$47 million and \$60 million.

The agency sent memos to the Justice Department suggesting possible criminal prosecution, with the president and Mrs. Clinton as potential witnesses.

Rep. Jim Leach, R

-Iowa, released documents today indicating that RTC lawyers in Washington delayed for two weeks the criminal referrals to the U.S. attorney in Little Rock. During that time, White House and Treasury officials had a flurry of conversations about them.

``It may be true that criminal referrals were not effectively blocked, but it is not true that an effort to do so was not made," Leach said.

Altman's problems focused partly on conflicts between his version of events and those of other top Treasury Department and White House officials.

He rebutted entries in the diary of Steiner, who wrote Altman was under ``intense pressure" from the White House to remain at the agency despite his inclination to withdraw.

He tried to play down his personal struggle over disqualifying himself, a conflict that others described as agonizing.

``We're going to have to understand that a lot better than we understand it right now," Riegle told Altman.

Among the discrepancies:

Altman said he does not recall telling Treasury's general counsel, Jean Hanson, to brief the White House in September about the RTC memos for a possible criminal investigation. Hanson testified Monday she was instructed by Altman to do so.

-END

-OF

-AUTOBREAK(1)-

-AUTOBREAK(2)

-FOLLOWS

PM WhitewaterHearing

----- AUTOBREAK (2)-----

Former RTC official William Roelle said he first told Altman of the criminal referrals in March 1993, soon after

Altman became acting head of the RTC. Altman said he learned of them last fall.

Altman said he called Clinton's deputy chief of staff, Harold Ickes, Feb. 3 to notify him that he would not disqualify himself at that time. Mrs. Clinton's chief of staff, Margaret Ann Williams, said she was the official who was called by Altman.

BC WHITEWATER 2NDLD (SCHEDULED)

BENTSEN SAYS HE DIDN'T KNOW OF WHITEWATER CONTACTS

(Eds: Updates with end Bentsen testimony, fresh quotes)

By William Scally

WASHINGTON (Reuter) - Treasury Secretary Lloyd Bentsen said Wednesday he did not know about contacts between his top staff and the White House on the Whitewater affair until well after the controversial meetings occurred.

"I have turned the Treasury Department upside down. I've turned my memory inside out," Bentsen said. "We went through thousands and thousands of documents and can't find one written briefing to me on these White House meetings."

Bentsen testified for three

-and

-a

-half hours before the Senate Banking Committee after it had grilled his deputy, Roger Altman, on his role for 10 hours into early Wednesday.

Senators made clear they doubted Altman's veracity.

But most committee members handled Bentsen with kid gloves: "I trust you -- you're solid gold," said New Mexico Republican Pete Domenici, a harsh critic of Altman.

Asked whether anyone at Treasury should be fired over the Whitewater contacts, Bentsen said: "I think whatever happened here was not with an intent to harm. I think there were some errors in judgment but I haven't found anybody who calls them right all the time."

Continuing testimony Wednesday before the House of Representatives Banking Committee, Altman was asked if he was considering resigning and said he was not. Republicans have demanded his ouster, claiming he misled Congress about aspects of his involvement in the White House

-Treasury contacts.

White House spokeswoman Dee Dee Myers said President Clinton, a Democrat, still supported Altman and she hoped he could "rebuild his relationship" with Congress.

Testimony has shown that Altman and other top Treasury officials were involved in contacts relating to a federal

investigation of the defunct Madison Guaranty savings and loan institution in Arkansas. Clinton and his wife were potential witnesses in the investigation because of business links to Madison's owner when Clinton was Arkansas governor.

Bentsen, a former senator and key member of Clinton's Cabinet with international stature, said he had not learned until March 3 of the extent of controversial contacts over Madison, which raised suspicions of interference in an investigation that could embarrass the Clintons.

This was more than a week after Altman had first testified to the committee, on February 24, that he had taken part in a February 2 White House meeting on procedural questions on the Resolution Trust Corporations's referral of the Madison probe to the Justice Department for possible criminal action.

Altman was then head of the RTC, the body set up to clean up the troubled savings and loan industry.

After testifying about that single "substantive" meeting, Altman wrote four letters to the committee amplifying and correcting his testimony.

Bentsen said he met Altman and Treasury Counsel Jean Hanson one day before they appeared before the Banking Committee in February and learned of Altman's disclosure of the meeting with White House aides the day after the hearing.

He said he read in the press about two additional meetings on Whitewater on March 3.

Those meetings took place in the fall of 1993 to alert the White House to imminent press reports about the criminal referrals mentioning the Clintons.

Whitewater was the name of an Arkansas vacation development in which the Clintons and the head of Madison were investors. Aspects of the Whitewater venture itself are under inquiry.

Bentsen was asked about a note written by Hanson saying he had heard about the substance of the meetings meetings last fall and was asked if she was in error.

"Well, I certainly think she was," Bentsen replied.

Bentsen also said he had told Altman it was for Altman to decide whether to step aside, or recuse himself, from Madison issues at the RTC but had not urged him to do so.

Altman has said Bentsen and other Treasury officials recommended that he step aside. He put off a decision after his February 2 meeting with then White House counsel Bernard Nussbaum and recused himself after his February 24 testimony.

Republican Alfonse D'Amato of New York said Bentsen had had an obligation to tell Altman to step aside and blamed Altman for not "having the guts to stand up to Nussbaum" who did not want him to recuse himself.

REUTER

BC

-CISNEROS national editors:WA

Housing secretary making breakthroughs in tearing down
segregated complexes

(PHOTO: details below)

(HAS TRIMS)

By Lori Montgomery

Knight

-Ridder Newspapers

DALLAS On a steamy morning in the vast sprawl of the
nation's second

-largest housing project, Henry Cisneros
grabs a crowbar and savors a rare moment of palpable
progress.

The lanky secretary of housing and urban development
pries at a ceremonial section of bricks loosened for the
occasion.

The bricks topple. The crowd applauds.

For 12 years, lawyers have battled over this
half

-abandoned, 3,500

-unit complex built in the 1950s to
pen poor black and Hispanic families in a forgotten corner
of West Dallas. Now Cisneros is tearing much of the place
down and offering residents a chance to live in affluent
neighborhoods throughout the city and suburbs.

At a time when peace among the races seems a futile
dream in America, as discrimination and indifference
harden against an increasingly violent and desperate
underclass, Henry Cisneros is asking us all to learn to
live together.

That he is making headway is remarkable. That he is
doing it from the pulpit of HUD the most maligned,
corrupt and inept operation in the federal bureaucratic
swamp is amazing.

While much of President Clinton's agenda appears mired
in the bog of Washington politics, his housing secretary
is zipping improbably around the country, crossing swords
with bigotry and bureaucratic inertia and stabbing at the
dark heart of America's most intractable social problems.

His mission: To save the cities by breaking up the
ghettos and integrating the suburbs. Even within the
administration, some say it can't be done.

And the job may just have gotten much tougher. Last
week, the handsome and popular former mayor of San Antonio
was sued by an ex

-mistress for whom he nearly ended his

marriage in 1988. The failed affair made headlines at the time and has long been common knowledge, but no one can say how the Texas woman's renewed demand for financial support will affect Cisneros' credibility.

So far, however, many housing experts have been frankly impressed by his steady progress toward the explosive goal of integration:

As the West Dallas projects fall to the wrecking ball, more than \$1 billion has been dedicated to similar plans for dilapidated complexes in Atlanta, Detroit and more than 20 other cities.

A proposal to lend local housing authorities up to \$4 billion to demolish other troubled projects, like Chicago's notorious Robert Taylor Homes, and move tenants to better neighborhoods is sailing through Congress.

And, after years of stonewalling, HUD is moving to settle more than a dozen anti

-discrimination lawsuits, in one case seizing control from balky local officials so 21 black families could move into public housing in all

-white

Vidor, Texas, a historic stronghold of the Ku Klux Klan.

“Cisneros is making the first real effort at promoting integration and neighborhood diversity in 30 years and he's encountered far less political resistance than I would have expected,” said Douglas Massey, professor of sociology at the University of Pennsylvania and an authority on urban segregation.

“He and his program haven't become a national political issue. There's local opposition, but it's not organized,” Massey said. “He's shown a remarkable political ability to rise above the quagmire.”

Some advocates for public housing tenants disagree. Cisneros has won victories of “process,” they say, but he's yet to make much difference in the lives of the poor. His quest, while noble, may ultimately prove quixotic.

“You have to look at it on two levels,” said Mike Daniel, a Dallas attorney who represents tenants in West Dallas and in the East Texas case against 70 rural housing authorities, including the one in Vidor.

“Is Henry Cisneros a refreshing change in personnel behind the desk of the secretary of housing and urban development? Absolutely,” Daniel said. “Is he getting his butt kicked by the existing bureaucracy? There's no doubt about it.”

The last HUD chief who tried to push public housing into the suburbs also got his butt kicked right out of Richard Nixon's cabinet. George Romney, the former Michigan governor, had outraged both white and black leaders with his plan.

But Romney, now retired and living in Bloomfield Hills, Mich., said the nation may be more tolerant than when he

was at HUD in 1969.

“There's a recognition that this concentration of the underclass in most of our big urban areas is a very unhealthy situation,” Romney said. “People in the suburbs are beginning to recognize when conditions get as bad as they are in the inner city of Detroit it affects the economic welfare of the entire area.

“That's quite a new attitude on the part of suburbanites,” Romney said, “and it's a very hopeful development.”

After 18 months on the beat, Cisneros, too, is starting to sense that he's turned an important corner.

(NEXT 11 GRAFS OPTIONAL)

Lately, people have approached him to recount with awe how staffers at the indolent, scandal

-plagued agency recently stirred themselves to helpful action.

In early July, Cisneros was looking over a freshly renovated Cleveland project when he noticed that “it looked like an apartment complex, not a public housing development.

“It just occurred to me: Henry, we're approaching the halfway point in our tenure when we have to start telling people that it can be done,” he said in an interview.

“We can go four whole years wallowing in examples of absolute despair, but it's time to say to people: You can do it. We can do it. I have seen it done.”

Cisneros has not always been optimistic. He has described many of the 1.4 million units of public housing in HUD's control as seething “cauldrons of crime and violence and poverty and social isolation” sucking the life out of American cities.

“I've spent the last year and a half seeing the things that scare me most about America. ... And things are worse than I had thought when I signed on,” Cisneros said.

“I stood one day in the middle of a public housing development in Newark ... and I asked to go into one of the buildings. The police wouldn't let me go in unless they went first.

“As we walked in, we encountered young people stupefied on drugs sitting on the front porch, and a man coming out of the building who ... didn't have time to put away the wad of money from his drug sales.

“That's the second time that's happened to me,” he said. Another time, he encountered a drug addict headed for a HUD

-assisted project in Kansas City.

The man “was so spaced out, his eyes were glazed over. He had blood on his face he'd fallen down and he had \$10 in his hand to go buy more crack,” Cisneros said.

-END

-OF

-AUTOBREAK(1)-

-AUTOBREAK(2)

-FOLLOWS

BC

-CISNEROS

----- AUTOBREAK (2)-----

``What I thought was: What is our country coming to? How did this happen? And can we do anything on the scale that is required here?"

Until recently, Cisneros, 47, wasn't sure he could.

(END OPTIONAL TRIM)

The youngest member ever of San Antonio's city council, Cisneros rose to national prominence as the city's high

-energy mayor. Within three years of his inauguration, Walter Mondale had him on the short list for the Democratic presidential ticket.

In 1988, the brilliant arc of Cisneros' career flamed out after he admitted a romantic relationship with a campaign aide. There was talk of divorce from wife Mary Alice, his high

-school sweetheart. In the end, he left the mayor's office and the couple reconciled.

Last week, the aide, Linda Medlar, filed a lawsuit claiming Cisneros reneged on a promise to pay her \$4,000 a month to compensate for her humiliation after he admitted their affair. Cisneros said he voluntarily supported Medlar until he joined the Cabinet, but that he made no promises.

In 1992, Texas Gov. Ann Richards wanted Cisneros to return to politics by accepting appointment to the U.S. Senate. Instead, he opted for arguably the least glamorous post in Washington, running an unwieldy \$25 billion agency that has dragged predecessors to political ignominy and scandal.

``The hardest thing about this job, unlike being mayor, is getting to the point where you're actually doing physical things that you ordered done," Cisneros said.

``At least once a day, I hear of something that I thought was being done that hasn't happened, or has had a glitch that will keep it from happening. Every. Single. Day."

(STORY CAN END HERE)

The slower it goes, the harder he has pushed. On a recent Wednesday, he rose at 5 a.m. to make a 6:30 a.m.

flight to Dallas so he could pry the bricks off the wall in West Dallas in time for the noon TV news.

Then he drove to Fort Worth to visit 400 employees in HUD's North Texas regional office for the first time. Of 81 HUD offices across the nation, Cisneros figures he's made it to half of them so far.

In Fort Worth, they were thrilled to see him, grabbing his arm and insisting that he pose for snapshots. A handful of women crowded the secretary's car and watched wistfully as he drove away.

The reception at many offices is colder, he said, especially the ones that still have portraits of Ronald Reagan on the wall.

All day, in every spare minute, Cisneros was on the phone back to Washington, making plans with his staff or fighting for decisions from Clinton's.

At the White House, "there's a lot of understanding of what we're trying to do," he said. But there are also those who discount the grand strategy of metropolitan integration "as basically hopeless."

"Budget people, economic policy people and so forth, they just can't imagine that we could do very much along these lines of opening up suburban opportunities," Cisneros said. "They think that, well, you know, that this is hopeless. You're not going to be able to create that opportunity, so let's just focus on central

-city
development.

"But the truth of the matter is ... you have to do both," Cisneros said.

You must revitalize the rotting urban cores, he explained, so affluent people are attracted to them again. And you have to give poor people of color the chance to move out of ghettos into places where they have a shot at the good jobs and good schools that make success and self

-sufficiency possible.

"I truly believe in my heart the country is in trouble on this agenda. Race. Class. Poverty. Cities," Cisneros said. "It is so clear when you try to understand the dynamics of what's happening in a city that people are making decisions of all kinds housing patterns, school choice based on race.

"I really think it's the great unresolved question of American life," he said. "And we can't fix our cities without addressing this question."

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(Photo available from KRT Photo Service; call
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AM

-Seat Belt Comfort, 1st Id

-Writethru,430

Government Says Seat Belts Should Be More Comfortable
Eds: CORRECTS date of earlier action in 14th graf.

By RANDOLPH E. SCHMID= Associated Press Writer=

WASHINGTON (AP) The government wants to eliminate discomfort as a reason for not using automobile safety belts.

The National Highway Traffic Safety Administration said Wednesday that it will require motor vehicle manufacturers to produce seat belts that are more comfortable and convenient to use.

Seat belts saved 5,344 American lives last year, the Transportation Department estimates, even though it calculates that just 66 percent of Americans use their seat belts.

Often, officials say, people who refuse to use the belts cite discomfort.

``We believe that many people find seat belts uncomfortable and aren't using them or use them incorrectly. Improving the comfort and fit should encourage correct and more consistent use of belts, as we strive to meet our national goal of 75 percent belt usage," said Christopher A. Hart, acting head of the traffic safety administration.

He said the new rule will require belts to be adjustable so the shoulder belt will fit more people comfortably.

Officials say that properly used belts can prevent fatalities in about half of the crashes that otherwise would be fatal.

The nation's highway fatality rate climbed to 40,115 in 1993, reversing a four

-year decline in highway deaths.

Last year's 66 percent use rate for belts was an improvement from 62 percent the year before.

Transportation Secretary Federico Pena said the improvement meant a saving of 500 lives, 14,000 injuries

and ``untold pain and suffering," even though the overall death toll rose as Americans took to the roads in larger numbers.

Stricter state laws and tougher enforcement were credited with last year's boost in belt use, and officials hope that more comfortable belts will also help.

Increasing belt use to 75 percent would save 1,700 lives a year, the department estimated.

Traffic accidents are the leading cause of death for people aged 5 to 34, the department said.

On July 18, the agency announced a rule permitting the manufacture of ``belt

-positioning" booster safety seats, which are used in combination with the car's lap and shoulder belt for older children.

The traffic safety administration said the new rule would take effect Sept. 1, 1997, to match the schedule already in place to redesign vehicles to provide driver and front

-seat passenger air bags. By that date, 100 percent of passenger cars and 80 percent of light trucks must be equipped with air bags and manual belts.

BC

-USA

-CRIME

SPEAKER EXPECTS CRIME BILL TO PASS HOUSE

By Robert Green

WASHINGTON, Aug 3 (Reuter) - The House should pass a sweeping anti

-crime bill Thursday despite objections from some liberals and conservatives, Speaker Thomas Foley said.

The measure is a compromise version of bills passed by the Senate last November and the House in April.

Foley told reporters Wednesday that conservatives were angry because the bill banned 19 types of semi

-automatic weapons. He said liberals, especially black members, were upset because it did not allow appeals of death sentences if racial bias could be proven, a provision the House approved.

Asked if he thought the bill would still pass, Foley replied, ``I think so." He said he and other Democratic leaders including President Clinton and Attorney General Janet Reno were working with both groups to try to

persuade them to back the bill.

``We're talking to all of them," Foley said.

He said some Republicans were also opposing the bill for what he said were purely political reasons. Democrats have a 256

-178 majority in the House, with one independent.

With crime seen as the top public concern, both parties are under election

-year pressure to pass a strong law. Clinton has called the bill the ``toughest, largest and smartest federal attack on crime" in U.S. history and has said he will sign it as soon as he gets it.

The bill authorises more than \$30 billion to hire up to 100,000 more police, build prisons and fund crime prevention programmes. It includes the ``three strikes and you're out" mandatory life sentence for anyone convicted of three violent offences and extends the federal death penalty to more than 60 crimes.

Republicans say the bill is not tough enough and includes too many wasteful social programmes.

The final version of the bill must be passed or rejected as a whole by both the House and Senate. It can be passed by a simple majority in the House but may need 60 votes in the 100

-member Senate if opponents begin a filibuster.
REUTER

Dems to hold '96 convention in Chicago

WASHINGTON, Aug. 3 (UPI) The Democratic National Committee said Wednesday it will announce Chicago has been chosen as the site of the party's 1996 convention.

DNC Chairman David Wilhelm was scheduled to make the announcement Thursday during a news conference at Navy Pier, the committee said Wednesday.

Chicago beat out New York, New Orleans and San Antonio, Texas.

The \$32 million deal officially ends a tacit decision by the nation's two major parties to shun Chicago as a convention site.

Chicago has not hosted a national political convention since the tumultuous 1968 spectacle, during which police clashed with anti

-war demonstrators on the street in front of the Conrad Hilton Hotel in what was later called a police riot.

``1968 has not even been an issue in our discussions throughout this whole competition," said Mary Sue Barrett, chief of policy for Chicago Mayor Richard Daley.

``Both the city and the national party view it as a very long time ago. The city has changed a great deal since that time. It was a time of great upheaval for entire country, not just Chicago."

The announcement of the convention site had been delayed by negotiations that included a dispute over a minority contracting clause. The city insisted that 25 percent of the jobs be set aside for blacks and 5 percent for women. Wilhelm met earlier this week with Rep. Bobby Rush, D

-Ill., to discuss the issue.

``Chicago and the Democratic national party have a commitment to creating opportunities for women and minorities," Barrett told UPI.

The city also had demanded spending controls as well as a role in managing the extravaganza since many prominent Republicans would be footing the bill.

The Democrats, in turn, demanded an exclusivity clause. Thursday's announcement will effectively end negotiations the city had been conducting to bring the Republican convention to town as well.

Barrett said the convention will have a major impact on the city's economy.

``Hosting one of these political conventions is very good for business," she said.

``Chicago put together a very aggressive proposal that included a strong financial commitment from both government and private sector resources, plus a mix of services they need to make a successful event everything from a block of 1,800 hotel rooms to transportation to the United Center (where the convention actually will be held)."

BC

-USA

-WOMEN (NEWS ANALYSIS, SCHEDULED)

WOMEN POLITICIANS BAND TOGETHER TO DEFEND SEATS

By Alan Elsner, Political Correspondent

WASHINGTON (Reuter) - Female politicians, elected to Congress in the ``year of the woman" in 1992, are banding together to help each other as a changing political tide threatens to sweep many of them away in November.

Four new women were elected to the Senate in 1992, bringing the total to six -- and it has since increased to seven with a special election in Texas. At the same time, the number of women in the House of Representatives doubled to 48. Twenty one of the newcomers were Democrats.

They rode a national wave of anger after the relentless cross

-examination by the all

-male Senate

Judiciary Committee of law professor Anita Hill during Clarence Thomas's 1991 confirmation hearings for the Supreme Court.

He was confirmed despite her sexual harassment charges.

Now, the Republicans have their eyes set on recapturing many of their seats in the November 8 mid

-term

elections. But the class of '92 is determined not to go down without a fight.

"We started helping each other from Day One," said Representative Leslie Byrne, who faces a tough battle to cling on to her district in Washington's Virginia suburbs.

"Now we want to help each other get re

-elected. We've

decided to campaign together as a group," Byrne told Reuters.

The idea kicked off when 10 fellow members attended a fund

-raising event for Byrne which raised \$32,000.

Then Byrne and half a dozen others flew out to Utah and raised \$45,000 for Representative Karen Shepherd at an event that drew an audience of 750. Next week, they are off to North Carolina to raise funds for Representative Eva Clayton.

"We've found it is a marketable commodity to be a woman in Congress. Other women want to know what it's like fighting the institution (Congress), how we get our point across and also to discuss child care and women's health issues," Byrne said.

Women also have an increasingly active fund

-raising

machine on their side in the form of "Emily's List," an organization devoted to raising money for Democratic women who support abortion rights.

Emily's List -- the name is an acronym for "early money is like yeast" because it makes the dough rise -- raised \$6.2 million for women candidates in 1992 and expects to exceed that amount this year.

"There's a danger there will be fewer women in Congress after the 1994 election," said group president Ellen Malcolm.

"Women are only 11 percent of House members but more than half of them are in close races," she said. "But the fact that our membership has continued to grow shows people remain very interested in electing women."

Members of Emily's List pay \$100 to join and agree to make additional gifts of at least \$100 to two or more candidates in each election cycle.

Byrne said a recommendation from Emily's List was worth \$60,000 to \$70,000 to her campaign.

Despite these activities, the political winds may be blowing too hard against several of these women. Many represent swing districts and the party holding the White House traditionally loses ground in mid

-term elections.

Because of President Clinton's unpopularity, the Democrats may lose more than usual.

"A disproportionate share of vulnerable Democrats this year are women," said Jim Leonard of the National Republican Congressional Committee.

He said that as well as defeating Byrne and Shepherd, the Republicans hope to oust Arizona's Karan English, Marjorie Margolies

-Mezvinsky of Pennsylvania, Lynn Schenk and Jane Harman of California, Maria Cantwell of Washington, Elizabeth Furse of Oregon and Karen Thurman of Florida.

But Leonard said the number of women in the House should not fall because "we have a lot of Republican women running who are going to win."

Possibly none of the freshman Democrats has attracted as much attention as Margolies

-Mezvinsky, who provided one of the two deciding votes to pass Clinton's first budget in 1993.

In a book describing her experiences, Margolies

-Mezvinsky said she changed her vote to save the Clinton presidency, fully aware that it would probably wreck her political career.

She writes: "It's all a blur to me now, walking down the aisle, being bombarded by Republican men throwing barbs ... They shouted, 'Bye

-bye Margie. That's the end; she's gone. Bye

-bye Marjorie."

According to a recent poll, Margolies

-Mezvinsky trailed her Republican male opponent by 19 percentage points.

REUTER

BC

-HAITI

-USA SENATE

SENATE SAYS HAITI INVASION NOT AUTHORIZED

WASHINGTON, Aug 3 (Reuter) - The Senate unanimously approved

a pointed statement to President Clinton Wednesday that Congress has not approved an invasion of Haiti.

It passed by 100

-0 a non

-binding ``sense of the

Senate" resolution stating that U.N. approval last Sunday of the use of all necessary means to oust Haiti's military leaders does not constitute approval by the U.S. Congress of an invasion.

The resolution was proposed by Senate Republican Leader Bob Dole who accused Clinton of seeking U.N. approval of a Haiti invasion but rejecting calls for prior approval by Congress. ``There should be no mistake - the U.N. action on Sunday does not give the president legal authority to invade Haiti," Dole said.

Several senators said they opposed restricting Clinton's power to invade Haiti if that becomes necessary but said they supported Dole's amendment because it only states the obvious: U.N. approval of a Haiti invasion is not Congress's approval.

Senator Claiborne Pell, chairman of the Senate Foreign Relations Committee and a Rhode Island Democrat, noted that the Senate has already approved resolutions stating that any U.S. invasion should have the advance approval of Congress.

REUTER

Clinton cautioned on Haiti

WASHINGTON, Aug. 3 (UPI) The Senate cautioned President Clinton Wednesday that it wants him to consult Congress and not sidestep U.S. lawmakers by obtaining the United Nations approval to invade Haiti and oust the military

-ruled government.

``It is time, President Clinton, to come up here and make your case," said Sen. Mitch McConnell, R

-Ky.. ``He's

asked everybody else but us."

The Senate effectively agreed by approving 100

-0 for a

resolution, offered by Republican leader Robert

Dole of Kansas, that asserted the need for Congress to have a voice if the president decides to order an invasion of Haiti.

White House press secretary Dee Dee Myers said Tuesday that Clinton, as commander in chief, had no plans to seek congressional approval. But Myers said the president would continue to consult with Congress and inform members of foreign policy moves.

The U.N. Security Council voted Sunday for a resolution that authorizes the United States to raise a multinational force to "use all necessary means to facilitate the departure from Haiti of the military leadership" and to "establish and maintain a secure and stable environment."

But the idea of Clinton obtaining approval from a not altogether popular international organization, the United Nations, instead of Congress troubled Dole.

His resolution stated that the Security Council resolution "does not constitute authorization for the deployment of United States armed forces in Haiti under the Constitution of the United States or pursuant to the War Powers Resolution."

"The United Nations action on Sunday does not give the president legal authority to invade Haiti," Dole said.

"That's the issue prior approval of Congress.

"Let's quit the overheated rhetoric and test the policy in Congress," he said.

Sen. Claiborne Pell, D

-R.I., chairman of the Foreign Relations Committee, and other White House supporters played down the significance of the amendment and the Security Council action.

Pell said the Security Council resolution "in no way implies that the president has decided to use force in Haiti. In fact, I have advised him not to use force. (The Clinton administration's) objective is to persuade the governing junta to step down without our having to use force.

"It is my view that the administration has adequately consulted the Senate, particularly with regard to the U.N. resolution," Pell said.

BC

-Rubin

-Sees

-No

-Rise

-in

-Inflation

-in

Rubin Sees No Rise in Inflation in Foreseeable Future

Washington, Aug. 3 (Bloomberg) -- There are no signs of rising inflation in the U.S., Robert Rubin, chairman of the President's National Economic Council said today.

Rubin said told reporters he has talked to many companies recently and "no one seems to see signs of inflation in the foreseeable future."

Nevertheless, economic growth, will continue, spurred by President Clinton's deficit

-reduction plan, he said.

Rubin, a multimillionaire and former co

-chairman of

Goldman, Sachs

& Co., said Clinton will highlight his economic successes in a press conference that will begin tonight at 8:00 p.m. EDT. Friday marks the one

-year anniversary of the passage of the president's deficit

-reduction plan.

Rubin said that the President had made some hard decisions, and "as in the deficit

-reduction program, we're seeing the fruits of it now. We wouldn't have economic growth without our deficit

-reduction plan," he said.

"We're on a good deficit track now," he said.

Rubin also said that the passage of new world trade legislation to replace the General Agreement on Tariffs and Trade this year by Congress was "imperative," and he thought the trade pact would receive approval from lawmakers this year. -- Dina Temple

-Raston at the White House (202) 434

-1884 /ba

(For more on Clinton, NI EXE. For more on the economy, NI ECO)

-0- (BBN) Aug/03/94 14:36 EOS (BBN) Aug/03/94 14:36 86

AM

-Economy,700

Commerce Department Reports Moderate Economic Growth In June

By JAMES H. RUBIN= Associated Press Writer=

WASHINGTON (AP) The government's main forecasting gauge of economic activity rose moderately in June, while orders to U.S. factories advanced solidly for the fourth straight month.

Meanwhile, the Federal Reserve, in its latest survey of business activity, said Wednesday that there are scattered signs of a slowdown but also possible indications of rising prices.

Analysts said the economy has entered a period of modest expansion marked by slower consumer spending, but with manufacturing continuing to grow at a healthy pace. It is not clear how likely the Federal Reserve is to raise interest rates again soon, they said.

The Commerce Department said its Index of Leading Economic Indicators climbed 0.2 percent in June to an all

-time high of 101.5. While the rise was modest, it slightly exceeded the expectations of economists. The index has now risen in 10 of the last 11 months.

Also, the department reported that the index rose a revised 0.1 percent in May after remaining unchanged in April. Previously, the government said the index had been flat in May, but revised the figure upwards due to increased factory orders for consumer goods.

"There was evidence before that the economy may have stalled," said Kermit Baker of Cahners Economics, a Newton, Mass., forecasting service. "This puts a slightly better spin on the second half of the year than I had been expecting."

"The small rise in the leading indicators is consistent with a slower but steady growth rate in the second half," said Gordon Richards of the National Association of Manufacturers. "Some sectors are still showing robust growth."

The Commerce Department also reported that orders to U.S. factories rose 0.8 percent in June, matching the May increase. Except for declines in construction

-related

materials and home furnishings, the increase was broad

-based and was led by a 12.8 percent surge in orders for medical instruments and navigation equipment.

Five of the 11 components of the Index of Leading

Indicators advanced, led by higher raw materials prices and fewer weekly initial claims for unemployment insurance. Also, there were more unfilled orders for durable goods, more business orders for plant and equipment, and higher stock prices.

On the negative side were smaller money supply, fewer building permits, a shorter average work week, faster business delivery times that usually are a sign of decreasing orders, a lower index of consumer expectations and fewer factory orders for consumer goods.

The index of 11 forward

-looking statistics is designed to predict economic activity six to nine months down the road. Three straight moves by the index in the same direction are considered a good gauge of where the economy is headed.

The Federal Reserve said its latest survey of economic conditions compiled from its 12 regional banks showed the economy was continuing to expand but that a number of the banks had reported "scattered indications of some slowing or slight declines."

But the Fed said it has detected some inflationary pressures, particularly in commodity prices and higher energy costs as Americans turn on air conditioners because of the summer heat.

The central bank, which has increased short

-term

interest rates four times since February, could increase them a fifth time when its policy

-makers meet Aug. 16.

Analysts say the signs are no longer clear. While the economy has slowed, they say there are still fears of labor shortages and higher prices that could convince the Fed to tighten credit again to keep inflation in check.

Consumer spending, which accounts for two

-thirds of the nation's economic activity, has slowed dramatically, and the housing market is declining as mortgage interest rates climb from 25

-year lows last fall.

The Commerce Department reported last week that the economy grew at an annual rate of 3.7 percent in the second quarter ending June 30. But most of the rise was due to higher inventories that could contribute to slower growth later if production is cut to match falling demand.

Fed says business activity slowing

WASHINGTON, Aug. 3 (UPI) Business activity expanded in

most areas of the country but there were still ``scattered signs of slowing," the Federal Reserve said Wednesday in its monthly review of the economy.

The Fed, in its review known as the Beige Book, also said several of its district banks reported seeing some tightening in the labor market.

Prices held steady at the retail level despite broad

-based commodity price increases, the Fed said in its report on current economic conditions.

``Virtually all districts report that competitive pressures are holding prices down at the retail level," the Fed said.

``Presumably, retail margins are being squeezed," because prices are increasing for a broad range of business materials, including finished steel and steel scrap, copper, wood, paper and paperboard, the Fed said.

The labor market tightened in several districts, but actual labor shortages were noted only in a few skilled occupations, resulting in limited cases of faster wage growth.

The Fed said recent U.S. economic activity expanded ``at a solid pace" in most Federal Reserve districts, ``with only scattered observations of weakness."

Earlier Wednesday, the Commerce Department reported that the government's chief yardstick used to measure future economic activity posted a 0.2

-percent gain in June, indicating growth will slow down.

The modest increase followed an upwardly revised 0.1

-percent advance in May and a flat reading in April.

Taken together, the Commerce Department figures tend to suggest the economy will slow somewhat later this year, as many private analysts have forecast, and cool off compared with a strong run late last year and earlier in 1994.

PM

-Postal Service

-Hispanics, 1st Ld

-Writethru, a0473,390

Blacks Overrepresented in Postal Employment, Official Says
Eds: INSERTS new third graf with comment from Los Angeles Times, picks up 4th graf pvs: He said ...

WASHINGTON (AP) A Cuban

-born Postal Service governor charges that blacks are "overrepresented" in a number of large city post offices to the detriment of both Hispanics and whites.

The Washington Post reports in today's editions that Tirso del Junco, a Los Angeles surgeon and native of Cuba, told other board members Tuesday that "the amount of discrimination against white men in some cities is incredible."

Del Junco told the Los Angeles Times that he has been concerned about Latino underrepresentation for years but has been ignored.

He said Hispanics and white males are underrepresented in the postal work forces in Los Angeles and Chicago because black managers in those cities prefer hiring blacks, newspapers reported.

He made the remarks after data compiled by the General Accounting Office was presented to the board showing Hispanics account for 8.1 percent of the non

-military work force nationwide but only 6.4 percent of the Postal Service's employees.

In contrast, according to the figures, blacks make up 20.8 percent of the Postal Service's work force nationwide more than double their 10.3 percent representation in the national labor force.

Del Junco said black postal managers have made few efforts to find qualified Hispanics and prefer hiring blacks. "They think it's right to have this overrepresentation," the Post quoted him as telling reporters.

Postmaster General Marvin Runyon acknowledged that his agency needs to bring its employment of "Hispanics to parity with the civilian work force." But agency officials denied any effort to slight Hispanic applicants.

The GAO study found that blacks account for 63 percent of the Postal Service's work force in Los Angeles, compared with 9.6 percent of the city's non

-military labor force. Hispanics made up 34 percent of the Los Angeles labor force but accounted for only 15 percent of the Postal Service's employment there.

In Chicago, blacks account for 79.7 percent of the postal employees but only 18.2 percent of the city's total work force. Hispanics represent 3.9 percent of the postal service's employment in Chicago, compared with 11 percent of the city's overall work force.

AM

-Germany

-Spy,0302

German Released From Iranian Jail Says He Spied for U.S.,
Iraq

BONN, Germany (AP) A German engineer freed from an Iranian prison says he began spying for the CIA during the U.S. Embassy hostage crisis and later worked for Iraqi intelligence.

The Americans enlisted Helmut Szimkus to prepare for the raid on the embassy in Tehran where 52 hostages were being held, he was quoted as telling the Frankfurter Allgemeine Zeitung in an interview published Wednesday. The 1980 raid failed and the hostages were not released until January 1981.

Szimkus, 60, said he reported on Russian weapon deliveries to Iran from 1980 to 1988 and in 1985 also began working for Iraq. At that time, Iraq was at war with Iran.

His release July 1 came through the efforts of Bernd Schmidbauer, the top German intelligence official.

Szimkus spent 1955

-1964 in an East German prison on charges of spying for the Americans. He didn't comment on that period in the newspaper interview.

Szimkus, a mechanical engineer who claims to speak fluent Kurdish, Farsi and Afghani, told the newspaper he visited the border regions to fix Iranian equipment during the 1980

-88 Iran

-Iraq war, and would use the visits to gather information about troop movements.

Iranian police got on his trail and he fled in the late 1980s, but returned with a fake visa the Americans provided him, Szimkus was quoted as saying.

He entered Iran with no problem, but was arrested upon leaving Jan. 13, 1989. He was sentenced to death last year. During the negotiations for his release, German officials refused to comment on the espionage charges but sought his release on humanitarian grounds.

Szimkus claimed after departing Iran that he was tortured in prison. Iran says Szimkus lied.

S 118AUG03 (SEE 084AUG03)

UNCLAS 3F

Ukraine: Kuchma -- U.S. Not Meeting Disarmament Obligations

LD0308180094 Moscow ITAR

-TASS in English 1648 GMT 3 Aug

94

By UKRINFORM correspondent Sergey Balykov for TASS]

[Text] Pervomaysk, Nikolayev Region, August 3 TASS --
Everything must be done to consolidate power in the
country, Ukraine's newly

-elected President Leonid Kuchma
stressed on Tuesday night during his visit to the
Pervomaysk strategic rocket base in southern Ukraine. He
met with the base command to discuss the condition and
storage of missiles at the base.

Meeting with the base personnel, the president noted that
"what has become of the state and the bureaucratic
apparatus cannot be tolerated. The country is ravaged by
crisis. The budget deficit make up nearly 30 per cent. We
owe Russia 5 billion dollars, which we are not paying back
so far. This year, Ukraine has already run up a debt of
1.2 billion dollars for Russian gas only. Employees at
organizations financed from the republican budget are not
paid their wages on time", the president said.

But radical changes will take place by all means, Kuchma
noted. They will be promoted by the decree on urgent
measures to fight crime, and other documents now being
passed by the government and parliament.

Among the main causes of the current crisis, the
president listed the erroneous economic and political
course pursued by Ukraine's former leadership. He
described this course as a time bomb planted before new
forces came to power. This was a course for self-
isolation, above all from Russia.

The main task of the president and other structures is to
overcome these negative tendencies, to restore close
cooperation with Russia. Without this, neither the local
missile unit, nor the country's Armed Forces on the whole
will be able to function normally, since we do not have
our own equipment and armaments, Kuchma emphasised.

But this does not mean that we should be isolated from
the West, the president noted. He said he had serious
talks on with U.S. Vice President Al Gore earlier in the
day. The talks were focused on U.S. aid. We are
disarming, but Americans are not meeting their
obligations, Kuchma stressed. Ukraine has received only 6
million dollars out of a promised 350 million dollars in
U.S. aid. Therefore, we should hope solely for ourselves,
he stressed.

Ukraine inherited nuclear weapons based on its soil when
the Soviet Union fell apart. Under the January trilateral
accord, the country was to transfer its more than 1,600
nuclear warheads to Russia for dismantling in exchange for
about one billion dollars in compensation.

Kuchma answered questions from officers about conversion,
military call

-up, housing, relations with Russia. He
stressed, in particular, that he was doing his best to
remove customs and border barriers with this country.

When asked about dual citizenship, Kuchma described it as a very complicated issue, which should be solved at the CIS level. If 11 million ethnic Russians settled in Ukraine take dual citizenship, who will serve in our army, he asked.

When asked about the next price jump, Kuchma advised that the servicemen "prepare" for it, but declined to say when it would take place. At the moment, nearly half of Ukraine's industrial enterprises stand idle. The subsidies and credits extended by the former government undermined the country's economic potential, he pointed out. We should create conditions for earlier passed laws to work, the president added.

Speaking about prospects for the Pervomaysk base, Kuchma noted that two blocks of flats were to be commissioned before the end of this year. Another 300 cottages are now being built by Americans, who also promise to commission them this year. Other social amenities also will be built at the rocket base.

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(UPI Spotlight)

Gore comes up short with Ukraine

WASHINGTON, Aug. 3 (UPI) A top U.S. disarmament official says (Wednesday) that Vice President Al Gore won "no clear promises" from the new Ukrainian president that his nation will sign a key nuclear treaty. But the Clinton administration will continue with efforts to convince Ukraine to sign the Nuclear Non

-Proliferation

Treaty and go forward with millions of dollars in assistance.

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

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TO: Virginia M. Terzano (TERZANO_V) (WHO)
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TO: Keith O. Boykin (BOYKIN_K) (WHO)
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TO: Joshua A. King (KING_J) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
12:30 p.m. edition
Wednesday, Aug. 3, 1994
Produced by the Office of News Analysis (OEOB 161, 6

-5694)

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(Reu)

Clinton adviser to Romania (UPI)

CNN (12 p.m.)

Live coverage of Senate Banking Committee Whitewater hearing

PM Whitewater Hearing, 4th Ld

-Writethru a0598,950

Bentsen Warned About Aides' Testimony

Eds: TOP nine grafs new with additional testimony, picks up 8th graf: ``That certainly xxx, INSERTS one graf after 14th graf: ``What you" with Bensten not supporting Altman in prepared remarks

By LARRY MARGASAK= Associated Press Writer=

WASHINGTON (AP) Citing incomplete and contradictory Whitewater testimony, a Senate committee chairman today admonished Treasury Secretary Lloyd Bentsen to instruct his top aides to be more forthcoming to Congress.

``I think that's a problem we can't have again," Senate Banking Committee Chairman Donald Riegle, D

-Mich., sternly told Bentsen.

Deputy Treasury Secretary Roger Altman, one of witnesses challenged by skeptical senators on Tuesday,

gave essentially the same testimony today to the House Banking Committee, which resumed its Whitewater hearings.

``If we had to do this all over again, we would have done it better," said Altman, obviously weary from his 10

-hour Senate grilling, which began late Tuesday afternoon.

In the Senate, Riegle told Bentsen that Altman had ``acknowledged answers not as complete as they could have been."

Riegle also questioned the statements of Joshua Steiner, Bentsen's chief of staff, who disavowed his frank, and potentially damaging, diary entries about White House interest in the investigation of Madison Guaranty Savings and Loan.

Steiner's answer to one question on Tuesday was ``oblique and less than candid" and only under continued probing did the committee get to the truth, Riegle said. ``The answer turned in effect from a yes to a no."

Riegle asked for Bentsen's assurance that he would direct his staff to give the committee ``direct, full complete answers."

``That certainly is my intention and my direction to anybody representing Treasury," a subdued Bentsen replied.

The Arkansas thrift was owned by Clinton's business partner in the Whitewater land venture, and criminal referrals said the president and his wife, Hillary Rodham Clinton, may have benefited from improper actions at the S&L.

Before the hearing started, Bentsen, a former senator, socialized with his old colleagues. But the jovial atmosphere in the room quickly turned tense as Riegle lectured Bentsen.

Bentsen told the Senate panel that it wasn't until March 3 that he discovered Altman, then acting head of the RTC, had met with White House staff about the Madison investigation.

``I have turned the Treasury Department upside down, I have turned my memory inside out, we went through thousands and thousands of documents and can't find one written briefing to me on these White House meetings," he said.

He took responsibility for his department's actions, but noted that Altman had since recused himself from the Madison investigation.

``What you have here is a unique confluence of circumstances that, when you strip away all the rhetoric, resulted in actions that broke no criminal law, did not violate the ethics rules and did not in any way effect the Madison case," Bentsen said.

At no point in his prepared remarks did Bentsen deliver support for Altman, but said under questioning that he sympathized with the difficult position his deputy was in.

Altman contended Tuesday he did not intentionally mislead the Senate when he gave incomplete testimony Feb. 24 on contacts with the White House about Whitewater while conceding that he should have disqualified himself earlier from overseeing an investigation involving his old friend, Clinton.

Altman, who was shown a videotape of his February testimony, said he simply may have misunderstood senators' questions.

Altman came in for a political thrashing from Republicans. Sen. Pete Domenici, R

-N.M., said the past
Senate testimony bordered on lying.
Sen. Connie Mack, R

-Fla., said: ``You have repeatedly
given non

-responsive answers, which you justify with
semantic gymnastics. ... I can't help but conclude your
every statement to this committee is to evade, not to

inform."

Altman's troubles began last year after, as deputy Treasury secretary, he began wearing a second hat: acting chief of the Resolution Trust Corp.

The RTC is investigating allegations that Clinton's former Whitewater Development Corp. caused losses at Madison, which failed at a cost to taxpayers of between \$47 million and \$60 million.

The agency sent memos to the Justice Department suggesting possible criminal prosecution, with the president and Mrs. Clinton as potential witnesses.

Altman's problems focused partly on conflicts between his version of events and those of other top Treasury Department and White House officials.

He rebutted the diary of the Treasury Department's chief of staff, Josh Steiner, who wrote Altman was under "intense pressure" from the White House to remain at the agency despite his inclination to withdraw.

He tried to play down his personal struggle over disqualifying himself, a conflict that others described as agonizing.

"We're going to have to understand that a lot better than we understand it right now," Riegle told Altman.

Among the discrepancies:

Altman said he does not recall telling Treasury's general counsel, Jean Hanson, to brief the White House in September about the RTC memos for a possible criminal investigation. Hanson testified Monday she was instructed by Altman to do so.

Former RTC official William Roelle said he first told Altman of the criminal referrals in March 1993, soon after Altman became acting head of the RTC. Altman said he learned of them last fall.

Altman said he called Clinton's deputy chief of staff, Harold Ickes, Feb. 3 to notify him that he would not disqualify himself at that time. Mrs. Clinton's chief of staff, Margaret Ann Williams, said she was the official who was called by Altman.

Roelle testified that at a meeting Oct. 6, Altman asked Hanson to call "Bernie" about the investigation a reference to Bernard Nussbaum. Nussbaum, the White House counsel, received briefings from Hanson and Altman about the probe. Altman said he does not recall the incident.

"It's very hard to believe that the counsel to the Treasury is going to wind up at the White House at a meeting to discuss anything at all without you or the secretary or somebody directing her to go," Sen. John Kerry, D

-Mass., said.

"I'm beginning to see a pattern that is troublesome," Sen. Richard Bryan, D

-Nev., said, noting how other

administration officials agreed on events that only Altman disputed.

BC WHITEWATER

-BENTSEN

-2 WASHINGTON

Bentsen said that in his management of Treasury he relied on written rather than oral briefings. He said he met with his deputy Roger Altman on February 23, one day before Altman testified to the Senate Banking Committee about one White House meeting on Whitewater.

Bentsen said he read in the press on March 3 about two additional meetings and then asked for an ethics examination of the contacts.

REUTER

BC WHITEWATER

-BENTSEN

BENTSEN TESTIFIES ON WHITEWATER AFFAIR

WASHINGTON, Aug 3 (Reuter) - Treasury Secretary Lloyd Bentsen said Wednesday he did not learn until last March 3 about the extent of contacts between Treasury and White House officials on the Whitewater affair.

Bentsen told the Senate Banking Committee in prepared testimony: "I have turned the Treasury Department upside down. I've turned my memory inside out. We went through thousands and thousands of documents and can't find one written briefing to me on these White House meetings. It wasn't until March 3 that I learned the extent of these meetings."

MORE

BC

-Bentsen

-Contradicts

-Own

-Aids

-at

Bentsen Contradicts Own Aids at Whitewater Hearings
(Update1)

Washington, Aug. 3 (Bloomberg) -- Treasury Secretary Lloyd Bentsen testified today he was unaware of efforts by his own employees to help the White House keep tabs of the Whitewater

-Madison affair.

Testifying at the fourth day of Senate Whitewater hearings, Bentsen also contradicted some of his staffers who testified under oath this week on Capitol Hill.

Bentsen insisted he wasn't aware that Treasury officials alerted the White House last fall to a confidential criminal probe into a failed Arkansas thrift with ties to the Clintons.

Despite Deputy Treasury Secretary Roger Altman's claim to the contrary, Bentsen said did not urge Altman to recuse himself from that investigation by the Resolution Trust Corp.

"I sympathized with him ... (but) I told him it was his decision to make," Bentsen advised the Senate Banking Committee.

Altman ultimately did recuse himself and also stepped down as acting head of the RTC.

Bentsen said today he didn't learn until last spring of the extent of meetings between Treasury and White House staffers about federal investigations into the 1989 collapse of Madison Guaranty Savings & Loan and the Whitewater Land Development Corp.

Madison was owned by Jim McDougal, a partner of the Clintons in Whitewater, a failed Arkansas real estate venture.

Special Whitewater counsel Robert Fiske is now attempting to determine if Madison funds were diverted to Whitewater or to Clinton's 1984 gubernatorial campaign.

The Clintons and McDougal deny any wrongdoing. President and Hillary Rodham Clinton also maintain that they have cooperated fully with the investigations.

'No Laws Broken'

Bentsen today accepted the "responsibility" for White House

-Treasury contacts, which numbered more than 40, but stressed there's been no evidence anyone tried to interfere with the probes.

"Clearly, in retrospect, it might have been better if some of these meetings or contacts had not taken place," Bentsen said.

"But when you boil it down, no criminal laws were broken, and the people who work at Treasury did not violate the ethical standards," he said.

Bentsen's testimony followed the panel's grilling much of yesterday and early today of Altman, who was to appear today on the other side of the Capitol before the House Banking Committee.

Altman apologized to senators yesterday, saying he didn't mean to mislead them last February when he first testified to the panel about the Whitewater

-Madison probes.

Lawmakers' Disbelief

But many lawmakers said they still didn't believe Altman was coming clean about the extent and nature of his contacts, which dated back to last fall.

"To believe you, we must disbelieve other people who have sworn under oath," Sen. Robert Bennett (R

-Utah)

angrily told Altman, who was pounded by Democrats as well as Republicans.

White House officials today continued to voice support for Altman, but they added that it is up to him to regain the trust of lawmakers.

Chief of staff Leon Panetta told ABC's "Good Morning America" news program this morning that Altman was "trying to work out his differences with his testimony, both in the House and the Senate."

"I hope that he will be able to rebuild his relationships (with Congress)," White House spokeswoman Dee Dee Myers told reporters at a regular briefing this morning. "He's done an outstanding job as deputy treasury secretary and he will continue in that capacity."

Bentsen Greeted Cordially

The anger and disbelief that greeted Altman yesterday stood in contrast to the cordial reception accorded Bentsen, who served in the Senate for two decades.

Still, a few senators hit him with some pointed questions.

Senate Banking Committee Chairman Don Riegle (D

-Mich.),

asked for Bentsen's assurance that he would direct his staff in the future to give the committee "direct, full complete answers."

"That certainly is my intention and my direction to anybody representing Treasury," Bentsen said.

Jean Hanson, general counsel at Treasury, told the committee Monday that she alerted White House lawyer Bernard Nussbaum last fall to criminal referrals that named the Clintons as possible witnesses to fraud at Madison Guaranty.

Hanson said Altman ordered her to advise Nussbaum and that Bentsen knew about it.

Altman, however, maintained yesterday that he could not recall giving Hanson any such order.

And Bentsen said today, "No, I didn't have any knowledge of it."

"She's mistaken," he said of Hanson.

Altman and Hanson were called to appear today before the House Banking Committee, which is holding its own Whitewater hearings.

The Senate panel was to hear later today from Comptroller of the Currency Eugene Ludwig, who has said President Clinton sought his counsel about

Whitewater

-Madison. Also scheduled to testify are several White House staffers, including former Chief of Staff Mack McLarty.

-

-Tom Ferraro with Dina Temple

-Raston at the White House (202) 434

-1800/mfr

(For more information on Congress: NI CNG; on the Clinton administration: NI EXE; on the Treasury: NI TRE; on the RTC; NI RTC)

-0- (BBN) Aug/03/94 11:48 EOS (BBN)
Aug/03/94 11:47 86

PM Health Reform, 3rd Ld

-Writethru, a0596,990

Mitchell Pitches Compromise Health Reform Plan

Eds: Leads with 15 grafts to UPDATE with Clinton speech, picking up 11th graf pvs, House leaders, DELETES last 3 grafts to tighten.

AP Photo WX101

By CHRISTOPHER CONNELL= Associated Press Writer=
WASHINGTON (AP) A sobered President Clinton, touched by the story of a man who buried his uninsured wife two days ago, declared today it was time for members of Congress to ``make the tough decisions and not to walk away" from health

-care reform.

As Clinton put fresh pressure on Congress to act, Senate Majority Leader George Mitchell voiced confidence that legislators would approve health reforms this year, and Minority Leader Bob Dole indicated a Senate filibuster was unlikely.

Under sunny skies, the president and Hillary Rodham Clinton welcomed hundreds of ``Health Security Express" bus riders to the South Lawn to culminate their trek to Washington to press for health reform.

John Cox, who lost his wife, Jan, to stomach cancer while he was traveling with the caravan, told a hushed White House crowd: ``We buried her Monday and I'm here today to tell Congress that right is right."

``Unless we can ensure universal health coverage to all Americans, then life, liberty and the pursuit of happiness for some is just a dream," said, Cox, a Christian broadcaster from Athens, Texas. His wife's cancer bills

were not covered by insurance because the illness was deemed a pre

-existing condition.

Clinton embraced Cox, wiped away a tear and then declared in a cracking voice: "Congress has to decide whether it's going to listen to the insurance companies or to Jan Cox's last wish."

He said Congress had signed on to make the tough decisions and not to walk away," adding that legislators can't duck "those that are difficult, controversial and make people mad."

Mitchell said his compromise plan to get 95 percent of Americans covered by the turn of the century represented an attempt "to come up with a rational and coherent plan that represents what is best for the country and ... has some reasonable chance of being enacted."

But Dole said Mitchell will "need a great deal of flexibility" to push a bill through.

Some moderate Democrats who have dug in their heels against any forced contributions by employers expressed misgivings Tuesday about Mitchell's backstop provision that could require some employers to pay half their workers' premiums in the year 2002 and beyond.

"You just can't sell mandates to the United States Senate," Dole said today on NBC television.

"There's no filibuster strategy," the Republican leader said. "But let's face it, we need a long debate on it."

Mitchell, at a breakfast with health reporters, said, "I don't think there's going to be a filibuster. I don't have any plans to break a filibuster."

Mitchell said he was certain that health care reform will be enacted, but added, "there is not a chance in the world that this bill will pass the Senate unchanged."

Clinton lauded the compromise proposal, saying it "provides for universal coverage (and) enables Americans to keep their current insurance and their doctor." He said it would achieve "what the American people want health coverage that can never be taken away."

House leaders delayed until Monday the deadline for their bill and rival plans to be submitted to the Rules Committee.

The long

-awaited debate will open Tuesday in the Senate, and later in the week in the House, with both chambers trying to complete action over the next two to three weeks.

Health coverage is expected to be the main topic of Clinton's scheduled news conference tonight.

Democrats in both chambers have made major alterations to the battered plan that Clinton proposed in December, but House Majority Leader Richard Gephardt's bill stayed

closer to the White House mark. It included a requirement that employers contribute 80 percent of the premiums and promised to cover everyone by 1999, a year behind Clinton's schedule.

Mitchell said most of his subsidies upwards of \$900 million over 10 years would come from savings in Medicare and Medicaid; most of Medicaid would be scrapped, with the poor getting help to buy private insurance instead.

Citing a drop in the percentage of Americans with health insurance from 90 percent in 1980 to 85 percent today, Mitchell said, "If we can reverse the downward trend, move up to 95 percent and have a mechanism in place for going the rest of the way, it will be a truly significant and lasting achievement."

The retiring majority leader, who gave up a shot at the Supreme Court to concentrate on enacting health reform, said, "I did not have a plan that could have gotten us to higher than this. This is the best I can do."

But Dole said Tuesday that, "It's not going to fly."

Some 100 million people would get some form of subsidy under Mitchell's plan, said the Kansas Republican, whose less sweeping alternative is backed by 40 of 44 Senate Republicans.

Sen. Nancy Kassebaum, R

-Kan., said Mitchell's bill

"sands down some of the sharp edges in the Clinton plan," but still promised too much and smacked of heavy

-handed government.

Sen. Joseph Lieberman, D

-Conn., said Mitchell could get

60 votes if he dropped the distant employer mandate.

That requirement would only be triggered in 2002 if voluntary measures had failed to produce 95 percent coverage by 2000 and Congress did nothing to insure everybody else. Even then, the mandate would only hit firms with 25 or more employees in states with less than 95 percent coverage; those businesses would split the premiums with their workers. Workers in smaller firms would have to buy their own coverage.

BC

-Mitchell

-Health

-Bill

-Draws

-White

-House

Mitchell Health Bill Draws White House Praise, But GOP Fire
(Resending to fix headline)

Washington, Aug. 3 (Bloomberg) -- Democratic House and
Senate health

-reform bills drew sharp criticism from
Republicans, but praise from the Clinton administration,
as Congress prepared to begin debate next week on
overhauling one

-seventh of the nation's economy.

Their comments came after Senate Democratic Leader
George Mitchell today introduced a health

-care plan that
seeks to expand coverage to 95% of Americans without
requiring business to help pay for worker health
insurance.

His bill made major concessions to conservative
Democrats, who had joined Republicans in opposing
President Clinton's proposal to guarantee coverage to all
Americans -- largely by making business help pay for
workers' insurance.

Yet the GOP attacked the Maine Democrat's bill as a
government takeover of health care. ``We don't want to
turn over one

-seventh of the economy to the federal
government," Senate Republican Leader Bob Dole of Kansas
said today on NBC's Today Show.

Like Clinton, Mitchell has said frequently that there
has been no credible plan that expands coverage to the
nation's 39 million uninsured without making business help
pay for it.

But Mitchell has been forced to make concessions in
this area to win over conservative Democrats, and possibly
moderate Republicans, who oppose mandatory employer

-paid
insurance, the so

-called employer mandate.

His bill would try to expand coverage to many of the
nation's uninsured by providing billions of dollars in
subsidies to the poor and people between jobs, while
creating cooperatives to give small businesses and
individuals bargaining power when it comes to buying
health coverage.

``My bill lays the groundwork for universal coverage
through a voluntary system," Mitchell said yesterday in a

speech on the Senate floor. "I am confident that its provisions will assure that 95% of all Americans will be covered by guaranteed insurance over the course of the next six years."

About 85% of Americans have insurance now.

To pay for the program, Mitchell proposed cuts in Medicare for the elderly and increases in taxes on expensive health

-care plans, tobacco and certain handgun ammunition.

"Good Starting Point"

Calling his bill a "good starting point for action," Mitchell moved closer to the center in an effort to get a bill passed, but he immediately was notified it wouldn't be easy.

Under Mitchell's bill, a federal commission would determine how to expand coverage to any remaining uninsured in the year 2000. Congress would then act on the commission recommendation.

If fewer than 95% of Americans are covered by the year 2000, Congress would be required by 2001 to consider a bill that guarantees coverage to all Americans. If the bill failed to pass, most employers would be required to pay for 50% of worker health coverage beginning in 2002.

Companies with fewer than 25 workers would be exempted from the requirement. In addition, any state where 95% of the population was covered wouldn't be obligated to impose mandatory employer

-paid insurance.

"It is my judgment that an immediate employer mandate would not have been enacted by the Senate," Mitchell said.

The Mitchell bill targets federal subsidies to uninsured children and pregnant women in families with earnings below 300% of the poverty level, \$44,000 for a family of four. Their coverage would be fully paid for by the government if they were living at 185% of the poverty level or less.

Subsidies for Unemployed

Temporarily unemployed people could be eligible for subsidies if they had been full

-time employees and insured for at least six months prior to leaving their jobs.

Mitchell's bill also includes prescription drug coverage for the elderly, a provision that many Republicans argue the government can't afford. The prescription drug coverage wouldn't begin until 1999 and would cost \$94 billion over the next five years. Mitchell also called for long

-term care coverage to the severely

disabled at a cost of \$48 billion over 10 years.

Mitchell proposed several taxes and cuts in the growth of federal Medicare health insurance for the elderly to help pay for reform.

They include:

-

-Medicare cuts of \$54 billion over five years and \$278 billion over 10.

-

-A hike in the 24

-cent

-tax on a pack of cigarettes by 45 cents over five years and an increase in the tax on all other taxable tobacco products by a proportionate amount.

-

-A 1.75% tax on all health

-care insurance premiums.

-

-A tax on certain handgun ammunition.

Mitchell eliminated Clinton's controversial proposal to contain private health care funding by limiting the amount insurers can raise their premiums annually. In place of that, Mitchell had proposed a 25% tax that would be imposed on all high cost health plans that exceed a federal target on cost increases. In essence, this replaces Clinton's government spending limits with a penalty for any insurer that goes over the government's targets for private health spending.

White House Chief of Staff Leon Panetta praised the Mitchell bill today, but said the new provision to contain rising health

-care costs is too weak. "I'd like to see something stronger," he said on ABC's Good Morning America.

The Mitchell proposal is considerably less ambitious than the bill crafted by House Democratic leaders. The House plan would require businesses to pay for 80% of worker health coverage by the year 1999 and would expand the federal Medicare health insurance program for the elderly to millions of Americans under age 65.

That bill has been labeled a loser by conservative Democrats and Republicans. "My colleagues are very good at counting votes. They realize employer mandates are not going to pass Congress," said Rep. Jim Cooper of Tennessee, a conservative Democrat who is working with Republicans to craft an alternative to the House

leadership's bill.

Conservatives Uncertain

Despite Mitchell's concessions, conservative Senate Democrats urged Mitchell to scale back his health

-reform
plan.

Sen. John Breaux (D

-La.) praised Mitchell's bill but said it will need to be changed. Asked whether he would vote for it as written, Breaux said, "I think it can be improved."

Sen. David Boren (D

-Okla.) called on Mitchell to "go back to the drawing board."

"We do not need mandates," he said.

Senate liberals, however, appeared willing to accept Mitchell's compromise, even though it falls short of their goal of passing a bill writes into law a guarantee that all Americans get health coverage.

"It's the only way to get 51 votes in the Senate," said Sen. Jay Rockefeller (D

-W.Va.), an ardent supporter of the Clinton health plan. "I will try to amend it to make it stronger, but if I fail, I would probably vote for it."

-END

-OF

-AUTOBREAK(1)-

-AUTOBREAK(2)

-FOLLOWS

BC

-Mitchell

-Health

-Bil

----- AUTOBREAK (2)-----

If Mitchell's proposal passes the Senate, it will be melded in a conference between leaders of both chambers with whatever health bill passes the House. Then the House and Senate will vote on a final version of a health

-care
bill.

Some House Democrats worried that the House will balk at passing a bill that guarantees coverage to all Americans if the Senate bill fails to do so.

Difficulty in House

"If it is going to be as weak as it is and not going to have the employer mandate, I think it is going to make it very, very difficult to pass it in the House," said Rep. Dan Rostenkowski (D)

-Ill.), still
a force in health care reform even though he has lost the chairmanship of the Ways and Means Committee. -

-Paul
Heldman with Christine Walton (202) 434

-1842/mfr
(For more on health

-care reform: NI HCP, NI HEA; on the
insurance industry: NI INS; on the Congress: NI CNG; on
the Clinton administration: NI EXE)

-0- (BBN) Aug/03/94
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PM

-Space Station, 1st Ld

-Writethru, a0448.680

Senate Refuses To Kill Space Station
Eds: New throughout to UPDATE with Senate defeating
attempt to kill space station. No pickup. Adds byline
By ROBERT NAYLOR JR.= Associated Press Writer=
WASHINGTON (AP) The Senate today spared the space
station even though opponents asserted that Russian
participation may increase the program's cost rather than
save money.

The vote was 64

-36 against an amendment by Sen. Dale
Bumpers, D

-Ark., to delete funding for the multi

-billion
dollar project.
Sen. Phil Gramm, R

-Texas, whose state would be one of

the biggest beneficiaries, pleaded for senators to defeat the Bumpers amendment ``by such overwhelming numbers that we don't have this debate next year."

The vote came as the Senate debated a bill that includes \$14.4 billion in funding for the National Aeronautics and Space Administration next year.

Opponents of the space station said the money would be better spent on other scientific research, social programs or reducing the federal budget deficit. But Gramm said the ``last thing we need to be doing is killing the space station to fund another social program." He said the money would not go to deficit reduction.

But Bumpers said the project would benefit only a few states primarily California, Texas, Alabama and Florida and cost others millions in taxes.

``If I was going to get back a lot more money in my state than it was going to cost, I might be for it, too," Bumpers said. ``I'm not going to even go home and ask the question do you want to ante up \$667 million to put this turkey into space."

NASA has said that Russian participation, agreed to last November, would reduce the future American cost of the space station by \$2 billion to \$17.4 billion by the time it is completed and ready for occupancy in June 2002. The United States has spent about \$11 billion to date on the station.

The agency reasoned that \$1.6 billion would be saved by finishing the station 15 months earlier through Russian help. But the White House and Congress are placing a \$2.1 billion yearly limit on construction expenses and NASA will have to take extra money needed for speeded

-up

construction out of other programs.

However, a General Accounting Office analysis said ``there are no net savings from Russian participation that could be used to fund other areas of the program and accelerate the schedule."

``To the contrary, due to lower than anticipated contributions of Russian hardware, Russian participation would add a net \$400 million in funding requirements to the space station program," the report said.

GAO said also that Russian participation would increase money requirements for other NASA programs that support the space station by at least \$1.4 billion.

That money would be needed for station

-related

activities, improvements in the space shuttle's ability to support assembly of the station and \$746 million for two additional assembly flights by the shuttle.

Sen. William Cohen, R

-Maine, a space station opponent,

made the GAO report public Tuesday.

“These new figures from the GAO underscore the fact that the space station is a financial black hole,” he said.

Bumpers said the station would cost \$21 million a day to operate once in orbit and that the money should be used for “honest

-to

-God research.”

But Sen. Howell Heflin, an Alabama Democrat, said the project was “truly visionary” and it was time for the Senate to “categorically state its commitment.”

Under the agreement last year, Russia will supply a space tug for propulsion, guidance, navigation and control, Soyuz capsules to be used as “lifeboats” back to Earth in case of emergency and systems for docking the shuttle to the station.

The finished station would accommodate six crew members instead of four, the start of assembly would be moved up by one year to December 1997 and some U.S.

-provided
hardware requirements would be reduced.

BC

-SPACE

-STATION

SENATE APPROVES FUNDS FOR U.S. SPACE STATION

WASHINGTON (Reuter) - The Senate Wednesday approved \$2.1 billion to continue work to put a U.S. space station in orbit around the earth by the year 2002.

The action came on a 64

-36 vote rejecting an amendment to a National Aeronautics and Space Administration appropriations bill to kill the space station. The House of Representatives approved the funds last month.

REUTER

BC

-USA

-ECONOMY

KEY ECONOMIC FORECASTING GAUGE UP MODERATELY IN JUNE

By Glenn Somerville

WASHINGTON, Aug 3 (Reuter) - The government's main economic forecasting gauge rose modestly in June, the U.S. Commerce Department said Wednesday, suggesting slow but

steady growth ahead.

The Index of Leading Indicators, which is supposed to forecast economic trends six to nine months ahead, was up 0.2 percent after a revised 0.1 percent increase in May. It contained hints of continuing price pressures, however, in the form of rising costs for commodities.

Previously, the department said the Leading Index was flat in May, but it revised that to show a slight 0.1 percent rise.

The index measures a basket of economic indicators, from unemployment benefit claims to building permits. Five of its 11 components strengthened in June, while six were weaker.

The overall rise in the June index fits with other recent signs that the economy was still expanding at the beginning of the second half, although at a more moderate pace than was the case at the end of last year and the beginning of 1994.

Four interest rate increases by the Federal Reserve, the U.S. central bank, so far this year appear to be braking the economy's rate of growth, as policymakers are attempting to ward off inflationary pressures.

For example, Commerce said Tuesday that sales of new homes fell sharply in June by 14.1 percent to the slowest rate in two years as the number of unsold but completed new homes rose to the highest levels since the 1990

-91

recession. Higher mortgage rates are slowing the housing industry.

The positive economic indicators in the June Leading Index were led by higher commodity prices, a sign that manufacturing activity remains strong. Higher prices for these materials are a positive sign for the overall economy but they also are closely watched by the Fed because they feed through into higher prices at all stages of production.

Other positive contributions to the index's June performance came from lower weekly claims for unemployment insurance, a rise in unfilled orders for durable goods and more new orders for plant and equipment. Stock prices also rose.

The negative indicators included a smaller money supply, fewer applications for building permits and a shorter work week. In addition, consumer expectations weakened, new consumer goods orders were down from May and vendor deliveries were faster.

The nation's gross domestic product grew at a 3.7 percent annual rate in the second quarter of this year, but much of it occurred because of a pileup of inventories. Growth is widely expected to slow to an annual rate of about 2.5 percent in the final six months of the year.

REUTER

PM

-Factory Orders, 1st Ld

-Writethru, a0580

-583,490

Factory Orders Up Fourth Straight Month
With PM

-Economy Bjt

EDs: Combines pvs; no pickup

By JAMES H. RUBIN= Associated Press Writer=

WASHINGTON (AP) Orders to U.S. factories rose for the fourth straight month in June, climbing 0.8 percent and matching the previous month's increase, the government said today.

The Commerce Department said the increase in the indicator of manufacturing plans the 10th in the last 11 months was practically across the board, excluding construction

-related material and home furnishings. The rise was led by a 12.8 percent surge in orders for medical instruments and navigation equipment.

Many analysts predicted in advance that orders rose 0.9 percent in June.

Manufacturing has remained strong this year amid mounting signs that economic growth, particularly consumer spending, is slowing.

Earlier today, the Commerce Department reported that the Index of Leading Indicators, intended to forecast future economic activity, advanced a modest 0.2 percent in June.

The department today also revised its report on factory orders for May. Previously estimated at 0.6 percent, the agency said its updated figures showed a 0.8 percent gain.

Excluding the volatile transportation component, factory orders rose 0.6 percent in June. Excluding military equipment, orders were up 0.9 percent.

Orders for both durable and non

-durable goods totaled a seasonally adjusted \$279.6 billion, up from \$277.4 billion in May.

Aside from February, orders have risen every month since a 1.9 percent decline last July.

The backlog of unfilled orders rose 0.2 percent in June to \$449.5 billion, the fifth increase in the last six months. The orders backlog is often seen as a measure of whether current facilities and manpower are able to keep up with demand.

Inventories in June edged up 0.1 percent to \$382.7

billion, after a 0.5 percent advance in May.

Manufacturing has been a mainstay of the nation's economic recovery, now in its fourth year, and the robust expansion that marked the final months of 1993.

Shipments, a measure of current production, increased 0.9 percent to \$278.6 billion in June, following a 0.7 percent gain in May. Shipments have risen in four of the last five months.

Orders for durable goods, items expected to last more than three years, were up 1.2 percent to \$151.2 billion, after a 1.4 percent rise in May. Just last week, the Commerce Department estimated durable goods orders rose 1.3 percent in June.

Orders for non

-durable goods such as food and fuel were up 0.3 percent at \$128.5 billion after rising 0.2 percent in May. Increased orders for food, oil and coal products more than offset a decline in clothing and tobacco.

Orders for non

-defense capital goods excluding aircraft surged 6 percent in June, after two straight drops. These orders often are a barometer of business plans to expand and modernize.

PM

-MI

-ELN-

-U.S. Senate, 7th Ld

-Writethru,680

Carr Beats Pollack; Abraham Over Romney

Eds: Edits throughout to tighten, delete extraneous material

AP Photos

lzpmlzlmhlzpmflzpmf

By LISA ZAGAROLI= Associated Press Writer=

DETROIT (AP) Democrat Bob Carr and Republican Spencer Abraham, narrowly escaping challengers who accused them of being "part of the problem" in Washington, advanced in the race for Michigan's open U.S. Senate seat.

Their primary victories Tuesday set up a Nov. 8 general election between two candidates who won't have much to agree on. They hope to replace U.S. Sen. Donald Riegle, a Democrat who isn't seeking re

-election after 18 years in the job.

Carr, a seven

-term congressman from East Lansing, won the Democratic nomination by a percentage point over state Sen. Lana Pollack of Ann Arbor.

Carr had 156,727 votes, or 24 percent. Pollack had 151,138, or 23 percent. Lansing businessman Joel Ferguson had 129,888, or 20 percent. Three other Democrats trailed.

Abraham, former chairman of the Michigan Republican Party and aide to Vice President Dan Quayle, fought off an aggressive campaign by Romney, a former radio talk show host. Perhaps best known as the former daughter

-in

-law of former Gov. George Romney, she led in the polls until just before the election.

Abraham won 291,388 votes to Romney's 270,048, or 52 percent to 48 percent.

"She made me a much better and a tougher candidate," Abraham said. "There is no one in the Democratic field who will be as tough and as gracious as Ronna Romney."

Romney said Republicans would unite to win the seat and fight the policies of Democratic President Clinton.

Because they agreed on nearly every policy issue, the contest between Abraham and Romney was largely over personality. "Glitz" and "career politician" were the main accusations bandied about.

The Democrats mostly focused on issues, but Pollack and Carr exchanged some negative television ads.

"I'm a fighter," said Carr, who has squeaked to a number of victories in his career.

Pollack, a no

-nonsense lawmaker who had support from national women's groups and a sturdy grass

-roots campaign, accepted the loss.

"He's a good pro

-choice Democrat and I do support him," she said of Carr.

Carr was the front

-runner throughout the campaign, earning the status in polls and among pundits because of his political base and money. He overcame a lot of attention to his habit of paying for his campaigns primarily with donations from special interest groups.

Carr takes pride in his unpredictable voting record and his maverick style, and he largely ignored the charges. Instead, he emphasized the 20,000 jobs he says he created by bringing federal dollars to Michigan as chairman of the

House Appropriations Transportation Subcommittee.

Pollack held her own in most of the state, but came in fifth among the six candidates in Democrat

-rich Detroit.

She conceded defeat early this morning after seeing early Wayne County figures, which turned out to be wrong, that showed Ferguson had edged her for second place.

Pollack's campaign theme was, "If you want to change Washington, change the people you send there."

She said the large field of candidates might have been a factor in the loss.

"I do think that many candidates perhaps confused people and kept it so unfocused that a lot of people didn't vote," Pollack said. "It's easier for voters to figure out a good cop

-bad cop."

Ferguson, a millionaire owner of housing developments and a Lansing television station, spent about \$750,000 of his money on the primary and said he was willing to spend millions to win in November.

The only black candidate, he said he wasn't catering to the black vote. "I'm like Motown, I have crossover," he has said.

Among other Democrats, former U.S. Rep. William Brodhead of Bingham Farms had 94,525 votes, or 14 percent; state Sen. John Kelly of Grosse Pointe Woods had 71,617 votes, or 11 percent; and Macomb County Prosecutor Carl Marlinga had 50,278 votes, or 8 percent.

Brodhead, who vowed not to increase taxes, said there was plenty of money in the federal budget but it wasn't being spent properly.

Marlinga focused almost entirely on his experience putting people behind bars.

Kelly's campaign focused on creating jobs through export development.

BC

-USA

-POLITICS MICHIGAN

ABRAHAM, CARR WIN PRIMARIES FOR RIEGLE SEAT
DETROIT, Aug 3 (Reuter) - Former Michigan Republican Party chairman Spencer Abraham defeated Ronna Romney in the Republican primary for U.S. Senator Donald Riegle's seat, while U.S. Rep. Bob Carr squeaked out a narrow victory in a six

-way Democratic race.

The Democratic Senate race appeared headed for a recount, as Carr, an 18

-year veteran of Capitol Hill from East Lansing, was locked in a tight race until the end with State Sen. Lana Pollack.

Voters also approved casino and riverboat gambling initiatives in Detroit, while veteran U.S. Representative John Conyers won the Democratic nomination for another term after facing his first serious primary challenge in years.

In the race for the Democratic nomination for governor, former U.S. Representative Howard Wolpe defeated State Senator Debbie Stabenow, who had 31 percent in the four

-candidate race. The winner will face Republican Governor John Engler, who had no primary competition.

Engler, first elected in 1990, is considered tough to beat this year due to his property

-tax

-cut initiatives and because a booming auto industry is pumping up Michigan's economy. But Wolpe promised an aggressive campaign.

``John Engler has got to go," he said. ``We're going to pack him up and move him out."

For Republicans, the U.S. Senate race presents a major opportunity to gain a seat long occupied by a Democrat and reduce President Clinton's Senate majority. Riegle, who chairs the Senate Banking Committee, decided not to seek a fourth term last year in order to spend more time with his family.

Abraham, 42, a conservative GOP regular who served as an aide to Vice President Dan Quayle, ran neck

-and

-neck with Romney, former daughter

-in

-law of ex

-governor George Romney, for most of Tuesday night before pulling away in returns early Wednesday.

In the 14th District Congressional primary, Conyers beat back a challenge from Detroit lawyer Melvin Hollowell to win the Democratic nomination for another term. With 89 percent of the vote counted, Conyers, who was sharply criticised during the campaign for missing nearly a third of House votes last year, won 52 percent of the vote versus 27 percent for Hollowell in the three

-way race.

Conyers, dean of the Congressional Black Caucus, was first elected in 1964 and is expected to win easily in November.

In a dramatic change of heart, Detroit voters approved riverboat and casino gambling initiatives by more than 60 percent in non

-binding referendums after defeating four previous gambling projects.

Detroit Mayor Dennis Archer campaigned vigorously against the casino proposals, but said he ``would respect the wishes of a majority of our voters" after the initiatives won.

Although casinos have been proposed previously to help revive Detroit's decaying downtown area, the new proposals did not gather momentum until the city of Windsor, Canada, opened a casino just across the Detroit River earlier this year.

The Canadian casino has been drawing the majority of its patrons from the Detroit side of the river.

REUTER

BC

-USA DEMOCRATS

DEMOCRATS TO HOLD '96 CONVENTION IN ``WINDY CITY"

WASHINGTON, Aug 3 (Reuter) - The Democrats will announce Thursday that they plan to hold their 1996 presidential nominating convention in Chicago, a party spokesman said Wednesday.

Democratic National Chairman David Wilhelm and Chicago Mayor Richard Daley were to put the official stamp on a widely predicted decision at a news conference in Chicago Thursday morning, party spokesman Joe Wagner said.

The decision will return the Democrats to the ``Windy City" on Lake Michigan for the first time since a turbulent 1968 convention disrupted by violent, teargas

-clouded clashes between police and hordes of anti

-Vietnam war protesters and anti

-establishment youths who dubbed themselves ``Yippies."

The current mayor's father, the late Richard J. Daley, was seen by nationwide television audiences defending the police crackdown amid riots that remain one of the most vivid episodes of the social upheavals of the 1960s.

The Democratic National Convention, whose main business is naming the party's presidential nominee, is

scheduled for August 22

-29, 1996.

The Republicans, expected to hold their convention slightly earlier in the tradition that the party not in the White House goes first, have not yet announced their choice of convention sites.

REUTER

BC

-USA

-FIRES

-TROOPS

ARMY TROOPS SENT TO HELP FIGHT FOREST FIRES

WASHINGTON, Aug 3 (Reuter) - About 300 U.S. Army soldiers from Fort Hood, Texas, were sent to Boise, Idaho, Wednesday to help fight fires that have been destroying forests in western states, the Army said.

The troops were the first of an expected 1,300 from the First Cavalry Division in Fort Hood being sent to Idaho and Montana to help battle the blazes, according to Army spokesman Major Ray Whitehead at the Pentagon.

President Clinton last week ordered the Defence Department to make troops available and said Marines were being trained to help fight the fires, which have destroyed forests and threaten homes in at least seven western states.

Whitehead said that 800 First Cavalry troops were being sent to Boise and another 500 would go to Missoula, Montana, to help battle blazes.

He said that as of Friday morning 320 fires were burning in seven states and that the federal government had mobilised more than 330 fire crews and over 200 fire engines, helicopters and air tankers.

REUTER

PM

-Train Derailed, 8th Ld

-Writethru, a0569,0838

Amtrak Train Derails, Up To 125 Injured

Eds: LEADS with 13 grafts to UPDATE with cranes being brought in to raise wreckage, Amtrak giving higher number of passengers, comment from Conrail on track maintenance. Picks up 10th graf pvs, 'Among the...'.
AP Photos XBAT102, XBTV101, AP GRAPHIC

By DAVID GERMAIN= Associated Press Writer=

BATAVIA, N.Y. (AP) An Amtrak train screeched off its rails early today and nine passenger cars were flung down an embankment on the edge of a woods. As many as 125

people were injured, some seriously.

There were no known deaths, Genesee County Manager Jay Gsell said.

The 320 people on board, including 19 crew members, were all accounted for, according to Thomas Chawluk, Amtrak district superintendent. But Genesee County Sheriff Gary Maha ordered cranes brought in to lift the wreckage to search for possible survivors or bodies.

The Lake Shore Limited was traveling from New York City to Chicago when it derailed about 3:45 a.m., said Amtrak spokesman Howard Robertson, who could offer no clues as to the cause.

“It got very surreal for a minute,” said Jim Lamb, who boarded the train in New York City. “The train started to wiggle, and then it tipped over. It was all very calm. There was no screaming or exclamations.”

After the passengers were taken away, the twisted train tracks were littered with baby bottles and baby clothes. Nine cars were off the tracks, some on their sides. Roof skylights were smashed, and seat cushions were dangling out windows.

The train had two locomotives and 16 cars. The speed limit in the straightaway section of track where the derailment occurred is 79 mph, but it was unclear how fast the train was going this morning, Robertson said.

Six National Transportation Safety Board investigators were expected late this morning to inspect the wreckage, according to board spokesman Ted Lopatkiewicz.

“They look at the operation of the train. Track or signal factors. Weather ... pretty much everything,” Robertson said.

It was foggy but had recently stopped raining in Batavia at the time of the crash, according to the National Weather Service. Chawluk said weather did not seem to be a factor.

The tracks and rail bed both underwent their four

-times

-a

-year inspections in June, said Rudy Husband, a Conrail spokesman in Philadelphia. No problems were found. Conrail crews also inspect the tracks twice a week, he said, and it is well

-maintained because it is among the busiest in the Northeast.

There were no reports of track vandalism recently in the area, Husband said.

Sheriff's spokesman Russ Lang said 100 to 125 people had injuries that emergency workers described as ranging from minor to very serious.

Among the passengers were 22 Boy Scouts from Southwick, Mass., who escaped with bumps and bruises.

Scoutmaster Bob Davis was sitting up with a handful of scouts who had trouble sleeping when the train started to derail.

"The tail end just started flipping around, back and forth, side to side," Davis said. "I got thrown all over the place."

One scout, Scott Crepeau, said he and some friends were looking through a skylight when the car started to shake. All the cars behind him derailed.

"I'd had this feeling all week," Crepeau said. "I had a dream that this might happen."

More than 40 ambulances were dispatched to the scene. The injured were being taken to Rochester, 35 miles to the east, and Buffalo, about 35 miles to the west, Lang said.

"We've probably received a dozen victims," said Doug Jones, administrator of the Genesee Memorial Hospital in Batavia. "Most of them have been awake and communicative, and concerned that their families know they're all right."

Lamb, speaking by telephone from the Batavia fire station, said he was traveling to Chicago on the first leg of a trip to Seattle with his two sons, Eli, 6, and Oliver, 4. One of his sons suffered a slight cut on his cheek, but no one in his car was seriously hurt, Lamb said.

Lamb said his sons weren't frightened: "They thought it was an adventure."

The crash occurred just outside the city of Batavia.

The Lake Shore Limited carried passengers from Boston and New York City trains that had joined up at Albany, Robertson said.

Amtrak's worst disaster was Sept. 22, 1993, when the Sunset Limited plunged into a foggy bayou in Alabama, killing 47 people. A tugboat had struck and weakened a bridge that collapsed under the train.

One person was killed and hundreds were injured in North Carolina on May 16 when the Silver Meteor derailed between Smithfield and Selma. The train, bound from New York to Miami, rammed a trailer protruding from a northbound CSX freight on an adjoining track.

Amtrak has had at least five other derailments since 1992, one involving vandalism, one caused by broken track, and three trains hitting trucks.

BC

-HAITI

-USA

-DOLE

REPUBLICAN LEADER SAYS NO REASON TO INVADE HAITI

WASHINGTON, Aug 3 (Reuter) - Senate Republican leader Bob Dole said Wednesday there was no reason for the United States to invade Haiti and that he planned to ask for a resolution requiring President Clinton to ask Congress for approval.

"Even though the United Nations has approved this, there is not approval in accordance with the War Powers Act of the U.S. Constitution," Dole said on CBS television.

The U.N. Security Council last week approved a resolution allowing a U.S.

-led invasion of Haiti to restore democracy.

Dole said that Clinton should seek Congressional approval in the same fashion as former President Bush did before the Gulf War.

"We are not threatened in Haiti," Dole said. "Not a single American life is threatened and I don't think it's worth a single American life."

He dismissed Clinton's statements that the administration was in close consultations with Congress on the issue, saying that Republican leaders had only one

-minute meeting a few weeks ago with William Gray, Clinton's special advisor on Haiti.

REUTER

(PR: Mircea Geoana: MEER'

-chah DJOH'

-ah

-nah, Teodor
Melescanu: THEE'- oh

-dor meh

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-KAH'

-noo, Neptun:
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-toon)
Clinton adviser to visit Romania

BUCHAREST, Aug. 3 (UPI) Richard Schifter, U.S. President Bill Clinton's top adviser on regional issues, will arrive in Bucharest Thursday on a four

-day visit to
review Romania's economic and democratic progress, a
senior government official said Wednesday.

Romanian Foreign Ministry spokesman Mircea Geoana said
Schifter would ``discuss Romania's status in the U.S.
strategic concept of Central and Eastern Europe."

Schifter, who earlier accompanied U.S. Vice President
Al Gore to Poland, is currently in Budapest holding talks
with Hungarian officials.

In Bucharest, Schifter will meet Foreign Minister
Teodor Melescanu ``and other officials," Geoana said.

Two days into his Romanian visit, Schifter is to be
flown from Bucharest to the Black Sea coastal resort of
Neptun, where he will stay in the late communist dictator
Nicolae Ceausescu's plush villa, the spokesman said.

(Edited by Nesho Djuric in Belgrade)
