

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Anne M. Edwards (EDWARDS_A) (WHO)

CREATION DATE/TIME:28-JUN-1993 14:45:00.00

SUBJECT: DraftTuesday press sked

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

READ: UNKNOWN

TEXT:

Hi, Jeremy. Who is the lucky soul handling press schedules for this week? Tuesday sked is busy - I want to send this early stuff to you to give to whomever is writing it:

6:00A Regency Ballroom of Hyatt Regency opens for press pre-position for speech at National Federal of Independent Business.

Press Facilities for NFIB/Regency Ballroom:
Camera platform 75' from podium;
Travel pool only at near-stage position;
Correspondent seating near cam platform;
Remarks on mult & PA of White House
Press briefing room.

6:30A Trav pool - protective etc.

7A - RegencyBallroom closes for security sweep.

8A - Regency Ballroom reopens for final press pre-position.

8:30 A Trav pool gathers in WH press briefing room for escort to motorcade.

8:45A THE PRESIDENT BDS M'CADE and depts the WH enroute the Hyatt Regency, 400 New Jersey Avenue, NW, Washington, DC

Trav Pool only accompanies

9:05A THE PRESIDENT ARRIVES the Hyatt Regency and proceeds to pvt time.

Press Note: Trav Pool escorted from m'cade to ballroom

9:15A THE PRESIDENT ADDRESSES the National Federation of Independent Business on its 50th anniversary, Regency Ballroom, Hyatt Regency, Washington DC
OPEN PRESS

Remarks by the President

Question and Answer session with NFIB audience

Press Note: For more information on the NFIB meeting, please contact Ms Terry Hall of NFIB Public Affairs at 202-554-9000.

9:50A Pres bds m'cade and dpts Hyatt Regency enroute the WH
Trave pool only accompanies

10:10A THE PRESIDENT ARR*IVES the White House

11:25A President Carlos Menem of Argentina arrives the WH for official working visit and is greeted by

Acting Chief of Protocol Richard Gookin.

OPEN PHOTO FROM WEST WING LOBBY DRIVEWAY

Press Note: No rmks are planned.

11:30A THE PRESIDENT MEETS with the President of the Argentine Nation, the Oval Office, the WH

Pool photo session in waves at beginning

Press Note:

Wave #1: Open US Stills

Wave #2: US TV Pool and US Writing Pool

Wave #3: Argentine Press

12:00P Escort for photographers and crews to pre-position in Rose Garden.

12:00P Escort for cabling only to EastRoom

12:15P THE PRESIDENT ESCORTS President Menem to the White House Residence via the Rose Garden colonnade

Open Photo from Rose Garden

1:00P Escort for sticks and stills.

1:15 pm Last escort to East Rm

1:30P THE PRESIDENT AND PRESIDENT MENEM DELIVER statements, the East Room, the White House.

OPEN PRESS

Press Note: Photographers from the East Room will be escorted to North Portico as soon as remarks in East Room conclude.

2:05P THE PRESIDENT BIDS farewell to President Menem, the North Portico, the White House

OPEN PRESS

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jeremy M. Gaines (GAINES_J) (WHO)

CREATION DATE/TIME:28-JUN-1993 15:31:00.00

SUBJECT: schedule

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)

READ: UNKNOWN

TEXT:

===== ATTACHMENT 1 =====
ATT CREATOR: Anne M. Edwards (EDWARDS_A)

ATT CREATION DATE/TIME:28-JUN-1993 14:08:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: DraftTuesday press sked

ATT TO: Jeremy M. Gaines (GAINES_J)

READ: UNKNOWN

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OPEN PRESS

===== END ATTACHMENT 1 =====

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:29-JUN-1993 15:09:00.00

SUBJECT: 06/29 Pres. and Pres. of Argentina Press Avail

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

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

TEXT:
PRINTER FONT 10_POINT_COURIER
TOP ALL
- \p -

BOTTOM ALL
MORE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release June 29, 1993
REMARKS BY PRESIDENT CLINTON
AND ARGENTINE PRESIDENT MENEM
AT PRESS AVAILABILITY

East Room

1:50 P.M. EDT

THE PRESIDENT: Good afternoon, ladies and gentlemen.
Today I have the great honor of welcoming President Carlos Menem of
Argentina to the White House, the first leader of a Latin American
state to visit here since I took office.

Under President Menem's administration, Argentina has
become an international leader on the great issues of the post-Cold
War era. A leader in this hemisphere in defense of democracy and
human rights, a trusted and valued partner and friend of the United
States, together we are constructing a Western Hemisphere community
of democracies, interpreted by common political values and growing
economic ties.

We deeply appreciate President Menem's visit today. He
represents a new generation of Latin American presidents committed to
expanding freedom, strengthening democracy and creating prosperity.

His leadership has been bold and his accomplishments truly impressive.

We talked today about Argentina's democratic reforms and the role Argentina has assumed as an international leader. Today, Argentine troops serve with the United Nations peacekeepers in Croatia, in Kuwait, in Mozambique, and in other troubled lands. In the Organization of American States Argentina consistently takes a strong stand in favor of collective defenses of democracy.

With Argentina's support, the OAS has worked to defend democratic institutions in Peru, reverse the coup in Guatemala. And I am confident, together we can restore democracy in Haiti, a subject we discussed at great length today.

Argentina has also confronted crises of recession and hyperinflation and has overcome both. Argentina slashed its tariffs and opened its economy to world markets, it ended its fiscal deficit and created a stable currency. It sold state enterprises and attracted new investment. And, as a result, last year Argentina's economy grew nine percent. I asked him for a few of those points for America today. That was one of the unresolved parts of our discussion. (Laughter.)

Once Congress successfully ratifies the North American Free Trade Agreement with Mexico and with Canada, we will want to reduce trade barriers with other countries in this hemisphere. Freer trade for most economic and democratic reforms we see in Argentina. It clearly benefits our economy as well as that of our neighbors.

As I said earlier today, in the last four years our trade with Argentina has tripled, accounting for 40,000 jobs in the United States.

Our meeting covered some other areas as well. Argentina's government has been an important voice in calling for a

successful conclusion of the Uruguay Round to open the world trading system. Argentina stands among the nations leading the effort to confront the overriding challenge of stopping the spread of weapons of mass destruction. President Menem himself ended a dangerous ballistic missile program, signed important nuclear nonproliferation agreements, placed strong controls on the export of sensitive weapons-related materials and technology, and helped to lead the successful international effort to negotiate the Chemical Weapons Convention.

Argentina has been in the forefront of initiatives to increase the dialogue on security issues in its region. Its progress and support for democracy are two reasons why this hemisphere today is more secure and more prosperous today than it was in the past and why it will show the way to a better world tomorrow.

Again, let me say it is an honor for me to welcome the

President, whom I admire, whose accomplishments we respect, and whose country will be a great partner for the United States in the years ahead.

Mr. President.

PRESIDENT MENEM: Thank you very much, Mr. President. I would like to tell you of my gratitude that is sincere and loyal in the name of my country and of my government for your words. They are the result of a complete knowledge of what is happening in Argentina, in this continent, and in the world.

You may be absolutely sure that Argentina will continue along this road. There is absolutely no possibility of any change in Argentine policies in the field of economics and in the social fields. I always say this is a road that we cannot walk backwards on, and these are the results we are obtaining. If I would have to explain here the achievements obtained, I would have to repeat the same words that you have used, Mr. President, and this would not perhaps be very much in order.

But we have talked in an environment of cordiality and affection. We have discussed our relations that are now at their best level ever. We are prepared to improve on them, and I have told the President of the United States that in Argentina he will find a firm and determined ally. And we consider the United States a great ally for Argentina.

Within this framework we have discussed subjects that are related to the consolidation of democracy and freedom, not only within this continent; the issues related to Guatemala, Haiti, Cuba and Peru. But we have also discussed the absolute need for democracy, freedom, the respect of human rights, and all issues related to the environment -- should become reality of all of this world.

We would like to see disappear wherever possible that terrible scourge of war, of any kind of discrimination, of terrorism, international terrorism, drug trafficking. We have not restricted our conversations to a pre-established agenda. We have extended our talks even further. It is always good to come to the United States of America. I believe it is also good to go to Argentina, and that is why I have invited the President to visit us. Because valuable experiences are awaiting in Argentina, and this will allow us to make our links even stronger, the links that are joining Argentina to the United States.

Mr. President, once again, thank you very much. Thank you for your gift. He gave me as a gift a basketball, signed by all the members of the Chicago Bulls. So, thank you.

Q Mr. President, I'd like to ask you about the bombing. Could the assassination plot against former President Bush

have moved forward without the approval of Saddam Hussein? And why did the United States not try to hit closer to home for Saddam Hussein, perhaps his headquarters?

PRESIDENT CLINTON: We believe the evidence clearly indicates that the bombing operation was authorized by the Iraqi government. And it is highly unusual, and the experience of our people -- let me recast that. Our panelists have no experience of such an operation of that magnitude being authorized other than at the highest levels. However, it was thought that under international law and based on the facts of this particular case, that the best possible target was the target of the intelligence headquarters where in all probability the operation itself was planned; and that to damage that headquarters significantly would send the appropriate message, given the facts of this case.

Q But in your mind, did you think Saddam Hussein signed off on this?

PRESIDENT CLINTON: I have given you the only answer I think it's appropriate for me to give you.

TOP ALL

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BOTTOM ALL

MORE

Q Mr. President, what do you think you accomplished with the bombing of Iraq and the loss of innocent lives, the destruction?

PRESIDENT CLINTON: I think we -- first of all, we damaged their major intelligence facility quite severely. Secondly, we made it absolutely clear that we will not tolerate acts of terrorism or other illegal and dangerous acts. I think it sent a very important message.

Q We understand there's been an incident over the no-fly zone in southern Iraq today. A USF-4G Wild Weasel launched a HARM missile against an Iraqi radar installation. What can you tell us about that incident; and, secondly, what does it suggest to you that it comes at a time when the Iraqis are still threatening retaliation for the weekend bombing?

PRESIDENT CLINTON: The standard rules of engagement for flights in that region are that if radar locks onto our airplanes, our airplanes are authorized to take action against those installations. So this has happened a number of times, and I wouldn't -- based on the facts that I now have, I wouldn't read too much into it. It's part of the standard rules of engagement.

Q You said during the transition that you could conceive of a situation where we could have normal relations with

Iraq with Saddam Hussein still in power. Given what's occurred, how would you now frame your position on this issue?

PRESIDENT CLINTON: What I said, or at least tried to say in the transition was that I thought we ought to judge every country based on its conduct. And based on its conduct, I think that the possibility of normal relations is very difficult to conceive, not just in this instance, but also in the stubborn refusal of Iraq to comply with the United Nations resolutions.

Q Mr. President, just now you said that the strike had damaged the intelligence facility. Yesterday you said it had crippled the intelligence facility.

PRESIDENT CLINTON: I think it did cripple the intelligence facility. That was our -- at least the reports that I received from the intelligence services was that the bombing had -- that 15 of the missiles had hit within just a few feet of where they were exactly programmed. And, based on what they knew of the potential for destruction of those missiles, that the facility had been crippled. Those were the exact words I got from the people who briefed me about it.

Q Is it possible that you were not briefed correctly, because Pentagon officials were saying that Saddam has multiple intelligence facilities and that this was one of three or four and that, in fact, he would be operational without this facility, and especially because he relies so heavily on human intelligence, and none of the people were involved --

THE PRESIDENT: Well, I didn't mean that they wouldn't have any more intelligence. But I do think the building and whatever resources are in that building, which is plainly the main building, was severely damaged, and that's what our intelligence people told me.

Is there anyone here from Argentina? Yes -- a little equal opportunity here.

Q President Clinton, did President Menem offer you specific help to combat terrorism? And do you think you have to put more guards on President Menem because there was going to be a plot or something like that from the Arabs?

PRESIDENT CLINTON: Well, we try to always provide appropriate security to world leaders who come here. President Menem -- perhaps I should let him speak to this -- but he was very supportive of the action we took in Iraq and very determined that we ought to stand together with other civilized nations against terrorism everywhere.

PRESIDENT MENEM: With more security I would have felt uncomfortable in the United States. I have a very special philosophy

in life: Nobody would die the day before his pre-established date. And I rely and trust fully in God. He brought us to this world and he is to decide the day we leave this world.

With a great amount of security around a head of state in general, any terrorist activity may be successful; that is why terrorism has to be fought back without any kind of compassion. They lack absolutely any kind of compassion since, when they placed the bomb, they are prepared to destroy the lives of old people and children. Terrorism is now one of the worst scourges of humanity.

Q Mr. President, the United States speaks constantly of disarmament and world peace, especially after the fall of the Berlin Wall. Your government, through the Embassy in Buenos Aires, insisted on this policy of peace and disarmament. Don't you believe that the United States has not given an example to follow this course when bombarding Baghdad as a result of this intelligence information?

PRESIDENT CLINTON: No, I disagree. As a matter of fact, the United States has been a leader in disarmament. We have signed significant agreements with first the Soviet Union and now with Russia trying to reduce our nuclear arsenals. We are working very hard to reduce the spread of weapons of mass destruction. And I think what we did last weekend with regard to Iraq is a clear signal that people ought not to use weapons in illegal ways.

I would remind you that the action I took was in response to an operation that involved a bomb that, had it exploded in downtown Kuwait City, had a 400-yard radius of lethal destruction. So, I think it was the appropriate thing to do.

Q I have a question for you, Mr. Clinton and another for Mr. Menem.

First, assuming that NAFTA is approved by Congress, when do you foresee Argentina, or Chile, for that matter negotiating an agreement with the United States? I'm kind of interested in a timetable.

And for Mr. Menem, I would like to get more details on that offer you made yesterday to negotiate between the United States and Cuba to improve relations between the two countries.

PRESIDENT CLINTON: I would be prepared to discuss immediately with Argentina, with Chile, with other appropriate nations the possibility of expanded trade relations along the NAFTA model. I have long thought that NAFTA should be a model for embracing all of Latin America's democracies and free market economies. I have not timetable. I think perhaps President Menem would have a better view of that but my attitude is we ought to get on with it. We ought to try to increase the volume and the variety of trade with the appropriate countries just as quickly as possible.

PRESIDENT MENEM: On this issue, we had already discussed this with the President, and I have told him that as a priority so as to be able to start formal talks on the access of Argentina or any other country in the region to NAFTA, it would be fundamental to finish the NAFTA agreement, that on the basis of due legislation, this process should come to its end. If NAFTA has been passed and enacted during the first months of the next year or the first of January, only then can we start discussing the incorporation of Argentina in NAFTA.

And at the same time, we must remember that we are going through another process of integration within Mercosur, and we have a commitment with the United States in the four-plus-one agreement as to the possibility of having a free trade area between these four countries of Mercosur and the United States. This indication of coming to understanding will make it possible not only to Argentina joining NAFTA, but also Mercosur as the result of the NAFTA agreement coming to its enactment, then the Mercosur countries could perhaps also be joining NAFTA. This is something that should be discussed between the three other countries that are members of NAFTA.

Q Reuters Agency said yesterday that you were proposing to act as a mediator between the United States and Cuba.

PRESIDENT MENEM: As a reply to a question by a journalist when he asked if I would be prepared in participating in any kind of negotiations between the United States and Cuba, I answered: President Bush asked me when we met in Costa Rica for the 100th anniversary of democracy, he asked me to stop over in Nicaragua to ask Daniel Ortega to respect the results of the elections that were to be held a short time after in that country, since doubts existed as to the decision that the people of Daniel Ortega's team would take on this issue.

I spent more than two hours discussing the subject with Commander Ortega and he was convinced he would be winning the elections. And finally after two hours of discussion he said, if Mrs. Violeta Chamorro wins the elections, I will give her the government. And if the United States requests it, I am prepared to discuss the issue with Fidel Castro or with whoever it is necessary. I would like to see Cuba living in democracy as soon as possible.

Q This is a question for both of you. Have you discussed -- have you discussed pharmaceutical patents and subsidies in agriculture? President Menem first and then President Clinton, please.

PRESIDENT MENEM: We have discussed this, and I have told President Clinton what I told Mr. Kantor yesterday. This draft law on patents has been introduced through the Senate to the Argentine parliament and we are expecting that it will be passed

soon. But the executive power of Argentina has sent this draft law to parliament.

And on subsidies, this is a subject we discuss constantly not only with the President of the United States, but also with the presidents of the European Community countries since they have taken the more difficult stand on this issue when they are subsidizing agriculture, damaging countries such as Argentina. You must not forget that the amount of subsidies is now exceeding \$300 billion. It becomes difficult to compete under these circumstances, and I always tell the people in the United States, the U.S. President and the Europeans they were the masters in free trade and economic freedom. It is not understandable that they should insist on these attitudes that go against the teachings that they sent to the world at large.

PRESIDENT CLINTON: The answer to your question is, just as President Menem said, we discussed the patent protection legislation and I expressed the hope of the United States that it would pass soon by the legislative body in Argentina. I also, with regard to agricultural subsidies, pointed out that the United States had reduced agricultural subsidies unilaterally in 1990, that our budget reduces them again this year, and that we strongly support the Blair House Accords which were reached last year to reduce agricultural subsidies in the Uruguay Round of GATT, and that we are with Argentina on that.

Also, having grown up in a farming area, I expressed enormous admiration for the fact that Argentina has the deepest topsoil anywhere in the world. So, if I were in his position, I would be taking exactly the same position. With 20 feet of topsoil he can grow anything and do well.

Yes -- one last question and then we've got to go.

Q Despite what General Powell said, I don't understand why the United States went after the facility at night, rather than going after the intelligence facility during the daytime when the top people were there. And will you take action if the Iraqis go after the Kurds or the Shi'ites?

PRESIDENT CLINTON: I think we've made it clear to them what our position is on the second question you asked. The reason we went at night was quite simply that we wanted to make a strong point. We wanted to do as much damage to the facility as we could. We wanted to minimize the loss of human life because of the nature of what actually happened. I think everyone knows what our military is capable of doing. What we needed to show them was that we were fully possessed of the will to do it under these circumstances. And I think we made -- I think we picked the appropriate target and I think we did it at the appropriate time under these circumstances.

Thank you very much.

THE PRESS: Thank you.

END2:15 P.M. EDT

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Kyle M. Baker (BAKER_K) (WHO)

CREATION DATE/TIME:04-MAY-1994 13:27:00.00

SUBJECT: ARGENTINE NEWSPAPER SUMMARY: MENEM BELIEVES IN UFOS

TO: Seth E. Masket (MASKET_S) (WHO)

READ: UNKNOWN

TEXT:

Date: 05/04/94 Time: 12:29

ARGENTINE NEWSPAPER SUMMARY: Menem believes in UFOs

KNIGHT-RIDDER FINANCIAL NEWS--Buenos Aires, Wednesday, May 4

The following is a list of major headlines appearing in Argentine newspapers today. The key headlines are expanded below. The newspaper is named in parentheses.

- Extraterrestrial life and flying saucers exist, says Menem
- Menem lauds CEO for transforming YPF into "serious company"
- Cavallo pegs consumer prices increasing 0.3 pct in April
- Key senator says Argentina to have new patents law in June
- Official pegs CNG-powered vehicle fleet at 270,000 units
- Coin shortages for bus ticket machines cause transit chaos
- Body of race champion Ayrton Senna to be buried on Thursday
- Bolivian peasants block highways to protest economic program
- Uruguay President said ready to reshuffle cabinet today

EXTRATERRESTRIAL LIFE AND FLYING SAUCERS EXIST, SAYS MENEM--"I believe in extraterrestrial life and flying saucers," President Carlos Menem told visiting actress Shirley MacLaine. "After all why should there not be a more advanced life form than ourselves?" he added. Political opponents called on Menem to spend less time stargazing for UFOs and devote more energy to earthly problems in Argentina. (All newspapers)

MENEM LAUDS CEO FOR TRANSFORMING YPF INTO "SERIOUS COMPANY"--President Carlos Menem Tuesday praised Yacimientos Petroliferos Fiscales CEO Jose Estenssoro for "having transformed YPF into a serious company." YPF, now 58 pct owned by private investors, lost as much as 1.5 billion US dlrs each year when it was a state monopoly until July 1993. YPF reported 706 million dlrs in net earnings last year. (All newspapers)

CAVALLO PEGS CONSUMER PRICES INCREASED 0.3 PCT IN APRIL--Economy Minister Domingo Cavallo said consumer prices in April rose 0.3 pct, compared with a 0.8 pct increase in April 1993. (All newspapers)

KEY SENATOR SAYS ARGENTINA TO HAVE NEW PATENTS LAW IN JUNE--Senate Majority Leader Eduardo Menem Tuesday said the Argentine Congress will approve a comprehensive drug patents law before the end of June. The US has given Argentina until then to recognize the inventor of a new drug has exclusive rights over its commercial use, or be subject to trade sanctions. Menem is the brother of Argentine President Carlos Menem. (All newspapers)

OFFICIAL PEGS CNG-POWERED VEHICLE FLEET AT 270,000 UNITS--Argentina now has 270,000 cars and trucks that use compressed natural

gas as fuel, and is adding 6,000 more each month, according to Guillermo A. Juan, president of the Association of Dealers for CNC Vehicles. He claimed CNG-powered vehicles have achieved the same reliability as those using diesel or gasoline fuels. (Ambito Financiero, p. 35)

COIN SHORTAGES FOR BUS TICKET MACHINES CAUSE TRANSIT CHAOS--A shortage of coins for newly-installed bus ticket machines has caused transit chaos in Buenos Aires and several other large Argentine cities. While the Central Bank claimed enough 5- and 10-centavos coins were in circulation to meet demand, average Argentines said they were unable to obtain them. Long lines of frustrated passengers at bus stops blocked city streets. Bus drivers were unable to make change under a new federal law that took effect Monday. The government wants drivers to concentrate only on conducting their vehicles. (All newspapers)

WEATHER IN KEY CITIES TODAY: Buenos Aires, clear, 13-21C (55-70F); Cordoba, partly cloudy, 13-21C (55-70F); Mendoza, partly cloudy, 10-24C (50-75F); Salta, cloudy, 16-24C (60- 75F); Ushuaia, rain, 4-7C (40-45F).

QUESTION OF THE DAY: Private bankers forecast Argentina's 74-billion-US-dlr external debt will increase to how much by the year 2000? Answer on Thursday.

Tuesday's question: When did the government authorize checking accounts in US dollars? Answer: November 1992. End

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Kenneth R Chitester (CHITESTER_K) (WHO)

CREATION DATE/TIME:19-MAY-1994 15:10:00.00

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

TO: Kathy McKiernan (MCKIERNAN_K) (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

TO: Joshua A. King (KING_J) (WHO)
READ: UNKNOWN

TO: Jonathan L. Kaplan (KAPLAN_JL) (WHO)
READ: UNKNOWN

TO: Mark Bousian (BOUSIAN_M) (WHO)
READ: UNKNOWN

TO: Emily A. Lenzner (LENZNER_E) (WHO)
READ: UNKNOWN

TO: Cara A. Levy (LEVY_C) (WHO)
READ: UNKNOWN

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
3:30 p.m. edition
Thursday, May 19, 1994
Produced by the Office of News Analysis (OEOP 162, 6
-7151)

Index of wire stories:

Clinton praises closer working relationship with India
(AP)
Clinton defends foreign policy (AP)
Clinton meets with India's Rao (UPI)
Clinton meets India's Rao in 1st Indian state visit
since 1987 (BBN)
 Clintons' thoughts with Jackie (UPI)
Clinton warns North Korea again on nuclear issue (Reu)
Oregon lawmakers criticize Clinton's refusal to end
draft (AP)
White House didn't seek formal Justice opinion on
Clinton immunity (AP)
Justice Dept. sends White House immunity material (Reu)
Clinton announces USIA appointment (AP)

Reno warns states of deadline for complying with voter law (AP)

Commerce's Brown says targeted sanctions for China possible (BBN)

FCC wants to make long

-distance calling easier from pay phones (AP)

Hints of compromise as Kennedy committee debates health reform (AP)

Kennedy moves to cut breakthrough drugs council (DJ)
House chairman proposes reduced funds for space station (AP)

Rostenkowski refuses comment on plea bargain (UPI)

US official says reactor fuel rod withdrawal now under way (AP)

US, Vietnam inch toward swapping diplomats (Reu)

Argentines fathom trade with the US (UPI)

US firms have billions at stake in Chinese human

-rights

battle (AP)

US wants allies to take in Haitian refugees (Reu)

US, Russia, Europe meet on Bosnia (Reu)

CNN Headline News (3.p.m.)

Onassis' lymphoma worsens; Clinton says his family thinking of her

States claim victory in safe drinking water act passage

AIDS now No. 1 killer of San Francisco men

Michigan initiative seeks to find AIDS cases of pregnant mothers

Clinton meets with Indian prime minister

Patients killed as Rwandi hospital shelled

PM

-US

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-577,880

Clinton Praises 'Closing Working Relationship' With India
EDs: Combines pvs; minor editing; no pickup

By RITA BEAMISH= Associated Press Writer=

WASHINGTON (AP) President Clinton today launched what he called "a very close working relationship" with India and said the United States is keeping an open mind on membership for India on the United Nations Security Council.

After meeting with India's Prime Minister P.V. Narasimha Rao, Clinton acknowledged the two nations have some differences, but chose to emphasize the positive aspects of "two democracies with a great future together."

Clinton announced he would send Energy Secretary Hazel O'Leary to India in July for talks on cooperation on renewable energy and he will dispatch Commerce Secretary Ron Brown in November to promote trade and investment ties.

Rao, joining Clinton at a news conference said he had invited the president to India and Clinton accepted. He characterized his meeting with Clinton, the first by an Indian prime minister since 1987, as "constructive useful and candid, as discussions between friends should be."

Clinton said differences remain on human rights and nuclear non

-proliferation, "but in the context of our common interests and common values, we believe they can be managed in a constructive way."

Referring to the long Cold War chill between the two countries and the tensions that have arisen more recently, Clinton said, "I have been disturbed by the apparent strain or limitation on the relationship between the United States and India."

On the touchy subject of India's nuclear program, Clinton was asked how far advanced he believed New Delhi's program is. He deflected it saying, "I think you ask the wrong person that."

The United States has proposed that both India and neighboring Pakistan cap their nuclear programs, but has received little encouragement from either country.

Nonetheless, Clinton said his discussions with India would not follow a course that would harm India's security for the sake of disarmament.

"No one should be asked to put their own security at risk to achieve that," he said.

Asked by an Indian reporter to clarify confusion about the administration's position on the Pakistan

-Indian fight over Kashmir, Clinton said, "The ultimate answer there is for these two great nations to get together and resolve that."

He reiterated the State Department's finding that there was insufficient evidence of Pakistani support for Kashmir

rebels to warrant putting Pakistan on the U.S. list of nations supporting terrorism.

But, he said, "there is still assistance by private parties in Pakistan."

Rao responded with a simple, "No," when asked if there were widespread human rights abuses in his country.

The United States has criticized India for persistent abuses by its security forces.

But Clinton summed up his talks with Rao, he said, "Today we began what I hope will be a very close working relationship."

Earlier, hundreds of people carrying signs outside the White House protesting India's policies in the Kashmir and Punjab regions demonstrated with marches and chants, including demands that India get out of Kashmir.

"India is the world's largest democracy by a long ways and a very important partner of the United States on many issues," Clinton said at a picture

-taking session at the beginning of the meeting.

He cited India's "very impressive rate of economic growth."

Clinton sidestepped a question on India's continued refusal to sign the Nuclear Non

-Proliferation Treaty long an aggravation to the United States.

"We'll have a chance to talk about a number of issues. We have a broad

-based approach," Clinton said. He cited other international nuclear agreements that are also important to the United States of which India has been more supportive, including a comprehensive ban on nuclear testing.

The U.S.

-Indian relationship "should grow and flourish and deepen," Clinton said. As a result of today's meeting, Clinton said, "I think we'll have a deeper and better partnership. I look forward to building on it."

Both governments have billed it as a chance to cast off their Cold War chill and more recent diplomatic strains.

"Neither of us today are burdened with any unnecessary legacy, and we can in a clearer light look at the commonalties and complementarities that link us," Rao said in a toast at a luncheon Tuesday hosted by Vice President Al Gore. He lauded "the enlightened leadership of this great country and ... our ever

-progressing relationship."

Congress also appeared anxious to help patch up relations with India, convening a joint meeting of the House and Senate on Wednesday, the first to hear a foreign leader during Clinton's presidency. The Senate began confirmation hearings Tuesday for Clinton's nominee as ambassador to India, Frank Wisner.

On Wednesday, the advocacy group Human Rights Watch issued a report lambasting India for ``a brutal police force whose resort to murder and torture has been sanctioned by the state as an acceptable means of

combating political violence" in Punjab.

The group also said ``disappearances, torture and extrajudicial executions have become endemic" in Kashmir.

Similar criticisms from the State Department's annual report on worldwide human rights practices are strongly resented by India.

The world's second most populous nation, with almost 900 million people, India has liberalized its economy and is now welcoming foreign business. The United States is its biggest trading partner.

PM

-Clinton,390

Clinton Defends Foreign Policy

WASHINGTON (AP) President Clinton defended his foreign policy today, rejecting a suggestion that strategy shifts on Bosnia and Haiti proved his administration had no clear global vision.

Asked if his foreign policy was ``ad hoc," Clinton answered, ``No." He stopped there for a moment, but then launched into a lengthy defense of his administration.

``If you want to say that this administration has not waged a magic wand and solved all the problems that I was given when I came to office, that's one thing," Clinton told a White House news conference.

``I continue to look for new solutions," he said of the turmoil in Bosnia and Haiti. ``When we look for new solutions when old solutions don't work does that mean we don't have a foreign policy? I dispute that."

Clinton said his administration has acted wisely in keeping to the No. 1 foreign and national security concern of any president ``the safety and security of the American people."

As examples, he cited the moves in Russia and other former Soviet republics to dismantle many of their nuclear weapons and to agree not to export sensitive weapons technology.

And Clinton said that while he would not bend from his refusal to send American troops into potential combat situations in Bosnia, he said the progress that has been made in the former Yugoslavia was largely because of U.S.

diplomatic and humanitarian efforts.

On other subjects, Clinton said he was committed to introducing a welfare reform measure this year and did not believe it would interfere with congressional consideration of his top priority, health care reform.

Clinton said there was a chance for both to pass this year, but he left a clear impression he expected the welfare debate to carry into next year.

The president declined to give any details of secret administration talks with the Chinese government, saying

it would be inappropriate because the talks are ongoing. Clinton must decide by June 3 whether to extend China's most

-favored

-nation trade status, and has been urging Beijing to make concessions on human rights issues.

Clinton said he would wait until the deadline to make his decision, which is widely expected to include some targeted sanctions against China but not a full revocation of status that grants it the lowest possible import tariffs.

(ED: Narasimha: nahr

-ah

-SEEM

-hah; Rao: rauw)

Clinton meets with India's Rao

WASHINGTON, May 19 (UPI) After meeting with India's Prime Minister P.V. Narasimha Rao, President Clinton is stressing the positive aspects of the ties between the world's two largest democracies. Clinton said remaining differences over human rights and nuclear proliferation issues "can be managed."

BC

-Clinton

-Meets

-India's

-Rao

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-Indian

Clinton Meets India's Rao In 1st Indian State Visit Since 1987

Washington, May 19 (Bloomberg) -- President Clinton met with Prime Minister P.V. Narasimha Rao today in the first visit from a Indian head of government since Rajiv Gandhi visited the U.S. in 1987.

Clinton praised India for its "sustained democratic record for many decades now" and said he planned to reopen ties and expand cooperation with India in the coming months.

He also said that he would keep an open mind on membership for India on the United Nations Security Council.

Rao characterized the meeting between the two as "extremely friendly" and invited the president to come to India at his earliest convenience.

Clinton also said that his Commerce Secretary, Ron Brown, will take a business mission to India in November. The U.S. is now India's largest trading partner, Rao said.

The two leaders said they didn't make any specific progress on the issue of nuclear and conventional arms proliferation, which is one of the U.S.'s chief concerns about India. -- Dina Temple

-Raston at the White House
(202) 434

-1884 /ba (For more on India, see NI INDIA. For more on the U.S., NI US. For more on Clinton, NI EXE. For

more on Asia, NI ASIA, ASIAX. For more trade news, NI TRD)
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86

Clintons' thoughts with Jackie

WASHINGTON, May 19 (UPI) President Clinton said Thursday he and first lady Hillary Rodham Clinton have been in touch with Jacqueline Kennedy Onassis in the last few days and their thoughts and prayers are with the family as the former first lady's condition appears to be worsening.

Speaking with reporters, Clinton said he was receiving "regular updates" on Onassis' condition since she terminated her medical treatment for a cancer of the lymph nodes.

Clinton revealed nothing further about what he has been told about Onassis' condition, adding, ``She has been quite wonderful to my wife and my daughter and to a

BC

-KOREA

-CLINTON

CLINTON WARNS N.KOREA AGAIN ON NUCLEAR ISSUE

WASHINGTON, May 19 (Reuter) - President Clinton said Thursday North Korea would be making a mistake to continue thwarting international nuclear inspection but declined comment on concerns it might be creating plutonium for bombs.

``I think it would be an error for North Korea to continue to thwart these inspections after they've agreed to comply with them," Clinton said at a news conference.

MORE

BC

-KOREA

-CLINTON

-2 WASHINGTON

But Clinton stepped back from a question about reports that North Korea may begun withdrawing spent fuel rods from nuclear reactors without international inspectors present, raising concerns it might convert the spent fuel into plutonium, the basic ingredient of nuclear bombs.

``I want to make sure I have the facts from the inspectors," he replied. ``When I know what the facts are, I will then make a statement about them."

North Korea has been at loggerheads with the world community for months about requests for U.N.

-sponsored
inspection of its nuclear facilities to ensure it is not secretly making weapons in violation of international accords.

REUTER

PM

-Clinton

-Draft

-Ore.,350

Oregon Lawmakers Criticize Clinton's Refusal To End Draft

By SCOTT SONNER= Associated Press Writer=

WASHINGTON (AP) Sen. Mark Hatfield and Rep. Peter DeFazio today criticized President Clinton's decision to continue draft registration despite the Pentagon's conclusion there is no risk to national security.

"The Selective Service System is one of the most poorly run agencies in the federal government and it has no military mission," said Hatfield, ranking Republican on the Senate Appropriations Committee.

Hatfield and DeFazio, D

-Ore., were among those who urged Clinton to end the draft outright.

But Clinton said Wednesday he followed the recommendation of his National Security Council in deciding it was essential to continue registration and the Selective Service System.

Clinton cited three reasons to keep the draft:

Draft registration serves as "a hedge against unforeseen threats and is a relatively low

-cost "insurance

policy' against our underestimating the maximum level of threat we expect our armed forces to face."

Ending registration now "could send the wrong signal to our potential enemies who are watching for signs of U.S. resolve."

As fewer people in the general population have direct experience with the armed forces and military life it is important "to maintain the link between the all

-volunteer

force and the society at large."

Hatfield said today continuing the draft is costing the federal government \$23 million a year.

"It's not an insurance policy as the president suggests. It's a black hole that drains taxpayer dollars," the Oregon senator said.

Hatfield and Sen. Bill Bradley, D

-N.J., introduced a

bill earlier this year that would end the draft and put the service in a standby mode at a cost of about \$5 million a year.

The Pentagon concluded in a report to Congress in early March that reinstatement of an actual draft is highly unlikely. "Consequently, peacetime draft registration could be suspended without irreparable damage to national security," the report said.

DeFazio said called the report the "first time in 14 years we've gotten a straight answer from the Pentagon that says peacetime draft registration has nothing to do with real defense needs."

AM

-Clinton

-Immunity,540

White House Didn't Seek Formal Justice Opinion On Clinton Immunity

By MICHAEL J. SNIFFEN= Associated Press Writer=

WASHINGTON (AP) The Justice Department has finished supplying the White House with research and commentary on past cases involving presidential immunity from civil suits, but was never asked for a formal legal opinion, Justice spokeswoman Julie Anbender said Thursday.

She denied earlier reports that White House Counsel Lloyd Cutler had sought a formal legal opinion on whether presidents can be sued over events that occurred before they took office.

The question could become the crux of President Clinton's defense against a sexual harassment suit filed by a former Arkansas employee.

"The White House never requested a formal written, legal opinion," Anbender said. Justice's "Office of Legal Counsel staff attorneys have provided the White House counsel's office with briefs and historical research on prior cases related to presidential immunity."

The Justice lawyers "provided some written commentary on those materials without rendering any opinion," Anbender added.

A department official, demanding anonymity, said the request from the White House counsel's office came several weeks ago, just before Paula Jones, a former Arkansas state employee, filed suit against Clinton.

Anbender said Justice never releases material prepared for its clients. Attorney General Janet Reno told her weekly news conference that under past practice the client, in this case the White House counsel's office, decides whether to release the material.

"We are done providing requested information for the White House counsel's office," Anbender said. But a department official, who declined to be identified by name, said research on the issue was still going on at Justice in case the department was asked by a judge to file a brief on the government's views.

Such a request is a real possibility, because there is relatively little case law on the issue. The Supreme Court ruled in 1982 that presidents cannot be sued in office or after leaving it for official acts as president.

But neither that nor any other case addresses suits based on events before the president was elected. One outstanding question is whether such suits would merely have to await a president's departure from office.

On Tuesday, Cutler said he is studying the case's

impact on the presidency, and defended the Justice research.

“There is an institutional aspect of the Paula Jones case relating to the presidency. And the circumstances under which it's appropriate for a court to subject a president to the distractions and time of defending a

complex, private law suit, and what that does to his ability to carry out his other duties,” Cutler said on CNN's “Larry King Live.” “That is an issue that I am looking into.”

In a related matter, he said it is a distinct possibility that a fund will be established to help President and Mrs. Clinton pay the cost of Jones' lawsuit and the Whitewater inquiry. “It is entirely legal,” Cutler said.

Jones alleges that Clinton made a sexual advance when he was governor of Arkansas. Clinton's private attorney, Robert Bennett, denied the accusation and has indicated he will try to block the lawsuit by arguing that a president should not be distracted by private legal action.

BC

-CLINTON

-HARASSMENT 1STLD

JUSTICE DEPT SENDS WHITE HOUSE IMMUNITY MATERIAL

(Eds: combines takes, adds details)

By James Vicini

WASHINGTON (Reuter) - The Justice Department said Thursday it sent to the White House requested information, but took no position, on whether a president can be sued for acts committed before taking office, a question raised by the sexual harassment lawsuit against President Clinton.

Spokeswoman Julie Anbender said Justice Department lawyers over the past few weeks have forwarded to the White House counsel's office legal briefs and historical research on prior cases regarding presidential immunity.

She said the lawyers provided some commentary on the materials, but did not render a legal opinion on whether the president can be sued for acts that occur before taking office.

Anbender said the White House never asked for a formal legal opinion on the issue, and that such an opinion would have been provided if requested.

Department officials said the White House requested the materials several weeks ago, before former Arkansas state employee Paula Jones filed her lawsuit alleging that Clinton as governor sexually harassed her three years ago.

The latest version by Anbender contradicted earlier accounts by Justice Department and White House officials that the request had been made this week and that the

White House wanted a Justice Department opinion.

Even Thursday morning, Attorney General Janet Reno said at her weekly news conference that the White House had asked for an opinion on the issue and that she did not know how long it would take to prepare one.

Clinton's lawyer, Robert Bennett, has called the lawsuit by Jones ``tabloid trash." He is expected to move shortly to have the suit dismissed by arguing that a sitting president cannot be sued while in office.

Department officials said attorneys in the office of legal counsel would continue to do legal research and analysis in case the government is requested to file a brief expressing its views in the Jones lawsuit.

Anbender was unable to say precisely when the Justice Department had completed sending the information to the White House. She said that as a matter of policy such information is not released.

Reno rejected suggestions that the Justice Department legal work would be turned over to Clinton's private lawyers. ``I don't know any reason why it would be given to Bob Bennett."

The Supreme Court ruled in a 1982 decision that a president cannot be sued for civil damages based on actions taken in office, partly because responding to such lawsuits would be a burden and distraction.

But the high court left unanswered the questions of whether and when a president can be sued for actions that occurred before taking office.

REUTER

AM

-Clinton

-USIA,100

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Clinton Announces USIA Appointment

WASHINGTON (AP) President Clinton plans to name Barry Fulton,

a career government information officer, to be associate director of the U.S. Information Agency, the White House said Thursday.

Fulton helped develop USIA's new Information Bureau and will be responsible for disseminating information overseas about U.S. institutions, the American people and the U.S. government, the White House statement said.

In a USIA career that began in 1968, Fulton has served in Pakistan, Japan, Italy and Belgium. He has been acting associate director of the Bureau of Educational and Cultural Affairs since 1992.

AM

-Reno

-Motor Voter, 450

Reno Warns States of Deadline for Complying With Voter Law
By MICHAEL J. SNIFFEN= Associated Press Writer=

WASHINGTON (AP) Attorney General Janet Reno urged 23 states Thursday to comply quickly with a new law easing voter registration. She promised to sue any that ultimately refuse to act.

Justice Department officials said 23 states have complied with the act and four are exempt.

The National Voter Registration Act, signed by President Clinton

a year ago this week, requires states to pass laws letting people register by mail, when they get or renew drivers licenses and at various state agencies.

The deadline for most states is Jan. 1, 1995.

"I applaud those states who are working hard to comply," Reno told her weekly news conference. "But many states still have much work to do."

"We will be in touch with state election officials and with attorneys general to offer our cooperation and to assure them that we want to work with them," Reno said.

"But for those states who ultimately do not comply, I will be prepared to take appropriate action that I'm authorized to take under the law to ensure compliance."

The law allows the Justice Department to sue in federal court to force compliance.

In a letter to all but the four exempt states, Assistant Attorney General Deval L. Patrick, head of the civil

-rights division, offered assistance. But he noted that "some state legislatures have adjourned for the year without adopting legislation" and others are considering bills attempting to take advantage of exemptions written for other states under other circumstances.

Justice officials said Minnesota, North Dakota, Wisconsin and Wyoming are exempt because they either had no voter registration or same

-day voter registration before the federal act was passed.

They said three noncomplying states are trying to claim exemptions: Idaho and New Hampshire by passing legislation that retroactively adopts same

-day voter registration and Kansas by trying to pass a bill to eliminate voter registration retroactively.

Two noncomplying states, New Mexico and Indiana, have adjourned their legislatures without adopting new

legislation and do not plan to reconvene until after the Jan. 1 deadline, the department said.

Three noncomplying states, Arkansas, Virginia and Vermont, may be allowed additional time to amend their state constitutions, Justice officials said.

The other 15 noncomplying states were identified as California, Illinois, Louisiana, Michigan, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina and Texas. The District of Columbia also has not complied.

The 23 complying states were identified as Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Iowa, Kentucky, Maine, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, Oregon, South Dakota, Tennessee, Utah, Washington and West Virginia.

BC

-Commerce's

-Brown

-Says

-Targeted

Commerce's Brown Says Targeted Sanctions for China Possible

Washington, May 19 (Bloomberg) -- U.S. Commerce Secretary Ron Brown said today that targeted sanctions could be part of a package that would permit China to have its favorable trade status renewed.

Speaking at the White House today, Brown said that it is difficult to evaluate the impact of targeted sanctions but "it is an option that is on the table," as President Clinton decides whether to renew China's most

-favored

-nation trading status before June 3.

Brown was not specific, but senior State Department officials have said one of the possibilities under discussion is to renew MFN for Chinese exports in general, except those exported by Chinese military companies, specifically, the People's Liberation Army's trading arm, NORINCO.

A year ago, Clinton gave China until June 3 of this year to show progress on liberalizing its human rights policies. If they didn't make the grade he said they could lose MFN.

President Clinton confirmed this morning that the United States was still discussing with China the renewal

of the status and no decisions had been made yet.

U.S. exports to China last year totalled some \$8.8 billion, while China exported some \$30 billion worth of goods to the U.S. Total trade between the U.S. and China increased by 65% in nominal terms from 1990 to 1992, according to U.S. government figures. -- Dina Temple

-Raston
at the White House (202) 434

-1884/mfr (For more on China:
NI CHINA; on the Clinton administration: NI EXE; on trade:
NI TRD; on the Commerce Department: NI COM) 13:00 13:00

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AM

-Pay Phones,475
FCC Wants to Make Long

-Distance Calling Easier From Pay
Phones

By JEANNINE AVERSA= Associated Press Writer=
WASHINGTON (AP) People would be able to make
long

-distance calls from pay phones without first dialing
access codes to reach their preferred long

-distance
company under a proposal regulators brought back to life
Thursday.

The Federal Communications Commission said it wants to
move forward on its plan, which would save consumers an
estimated \$280 million a year by avoiding the higher rates
often charged by operator service providers.

The operator service provider, listed on the front of
the pay phone in small print, carries a long

-distance call
if the caller doesn't have an access code to reach his or
her preferred long

-distance company.
In a previous interview, FCC Chairman Reed Hundt said

the plan underscores the new, consumer

-oriented direction
in which he is trying to steer the agency. Hundt took over
the FCC in late November.

The operator service provider's rates are generally

higher than an average of the big three long

-distance

companies' rates, in part because they include a commission that goes to the establishments where the pay phone is located, said Gary Phillips, an attorney in the FCC's Common Carrier Bureau.

The FCC estimated that its plan, which has been delayed for two years, would save operator service providers \$340 million a year in commissions to establishments.

But the proposal, which the FCC is seeking public comment on, faces substantial opposition from segments of the telephone industry.

To make the plan work, telephone companies would have to install equipment, which the FCC estimated would cost \$1.1 billion.

"Those costs would be passed on to consumers in higher rates," said Herb Linnen, a spokesman for AT&T Corp., which opposes the plan. "It is not necessary because customers have become accustomed to how to reach their long

-distance carrier of choice."

AT&T offers operator services on its own and has arrangements with independent operator service providers, the FCC said. The plan will "help to erode AT&T's advantages," said A. Richard Metzger, acting chief of the FCC's Common Carrier Bureau.

Pacific Telesis, which would have to install equipment, hailed the plan. "It's the best solution to give consumers a choice. Then they won't have to be a captive of the pay phone system," said spokesman Robert Stewart.

Attorneys representing the pay phone industry were unavailable to comment.

The FCC decided to gather more information before making a final decision, which could come early next year.

"The record is old and cold...but the benefits appear to outweigh the costs, said Hundt.

The FCC will make available its cost

-benefit analysis

of the plan for parties who wish to comment.

AM Health Reform,490

Hints of Compromise as Kennedy Committee Debates Health Reform

By NITA LELYVELD= Associated Press Writer=

WASHINGTON (AP) The first glimmers of bipartisan compromise on Sen. Edward M. Kennedy's health reform bill emerged Thursday as senators debated the thorny issue of who should decide what medical services will be covered.

Sen. Nancy Landon Kassebaum of Kansas, the ranking Republican on Kennedy's committee, had offered an

amendment that would take such decisions out of the hands of Congress by creating a commission to list specific benefits, subject to congressional approval.

"It seems to me that this ensures such a package will not only be technically sound but shielded from congressional tinkering," she said.

But she later withdrew her amendment in favor of voting instead on a compromise plan offered by Sen. Jeff Bingaman, D

-N.M.

Under Bingaman's proposal, Congress would come up with a list of benefits guaranteed all Americans. But six months before a health bill went into effect, a national health board would conduct an analysis of the benefits in the package.

The board would look at the costs of the benefits, the ability of the bill to control spending and its impact on the federal deficit.

If it felt it was necessary to prevent major, unexpected deficit increases, the board would make adjustments to the package. The adjustments would go into effect unless Congress passed a joint resolution disapproving them within 60 days.

The committee was expected to vote on Bingaman's proposal Thursday.

Kassebaum's proposal was based on a similar plan in the health proposal of Sen. John Chafee, R

-R.I. Several

Republican senators agreed with her that letting Congress decide benefits was simply asking for trouble.

Kennedy, whose bill builds on the president's and expands the benefits package, strongly disagreed, saying, "I think we have a real responsibility to the American people to let them know what is being covered, what is not being covered and how much it will cost."

"This is a central issue that's walked into people's living rooms and is staring them in the face," said Sen. Paul Wellstone, D

-Minn., who also argued Congress must make the decisions.

During the morning session, Democrats defeated, 10

-7,

an amendment by Sen. Dan Coats, R

-Ind., that would hold

off a vote on the Kennedy plan until the committee received estimates of its cost from the Congressional Budget Office.

The CBO has been backlogged, trying to do estimates for

a variety of health proposals.

When the House Ways and Means Committee met Thursday, Rep. Dan Rostenkowski, the chairman, complained about the slowness of CBO.

"I do not have a chairman's mark. I can't honestly tell you whether or when I will have one," said Rostenkowski, D

-Ill. "I'm frustrated as you are that we are working on an issue this important without fully developed cost estimates for all the different alternatives.

Kennedy Moves To Cut 'Breakthrough Drugs' Council

By Mary Agnes Carey
Dow Jones Staff Reporter
WASHINGTON

-DJ- Sen. Edward M. Kennedy has moved to eliminate President Clinton's "Advisory Council on Breakthrough Drugs" from the health care bill now pending before the Senate Labor and Human Resources Committee.

The Massachusetts Democrat who chairs the Senate panel has proposed an amendment that would eliminate the council from his bill to appease committee members Sen. Judd Gregg, R

-N.H., and Sen. Orrin Hatch, R

-Utah, The legislators were concerned that such a council would "inhibit needed research and development in biotechnology," Kennedy said.

Gregg said Kennedy's willingness to remove the breakthrough drugs council from his bill demonstrates "a significant number of members are very worried" about how such a council would affect capital formation and innovation in the biotech industry.

For months, pharmaceutical manufacturers have expressed concerns about the council, charging that it would seriously harm the industry's research and development of new drugs.

Kennedy wants to replace the breakthrough drugs council with a "medical technology impact program." The panel would assess "the impact of old, new, and emerging medical technologies on health care costs, social costs, and patient outcomes," according to Kennedy's proposed amendment.

Rep. Barbara Mikulski, D

-Md., who is co

-sponsoring the amendment, said it represents "a good compromise which improves the opportunity for new discovery in an area such as biotechnology that can cure diseases which are high in human suffering and high in medical cost."

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PM

-Space Station,400

House Chairman Proposes Reduced Funds for Space Station
By HARRY F. ROSENTHAL=

WASHINGTON (AP) The chairman of the House space committee said today he will submit a reduced budget to Congress that keeps space station funds intact, but eliminates one shuttle flight and delays some other programs.

Rep. George Brown, D

-Calif., who had been threatening

to withhold his support for the station if NASA's overall budget suffered a major cut, delayed a final decision until there is final action by the appropriations committee.

"While there is still some flexibility for the appropriators to do better by NASA," he told a news conference, "the situation is grim."

The subcommittee that handles NASA also allocates funds for federal housing programs and veterans, and Brown said its total allocation is \$350 million to \$500 million less than has been requested.

The new spending bill Brown will introduce in the next few days cuts \$290 million from the \$14.3 billion President Clinton had requested by reducing the shuttle flight rate to a maximum of seven a year, canceling a Spacelab mission, eliminating the start of a new Mars Surveyor program.

But he also added \$140 million in new items, which reduces the overall NASA cuts to \$150 million.

"The effect of this bill would be to give NASA a budget of \$14.15 billion," Brown said. "For those of you who have been asking where I draw the line on support for the space station, this is the line."

"With fewer resources than this, I will oppose the space station program in its current form either by reducing funding for the station or by killing it outright and redistributing those resources in other NASA

programs."

Brown has led the fight for the space station in Congress for a number of years and an abrupt reversal would probably swing enough votes to doom the \$30 billion program, on which more than \$11 billion already has been spent.

Even with his support, Brown estimated the chances for the station's survival only at 50

-50. It squeaked through on only a single vote in one roll call last year.

One of the leading opponents of the station, Rep. Dick Zimmer, R

-N.J. announced through his spokesman today that he will submit a spending proposal of his own that does not include funds for the station.

(complete writethru Rostenkowski refuses comment; Foley predicts no indictment, explains impact of felony charges on chairmanship)

Lawyers for Rostenkowski seeking plea

WASHINGTON, May 19 (UPI) Rep. Dan Rostenkowski, D

-Ill., refused to comment Thursday on published reports that his attorneys are trying to negotiate a plea bargain with federal prosecutors that could avoid a felony indictment against the powerful House Ways and Means chairman.

The talks could lead to Rostenkowski agreeing to plead guilty to a lesser charge, The New York Times reported Thursday. But at this point, lawyers told the newspaper, the government and Rostenkowski's lawyers are still far apart and the effort to reach an agreement could go nowhere.

In that case, Rostenkowski could be indicted by Memorial Day, the report said.

As Rostenkowski was leaving a Democratic caucus meeting to discuss the party's legislative agenda Thursday morning, he smiled, but refused to comment on the reported negotiations.

House Speaker Thomas Foley said at his daily press conference that he had no knowledge of whether the Illinois Democrat's attorneys are negotiating with Justice officials, but said he found the "alleged conversations...a little surprising."

He said he believes such discussions raise ethical questions about "the propriety of that sort of leakage."

"My position is that I don't believe Mr. Rostenkowski is going to be indicted. He's going to continue as

chairman," Foley said.

Rostenkowski, who has denied any wrongdoing, has been the subject of a two

-year investigation that focused initially on improprieties by House Post Office employees.

The probe later expanded to include allegations he misused his official House accounts and even paid Chicago employees for work they did not perform.

Avoiding a felony indictment is crucial to his maintaining his post as head of the House Ways and Means Committee, whose influence is seen by the Clinton administration as vital to help pass a health care reform bill.

Foley said if the chairman is indicted on a felony charge that carries a sentence of two or more years, he would have to relinquish his chairmanship to the next most senior member on the committee, Rep. Sam Gibbons, D

-Fla.

Under the scenario, Gibbons, a proponent of a Canadian

-style health care reform alternative to President Clinton's plan, would continue as chairman until the charges against Rostenkowski are either dismissed or lessened.

If Rostenkowski were charged with a misdemeanor, he would not be forced to step down immediately. But he still would be subject to censure by his colleagues, which could still lead to his surrendering his chair.

Lawyers involved in the case told the Times he might seek to improve his bargaining position in plea negotiations by offering to resign later in the year.

Attorney General Janet Reno refused to comment on the issue Thursday at her weekly news briefing. Reno would only say she is going to make sure that any Justice

Department action taken is in accordance with the law.

White House spokeswoman Dee Dee Myers also refused to comment Thursday. "It is a Justice Department matter," she said. "The White House has no involvement."

PM

-US

-Korea, 2nd Ld

-Writethru, a0555,600

U.S. Official Says Reactor Fuel Rod Withdrawal Now Under

Way

EDs: LEADS with 5 grafs to UPDATE with Clinton comments;
picks up 6th graf, The defueling...

By ROBERT BURNS= Associated Press Writer=

WASHINGTON (AP) U.N. atomic energy inspectors reported that North Korea has begun removing used fuel rods from a small nuclear reactor suspected of supplying plutonium for a nuclear arms program, a U.S. official said today. President Clinton urged North Korea to allow inspections of the facility.

North Korea last weekend stated publicly that it was going ahead with the reactor defueling process even though no agreement had been worked out with the International Atomic Energy Agency to have IAEA inspectors present at the reactor.

"They've started the process," said the official, who spoke today on condition of anonymity.

Clinton said he was briefed on the situation today by the Joint Chiefs of Staff. But he declined to confirm that the removal of fuel rods was under way, noting that IAEA inspectors had visited the reactor site this week.

Later, at a news conference, Clinton said he would not comment in any detail because he was awaiting a detailed report. But, he said, "I think it would be in error for the North Koreans to thwart these inspections after they agreed to comply with them."

The defueling is a normal event after a nuclear reactor has been operating for a lengthy period. The international concern over this stems from the fact that North Korea has balked at allowing the IAEA to verify that the used fuel rods which contain small amounts of plutonium are not diverted to a weapons program.

The IAEA wants to monitoring the defueling and to have its inspectors take samples from some rods in order to learn more about the disputed history of the experimental reactor.

North Korea contends its nuclear program is strictly for non

-military purposes.

The CIA has said there is a better

-than

-even chance

that fuel rods removed several years ago from the reactor provided enough plutonium to build one or two nuclear weapons.

Until today there had been no confirmation that the defueling was under way. The Washington Post reported in today's editions that North Korea's engineers are still at the early stage in the process of removing all the reactor's fuel rods.

Confirmation that the fuel rod removal had begun was relayed by atomic energy inspectors who visited the

25

-megawatt reactor on Wednesday, the U.S. official said.
Rep. Lee Hamilton, D

-Ind., chairman of the House Foreign Affairs Committee, said in a television interview today that it was too early to judge whether North Korea was diverting the withdrawn reactor fuel to a nuclear weapons program.

The fuel rods contain small amounts of plutonium, which is a key ingredient in nuclear warheads. It was unclear today whether the IAEA had any indication that North Korea has diverted the fuel rods it had withdrawn.

U.S. Defense Secretary William Perry has said that if North Korea diverted the fuel rods, or otherwise blocked adequate monitoring of the defueling process by international inspectors, the Clinton administration would push the U.N. Security Council to enact economic sanctions against the communist North Korean government.

David Kyd, a spokesman at the atomic energy agency's headquarters in Vienna, Austria, said today the inspectors had visited the reactor as well as a radiochemical laboratory suspected of processing plutonium for weapons use. Kyd said the inspectors had decided they would continue their work on Friday.

Kyd said the atomic energy agency intended to issue a public statement on the initial findings at Yongbyon today after consultations with Hans Blix, the agency's director. Until then the agency would have no comment on the defueling, Kyd said.

BC

-VIETNAM

-USA 1STLD (SCHEDULED)

U.S., VIETNAM INCH TOWARD SWAPPING DIPLOMATS

By Jim Wolf

WASHINGTON, May 19 (Reuter) - Vietnam and the United States have agreed in principle to send diplomats to each other's capitals as the next step toward normal relations, a senior Vietnamese official said Thursday.

Le Van Bang, Vietnam's ambassador to the United Nations, told reporters he expected the diplomats to open projected "liaison" offices in Washington and Hanoi within the next three months.

Between 10 and 20 envoys will be involved in the exchange, Le Bang said.

He said he had agreed on the staffing level at a meeting Wednesday with James Hall, director of the State

Department's office of Vietnam, Laos and Cambodia affairs.

Le Bang made his remarks at a business conference attended by the first big Vietnamese delegation to visit the United States since President Clinton lifted a 19

-year

-old trade embargo on February 3.

The two sides have been negotiating details of the offices since shortly after Clinton proposed them when he scrapped the trade ban.

At issue has been their size, status and such matters as whether they will fly national flags. In separate but parallel talks, the two countries have been working out a comprehensive settlement of wartime financial claims.

The opening of the offices, which is subject to an exchange of protocols, would be an important step toward the normalisation of relations.

But the United States has linked the establishment of full diplomatic ties to continued Vietnamese cooperation in tracing the fate of the 2,233 U.S. servicemen missing in Indochina, 1,642 of them in Vietnam.

Le Bang said the liaison office in Washington would make it easier to do business with Vietnam by issuing visas and acting as a kind of clearing house for information on opportunities. It would not be a full

-fledged embassy.

Asked whether he expected the exchange of diplomats within months or weeks, Le Bang replied: "I think months. One month, two months, three months."

The State Department had no immediate comment, but a department official said some details had still not been settled. Among these is when the Vietnamese will be allowed to move into the former South Vietnamese embassy in Washington.

Le Bang said Hanoi eventually planned to move its diplomats into the embassy, which he said he had just toured as part of preparations for moving to Washington, where he is expected to head the Vietnamese office.

The handover of the former South Vietnamese embassy is being worked out as part of a deal that would involve the simultaneous return of the former U.S. embassy in Saigon, now known as Ho Chi Minh City.

Communists seized the U.S. embassy moments after helicopters plucked fleeing Americans and Vietnamese from its roof in April 1975.

Le Bang said he expected the liaison offices initially to be housed in temporary premises in Washington and Hanoi.

Deputy Prime Minister Tran Duc Long told the business

conference that Hanoi was anxious to bury the hatchet from the war, which ended in 1975 with the Communist takeover of Saigon and the unification of Vietnam with Hanoi as capital.

"Let bygones be bygones and look into the future -- that is the wish of the government of Vietnam," said Tran Duc Long, who is expected to meet Secretary of State Warren Christopher Friday before taking his investment

pitch to business conferences in New York and San Francisco.

He said Vietnam was seeking billions of dollars in foreign capital, as well as what he called "dynamic and modern U.S. managerial skills" to help meet its ambitious growth targets.

Vietnam is aiming to more than double the 1990 per capita Gross Domestic Product by 2000, he said. That would put it in the neighbourhood of \$500 a year, since GDP is starting from a very low base.

REUTER

REUTER

Argentines fathom trade with the U.S.

By JORGE A. BANALES

WASHINGTON, May 19 (UPI) Argentine officials and diplomats huddled Thursday for a two

-day session to

discuss ways to overcome the soaring trade deficit with the United States, the Argentine Embassy reported.

Argentina, ranking 23 among 228 U.S. trading partners, recorded a \$2.56 billion deficit in merchandise trade in 1993, according to the Office of the U.S. Trade Representative. The U.S. share of Argentine imports was 22.8 percent.

The overall trade deficit imbalance with the United States shot up by 132.3 percent in the first two months of 1994, contributing to a \$1.11 billion deficit in Argentina's foreign trade, an almost ninefold increase over the same period last year, according to the Argentine census bureau.

Ambassador Raul Granillo is chairing the gathering of all Argentine consuls and trade officers in the United States. The Deputy Secretary for Foreign Trade Marcelo Avogadro also is attending the meetings at the Argentine Embassy.

"Although Argentine exports to the United States show some improvement in recent months, it is obvious that Argentine exports face a major challenge to close a substantial portion of the trade gap," the Embassy said.

"The United States comprises a number of regional markets, each one with its own climate, industrial base, and cultural preferences that have an impact on what can

be, and cannot be sold," the embassy report said.

Early in May, Argentina's Economy Minister Domingo Cavallo stated that the trade deficit "does not constitute a problem" for Argentina because it was caused by the importation of capital goods, which produce more investments.

"The increase in imports does not constitute a problem if it helps to increase our productive capacity," Cavallo told journalists in Buenos Aires.

Argentine trade officials identified fishing, fruit and vegetable produce, concentrate juices, wines and processed foods as the most promising items to promote for import in the United States. Also mentioned were construction materials, and auto parts.

The officials are also discussing ways to encourage U.S. investment in Argentina, and the Embassy mentioned without adding details "recent investments by Nabisco Brand Inc., DeKalb Genetics Corp., Philip Morris, CPC International, Kraft General Foods, which are helping to develop the industrial and exporting capacity" of the country.

A country of 33.1 million with a gross domestic product per capita of \$6,900 and an average GDP growth rate of 5.87 percent between 1989 and 1992, Argentina has seen foreign investment growing in the same period from 1.82 percent to 3.33 percent of its GDP.

Since 1989, Argentina has curtailed subsidies to domestic industrial production, abolished most price controls, outlawed restrictive practices and regulations impeding access to the Argentine market, and launched a fast

-moving privatization program.

Argentine tariffs were reduced from an average of 22 percent to just over 10 percent in 1993, and the maximum tariff was lowered from 40 percent to 20 percent.

President Carlos Menem's administration abolished import

-licensing requirements and most quantitative restrictions on imports. Argentina signed a bilateral investment treaty with the United States, and joined the General Agreement on Tariffs and Trade's subsidies code in 1991.

"Inadequate protection of intellectual property rights remains a serious problem," according to the USTR.

AM

-China Lobbying, Bjt,880

U.S. Firms Have Billions at Stake in Chinese Human

-Rights
Battle

By JIM DRINKARD= Associated Press Writer=

WASHINGTON (AP) In early May, eight members of Congress gathered for lunch to hear Australia's ambassador explain how his country divorced its worries about human rights in China from its trade policy.

Ambassador Donald E. Russell said his country has sent human

-rights delegations to China to satisfy domestic political concerns. And he passed along a veiled warning from the Chinese ambassador: ``You can only shoot the hostage once." Translation: If the United States plays its trade card, it will have no leverage left with Beijing.

President Clinton must decide by June 3 whether to cut off or continue China's most

-favored

-nation trade status.

That decision could mean hundreds of millions of dollars in trade to big U.S. manufacturers like AT&T, IBM, Caterpillar and Boeing and to lobbies like the Fertilizer Institute, which sponsored the luncheon.

American business lobbyists have been working overtime for months to create a political climate in which the president will feel safe in extending China's normal trade status for another year or longer.

``They're all over the Hill," said Rep. Nancy Pelosi, D

-Calif.,

a leader of those who see MFN as the only meaningful U.S. leverage on China's human

-rights behavior. ``They're schmoozing breakfast, lunch and dinner."

On Capitol Hill, efforts like the May 4 luncheon have paid off. This week 106 House members 50 Democrats and 56 Republicans put their names on a letter to Clinton urging him to address human rights in China through a bilateral commission, and abandon use of U.S. trade policy as a lever.

House Foreign Affairs Committee Chairman Lee Hamilton, D

-Ind., urged Clinton to break the linkage between trade and human rights in a May 10 speech a public statement business lobbyists had urged him to make.

``It has been shoe leather," said Calman Cohen of the Business Coalition for U.S.

-China Trade, which has been coordinating much of the lobbying attack. "We have done everything we could to explain the situation."

Other lawmakers have been making similar appeals privately to the White House. Many are suggesting creating a human

-rights commission on the Australian model as an alternative to addressing problems like China's treatment of dissidents and its use of prison labor, without getting in the way of commerce.

The aim is to show Clinton a political escape route from the policy he announced a year ago. Then, he extended MFN on condition that China make "overall significant progress" in human rights, as measured by seven specific standards. Human

-rights groups argue that little progress has been made, and that MFN should be denied or restricted.

A couple of changes have made the lobbyists' job easier.

In the past the Democratic Congress had sought to make it politically dangerous for a Republican president George Bush to maintain open trade in the face of China's human

-rights failures. Now the effort is to make it politically safe for Clinton, a Democrat.

Critics of MFN such as Pelosi and Senate Majority Leader George Mitchell, D

-Maine, have held their fire until recently, leaving the field open to business lobbyists.

"The whole game is to convince the president that if he does de

-link, he won't be alone," said one senior

corporate lobbyist.

Also eclipsing human rights as a worry has been North Korea's nuclear weapons program, which makes cordial relations with Beijing more important.

Members of the business coalition have targeted congressional delegations in states where they have an important presence. Fertilizer interests have tackled Florida lawmakers, for example, because that state is the source of most of the phosphate exported to China. Grain growers have homed in on farm

-state lawmakers. Automakers have hit states where they have plants.

The group includes major corporations such as McDonnell Douglas, Boeing, Caterpillar, AT&T and IBM, as well as the National Association of Manufacturers and the U.S. Chamber of Commerce.

Other corporations, including Arco, Pfizer, General Electric and Salomon Brothers have revived the cooperation they used to help sell the North American Free Trade Agreement last year.

"We are a California company with interests in Colorado and Texas," said Arco's Jerry Pruzan. "We have seen and talked to virtually every single member of those delegations." At stake for Arco are billions in investments in China, including a huge gas pipeline now under construction.

At the same time, business has engaged in a form of "reverse lobbying" helping the White House convey its human

-rights concerns back to the Chinese, and coaching Beijing on moves it might make to assure trade remains open.

The Chinese themselves have lobbied actively, as well.

The embassy in Washington hosted a small group of senior congressional aides at an uncommon dinner earlier this year to underscore how rapidly Chinese culture has changed in recent years. The underlying message: The United States is being impatient and trying to force change more rapidly than is possible, according to one participant.

Another recent boost came from a Congressional Research Service study that estimated the cost to the U.S. economy of ending China's normal trade status of upwards of \$10 billion a year. The study, however, ignored other conclusions, including that ending MFN "would have only a small overall effect on the U.S. economy" and that some U.S. industries would benefit from lessened competition from China.

BC

-HAITI

-USA

U.S. WANTS ALLIES TO TAKE IN HAITIAN REFUGEES

WASHINGTON, May 19 (Reuter) - The United States is asking its allies, several of whom have ties to Caribbean

nations, to take in Haitian refugees, the White House said Thursday.

"We want them to help," said White House spokeswoman Dee Dee Myers. But she did not say if any of the countries contacted agreed to the U.S. proposal.

U.S. officials said that Britain, France and Canada

were among the countries approached so far by the United States to take in refugees Florida officials fear will arrive in droves following a change in U.S. immigration policy.

President Clinton bowed to pressure from the Black Caucus in Congress and others in softening U.S. policy toward those fleeing Haiti.

The United States has chartered two Ukrainian

-registered cruise ships for interviewing Haitian refugees. U.S. policy is to allow immigration only to those who can show they are fleeing political persecution.

Clinton recently said Haitian boat people picked up at sea would no longer be sent back without such asylum hearings, which he said could take place on ships at sea. But he said it would take several weeks to implement the new policy, and in the meantime Haitians are still being turned back.

A British embassy spokesman said Clinton called British Prime Minister John Major Monday to ask for the help in establishing a centre in the Turks and Caicos islands, which has British ties, to process the refugees.

"The prime minister responded that he understood the importance of the president's request and would give the matter careful consideration in consultation with the Turks and Caicos government," the embassy spokesman said.

The processing centre would allow U.S. authorities to interview Haitian refugees to determine whether they qualified for political asylum.

The Turks and Caicos are a chain of about 30 islands near the southeast end of the Bahamas. Only six of the larger islands are inhabited and officials said the U.S. request had not centred on a specific location.

Myers compared the Haitian refugee situation to the Vietnamese who fled that country and were taken in by a number of countries in addition to the United States.

REUTER

BC

-YUGOSLAVIA

-USA (SCHEDULED)

U.S., RUSSIA, EUROPE MEET ON BOSNIA

By Carol Giacomo

WASHINGTON, May 19 (Reuter) - U.S., Russian and European officials, trying to hold a common front as they struggle to end the Balkan war, met Thursday to craft peace options for new negotiations with Bosnia's fighting factions.

The meeting was to put flesh on proposals by the foreign ministers of the major powers who agreed last

Saturday in Geneva to join in a last

-ditch peace effort.

They called for a four

-month truce and new negotiations
between the parties.

As the so

-called ``contact group" met at the State
Department, urgent diplomatic efforts were under way
elsewhere to end the two

-year conflict, with dire warnings
to the fighting factions if they did not cooperate.

A further foreign ministers meeting was announced for
June 13, preceded by peace talks in France among the
factions. France is threatening to pull its peacekeepers
out of Bosnia unless there is progress toward peace.

A senior U.S. official, who declined to be identified,
said that at Thursday's meeting, U.S., Russian and European
representatives would ``go over the territorial issues to
develop our own stable of ideas" to present to the
factions.

He acknowledged that it was unclear if Serbs and
Moslems were yet ready for a negotiated settlement of
their war.

``We need to see if we can't have the most common
front possible among ourselves in terms of what generally
needs to be done for an acceptable solution," he said.

Unlike past negotiations ``where everyone said the
parties must produce ideas (for a settlement and
territorial division of Bosnia), we're going to play the
catalytic role ... presenting our ideas to each of them,"
he said.

The aim is to persuade the Bosnian factions to stop
fighting and accept a partition giving Serbs control of 49
percent of the country and Moslems and Croats the rest.

The contact group is due to hold new peace talks with
the Bosnians factions next week and the official said all
factions were expected to attend.

He noted that Moslems, Croats and Serbs have in the
past put forward many suggestions for a deal and now the
contact group ``will see if we can repackage them, combine
them in different ways, do something to them that hasn't
been done before that might make them more acceptable."

He said he did not expect the group to put forward a
specific proposal or even a series of proposals when it
meets the Bosnian factions next week.

Instead, he said the group would focus on key
territorial issues -- western Bosnia, eastern Bosnia and
the northern corridor.

Pressure was intensified by France's threat to begin
withdrawing peacekeepers and the announcement of the June

13 foreign ministers meeting in Geneva.

Britain said the rival factions had about eight weeks to reach a settlement or face a relapse into full

-scale

war and withdrawal of U.N. troops and aid.

REUTER

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:21-JUL-1994 13:15:00.00

SUBJECT: 1994-07-20 OVP Wire REport

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

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

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

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: UNKNOWN

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

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

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

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

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

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

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: UNKNOWN

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

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TEXT:

===== ATTACHMENT 1 =====

ATT CREATOR: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)

ATT CREATION DATE/TIME:20-JUL-1994 11:24:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: Wire Report for 7/20

ATT TO: GILL_J (GILL_J@A1@CD)
READ: UNKNOWN

ATT TO: Beth P. Alpert (BETH P. ALPERT@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Dennis W. Alpert (DENNIS W. ALPERT@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Sally J. Aman (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Michael J. Burton (MICHAEL J. BURTON@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Todd J. Campbell (TODD J. CAMPBELL@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Michael A. Gill (MICHAEL A. GILL@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Albert Gore (ALBERT GORE@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Skila S. Harris (SKILA S. HARRIS@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Elaine C. Kamarck (ELAINE C. KAMARCK@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Thurgood Marshall Jr. (THURGOOD MARSHALL JR.@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Bill Mason (BILL MASON@GORE-DC@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Mary M. Overbey (MARY M. OVERBEY@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Jack M. Quinn (JACK M. QUINN@EOP_OVP@CCGATE@EOPMRX)

READ: UNKNOWN

ATT TO: Gregory C. Simon (GREGORY C. SIMON@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: David M. Strauss (DAVID M. STRAUSS@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Lorraine A. Voles (LORRAINE A. VOLES@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

ATT TO: Anthony T. Wilson (ANTHONY T. WILSON@EOP_OVP@CCGATE@EOPMRX)
READ: UNKNOWN

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

ATT TEXT:

Message Creation Date was at 20-JUL-1994 11:24:00

===== END ATTACHMENT 1 =====

===== ATTACHMENT 2 =====

ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:20-JUL-1994 11:25:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

The following attachments were included with this message:

TYPE : FILE
NAME : 4jul20

===== END ATTACHMENT 2 =====

===== ATTACHMENT 3 =====

ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:20-JUL-1994 11:25:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

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Washington commemorates 25th moonwalk anniversary
Chretien says NAFTA to be on agenda at Miami summit
Wilder is wild card in key Senate race
Gore's old friend stars in "The Client"
Loose security in Argentina may have lead to attack on
Jewish Center

(UPI Spotlight)

Gore: goal still universal health care

WASHINGTON, July 20 (UPI) Vice President Al Gore says (Tuesday) President Clinton's goal in health care reform is still universal coverage, although remarks by Clinton to the nation's governors Tuesday are viewed as a retreat from that pledge. Gore told CNN the administration may have to start with "something less" than universal coverage.

U.S. Vice President Al Gore meets with Prime Minister Chretien and other top Canadian officials today in Ottawa. Among the topics for discussion are several divisive trade issues, including durum wheat and Pacific salmon. The two leaders also will prepare for the Summit of the Americas, scheduled to be held in December in Miami. Gore also plans to attend a ceremony at the Peacekeeping Monument.

-19-

Security is being tightened at the Canadian embassy in Moscow after the Canadian ambassador to Russia received a death threat. Officials say Ambassador Jeremy Kinsman and U.S. Ambassador Thomas Pickering have received death threats, most likely from Middle East terrorists. An embassy official says extra precautions are being taken, but would NOT elaborate.

-19-

(DETROIT)The U-S Secret Service says a Canadian counterfeiting ring is spreading false wealth in Detroit and other cities by passing fake 100 dollar bills. Last week the agency seized 92-hundred dollars in high-quality bogus bills, and since January, about 60-thousand dollars has been seized. The bills also are being circulated in Toronto and Montreal.

-19-

Reform leader Preston Manning ventured into Quebec yesterday on a publicity tour. Manning, whose party counts only about 200 members in Quebec, promised Reform would

represent its Quebec constituents even if the province separates. Manning says he understands that Quebecers might NOT support the party because it opposes federal bilingual policies, but that Quebecers are concerned about the same larger issues such as government overspending and improving the criminal justice system.

-19-

A Toronto area girl, who was allergic to nuts, died Friday after eating a jam sandwich she made using a knife with traces of peanut butter on it. 14-year-old Carrie Gordon was with 22 students on a canoe trip near Algonquin Park when she fell ill. Counselors tried desperately to save her as she struggle to breath, one even performed an emergency operation on her throat, but she died in minutes.

-19-

Hundreds of volunteers are combing a dense forest in Saskatchewan to find an eight-year-old girl who disappeared nearly five days ago. Ashley Krestianson became lost while she was out walking near where her family was camping in Tisdale, east of Saskatoon. Police say they've found evidence the girl is still alive. Four planes, a helicopter and dogs are also being used in the search.

-19-

By Amy Worden (UPI)

(PR: Jean Chretien: ZHAN' KRAY'-tee-ehn)

Gore arrives in Ottawa for trade talks

OTTAWA, July 19 (UPI) U.S. Vice President Al Gore arrived in Canada's federal capital Tuesday to discuss ongoing trade disputes and international issues with Prime Minister Jean Chretien and other officials.

Gore and his wife, Tipper, were greeted by Deputy Prime Minister Sheila Copps who praised the vice president as a "visionary on the environment and human development."

Copps, who is Canada's environment minister in Chretien's Liberal government, said Gore and his wife were an "inspiration" for Canadians.

Gore, here to discuss the continuing trade differences over grain exports and Pacific salmon fishing, also is expected to discuss the Haitian crisis with Chretien and members of the government.

The vice president said he was visiting Canada to affirm the "very deep feeling of the people in the United States for Canada as a good neighbor, a courageous ally and a dependable friend."

Gore told the welcoming party at the airport that President Clinton is determined that the "already

exemplary" bilateral ties between the United States and Canada grow stronger.

BC-Gore,-Chretien-Make-Little-Headway-on Gore, Chretien Make Little Headway on Bilateral Trade Disputes

Ottawa, July 19 (Bloomberg) -- Prime Minister Jean Chretien and U.S. Vice President Al Gore made little progress in talks today on bilateral trade disputes over durum wheat and salmon.

Chretien and Gore met at the prime minister's parliamentary office this morning, ostensibly to plan a scheduled December summit of North American and Latin American government leaders in Miami.

The two also discussed ongoing tensions in the former Yugoslavia and Haiti. However, it has been the specter of U.S. trade sanctions on Canadian wheat exports that has received the most media attention.

Speaking to reporters after the talks, Gore said the two "touched upon" the grain dispute. "This is one that many U.S. farmers feel particularly strongly about ... but it's one that's going to be worked out by the negotiators".

Gore recently helped end a Canadian C\$1,500 (US\$1,080) licensing fee on U.S. salmon trawlers off the British Columbia coast with the promise the U.S. would aim to better conserve salmon stocks and agree to reduce its catch.

Asked if any progress was made on setting a limit on the U.S. salmon catch, he replied: "I'm not a salmon negotiator".

Yesterday, the U.S. International Trade Commission formally recommended President Clinton impose sanctions on Canadian wheat exports, even as 20 members of Congress met with U.S. Trade Representative Mickey Kantor and Agriculture Secretary Mike Espy to press for such restrictions.

None of the commissioners opposed setting curbs on wheat shipments from Canada that exceeded a certain level -- with a cap ranging from between 18 million to 33 million bushels.

Canada, however, has said it would only agree to a limit of about 91 million bushels a year, not far off its peak exports in 1993 of 95 million bushels.

Kantor and Canadian negotiators are to meet July 27 in a last-ditch attempt to reach agreement on the dispute. -- William J. Willits in Ottawa and Roger Runnigen in Washington (202) 434-1837, through the New York newsroom (212) 318-2300 /hsa (Story illustration: For a six-month

chart on spring wheat prices in Minneapolis: NWU4
Cmdty> GP. For a menu of commodity news: BBN2; For grain
news: NI GRN. For trade news: NI TRD. For more Canadian
news: NI CANADA) 14:23 -0- (BBN) Jul/19/94 14:24 EOS (BBN)
Jul/19/94 14:24 86

BC-CANADA-GORE

GORE PATCHES FRAYING TRADE RELATIONS WITH CANADA

By Robert Kozak

OTTAWA (Reuter) - Vice President Al Gore tried to patch up fraying trade relations between Canada and the United States on Tuesday, saying a dispute over Canadian wheat exports was only a small flap in a stable relationship.

"You can't possibly have trade flows as large as the ones between our two countries without having disputes from time to time," Gore said after meeting with Canadian Prime Minister Jean Chretien during a five-hour visit to Ottawa.

The meeting came just days after a ruling from the U.S. International Trade Commission that Canadian wheat shipments were harming U.S. farm programs. Exports of Canadian wheat into the United States have surged after last year's crop losses due to floods in the Midwest.

Washington may impose import quotas and tariffs on Canadian wheat, and Canada has threatened to retaliate if the United States imposes sanctions.

"This is one that many U.S. farmers feel particularly strongly about," Gore said. "It is one that is going to be worked out by the negotiators."

Top U.S. and Canadian trade negotiators will meet July 27 for further talks on the wheat dispute.

"The ball is very squarely in the U.S. court," Canadian Minister of Agriculture Ralph Goodale said in Chicago.

Gore was also laying the groundwork for a meeting of the hemisphere's 34 democratically elected leaders, to be held in Miami in December.

Television reports said Gore also was making plans for a visit by President Clinton to Canada later this year.

Gore said he hoped a settlement could also be reached in the dispute between Canada and the United States over salmon fishing off the Pacific coast.

Gore had been instrumental in getting the two sides back to the negotiating table after talks broke down and Canada started charging a fee on every U.S. fishing boat entering its Pacific waters.

Gore had promised Washington would go back to the negotiating table if Canada lifted its license fee and gave assurances the United States was prepared to address Canadian concerns.

Canada says U.S. boats have overfished salmon stocks spawned in British Columbia's rivers and says Americans caught C\$65 million (U.S. \$47 million) more Canadian-bound salmon than Canadians caught in U.S.-bound salmon last year.

Canada wants U.S. boats to stop overfishing to preserve the stocks. Talks on 1994 harvest quotas stalled in May.

Trade in general between Canada and the United States is huge. Government agency Statistics Canada reported imports to Canada from the United States reached a record C\$12.48 billion (\$9.04 billion) in May.

Exports from Canada to the United States were C\$14.14 billion (U.S. \$10.2 billion) in May, the second highest total on record.

REUTER

BC-SPACE-MOON (SCHEDULED)

WASHINGTON COMMEMORATES 25TH MOONWALK ANNIVERSARY

By Deborah Zabarenko

WASHINGTON (Reuters) - Twenty-five years after American men first walked on the moon, the White House prepared Wednesday to honor the astronauts who did it, and NASA's chief pointed to a new course for space exploration.

President Clinton, first lady Hillary Rodham Clinton and Vice President Al Gore were slated to attend an afternoon ceremony commemorating the July 20, 1969 Apollo 11 mission by Neil Armstrong, Edwin "Buzz" Aldrin and Michael Collins.

All three astronauts were to take part in the ceremony in the White House East Room, and later to attend a reunion dinner at which Gore was to speak.

The occasion comes in the middle of International Space Week, which has prompted celebrations around the United States and also coincides with a six-day astronomic event: the violent death of the 21 fragments of Comet Shoemaker-Levy in fiery collisions with Jupiter.

On the eve of the anniversary, Dan Goldin, head of the National Aeronautics and Space Administration, said he hoped no sweeping new initiatives in space exploration would be announced to coincide with the celebrations.

Speaking Tuesday at a conference on the future of space exploration, Goldin said the U.S. space program went into a lull after the Apollo program, and would not fully recover until the American people indicated a strong commitment to exploring other worlds.

"We are not going to do anything the American people don't want to do," he said. "If America is in the intellectual doldrums, NASA will reflect that."

The motives for space exploration are necessarily different now than when the Apollo astronauts flew in a deadly serious "race for space" against the Soviet

Union.

"We did Apollo to beat the Russians, not for science," Goldin said.

As a former aerospace executive who worked extensively on the 1980s "Star Wars" program, Goldin has dedicated his tenure at NASA to retooling that agency's bureaucracy, working more closely with the corporate world and with other nations and with cutting costs.

One way to achieve these ends has been to limit the number of humans on space flights; unstaffed satellites and probes and robots are more in tune with the straitened times, Goldin said.

Before any more humans go back to the moon or to any other planet like Mars, Goldin said four conditions must be met: humans must know how to live efficiently in space; the effort must be international, rather than unilateral; new technologies must be found that will keep costs low; and precursor missions must be successfully completed with robots.

Astronomers in and out of NASA have said there is little chance of sending humans back to the moon before 2020.

REUTER

Nafta To Be On Agenda At Miami Summit, Chretien Says

OTTAWA -DJ- Canadian Prime Minister Jean Chretien said the proposed Summit of the Americas will provide an opportunity to discuss the possibility of other countries joining the North American Free Trade Agreement.

Chretien made the comments following a meeting with U.S. Vice-President Al Gore who was in Ottawa to discuss the upcoming summit, which is to be held in Miami in December.

"Free trade will certainly be a part of the debate in Miami," Chretien told reporters.

He said Canada has received indications from several Caribbean and South American countries that they are interested in joining Nafta, which includes Canada, the U.S. and Mexico. The summit "will be an occasion to discuss with them the conditions that might be needed to qualify," Chretien said.

"We are of the view that (the agreement) has to be expanded," he said. "That's the way of future because Europe will have a bigger common market in a few years."

Chretien emphasized that no country will be able to join the pact without the approval of all three Nafta partners. "The Miami summit will give an occasion to discuss that and to discuss the conditions that will be needed for anyone to qualify to be part of Nafta," he said.

Chile is widely considered to be the first country eligible to join Nafta, a pact which is aimed at eliminating tariffs and other trade barriers.

Gore told reporters that U.S. and Chilean trade negotiators are currently studying ways to expand the trading relationship between the two countries. He said it was "premature" to discuss the details.

He added that the U.S. favors expanding the free trade agreement to include the entire western hemisphere. "That may take a long time but we want to work in that direction," Gore said.

The two leaders said they also discussed various trade disputes between Canada and the U.S., including durum wheat and salmon.

Gore plans to meet with other government leaders that have been invited to the Miami summit.

(END) DOW JONES NEWS 07-19-94

2:22 PM

BC-USA-POLITICS VIRGINIA (NEWS ANALYSIS, SCHEDULED) WILDER IS WILD CARD IN KEY VIRGINIA SENATE RACE

By Alan Elsner, Political Correspondent

RICHMOND, Va (Reuter) - Former Virginia Governor Douglas Wilder is writing a new chapter in America's most notorious political feud by challenging his fellow Democrat, Senator Charles Robb, in a crucial mid-term election.

The result could be fateful for President Clinton. There is a chance that the Republicans will win the seven seats they need to take control of the Senate in the November 8 elections, and winning Virginia would be an important step in that direction. Thirty-four Senate seats are up for grabs.

Last week, Vice President Al Gore asked Wilder to step aside so that Democrats could unite behind Robb to defeat Republican nominee Oliver North and the fourth man in the race, former Virginia Attorney General Marshall Coleman.

Wilder refused.

"The question has no premise. I'm in the race, and I'm staying in," Wilder told Reuters in an interview. "If I thought any of the others was an effective representative of the state, why would I be running?"

Many would say Wilder is motivated above all by his dislike of Robb, a charge he vehemently denies. Yet, there is no doubt of the bad blood between them.

Wilder, 63, the grandson of slaves, worked his way to the top in conservative, mostly white Virginia, the state that was the heart of the Confederacy. In 1989, he became the first black ever elected governor of any U.S. state.

One of 10 children born to poor parents in Richmond, Wilder was educated in Richmond public schools and waited on tables to work his way through college.

Robb is the son-in-law of the late President Lyndon Johnson. With good looks and a glamorous wife, it all

seemed to come easily to him. First he became lieutenant governor of Virginia, then governor, then senator. He was once spoken of as a potential presidential candidate until personal scandals involving drug parties and nude massages by a beauty queen killed those aspirations.

The origins of the Robb-Wilder vendetta are murky. But Richmond Times-Dispatch columnist Ross Mackenzie sees it as a clash of cultures and style.

"Wilder has a personal problem with Robb over the inability of Robb to keep his word, to be trustworthy -- to Wilder individually and to the people of Virginia in general. Robb came to embody Virginia's Democratic establishment in its efforts to thwart Wilder's every political move up the ladder," he wrote Sunday.

In the latest poll, released Monday by Virginia Commonwealth University, Robb and Iran-contra figure North were tied with 29 percent each. Wilder had 16 percent and Coleman 11 percent with the rest undecided.

Wilder says that's an amazing result, considering that North and Robb have raised and spent millions of dollars and he has hardly campaigned.

"When you consider the amount of money that an incumbent United States senator has spent the amount of time he's been in office, having been a governor and lieutenant governor and he's struggling, literally struggling, to get 30 percent of the vote," Wilder said.

"When you consider that Ollie North has raised over \$9 million and may have spent most of it and still hasn't been able to be clearly identified as a winner in Virginia ... I entered late with limited resources and I'm a factor -- that's again amazing," he said.

North, a retired Marine lieutenant colonel who testified before Congress in uniform, was accused of defrauding the U.S. government by establishing a secret network to channel military aid to Nicaraguan contra rebels and thwarting the will of Congress.

His 1989 felony convictions, including one of deceiving Congress, were set aside by a three-judge federal appeals court a year later. Two of the judges had been appointed by then-President Ronald Reagan.

The most celebrated incident in the Robb-Wilder story concerned the illegal eavesdropping of Wilder's car phone by Robb aides in 1988. On the tape, Wilder boasted that Robb's personal scandals would be his downfall. Robb fired three aides and apologized.

With all the personal baggage the candidates bring to the campaign, Wilder expects it to turn even more nasty and personal. He says he will not initiate any negative campaigning, but will respond fully to any attacks.

"I intend to run on my record, my total record and that includes everything. That means everything that an individual is involved with, public life and everything else. Mine is open," he said.

"If you don't have a record to run on, you usually do something else. That's my fear in this campaign. The records are not there and what records there are are not ones to be proud of," said Wilder.

REUTER

bc-CNSart2,0640

(With Box: Close Up)

(With Photo Tommy Lee Jones)

FILM CLOSE-UP= Tommy Lee Jones=

By Joey Berlin= Copley News Service=

Don't mess with Tommy Lee Jones.

That's true on screen, whether he's playing the determined lawman in "The Fugitive," the mad bomber in his new movie "Blown Away," the flamboyant prosecutor in his other new movie, "The Client" or even the prison warden in the soon-to-be-released "Natural Born Killers."

It's also true off screen, where Jones is actually feared by many members of the press for his refusal to waste any of his charm on interviewers. Even backstage, after winning the Academy Award for "The Fugitive," Jones was surly, bordering on rude when meeting the press for the traditionally celebratory question-and-answer session.

During an interview to promote "Blown Away," Jones is just as taciturn as ever.

"I try to answer clearly, concisely and coherently any clear, concise and coherent question," he explains after about 20 minutes of mutual frustration. "There's been a lot written about me and not all of it's been accurate and not all of it's been careful. But that's true of every actor."

Most of what's been written about Jones includes the basic skeleton of his official biography. Born in San Saba, Texas, he worked briefly in the oil fields with his father before entering Harvard University.

There he roomed with a Tennessee senator's son who is now the Vice President of the United States, Al Gore. (Jones says they still stay in touch, but declines to discuss what they talk about.)

Jones's first film role was in the smash hit "Love Story." His career has been a slow and steady climb ever since. Acclaimed performances in such films as "Coal Miner's Daughter," "Under Siege" and the Emmy-winning "Lonesome Dove" followed.

There was an Oscar-nominated performance as Clay Shaw in Oliver Stone's "JFK." Today he is one of the busiest film stars in Hollywood. In addition to "Blown Away," "The Client" and "Natural Born Killers," all being

released within six weeks of each other, he has finished playing baseball Hall of Famer Ty Cobb in "Cobb," due out in the fall.

As if that's not enough, Jones is currently trying his hand at directing "The Good Old Boys," a cable television movie for which he also wrote the screenplay. Based on a book by Elmer Kelton, the project came to him from Ted Turner. He insisted on directing as well as starring in the "The Good Old Boys" and has been busy on it ever since.

"I've been working on this movie every day or part of every day for precisely one year," reports Jones.

"Exactly 360 days after I started writing the screenplay I started shooting. That's pretty good.

I suppose the whole point is to see your creative life grow in every way that it can and take faith that that will be good for business."

Unlike so many in his profession, Jones does not pretend that the business isn't as important as the show in show business. And winning the Oscar in March has obviously been a boon.

"The Academy Award is very good for business and it's also good for your self-esteem," admits Jones. "No matter how hard you try to talk yourself out of feeling that you deserve such a thing, you're going to wake up feeling good about it, no matter what."

Jones is so hot that he's started showing up on lists of Hollywood's sexiest men, but he has no problem keeping things in perspective.

"We've had an up swing," says Jones, separating the last two words for emphasis. "Everybody in my family feels a lot better about themselves and about Dad. I'm a little bit more famous than I used to be, but I haven't been real comfortable in public places for a long time."

HATZ-CNS-SD-07-19-94 0639PST

PM-Argentina-Why Here?,0574

Attack on Jewish Center Forces Argentines to Ask, 'Why Here?'

With PM-Argentina-Explosion

By IAN KATZ= Associated Press Writer=

BUENOS AIRES, Argentina (AP) Two lethal attacks on high-profile Jewish targets have left Argentines asking the question: Why here?

The day after a blast destroyed the headquarters of the country's two leading Jewish groups, killing at least 26 people, newspapers recalled the March 1992 bombing of the Israeli Embassy that caused 28 deaths.

"Again," read headlines in the dailies Clarin and Pagina 12.

Buenos Aires, more than 7,500 miles from Jerusalem, wouldn't seem an obvious target for anti-Israel terrorists based in the Middle East. Though President Carlos Menem actively promotes a pro-American foreign policy and maintains good relations with Israel, Argentina has virtually no role in Middle East affairs.

What it does have is a Jewish community estimated at 250,000, the largest in Latin America, as well as more than 500,000 Muslims of Arab descent. The two communities have no history of conflict in Argentina.

Ruben Beraja, president of the Delegation of Argentine Israeli Associations, whose offices were destroyed in the blast, urged the government to investigate the activities of Palestinians who he said live in the Argentina-Brazil-Paraguay border region.

The government itself is admitting intelligence and security shortcomings.

"There could have been a weakening on the subject of security," President Carlos Menem said Tuesday. His brother Eduardo, provisional president of the Senate, disagreed. "These kinds of things are more a problem with intelligence than security," he said.

Defense Minister Oscar Camilion, speaking on television Tuesday, pointed his finger elsewhere. "Immigration control is weak," he said.

It's possible all three men are correct.

Journalists covering Vice President Al Gore's visit to Buenos Aires in March were shocked to find no security for Gore's speech at a telecommunications conference. Hundreds of people were able to attend without being frisked or having their bags inspected. Seated at the same table with Gore were Menem and several Argentine Cabinet members.

In 1992, the U.S. Transportation Department said security at Ezeiza International Airport was insufficient, angering Argentine officials. Controls apparently have been improved to meet U.S. standards.

Even seemingly straightforward criminal cases have caused problems for Argentina's security forces.

The high-profile leader of the booster club of the country's most popular soccer team, wanted by police in connection with the deaths of two rival fans, avoided capture for two months before turning himself in last month.

The police chief of the northern province of Tucuman, convicted on murder charges last year, strolled out of prison while friendly guards watched. Nearly half a year passed before he was recaptured.

Authorities have been embarrassed by the arrest of intelligence agents, military, and police personnel in a series of kidnappings.

A so-called "supergang" broken up by police three years ago specialized in abducting wealthy businessmen.

Between 1987 and 1990, ultranationalist military rebels staged four unsuccessful barracks uprisings, and few of

the rebels were sentenced to jail. Some ultranationalist groups are openly anti-Semitic. Though they have little political power, they are believed to have access to weapons.

Alejandro Sucksdorf, a former army intelligence agent, was arrested three months ago after police found an arms cache on his property. Police said they also found pro-Nazi literature and suspected that Sucksdorf might have had a role in the Israeli Embassy bombing, but found no evidence.

===== END ATTACHMENT 3 =====

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:21-JUL-1994 13:15:24.04

SUBJECT: 1994-07-20 OVP Wire REport

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ:NOT READ

TO: Keith O. Boykin (BOYKIN_K) (WHO)
READ:21-JUL-1994 14:34:26.34

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: 5-AUG-1994 08:18:38.48

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:21-JUL-1994 13:17:53.98

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:22-JUL-1994 10:41:25.60

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TEXT:

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE:20-JUL-1994 11:24:00.00

ATT BODYPART TYPE:E

ATT CREATOR: Joseph W. Cerrell

ATT SUBJECT: Wire Report for 7/20

ATT TO: GILL_J (GILL_J@A1@CD)

ATT TO: Beth P. Alpert (Beth P. Alpert@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Dennis W. Alpert (Dennis W. Alpert@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Sally J. Aman (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Michael J. Burton (Michael J. Burton@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Todd J. Campbell (Todd J. Campbell@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Michael A. Gill (Michael A. Gill@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Albert Gore (Albert Gore@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Skila S. Harris (Skila S. Harris@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Elaine C. Kamarck (Elaine C. Kamarck@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Thurgood Marshall Jr. (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Bill Mason (Bill Mason@GORE-DC@CCGATE@EOPMRX)

ATT TO: Mary M. Overbey (Mary M. Overbey@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Jack M. Quinn (Jack M. Quinn@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Gregory C. Simon (Gregory C. Simon@EOP_OVP@CCGATE@EOPMRX)

ATT TO: David M. Strauss (David M. Strauss@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Lorraine A. Voles (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Anthony T. Wilson (Anthony T. Wilson@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)

TEXT:
Message Creation Date was at 20-JUL-1994 11:24:00

===== END ATTACHMENT 1 =====

===== ATTACHMENT 2 =====

ATT CREATION TIME/DATE:20-JUL-1994 11:25:00.00

ATT BODYPART TYPE:D

TEXT:

The following attachments were included with this message:

TYPE : FILE

NAME : 4jul20

===== END ATTACHMENT 2 =====

===== ATTACHMENT 3 =====

ATT CREATION TIME/DATE:20-JUL-1994 11:25:00.00

ATT BODYPART TYPE:D

TEXT:

Index to Wire Report for July 20, 1994

Gore: Goal still universal health care
VP met with Canadian Prime Minister
Gore arrives in Ottawa for trade talks
Gore, Chretien make little headway on bilateral trade
disputes
Gore patches fraying trade relations with Canada
Washington commemorates 25th moonwalk anniversary
Chretien says NAFTA to be on agenda at Miami summit
Wilder is wild card in key Senate race
Gore's old friend stars in "The Client"
Loose security in Argentina may have lead to attack on
Jewish Center

(UPI Spotlight)

Gore: goal still universal health care

WASHINGTON, July 20 (UPI) Vice President Al Gore says
(Tuesday) President Clinton's goal in health care reform
is still universal coverage, although remarks by Clinton
to the nation's governors Tuesday are viewed as a retreat
from that pledge. Gore told CNN the administration may have
to start with "something less" than universal coverage.

U.S. Vice President Al Gore meets with Prime Minister Chretien and other top Canadian officials today in Ottawa. Among the topics for discussion are several divisive trade issues, including durum wheat and Pacific salmon. The two leaders also will prepare for the Summit of the Americas, scheduled to be held in December in Miami. Gore also plans to attend a ceremony at the Peacekeeping Monument.

-19-

Security is being tightened at the Canadian embassy in Moscow after the Canadian ambassador to Russia received a death threat. Officials say Ambassador Jeremy Kinsman and U.S. Ambassador Thomas Pickering have received death threats, most likely from Middle East terrorists. An embassy official says extra precautions are being taken, but would NOT elaborate.

-19-

(DETROIT)The U-S Secret Service says a Canadian counterfeiting ring is spreading false wealth in Detroit and other cities by passing fake 100 dollar bills. Last week the agency seized 92-hundred dollars in high-quality bogus bills, and since January, about 60-thousand dollars has been seized. The bills also are being circulated in Toronto and Montreal.

-19-

Reform leader Preston Manning ventured into Quebec yesterday on a publicity tour. Manning, whose party counts only about 200 members in Quebec, promised Reform would represent its Quebec constituents even if the province separates. Manning says he understands that Quebecers might NOT support the party because it opposes federal bilingual policies, but that Quebecers are concerned about the same larger issues such as government overspending and improving the criminal justice system.

-19-

A Toronto area girl, who was allergic to nuts, died Friday after eating a jam sandwich she made using a knife with traces of peanut butter on it. 14-year-old Carrie Gordon was with 22 students on a canoe trip near Algonquin Park when she fell ill. Counselors tried desperately to save her as she struggle to breath, one even performed an emergency operation on her throat, but she died in minutes.

-19-

Hundreds of volunteers are combing a dense forest in Saskatchewan to find an eight-year-old girl who disappeared nearly five days ago. Ashley Krestianson became lost while she was out walking near where her family was camping in Tisdale, east of Saskatoon. Police say they've found evidence the girl is still alive. Four planes, a helicopter and dogs are also being used in the search.

-19-

By Amy Worden (UPI)

(PR: Jean Chretien: ZHAN' KRAY'-tee-ehn)

Gore arrives in Ottawa for trade talks

OTTAWA, July 19 (UPI) U.S. Vice President Al Gore arrived in Canada's federal capital Tuesday to discuss ongoing trade disputes and international issues with Prime Minister Jean Chretien and other officials.

Gore and his wife, Tipper, were greeted by Deputy Prime Minister Sheila Copps who praised the vice president as a "visionary on the environment and human development."

Copps, who is Canada's environment minister in Chretien's Liberal government, said Gore and his wife were an "inspiration" for Canadians.

Gore, here to discuss the continuing trade differences over grain exports and Pacific salmon fishing, also is expected to discuss the Haitian crisis with Chretien and members of the government.

The vice president said he was visiting Canada to affirm the "very deep feeling of the people in the United States for Canada as a good neighbor, a courageous ally and a dependable friend."

Gore told the welcoming party at the airport that President Clinton is determined that the "already exemplary" bilateral ties between the United States and Canada grow stronger.

BC-Gore,-Chretien-Make-Little-Headway-on
Gore, Chretien Make Little Headway on Bilateral Trade Disputes

Ottawa, July 19 (Bloomberg) -- Prime Minister Jean Chretien and U.S. Vice President Al Gore made little progress in talks today on bilateral trade disputes over durum wheat and salmon.

Chretien and Gore met at the prime minister's parliamentary office this morning, ostensibly to plan a scheduled December summit of North American and Latin American government leaders in Miami.

The two also discussed ongoing tensions in the former Yugoslavia and Haiti. However, it has been the specter of U.S. trade sanctions on Canadian wheat exports that has received the most media attention.

Speaking to reporters after the talks, Gore said the two "touched upon" the grain dispute. "This is one that many U.S. farmers feel particularly strongly about ... but it's one that's going to be worked out by the

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Kantor and Canadian negotiators are to meet July 27 in a last-ditch attempt to reach agreement on the dispute. -- William J. Willits in Ottawa and Roger Runnigen in Washington (202) 434-1837, through the New York newsroom (212) 318-2300 /hsa (Story illustration: For a six-month chart on spring wheat prices in Minneapolis: NWU4 Cmdty> GP. For a menu of commodity news: BBN2; For grain news: NI GRN. For trade news: NI TRD. For more Canadian news: NI CANADA) 14:23 -0- (BBN) Jul/19/94 14:24 EOS (BBN) Jul/19/94 14:24 86

BC-CANADA-GORE

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By Robert Kozak

OTTAWA (Reuter) - Vice President Al Gore tried to patch up fraying trade relations between Canada and the United States on Tuesday, saying a dispute over Canadian wheat exports was only a small flap in a stable relationship.

"You can't possibly have trade flows as large as the ones between our two countries without having disputes from time to time," Gore said after meeting with Canadian Prime Minister Jean Chretien during a five-hour visit to Ottawa.

The meeting came just days after a ruling from the U.S. International Trade Commission that Canadian wheat shipments were harming U.S. farm programs. Exports of Canadian wheat into the United States have surged after last year's crop losses due to floods in the Midwest.

Washington may impose import quotas and tariffs on Canadian wheat, and Canada has threatened to retaliate if the United States imposes sanctions.

"This is one that many U.S. farmers feel particularly strongly about," Gore said. "It is one that is going to be worked out by the negotiators."

Top U.S. and Canadian trade negotiators will meet July 27 for further talks on the wheat dispute.

"The ball is very squarely in the U.S. court," Canadian Minister of Agriculture Ralph Goodale said in Chicago.

Gore was also laying the groundwork for a meeting of the hemisphere's 34 democratically elected leaders, to be held in Miami in December.

Television reports said Gore also was making plans for a visit by President Clinton to Canada later this year.

Gore said he hoped a settlement could also be reached in the dispute between Canada and the United States over salmon fishing off the Pacific coast.

Gore had been instrumental in getting the two sides back to the negotiating table after talks broke down and Canada started charging a fee on every U.S. fishing boat entering its Pacific waters.

Gore had promised Washington would go back to the negotiating table if Canada lifted its license fee and gave assurances the United States was prepared to address Canadian concerns.

Canada says U.S. boats have overfished salmon stocks spawned in British Columbia's rivers and says Americans caught C\$65 million (U.S. \$47 million) more Canadian-bound salmon than Canadians caught in U.S.-bound salmon last year.

Canada wants U.S. boats to stop overfishing to preserve the stocks. Talks on 1994 harvest quotas stalled in May.

Trade in general between Canada and the United States is huge. Government agency Statistics Canada reported imports to Canada from the United States reached a record C\$12.48 billion (\$9.04 billion) in May.

Exports from Canada to the United States were C\$14.14 billion (U.S. \$10.2 billion) in May, the second highest total on record.

REUTER

BC-SPACE-MOON (SCHEDULED)

WASHINGTON COMMEMORATES 25TH MOONWALK ANNIVERSARY

By Deborah Zabarenko

WASHINGTON (Reuter) - Twenty-five years after American men first walked on the moon, the White House prepared Wednesday to honor the astronauts who did it, and NASA's chief pointed to a new course for space exploration.

President Clinton, first lady Hillary Rodham Clinton

and Vice President Al Gore were slated to attend an afternoon ceremony commemorating the July 20, 1969 Apollo 11 mission by Neil Armstrong, Edwin "Buzz" Aldrin and Michael Collins.

All three astronauts were to take part in the ceremony in the White House East Room, and later to attend a reunion dinner at which Gore was to speak.

The occasion comes in the middle of International Space Week, which has prompted celebrations around the United States and also coincides with a six-day astronomic event: the violent death of the 21 fragments of Comet Shoemaker-Levy in fiery collisions with Jupiter.

On the eve of the anniversary, Dan Goldin, head of the National Aeronautics and Space Administration, said he hoped no sweeping new initiatives in space exploration would be announced to coincide with the celebrations.

Speaking Tuesday at a conference on the future of space exploration, Goldin said the U.S. space program went into a lull after the Apollo program, and would not fully recover until the American people indicated a strong commitment to exploring other worlds.

"We are not going to do anything the American people don't want to do," he said. "If America is in the intellectual doldrums, NASA will reflect that."

The motives for space exploration are necessarily different now than when the Apollo astronauts flew in a deadly serious "race for space" against the Soviet Union.

"We did Apollo to beat the Russians, not for science," Goldin said.

As a former aerospace executive who worked extensively on the 1980s "Star Wars" program, Goldin has dedicated his tenure at NASA to retooling that agency's bureaucracy, working more closely with the corporate world and with other nations and with cutting costs.

One way to achieve these ends has been to limit the number of humans on space flights; unstaffed satellites and probes and robots are more in tune with the straitened times, Goldin said.

Before any more humans go back to the moon or to any other planet like Mars, Goldin said four conditions must be met: humans must know how to live efficiently in space; the effort must be international, rather than unilateral; new technologies must be found that will keep costs low; and precursor missions must be successfully completed with robots.

Astronomers in and out of NASA have said there is little chance of sending humans back to the moon before 2020.

REUTER

· OTTAWA -DJ- Canadian Prime Minister Jean Chretien said the proposed Summit of the Americas will provide an opportunity to discuss the possibility of other countries joining the North American Free Trade Agreement.

Chretien made the comments following a meeting with U.S. Vice-President Al Gore who was in Ottawa to discuss the upcoming summit, which is to be held in Miami in December.

"Free trade will certainly be a part of the debate in Miami," Chretien told reporters.

He said Canada has received indications from several Caribbean and South American countries that they are interested in joining Nafta, which includes Canada, the U.S. and Mexico. The summit "will be an occassion to discuss with them the conditions that might be needed to qualify," Chretien said.

"We are of the view that (the agreement) has to be expanded," he said. "That's the way of future because Europe will have a bigger common market in a few years."

Chretien emphasized that no country will be able to joining the pact without the approval of all three Nafta partners. "The Miami summit will give an occassion to discuss that and to discuss the conditions that will be needed for anyone to qualify to be part of Nafta," he said.

Chile is widely considered to be the first country eligible to join Nafta, a pact which is aimed at eliminating tariffs and other trade barriers.

· Gore told reporters that U.S. and Chilean trade negotiators are currently studying ways to expand the trading relationship between the two countries. He said it was "premature" to discuss the details.

He added that the U.S. favors expanding the free trade agreement to include the entire western hemisphere. "That may take a long time but we want to work in that direction," Gore said.

The two leaders said they also discussed various trade disputes between Canada and the U.S., including durum wheat and salmon.

Gore plans to meet with other government leaders that have been invited to the Miami summit.

(END) DOW JONES NEWS 07-19-94

2:22 PM

BC-USA-POLITICS VIRGINIA (NEWS ANALYSIS, SCHEDULED) WILDER IS WILD CARD IN KEY VIRGINIA SENATE RACE

By Alan Elsner, Political Correspondent

RICHMOND, Va (Reuter) - Former Virginia Governor

Douglas Wilder is writing a new chapter in America's most notorious political feud by challenging his fellow Democrat, Senator Charles Robb, in a crucial mid-term election.

The result could be fateful for President Clinton.

There is a chance that the Republicans will win the seven seats they need to take control of the Senate in the November 8 elections, and winning Virginia would be an important step in that direction. Thirty-four Senate seats are up for grabs.

Last week, Vice President Al Gore asked Wilder to step aside so that Democrats could unite behind Robb to defeat Republican nominee Oliver North and the fourth man in the race, former Virginia Attorney General Marshall Coleman.

Wilder refused.

"The question has no premise. I'm in the race, and I'm staying in," Wilder told Reuters in an interview.

"If I thought any of the others was an effective representative of the state, why would I be running?"

Many would say Wilder is motivated above all by his dislike of Robb, a charge he vehemently denies. Yet, there is no doubt of the bad blood between them.

Wilder, 63, the grandson of slaves, worked his way to the top in conservative, mostly white Virginia, the state that was the heart of the Confederacy. In 1989, he became the first black ever elected governor of any U.S. state.

One of 10 children born to poor parents in Richmond, Wilder was educated in Richmond public schools and waited on tables to work his way through college.

Robb is the son-in-law of the late President Lyndon Johnson. With good looks and a glamorous wife, it all seemed to come easily to him. First he became lieutenant governor of Virginia, then governor, then senator. He was once spoken of as a potential presidential candidate until personal scandals involving drug parties and nude massages by a beauty queen killed those aspirations.

The origins of the Robb-Wilder vendetta are murky. But Richmond Times-Dispatch columnist Ross Mackenzie sees it as a clash of cultures and style.

"Wilder has a personal problem with Robb over the inability of Robb to keep his word, to be trustworthy -- to Wilder individually and to the people of Virginia in general. Robb came to embody Virginia's Democratic establishment in its efforts to thwart Wilder's every political move up the ladder," he wrote Sunday.

In the latest poll, released Monday by Virginia Commonwealth University, Robb and Iran-contra figure North were tied with 29 percent each. Wilder had 16 percent and Coleman 11 percent with the rest undecided.

Wilder says that's an amazing result, considering that North and Robb have raised and spent millions of dollars and he has hardly campaigned.

"When you consider the amount of money that an incumbent United States senator has spent the amount of time he's been in office, having been a governor and lieutenant governor and he's struggling, literally struggling, to get 30 percent of the vote," Wilder said.

"When you consider that Ollie North has raised over

\$9 million and may have spent most of it and still hasn't been able to be clearly identified as a winner in Virginia ... I entered late with limited resources and I'm a factor -- that's again amazing," he said.

North, a retired Marine lieutenant colonel who testified before Congress in uniform, was accused of defrauding the U.S. government by establishing a secret network to channel military aid to Nicaraguan contra rebels and thwarting the will of Congress.

His 1989 felony convictions, including one of deceiving Congress, were set aside by a three-judge federal appeals court a year later. Two of the judges had been appointed by then-President Ronald Reagan.

The most celebrated incident in the Robb-Wilder story concerned the illegal eavesdropping of Wilder's car phone by Robb aides in 1988. On the tape, Wilder boasted that Robb's personal scandals would be his downfall. Robb fired three aides and apologized.

With all the personal baggage the candidates bring to the campaign, Wilder expects it to turn even more nasty and personal. He says he will not initiate any negative campaigning, but will respond fully to any attacks.

"I intend to run on my record, my total record and that includes everything. That means everything that an individual is involved with, public life and everything else. Mine is open," he said.

"If you don't have a record to run on, you usually do something else. That's my fear in this campaign. The records are not there and what records there are are not ones to be proud of," said Wilder.

REUTER

bc-CNSart2,0640

(With Box: Close Up)

(With Photo Tommy Lee Jones)

FILM CLOSE-UP= Tommy Lee Jones=

By Joey Berlin= Copley News Service=

Don't mess with Tommy Lee Jones.

That's true on screen, whether he's playing the determined lawman in "The Fugitive," the mad bomber in his new movie "Blown Away," the flamboyant prosecutor in his other new movie, "The Client" or even the prison warden in the soon-to-be-released "Natural Born Killers."

It's also true off screen, where Jones is actually feared by many members of the press for his refusal to waste any of his charm on interviewers. Even backstage, after winning the Academy Award for "The Fugitive," Jones was surly, bordering on rude when meeting the press

for the traditionally celebratory question-and-answer session.

During an interview to promote "Blown Away," Jones is just as taciturn as ever.

"I try to answer clearly, concisely and coherently any clear, concise and coherent question," he explains after about 20 minutes of mutual frustration. "There's been a lot written about me and not all of it's been accurate and not all of it's been careful. But that's true of every actor."

Most of what's been written about Jones includes the basic skeleton of his official biography. Born in San Saba, Texas, he worked briefly in the oil fields with his father before entering Harvard University.

There he roomed with a Tennessee senator's son who is now the Vice President of the United States, Al Gore. (Jones says they still stay in touch, but declines to discuss what they talk about.)

Jones's first film role was in the smash hit "Love Story." His career has been a slow and steady climb ever since. Acclaimed performances in such films as "Coal Miner's Daughter," "Under Siege" and the Emmy-winning "Lonesome Dove" followed.

There was an Oscar-nominated performance as Clay Shaw in Oliver Stone's "JFK." Today he is one of the busiest film stars in Hollywood. In addition to "Blown Away," "The Client" and "Natural Born Killers," all being released within six weeks of each other, he has finished playing baseball Hall of Famer Ty Cobb in "Cobb," due out in the fall.

As if that's not enough, Jones is currently trying his hand at directing "The Good Old Boys," a cable television movie for which he also wrote the screenplay. Based on a book by Elmer Kelton, the project came to him from Ted Turner. He insisted on directing as well as starring in the "The Good Old Boys" and has been busy on it ever since.

"I've been working on this movie every day or part of every day for precisely one year," reports Jones.

"Exactly 360 days after I started writing the screenplay I started shooting. That's pretty good.

I suppose the whole point is to see your creative life grow in every way that it can and take faith that that will be good for business."

Unlike so many in his profession, Jones does not pretend that the business isn't as important as the show in show business. And winning the Oscar in March has obviously been a boon.

"The Academy Award is very good for business and it's also good for your self-esteem," admits Jones. "No matter how hard you try to talk yourself out of feeling that you deserve such a thing, you're going to wake up feeling good about it, no matter what."

Jones is so hot that he's started showing up on lists

of Hollywood's sexiest men, but he has no problem keeping things in perspective.

"We've had an up swing," says Jones, separating the last two words for emphasis. "Everybody in my family feels a lot better about themselves and about Dad. I'm a little bit more famous than I used to be, but I haven't been real comfortable in public places for a long time."

HATZ-CNS-SD-07-19-94 0639PST

PM-Argentina-Why Here?,0574

Attack on Jewish Center Forces Argentines to Ask, 'Why Here?'

With PM-Argentina-Explosion

By IAN KATZ= Associated Press Writer=

BUENOS AIRES, Argentina (AP) Two lethal attacks on high-profile Jewish targets have left Argentines asking the question: Why here?

The day after a blast destroyed the headquarters of the country's two leading Jewish groups, killing at least 26 people, newspapers recalled the March 1992 bombing of the Israeli Embassy that caused 28 deaths.

"Again," read headlines in the dailies Clarin and Pagina 12.

Buenos Aires, more than 7,500 miles from Jerusalem, wouldn't seem an obvious target for anti-Israel terrorists based in the Middle East. Though President Carlos Menem actively promotes a pro-American foreign policy and maintains good relations with Israel, Argentina has virtually no role in Middle East affairs.

What it does have is a Jewish community estimated at 250,000, the largest in Latin America, as well as more than 500,000 Muslims of Arab descent. The two communities have no history of conflict in Argentina.

Ruben Beraja, president of the Delegation of Argentine Israeli Associations, whose offices were destroyed in the blast, urged the government to investigate the activities of Palestinians who he said live in the Argentina-Brazil-Paraguay border region.

The government itself is admitting intelligence and security shortcomings.

"There could have been a weakening on the subject of security," President Carlos Menem said Tuesday. His brother Eduardo, provisional president of the Senate, disagreed. "These kinds of things are more a problem with intelligence than security," he said.

Defense Minister Oscar Camilion, speaking on television Tuesday, pointed his finger elsewhere. "Immigration control is weak," he said.

It's possible all three men are correct.

Journalists covering Vice President Al Gore's visit to

Buenos Aires in March were shocked to find no security for Gore's speech at a telecommunications conference. Hundreds of people were able to attend without being frisked or having their bags inspected. Seated at the same table with Gore were Menem and several Argentine Cabinet members.

In 1992, the U.S. Transportation Department said security at Ezeiza International Airport was insufficient, angering Argentine officials. Controls apparently have been improved to meet U.S. standards.

Even seemingly straightforward criminal cases have caused problems for Argentina's security forces.

The high-profile leader of the booster club of the country's most popular soccer team, wanted by police in connection with the deaths of two rival fans, avoided capture for two months before turning himself in last month.

The police chief of the northern province of Tucuman, convicted on murder charges last year, strolled out of prison while friendly guards watched. Nearly half a year passed before he was recaptured.

Authorities have been embarrassed by the arrest of intelligence agents, military, and police personnel in a series of kidnappings.

A so-called "supergang" broken up by police three years ago specialized in abducting wealthy businessmen.

Between 1987 and 1990, ultranationalist military rebels staged four unsuccessful barracks uprisings, and few of the rebels were sentenced to jail. Some ultranationalist groups are openly anti-Semitic. Though they have little political power, they are believed to have access to weapons.

Alejandro Sucksdorf, a former army intelligence agent, was arrested three months ago after police found an arms cache on his property. Police said they also found pro-Nazi literature and suspected that Sucksdorf might have had a role in the Israeli Embassy bombing, but found no evidence.

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

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

CREATION DATE/TIME: 4-AUG-1994 18:14:39.83

SUBJECT: 6:30 wire

TO: FAX (96475573,rebecca) (TLXA1MAIL_ \F:96475573\C:rebeccaREAD:NOT READ

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 4-AUG-1994 18:05:00.00

ATT BODYPART TYPE:H

ATT CREATOR: Kenneth R Chitester

ATT SUBJECT: 6:30 pm wire report

ATT TO: Heather Beckel (BECKEL_H)

ATT TO: Dianna A. Pierce (PIERCE_D)

ATT TO: Steven A. Cohen (COHEN_SA)

ATT TO: David Leavy (LEAVY_D)

ATT TO: Carola McGiffert (MCGIFFERT_C)

ATT TO: Arthur L. Jones (JONES_A)

ATT TO: Jeremy M. Gaines (GAINES_J)

ATT TO: Kathy McKiernan (MCKIERNAN_K)

ATT TO: Aman, Sally J. (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Joseph W. Cerrell (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Lorraine A. Voles (VOLES_L)

ATT TO: Jeffrey L. Eller (ELLER_J)

ATT TO: R. Paul Richard (RICHARD_R)

ATT TO: Virginia M. Terzano (TERZANO_V)

ATT TO: Keith O. Boykin (BOYKIN_K)

ATT TO: Joshua A. King (KING_J)
ATT TO: Emily A. Lenzner (LENZNER_E)
ATT TO: Cara A. Levy (LEVY_C)
ATT TO: David Dreyer (DREYER_D)
ATT TO: APRIL K. MELLODY (MELLODY_A)
ATT TO: Amanda Crumley (CRUMLEY_A)

TEXT:
PRINTER FONT 12_POINT_COURIER
WHITE HOUSE WIRE REPORT
6:30 p.m. edition
Thursday, Aug. 4, 1994
Produced by the Office of News Analysis (OEOB 161, 6

-5694)

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CNN (6 p.m.)

Continued live coverage of Whitewater hearings

AM

-Page1 Advisory,0391

For Friday AMs

AP recommendations for Page 1 at this hour:

YUGOSLAVIA: Serb

-dominated Yugoslavia withdrew support for Bosnia's Serbs Thursday, backing out of a war it bankrolled for more than two years at the risk of its own economic ruin. The Yugoslav government immediately sealed the 300

-mile border between Yugoslavia and Serb

-held

Bosnia to exports of everything except food, clothes and medicine. The severing of political and economic ties could be a turning point in the war if Belgrade is true to its word. AM

-Yugoslavia. By Roland Prinz.

AP Photo SAR101, a U.N. soldier and a civilian woman run for cover from sniper fire in Sarajevo, by Enric F. Marti.

RWANDA: The old man rubbed his plastic crucifix and struggled up the banana grove path leading to the home he fled a month ago. When he saw the two

-room hut was neither damaged nor looted, he let go of the cross and clapped his hands together. "It's still here, it's still here," he repeated Thursday as he touched his wife's hands, then the mud

-brick walls. AM

-Rwanda

-Road Home. By Brian Murphy.

AP Photo GOM104, Rwandan refugee children wait for water, by Michel Euler.

WHITEWATER: Senate Republicans zeroed in on Hillary Rodham Clinton's interest in Whitewater Thursday, but her chief of staff testified the investigation has been a distraction, not an obsession. Later, senators heard from top White House aide George Stephanopoulos. AM

-Whitewater.

By Mike Feinsilber.

MOTHER'S TRIAL: Tormented by nightmares in which she saw the pleading face of her long

-dead little sister,

Margarita Booth came forward after nearly 25 years and accused her own mother of killing the toddler. Last week, Booth's mother, Anita Vega, was convicted of involuntary manslaughter, and the rest of the family has ostracized Booth. AM

-Mother's Trial. By Anthony Jewell.

NETWORK CONFUSION: Get ready to wear out the remote. ``Seinfeld" is moving to CBS, ``Roseanne" is headed for NBC and ``60 Minutes" will be on ABC or so it seems to viewers confused by a network game of musical chairs involving Baltimore's TV stations. And Baltimore isn't the only city where decades

-old ties between the three major networks and their affiliates are being broken. AM

-Network

Confusion. By Shawn Donnan.

The AP

Hourly News Summary

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

-0-

Regardless of the fact that the owners of Major League Baseball have reneged on their payment to the players' pension fund, the players say they will NOT speed

-up their

strike. The strike is now scheduled to take place one week from tomorrow.

-0-

Cooler weather is making firefighting efforts in

central Washington State somewhat easier; but, the state's seemingly unquenchable 106- thousand acre forest fire is only slightly over half contained. Nearly

20

-thousand firefighters remain 'on the line' at this hour.

-0-

The first memorial to the late ``Jackie" Kennedy... since her death in May... will be the re

-naming of New York City's Central Park reservoir. The New York City Council voted 45

-to

-zero to approve the re- naming.

The former first lady often strolled and jogged around the 10

-block- long reservoir, located inside the park near her Fifth Avenue apartment.

-0-

Vice President Al Gore led an enthusiastic health care reform rally on the sun

-splashed steps of the US Capitol, today, amid complaints from some backers that they felt ``sold out" by the administration's endorsement of a plan providing only 95

-percent coverage. Gore later denied any sell

-out and said the Senate plan would eventually provide UNIVERSAL coverage.

-0-

The United States and Canada have reached an agreement under which two Massachusetts fishing boats seized for violating Canada's fishing regulations will be released. Senator Edward Kennedy says he expects the boats to begin heading home this evening and that the issues involved will be resolved through court action.

-0-

The Pentagon says it need more than 270

-million dollars
for Rwandan relief. Secretary Perry says the Pentagon is
already cash

-strapped.

-0-

By Dennis Daily (UPI)

AM

-Clinton's Figures, Bjt,870

White House Seeks More Credit for Economic Rebound
By TOM RAUM= Associated Press Writer=

WASHINGTON (AP) The White House, looking for more
credit for the rebounding economy, rolled out top
officials Thursday to try to persuade Americans the good
news flows from President Clinton's policies.

"None of this would have taken place" had not Clinton
been "willing to make the tough choices," Robert Rubin,
chairman of the president's National Economic Council,
told a news conference to mark the upcoming first
anniversary of deficit

-reduction legislation.

That measure, designed to chop the deficit by \$500
billion over five years, has won widespread plaudits. It
passed a year ago Saturday.

Rubin and other administration officials pointed to the
solid 4 percent that the economy has grown since the 1993
budget act was passed, to continued low inflation and to
sturdy job growth.

But many private economists, while giving the president
varying amounts of credit, say much of the current rebound
stems from outside factors and follows historic business
cycles.

"In general, presidents get too much credit and too
much blame for the state of the economy. The economy,
thank heaven, exists largely outside the Washington
Beltway," said Lexington, Mass., economist David Wyss.

Some of the main points rattled off by administration
economic officials, along with some of the economic facts
and contrasting views:

THE LOWER DEFICIT: The deficit for 1994 is now
projected to be \$220 billion, \$85 billion less than
projected before passage of the economic plan and \$15
billion lower than projected as recently as February. If
the course holds, 1995 will be the first time there have
been three consecutive declines since Harry Truman was
president.

"We've done it with severe and often painful budget cuts," said budget director Alice Rivlin.

But the deficit was already on a downward path when Clinton took office. And, while there were real cuts in the budget act, most haven't yet taken effect. Most of the lower deficit has been due to the recovering economy and to lower deposit insurance payouts as the S&L crisis subsides.

Most economists give Clinton and Congress high points for passing last year's deficit

-control measure.

"The economy's health and well

-being is the best it's looked in decades," said Boston economist Allen Sinai. But he added, "It should not and cannot be solely attributed to the deficit reduction act."

Clinton is fond of mentioning declining deficits under Democrat Truman but fails to mention that the last time there was a budget surplus was in 1969, when Republican Richard Nixon was in office.

THE HEALTHY ECONOMY AND JOBS: The administration is predicting a broad

-based expansion for several years, with inflation and unemployment remaining low. Inflation over the past year was the lowest level in 20 years. In June, the economy added another 379,000 jobs. Laura D'Andrea Tyson, the chairman of the Council of Economic Advisers, credited this to "the policies we put in place."

But Boca Raton, Fla., economic forecaster Michael K. Evans said, "The rate of job creation is roughly what you would expect from the amount of growth you would have had anyway. ... The growth we've seen was clearly stimulated by lower interest rates. But that doesn't last very long."

INTEREST RATES: The administration suggests low interest rates resulted from the favorable market reaction to the deficit

-cutting plan. That was true at first but no longer. Long term rates such as 30

-year Treasuries which were at 7.61 percent last week are now higher than when Clinton was inaugurated. And the Federal Reserve moved earlier this year to inch up short

-term rates.

Still, Deputy Treasury Secretary Roger Altman said the higher rates reflect growth in the economy. "Interest rates remain low by standards of the past 25 years," he said.

Some economists suggest that the generally subdued interest rates are less due to Clinton's economic plan than to Federal Reserve Chairman Alan Greenspan's implied support for it. "Interest rates did in fact go down, not because of the deficit reduction package but because of anticipated and actual Federal Reserve reaction to that reduction," says Northwestern University economics professor Robert Eisner.

TRADE: The administration cites the enactment of the North American Free Trade Agreement and the completion of a new round of world trade rules as instrumental in opening the way to expanded trade and creation of thousands of U.S. jobs. "The president has put in place a trade policy which is the most effective in history," said Trade Representative Mickey Kantor.

Analysts generally give Clinton credit for his free

-market strategy. Even so, both NAFTA and the new General Agreement on Tariffs and Trade rules were largely negotiated by the Bush administration. "It's too early to see any impact from either NAFTA or GATT," said economist Wyss. And he said the "current confrontation with Japan" shows that there is still a long way to go to ease trade frictions.

Economic team credits Clinton plan

By WILL MORTON

WASHINGTON, Aug. 4 (UPI) President Clinton trotted out his economic team Thursday to help him take credit for the mild upturn of the U.S. economy, which the officials said could also bring about an upturn in Clinton's lagging popularity rating.

"The president (and) the administration will take as much credit for the current good situation, as I'm sure many of you would cast blame on the administration if the economy were not performing well," said Laura D'Andrea Tyson, chairwoman of the Council of Economic Advisors.

Commerce Secretary Ron Brown, U.S. Trade Representative Mickey Kantor and other economic team members spoke along with Tyson at a news conference Thursday, armed with a litany of statistics to bolster their claims.

Interest rates "remain very low by the standards of the past 25 years," Deputy Treasury Secretary Roger Altman said, only a day after being grilled for two days by Senate and House committees investigating the Whitewater affair.

Other officials credited the president's economic agenda both with boosting exports and lowering unemployment from 7.7 percent when Clinton was elected in 1992 to 6 percent now.

"We're more competitive, we're more productive. We're competing, and we're not retreating. And that's where our

trade policy comes into play as it connects to all of what we've done in our domestic economy," Kantor said.

Brown echoed the other economic team members, lauding Clinton for providing "leadership on issues that have been swept under the rug for too long because no one has had the courage in the past to spend the political capital that it takes to make tough and courageous decisions.

"That's exactly what the president has done."

But Republican National Committee Chairman Haley Barbour refuted the economic team's claims as a warped interpretation of public opinion.

"President Clinton's performance on the economy is rated very low by the American people because they realize we are having this economic growth despite the Clinton plan, not because of it," Barbour said in a phone interview with UPI.

"The American people understand that this economy would be growing more were it not for the Clinton economic policies."

BC

-CLINTON

-STONES

STONES SKIP WHITE HOUSE

WASHINGTON, Aug 4 (Reuter) - The Rolling Stones skipped a tour of the White House Thursday but some members of their entourage took advantage of a private tour.

There was some excitement because photographers were hoping for pictures of Mick Jagger, Keith Richards, Ron Wood and Charlie Watts at the White House.

"I don't mean to disappoint all of you rock

-and

-roll

fans but none of the members of the band were with the entourage today," White House spokeswoman Dee Dee Myers told reporters.

She said several members of the Stones' entourage who work with the band had visited the White House, a day after the Stones staged the second of two concerts at RFK Stadium to kick off their Voodoo Lounge tour .

REUTER

AM

-No Stones,190

White House Gets Stood Up Again By Rolling Stones

WASHINGTON (AP) It was who DIDN'T visit the White

House on Thursday that attracted all the interest.

Photographers staked out entrances hoping to catch a glimpse of the Rolling Stones as rumors swirled for a third straight day of a possible White House visit.

A sign in the press area that states "No Tours Beyond This Point" was amended with this hopeful addition: "Except Rolling Stones."

But press secretary Dee Dee Myers began her daily press briefing with this sad announcement:

"I don't mean to discourage all of you rock 'n' roll fans, but none of the members of the band were with the entourage today. Mr. Jagger and others were not here."

Myers did say that a contingent associated with the Stones stopped by to tour the White House, but the group was made up of roadies and crew members.

As a consolation, Myers reminded reporters that the press corps does have its own "Mik" Jim Miklaszewski of NBC.

"And he rocks," she said. "He rocks."

The Stones were in Washington this week kicking off a national tour.

(UPI Spotlight)

Stones rebuff White House tour

WASHINGTON, Aug. 4 (UPI) The Rolling Stones rock band rebuffed an invitation (Thursday) to tour the White House. Though some family, friends or crew members paid a brief visit, spokeswoman Dee Dee Myers says no members of the band showed. After opening their "Voodoo Lounge" national tour with two performances in Washington, the Stones head next to play in Birmingham, Ala.

AM Whitewater, Bjt,630

First Lady's Aide Says Whitewater Was Distraction, Not Obsession

By MIKE FEINSILBER= Associated Press Writer=

WASHINGTON (AP) Senate Republicans zeroed in on Hillary Rodham Clinton's interest in Whitewater Thursday, but her chief of staff testified the investigation has been a distraction, not an obsession.

Margaret Williams disputed a colleague's diary that said Mrs. Clinton was "paralyzed" by the Whitewater affair and otherwise played down her efforts to keep track of a savings and loan investigation that was potentially embarrassing to the first family.

"I made a conscious decision that we would not spend our time discussing Whitewater with Mrs. Clinton, unless we were responding to press inquiries," she told the Senate Banking Committee.

At a parallel hearing in the House, Treasury Secretary Lloyd Bentsen gave his embattled deputy, Roger Altman, a

verbal embrace, warmer than the one he was willing to offer the day before.

"I find him a very intelligent, hard

-working man and I

believe in his integrity," Bentsen

said, following President Clinton's lead.

But the secretary refused to take sides when asked whom he believed Altman or the department's top lawyer, Jean Hanson. They have given conflicting testimony.

"That is for them to state," Bentsen said.

Altman has emerged as the central figure in the hearings because his testimony is at odds with that of other administration officials.

As both the Senate and House investigations revisited old ground, some Democrats called the hearings a dry hole.

"We've been here four days now trolling, hoping someone would run into a hook," complained Sen. Ben Nighthorse Campbell, D

-Colo.

With her mother sitting behind her, Williams sought to counter an impression that Mrs. Clinton was deeply concerned about the investigation into the failure of Madison Guaranty Savings and Loan.

Mrs. Clinton represented Madison as a lawyer in Arkansas, and the S&L's owner was a business partner with the Clintons in the ill

-fated Whitewater land venture.

Altman's diary quoted Williams as saying Mrs. Clinton was "paralyzed" by the Resolution Trust Corp.'s Madison investigation.

But Williams said she didn't use that word, and would never try to characterize Mrs. Clinton's state of mind. She also denied saying what Altman's diary quoted her as saying that the first lady didn't want a special prosecutor "poking into 20 years of public life in Arkansas."

Sen. Phil Gramm, R

-Texas, said he gave credence to the diary because it was "written from the heart" with no expectation it would be read aloud at a nationally televised hearing.

But Ms. Williams said Mrs. Clinton was not fixated on Whitewater.

"Every day Mrs. Clinton and the president were being beaten up about Whitewater," she said, and "it was a distraction."

"I would have to be a blind person not to look at what was going on in the media and not to look at the amount of time she spent with her personal lawyer not to know that," she said.

Under Republican questioning, Williams acknowledged that last February she encouraged Altman to reconsider a decision to withdraw from any involvement in the Madison investigation. When Altman took that advice, he notified her first, she also acknowledged.

Returning to a point he emphatically made Wednesday, Senate chairman Donald Riegle, D

-Mich., chastised the administration for failing to correct misleading testimony that Altman gave in February.

Riegle noted that a White House lawyer attended that hearing and the White House knew of the problems with Altman's testimony, "But no one came here and said to us, 'By the way, you didn't get full and accurate testimony.'"

"That's not good practice and you know it," Riegle told former White House chief of staff Mack McLarty. McLarty replied: "I fully concur."

Bentsen calls for better guidelines

WASHINGTON, Aug. 3 (UPI) Treasury Secretary Lloyd Bentsen called Thursday for a better definition of the government rules that guide law enforcement officials in their discussions of sensitive information.

His request to the Justice Department, Office of Government Ethics, and Treasury's senior investigator came four days after OGE released a report on the Whitewater affair.

The report by the non

-partisan, independent OGE concluded Treasury officials did not violate ethical standards in the case but, nonetheless, that their contacts about the sensitive matter were "troubling."

"This issue cuts across agency lines," Bentsen said in the letter, a copy of which was sent to Attorney General Janet Reno.

"It is not unique to the Treasury Department. Every law enforcement agency faces similar problems in contacts not only with the White House but with other agencies," he said.

AM

-Altman

-No Comment, 180

Altman Turns Away Whitewater Questions at Economic Briefing
With AM

-Whitewater, AM

-Clinton's Figures

WASHINGTON (AP) After two long days of questions on Whitewater at the congressional hearings, Deputy Treasury Secretary Roger Altman had nothing to say on the subject Thursday at the White House.

Altman was one of eight top officials who held a news conference to trumpet President Clinton's economic achievements. This week marks the one

-year anniversary of
the president's deficit

-reduction bill.

Altman talked at some length on the subject of taxes and interest rates.

But he had nothing to say when a reporter asked him and Robert Rubin, chairman of the president's National Economic Council, how the Whitewater affair was affecting Treasury Department effectiveness.

Rubin said: "I've been dealing with Treasury all through this thing and I don't think that they've missed a beat. ... And I'll say this about Roger. I've known Roger for 20 years. I'd vouch for Roger absolutely anything."

A reporter persisted, asking Altman if he would answer the question himself. "No," replied Altman, grim faced.

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-newpolitic

WHITEWATER HEARINGS FORCE
YOUNG AIDE TO DOUBT HIMSELF

Eds: Weekly NewPolitics column; suitable for Sunday OpEd pages; on Washington and columns wires

By CHUCK RAASCH=
GNS Political Writer=

WASHINGTON The Whitewater hearings produced only a trickle of bad news for the Clinton administration, not the gusher that the president's detractors had hoped for.

But political truth

-telling took another big hit in one
devastating, telling moment. For the sake of protecting
colleagues, including some who may have lied, young Joshua
Steiner felt compelled
pressured, perhaps? to denounce the innermost thoughts in
his personal diary.

Washington is so fraught with Machiavellian
maneuverings that people now can spin their own truths
back as something different to themselves and it is
considered part of the game.

The story is all the more poignant because Steiner, 28, is considered one of the brightest young stars of the Clinton administration. His diary exudes youthful vigor and enthusiasm.

"Such an incredible city," Steiner wrote Feb. 27.

On that observation there should be no dispute.

Steiner caused even friendly senators to shake their heads when he came before them to say that he had fudged the truth in his own diary. The diary had become a central exhibit in the Whitewater hearings because in it, Steiner had recorded some of the behind

-the

-scenes maneuverings by

Clinton aides as they dealt with the burgeoning Whitewater investigation.

The diary spoke clearly of "intense pressure" from the White House to keep an ostensibly friendly Deputy Treasury Secretary Roger Altman from removing himself from any oversight of the investigation into Whitewater, an Arkansas land deal involving Bill and Hillary Rodham Clinton. Steiner wrote how Altman "gracefully ducked" questions about Whitewater posed by senators last February, which was not appreciated by the senators.

Steiner said he was mistaken, that some of his memories were recorded days later and were "never intended to be a precise narrative or a verbatim account of what took place."

Some senators weren't buying it.

"You're a key player and as a result you carry a lot of responsibility, and so when you gave this account to yourself, you had no reason to shade the truth, you had no reason to exaggerate," Senate Banking Committee Chairman Don Riegle, D

-Mich., lectured.

Sen. John Kerry, D

-Mass., among the most nonpartisan of the Whitewater inquisitors, said Steiner's diaries showed a "refreshing kind of truthfulness, (with an) almost innocent observation of the goings on of Washington."

But it "bothers me," Kerry told Steiner, that "you want to distance yourself from it."

David Staines, a former Harvard professor and now vice dean of the Faculty of Arts at Ottawa, has some experience in political diaries, having recently reviewed the book based on the late Nixon aide H.R. Haldeman's diary.

Staines said there is a basic difference between the diaries written by someone like Haldeman, who set out to assure his own place in history, and Steiner, who claimed that he never intended for his diary to be public.

Staines said the political world today is fraught with

diarists like Haldeman who are not telling the truth, but recording for posterity their lives in the best possible light. True diaries, Steiner said, are "written to the self," and therefore likely to be more honest.

If Steiner intended the diary to be only for his own reflection, Staines said, "that may be as honest as he can be to himself. And the tragedy is to expose that. He may be the only person left writing a diary for himself."

Staines sees Steiner's backtracking as a betrayal of that honesty, further proof why many young people Steiner's age think "there is something sick" about modern politics.

Perhaps the most damaging refrain of Steiner's backtracking is that it rekindles criticism that Clinton and his White House sometimes treat truth as an incremental commodity, something to be parsed out in dribs and drabs, revisions and corrections, until it washes away in a river of contradictions.

The campaign flare

-up over Clinton's Vietnam draft evasion became bigger than needed because it took weeks for him to admit to the whole truth. Central facts that would be hard to forget like receiving a draft notice had to be flushed out like birds in the bush.

Over the past eight months, White House aides have told at least five versions of how Whitewater documents were handled after they were taken from the office of the late deputy counsel Vince Foster after his suicide.

Of course, truth was devalued long before the Clintonites came to town. Virginia's next U.S. senator could be Oliver North, who lied to Congress and is now revered in some circles for it. Ronald Reagan got the fantasy of movies and real life mixed up, but he was often excused because he told the fantasies so well. Veracity did not come to mind when the 25th anniversary of Sen. Edward Kennedy at Chappaquiddick recently passed.

But those were fibs told to someone else. Some found Steiner's backtracking so hard to swallow because it involved the denial of self. The death of youthful belief is a tough thing to see, even in this hard town.

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CLINTON GLADHANDS

SOUTH DAKOTANS

By SEAN SOMERVILLE=

Gannett News Service=

WASHINGTON A grueling day and a 50

-minute news

conference didn't stop President Clinton from talking and gladhanding with South Dakota Democrats Wednesday night.

Shortly after the nationally televised grilling, Clinton traveled up 16th Street to attend a closed

-door

fund

-raiser for gubernatorial candidate Jim Beddow, a state co

-chairman of Clinton's 1992 campaign.

Clinton, whose administration was fending off Whitewater charges and defending its support of a health care plan that falls short of universal coverage, spoke for roughly 25 minutes and mingled for another 15, attendees said.

The president had warm words for South Dakota. He said he wondered, at first, why he was campaigning in a horse barn outside Sioux Falls on a freezing night in November 1991. After all, Midwestern Sens. Bob Kerrey or Tom Harkin would own the state primary.

Then, Clinton said, the crowd warmed him up and he recognized similarities with his home state of Arkansas. Clinton talked about "the fragrance of hay and other smells," said John Devereaux, a spokesman for Rep. Tim Johnson, D

-S.D.

Devereaux called the Clinton joke "a little rural humor" that connected with South Dakotans.

Clinton discussed the responsibilities of small

-state

governors, saying, "there was never a time when he didn't enjoy" being a governor, Devereaux said.

He also hailed the Senate vote earlier Wednesday in favor of ethanol, and said Sen. Tom Daschle, D

-S.D.,

provided an important voice in the health care debate.

Daschle, a Clinton loyalist on health care, served as emcee for the night, introducing Beddow and Clinton.

For his part, Beddow talked of Clinton as a role model for improvements he made as Arkansas governor.

In all, about 160 people attended; roughly 35 traveled from South Dakota for the fund

-raiser.

Beddow's campaign officials could not be reached Thursday. But one attendee who asked not to be identified said the night's take was about \$60,000.

``There were some people who gave \$25, some who gave \$100, some gave up to \$1,000," the source said.

Devereaux said Clinton stayed long enough to greet everybody there. ``Anybody who wanted to shake hands with him could have done so," he said.

AM Health Reform, 750

Universal Coverage Advocates Try to Reverse Tide in Health Care Debate

By DAVID ESPO= Associated Press Writer=

WASHINGTON (AP) From an air

-conditioned news
conference in the Capitol to a rally on the summer

-baked
steps outside, advocates of universal coverage struggled Thursday to reverse the tide in Congress' health reform debate.

On the morning after President Clinton spoke warmly of a plan for 95 percent coverage, five liberal Democratic senators issued a letter insisting ``action must be taken to reach 100 percent coverage ... or 12 to 14 million Americans will remain uninsured,"

``Our votes are not to be taken for granted," said Sen. Paul Wellstone, D

-Minn., at a news conference where he and his colleagues faulted the reform measure advanced on Tuesday by Majority Leader George Mitchell.

Other Democratic advocates of universal coverage, including Jay Rockefeller of West Virginia and Tom Daschle of South Dakota, indicated they could support Mitchell's measure if their efforts to expand coverage through amendments failed.

At mid

-day, in the shadow of the Capitol, a small group demonstrated for a government

-financed health plan for all Americans, modeled on the Canadian system. ``Ninety

-five
percent isn't 100 percent," they shouted.

On the Capitol steps, Vice President Al Gore and some lawmakers greeted the ``Health Security Express" bus riders who were capping their cross

-country crusade for
coverage for all Americans.

While the crowd booed every mention of Senate

GOP Leader Bob Dole who favors less

-sweeping reform

measures United Auto Workers President Owen Bieber vowed that the backers of health reform would overcome the ``nay

-sayers, obstructionists and social dinosaurs."

Clinton personally helped inaugurate a fresh lobbying push. From the Oval Office, he began a series of paid television appearances asking viewers to help ``make this historic decision based on facts not fear."

The drift in congressional reform efforts was unmistakably away from Clinton's original call for coverage for all.

In the Senate, Mitchell's bill relies on federal subsidies and insurance law changes to expand coverage to 95 percent by the end of the decade. A mandatory business contribution might take effect in 2002, but only if national coverage fell short of 95 percent, and then only for 50 percent of the cost of insurance. Firms with less than 25 employees would be exempt.

At a news conference Wednesday night, Clinton said he would sign the bill if it cleared Congress. Last January, he vowed to veto any bill that didn't provide guaranteed insurance for every American that ``can never be taken away."

For his part, Dole said he thought Clinton gave ``short shrift" to the House measure at his news conference. ``I sort of got the hint last night that maybe Clinton was leaning" in the direction of Mitchell's bill, he said. The plan backed by Dole and 39 other Republicans relies on subsidies and insurance changes to spread coverage, and contains neither tax hikes nor mandatory business contributions.

Mitchell worked privately to persuade moderate Democrats to embrace his proposal, despite misgivings about the delayed employer mandate.

In the House, Democratic leaders lobbied for support for their measure, designed to provide universal coverage by 1999 and financed largely by mandatory business contributions. Clinton spoke warmly of that measure, as well, at his prime

-time news conference.

But many moderate Democrats are uncomfortable voting for these so

-called employer mandates, particularly given Mitchell's decision to delete them from his bill.

Rep. Charlie Rose, D

-N.C., one frequent critic of House

Speaker Thomas Foley and Majority Leader Richard Gephardt,

said he would vote against the plan.

"I don't want to see Democrats in close races forced by the leadership to vote for employer mandates when it could cost them elections at home," he said.

Another provision of the Democratic House bill came under attack from business and insurance groups opposed to an expansion of Medicare to offer insurance for the unemployed, the poor and workers of small business.

Republicans and some of the nation's governors also oppose it.

"It's not big government," Gephardt said. "It's a way to bring more competition into the system."

The Senate is expected to begin debating health reform next Tuesday, with no fixed schedule for voting. Republicans say they will conduct an exhaustive examination of the provisions of the plan.

Foley announced the House would begin Aug. 15 and conclude Aug. 19 chewing up the first week of lawmakers' summer recess.

bc

-healthcare

MITCHELL: HEALTH CARE DEAD FOR
YEARS IF NOT PASSED THIS SESSION

By NORM BREWER=

Gannett News Service=

WASHINGTON President Clinton accelerated his lobbying campaign for health care Thursday, announcing a series of nightly television ads and ordering his Cabinet to step up travel and media interviews promoting reform.

"He told us this is it," said Health and Human Services Secretary Donna Shalala. "It's time to mobilize every bit of energy we have in this administration to take the final steps to health

-care reform."

In the first commercial from the Oval Office, Clinton provides an overview of reform and urges viewers to "join the fight" by calling Congress.

In the House, that fight has been delayed a week, until Aug. 15. Speaker Tom Foley, D

-Wash., said the delay was needed to complete drafting the complex legislation and determine its budget impact.

Senate Majority Leader George Mitchell, D

-Maine, who

said health care reform will be dead "well into the next century" if it isn't passed this year, still plans to open debate in that chamber next week.

With lobbying continuing full

-force by an estimated
800

-plus groups, Mitchell suggested failure to get a bill now will make political leaders squeamish about reviving health reform any time soon.

"Look at the abuse the president is taking," Mitchell said of the criticism aimed at Clinton, whose original plan is defunct. It has been replaced by plans drafted by Mitchell and House Majority Leader Richard Gephardt, D

-Mo.

In an apparent reference to television ads that soured many Americans on Clinton's plan, Mitchell said it takes time "for the truth to catch up."

That as the administration defines the truth is part of what's behind the White House lobbying effort.

Clinton's series of two

-minute addresses on health reform are part of a \$1 million campaign, also using radio and major newspapers, being paid for by the Democratic Party. The addresses are to run on CNN at 7:50 p.m. EDT, for at least a week.

Commerce Secretary Ron Brown said the lobbying effort was needed to "overcome the disinformation campaign that has been waged" by opponents.

But Republican National Committee Chairman Haley Barbour charged Clinton, in his news conference Wednesday night, was the one who "deliberately led people to believe there was no Republican alternative."

Though there are GOP bills in both the House and Senate, Barbour said, Clinton challenged Republicans to offer alternatives if they don't like the bills crafted by Gephardt and Mitchell.

Clinton has endorsed the Gephardt and Mitchell bills, though the latter projects 95 percent coverage by the year 2000 and does not guarantee the universal umbrella Clinton had insisted upon. Clinton said the Mitchell bill contains other provisions to help achieve coverage for all.

On Capitol Hill, five liberal Democratic senators Paul Wellstone of Minnesota, Paul Simon of Illinois, Howard Metzenbaum of Ohio, Tom Harkin of Iowa and Russ Feingold of Wisconsin said Mitchell's bill has not met the standard of universal coverage.

They said they would offer amendments to strengthen it. If as is likely they fail, Wellstone said, "Our votes are not to be taken for granted."

An even greater number of conservative and moderate Democrats said they will attempt to weaken Mitchell's bill. They say that, in the quest for universal coverage, he is asking businesses to do too much.

Outside the Capitol, there were dueling rallies.
Several hundred people who had ridden Clinton

-endorsed
health reform buses gathered in the sun on the west steps.
Several dozen backers of a government

-run system found at
least partial shade on the east lawn, where opponents also
angled to get their anti

-reform placards on television.

Democrats vs. insurance industry
By MARY ANN AKERS=

WASHINGTON, Aug. 4 (UPI) Congressional Democrats, countering charges from the health insurance industry that their health care reform plan would amount to a government takeover, scrambled Thursday to clearly define a provision that would expand insurance coverage through Medicare.

The proposed system, called "Medicare C," would expand the government's current Medicare program to cover low

-income and unemployed people who would otherwise have no access to insurance coverage through an employer.

Responding to repeated charges from the Health Insurance Association of America, HIAA, that the Democrats' plan would result in socialization of the nation's health care system, House Democratic leader Richard Gephardt called a news conference to calm "the confusion" and clear the "smokescreen of the special interests."

"It's not big government," he told reporters. "It's a way to bring more competition into the system."

"It's a way for us to say to private insurance companies: everyone will have a choice. They can choose one of your plans, they can choose this new government plan, or they can choose the same health care program federal employees have."

Medicare C, he said, would foster competition, contain spiraling health care costs and provide affordable coverage to the poor and elderly who need it most.

The plan would also absorb many recipients of Medicaid those receiving acute care giving it a pool of some 60 million Americans.

A much bleaker picture, however, was painted earlier in the day by Bill Gradison, the president of HIAA who resigned his House seat last year to take the helm of the powerful lobbying association.

Gradison, a lifelong Republican from Ohio, complained that competition from the government's Medicare program

would be unfair because it would reimburse health care providers at a rate "significantly lower" than that of private insurers.

"(The government plan) would charge lower premiums and increase cost

-shifting by forcing people with private health insurance to pay higher premiums to make up the difference," he said.

In stark contrast to Gephardt's reading of the plan Gradison said, in short, the legislation would result in higher costs and lower quality health care.

Gephardt pointed out that thousands of managed care companies already compete within in the Medicare program for the elderly and "manage to offer quality care for less than the traditional Medicare plans."

The insurance industry, he said, views the possibility of more competition as a threat to "their perks and their power."

He warned the companies that "if you do your job right, if you keep costs down and start shredding the red tape, you'll have nothing to be afraid of."

Gore leads health rally amid gripes

By PAUL BASKEN=

WASHINGTON, Aug. 4 (UPI) Vice President Al Gore led cheers Thursday on the steps of the Capitol for health care reform legislation but faced gripes from both activists and lawmakers over the administration's softened commitment to universal coverage.

Gore, addressing several hundred demonstrators who traveled to Washington aboard the "Health Security Express" bus caravan, drew loud applause on the Capitol's sun

-splashed west steps by accusing Republicans of intentionally blocking reform plans that would extend insurance coverage to all Americans.

But several demonstrators admitted privately afterward they felt President Clinton appeared to have abandoned the central tenet of his reform drive when he endorsed the plan proposed this week by Senate Democratic leader George Mitchell for covering 95 percent of the population.

The Mitchell plan proposes the creation of a government commission that would begin making recommendations in the year 2000 for reaching universal coverage, but it falls short of the administration's repeated promise to accept only a plan that would ensure coverage of the entire country by a fixed date.

Miriam Zoll, a spokeswoman for the nationwide bus tour that carried more than 500 riders aboard 19 buses from all

corners of the country, said she and other riders "feel like he's (Clinton) sold us out."

But another bus tour spokesman said he understood the administration was forced by Republican opposition to seek a less comprehensive bill in the Senate and, hopefully, combine it before final passage with a House Democratic leadership bill that would provide universal coverage by 1999.

"If we can get his package through (initial floor votes in the House and Senate), then we stand a good chance in conference of strengthening this bill," said the caravan spokesman Greg Marchildon.

Gore, asked while shaking hands at the end of the rally if the administration was selling out its supporters in order to score a political victory in the health care debate, said: "You know that's not true."

Members of Congress on both sides of the political spectrum jumped into the fray, with liberal Democrats warning the administration would not get their support for the Mitchell bill and Republicans chuckling at the "confusion."

"The president is simply wrong to say that covering 95 percent of everybody is the same as covering everybody," Rep. Jim McDermott, D- Wash., who is the sponsor of a reform plan to create a government- financed single

-payer health care system. "It is not," the lawmaker told 100 supporters who gathered on the east lawn of the Capitol as Gore spoke on the opposite side.

Five liberal Democratic members of the Senate made the same complaint earlier Thursday, warning that while Mitchell's plan might be more politically palatable, they could not support it without significant amendments.

"I understand the politics of the United States Senate," said Sen. Howard Metzenbaum, D

-Ohio, "but I think this bill has to be improved to be fair to the American people."

Sen. Paul Simon, D

-Ill., said both Mitchell and Clinton have proven in the past they could overcome what initially appeared to be a solid wall of Republican opposition on contentious legislation. "I think if he (Mitchell) and the president get in and fight for it, we can do much better," Simon said.

Congressional Republicans, at their own Capitol Hill news conference, ridiculed the "confusion" among Democrats and insisted they would reject both the Senate and House leadership reform plans.

House Republican Whip Newt Gingrich of Georgia insisted Democrats would lose their majority control of both houses

of Congress if they succeed in enacting either Democratic leadership plan. "It would guarantee that (Senate Republican leader) Bob Dole would become majority leader, and I would be speaker, and at that point we would finally move to repeal it," Gingrich said.

bc

-germond

-witcover 8/5 Politics Today

Politics Today; RELEASE: 8/5/94

TAKE 1 OF 1

FOR USE BY TRIBUNE MEDIA SERVICES CLIENTS ONLY
BATTLE LINES OVER HEALTH CARE

By Jack W. Germond and Jules Witcover

WASHINGTON Now that President Clinton in effect has backed off his explicit threat to veto any health care reform bill "that does not guarantee every American private health insurance that can never be taken away," the battle lines are emerging for an unavoidable partisan showdown.

The president in endorsing the differing Democratic leadership versions in the House and Senate, and especially Senate Majority Leader George Mitchell's plan to cover only 95 percent of Americans for openers, continues to insist that both bills will deliver "universal coverage" just not right away.

When Clinton mentioned the 95 percent figure in a Boston speech a couple of weeks ago, he said he didn't mean that was his ultimate goal, and he still says that. But the political reality is that he has decided to take what he can get, despite the sweeping language of his original veto threat.

Although there remains considerable disagreement among Democrats in both the House and Senate on health care, the president would like to convey the idea that only Republican obstructionism now stands in the way of passage. "We have reached out to them, as was our responsibility to try to work together in a bipartisan fashion," he said in his news conference the other night, "and every time we have done it, they have moved away."

Addressing the Republicans, he asked: "If you don't like our approaches in the Senate and the House, what is your alternative?" Another practical reality, however, is that this Democratic

-controlled Congress is not going to pass a Republican alternative. While working to advance one, Senate Minority Leader Bob Dole has made clear his view that no bill would be better than what the Democrats finally come up with.

For a long time some Republicans seemed convinced that they could not afford politically simply to be against what the Democrats proposed. Now, however, important GOP voices are strongly counseling that rather than push a Republican alternative that can't be enacted, the party will better spend its time trying to harpoon the Democrats' proposals, especially the House version by Democratic Majority Leader Dick Gephardt that comes much closer than the Mitchell version to Clinton's own earlier proposal.

William Kristol, the former chief of staff to Vice President Dan Quayle who has become a key spokesman for Republican conservatism, proposed in a memo prior to Clinton's news conference that "the best achievable Republican health care result this year ... is blocking passage of irredeemably bad Democratic legislation," meaning the Gephardt version. "We might as well get on with it," Kristol wrote, "and prepare ourselves for abuse we will suffer in the process."

Kristol now says he believes the president in his news conference seriously undercut Gephardt with House Democratic moderates and outraged House and Senate liberals by indicating he will settle for the blander Mitchell version.

Republican National Chairman Haley Barbour has weighed in with the notion that Clinton is playing the old salesman's bait

-and

-switch routine, hoping to "get a bill, any bill, through the Senate" as bait while the House passes the Gephardt version, and then switching to something closer to the Gephardt version in a House

-Senate conference.

If Kristol is right about the problems Clinton is creating among House Democrats by his failure to give a stronger endorsement to the Gephardt approach that is closer to his own, the whole Democratic strategy could be jeopardized. Many House Democrats fear being left out on a limb by voting for politically risky employer mandates in Gephardt's bill, only to see them abandoned in conference with the Mitchell version, which does not have them.

Clinton is now in the midst of a nightly television advertising blitz to rally public support for whatever comes out of the Democratic legislative cement mixer on health care. But he is now in the position of advancing proposals that fall short of what he said earlier the country needed, while insisting they're even better than what he wanted.

In Boston, they say of a glib person that "he could talk a dog off

a meat wagon." If anyone can do it, it's probably Bill Clinton.

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AM Senate

-Abortion,240

Senate Condemns Slaying of Abortion Doctor

WASHINGTON (AP) The Senate voted Thursday to condemn the slaying of a Florida abortion doctor and called on federal law enforcement agencies to ensure protection of abortion clinics.

The 98

-0 vote was on an amendment to an appropriation bill for the departments of Veterans Affairs and Housing and Urban Development and several other federal agencies.

"Like it or not, abortion is a legal medical procedure in this country," said Sen. Frank Lautenberg, D

-N.J., the

primary sponsor of the amendment. "There is no reason for doctors who provide legal abortion services to be threatened as they are."

Dr. John Britton, 69, and a volunteer escort, James H. Barrett, 74, were killed last Friday as the doctor arrived for work at the Ladies Center in Pensacola, Fla. Barrett's wife, June, 68, was wounded in the attack.

Police charged Paul Hill, a former Presbyterian minister, with murder in the attack and he has been jailed without bond.

The amendment calls on the Department of Justice, the FBI and the Bureau of Alcohol, Tobacco and Firearms to "undertake all enforcement and investigative activities" under a federal law signed by President Clinton earlier this year designed to protect abortion clinics.

"Those of us that are pro

-life and feel very strongly

about protecting the lives of the unborn also feel very strongly about protecting the lives of those that are born," said Sen. Bob Smith, R

-N.H.

AM

-AL-

-Hefflin Hospitalized,150

URGENT

Alabama Senator Hospitalized With Chest Pains

MOG Filed

WASHINGTON (AP) Sen. Howell Heflin of Alabama was hospitalized Thursday after complaining of chest pains and was listed in "stable and comfortable" condition, aides to Heflin said.

Tom McMahon, a spokesman for the 72

-year

-old Democrat,

said Heflin was taken to the National Naval Medical Center at Bethesda, Md., after telling attending physicians at the Capitol of his chest pains.

Heflin later called his office and "sounded fine, pretty strong," said McMahon.

He said the senator's doctors recommended tests as a precautionary measure since Heflin underwent surgery to clear a clogged artery in his heart last year.

"The doctors want to have him checked out," said McMahon.

BC

-USA DEMOCRATS (SCHEDULED)

CHICAGO PICKED FOR 1996 DEMOCRATIC PARTY CONVENTION

By Andrew Stern

CHICAGO, Aug 4 (Reuter) - The Democratic Party announced Thursday it will hold its convention two years from now in Chicago, nearly three decades after the nation watched the party's 1968 convention erupt in rioting between baton

-wielding police and anti

-war protesters.

Chaotic images of rampaging officers beating long

-haired protesters along Michigan Avenue will certainly be rerun on television screens, while the present

-day squalor outside a spanking

-new convention hall will in all likelihood be ignored.

The 1968 riot, coming in the midst of the Vietnam War, defined for many not only the gulf between pro

-war and
anti

-war forces, but highlighted the so

-called generation
gap as well.

For Chicago, the 1968 convention is a nightmarish memory alongside the race riots that same year that followed the assassination of civil rights leader Reverend Martin Luther King.

"I just want to put to rest the issue that keeps coming up ... 1968," Mayor Richard Daley said at a ceremony held on a pier jutting out into Lake Michigan against the backdrop of the city skyline.

"People say we're trying to erase that chapter in our history. We don't need to erase that chapter or any other chapter. Chicago is much bigger than that. We've come a long way since the Vietnam War and the assassination of President Kennedy, the assassination of Martin Luther King as well as Bobby Kennedy," Daley said.

The current mayor's father, political boss Mayor Richard J Daley, was notorious during the 1968 Democratic convention for ordering the police out in force against the protesters.

In the November election, Democratic nominee Hubert Humphrey was defeated by Republican Richard Nixon.

Prior to 1968, Chicago was the most frequently chosen site for American political conventions, and the arrival of the Democrats in 1996 will mark the 25th convention to be held here.

"Chicago has always been a city of carpenters, a city of builders, a city of doers and movers and shakers and of people who get things done," Democratic National Committee chairman David Wilhelm said in his formal announcement of the selection site.

"That's why Bill Clinton has always done well here. He's a builder, he's a doer, he's someone willing to take risks to do big things. That's why I believe that Chicago, the city of big shoulders, is the perfect choice as the place to launch Bill Clinton for a second term," Wilhelm said.

Wilhelm made no mention of the recent dearth of conventions in Chicago, but noted that the Democrats will be the only political party to meet here in August of 1996.

As part of the agreement to select Chicago, Mayor Daley agreed not to host the Republican convention.

REUTER

BC

-RWANDA

-USA

PERRY SAYS U.S. WILL NOT FIGHT IN RWANDA

WASHINGTON (Reuters) - U.S. Defense Secretary William Perry said Thursday U.S. troops would withdraw if

widespread killing returned to Rwanda rather than get involved in fighting.

Perry's assurance, that American troops in Rwanda will only conduct humanitarian activities, was made to members of Congress worried about the Rwanda effort becoming like the Somalia relief operation where U.S. peacekeepers were killed .

If violence returned but the U.N. peacekeeping force in Rwanda could control it, the U.S. troops would stay, Perry told the House Defense Appropriations Subcommittee.

If not, he said, "We do not plan to put in military forces to enforce the stability in the area. Therefore in that case we would have to pull out."

General John Shalikashvili, chairman of the U.S. military joint chiefs of staff, said a plan is in place to withdraw U.S. forces to the American operation in Entebbe, Uganda, if widespread violence returns.

Perry told the legislators he does not expect U.S. forces to be in Rwanda and border refugees camps long in any case.

"We want to start phasing ourselves out of the humanitarian business," he said. "We are there to provide emergency humanitarian relief.

"But as soon as we have that operation up and running, we want to start phasing it out" He said. The job, he explained, will then be turned over to international organizations.

The primary U.S. military jobs have been to set up water purification plants for the refugee camps at Goma, Zaire; carry supplies to other camps, and reopen the airport at Kigali in Rwanda for humanitarian operations there.

REUTER

BC

-USA

-DEFENSE

DEFENSE BUDGET ACCORD SAID NEAR IN CONGRESS

WASHINGTON (Reuter) - Congressional negotiators were reported close to agreement Thursday on a \$263 billion defense bill that keeps pressure on President Clinton to lift the Bosnia arms embargo.

Negotiators said they are hammering out a compromise that stops just short of ordering Clinton to lift the U.N. arms embargo and sending arms to the Bosnian Muslims to defend themselves.

One negotiator said the compromise would direct the Clinton administration to press the United Nations to lift the arms embargo and set timetables for possible U.S. lifting of the embargo on its own.

The House version of the \$263 billion authorization for U.S. defense programs next year would have ordered

Clinton to halt U.S. participation in the embargo and ship arms to Bosnian Muslims.

But the Senate version supported Clinton's policy of seeking an agreement with other participants to lift the embargo if necessary to try to force Bosnian Serbs to accept a peace agreement.

Negotiators said a compromise involving the B

-2

stealth bomber includes a possible study on whether to buy more than the 20 bombers now planned or set aside funds that will allow the Pentagon the option of buying more later.

The bomber is built by Northrop.

REUTER

AM

-US

-Yugoslavia, 700

White House Warns Bosnian Serbs It May Approve Weapons For Muslims
With AM

-Yugoslavia, Bjt

By BARRY SCHWEID= AP Diplomatic Writer=

WASHINGTON (AP) Yugoslavia's cutoff of most ties to its Serb clients in Bosnia drew a skeptical reaction Thursday from the Clinton administration, which continued to mark time on any plan of action of its own.

There were veiled warnings from Leon Panetta, the White House chief of staff, and from U.S. press officers that the United States may act on its own to see that fresh weapons shipments are delivered to the Muslim

-led

government in Bosnia.

For the most part, though, the administration stuck to its position that it was consulting with allies on what to do next. Rep. Frank McCloskey, D

-Ind., said it was "an ongoing, failed policy" and that "they are stonewalling the issue."

A month ago, the United States, France, Russia, Britain and Germany gave the Serbs two weeks to approve a plan to settle the war in Bosnia or run the risk of tougher economic sanctions, a lifting of an arms embargo against the government and an expansion of safe havens for the Muslims.

The Bosnian Serbs rejected the plan, but so far have not been punished. State Department officials said there was no plan for Secretary of State Warren Christopher to

meet with the foreign ministers of the four other governments next week in Europe after another trip to the Middle East.

In the meantime, though, Serb

-dominated Yugoslavia cut its political and economic ties to the Serbs in Bosnia except for delivery of food and medicine.

President Slobodan Milosevic of Serbia, who has supported the Serbs in their campaign to reverse Bosnia's declaration of independence, apparently wants to avoid further sanctions against Belgrade.

The move drew a tepid U.S. response.

"I think we welcome any steps to continue to put pressure on the Bosnian Serbs," said Dee Dee Myers, the White House spokesman. "Certainly, we would welcome them severing economic and political ties. They've been continually rearming and supplying the Bosnian Serbs."

A State Department spokesman, David Johnson, said "we've seen promises in the past. We've like to see how this one carries out before we make an assessment."

At the same time, both press officers hinted the United States may act on its own to supplement the supply of weapons the Bosnian government is getting surreptitiously from some Muslim countries. A U.N. arms embargo now technically proscribes delivery to the feuding factions in the former Yugoslav republic.

Johnson said "the pressure would be considerable" for the United States to act on its own if the allies cannot agree on a joint strategy to punish the Serbs. Ms. Myers said, meanwhile, "the pressure may build to the point where we are forced to take that step."

Similarly, Panetta, in a CNN interview, said "ultimately we will seek a multilateral lifting of the embargo, and if necessary a unilateral lifting of the embargo."

But, Panetta stressed, before even taking joint action with the allies "we want to put maximum pressure on them (the Serbs) to come around."

President Clinton, in his 1992 election campaign, sharply criticized the Bush administration as not doing enough to help the Muslims and said the United States should bomb Serb artillery and arrange for weapons for the Bosnian government.

Once in office, though, he has ruled out unilateral U.S. action and sought a common policy with Russia, traditional allies of the Serbs, and with France and Britain, which are reluctant to take strong action for fear their peacekeepers could be hurt as a result.

Congress is moving to adopt legislation to lift the arms embargo against Bosnia. U.S. mediator Charles E. Redman briefed members of the Senate and House armed services committees Tuesday and, according to McCloskey, warned against "acting precipitously."

McCloskey, whose accusation last year of genocide drew Christopher's concurrence last month, said the Bosnian Serbs were in "a total war posture" and laying siege to Sarajevo, the capital.

"The administration is acting with no urgency, no leadership, no sense of concern for people on the ground anywhere in Bosnia," he said in an interview.

BC

-HAITI

-USA (SCHEDULED)

STATE DEPARTMENT SAYS U.S. UNIFIED ON HAITI POLICY

By Carol Giacomo

WASHINGTON, Aug 4 (Reuter) - The State Department insisted Thursday the Clinton administration is unified on the U.S. approach to restoring democracy in Haiti, but the Pentagon left an impression of differences among policy

-makers.

"I'm prepared to tell you there's a common view among the president's principal advisers," State Department spokesman David Johnson told reporters.

Pentagon spokesman Dennis Boxx separately told a news briefing: "The President's policy advisers, and in particular Secretary Perry and Secretary Christopher, are in agreement on the policy that (Haitian General Raoul) Cedras and the de facto regime must go."

But he did not speak to the issue of tactics, saying: "Beyond that, I'm not going to get into discussions that might take place in principal policy advisers' meetings."

They were responding to a New York Times story Thursday that said that despite winning the United Nations Security Council's approval for an invasion of Haiti, the administration is split over whether to set a deadline for carrying it out.

Quoting senior U.S. officials, the newspaper said the division became evident at a meeting of President Clinton's top national security advisers Tuesday at the White House.

It said Defence Secretary William Perry, reflecting military reluctance to invade Haiti, opposed setting a deadline and wants to explore ways to induce Haiti's military leaders to leave for a comfortable life in exile.

But Strobe Talbott, Deputy Secretary of State and the person who has emerged as the State Department's chief Haiti policy

-maker, argued that offering incentives was morally repugnant, the newspaper reported. He is said to

favour an early invasion.

Johnson, speaking at the State Department, said:
"I've spent a fair amount of time this morning talking to some of the people who were in that room and I will assure you that there's a common view among the president's principal adviser on our Haiti policy, as most recently expressed by the president's news conference last night."

At the news conference, Clinton asserted that the use of force was a necessary option for "forcibly removing the dictators who have usurped power in Haiti and who have trampled human rights and murdered innocent people."

Clinton called it "premature" to seek congressional approval for a U.S.

-led invasion, but did not rule out doing that in the future.

Johnson said Perry and Christopher "spoke at some length yesterday and there is a congruence of views between them."

He did not deny that while Perry and Christopher might be in accord, there may have been a disagreement between Perry and Talbott that surfaced at the White House meeting.

Still, he criticised the article, citing "errors contained therein (such as reference to Christopher) allegedly taking a back seat in the deliberations."

"That's not the case. The secretary presented the State Department position. Strobe was there sitting behind the secretary," Johnson added.

REUTER

bc

-haiti

CLINTON IN BIND

ON HAITI INVASION

By JOHN OMICINSKI=

Gannett News Service=

WASHINGTON President Clinton faces a dicey political bind on Haiti, similar to President Bush's dilemma before the 1991 Persian Gulf War.

If Clinton orders an invasion of Haiti without getting Congress behind the attack, he risks Capitol Hill's wrath. But if he asks Congress to authorize the storming of Haiti, he might lose the vote.

Then what?

Does he thumb his nose at Congress and send in the troops?

"I don't want to cross that bridge until we come to it," he told reporters Wednesday night.

Clinton donned the cloak of presidential precedent, saying he did not need congressional approval, though he might seek its agreement if an invasion of Haiti is

necessary. Anyway, he said, it was "premature" to talk about it.

"Like my predecessors of both parties," said Clinton, "I have not agreed that I was constitutionally mandated to get it, but at this moment I think we have done all we need to do," adding, "because I don't want to cross that bridge until we come to it."

Earlier this week, press secretary Dee Dee Myers expressed the president's objections more bluntly than Clinton did at his news conference.

Myers said Clinton "would not support a resolution that would require approval" because it "would interfere with his ability to make foreign policy."

As another novel post

-Cold War crisis, Haiti
illustrates Washington's changing political landscape.

Published reports say the Pentagon and State departments are sharply split on the issue, with the Pentagon opposing a quick attack.

According to The New York Times, a top

-level White

House meeting on Haitian strategy featured heated exchanges between Defense Secretary William Perry and Deputy Secretary of State Strobe Talbott. Perry reportedly argued against setting a deadline for action that would endanger U.S. troops, while Talbott favored an early invasion rather than waiting for the military rulers to leave.

Clinton a liberal Democrat whose congressional wing has been the most vocal in demanding a congressional veto on foreign operations could place himself in a unique historical position if he ignored Congress.

Congress' left wing seems most eager to invade Haiti.
The 40

-member Congressional Black Caucus and key liberals such as Rep. David Obey, D

-Wis., have strongly backed it.
However, Rep. Ronald Dellums, D

-Calif., chairman of the
House Armed Services Committee, is dead

-set against.

A string of Capitol Hill votes reflects overall congressional ambivalence about Haiti, combined with a reluctance to thwart Clinton.

As Sen. Christopher Dodd, D

-Conn., has said, "If it works, it will have a thousand fathers. If it doesn't, the

president's on his own."

The Senate has signaled strong misgivings about Haiti, but stops short of outright opposition.

It voted this week, 100 to 0, to inform Clinton a U.N. Security Council vote to authorize an invasion did not add up to official permission.

But three weeks ago, it tabled a move by Sen. Robert Dole, R

-Kan., to set up a Haiti study commission. If approved, that would have stalled matters for months.

Last October, the Senate voted 98 to 2 to urge the president to consult Congress before moving into Haiti. But the resolution didn't require the president to do anything.

The House has actually voted both ways on Haiti this year. On May 24, it passed, 223 to 201, an amendment opposing an invasion unless Haiti is deemed to pose a "clear and present danger" to the United States. On June 9, it defeated the same amendment, 226 to 195.

The Constitution is tricky on the issue of war powers.

It gives Congress power to "make war" and raise the money to pay for it, but names the president commander in chief.

Neither a Congress nor a president has been willing to take the risk and test the issue in the Supreme Court, fearing a loss that would bind future governments.

In January 1991, Bush faced a similar dilemma.

While there was no dissension in the administration then as there is among Clinton's people, Bush insisted he needed no permission from Congress. Nonetheless, he sought a resolution of agreement. By a slim 52 to 47 vote, the Senate backed him. The vote in the House was 250 to 183.

Though now invoking presidential war powers, Clinton's statements as Arkansas governor on use of U.S. force overseas were ambivalent.

After the 1991 Persian Gulf War vote, Clinton was asked how he would have come down. He replied: "I guess I would have voted with the majority if it was a close vote. But I agree with the arguments the minority made."

Earlier this week, former national security director Brent Scowcroft tantalized reporters when they asked what Bush had planned to do if Congress in 1991 had voted to oppose the invasion of Kuwait and Iraq.

Did Bush plan to go ahead no matter what Congress did, Scowcroft was asked.

"Read our book," Scowcroft said, grinning.

BC

-Haiti

-Journalists Authorities Kick Out PBS Crew; US
Calls Action 'Deplorable'
LaserPhotos PAP102,103
By DAVID BEARD= Associated Press Writer=
PORT

-AU

-PRINCE, Haiti (AP) Authorities deported an
American TV crew Thursday, putting the three journalists
in an open pickup truck, parading them through the capital
and dumping them off on the Dominican border.

Military police and civilian auxiliaries stared at the
journalists as they were forced to wait for documents at
midday outside police headquarters, which human rights
groups have considered a torture center since the
overthrow of elected President Jean

-Bertrand Aristide in
1991.

Soldiers detained the free

-lance journalists for PBS'

"The MacNeil/Lehrer Newshour" on Sunday while they were
filming at Port

-au

-Prince's airport, where no planes are
flying because of an international air embargo. Three of
their videotapes were seized.

The three Americans Elizabeth Farnsworth, John Knoop
and Jaime Kibben were freed later Sunday, but their
Haitian driver and translator remained imprisoned late
Thursday.

No specific charges were given, and no reason was
listed for the deportation of the San Francisco

-based

crew, Farnsworth said.

The military

-backed government has urged journalists
not to report "alarmist" news and has attempted to
restrict news coverage.

"We will be all right," Farnsworth said, "but we are
very concerned about all of you the international press
who are left here, about the Haitian press, who are not
sure what the rules of the game are, and especially about
our Haitian colleagues, who have not yet been released."

An American consular official followed the Haitian
vehicle, but journalists in the procession were turned
back at a checkpoint at Croix des Bouquets, 10 miles (16
kms) east of Port

-au

-Prince.

The U.S. Embassy called the deportation and treatment of the journalists "outrageous."

"I think it's deplorable, and it's obviously an attempt to embarrass them," Embassy spokesman Stanley Schrager told The Associated Press. "This treatment was not necessary; neither was the deportation. ... It's a transparent attempt by this illegal regime to interfere with the free flow of information."

The journalists rented a car at the Dominican border and were heading to the capital of Santo Domingo late Thursday, Gregg Ramshaw, MacNeil/Lehrer's managing producer, told the AP.

BC

-NIGERIA

-USA

JACKSON URGES U.S. ACTION ON NIGERIA CRISIS

WASHINGTON, Aug 4 (Reuter) - U.S. civil rights activist Jesse Jackson urged the Clinton administration Thursday to exert economic and diplomatic pressure to halt what he said was a dangerous drift toward civil war in Nigeria.

"It's going to require some combination of economic pressures and diplomatic initiatives. We cannot assume a wait and see posture on Nigeria," Jackson said.

Speaking with reporters outside the White House after a meeting with National Security Adviser Anthony Lake, the civil rights activist said Nigeria was "simply is too big a factor in African policy to push off or disengage."

Jackson went to Nigeria last week as President Clinton's emissary to encourage the restoration of civilian rule. The country's military government voided last year's presidential election when it appeared opposition candidate Moshood Abiola would win.

Abiola is in detention and faces a treason trial for declaring himself president. Nigerian oil workers have been on strike for weeks seeking his release.

Jackson said if civil war erupted, the bloodshed in Rwanda would be small by comparison," and that there could also be dire consequences for the U.S. economy, since Nigeria accounts for about 10 percent of foreign oil exports.

"We do not have absolute leverage on Nigeria, but it seems that Nigerians and the world community have a common interest in avoiding a civil war," Jackson said. "The military cannot attract aid and trade and growth and development, and so my sense is the effectiveness of the

strikes is going to force a much earlier date for a declaration of democracy than the military had planned on its own.

REUTER

AM

-US

-Argentina

United States To Lease Military Vessel To Argentina

WASHINGTON (AP) The United States has agreed to lease a tank transport vessel to Argentina, deviating from support for a British embargo on arms transactions with that country, the State Department said Thursday.

A British Embassy spokesman said his government had been consulted by the United States about the transaction and raised no objections.

The British embargo dates back to the war the British fought with Argentina in the South Atlantic in 1982.

State Department press officer David Johnson said the Newport class LST being made available to Argentina replaces a similar vessel that Argentina had decommissioned. He noted that delivery of the vessel would not affect the military balance in the region.

Argentina was the first country to publicly offer troops to join in a United States

-led invasion of Haiti.

After the U.N. Security Council authorized the invasion last Sunday, President Carlos Menem said he will ask Congress for authorization to send 600 troops.

Johnson said the decision to lease the vessel to Argentina was made well before Menem's offer of troops. He did not give a price tag on the lease.

The transaction reflects the close ties the United States and Argentina have had since Menem took office in 1989. Besides being an outspoken proponent of democracy in the hemisphere, Menem also dispatched troops to take part in the allied coalition that helped end the Iraqi occupation of Kuwait in 1991.

AM

-Korea

-US

-Talks,0635

Decaying Nuclear Fuel Rods Put Pressure on U.S.

-North

Korea Talks

Eds: Also moved in PMs report.
AP Photos NY115

-117

By PETER JAMES SPIELMANN= Associated Press Writer=

SEOUL, South Korea (AP) Corroding day by day in a cooling pond in North Korea, 8,000 spent nuclear fuel rods are adding new urgency to resolving the country's nuclear crisis.

North Korea says it must begin reprocessing them by the end of August to avoid contaminating the atomic complex. The process could leave North Korea with enough plutonium to make up to five nuclear bombs.

That's exactly what the United States and its allies in the region want to avoid. U.S. and North Korean negotiators meet again Friday in Geneva to try to reach agreement.

But North Korea's price for accepting international supervision of the reprocessing is high: diplomatic ties with Washington and a modern reactor to replace its aging, Soviet

-style one.

"They want to hurry some kind of agreement in the talks based on the package deal," said Cha Young

-koo of
the Korea Institute for Defense Analyses, a
government

-sponsored think tank.

"If the negotiations with the United States go badly, in the worst case, they can go into unsupervised reprocessing. That is strong negotiating leverage on the United States."

Washington, however, says there are ways to chemically treat the water in the ponds to stabilize the fuel rods while negotiations continue.

North Korea insists its atomic program is peaceful, but has barred inspectors from the International Atomic Energy Agency from key facilities at its nuclear site at Yongbyon, 65 miles north of Pyongyang.

Without inspections, IAEA spokesman Hans Friedrich Meyer says his U.N. agency cannot say how much fissionable material the North has. "We do not know how much is there," he said.

The CIA estimates that Pyongyang already has produced 22 to 35 pounds of plutonium from past reprocessing, enough for one or two nuclear weapons.

In June, North Korean ruler Kim Il Sung promised former President Jimmy Carter he would freeze the nuclear program while "good

-faith talks" progress. But the talks were

suspended after Kim's death last month.

Kim pledged to shut down the North's outdated

5

-megawatt nuclear reactor if given a modern light

-water

reactor, which is safer and produces less plutonium, a key ingredient for nuclear bombs.

``An element to a settlement could be and I stress, could be assisting the North Koreans in making this transition from graphite technology to light

-water

technology," U.S. Assistant Secretary of State Robert Gallucci, chief American negotiator in Geneva, said Tuesday.

Replacing the North Korean reactor would take up to 10 years and cost \$2 billion.

Gallucci is trying to forge a deal for the United States, Japan, South Korea, Russia and Germany all to provide funds, equipment and expertise.

Meanwhile, haggling goes on over the fate of the rotting fuel rods that IAEA inspectors have seen stored at Yongbyon.

The United States wants the rods fuel shipped to a third country, such as China, for reprocessing.

North Korea has refused to do that, offering instead to reprocess the rods and put the separated plutonium under outside control. Western experts fear that bomb

-making

material could be diverted to the North's weapons program.

The North's actions in the next weeks should provide a clue to whether Pyongyang really wants nuclear weapons, or only developed them as a bargaining chip, said Leonard Spector of the Carnegie Endowment for International Peace in Washington.

``If they want to be cooperative, they will accept American proposals for treating the water and keeping the rods where they are," he said.

``If they want to march forward and continue reprocessing plutonium for a bomb, they will go ahead with that."

===== END ATTACHMENT 1 =====

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

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CREATION DATE/TIME: 5-AUG-1994 17:30:48.64

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TO: Dianna A. Pierce (PIERCE_D) (WHO)
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TO: Steven A. Cohen (COHEN_SA) (WHO)
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TO: Carola McGiffert (MCGIFFERT_C) (WHO)
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TO: Jeremy M. Gaines (GAINES_J) (WHO)
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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)
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TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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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: Cara A. Levy (LEVY_C) (WHO)
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TO: David Dreyer (DREYER_D) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

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

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Judges replace Fiske as head of Whitewater probe (AP)
Whitewater probe ends with bickering, handshakes (Reu)
Empty chair marks spot for missing House Whitewater
witness (AP)
RTC officials wind up Whitewater hearings (UPI)
Court names new Whitewater prosecutor (Reu)
Whitewater: winners and losers (GNS)
White House Watch: whom to trust, whom to dump (BBN)
Weighty, serious Senate debate (UPI)
Mrs. Clinton presses human side of health reform (Reu)
Health protesters target Democrats (UPI)
White House press corps to stay put (UPI)
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bar (AP)
Clinton pollster advises Democrats run on records (Reu)
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House, Senate conferees kill breeder reactor (Reu)
Federal agency fails to monitor insurance group,

investigators say (AP)

Consumer credit up again, at 15.6 percent rate (AP)

Poll finds support for mandatory gun licenses (Reu)

Senate refuses to tie Clinton's hands on Haiti invasion

(AP)

US wants "united position" on Haiti (UPI)

US, North Korea resume talks on nuclear issue (AP)

PM Whitewater Counsel, 1st Ld

-Writethru,650

URGENT

Judges Replace Fiske As Head of Whitewater Probe

Eds: Combines pvs and adds detail

By MICHAEL J. SNIFFEN= Associated Press Writer=

WASHINGTON (AP) In a stunning move, a three

-judge

panel today appointed former federal judge and solicitor general Kenneth W. Starr to take over the Whitewater investigation as an independent counsel. He will replace Robert B. Fiske.

A special three

-judge panel said it intended no

criticism of Fiske, who has been investigating Whitewater since Jan. 20, when Attorney General Janet Reno appointed him a special counsel.

"It is not our intent to impugn the integrity of the attorney general's appointee, but rather to reflect the intent of the act that the actor be protected against perceptions of conflict," the judges wrote in a four

-page

order.

Starr, 47, is now a private attorney in Washington. He was solicitor general during the Bush administration and sat on the U.S. Court of Appeals in Washington.

The independent counsel law was re

-enacted earlier this

year. In early July, Reno recommended that the special three

-judge court empowered to name independent counsels stick with Fiske. But several Republican members of Congress had written the judges questioning Fiske's independence.

Fiske's office has been investigating Whitewater for more than six months, with an office of about a dozen lawyers. Some 20 FBI agents have been assisting the investigation, sources familiar with the probe have said.

Fiske spent \$1 million in the first three months of his investigation, and the estimated cost through September is \$2.6 million.

John Bryck, a legal assistant in Fiske's office in Little Rock, Ark., said the office had no immediate comment. Bryck said he understood an order had been issued by the court, but that the office had not seen it yet.

Fiske had brought one indictment in Little Rock, Ark., in a related financial transaction.

Fiske also had ruled that deputy White House counsel Vincent Foster committed suicide, and had cleared White House and Treasury aides of any criminality in discussing a case involving an Arkansas savings and loan owned by a man who was partner with President and Mrs. Clinton in the Whitewater land development effort.

The judges said they had reviewed Reno's request that they name Fiske and ``determined that this would not be consistent with the purposes of the act."

``This reflects no conclusion on the part of the court that Fiske lacks either the actual independence or any other attribute necessary to the conclusion of the investigation," the judges wrote. ``Rather, the court reaches this conclusion because the act contemplates an apparent as well as an actual independence on the part of the counsel

``As Fiske was appointed by the incumbent administration, the court therefore deems it in the best interest of the appearance of independence contemplated by the act that a person not affiliated with the incumbent administration be appointed."

Reno herself had almost predicted such a development. She resisted Republicans demands last year to name a special counsel, arguing at the time that no one she named would be perceived as truly independent.

But she relented when then White House counsel Bernard Nussbaum asked her on Jan. 12 to name a special counsel. Her choice of Fiske, a Republican and former federal prosecutor in New York, was initially hailed by members of both parties.

The court gave Starr ``full power, independent authority and jurisdiction" to investigate any federal criminal violations, other than misdemeanors which are not covered by the act, ``relating in any way to James B. McDougal's, President William Jefferson Clinton's or Mrs. Hillary Rodham Clinton's relationships with Madison Guaranty Savings & Loan Association, Whitewater Development Corp. or Capital Management Services, Inc."

Starr also is empowered to investigate other allegations or evidence of criminal violations ``developed during the independent counsel's investigation" or arising out of it.

WHITEWATER PROBES END WITH BICKERING, HANDSHAKES

(Eds: Updates with end of hearings)

By William Scally

WASHINGTON, Aug 5 (Reuter) - Congressional investigations into the Whitewater affair ended Friday amid continued partisan sniping in a House committee and handshakes in the Senate.

The week of marathon hearings into administration officials' actions -- regarding a savings and loan probe involving President Clinton and his wife Hillary -- damaged the reputation of the No. 2 official at the Treasury Department but did not implicate the president.

The 51 member House Banking Committee had been split along party lines throughout and sometimes degenerated into arguments and shouting.

But its Senate counterpart worked in relative bipartisan harmony under Chairman Donald Riegle, a Michigan Democrat, and the hearing ended with warm tributes all around and handshakes among members.

In five days of marathon hearings, the Senate and House of Representatives banking committees painted in exhaustive detail

a picture of administration efforts to deal with the fallout of an investigation involving the Clintons.

As the hearing wound up, Clinton's Special Counsel, Lloyd Cutler, in effect appealed for mercy for Deputy Treasury Secretary Roger Altman, accused by both Republicans and Democrats of untruthfulness. He said Altman, whose future at Treasury has been questioned, had "suffered enough."

In the House, Chairman Henry Gonzalez denounced Republican charges that the White House had tried to interfere with an investigation of a defunct Arkansas savings and loan institution, saying they had been shown to be baseless, exaggerated and distorted.

Republicans counterattacked, charging that a string of witnesses had lost their memories over what had occurred, and referred to numerous contradictions among witnesses recalling meetings over the Whitewater matter.

Cutler said evidence had shown unequivocally that the White House had not sought to influence the investigation.

He acknowledged mistakes had been made in numerous White House

-Treasury contacts over a decision by the Resolution Trust Corporation to refer its probe of the Madison Guaranty savings and loan to the Justice Department for possible criminal action in a case in which the Clintons were possible witnesses.

The head of Madison and his wife were partners with the Clintons in the failed Whitewater real estate development in Arkansas more than a decade ago.

Senator Christopher Bond, a Missouri Republican, angered Cutler when he said "people cut corners, shaved

the truth and lied" and suggested that documents might have been shredded and that standards in effect "seem to imply if you're not indicted you're fit to serve."

Cutler, visibly angry, accused Bond of judging unfairly and told him he came from a party that was responsible for Watergate and the Iran

-Contra scandal of the Ronald Reagan administration.

Bond shot back that Cutler had "tried to throw a bucket of Watergate on top of me" and later Cutler apologised to the senator.

After senators had again raised the issue of Altman's veracity, Utah Republican Robert Bennett asked how he could testify in future with any credibility.

Cutler replied that Altman had admitted error and shown contrition. "He has been made to suffer enough and he can continue to be a very good public servant," he said.

Meanwhile RTC officials testified to the House committee that the Madison investigation had been handled properly.

"The RTC devoted more energy and resources to investigating Madison than any other institution," RTC attorney April Breslaw said.

Missing from the panel of witnesses was Jean Lewis, an investigator in the RTC regional office in Kansas City, who declined an invitation to testify. Lewis has been reported to have charged she was under pressure from Washington to play down the criminal referrals of Madison.

Breslaw charged that Lewis had secretly tape recorded a conversation between the two of them and had alleged the talk had the potential to influence a suit against Madison.

The conversation has been cited by Representative Jim Leach of Iowa, a leading critic of the Whitewater affair.

Although the Congressional panels have wrapped up their inquiries, the executive branch will continue to probe the controversy.

In unexpected development Friday, a federal court Friday named former U.S. Solicitor General Kenneth Starr as special prosecutor for the Whitewater investigation, replacing Robert Fiske, who had been named by Attorney General Janet Reno.

REUTER

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-Investigator, Bjt,0500

Empty Chair Marks Spot for Missing House Whitewater Witness

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) An empty chair marked the spot at the Whitewater witness table where savings and loan investigator L. Jean Lewis was supposed to sit Friday.

Ms. Lewis refused the House Banking Committee's invitation to discuss the criminal referral she made while probing a failed Arkansas thrift as a Resolution Trust Corp. investigator in Kansas City, Mo.

But she was central to Friday's hearing: her investigation linked a check

-kiting scheme at Madison

Guaranty Savings & Loan to Bill and Hillary Clinton and their investment in the Whitewater land venture.

And it was Lewis, who is 40 and lives in suburban Shawnee, Kan., who suggested in memos that higher

-ups were

placing ``roadblocks" before her criminal referral and who secretly taped a conversation she had Feb. 2 with April Breslaw, a top RTC lawyer in Washington.

Breslaw has suggested that she was unwittingly led into a bugged room and encouraged to talk casually about the case. It was then she made remarks indicating the Clintons would like a different outcome to the Madison investigation.

Ms. Lewis' lawyer, Michael Forshey of Dallas, told Banking Committee Chairman Henry Gonzalez in a letter this week she wouldn't appear Friday because she didn't want to jeopardize the ongoing probe of Whitewater by special counsel Robert Fiske.

Some committee members charged she was refusing to appear because she plans to profit from her investigation by writing a book or movie script. That drew an angry response from Forshey.

``There is no contract. There has been no negotiations for a book, movie or anything else, period," Forshey said.

Forshey's law firm has represented Lewis since 1993 to help her copyright slogans used on novelty items such as
T

-shirts and notepaper, the lawyer said.

According to documents provided by Forshey, the slogans all share the same acronym: b

-i

-t

-c

-h. They include

``Bubba, I'm Taking Charge Here," ``Boys, I'm Taking Charge Here" and ``Bill, I've Taken Charge. Hillary."

Other lawmakers want Ms. Lewis subpoenaed to testify about the tape recording and her belief there was a high

-level cover

-up of her criminal referral.

``Shouldn't we be looking at the entire Kansas City operation and bring in whatever witnesses there are there? It doesn't make sense to do part of it," said Rep. Bill McCollum, R

-Fla.

Gonzalez said he would consider such a subpoena, if a majority of the committee wanted to issue one.

``We will decide what it is the committee wants to do and whether or not it (is) its wish to ask, through subpoena, Ms. Lewis to appear," said the Texas Democrat.

Ms. Lewis said through her lawyer she would be willing to appear before the Banking Committee at a later date, when its attention turns more closely to the Kansas City investigation of Madison.

RTC officials wind up Whitewater hearings

By MARY ANN AKERS=

WASHINGTON, Aug. 5 (UPI) A panel of federal regulators, wrapping up five days of Whitewater hearings in the House Friday, denied charges they sought to influence a government probe of a failed Arkansas thrift with ties to President and Mrs. Clinton, while a key Republican witness failed to appear.

April Breslaw, a Washington banking regulator who is accused of seeking to engineer the outcome of the Resolution Trust Corp.'s investigation of Madison Guaranty Savings & Loan, said she had ``no recollection of saying that anyone hoped for a particular outcome for the civil investigation."

Republicans charge Breslaw visited RTC investigator Jean Lewis in Kansas City in February and tried unsuccessfully to persuade her to say that Bill and Hillary Clinton gained no financial benefit from Madison. The failed S&L was owned by James McDougal, a co

-investor

with the Clintons in the Whitewater land development company.

The RTC, which has since turned its probe of the Madison case over to the Justice Department, was investigating the circumstances surrounding the failure of the Arkansas thrift. Part of its investigation included whether Madison funds may have been improperly funneled to Whitewater and to Clinton's gubernatorial campaign.

Lewis, who maintains Breslaw did in fact seek to

influence the outcome of the Madison probe, refused to testify before the House Banking, Housing and Urban Affairs Committee. Her attorney said in a letter to the committee that it "would be impossible" for her to discuss the conversation without exceeding the limited scope requested by Whitewater special counsel Robert Fiske.

Democrats, however, questioned the validity of Lewis's charge and suggested she opted not to testify because, as Rep. Barney Frank, D-Mass., put it, "she'd get blown out of the water."

Frank said he believed the Republicans were "embarrassed" to have Lewis appear at the hearing because they knew "she would be a loose cannon." Rep. Stephen Neal, D

-N.C., suggested Lewis feared potential questions about a political book contract she has signed and her copyright of "Bubba" T

-shirts that refer to the president.

Details about Lewis's book are scarce, but the title is proposed to be "BITCH," an acronym for "Boys, I'm Taking Control Here."

Breslaw, whose job it was to investigate Madison civil claims, said she was "prodded" into meeting with Lewis, who was not involved in the civil aspect of the probe, and that she was misled to believe the conversation was "a cursory and unimportant chat."

Their conversation, however, was taped and formed the basis of Rep. Jim Leach's, R

-Iowa, accusation in a speech on the House floor in March that "the independence of the U.S. government's regulatory system has been flagrantly violated" to protect the president.

Breslaw, a career lawyer for the Federal Deposit Insurance Corp., said no one ever informed her that her conversation with Lewis was being taped. "Such recording is illegal in many states. Moreover, Ms. Lewis went out of her way to make the conversation appear casual," she said.

She added, "I was so surprised to find myself being publicly attacked on the floor of the House of Representatives."

Leach and others in his party also alleged RTC officials obstructed justice by delaying criminal referrals on Madison to the Justice Department with an "unprecedented" legal review of the documents involved.

Jack Ryan, acting chief executive officer of the RTC, denied there was ever any attempt to obstruct justice.

He said Treasury officials never pressured him to influence the RTC's probe of Madison Guaranty and that he never spoke with anyone at the White House about Madison

or Whitewater.

A number of published reports have suggested Ryan instructed the Kansas City RTC office, which prepared and forwarded the Madison

-related criminal referrals to

Justice, that he would like the documents to reflect that Whitewater did not cause a loss to Madison.

"I have never instructed anyone to do anything but find the truth and work to see if the RTC had a cost

-effective civil case, as is our regular procedure,"

Ryan asserted.

After five days of questioning in the House and six days of grilling in the Senate, the hearings into the first phase of the Whitewater affair concluded with little fireworks.

At the heart of the congressional hearings is whether Treasury officials gave improper warnings to the White House about the investigation and whether the Clinton administration influenced RTC officials during the probe of Madison.

Fiske has found no evidence criminal laws were broken during the White House

-Treasury contacts. And the non

-partisan Office of Government Ethics has concluded no ethical standards for executive branch employees were violated, but that their contacts about the sensitive matter were "troubling."

But scandal

-sniffing Republicans in both chambers, hoping to find a hole in Fiske's investigation, pressed the issues continuously throughout the week.

In the Senate there were parting words of warning to Roger Altman, the deputy Treasury secretary, that his dubious candor before the committee last February about his briefings of White House personnel on the Madison investigation and his questionable defense of those remarks had doomed his future.

Sen. Alfonse D'Amato, R

-N.Y., said Altman "continues to temporize, excuse, dodge, and shift blame in a desperate effort to cling to his public office.

"Mr. Altman's apology rings hollow," D'Amato said. "He should behave honorably and leave.

"We are the legislative branch, we cannot simply remove Mr. Altman. We can say from this day forward, we will be unable and unwilling to accept or rely on any

statement or action or judgment of Roger Altman."

BC WHITEWATER

-PROSECUTOR 1STLD

COURT NAMES NEW WHITEWATER PROSECTOR

(Eds: adds background)

WASHINGTON, Aug 5 (Reuter) - A federal court Friday named former U.S. Solicitor General Kenneth Starr as independent prosecutor for the Whitewater investigation, replacing Robert Fiske, who has been in charge of the probe since January.

Starr, 48, in a surprise move, was selected by a three

-judge panel of the U.S. Court of Appeals in Washington, the Justice Department said.

Attorney General Janet Reno named Fiske, a Republican, on January 20 as a special counsel because the Watergate

-era law authorising independent counsels had lapsed.

Congress later renewed the law and Reno asked the court to rename Fiske as independent prosecutor.

But the court, which said it wanted someone independent from the Clinton administration, decided to replace Fiske with Starr, a Republican who was solicitor general in the Justice Department from 1989

-93, representing the government in arguments before the Supreme Court.

Starr was a law clerk to then Chief Justice Warren Burger and counsellor to the attorney general from 1981 to 1983. He has a law degree from Duke University and was a U.S. appeals judge.

Fiske had completed the first phase of his investigation into the involvement by President Clinton and his wife Hillary ten years ago in the Arkansas land deal and their partnership with the head of a failed savings and loan institution. He was working out of offices in Little Rock and Washington.

Fiske has already investigated contacts between Treasury and White House officials on the Whitewater affair and found no illegality and has also concluded that White House Deputy Counsel Vincent Foster's death a year ago was a suicide.

He was looking into whether there was wrongdoing in the the White House handling of Whitewater papers in Foster's office after his death.

The House and Senate Banking Committee completed their first round of hearings on the investigation Friday.

Fiske had asked them to wait on further hearings until he completed more of his investigation.

Senate Republican Leader Robert Dole said he was pleased by Starr's appointment and hoped it would lead to more complete hearings by Congress, which is controlled by Democrats.

REUTER

bc whitewater

TAKE 1 OF 2

WHITEWATER:

WINNERS AND LOSERS

UPDATE: Updates 2nd graf from end of Take 2 with new information on Fiske being replaced

Eds: Analysis. Can pair with WHITEWATER and WHITEWATER

-DUMB. Good through the weekend.

By JOHN HANCHETTE=

and CHUCK RAASCH=

Gannett News Service=

WASHINGTON OK, so the Whitewater hearings over the past two weeks may have impressed Americans as boring, stupid and mediocre melodrama.

But even if they did not illuminate great governmental truths, the House and Senate hearings enhanced some reputations and eroded others. In no particular order, winners and losers:

LOSER: Deputy Treasury Secretary Roger Altman, whose oft

-praised memory failed he even says he lied to his diary. The evasive Altman has lukewarm support from the White House, miffed he let a New York Times editor know he was stepping down from crucial Whitewater decisions before informing the administration. Public may remember the caustic words of Sen. Alfonse D'Amato, R

-N.Y., who called

him "... Roger the Dodger, what a gutless wonder. ...

Everybody else did it. Not responsible for anything, not Roger the Dodger."

WINNER: Sen. Donald Riegle, D

-Mich., who once squirmed

in the ethics witness chair as a member of the Keating Five senators who accepted donations from Charles Keating, a kingpin of the S&L scandal. Riegle, head of the Banking Committee, refused to cut off colleagues in mid

-question, allowing development of lengthy themes as

long as questions were logical. Retiring this fall, he seemed to want to go out remembered as fair and decent. He probably will.

LOSER: House Banking chairman Henry Gonzalez, D

-Texas,
always irascible and feisty, this time seemed disjointed and indefensibly partisan. Gonzalez, who even once compared himself to Thomas Jefferson, repeatedly cut off legitimate questions from GOP members while droning on in defense of the administration. Despite a distinguished
17

-term career, Gonzalez will be burdened with the perception he was a remarkably unfair White House apologist.

WINNER: Hillary Rodham Clinton's chief of staff, Maggie Williams. Even if she covered up, she came off effectively self

-assertive, with more influence in the White House than anyone suspected and about the only one willing to speak English, not bureaucrat

-ese. Her denial that she told Altman Hillary was "paralyzed" by Whitewater effectively shut off GOP grilling: "I would never talk about Mrs. Clinton's state of mind to anyone, so I am surprised to see Mr. Altman has quoted me in the diary saying so."

LOSER: Sen. Barbara Boxer, D

-Calif., who came off as a shameless White House apologist. Boxer gushed irrelevant motherly platitudes, at one point referring to 28

-year

-old
Treasury chief of staff Josh Steiner as a "lovely" young man, and reminding GOP senators they have children that age. She generally treated Steiner like he'd merely screwed up a paper route. Of Steiner's denying the precise observations in his own diary, Boxer soothed, "I respect the fact you have feelings; you're not old like this (gesturing at colleagues) and you're not numb." This, from one of the chamber's most politically correct members, even drew scolding from Colorado Democratic colleague Ben Nighthorse Campbell.

WINNER: D'Amato, the Senate committee's ranking Republican. D'Amato was so bombastic, strident and partisan that he earned the sobriquet, "Allfuss." But if you ignore his manners and his own ethically speckled past, he came across as one of the few who seriously tried to

determine whether the White House had interfered in a criminal investigation. Bull's

-eye questions effective.

LOSER: Jim Leach of Iowa, ranking Republican on the House committee. Ignore his renowned altruism, lofty motives, hard work, decency. He never should have agreed to hearings with such limited scope. Most bombshells his staff uncovered were out of committee's purview. Viewers were left with the perception, after his lengthy, confusing discourses on ancient scientists like Copernicus and Ptolemy, of a frustrated egghead whining about parliamentary procedures.

WINNER: Sen. Paul Sarbanes, D

-Md., put up a sincere effort to get to the truth. The scholarly Sarbanes was particularly effective whittling away at weasel words when grilling the evasive Steiner, who at one point denied ``specific" or ``direct" conversations between Altman and Treasury's top lawyer Jean Hanson. Strike the adjectives, snapped Sarbanes. OK, admitted Steiner; there was such a conversation.

LOSER: Steiner gave a lingering black eye to the diary

-keeping art of Samuel Pepys and Anne Frank. He amazed observers by disowning his precise, well

-written observations that Altman had ``gracefully ducked" previous senatorial questions and ``backed down" from disqualifying himself on Resolution Trust Corp. decisions under White House ``pressure." Steiner, watching a brilliant future in government turn to ashes, gave the impression he either was lying or under immense White House pressure.

MORE

bc whitewater

TAKE 2 OF 2; bc

-WHITEWATER

-WINNERS

-1; xxx White House pressure.

UPDATE: Updates 2nd graf from end of this take with new information on Fiske being replaced.

WINNER: The Senate. Members of its banking panel impressed viewers as much more serious than the

embarrassingly political members of the House committee. Some of the best questions and biting observations came from Democrats like John Kerry of Massachusetts and John Shelby of Alabama.

LOSER: The Treasury Department. Previously viewed a competent outfit doing a good job of reviving the economy, it appeared mostly concerned with political buttering

-up
and protecting career tracks. Its reputation is in smoking ruins.

WINNER: Rep. Barney Frank, D

-Mass., only member of the House committee who kept his sense of humor and still managed to defend the White House vigorously. Said Frank: "It's hard to be cross with someone this amiable."

LOSER: The White House. Despite GOP failure to prove criminal behavior, the president suffered many nicks he doesn't need. It slapped more grease on the Slick Willie image. Watch the polls for proof.

WINNER: The American public. The TV spectacles were disheartening, true, but anything that gives citizens a glimpse at the ineffectiveness of government can only be cleansing and instructive.

LOSER: Rep. Maxine Waters, D

-Calif. Interpreting legitimate questions for Maggie Williams as sexist, she started a juvenile "shut up" shouting match right out of 9th grade study hall. It carried over to the House floor, where Rep. Peter King, R

-N.Y., embarrassed himself on the other end.

LOSER: Special prosecutor Robert Fiske. The GOP leveled much innuendo that he was whitewashing Whitewater for the White House; Democrats offered him often as their main excuse for dodging questions. So Fiske lost credibility without even doing anything. He lost so much, in fact, that late Friday afternoon a three

-judge federal panel in Washington removed Fiske and replaced him with George Bush's solicitor general, Kenneth W. Starr. In a four

-page order, the judges wrote: "It is not our intent to impugn the integrity of the attorney general's appointee, but rather to reflect the intent of the act that the actor be protected against perceptions of conflict."

LOSER: Congress may be the biggest loser. By agreeing to such a limited agenda on even the questions they could

ask, the committees gave away too much of one of Congress' most powerful weapons to investigate and keep honest the executive branch.

BC

-White

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-Watch:

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White House Watch: Whom to Trust, Whom to Dump

(Editors: This week Bloomberg Business News offers two alternate White House Watch columns. To see an alternate column, type BBCO35)

Washington Aug. 4 (Bloomberg) -- President Clinton, who stretched belief when he said he never inhaled, did it again this week when he said was too busy to watch the Whitewater hearings.

If Clinton had tuned into the proceedings, he would have seen key administration aides provide Congress with sworn and often contradictory testimony.

And he would have witnessed a new credibility problem with his administration: Whom to believe, whom to trust and who, if anybody, needs to be dumped.

Polls show most Americans don't trust Clinton. And that goes a long way toward explaining why his approval rating is under 50 % -- despite a robust economy and generally popular initiatives.

While the initial phase of the Whitewater hearings didn't produce any smoking guns, they underscored the administration's difficulty in not being viewed as straight shooters.

Treasury Secretary Lloyd Bentsen.

Deputy Treasury Secretary Roger Altman.

Treasury general counsel Jean Hanson.

Margaret Williams, chief of staff for Hillary Rodham Clinton.

They and other witnesses often disagreed about who told what to whom about White House efforts to keep tabs on investigations into the Clintons' Arkansas financial dealings.

Believe It or Not

Treasury Chief of Staff Josh Steiner won the prize for

top entry in the administration's own version of
"Ripley's Believe It Or Not."

He disavowed his own diary.

He wrote in that diary that Altman was under "intense
pressure" not to recuse himself from a Whitewater

-related

investigation, and Clinton was "furious" when he did.

Before House and Senate Banking Committees, Steiner
swore under oath he didn't know what he was writing about.
He told disbelieving lawmakers his writings were
impressionistic musings.

Speaking at his news conference Wednesday night,
Clinton declared: "I do not countenance anybody being
less than forthright with Congress."

But he seemed less than forthright himself.

Asked about Steiner's diary entry that he was
"furious" when Altman recused, Clinton replied: "The
only thing that upset me was that I didn't want to see him
stampeded into it."

Congressional hearings showed that the only stampeding
was by the White House. It unsuccessfully tried to rope
Altman into staying involved in an investigation into the
1989 collapse of the Madison Guaranty Savings & Loan.

Madison was owned by Jim McDougal, a partner of the
Clintons in the Whitewater Land Development Corp. Madison
and Whitewater are now the subjects of a sweeping
investigation by independent prosecutor Robert Fiske into
the Clintons' financial affairs.

While the White House contends there's been no evidence
anyone interfered with the Whitewater

-Madison probes, many

argue the administration at least tried with the Altman
recusal.

Altman ultimately did remove himself from the
investigation of Madison by the Resolution Trust Corp. At
the time, he was the agency's acting chief executive
officer.

Altman emerged as a central figure in the Whitewater
hearings.

He opened more than 16 hours of testimony by
apologizing to Congress, saying he didn't mean to mislead
it last February about the extent of White House

-Treasury

contacts on Whitewater.

"People have been indicted for less," roared Sen. Al
D'Amato (R

-N.Y), who over the years has had his own
ethical scrapes.

Senate Banking Committee Chairman Don Riegle (D

-Mich.)

added, "Frankly, I don't think there was an acceptable excuse."

Denials All Around

Some of the most dramatic testimony involved Altman, Bentsen and Treasury Department general counsel Jean Hanson.

Hanson testified that Altman told her to inform White House counsel Bernard Nussbaum of confidential criminal referrals that listed the Clintons as possible witnesses to Madison fraud.

Altman denied it.

Hanson also said Bentsen was aware of her meeting with Nussbaum.

Bentsen denied it.

Altman said that Bentsen recommended to him that he recuse himself from the Madison case.

Bentsen denied it.

Clinton was asked at his news conference if he intended to ask for Altman's resignation. The president declined to answer that question directly.

But he said he believes Altman has done a "superb" job as treasury deputy secretary, and that he maintains "confidence" in him.

Asked what impact Whitewater has had on his administration and credibility, Clinton said:

"I can't say All I can tell you is that I said I would cooperate fully and we have. I have said repeatedly I have done nothing wrong, and I didn't."

The president then smiled and said:

"I've watched none of these hearings. I've not kept up with them."

"I've been working on jobs, and health care, and the crime bill, and peace in the Middle East, and doing the things that I was hired to do by the American people."

-

-Tom Ferraro in Washington (202) 434

-1800/mfr

(For more information on Congress; NI CNG; on Clinton administration; NI EXE; on Treasury, NI TRE; on RTC, NI RTC)

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Democratic Leaders Continue to Bow to Centrists on Health

-Reform

Washington, Aug. 5 (Bloomberg) -- Senate Democratic Leader George Mitchell conceded to the centrists this week on health

-care reform, introducing a bill that could leave millions of Americans uninsured.

The Maine Democrat's bill and President Clinton's endorsement at Wednesday night's press conference angered some liberal Senate Democrats, the idealists who passionately backed the Clinton goal of writing into law guaranteed coverage for all Americans.

While the liberals don't want their votes taken for granted, Mitchell knows they are less likely to abandon him on a final health

-care bill than conservative party members.

Look for this pattern of trying to appeal to the center to continue in the days leading up to Congress's historic vote on overhauling one

-seventh of the nation's economy.

"We should be looking for support from the center out, not the left or right in," Sen. John Breaux (D

-La.), a

leader among the centrists, said after meeting with the president today.

Liberal Democrats are vulnerable because of the strength of their commitment to health reform. They worry they will have lost a once

-in

-a

-generation opportunity if Congress fails to pass legislation this year.

"I don't know if we'll be able to address this issue again before the end of the century if we fail to address it in the next three weeks," said Sen. Christopher Dodd (D

-Conn.). "People are drowning. They don't want to see us argue about the size of the lifeboat or the size of the life preserver."

Pragmatic Approach

Mitchell has adopted that pragmatism, noting that opposition to major social programs fizzles after they are passed and then are expanded to include Americans not helped under the original law. That was true of social security, which did not cover everyone when it was enacted in the 1930s.

Mitchell will need to sell that argument to convince liberal Democrats to stick with him even if the conservative wing of his party succeeds in weakening his bill.

Mitchell had been a strong supporter Clinton's health plan. Last November, he introduced the president's bill to pay for expanding coverage to the nation's 39 million uninsured largely by requiring business to pay 80% of the cost of worker insurance, the so

-called employer mandates.

But when it came time last week for him to present his own bill for consideration by the full Senate, Mitchell bowed to political reality, unveiling a much less ambitious plan designed to appeal to the needed votes of conservative Democrats who have the power to hold the president's programs hostage.

Between now and the year 2001, the Mitchell bill would not require anyone to buy health insurance. Instead, he hopes to increase the percentage of insured Americans to at least 95% from 83% by providing billions of dollars in subsidies to the poor and by changing insurance regulations and enacting market reforms to make health coverage more affordable.

In the year 2000, a federal commission would recommend how to expand coverage and Congress would decide whether to adopt the panel's proposals. If more than 5% of the population remained uninsured by then, Congress' failure to approve the commission's recommendations would trigger a requirement that most businesses pay for 50% of the worker coverage by the year 2002.

If 95% of the country was insured by the year 2000, Congress' failure to act would not trigger mandatory employer

-paid insurance, leaving as many as 12 million to 14 million Americans uninsured.

Unsatisfactory to Some

"95% coverage isn't satisfactory. Every American is entitled to full coverage," said Sen. Howard Metzenbaum (D

-Ohio).

Metzenbaum, who joined four other liberal Senators this

week in criticizing the Mitchell bill, worries that the proposal will encourage businesses to cut back on coverage as the Mitchell law gives out subsidies to the working poor.

"That would be horrendous," he said. "But there isn't any question that some are now thinking along that line."

Yet none of the five Senators were willing to say that they would vote against the Mitchell bill if it came up for a vote today. Moderate and conservative Democrats are willing to do so, and therefore carry far more clout than liberal party members when it comes to crafting a compromise.

Today, Sen. Bob Kerrey (D

-Neb.), who cast the crucial swing vote for Clinton's budget plan last year, said he won't vote for Democratic health

-care legislation unless the White House works with Republicans.

"My answer, despite my great passion to have every American secure in the knowledge they will receive high quality health care and despite my great respect for the president and both majority leaders, is 'no,'" Kerrey said. "I do not want America to go down the road the president is asking us to travel."

It is unlikely that any Republicans will join Democrats in the House supporting a Clinton

-style bill. And in the Senate, a handful of moderate Republicans led by Sen. John Chafee (R

-R.I.) will not cross over without further concessions. The employer mandate in Mitchell's bill is "unacceptable," said Sen. John Danforth (R

-Mo.).

The House bill is far more ambitious than the Mitchell plan, requiring employers to pay for 80% of worker health coverage by the year 1999. But House members are watching the Senate closely, worried about casting an potentially unpopular vote for mandatory employer

-paid insurance only to find the provision removed in the Senate.

"If it is not going to have an 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.), a powerful member of the House despite his loss of the chairmanship of the tax

-writing Ways and Means Committee.

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-Paul Heldman with reporting by Christine Walton and Dina Temple

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-care

reform: NI HCP, NI HEA; on the insurance industry: NI INS;
on Congress: NI CNG; on the Clinton administration: NI EXE)

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Weighty, serious Senate debate

WASHINGTON (UPI) Sen. Phil Gramm, R

-Texas, used a desk

scale Friday to locate 17 tax increases he said are hidden deep in the Democratic leadership's hefty health care bill, but his rival used the prop to expose a "zero" Republican alternative.

Senate Democratic leader George Mitchell of Maine tipped the scales on Gramm's humorous display of the estimated 14

-pound bill that Mitchell has offered.

Gramm, a former economics professor, said the White House had challenged him and Republican leader Robert Dole of Kansas to identify the purported tax increases in Mitchell's White House

-endorsed bill.

The bill's pages are not numbered, but Dole estimated it at more than 1,400 pages, and Gramm said the printed version weighed 14 pounds.

Gramm said his staff located most of the taxes 11.1 pounds into the document. There are more than 3 pounds of taxes and some 10.8 pounds of deadweight, he said.

Smiling and laughing, Mitchell asked to borrow Gramm's scale and then put it on his own desk. But there was no bill.

"It registers zero on the weight scale because there is no bill," Mitchell said. "There are zero provisions because there are no provisions."

Mitchell, known for his dry but sharp New England humor, peered at the empty scale from behind and then from the side of his desk.

Then he offered the Republicans dubious congratulations they had invented the "stealth" health care bill.

Like the advanced military plane that is invisible to radar, Mitchell said the Republicans' bill was nonexistent.

Then Mitchell turned serious, and so did the Republicans.

It serves no useful purpose to use a "gimmick" in debating an issue that affects every American, Mitchell said.

"I thought the senator from Texas trivialized a serious situation," Mitchell said. "This is a very serious matter. Let's not lower ourselves with this type of gimmick."

Dole rejected the idea the Republicans have no health care bill. Several have been produced, and Dole said his is at the back of the line for the legislative staff to draft, waiting for the priority demands of the majority Democrats.

But he agreed with Mitchell there should be a full and serious debate on health care.

"The American people will be heard," he said.

BC

-HEALTH CONGRESS 1STLD (SCHEDULED)

MRS CLINTON PRESSES HUMAN SIDE OF HEALTH REFORM
(Eds: Adds details of debates)

By Donna Smith

WASHINGTON, Aug 5 (Reuter) - Hillary Rodham Clinton took her health care reform crusade to Capitol Hill Friday and vowed to make sure every member of Congress saw the human side of the issue as lawmakers prepare to debate legislation.

"We are going to make sure in the next week that every member of Congress has to confront someone who reminds him or her what being a representative of the people really means," the first lady said.

She spoke at a rally by Health Right, a group that has been in the front of the fight for health coverage for all Americans and a sponsor of a bus caravan that criss

-crossed the nation drawing attention to the plight of the uninsured.

The group has put together what it said is the first video petition to Congress. The group has recorded the testimony of people across the country about their experiences, mostly negative, with the current health insurance system.

Hundreds of the so

-called Health Security Express bus riders will be contacting members of Congress over the

next several days to tell them their stories as lawmakers prepare to debate health reform legislation.

The group heard from several people who lost insurance because of job changes or illness and had to give up savings and homes to pay for care.

Mrs Clinton said she wanted every lawmaker to "look into the eyes of people" and hear their stories.

"It will take a very hard heart indeed and it will take a very, very, very low amount of understanding to vote no for real health care reform."

But passage of the health reform bill supported by Clinton is far from certain.

Senator Bob Kerrey, a Nebraska Democrat, said in a statement Friday that he cannot support either of the Democratic bills before the House and the Senate.

Both of the bills have been endorsed by President Clinton although they differ dramatically from one another. The House bill would create a new Medicare programme to provide insurance to the poor, unemployed and small businesses. It would require employers to pay 80 percent of workers' insurance.

The Senate bill relies more on insurance market reforms and subsidies to cover at least 95 percent of the population by the turn of the century. If that goal is not met then a standby requirement that employers pay at least half of workers' insurance costs would kick in.

Senate Republicans threaten to prolong the debate on compromise legislation unveiled by Senate Democrats this week until the public has more time to digest the

-page bill.

Senate Majority Leader George Mitchell said Senators would work Saturdays and into the summer recess that was to begin August 13 until legislation was passed.

But Democrats, seeking to wrap up a health reform bill in time for the November congressional elections, want both the Senate and the House to vote on their different versions of health reform before the recess so the two sides can work out their differences in September.

The House, which has rules limiting debate, is scheduled to take up reform legislation August 15 and expects to vote on the measure August 19.

Mitchell and Senator Phil Gramm, a Texas Republican, sparred over the new Democratic plan in a preliminary debate. Gramm brought a scale to the floor to make a point of how hefty the 14

-pound bill was.

But Mitchell pointed to the empty scale and said that was how light the Republican health care reform plan was.

In a separate development, several African American organisations called on church leaders to discuss health care reform and the need to cover all Americans at

services on Sunday and every week until Congress enacts legislation.

Michael Lemmons, executive director of the Congress of National Black Churches, said the message could be carried as many as 19 million members of church congregations.

A group of health care reform supporters upset at some moderate Democrats who have been trying to reach out to Republicans for a bi

-partisan plan were arrested for illegally demonstrating in congressional office buildings.

Capitol police said 10 people were arrested outside the office of Senator Joseph Lieberman of Connecticut and 30 were detained outside Tennessee Representative Jim Cooper's office.

REUTER

Health protesters target Democrats

By PAUL BASKEN=

WASHINGTON, Aug. 5 (UPI) Health reform protesters Friday staged noisy demonstrations at the Capitol Hill offices of two Democrats, whom they accused of taking large payoffs in return for blocking plans for universal coverage.

A total of 40 protesters, including nine in wheelchairs, were arrested outside the offices of Rep. Jim Cooper, D

-Tenn., and Sen. Joseph Lieberman, D

-Conn., whom the demonstrators accused of taking more than \$1 million from lobbyists to fight legislation that would provide universal health coverage.

Staff representing the two Democrats declined to order any arrests and offered to meet with the demonstrators, who included two Hollywood actors. But one Republican congressman who voted against a plan to provide universal health care coverage angrily demanded their immediate removal.

The campaign of peaceful protests and arrests was organized by the consumer group Citizen Action, which staged a similar event one week earlier outside the office of Senate Republican leader Bob Dole that led to 42 arrests.

Citizen Action said Cooper, the leading force behind an alternative to President Clinton's health care reform plan that avoids any guarantee of universal coverage, has collected \$670,000 in campaign contributions from the health and insurance industries in the past 18 months.

The group said Lieberman, known for his pro

-consumer record as Connecticut's attorney general, also rejected

Clinton's plan for universal coverage in favor of Cooper's more limited reforms while accepting nearly \$500,000 from health and insurance industry interests.

"Average people in this country are fed up and angry with Congress for appeasing and capitulating to the special interests," said Citizen Action spokesman Ed Rothschild. "Unless Congress acts now to provide affordable, quality health care for everyone, there will be more anger and more civil disobedience in the weeks, months and years ahead."

The demonstrators Friday converged first on Cooper's office, announcing themselves with a repeated booming chant of "Health care is a right" that echoed down the white marble hallways.

Their repeated shouts, which also included "Shame" and "Congress, Congress gets it free, now it's time to cover me," brought no sign of Cooper. Instead, Rep. Randy Cunningham, R

-Calif., who voted against a version of the Clinton plan as a member of the House Education and Labor Committee, stormed from his office several doors down the hall and demanded that police take action.

"Officer, we're trying to have meetings in our office," Cunningham bellowed over the din toward one Capitol Hill police officer. "Can you get them the hell out of here?"

Staff in both Cooper's and Lieberman's offices declined to request the arrests of those inside their offices, prompting several protesters to step outside into the hallways, where police have jurisdiction. Police in both locations gave several warnings before placing plastic straps over the wrists of those arrested and leading them away without incident. Those in wheelchairs were gently guided away by officers.

"It was all rather orderly," said police spokesman Sgt. Dan Nichols.

The protesters included Richard Masur, vice president of the Screen Actors Guild, and Michael Zaslow, star of the CBS television soap opera Guiding Light.

Masur, who along with Zaslow avoided arrest by leaving the protests when police gave initial warnings, said he was frustrated with both Democrats and Republicans who have forgotten the people they represent.

He said Clinton, by refusing to endorse a single

-payer

style of health care reform, instead was forced to propose a highly complex scheme that its Republican opponents found easy to "demonize." The media, meanwhile, has done a poor job of explaining the issues, Masur said.

Masur said he experienced the failings of the nation's current health care system first

-hand when he spent 5 & 1/2 months watching his father die in a New York City hospital. He said his father had adequate insurance, but he said he met numerous other families in the hospital who were far less fortunate.

A spokesman for Lieberman insisted the health care debate represented a rare instance of disagreement with Citizen Action and other consumer advocates, and he denied that campaign contributions have affected Lieberman's position.

The spokesman, Jim Kennedy, said health industry money represents a small percentage of the funds that Lieberman has raised for his re-election campaign this year and said such money "does not at all influence the decisions he's made."

Rothschild scoffed at Kennedy's explanation. "Why is it that these guys always deny that these things mean anything," he said. "I don't believe the people who give the money don't believe it means anything."

"There's a psychological term for that," he said. "It's called denial."

(UPI Spotlight)

White House press corps to stay put

WASHINGTON (UPI) The White House has revised plans (Friday) to move the press corps out of the West Wing while a remodeling project is underway. The lack of workers with security clearance and the longer projected timetable prompted a decision to have the renovation work done during evening hours and on weekends.

AM

-Gore

-Hershey Bars, 540

WHITE HOUSE NOTEBOOK: Gore's Big Deals Include Hershey Bar
By NANCY BENAC= Associated Press Writer=

WASHINGTON (AP) Vice President Al Gore displayed his sweet tooth Friday when he marked the first birthday of President Clinton's economic package and listed some other notable anniversaries of 1994.

Among them: the 50th anniversary of the D

-Day invasion

of Normandy, the 25th anniversary of the Apollo 11 trip to the moon, the 25th anniversary of Woodstock, and Smokey Bear's 50th birthday.

Gore, at a Rose Garden ceremony to celebrate the anniversary of the economic package, finished off the list

with his self

-proclaimed favorite the 100th anniversary
of the Hershey bar.

Tying his sweet tooth in with the topic at hand, Gore
added: "Except for maybe that last one, there is no
sweeter anniversary than the one we are celebrating here
today."

Clinton borrowed some of Gore's high

-tech lingo to
lament the political back

-and

-forth of Washington.

"You know, in the computer business and in high
technology, virtual reality is a very good thing,"
Clinton said. "In Washington, I'm not sure we have
virtual reality. I think what we have here is virtual
unreality, which is a bad thing, because it enables you to
almost dehumanize problems and turn them into words and
rhetoric and labels."

Clinton said a lot of the people can't make any sense
out of all the talk from Washington. In fact, the
president admitted, he almost gets confused himself by the
evening news.

"Once in a while I'll watch it and see the way we're
presented and I look at it and I say, 'Well, heck, if I
were still back home
I wouldn't be for that guy either.'"

Actually, the one

-year anniversary of the economic
package occurs Saturday, one year after Gore cast a
tie

-breaking vote to get the bill through the Senate.

The vice president gave himself an indirect pat on the
back when he told the Rose Garden crowd: "We didn't win
by much a year ago. It was by the narrowest of margins,
thank you very much."

As the crowd chuckled knowingly, Gore admitted: "I
wanted to get my part in."

Not even the downpour that forced folks to scamper
indoors midway through the White House pep rally could
dampen President Clinton's spirits.

He said the rain helps douse his raging allergies.

And he said it also proves "one thing beyond doubt we
all have enough sense to come in out of the rain."

The president lived up to his reputation as a policy
wonk.

When aides produced a chart showing 4 million new jobs
had been created under his watch, Clinton begged to differ

and whipped out a black marker.

"I do want to correct one thing" he said. "I asked for this pen this morning when I looked at this chart, because when I looked at the numbers, there are actually not four million new jobs, but 4.1 million new jobs."

Consider that chart corrected.

BC

-USA

-POLITICS 1STLD (SCHEDULED)

CLINTON POLLSTER ADVISES DEMOCRATS RUN ON RECORDS

(Eds: Updates with White House reaction, paras 5

-6)

By Alan Elsner

WASHINGTON, Aug 5 (Reuter) - President Clinton's pollster is privately advising Democrats running for Congress to distance themselves from their unpopular leader and campaign on their own records in the November elections.

Pollster Stan Greenberg's opinion, contained in a memorandum leaked to the New York Times, appeared to be an embarrassing admission that association with Clinton could hurt Democrats in the November 8 elections for a new Congress.

"Democrats make gains in this race running on their accomplishments and their agenda to help people at home. There is no reason to highlight these as Clinton or Democratic proposals," Greenberg wrote in the memorandum.

Greenberg did not respond to telephone calls but other Democratic Party officials provided details of the document.

White House spokeswoman Dee Dee Myers insisted the memo had been misinterpreted and that Greenberg was not urging Democrats to distance themselves from Clinton -- a tactic already adopted by some seeking re

-election.

"In fact it urges them to stand by the accomplishments of this administration," she said. "What he's saying is voters want to know that they (Democrats) are voting in their interests."

At stake in November are 35 of the 100 Senate seats, all 435 slots in the House of Representatives and 36 of the 50 state governorships. Democrats now hold majorities in both houses of Congress.

The presidency is not up for renewal until 1996, but the party in White House power traditionally loses ground in these "mid

-term" elections and Republicans hope they

can exploit Clinton's unpopularity to make larger than usual gains and perhaps even capture control of the Senate.

House Speaker Thomas Foley, a Washington state Democrat, tried to deflect any political damage that might result from the leaked Greenberg memo, telling reporters:

"I think it would be a big mistake for (Democratic) members to distance themselves from Clinton."

Foley said Clinton had achieved a great deal since he took office last year and he expected Democrats to do much better than expected in November by losing fewer than 15 House seats. Most analysts predict Republican gains of 15 to 25 House seats. Democrats now have a 256

-178 majority with one independent.

Many Democrats are already trying to distance themselves from Clinton, whose popularity rating in recent polls has dropped sharply despite that nation's strengthening economy and now hovers in the mid

-40 percent range.

"I'm running on my record and my relationship with voters in my district," said Representative Tom Barlow, a Kentucky Democrat. "People put Clinton apart from their local representative and their Senator."

But Barlow acknowledged that Clinton was unpopular in his traditionalist, largely rural state because of his attempt to open the U.S. military to homosexuals, his support of tobacco tax hikes and his advocacy of gun control.

Republicans are eager to make the election a referendum on Clinton. Barlow's opponent, Ed Whitfield, said: "One of the main issues in this campaign is the Clinton presidency."

The president is particularly unpopular in the south. A June survey of southern House Democrats found that few wanted the president to visit their districts.

"Congressional races are won and lost on local issues," one Democratic party official said.

He noted that even former President Ronald Reagan, who campaigned in 1986 mid

-terms when his popularity was high, could not keep the Republicans from losing the majority control they then enjoyed in the Senate.

However, acknowledging that Clinton could be an electoral liability, as Greenberg's memo appeared to do, is an embarrassing and unusual admission of weakness.

When Democratic National Committee member Don Sweitzer said in June the party leadership group would understand if candidates ran away from Clinton, he was rebuked by the White House and by party chairman David Wilhelm.

Wilhelm said Democrats needed to campaign proudly on Clinton's record.

REUTER

AM

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-Dole, Bjt,0400

Dole Says Clinton Can't Claim Full Credit for Nation's Economy

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) President Clinton cannot legitimately claim his tax and deficit

-reduction bill led to the nation's economic recovery, Senate Minority Leader Bob Dole said Friday.

"The truth of the matter is, the president inherited a good economy when he came in," the Kansas Republican said.

"All he had to do was make sure he didn't mess it up. He has to restrain from taking credit for a lot of things he didn't do," Dole said.

The bill passed last summer by Vice President Gore's tie

-breaking vote in the Senate raised taxes on the wealthiest Americans and promised to reduce the deficit by \$500 billion over five years.

Clinton said Friday the administration deserves credit for creation of thousands of jobs, a lower federal deficit, improved world trade and low inflation.

Dole told reporters the economic recovery began during the last year of President Bush's term. He said many of the jobs created during Clinton's tenure have been low

-paying and that other high

-paying jobs have been forever lost.

"President Clinton is saying he raised taxes and that made the economy run better," Dole said. "I think that's a pretty hard sell."

Dole also said the economy has lately showed some distressing signs, such as rising interest rates, lower housing starts and a weak dollar.

"The economy is continuing to look fair but it's not running wild," Dole said.

On another issue, Dole said there is "bipartisan opposition" to the attempted compromise health reform bill unveiled this week by Senate Majority Leader George Mitchell.

"I understand Mitchell may be five or six votes short," Dole said.

The GOP leader also said the Clinton administration is using people's misfortunes to sell the plan to Congress, such as an appearance at Wednesday night's presidential press conference by a man who says the proposal might have saved his wife from cancer.

"I wish Clinton would stop playing politics. He's been doing it for 15 months," Dole said. "I don't think the president should make politics out of people's misery."

Dole said his bill, which focuses on reforms in the insurance industry, would have solved many problems people have getting access to care.

bc

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-nra

COLEMAN SAYS HE DIVORCED NRA OVER ASSAULT WEAPONS By CHRIS COLLINS=

Gannett News Service=

WASHINGTON Rep. Ron Coleman, making it clear that his divorce from the National Rifle Association is final, Friday blasted the gun lobby for trying to "sabotage" what he called "one of the toughest anti

-crime measures
in history."

The El Paso Democrat's statement paralleled comments made Friday by President Clinton, who also blamed the NRA and other pro

-gun lobbyists for blocking a House vote on the \$33.2 billion package, which includes a ban on assault weapons strongly opposed by the NRA.

Clinton, speaking at a ceremony, said the bill is "stuck in a web spun by powerful special interests" and that the NRA is trying to keep it from a House vote "because they know that a majority of the House and the Senate will vote for this bill if it gets to a vote."

Coleman agreed, saying NRA's congressional supporters are blocking House action on the bill in the hope that it will be sent back to a House

-Senate conference committee and the assault weapons ban taken out. Their tactics, however, are putting the entire bill at risk, he said including the "millions" Texas stands to gain for new prisons, prevention programs and additional law enforcement officials if it becomes law.

"Opponents of the assault weapons ban should clearly

have to answer why they are willing to defeat or delay these important crime programs in order to kowtow to the NRA," Coleman said in a written statement. "Doing so is not in the best interest of Texas or El Paso."

Coleman consistently supported the NRA during his
12

-year House career until he voted in May in favor of the ban on the manufacture and possession of 19 types of semiautomatic weapons and high

-capacity ammunition clips.

That vote lost him the support of the NRA, which July 23 endorsed Bobby Ortiz, Coleman's Republican opponent.

Ortiz said in a telephone interview Friday that he would oppose the anti

-crime package if it includes the assault weapons ban.

Supporters of the ban, he said, are "trying to make it palatable" by attaching it to the crime package. If the ban's supporters are concerned about the fate of the crime bill, Ortiz said, they should remove the assault weapons ban from the bill and vote on each issue separately. He said he would support the crime bill if it did not include the ban.

Coleman said in his statement that the NRA and the Gun Owners of America made "direct threats to members of Congress" inclined to vote for the rule that would allow the House vote on a crime bill that contains the assault weapons ban.

Coleman spokesman Scott Sutherland said the NRA's threats involved promising to do "everything possible" to defeat this November elected officials who did not side with them against the ban. He said Coleman had not received such "threats," because his position already is clear, but that other members had.

"We don't threaten people," Tanya Metaksa, chief NRA Washington lobbyist, said Friday. "We talk to members of Congress and try to convince them of the correctness of our position, as all lobbyists do." She also noted that the group made political donations to those who support its positions and not to those who oppose it.

Ortiz in early June received \$1,000 for his campaign from the political arm of the Texas State Rifle Association, an NRA affiliate, according to the most recent federal financial report filed by his campaign committee. The report covered until June 30.

Ortiz said Friday that his campaign has not received any money to date from the national NRA. Metaksa, who was in El Paso for the NRA's endorsement of Ortiz, confirmed Friday that her group has not yet decided if it will donate to Ortiz.

Metaksa said she was "shocked" by Coleman's

statements Friday criticizing the NRA: "We have differing opinions, and I respect his right to have a different opinion," she said. "I think he should respect our right to fight for our opinion ... I guess all divorces get nasty."

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Rosty: Dismiss corruption charges

WASHINGTON, Aug. 5 (UPI) Lawyers for embattled Rep. Dan Rostenkowski Friday filed a motion seeking dismissal of all federal corruption charges against him, saying the indictment is unconstitutional.

Rostenkowski, D

-Ill., argued under the separation of powers doctrine that only Congress can take action against one of their number for violating internal House rules.

"As is evident from the Motion to Dismiss, this prosecution is fundamentally distinct from cases in which a member of Congress is charged with independent criminal violation of bribery, gratuity or kickback statutes," read the motion filed in U.S. District Court in Washington.

"It is unique in that it involves the criminal prosecution of a member of Congress for alleged violations of internal House of Representatives rules and regulations."

Rostenkowski, 66, has spent more than \$1 million in legal fees since he became the target of a federal corruption investigation in 1992.

In May, a federal grand jury returned a 17

-count

indictment charging that Rostenkowski had engaged in a "pattern of corrupt activities" over the last 20 years, including a ghost payroll scheme, trading stamp vouchers for cash at the House post office, buying expensive gifts with official funds and embezzling more than \$500,000 in public funds for personal use.

Rostenkowski was forced to give up his chairmanship of the powerful House Ways and Means Committee but vowed to fight the charges.

He fired prominent Washington attorney Robert Bennett, who advised him to accept a plea

-bargain offered by

federal prosecutors and hired Chicago lawyer Dan Webb, a former U.S. attorney, as his chief council.

Veteran Washington attorney R. Kenneth Mundy, who defended former Washington Mayor Marion Barry against drug and perjury charges in 1990, joined the defense team in July.

"This indictment has been constitutionally defective from its inception and the United States Attorney's office for the District of Columbia should never have presented the case to a grand jury," Webb said.

Webb said the motions filed Friday would give the court the opportunity to dismiss the indictment and "remedy this breach of the fundamental principles of constitutional law."

AM

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House Votes to Reform Crop Insurance

Eds: SUBS 3rd graf pvs, The bill, with three graf on reason for Senate delay and with approach of farmer deadline

By ROBERT GREENE= AP Farm Writer=

WASHINGTON (AP) The House voted Friday to reform crop insurance to reduce the taxpayer share of the \$2.4 billion annual cost of covering losses to major crops from floods, droughts, hail and other disasters.

By requiring farmers to take out a catastrophic coverage policy, the administration bill aims at making crop insurance the main source of disaster coverage and at cutting spending.

The bill was approved on a voice vote.

Sen. Jesse Helms, R

-N.C., has held up Senate action on the bill. He is fighting the Agriculture Department's decision to reassign a personnel officer who had publicly criticized the department for what he said were efforts to promote homosexuality.

The delay threatens enactment of crop insurance in time for wheat farmers to sign up Sept. 30.

Only one

-third of eligible acres are covered by crop insurance,
a joint federal

-private system that is plagued by chronic losses and inadequate protection, despite a reform attempt in 1980.

Participation is low in large part because Congress readily passes disaster

-relief bills that aren't counted in calculating the federal budget deficit. The bill would make such spending more difficult.

"This legislation will fundamentally change the way the federal government responds to natural disasters in rural America," said Rep. Charles Stenholm, D

-Texas.

Under the bill, farmers would have to sign up for coverage in order to remain eligible for price support and other government programs. The catastrophic coverage would extend to losses greater than 50 percent of the crop, and would cover 60 percent of the crop's value.

The disaster

-relief formula now in place covers losses in excess of 35 percent to 40 percent of the crop at 65 percent of the value.

The old disaster relief formula seems attractive by comparison, but Congress hasn't always given producers full coverage. It did so last year for flood victims in the Midwest and drought victims in the Southeast, appropriating \$2.5 billion. The high cost fueled the demand for reform.

The bill would push farmers into crop insurance with the idea they would purchase more federally subsidized coverage and spread the risks. The administration expects participation to more than double.

For crops that don't qualify for insurance now, the bill provides a permanent disaster relief program.

The government's Federal Crop Insurance Corp. will have to raise some premiums and make other changes to stem losses, which have averaged \$1.47 for every \$1 spent for coverage.

House debate concentrated on how to pay for the bill. The House spending bill for agriculture cut \$213 million from the administration's 1995 funding request for crop insurance. Cuts in future years are likely.

Reps. Timothy J. Penny, D

-Minn., and Steve Gunderson,
R

-Wis., wanted to pay the difference by cutting the premium subsidy for private carriers, cutting the amount farmers are reimbursed, and charging a fee to file claims.

The House instead approved an amendment by House Agriculture Committee Chairman Kika de la Garza, D

-Texas,
that would cut some costs but preserve the premium subsidy to private insurance companies for two years, preserve the full amount that farmers would be compensated, and delete the filing fee.

-NUCLEAR

-BREEDER

HOUSE, SENATE CONFEREES KILL BREEDER REACTOR

WASHINGTON, Aug 5 (Reuter) - House and Senate conferees have killed the nuclear breeder reactor programme, congressional and administration spokesmen said Friday.

House and Senate conferees, working out differences in energy and water development appropriations bills late Thursday, agreed to spend \$84 million in fiscal 1995 to shut down the programme -- formally known as the advanced liquid

-metal reactor programme, carried out at Argonne National Laboratories in Illinois and Idaho.

The Clinton administration had called for its termination, saying the reactors -- which can be used to produce deadly plutonium -- went against its nuclear weapons non

-proliferation policies.

The U.S. Public Interest Research Group called the vote "a clear victory for the coalition of environmental, consumer, arms control and taxpayer groups who have been working to kill this programme."

"This action terminates a programme which would have supported the development of unsafe, uneconomical breeder reactors and increased production of radioactive waste," the group said in a released statement -- adding that the move would save taxpayers \$2.9 billion.

The House of Representatives had voted to end the programme, but the Senate narrowly had voted to continue it.

REUTER

BC

-USA

-SPY

-INTERVIEW

DECONCINI TO INTERVIEW CONFESSED SPY ALDRICH AMES

WASHINGTON (Reuter) - Senate Intelligence Committee Chairman Dennis DeConcini said Friday he will interview confessed spy Aldrich Ames, possibly as soon as this weekend.

"I'm working it out with the Justice Department," he told several reporters. "I'll spend several hours with him. It could be some time this weekend."

Ames avoided detection during the nearly 10 years he supplied American secrets to the Soviets, even though he

indulged in lavish spending during some of that time.

DeConcini, an Arizona Democrat, will talk to Ames at the jail in Alexandria, Virginia, where he is being held. DeConcini has long been a critic of the handling of the Ames matter by the CIA and has followed the case closely.

REUTER

AM

-Blue Cross Probe, 600

Federal Agency Fails To Monitor Insurance Group, Investigators Say

By MARCY GORDON= Associated Press Writer=

WASHINGTON (AP) The organization that runs Blue Cross and Blue Shield insurance plans has spent hundreds of thousands of federal dollars on extravagant conferences at resorts, and the federal agency that signs contracts with the insurer has failed to monitor it, Senate investigators asserted Friday.

At the same time, Blue Cross

-Blue Shield has shown

little interest in controlling costs or preventing fraud, has claims processing backlogs of up to four months and is plagued by poor service in some of its programs for federal employees, the investigators testified at a Senate subcommittee hearing.

The information, contained in a report, was collected during a two

-year government probe.

Blue Cross and Blue Shield Association, in a statement, said the report ``reflects a serious lack of understanding."

Blue Cross

-Blue Shield insures more than 40 percent of

all federal employees, dependents and retirees some 9 million people

and it processes a large proportion of Medicare claims.

The federal government pays the insurer over \$1.5 billion a year in administrative costs alone.

``What we seem to have created is a system where costs seem to be endlessly shifted from one layer to the next, with little incentive for anyone to seriously question those costs," said Sen. Sam Nunn, D

-Ga., chairman of the

Senate Governmental Affairs subcommittee on investigations.

Nunn pointed to ``excessive executive salaries, conferences and meetings expenses as well as gifts to employees" which the investigators said they found.

The expenses cited in the investigators' report

included the \$866,000 salary last year of Bernard Tresnowski, Blue Cross

-Blue Shield's president and chief executive officer, of which the federal government paid \$274,089; annual conferences at resorts that cost the government at least \$578,814 in 1992 and \$509,960 in 1993; and an array of promotional gifts for employees such as neon shoelaces, balloons and paperweights, which were at least partly billed to the government.

Blue Cross

-Blue Shield's federal programs are ``recognized by leading health care analysts ... as being of the highest quality and administratively cost effective," according to the insurance group's statement.

The programs ``take their role as government contractors very seriously and strive to assure that expenses reimbursed by the government are appropriate under all applicable laws and regulations," the statement said.

Officials of the organization are scheduled to testify on Monday when the hearing resumes.

The Blue Cross and Blue Shield Association, a not

-for

-profit, tax

-exempt trade group, licenses 67 insurance plans nationwide bearing the same name.

Government investigators said the federal Office of Personnel Management, which signs contracts with the Blue Cross and Blue Shield Association, has failed to monitor the programs' performance.

``There have been serious, recurring management and performance problems that may have increased the cost to the federal government," John Sopko, the subcommittee's deputy chief counsel, told the hearing.

Curtis Smith, associate director of OPM's Retirement and Insurance Group, said ``OPM has recognized that it must assume a more active role in controlling overall program costs, including administrative expenses."

He said the agency has taken action, starting in 1988, to reduce the service charges and administrative expenses which it negotiates with Blue Cross

-Blue Shield.

The investigators said Congress and the administration should consider establishing federal criminal and civil penalties for violations of fiduciary duties by health insurance executives, directors and employees.

AM

-Consumer Credit,430

Consumer Credit Up Again, at 15.6 Percent Rate
With AM Economy

By JAMES H. RUBIN= Associated Press Writer=

WASHINGTON (AP) Despite signs that consumer spending is slowing, Americans are continuing to pile up debt.

The Federal Reserve reported Friday that consumer credit rose in June for the 15th straight month, climbing 15.6 percent at an annual rate over May.

Borrowing increased \$10.9 billion in June after rising \$11.5 billion the previous month. The May figure was revised upward from an earlier \$10.4 billion estimate.

Analysts said the continued borrowing growth may temper projections that the economy is slowing dramatically.

"There's a lot of room left for growth in this economy if we can keep the job market going," said economist Sandra Shaber of the WEFA Group, a Bala Cynwyd, Pa., forecasting service.

The Labor Department reported Friday that the economy continues to produce jobs at a brisk pace, creating 259,000 jobs in July, even though unemployment edged up to 6.1 percent.

The June credit figure exceeded the expectations of analysts. But Ms. Shaber said the healthy employment picture suggests Americans are not borrowing excessively.

"If we look at the whole picture, if we look at the debt

-to

-income ratio, borrowing is rising very slowly," she said. "People are borrowing in line with income growth. The ratio is below 17 percent. It had reached 19 percent before the recession started in 1990."

The Commerce Department reported Monday that consumer spending rose a moderate 0.4 percent in June, matching the May increase. Retail sales were up 0.6 percent in June.

Consumer spending represents about two

-thirds of the nation's economic activity. Consumer credit includes all household debt not secured by real estate, namely home equity loans and mortgages.

Borrowing increased at a 16.6 percent annual rate in May and 14.9 percent in April, the Federal Reserve said Friday.

The latest rise in borrowing brought outstanding debt to a seasonally adjusted annual rate of \$849.6 billion in June, up from \$838.7 billion.

Auto loans rose at an 18.8 percent annual rate to \$301.2 billion after a 15.7 percent rise in May.

Credit card borrowing climbed 15.5 percent to \$312.6 billion after increasing 15.7 percent.

Other forms of credit, including loans for mobile homes, education, boats, trailers and vacations, was up 11.6 percent to \$235.9 billion on top of a 17.9 percent advance.

BC

-USA

-GUNS

POLL FINDS SUPPORT FOR MANDATORY GUN LICENSES

WASHINGTON (Reuter) - A majority of Americans favor either mandatory licensing of firearms or an outright ban of gun ownership, according to a bipartisan poll released Friday.

The poll of 1,000 adults was conducted by Democratic pollster Celinda Lake and Republican pollster Ed Goeas in May. It has a 3.1. percentage point margin of error.

Asked about regulations governing gun ownership, 10 percent of respondents said current limitations were too weak and should be relaxed, 26 percent were happy with the status quo but 49 percent said gun owners should be licensed by the government and should complete mandatory training.

An additional 11 percent favored a total ban on gun ownership.

Asked whether ordinary citizens should be allowed to have guns in their homes, 76 percent said they should and only 21 percent said they should not.

But asked if ordinary Americans should be allowed to carry a concealed weapon on their person, 22 percent agreed but 71 percent disagreed.

The poll, for U.S. News and World Report confirmed other data showing that crime is seen as the top problem facing the country. Given a long list of choices, 34 percent of respondents chose crime as the top problem. Second with eight percent was the economy, followed by drugs and health issues, both with six percent.

REUTER

AM

-US

-Haiti,660

Senate Refuses To Tie Clinton's Hands on Haiti Invasion
By JOHN DIAMOND= Associated Press Writer=

WASHINGTON (AP) Concerned about tying President Clinton's hands, the Senate on Friday rejected an amendment intended to prohibit a U.S. invasion of Haiti without advance approval from Congress.

In a 63

-31 vote the Senate tabled an amendment by Sen. Arlen Specter, R

-Pa., to block an invasion without prior congressional approval, unless an emergency threatened the safety of U.S. citizens in Haiti.

Specter said an invasion of Haiti without congressional approval would amount to "a flat violation of the Constitution" that could lead to a constitutional crisis between the president and Congress.

"Only the Congress has the authority to declare war," Specter said.

Democrats and Republicans, some of whom oppose an invasion, refused to join Specter, saying the proposal amounted to a usurpation of presidential power.

"Never in the history of the United States has the Congress prohibited the president from using, from carrying out his responsibility as commander

-in

-chief of the armed forces," said Sen. John McCain, R

-Ariz.

McCain, an opponent of an invasion, cautioned that Friday's vote should not be interpreted as a green light for Clinton to launch an invasion without consulting Congress.

The Senate vote followed the pattern of the past year in which Congress has taken strong positions on nonbinding resolutions but refused to defy the president with binding laws, as the Specter proposal would have done.

On Wednesday, after Clinton insisted he did not need approval from Congress, the Senate voted unanimously for a nonbinding resolution indicating that United Nations support for an invasion could not substitute for congressional approval.

Congress has taken a number of votes on Haiti. Lawmakers have weighed a desire to restore democracy to the Caribbean nation against the risk of an invasion and the danger of becoming entangled in one of the world's poorest countries for years to come.

On July 14, the Senate rejected, 57

-42, a proposal by Minority Leader Bob Dole, R

-Kan., to create a bipartisan commission on Haiti. Clinton allies argued it would hamper administration efforts to pressure the military regime in Port

-au

-Prince.

On June 29, the Senate passed, 94

-3, a nonbinding

resolution proposed by Majority Leader George Mitchell,
D

-Maine, urging the president to seek congressional
approval before committing troops to Haiti.

That vote came just after the Senate rejected, 65

-34, a

binding proposal by Sen. Judd Gregg, R

-N.H., that would

have prohibited military action in Haiti unless approved
in advance by Congress.

The House voted, 223

-201, on May 24 for a nonbinding

proposal by Rep. Porter Goss, R

-Fla., saying the United

States should not invade Haiti unless a clear danger to
U.S. citizens or U.S. national interests arises. On June
9, after the Clinton administration worked behind the
scenes to change 29 Democratic votes, the House reversed
itself and threw out the Goss amendment, 226

-195.

While Republicans are solidly against an invasion,
Democrats are more reluctant to commit themselves.

The Associated Press hand

-delivered a survey to all 535

members of the House and Senate on July 18 on the invasion
question. In the next 17 days, fewer than half 220
responded despite repeated prodding phone calls. Only 18
members, all Democrats, said they supported an invasion. A
disproportionate number of respondents 119 were
Republicans and all but a handful of them unequivocally
opposed an invasion.

"Haiti is not worth one American life," said Rep. Sam
Johnson, R

-Texas, echoing the sentiments of many
Republicans.

Democrats have also voiced reservations.

Sen. Sam Nunn, D

-Ga., chairman of the Senate Armed

Services Committee, said recently that if U.S. citizens in Haiti become threatened, "we have to be prepared to move very rapidly." But that hasn't happened yet and the goal of restoring democracy "is not primarily a military mission," Nunn said. "It is a nation

-building mission."

U.S. wants 'united position' on Haiti

By JORGE A. BANALES=

WASHINGTON, August 5 (UPI) The United States "encouraged" Latin American countries to adopt a united position to remove the military rulers and restore democracy in Haiti since the only item left to negotiate with coup leaders is "the modalities of their departure," a State Department spokesman said Friday.

"We believe it remains important that the military regime in Haiti not receive mixed messages which would dilute the impact," of the July 31 resolution by the U.N. Security Council authorizing the use of "all necessary means" to oust military leaders ruling the Caribbean nation, spokesman David Johnson said.

That resolution has been interpreted as broad enough to permit an invasion of the Caribbean country, which President Clinton has not ruled out as an option in dealing with the Haitian controversy.

Johnson, however, was reluctant to name any other country in the Western Hemisphere willing to contribute troops for a possible U.S.

-led invasion of Haiti.

By going directly to the United Nations, the United States avoided clashing with broad opposition from members of a regional group, the Organization of American States. Only one Latin American nation, Argentina, has backed armed intervention.

But there have been reports from Buenos Aires, described by Johnson as "a bit garbled," that President Carlos Menem's was retreating from his offer to send 600 troops.

Argentine Foreign Minister Guido Di Tella said Thursday night his government had put on hold a request to Congress to authorize the dispatch of the troops. Menem's government seemed Friday still willing to join a peacekeeping force once the Haitian military rulers step down not to provoke a political storm in Argentina by participating in an invasion.

Johnson's comments came just after several Latin American countries put on hold Thursday evening an initiative to send a delegation for talks in Haiti, described by a Venezuelan diplomat as a "desperate, last

-minute attempt to avoid an invasion."

"We are waiting because...things are happening all over, there are changes in position and we are relying on the initiative continuing," Venezuelan Foreign Minister Miguel Angel Burelli said in Caracas.

The mission was approved by Argentina, Brazil, Colombia, Mexico and Uruguay.

"A peaceful exit would be much less grueling than the sacrifice of an entire people invaded and occupied by a foreign force," Burelli said. "Our initiative is aimed at saving the United States human sacrifice and a possible bad name in the future."

But Johnson said the United States "made our position clear that we believe a united and unequivocal position from all the countries in the region is the best way to induce the military regime in Haiti to depart."

"Our effort has been to enforce, to begin consultations to enforce U.N. Resolution 940, and that is where we are concentrating our efforts and where we are encouraging all countries to concentrate theirs as well," he said.

"We have made very clear that the only thing we have to negotiate is the modalities for the military's departure," Johnson said.

Washington wants the international community to send "a clear and consistent message, and that is that we are united in our resolve to restore democracy and President (Jean

-Bertrand) Aristice to Haiti," Johnson said.

"We're united in our belief that the situation in Haiti continues to constitute a threat to peace and security in the region and it requires an international response and that our message to the military regime is clear: You can leave voluntarily and soon or you can leave involuntarily and soon," he said.

Most Latin American countries have strongly opposed an armed intervention in Haiti, saying there is no threat to regional peace and security.

AM

-US

-North Korea,0602

US and North Korea Resume Talks on Nuclear Issue

By CAROLYN HENSON= Associated Press Writer=

GENEVA (AP) In a first test of North Korean nuclear intentions since the death of long

-time ruler Kim Il Sung,
the United States and North Korea held eight hours of

talks Friday but reported no breakthroughs.

The negotiations are meant to persuade North Korea to open up nuclear facilities to full international inspections in return for some form of diplomatic recognition and technical aid.

"The meeting was intensive and covered a full range of the issues we have outstanding between us," said a weary Robert Gallucci, leader of the U.S. delegation, at the end of the day's session.

Gallucci said there was common ground on improving bilateral relations, increasing security in northeast Asia, easing tensions on the Korean peninsula and preserving the Nuclear Non

-Proliferation Treaty.

"These are the areas of agreement," he said, "but there are areas of disagreement. To say the devil is in the details is something of an understatement."

North Korean delegation head Kang Sok Ju said no agreements were reached.

North Korea threatened in March 1993 to quit the non

-proliferation treaty because of demands that it allow outside inspections of its nuclear facilities. It says its nuclear program is for peaceful purposes, but its refusal to allow inspections has fueled suspicions it is trying to build atomic bombs.

The two delegations agreed to adjourn until Monday to allow both sides to consult at home. A second day of talks had been planned for Saturday.

The talks opened July 8, but were halted a day later by the death of Kim Il Sung. The current session is expected to last about one week.

North Korea has said there will be no change of direction under Kim's son and successor, Kim Jong Il. The late Kim promised to freeze nuclear programs pending the talks, staving off U.S. pressure for U.N. economic sanctions.

In Pyongyang, the North Korean Foreign Ministry reiterated that demands for special inspections of military sites were "unreasonable."

A ministry statement said North Korea's main aim is to get a commitment on aid to replace its old

-fashioned
graphite

-moderated reactor with a modern light

-water
model. The newer model is safer and produces less plutonium, which can be used to make atomic weapons.

"Fundamental progress will not be made in the

resolution of the nuclear issue unless the problem of the light

-water reactor is settled, even if other problems are discussed at the talks," the statement said.

Replacing the North Korean reactors could take up to 10 years and cost \$2 billion. The United States expects Japan, Russia and Germany to contribute funds, equipment and expertise.

South Korean officials confirmed Friday the country would provide the north with a light

-water reactor if the north clears up suspicions about its nuclear intentions.

South Korea's Hankyoreh Shinmun, a dissident newspaper with good North Korean sources, quoted an unnamed member of the North Korean delegation as saying it would also seek compensation for loss of energy while the new facilities are built and for what it has spent on its old reactors.

The month

-long delay had brought a new urgency to the talks: 8,000 spent nuclear fuel rods are now quickly corroding in a cooling pond in North Korea.

North Korea has said it must begin reprocessing the rods by the end of August to avoid contamination. Washington fears the reprocessing could leave North Korea with enough plutonium to make up to five nuclear bombs.

AM

-US

-Yugoslavia, 770

White House Lauds Bosnia Strike, Says Serbs Must Seek Peace
With AM

-Yugoslavia, Bjt

By TOM RAUM= Associated Press Writer=

WASHINGTON (AP) The strikes by NATO warplanes around Sarajevo should prove allied resolve to the Bosnian Serbs and increase pressure on them to accept an international peace plan, U.S. officials said Friday.

"It was a good step forward," said Secretary of State Warren Christopher after the NATO planes, including two U.S. A

-10 jet fighters, hit targets around the Bosnian capital.

There were also new calls in Congress for unilaterally lifting the arms embargo on Bosnia so that Bosnian Muslims

can protect themselves against attacks from Serbs.

Friday's strikes were in retaliation for the seizure of a tank and other heavy weapons from a U.N. depot. Tensions in the former Yugoslavia have risen after Bosnian Serbs earlier this week rejected an international peace plan.

Christopher and other administration officials said the United States will seek tighter enforcement of the U.N. ban on heavy weapons in Bosnian "exclusion zones."

White House press secretary Dee Dee Myers warned that continued violations would lead to more repercussions and could make the lifting of the international arms ban "unavoidable."

"We expect the Bosnian Serbs to live up to their obligations," she said.

But Senate Republican Leader Bob Dole said, "I am skeptical this action alone will pressure the Bosnian Serbs into a settlement." He is pressing for Senate action on a measure to end the U.S. arms embargo no later than Nov. 15 whether other nations go along or not.

President Clinton has spoken in favor of lifting the embargo, but so far the administration has resisted calls for it to abandon the ban unilaterally.

At the Pentagon, an official who spoke only on condition of anonymity said Dutch, French and U.S. planes were involved in Friday's mission.

Pentagon officials said the Air Force A

-10 attack
aircraft were flying out of Aviano air base in northern Italy.

Christopher, speaking with reporters at nearby Andrews Air Force Base before flying to the Middle East, said the bombing was intended "to keep the pressure on the Serbs" to accept an international peace plan.

The plan would require Bosnian Serbs to give up roughly one

-third of the 70 percent of Bosnia they control. Muslims and Croats would get the remainder.

Christopher said he had not talked to the Russians who endorse the peace plan but that other allies think the show of force "is a good step forward."

Christopher said the Serbs would remain under threat of attack if they continue to violate the exclusion zones. "We will continue with this process," he said.

The NATO warplanes struck after Bosnian Serbs seized a tank and other heavy weapons from a U.N. depot inside the 12.5 mile exclusion zone around Sarajevo and shot a U.N. helicopter.

The seizure of weapons by the Bosnian Serbs came a day after Serb

-dominated Yugoslavia cut off crucial support to punish them for rejecting the latest plan to end 28 months of war in Bosnia.

Before now, NATO had been reluctant to use air strikes in the capital without an immediate threat to the city. It did launch three strikes in April on Serb targets around the eastern Muslim enclave of Gorazde.

At the State Department, spokesman David Johnson said NATO had responded "positively and immediately" to the U.N. request for air power.

"The United States welcomes this determination to respond to such violations," he said. He also renewed "our call that the Bosnian Serbs accept, without conditions" the peace plan.

"In recent days, Bosnian Serb troops have increasingly violated the exclusion zone," Myers said at the White House. "They have attacked a United Nations convoy, killing a British soldier. They've also blocked access routes in the city and attempted to reclaim weapons being held under U.N. guard."

She said United States had urged the use of force.

On July 1, Clinton's policy of maintaining the arms embargo survived the narrowest of votes in the Senate. A Dole amendment to require Clinton to halt the embargo failed on a 50

-50 tie.

But the ground appears to have shifted since then. On Friday at least two senators who had supported Clinton on that vote Sens. Paul Wellstone, D

-Minn., and Paul Simon, D

-Ill. said they would support Dole's proposal next time around.

A vote could come as early as Monday.
