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SUBJECT: Daily Digest 10/27: CLINTON VISIT 'A SUCCESS'

TO: Laura D. Schwartz (Laura D. Schwartz@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

Additional assessments from the press overseas of President Clinton's tour
of

Venezuela, Brazil and Argentina earlier this month gave him high marks for
his

personal diplomacy, but depicted a more confident post-Cold War Latin
America

eager to defend its interests, particularly when these do not coincide
with

Washington's. Editorials in Argentina and Brazil voiced their
appreciation for

Mr. Clinton's acknowledgment of what they considered the visit's pivotal
issue: the role they would like the Southern Cone's trade bloc,

Mercosur/Mercosul, to play in relation to the U.S.-sponsored Free Trade
Area of

the Americas. The Clinton visit, concluded Brasilia's center-right,
pro-government Gazeta Mercantil, "cleared the air" regarding Brazil-U.S.

relations, while keeping Argentina aligned with Brazil on Mercosur as the
engine for South America's integration in world trade. Buenos Aires's

daily-of-record La Nacion judged that Mr. Clinton had "turned a page" with
his

statement in Brazil of support for Mercosur. The two countries' successful push during his tour for the U.S. to endorse Mercosur, said business Buenos Aires Economico, "strengthened the Buenos Aires-Brasilia alliance."

Observers throughout Latin America, the Caribbean and in other regions, however, noted that President Clinton was the first U.S. leader to visit when "new winds" of assertiveness are blowing in countries traditionally viewed as the U.S. backyard. Critics predicted that, in the future, the region might not

always be willing to "tilt" towards the U.S. Pointing to growing trade links between Latin America and Europe, the liberal Toronto Star warned, "A transatlantic confederation between Latin America and Europe threatens to alter a lot more than just patterns of trade." In Latin America, writer after

writer emphasized that the region should work with the U.S., but always "in terms of our own interests, not allowing ourselves to be blinded by the Department of State's traditional 'carrot and stick' approach"--to quote from

Tegucigalpa's highly conservative El Heraldo. They asserted that their countries' desire to enter international markets, particularly that of the U.S., is being thwarted by what influential, conservative El Mercurio of

Santiago claimed is "an increasing tide, which is becoming stronger, of menacing protectionist measures" in the U.S. Encouraged by Mr. Clinton's positive response to the Mercosur arguments put forth by Brazil and Argentina,

journalists called on their governments to press Washington on access to the

U.S. market and to depend on Mercosur to secure trade advantages. Buenos Aires' pro-government La Prensa, for instance, argued, "It is necessary to consolidate Mercosur even further so that it can face the U.S. as a solid trade

bloc that demands from its counterpart the same generosity when it comes to

the opening of borders for goods, services and products from the South."

Some

commentators remarked that Mercosur has the advantage of already functioning as

a trade bloc, while the FTAA still awaits approval by the U.S. Congress of fast

track authority for the president to negotiate trade treaties. In San

Jose,

top-circulation La Nacion rebuked the president for not pushing his trade agenda more forcefully in the U.S., stressing that this led to Mr.

Clinton's

traveling "to South America without 'fast track' in his hands--something essential to begin talking seriously about the FTAA."

This survey is based on 46 reports from 17 countries, Oct. 18-24.

EDITOR: Mildred Sola Neely

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "Confusion, Uncertainty Surround Clinton Press Proposal"

Joaquin Morales Sola, political analyst of daily-of-record La Nacion
(10/23),
pointed out, "The proposal made by President Bill Clinton to (President)
Menem
on the creation of an organization within the OAS related to the press has
lead
to much confusion and no certainty. The contents of that initiative are
not
clear--it is even possible that it is not yet clear within the American
government itself--and there are confusing and contradictory versions
about
the position taken by the Argentine government....

"The case is relevant because it could affect the freedom of the press in
the
continent with new controls and regulations, and it seems to have been
prematurely put forward by the chief of the White House, who in statements
to
the Argentine press said he only thought of the creation of press

protection

proceedings under the umbrella of the OAS.... The confusion is endless.

President Menem and Foreign Minister Guido Di Tella pointed out that the

national government never agreed with the idea.... (Nevertheless)

Argentine

diplomats who participated in the summit meetings are sure to have heard

Menem

saying he was pleased with Clinton's idea.... The double message of the

Argentine government and the confusion caused by the American

proposal...makes

it risky when placed in the arms of an organization that is not a choir

of

angels either: The OAS is formed by governments and the press is not

represented there. The best regulation of the press is the unwritten

one."

"Major Non-NATO Ally: Much Rhetoric, Little Practical Assistance"

An editorial in the liberal, English-language Buenos Aires Herald (10/21)

said,

"Even if making Argentina 'a major non-NATO ally'...may sound like

grandiose

words devoid of any real content, this should not be underrated, as such

recognition goes far beyond a paternal pat on the back from Washington.

However complex it may be to define precisely what advantages such a new

status

implies, there can be no doubt that President Carlos Menem and Foreign

Minister Guido Di Tella must be given credit for having established a sound working relationship with the United States and (arguably more importantly) the United Nations, by playing a very active high-profile role in international peacekeeping missions which have earned this recognition....

"The real issue at stake is rather more basic: that the United States define in practical terms what all these high-sounding labels mean.... Either the United States truly means that Argentina is a close ally or it does not. So far much of the policy has boiled down to much rhetoric and very little in the way of practical assistance."

"Supranational Drug Accords A Must"

Readers of leading Clarin (10/21) saw this editorial regarding the drug accord signed during the Clinton visit, "The incorporation of Argentina into the Strategic Alliance against Drugs should be understood as a commitment to increase policies to prevent drug addiction and to take measures aimed at the prevention of money laundering derived from drug trafficking....

Argentina is

committed to fighting transborder crimes and demands the cooperation of

all

the nations to exchange information, prevent illegal money transactions,

stop

the promotion of tax havens that hide the hellish origin of the money,

and

adapt crime prevention laws.

"The sophistication and globalization of money laundering operations

require

supranational agreements such as the one that was signed and reasonable

control

over large financial transactions."

"Clinton's Orchestra Plays And Is Not Out Of Tune"

Under the headline above, Raimundo Orlando, deputy managing editor of

pro-government La Prensa (10/21), wrote, "Clinton...went up to Washington

with

a clear view of who's who in

drugs.... (While) in Argentina, Clinton...avoided making clear statements

about the participation of the military in the fight against drug

trafficking, which was the core of the concept, as (he) considered that

this

was an 'Argentine problem.'...

"McCaffrey was one who did speak in Buenos Aires: 'What is most important is that we now are partners.'... (He) signed a strategic alliance...and everybody smiled, even hard-liner McCaffrey, who went on to Bolivia...to reproach the Bolivians on the very modest results of the promised coca eradication. (He gave) a different speech there. Each country in America requires a different one, because (our position) vis-a-vis drug trafficking differs one from the other. We have said so repeatedly."

"Clinton's Visit Was A Success"

Ana Baron, leading Clarin's Washington-based correspondent, filed (10/20), "Clinton's task in Argentina was not easy. One of the goals of the trip was to consolidate the good relations there are between Argentina and the United States. But at the same time, Clinton wanted to express his concern for certain issues which bother Carlos Menem: corruption, the 'freedom of the press' problem and the need to consolidate the judiciary.... Clinton had very little

margin for political maneuvers, but he took advantage of it very skillfully

and the visit was a success.... Like every good politician, Clinton knew that

in order to make this trip a success he not only needed a strategy, but a message too. And his main message was pro-Mercosur."

"I Support Mercosur"

German Sopena, deputy managing editor of daily-of-record La Nacion (10/19),

held, "The main definition of Clinton's long-awaited trip to Argentina really

took place in Brazil. It was a firm phrase: 'I support Mercosur.' With this

statement...the American president turned a page.... In this new page, it was

written that in the future Clinton will exchange that backing of Mercosur with

a greater commitment by the four countries of the Southern Cone in order to

speed up their access to continental free trade heralded by the United States.

And, another important consequence for a long term analysis: in the final evaluation, Brazil won a position of leadership in the complex negotiation

that will extend to the year 2005."

"United Against Toxic Gases: Clinton Wants Menem To Help Him Do Nothing"

Ernesto Tenenbaum, on special assignment in Bariloche for left-of-center

Pagina

12 (10/19), noted under the headline above, "The two countries expressed their

commitment to the joint implementation of a mechanism to promote reforestation

and industrial production aimed at reducing CFC gases. U.S. policy in the

area, which Argentina is part of now, is so much discussed in the world right

now that it was very harshly criticized by the English weekly Economist:

'The

United States wants to use underdeveloped countries to avoid doing anything

regarding global warming.' One must read that editorial in order to understand

what Clinton and Menem are talking about."

"New Issue: Support For Mercosur"

Washington correspondent Jorge Elias observed for daily-of-record La Nacion

(10/20), "The support for Mercosur is the new issue in the tour of the region.

Never in the past had it been so strong, neither from Clinton nor from

his
collaborators, regarding the regional alliance which, they even feared,
could
turn into a boomerang for Washington. The goal there was, precisely, to
change
a situation in which calamities still prevail, such as dictatorships and
inflation. Everything changed, according to Clinton, though nobody
overlooked
the protest rallies against his presence in Buenos Aires, with riots
similar to
those which took place in the past, and in Brasilia, with signs like
those of
the '70s and other activities of the kind."

"MNNA: A U.S. Message Regarding Its Ties With Argentina"

Luis Garasino, leading Clarin's specialist on military issues, stated
(10/20),

"The declaration

sent by Bill Clinton to Congress before his visit to Latin America to
appoint

Argentina MNNA allows Argentina to have access to loans in order to
purchase

state-of-the-art anti-terrorist technology.... With such designation, the
United States also wants to convey a message regarding its relationship
with

Argentina."

"Clinton Tour Strengthened Argentina-Brazil Alliance"

Business-financial Buenos Aires Economico's political analyst Ricardo Rosales

observed (10/20), "Clinton's tour ended strengthening the Buenos Aires-Brasilia strategic alliance. The result is paradoxical, because Clinton

had prepared his Latin American trip with the idea of consolidating FTAA which, in many aspects, contradicts Mercosur."

"U.S.' Fears Regarding Mercosur"

Sergio Crivelly, political analyst of pro-government La Prensa (10/20), suggested, "Washington's main concern in this area is that this bloc (Mercosur) will end up joining the European Union and harming economic interests (of the United States) in the region."

"Mercosur: A Solid Trade Bloc For Demanding Equal Treatment From U.S."

An editorial in pro-government La Prensa (10/20) maintained, "It is necessary

to consolidate Mercosur even further so that it can face the United States as a

solid trade bloc that demands from its counterpart the same generosity when it

comes to the opening of borders for goods, services and products from the South. And, in the midst of this open or underground struggle, was the cordial and seductive visit of President Clinton that, for sure, was welcomed with equal pleasure and warmth.... For the first time in the life of our South American nations, a president of the gigantic country could perceive the strength...that a united America opposes to him with friendship and affection."

BRAZIL: "Visit Cleared Air Of Brazil-U.S. Relations"

Herbert Levy, president of Gazeta Mercantil (10/22) concluded, "President Clinton's visit cleared the air of Brazil-U.S. relations. The American foreign policy was heading towards a blunder by trying to drive a wedge between Brazil and Argentina.... By granting MNNA status the United States tried to lure Argentina away from Mercosul and closer to the FTAA...but President Menem finally displayed realism and stood by Mercosul and partnership with Brazil."

"Relief And Hope"

Independent Jornal da Tarde (10/21) said, "The U.S. president's presence in

Brazil gave clearer signs of a different trend [which was] reflected in pronouncements and new attitudes of the Brazilian government...signs that brings us relief and hope. The outrageous security apparatus of Clinton's visit, the unbearable arrogance of the yankee scouts, the humiliating picture that the State Department divulged about our country and its institutions shocked the Brazilian sensibility. The Americans were intelligent enough to note that if they continued on this path the trip would result in a wonderful failure. The visiting president was gentle, as everybody saw....

"Clinton was happy. The scenes in Rio de Janeiro divulged by the media in the United States helped to increase the president's popularity, making them forget the issues that the bellicose Republicans...keep in focus like the 'fast track' in Congress...or the not fully explained campaign donations. The American reporters accompanying the presidential party did not want to know about local issues. We saw President Clinton support Mercosul without talking about changing the trade barriers of his country. And we saw the Brazilian people treat him with respect, as deserving of a chief of state officially visiting the country, but without subservience and with the responsibility of a

competing sovereign country."

"Let Diplomatic Niceties Pass, Concentrate On Trade"

Zuenir Ventura remarked in liberal Jornal do Brasil (10/20), "We will never

forget the day the president of the greatest world power, sweating torrents...in 100-degree heat...danced samba, played the tambourine, shook black and mulatto hands as he may never have before...and scored a penalty goal. But, just as a goalie cannot freely give away points, we

[Brazilians]

must let the diplomatic niceties pass and concentrate on changing the trade

relationship: We cannot continue as over the past 10 years, as the United States increases its exports 400 percent and we ours by only 24 percent.

When

it comes time to negotiate, we should remember two lines: One is that countries don't have friends--only interests, and the other is--as our own unsung diplomat put it--that the United States needs to do its homework."

"Education And The Internet"

An editorial in liberal Jornal do Brasil (10/20) praised the inclusion of Brazil in the Internet-2 working group (part of education agreement signed by

the two presidents) as foresight on the part of the Brazilian government:

"This is because power in the world marketplace and the secret to low unemployment are now linked more to the capacity to gather information than to the ability to amass capital or offer low labor costs. It is not by chance that the United States is showing the lowest unemployment rates in 24 years, in contrast to the other Western powers.... There, the effects of globalization and new technology have been less painful. Because they jumped ahead in the technology race and made dramatic changes in infrastructure and education, the masses released from the industrial sector by automation have been able to migrate to the services sector.... The greatest mistake by Brazilian elites was to neglect education, since the greatest obstacle to economic growth in Latin America is not structural policies but rather education."

BARBADOS: "Lessons From Clinton's Visits"

The pro-government Bridgetown Nation's columnist Rickey Singh commented (10/24): "President Bill Clinton's just concluded visits to Brazil and Argentina have two relevant messages for the Caribbean Community (Caricom) countries as they prepare for the second Summit of the Americas scheduled for

next year in Chile: First is a reminder that small countries like ours in this

region must closely monitor what major allies of the United States in this hemisphere (Brazil for instance) are doing to protect their national interests

while supporting initiatives for free trade.... The second signal of relevance

to this region from Clinton's South American tour is that when it comes to human rights violations, the United States will continue to be very selective

in its condemnation. For instance, in this hemisphere, Cuba yes!

Argentina,

no!"

BOLIVIA: "New Winds Are Blowing In The Region"

La Paz's centrist Hoy published a commentary by Humberto Vacaflor (10/19),

"Clinton was received in the neighboring countries with protests,

although of

two different kinds. The nostalgic ones of the Cold War, who protested against American imperialism, and the modern ones, with which they complained

about the protectionism which the United States applies. The last protest is

the strongest because it refers to a dual attitude, by which the United States

demands from everyone the application of a free market model, but at the same time has policies against the practice of that model.

"The Brazilians are the ones who have more reasons to complain, since Americans have raised several barriers to prevent (Brazilian) products from entering the United States.... In any case, Clinton's Latin America arrival is a good message. Even though certification remains the same way and is not modified as Clinton wants, or as the Bolivian president suggests, new winds are blowing in the region."

CHILE: "Menacing Protectionism In U.S."

Influential, conservative El Mercurio (10/20) stated, "Washington has never made a secret of the fact that Latin America is not among its foreign policy priorities.... That is why President Clinton's visit to Venezuela, Brazil and Argentina has been received without any enthusiasm, although in the latter country...the (Argentine) government viewed (the visit) as an authentic

acknowledgment of its able performance. But the panorama becomes more cloudy in the face of proof that in the world's most open country to trade, which is the case with the United States, there is an increasing tide, which is becoming stronger, of menacing protectionist measures. The 'dumping' accusations against Latin American producers, or the environmental restrictions applied, are truly alarming for our hemisphere."

COSTA RICA: "White House's Inconsistencies Damage Free Trade"

In San Jose, top-circulation La Nacion's editorial (10/19) said, "(Because the visit was) announced as an effort to gain backing for the FTAA...the reaction of [Clinton's] hosts was reserved.... The contrast was specially evident in Brazil, where President, Fernando Enrique Cardoso emphasized in the clearest fashion that, for his country to join the FTAA, Mercosur...would demand from the United States a substantial reduction of protective tariffs and elimination of other restrictions. In Argentina, in spite of close political relations with Washington, the message was similar, particularly in the

private

sector.

"South American skepticism about FTAA is explained to a great degree by the

White House contradictions regarding free trade.... Clinton's vacillations meant that he travelled to South America without 'fast track' in his hands--something essential to begin talking seriously about the FTAA.

And

obviously, one should wonder why the chief executive would seek overseas support that he has avoided seeking with sufficient energy in his own country

[until recently]."

ECUADOR: "Twofold Challenge: Jobs And Education"

Quito's leading, centrist El Comercio (10/21) stressed in its main editorial,

"It is interesting to see the president of the largest world power...constantly

referring to education as the fundamental element in the present age....

After

his visit to various Latin American countries, Clinton stated something we have

to emphasize: 'If I could do something immediate (in the region), it would be

to change completely the quality of education for all youths.'... This is

an important concept shared by some Latin American countries. Others, like Ecuador, regrettably feel 'it is a problem' but have not found formulas to solve it.... Always highlighting the challenge of a better education, Clinton was also thinking about openness. Markets grow only when people have access to better jobs and have better quality education. The challenge is twofold: jobs in direct proportion to education."

"Clinton's Weak And Meaningless Message"

An editorial from Quayaquil's and Ecuador's largest circulation, center-right El Universo commented (10/17), "(Clinton's) agenda projects a weak and meaningless message for Latin Americans, who currently are going through one of the most difficult periods in their recent history, i.e. since the application of the so-called 'neoliberal reforms,' which were meant to transform the continent. Venezuela, Argentina and Brazil suffer from poverty as well as from social injustice, widespread unemployment and corruption at public and private levels never registered before.

"Clinton's message is focused on the already 'worn out' free trade zone agreement...which remains without implementation until today, ousted from importance by an emphasis on drug trafficking and corruption as the business of

Latin America. This situation is very discouraging for a region which is facing a severe political, economic and social crisis.... The Latin Americans

have observed the trends, and they have started to develop long-term oriented

trade blocs to expand their markets. Brazil stated during Clinton's visit that

Mercosur is a permanent

commercial zone whatever the eventual result of efforts to create a hemispheric

free trade zone may be by 2005. Clinton had no other choice but to recognize

it, and Chile has clearly stated that Mercosur is the NAFTA Clinton has promised, but been unable to deliver."

HONDURAS: "Evaluate This Visit In Terms Of Latin America's Interests"

Highly conservative El Heraldo suggested (10/19): "The United States no longer

sends Marines to Latin America, a region that has become the largest buyer of

its goods, but it still can put on the pressure which in some cases could be called inappropriate and other times is downright intolerable.... We need to evaluate this visit in terms of our own interests, not allowing ourselves to be blinded by the Department of State's traditional 'carrot and stick' approach. In 1996, the United States exported \$51.8 billion to Latin America and the Caribbean, double what went to the European Community. One would think that a client of this magnitude would be treated with respect and friendship, but that is not the case."

PERU: "Hemispheric Cooperation Against Drug Trafficking"

Luis Lamas, a criminal lawyer involved with drug prevention, wrote this in an op-ed piece (10/24) for center, pro-government El Sol: "If we dedicate ourselves to analyzing carefully what the results of President Clinton's recent visit to Latin America were, there is no doubt that drug trafficking appears as a first-priority component. Although...illicit drugs...are a global problem in the Americas, (the policies and efforts) to date have been characterized by a series of disagreements, criticisms, confrontations, and lack of

consensus

among the involved countries.... Large drug-trafficking organizations

have

profited from these inconsistencies to strengthen their nets and

achieve...efficiency of scale...in the production and massive

commercialization

of drugs.... Some kind of consensus should be reached to globalize the

efforts that each country makes in a more systematic way. Only by working

in a

more closely coordinated way with law enforcement, legal and judicial

systems,

combined with a closer economic cooperation to support alternative

development

programs, can there be an effective multinational effort for both producer

and

consuming countries."

"New Regional Scenario"

A column in center-right, pro-government Expreso (10/22) by analyst

Alejandro

Deustua read, "Although President Clinton's first visit to South America

doesn't seem to have satisfied general expectations, the emergence of a

new

regional scenario merits a careful evaluation. Venezuela has obtained

the new

status of 'modern ally' (of the United States).... Overcoming that level

is
Brazil's rank as regional (but not global) co-leader.... In issues of
increased confidence and cooperation for regional defense, Argentina has
become
the first U.S. partner. As we see it, while others gain influence
generating
regional and extra-regional stability, we lost it maintaining the
Peru-Ecuador
problem alive."

"Early Days Yet For Assessments"

An editorial in center-left La Republica judged (10/21), "The truth is
that it
is still very early to reach conclusions about how successful the
meteoric
trip was, although it seems that they may not be very deep, as it happens
with
any public relations operation. However, Clinton's offers have already
been
met with accusations of trying to dismantle Mercosur, of altering the
regional
balance with the preferential treatment towards Argentina, and of
pleasing
President Menem, whose administration is as punctilious with journalists
as
president Fujimori's."

"Peru's Opportunity: U.S. Market"

In an op-ed by businessman Raul Diez-Cansecos, conservative, influential

El

Comercio (10/20) underlined, "There is no doubt that vis-a-vis the

advancement

of strategic alliances between regional blocs in the world, Washington is

not

only aiming to consolidate its leadership in the new economic order

originated

by the fall of the socialist bloc, but it is planning to recover the

lost ground in its relations with the Latin American region that should

have

always been its natural ally. For Peruvians, the fact of not being

included in

(president Clinton's) agenda is not relevant: The visit reflects a

significant

message. Not only because of the 'world model' where Peru is included,

or for

Clinton's compliment for our following 'the free market path,' but

because he

is offering Peru an opportunity to penetrate the U.S. market, which is the

most

important market for Peruvian exports."

URUGUAY: "The Real Issues"

The editorial view of business, conservative El Observador was (10/20)

that

from "media reaction in these countries (in the tour), it seems (the visit)

wasn't one of the most brilliant ones in the history of our hemisphere. A positive aspect of it is that the tour itself showed that the president and

his administration are considering Latin America as something worth their attention. However, bilateral relations between both hemispheres should be

focused on expanding commercial discussions, and discussion should go beyond

FTAA and the strengthening of Mercosur.... From our country's point of view

(and from many others), what Latin America needs now for its development is

to...take the necessary steps to liberalize and increase trade. Despite the

fact that, at present, Uruguay has a significant trade deficit with the United

States, we haven't been able to eliminate non-tariff barriers, which have impeded our ability to increase meat exports and gain entry for our citrus products. These are the issues we would like to see under discussion if

President Clinton's visit is in fact to initiate a new chapter in the history

of the region."

EUROPE

RUSSIA: "Why U.S. Shows More Interest In South America"

Karen Khachaturov wrote in centrist Nezavisimaya Gazeta (10/22): "Bill

Clinton

at last looked South. With the USSR broken up and the Cold War over, the

United States could relax, its 'exposed underbelly' no longer in danger.

Military juntas were gone, too, as all Latin American countries now had

constitutional civilian governments. But their leaders, offended by the

perceived neglect from the great Northern neighbor, began tilting to the

EU and

'the Asian tigers.'... Clinton's visit is a testament to the U.S.'

heightened

interest in South America which, on its part, intends to build its

relations

with Washington only on the basis of partnership and mutual advantage."

BULGARIA: "Clinton Seemed Unable To Win Over Neighbors From 'Backyard'"

The headline above introduced this item in Bulgarian Socialist Party Duma

(10/20), "The U.S. president's Latin American trip showed two things--his

willingness to impose a new style on the relations between a superpower

and the

states from its 'backyard,' and that the neighbors haven't overcome their

suspensions toward the United States. On the eve of the 21st century the economic and social abyss between the two Americas is getting larger instead of smaller. This situation works against the interests of the Yankees, who launched the idea of establishing a free trade zone on the whole continent.... The prospect of a global American market is quite attractive to the 'poor relatives from the backyard,' yet it can't fool even the most prosperous of them, since they are aware that as long as the United States is conducting a policy of neo-liberal protectionism the dream won't come true....

"The Clinton family was warmly welcomed everywhere, and they were honored with abundant dinners and nice receptions. However, their hosts didn't conceal their disappointment with the Yankees' current policy."

CANADA: "Trade To Dominate North-South Issues"

World affairs columnist Stephen Handelman wrote in the liberal Toronto Star (10/21), "Trade issues will be the source of increasing confrontation between the northern and southern parts

of the hemisphere over the next several decades.... The colonialist distinction between FTAA [Free Trade Area of the Americas] and Mercosur is disingenuous. Mercosur is promoting closer trade links with Europe which made Latin America a victim of imperial expansion when the United States was still an insignificant republic. Yet the differences between the two trade concepts in the hemisphere are already transforming the classic image of Latin America as a U.S. sphere of influence. A transatlantic confederation between Latin America and Europe threatens to alter a lot more than just patterns of trade. It was that prospect which propelled Clinton's long-delayed visit to the hemisphere.... But Clinton is arguing from weakness, having been unable to secure the 'fast-track' authority to negotiate speedy trade agreements.... The possibilities of a hemispheric free trade zone are getting dimmer with each twist of American politics."

NORWAY: "America And America"

Leading tabloid VG commented (10/20), "Clinton's main purpose was to

promote

the giant free trade project under development on the two American continents.

Clinton wants to create a free trade zone stretching from Alaska to Patagonia. To get there, he must get past many obstacles--especially at home

in the United States. It is not at all certain that Congress will support entering negotiations to establish such a free trade zone at the Inter-American

summit in Santiago this coming spring.... Clinton is convinced that increased

liberalization of trade is the only road to growth and prosperity....

History

tells us that the risk of financial crises in Latin America is great.

Strengthened integration and increased mutual dependency will undoubtedly take

some of the power out of the hard blows to come. However, the road to prosperity and a good life for everybody is very, very long."

EAST ASIA AND PACIFIC

SOUTH KOREA: "Clinton Now Looks Abroad"

Pro-business Joong-Ang Ilbo (10/21) remarked, "President Clinton has begun to

turn himself into a foreign affairs president.... Clinton's critics say that

his recent visit to South America was mainly to avoid domestic controversies.

The critics also say that the president went ahead with the visit in order to

be more forceful in his bid for fast track authority."

THAILAND: "Clinton Invades South America"

Trairat Soontornprapat told readers of mass-circulation Daily News (10/22),

"Clinton [has just concluded a visit to] several South American countries aiming at strengthening ties with the region, still distrustful of the U.S.'

professed sincerity.... Wanting to penetrate the South American markets, the

United States has pushed regional nations to fully liberalize. Most of these

countries, however, are not ready and find the U.S. demand unacceptable....

America would do well to first help develop its immediate neighbors. For the

world is suspicious of how the United States can possibly help other world

regions when the economies adjacent to it are still in a shambles."

VIETNAM: "Several More Visits Might Be Required"

Vietnamese-language biweekly Lao Dong (10/18), published by the Vietnam Confederation of Trade Unions, determined, "The U.S. plan to establish the Free Trade Area of the Americas is very ambitious, but the negotiation process is expected to be extremely difficult. The U.S. Congress has not yet decided to allow the president to use fast track to simplify trade talks with partners. Lacking this, and facing negative reactions from other countries, perhaps the White House boss will have to return to Central and South America several more times if he hopes to realize his ambition."

MIDDLE EAST

MOROCCO: "Americans Spread Distrust Among Latin Americans"

Mohamed El Arbi Messari, former Moroccan ambassador to Brazil, wrote in opposition, Arabic-language Al Alam (10/23) under the headline :

"Americans

Spread Distrust Among Latin Americans: Why The Big Differences With Brazil?

Why Unsteady Relations Between Brazil And Argentina? What Is The Pace Of

Competition Between Latin America And European Union?" He continued,
"Washington's relations with its southern neighbors...are rapidly growing
more
and more diverse and conflicting. At the core of these complexities is
Brazil
and its position on participation in a South American common market....
The
United States is resisting Brazil's efforts to forge an independent
approach
to trade relations with the European Union. The upcoming summit in Chile
will
be difficult, and it remains to be seen what effect the American rose
offered
to Argentina will have on Latin American relations as a whole."

##===== ATTACHMENT 1 =====
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FOREIGN MEDIA REACTION

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#XP\ P6QyP#Bill Richey, Branch Chief Media Reaction (R/MR), #:x2PkCXP# #XP\

P6QyP#Richey@usia.gov, (202) 6196511 Ann Pincus,

Director, (2

02) 6196511

X' hp x (##Xn\ P6Qy&P#Monday, October 27, 1997

X' hp x (#%

CLINTON VISIT 'A SUCCESS,' BUT LATIN AMERICANS WILL LOOK TO THEIR INTERESTS

X' hp x (#

Additional assessments from the press overseas of President Clinton's tour of
Venezuela, Brazil and Argentina earlier this month gave him high marks for
his

personal diplomacy, but depicted a more confident postCold War Latin
America ea

ger to defend its interests, particularly when these do not
coincide with Washi

ngton's. Editorials in Argentina and Brazil voiced their
appreciation for Mr.

Clinton's acknowledgment of what they considered the
visit's pivotal issue: th

e role they would like the Southern Cone's trade
bloc, Mercosur/Mercosul, to pl

ay in relation to the U.S.sponsored Free Trade
Area of the Americas. The Clint

on visit, concluded Brasilia's centerright,
progovernment Gazeta Mercantil, "cl

earred the air" regarding BrazilU.S.

relations, while keeping Argentina aligned
with Brazil on Mercosur as the

engine for South America's integration in world

trade. Buenos Aires's

dailyofrecord La Nacion judged that Mr. Clinton had "tur
ned a page" with

his statement in Brazil of support for Mercosur. The two coun

tries'
successful push during his tour for the U.S. to endorse Mercosur, said
b
usiness Buenos Aires Economico, "strengthened the Buenos Aires Brasilia
alliance
."

Observers throughout Latin America, the Caribbean and in other regions,
however
, noted that President Clinton was the first U.S. leader to visit when
"new win
ds" of assertiveness are blowing in countries traditionally viewed as
the U.S.
backyard. Critics predicted that, in the future, the region might
not always b
e willing to "tilt" towards the U.S. Pointing to growing trade
links between L
atin America and Europe, the liberal Toronto Star warned, "A
transatlantic con
federation between Latin America and Europe threatens to
alter a lot more than
just patterns of trade." In Latin America, writer
after writer emphasized th
at the region should work with the U.S., but always
"in terms of our own inter
ests, not allowing ourselves to be blinded by the
Department of State's tradit
ional 'carrot and stick' approach" to quote from
Tegucigalpa's highly conservati
ve El Heraldo. They asserted that their
countries' desire to enter internation
al markets, particularly that of the
U.S., is being thwarted by what influentia
l, conservative El Mercurio of
Santiago claimed is "an increasing tide, which i
s becoming stronger, of
menacing protectionist measures" in the U.S. Encourage
d by Mr. Clinton's
positive response to the Mercosur arguments put forth by Bra
zil and
Argentina, journalists called on their governments to press Washington
on
access to the U.S. market and to depend on Mercosur to secure trade
advantag
es. Buenos Aires' progovernment La Prensa, for instance, argued,
"It is necess
ary to consolidate Mercosur even further so that it can face the
U.S. as a soli
d trade bloc that demands from its counterpart the same
generosity when it com
es to the opening of borders for goods, services and
products from the South."
Some commentators remarked that Mercosur has the
advantage of already function

ing as a trade bloc, while the FTAA still awaits approval by the U.S. Congress of fast track authority for the president to negotiate trade treaties. In San Jose, top circulation La Nacion rebuked the president for not pushing his trade agenda more forcefully in the U.S., stressing that this led to Mr. Clinton's traveling "to South America without 'fast track' in his hands something essential to begin talking seriously about the FTAA."

This survey is based on 46 reports from 17 countries, Oct. 1824.

EDITOR: Mildred Sola Neely

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "Confusion, Uncertainty Surround Clinton Press Proposal"

Joaquin Morales Sola, political analyst of daily record La Nacion (10/23), pointed out, "The proposal made by President Bill Clinton to (President) Menem on the creation of an organization within the OAS related to the press has led to much confusion and no certainty. The contents of that initiative are not clear. It is even possible that it is not yet clear within the American government itself and there are confusing and contradictory versions about the position taken by the Argentine government...."

"The case is relevant because it could affect the freedom of the press in the continent with new controls and regulations, and it seems to have been prematurely put forward by the chief of the White House, who in statements to the Argentine press said he only thought of the creation of press protection proceedings under the umbrella of the OAS.... The confusion is endless. President Menem and Foreign Minister Guido Di Tella pointed out that the national government never agreed with the idea.... (Nevertheless) Argentine diplomats who participated in the summit meetings are sure to have heard Menem saying he was pleased with Clinton's idea.... The double message of the Argentine government and the

confusion caused by the American proposal...makes it risky when placed in the arms of an organization that is not a choir of angels either: The OAS is formed by governments and the press is not represented there. The best regulation of the press is the unwritten one."

X` hp x (# "Major NonNATO Ally: Much Rhetoric, Little Practical Assistance"
X` hp x (#

An editorial in the liberal, Englishlanguage Buenos Aires Herald (10/21) said,

"Even if making Argentina 'a major nonNATO ally'...may sound like grandiose words devoid of any real content, this should not be underrated, as such recognition goes far beyond a paternal pat on the back from Washington. However complex it may be to define precisely what advantages such a new status implies, there can be no doubt that President Carlos Menem and Foreign Minister Guido Di Tella must be given credit for having established a sound working relationship with the United States and (arguably more importantly) the United Nations, by playing a very active highprofile role in international peacekeeping missions which have earned this recognition....

"The real issue at stake is rather more basic: that the United States define in practical terms what all these high sounding labels mean.... Either the United States truly means that Argentina is a close ally or it does not. So far much of the policy has boiled down to much rhetoric and very little in the way of practical assistance."

"Supranational Drug Accords A Must"

Readers of leading Clarin (10/21) saw this editorial regarding the drug accord signed during the Clinton visit, "The incorporation of Argentina into the Strategic Alliance against Drugs should be understood as a commitment to increase policies to prevent drug addiction and to take measures aimed at the prevention of money laundering derived from drug trafficking.... Argentina is committed

d to fighting transborder crimes and demands the cooperation of all the nation
s to exchange information, prevent illegal money transactions, stop the promot
ion of tax havens that hide the hellish origin of the money, and adapt crime p
revention laws.

"The sophistication and globalization of money laundering operations require su
pranational agreements such as the one that was signed and reasonable control o
ver large financial transactions."

"Clinton's Orchestra Plays And Is Not Out Of Tune"

Under the headline above, Raimundo Orlando, deputy managing editor of progover
nment La Prensa (10/21), wrote, "Clinton...went up to Washington with a clear v
iew of who's who in

drugs.... (While) in Argentina, Clinton...avoided making clear statements abou
t the participation of the military in the fight against drug trafficking, wh
ich was the core of the concept, as (he) considered that this was an 'Argentin
e problem.'...

"McCaffrey was one who did speak in Buenos Aires: 'What is most important is t
hat we now are partners.'... (He) signed a strategic alliance...and everybody
smiled, even hardliner McCaffrey, who went on to Bolivia...to reproach the Bol
ivians on the very modest results of the promised coca eradication. (He gave)
a different speech there. Each country in America requires a different one, be
cause (our position) visavis drug trafficking differs one from the other. We
have said so repeatedly."

X' hp x (# "Clinton's Visit Was A Success"

X' hp x (#

Ana Baron, leading Clarin's Washingtonbased correspondent, filed (10/20), "Cli
nton's task in Argentina was not easy. One of the goals of the trip was to co
nsolidate the good relations there are between Argentina and the United States.

But at the same time, Clinton wanted to express his concern for certain issues

which bother Carlos Menem: corruption, the 'freedom of the press' problem and the need to consolidate the judiciary.... Clinton had very little margin for political maneuvers, but he took advantage of it very skillfully and the visit was a success.... Like every good politician, Clinton knew that in order to make this trip a success he not only needed a strategy, but a message too. And his main message was proMercosur."

"I Support Mercosur"

German Sopena, deputy managing editor of dailyofrecord La Nacion (10/19), held
, "The main definition of Clinton's long-awaited trip to Argentina really took place in Brazil. It was a firm phrase: 'I support Mercosur.' With this statement...the American president turned a page.... In this new page, it was written that in the future Clinton will exchange that backing of Mercosur with a greater commitment by the four countries of the Southern Cone in order to speed up their access to continental free trade heralded by the United States. And, another important consequence for a long term analysis: in the final evaluation, Brazil won a position of leadership in the complex negotiation that will extend to the year 2005."

"United Against Toxic Gases: Clinton Wants Menem To Help Him Do Nothing"

Ernesto Tenenbaum, on special assignment in Bariloche for leftofcenter Pagina

12 (10/19), noted under the headline above, "The two countries expressed their commitment to the joint implementation of a mechanism to promote reforestation and industrial production aimed at reducing CFC gases. U.S. policy in the area, which Argentina is part of now, is so much discussed in the world right now that it was very harshly criticized by the English weekly Economist: 'The United States wants to use underdeveloped countries to avoid doing anything regarding global warming.' One must read that editorial in order to understand what Clinton and Menem are talking about."

"New Issue: Support For Mercosur"

Washington correspondent Jorge Elias observed for dailyofrecord La Nacion (10/20), "The support for Mercosur is the new issue in the tour of the region. Never in the past had it been so strong, neither from Clinton nor from his collaborators, regarding the regional alliance which, they even feared, could turn into a boomerang for Washington. The goal there was, precisely, to change a situation in which calamities still prevail, such as dictatorships and inflation. Everything changed, according to Clinton, though nobody overlooked the protest rallies against his presence in Buenos Aires, with riots similar to those which took place in the past, and in Brasilia, with signs like those of the '70s and other activities of the kind."

"MNNA: A U.S. Message Regarding Its Ties With Argentina"

Luis Garasino, leading Clarin's specialist on military issues, stated (10/20), "The declaration

sent by Bill Clinton to Congress before his visit to Latin America to appoint Argentina MNNA allows Argentina to have access to loans in order to purchase state-of-the-art antiterrorist technology.... With such designation, the United States also wants to convey a message regarding its relationship with Argentina.

"

"Clinton Tour Strengthened Argentina-Brazil Alliance"

Businessfinancial Buenos Aires Economico's political analyst Ricardo Rosales observed (10/20), "Clinton's tour ended strengthening the Buenos Aires-Brasilia strategic alliance. The result is paradoxical, because Clinton had prepared his Latin American trip with the idea of consolidating FTAA which, in many aspects, contradicts Mercosur."

"U.S.' Fears Regarding Mercosur"

Sergio Crivelly, political analyst of progovernment La Prensa (10/20),

suggest
ed, "Washington's main concern in this area is that this bloc
(Mercosur) will
end up joining the European Union and harming economic
interests (of the United
States) in the region."

"Mercosur: A Solid Trade Bloc For Demanding Equal Treatment From U.S."

An editorial in progovernment La Prensa (10/20) maintained, "It is necessary
to
consolidate Mercosur even further so that it can face the United States as
a
solid trade bloc that demands from its counterpart the same generosity
when it
comes to the opening of borders for goods, services and products from
the South
America. And, in the midst of this open or underground struggle, was the
cordial and
seductive visit of President Clinton that, for sure, was
welcomed with equal
pleasure and warmth.... For the first time in the life
of our South America
nations, a president of the gigantic country could
perceive the strength...that
a united America opposes to him with friendship
and affection."

BRAZIL: "Visit Cleared Air Of Brazil U.S. Relations"

Herbert Levy, president of Gazeta Mercantil (10/22) concluded, "President
Clinton's
visit cleared the air of Brazil U.S. relations. The American
foreign policy
was heading towards a blunder by trying to drive a wedge
between Brazil and
Argentina.... By granting MFNA status the United States
tried to lure Argentina
away from Mercosul and closer to the FTAA...but
President Menem finally displayed
realism and stood by Mercosul and
partnership with Brazil."

"Relief And Hope"

Independent Jornal da Tarde (10/21) said, "The U.S. president's presence in
Brazil
gave clearer signs of a different trend [which was] reflected in
pronouncements
and new attitudes of the Brazilian government...signs that
bring us relief
and hope. The outrageous security apparatus of Clinton's
visit, the unbearable
arrogance of the yankee scouts, the humiliating picture

that the State Department divulged about our country and its institutions shocked the Brazilian sensibility. The Americans were intelligent enough to note that if they continued on this path the trip would result in a wonderful failure. The visiting president was gentle, as everybody saw....

"Clinton was happy. The scenes in Rio de Janeiro divulged by the media in the United States helped to increase the president's popularity, making them forget the issues that the bellicose Republicans...keep in focus like the 'fast track' in Congress...or the not fully explained campaign donations. The American reporters accompanying the presidential party did not want to know about local issues. We saw President Clinton support Mercosul without talking about changing the trade barriers of his country. And we saw the Brazilian people treat him with respect, as deserving of a chief of state officially visiting the country, but without subservience and with the responsibility of a competing sovereign country."

"Let Diplomatic Niceties Pass, Concentrate On Trade"

Zuenir Ventura remarked in liberal *Jornal do Brasil* (10/20), "We will never forget the day the president of the greatest world power, sweating torrents...in 100degree heat...danced samba, played the tambourine, shook black and mulatto hands as he may never have before...and scored a penalty goal. But, just as a goalie cannot freely give away points, we [Brazilians] must let the diplomatic niceties pass and concentrate on changing the trade relationship: We cannot continue as over the past 10 years, as the United States increases its exports 400 percent and we ours by only 24 percent. When it comes time to negotiate, we should remember two lines: One is that countries don't have friendship only interests, and the other is as our own unsung diplomat put it that the United States needs to do its homework."

"Education And The Internet"

An editorial in liberal Jornal do Brasil (10/20) praised the inclusion of Brazil in the Internet2 working group (part of education agreement signed by the two

presidents) as foresight on the part of the Brazilian government:

"This is because

power in the world marketplace and the secret to low unemployment are not

linked more to the capacity to gather information than to the ability to amass

capital or offer low labor costs. It is not by chance that the United States

is showing the lowest unemployment rates in 24 years, in contrast to the other

Western powers.... There, the effects of globalization and new technology have

been less painful. Because they jumped ahead in the technology race and made

dramatic changes in infrastructure and education, the masses released from the

industrial sector by automation have been able to migrate to the services sector.... The greatest mistake by

Brazilian elites was to neglect education, since the greatest obstacle to

economic growth in Latin America is not structural policies but rather

education."

X X' hp x (# BARBADOS: "Lessons From Clinton's Visits"

XX X' hp x (#

The progovernment Bridgetown Nation's columnist Rickey Singh commented (10/24)

: "President Bill Clinton's just concluded visits to Brazil and Argentina have

two relevant messages for the Caribbean Community (Caricom) countries as they prepare

for the second Summit of the Americas scheduled for next year in Chile:

First is a reminder that small countries like ours in this region must closely

monitor what major allies of the United States in this hemisphere (Brazil for

instance) are doing to protect their national interests while supporting initiatives

for free trade.... The second signal of relevance to this region from Clinton's

South American tour is that when it comes to human rights violations, the

United States will continue to be

very selective in its condemnation. For instance, in this hemisphere, Cuba

yes! Argentina, no!"

BOLIVIA: "New Winds Are Blowing In The Region"

La Paz's centrist Hoy published a commentary by Humberto Vacaflor (10/19), "Clinton was received in the neighboring countries with protests, although of two different kinds. The nostalgic ones of the Cold War, who protested against American imperialism, and the modern ones, with which they complained about the protectionism which the United States applies. The last protest is the strongest because it refers to a dual attitude, by which the United States demands from everyone the application of a free market model, but at the same time has policies against the practice of that model.

"The Brazilians are the ones who have more reasons to complain, since Americans have raised several barriers to prevent (Brazilian) products from entering the United States.... In any case, Clinton's Latin America arrival is a good message. Even though certification remains the same way and is not modified as Clinton wants, or as the Bolivian president suggests, new winds are blowing in the region."

CHILE: "Menacing Protectionism In U.S."

Influential, conservative El Mercurio (10/20) stated, "Washington has never made a secret of the fact that Latin America is not among its foreign policy priorities.... That is why President Clinton's visit to Venezuela, Brazil and Argentina has been received without any enthusiasm, although in the latter country...the (Argentine) government viewed (the visit) as an authentic acknowledgment of its able performance. But the panorama becomes more cloudy in the face of proof that in the world's most open country to trade, which is the case with the United States, there is an increasing tide, which is becoming stronger, of mounting protectionist measures. The 'dumping' accusations against Latin American

producers, or the environmental restrictions applied, are truly alarming for our hemisphere."

COSTA RICA: "White House's Inconsistencies Damage Free Trade"

In San Jose, top circulation La Nacion's editorial (10/19) said, "(Because the visit was) announced as an effort to gain backing for the FTAA...the reaction of [Clinton's] hosts was reserved.... The contrast was specially evident in Brazil, where President, Fernando Henrique Cardoso emphasized in the clearest fashion that, for his country to join the FTAA, Mercosur...would demand from the United States a substantial reduction of protective tariffs and elimination of other restrictions. In Argentina, in spite of close political relations with Washington, the message was similar, particularly in the private sector.

"South American skepticism about FTAA is explained to a great degree by the White House contradictions regarding free trade.... Clinton's vacillations meant that he travelled to South America without 'fast track' in his hands...something essential to begin talking seriously about the FTAA. And obviously, one should wonder why the chief executive would seek overseas support that he has avoided seeking with sufficient energy in his own country [until recently]."

ECUADOR: "Twofold Challenge: Jobs And Education"

Quito's leading, centrist El Comercio (10/21) stressed in its main editorial, "It is interesting to see the president of the largest world power...constantly referring to education as the fundamental element in the present age.... After his visit to various Latin American countries, Clinton stated something we have to emphasize: 'If I could do something immediate (in the region), it would be to change completely the quality of education for all youths.'... This is an important concept shared by some Latin American countries. Others, like Ecuador, regrettably feel 'it is a problem' but have not found formulas to solve it Always highlighting the

challenge of a better education, Clinton was also thinking about openness. Markets grow only when people have access to better jobs and have better quality education. The challenge is twofold: jobs in direct proportion to education."

"Clinton's Weak And Meaningless Message"

An editorial from Quayaquil's and Ecuador's largest circulation, centerright E l Universo commented (10/17), "(Clinton's) agenda projects a weak and meaningles message for Latin Americans, who currently are going through one of the most difficult periods in their recent history, i.e. since the application of the so-called 'neoliberal reforms,' which were meant to transform the continent. Venezuela, Argentina and Brazil suffer from poverty as well as from social injustice, widespread unemployment and corruption at public and private levels never registered before.

"Clinton's message is focused on the already 'worn out' free trade zone agreement...which remains without implementation until today, ousted from importance by an emphasis on drug trafficking and corruption as the business of Latin America. This situation is very discouraging for a region which is facing a severe political, economic and social crisis.... The Latin Americans have observed these trends, and they have started to develop longterm oriented trade blocs to expand their markets. Brazil stated during Clinton's visit that Mercosur is a permanent

commercial zone whatever the eventual result of efforts to create a hemispheric free trade zone may be by 2005. Clinton had no other choice but to recognize it, and Chile has clearly stated that Mercosur is the NAFTA. Clinton has promised, but been unable to deliver."

X' hp x (# HONDURAS: "Evaluate This Visit In Terms Of Latin America's Interests"

Highly conservative El Heraldo suggested (10/19): "The United States no

longer
sends Marines to Latin America, a region that has become the largest
buyer of
its goods, but it still can put on the pressure which in some cases
could be c
alled inappropriate and other times is downright intolerable....

We need to e
valuate this visit in terms of our own interests, not allowing
ourselves to be
blinded by the Department of State's traditional 'carrot and
stick' approach.

In 1996, the United States exported \$51.8 billion to Latin
America and the C
aribbean, double what went to the European Community. One
would think that a
client of this magnitude would be treated with respect
and friendship, but tha
t is not the case."

X' hp x (# PERU: "Hemispheric Cooperation Against Drug Trafficking"

Luis Lamas, a criminal lawyer involved with drug prevention, wrote this in an
oped piece (10/24) for center, progovernment El Sol: "If we dedicate
ourselves

to analyzing carefully what the results of President Clinton's
recent visit to

Latin America were, there is no doubt that drug trafficking
appears as a first

priority component. Although...illicit drugs...are a
global problem in the Amer

icas, (the policies and efforts) to date have been
characterized by a series o

f disagreements, criticisms, confrontations, and
lack of consensus among the i

nvolved countries.... Large drugtrafficking
organizations have profited from t

hese inconsistencies to strengthen their
nets and achieve...efficiency of scale

...in the production and massive

commercialization of drugs.... Some kind of
consensus should be reached to

globalize the efforts that each country makes in
a more systematic way. Only

by working in a more closely coordinated way with
law enforcement, legal and

judicial systems, combined with a closer economic c
ooperation to support

alternative development programs, can there be an effect
ive multinational

effort for both producer and consuming countries."

"New Regional Scenario"

X' hp x (#

A column in centerright, progovernment Expreso (10/22) by analyst Alejandro

De
ustua read, "Although President Clinton's first visit to South America
doesn't
seem to have satisfied general expectations, the emergence of a new
regional
scenario merits a careful evaluation. Venezuela has obtained the
new status of
'modern ally' (of the United States).... Overcoming that level
is Brazil's ra
nk as regional (but not global) coleader.... In issues of
increased confidence
and cooperation for regional defense, Argentina has
become the first U.S. part
ner. As we see it, while others gain influence
generating regional and extrar
egional stability, we lost it maintaining the
PeruEcuador problem alive."
X' hp x (#
"Early Days Yet For Assessments"

An editorial in centerleft La Republica judged (10/21), "The truth is that
it
is still very early to reach conclusions about how successful the
meteoric tr
ip was, although it seems that they may not be very deep, as it
happens with a
ny public relations operation. However, Clinton's offers have
already been me
t with accusations of trying to dismantle Mercosur, of
altering the regional b
alance with the preferential treatment towards
Argentina, and of pleasing Pres
ident Menem, whose administration is as
punctilious with journalists as presi
dent Fujimori's."

X' hp x (#"Peru's Opportunity: U.S. Market"

In an oped by businessman Raul DiezCansecos, conservative, influential El
Come
rcio (10/20) underlined, "There is no doubt that visavis the
advancement of str
ategic alliances between regional blocs in the world,
Washington is not only a
iming to consolidate its leadership in the new
economic order originated by th
e fall of the socialist bloc, but it is
planning to recover the

lost ground in its relations with the Latin American region that should have
al
ways been its natural ally. For Peruvians, the fact of not being included
in (
president Clinton's) agenda is not relevant: The visit reflects a

significant
message. Not only because of the 'world model' where Peru is
included, or for

Clinton's compliment for our following 'the free market
path,' but because h
e is offering Peru an opportunity to penetrate the U.S.
market, which is the mo
st important market for Peruvian exports."

X' hp x (#

URUGUAY: "The Real Issues"

The editorial view of business, conservative El Observador was (10/20) that
fr
om "media reaction in these countries (in the tour), it seems (the visit)
wasn

't one of the most brilliant ones in the history of our hemisphere. A
positive

aspect of it is that the tour itself showed that the president and
his admini
stration are considering Latin America as something worth their
attention. Ho

wever, bilateral relations between both hemispheres should be
focused on expan

ding commercial discussions, and discussion should go beyond
FTAA and the stre

ngthening of Mercosur.... From our country's point of view
(and from many othe

rs), what Latin America needs now for its development is
to...take the necessa

ry steps to liberalize and increase trade. Despite the
fact that, at present,

Uruguay has a significant trade deficit with the
United States, we haven't bee

n able to eliminate nontariff barriers, which
have impeded our ability to incr

ease meat exports and gain entry for our
citrus products. These are the issue

s we would like to see under discussion
if President Clinton's visit is in fac

t to initiate a new chapter in the
history of the region."

X' hp x (#EUROPE

RUSSIA: "Why U.S. Shows More Interest In South America"

X' hp x (#

Karen Khachaturov wrote in centrist Nezavisimaya Gazeta (10/22): "Bill
Clinton

at last looked South. With the USSR broken up and the Cold War over,
the Unit

ed States could relax, its 'exposed underbelly' no longer in danger.
Military

juntas were gone, too, as all Latin American countries now had
constitutional c

ivilian governments. But their leaders, offended by the perceived neglect from the great Northern neighbor, began tilting to the EU and 'the Asian tigers'..

. Clinton's visit is a testament to the U.S.' heightened interest in South America which, on its part, intends to build its relations with Washington only on the basis of partnership and mutual advantage."

X` hp x (# BULGARIA: "Clinton Seemed Unable To Win Over Neighbors From 'Backyard'"

The headline above introduced this item in Bulgarian Socialist Party Duma (10/

20), "The U.S. president's Latin American trip showed two thingshis willingness

s to impose a new style on the relations between a superpower and the states fr

om its 'backyard,' and that the neighbors haven't overcome their suspicions to

ward the United States. On the eve of the 21st century the economic and socia

l abyss between the two Americas is getting larger instead of smaller. This si

tuation works against the interests of the Yankees, who launched the idea of e

stablishing a free trade zone on the whole continent.... The prospect of a gl

obal American market is quite

attractive to the 'poor relatives from the backya

rd,' yet it can't fool even

the most prosperous of them, since they are aware that as long as the United

States is conducting a policy of neoliberal protectionism the dream won't come true....

"The Clinton family was warmly welcomed everywhere, and they were honored with

abundant dinners and nice receptions. However, their hosts didn't conceal the

ir disappointment with the Yankees' current policy."

X` hp x (# CANADA: "Trade To Dominate NorthSouth Issues"

World affairs columnist Stephen Handelman wrote in the liberal Toronto Star (

10/21), "Trade issues will be the source of increasing confrontation between t

he northern and southern parts

of the hemisphere over the next several decades.... The colonialist

distincti
on between FTAA [Free Trade Area of the Americas] and Mercosur is
disingenuous
. Mercosur is promoting closer trade links with Europe which
made Latin Ameri
ca a victim of imperial expansion when the United States was
still an insignif
icant republic. Yet the differences between the two trade
concepts in the he
misphere are already transforming the classic image of
Latin America as a U.S.
sphere of influence. A transatlantic confederation
between Latin America and
Europe threatens to alter a lot more than just
patterns of trade. It was that
prospect which propelled Clinton's
longdelayed visit to the hemisphere.... B
ut Clinton is arguing from
weakness, having been unable to secure the 'fasttrac
k' authority to
negotiate speedy trade agreements.... The possibilities of a
hemispheric
free trade zone are getting dimmer with each twist of American pol
itics."

X' hp x (# NORWAY: "America And America"

X' hp x (#

Leading tabloid VG commented (10/20), "Clinton's main purpose was to promote
t

he giant free trade project under development on the two American
continents. C

linton wants to create a free trade zone stretching from Alaska
to Patagonia.

To get there, he must get past many obstaclesespecially at
home in the United

States. It is not at all certain that Congress will
support entering negotiati

ons to establish such a free trade zone at the
InterAmerican summit in Santiago

this coming spring.... Clinton is convinced
that increased liberalization of t

rade is the only road to growth and

prosperity.... History tells us that the ri
sk of financial crises in Latin

America is great. Strengthened integration and
increased mutual dependency

will undoubtedly take some of the power out of the
hard blows to come.

However, the road to prosperity and a good life for everybo
dy is very, very

long."

EAST ASIA AND PACIFIC

SOUTH KOREA: "Clinton Now Looks Abroad"

Probusiness JoongAng Ilbo (10/21) remarked, "President Clinton has begun to turn himself into a foreign affairs president.... Clinton's critics say that his recent visit to South America was mainly to avoid domestic controversies. The critics also say that the president went ahead with the visit in order to be more forceful in his bid for fast track authority."

THAILAND: "Clinton Invades South America"

Trairat Soontornprapat told readers of masscirculation Daily News (10/22), "Clinton [has just concluded a visit to] several South American countries aiming at strengthening ties with the region, still distrustful of the U.S.' professed sincerity.... Wanting to penetrate the South American markets, the United States has pushed regional nations to fully liberalize. Most of these countries, however, are not ready and find the U.S. demand unacceptable.... America would do well to first help develop its immediate neighbors. For the world is suspicious of how the United States can possibly help other world regions when the economies adjacent to it are still in a shambles."

X hp x (# VIETNAM: "Several More Visits Might Be Required"

X hp x (# Vietnamese language biweekly Lao Dong (10/18), published by the Vietnam Confederation of Trade Unions, determined, "The U.S. plan to establish the Free Trade Area of the Americas is very ambitious, but the negotiation process is expected to be extremely difficult. The U.S. Congress has not yet decided to allow the president to use fast track to simplify trade talks with partners. Lacking this, and facing negative reactions from other countries, perhaps the White House boss will have to return to Central and South America several more times if he hopes to realize his ambition."

MIDDLE EAST

MOROCCO: "Americans Spread Distrust Among Latin Americans"

Mohamed El Arbi Messari, former Moroccan ambassador to Brazil, wrote in opposition, Arabiclanguage Al Alam (10/23) under the headline : "Americans Spread Distrust Among Latin Americans: Why The Big Differences With Brazil? Why Unsteady Relations Between Brazil And Argentina? What Is The Pace Of Competition Between Latin America And European Union?" He continued, "Washington's relations with its southern neighbors...are rapidly growing more and more diverse and conflicting. At the core of these complexities is Brazil and its position on participation in a South American common market.... The United States is resisting Brazil's efforts to forge an independent approach to trade relations with the European Union. The upcoming summit in Chile will be difficult, and it remains to be seen what effect the American rose offered to Argentina will have on Latin American relations as a whole."

##

X` hp x (#%#Xx\ P6QyXP#

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

ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: economist-politics-return (economist-politics-return@postbox.co.uk@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:30-OCT-1997 16:26:00.00

SUBJECT: Politics This Week (October 24th - October 30th 1997)

TO: Allan Villabroza (Allan Villabroza@eop [UNKNOWN])
READ:UNKNOWN

TO: Ana M. Duque (Ana M. Duque@eop [UNKNOWN])
READ:UNKNOWN

TO: Andrew Friendly (Andrew Friendly@eop [UNKNOWN])
READ:UNKNOWN

TO: Catherine A. Poynton (catherine a. poynton@eop [UNKNOWN])
READ:UNKNOWN

TO: Christopher S. Johns (Christopher S. Johns@eop [UNKNOWN])
READ:UNKNOWN

TO: james boden (james boden@eop [UNKNOWN])
READ:UNKNOWN

TO: John R. Pfeiffer (John R. Pfeiffer@EOP [UNKNOWN])
READ:UNKNOWN

TO: Jonathan Orszag (Jonathan Orszag@eop [UNKNOWN])
READ:UNKNOWN

TO: Jozelyn R. Davis (Jozelyn R. Davis@eop [UNKNOWN])
READ:UNKNOWN

TO: Peter R. Orszag (Peter R. Orszag@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Welcome to Politics This Week (October 24th - October 30th 1997)

A summary of the world's main events from The Economist

Also available at <http://www.economist.com>

A week on the wild side

is the cover story in this week's issue of The Economist. You can read the full article, and 20 others, in the free area of The Economist Web Edition, at <http://www.economist.com>. The free selection is changed every Friday, Monday and Wednesday. In the coming week it will include articles about the effects of immigration, Internet commerce, Russia's friendliness, Hong Kong's economy, magnetic monopoles, a cable tycoon, Cyprus's timebomb, Mexico's crime, South Africa's future leader, and more.

Contents

1. Politics This Week
2. Information about this newsletter

CHINA IN AMERICA

+ In the first CHINESE-AMERICAN SUMMIT since 1985, the way was cleared for billions of dollars' worth of American exports, despite "profound differences" on human rights. President Clinton lifted a ban on exports of non-military nuclear reactors to China, and China agreed to take measures that would ease its entry to the World Trade Organisation. Mr Clinton accepted an invitation to visit China next year.

- + America's BUDGET DEFICIT fell to \$22.6 billion in the year to the end of September, more than \$1 billion less than the administration forecast at the beginning of the year, and the lowest since the early 1970s.

- + Massachusetts restored the DEATH PENALTY, which it last used 50 years ago.

- + An opposition coalition bested President Carlos Menem's Peronists in ARGENTINA'S CONGRESSIONAL ELECTIONS, robbing him of an absolute majority in the lower house of Congress.

- + Jamaica is to withdraw from part of a UN HUMAN-RIGHTS TREATY that allows prisoners sentenced to death a final right of appeal to a UN committee. The official reason: to cut short the appeals process in order to comply with a ruling by Britain's Privy Council, the highest court of appeal for the former colony, that death sentences be carried out within five years.

- + Under a new extradition treaty signed in August, Britain asked Brazil to send back Ronnie Biggs, an escaped prisoner famous for his part in THE GREAT TRAIN ROBBERY in 1963.

IRAQ AGAIN

- + In response to a watered-down UN Security Council resolution threatening a travel ban on Iraqi officials, Saddam Hussein demanded that American nationals working with the UN WEAPON-INSPECTION TEAM leave Iraq within a week. The UN refused, warning Iraq of "serious consequences".
- + Thousands of protesters marched through the streets of ALGIERS after the pro-government National Democratic Rally won most of the seats at last week's local election. They were organised by other political parties, which denounced the election as fraudulent.
- + The Security Council imposed sanctions on UNITA, the REBEL MOVEMENT IN ANGOLA, for flouting the 1994 peace accords. UNITA had been given an extra month to comply with UN demands but now faces a ban on air links and the closure of its offices in foreign countries.
- + A Kurdish faction in NORTHERN IRAQ claimed that Turkish aircraft had used cluster bombs and napalm to attack its positions, the third air raid within a week.

+ Signalling warmer relations between AMERICA AND LEBANON, the visiting president of the American University of Beirut is to take up residence --the first to do so since 1984 when one of his predecessors was assassinated. But a small bomb on campus, and another in the city, cast doubt on new-found stability.

+ A group of soldiers led by "CAPTAIN SOLO" seized the radio station in Zambia's capital, Lusaka, declaring that they had overthrown President Frederick Chiluba. Other soldiers promptly crushed the coup. Captain Solo was found hiding in a rubbish skip and was declared to have been drunk.

+ The Commonwealth summit, held in Edinburgh, decided it would not carry out a long-standing threat to expel NIGERIA. It said only that sanctions might be imposed if Nigeria failed to keep to its plan to hold an election next year. Nigeria's foreign minister praised the decision.

THE KING DEPARTS

+ King Norodom Sihanouk left CAMBODIA, saying he did not know if he would

ever return. The country is still suffering from the effects of a bloody coup in July.

+ As an IMF team negotiated a bail out, Indonesia's President Suharto said Singapore had pledged \$10 billion to help prop up his country's economy, battered by the SOUTH-EAST ASIAN CURRENCY CRISIS. Malaysia has also offered \$1 billion.

JOINING THE CLUB

+ The EU's foreign ministers failed to agree on which EAST EUROPEAN COUNTRIES to let into their fold. The European Commission has recommended five countries -- Poland, Hungary, the Czech Republic, Slovenia and Estonia -- but several governments want to admit more of the ten that have applied.

+ Jerzy Buzek, Poland's prime minister-designate, named a cabinet. His conservative Solidarity Electoral Action will have one deputy prime minister, the interior ministry and treasury. LESZEK BALCEROWICZ, leader of the pro-market Freedom Union, will be deputy prime minister and finance minister.

+ Germany's six leading economic institutes predicted that ECONOMIC GROWTH would speed up from 2.4% this year to 2.8% in 1998, with Germany qualifying for Europe's single currency. But they say that unemployment, already high, will rise slightly.

+ In an effort to clarify Britain's policy on Europe's single currency, the chancellor of the exchequer, GORDON BROWN, said the government wants to adopt the euro -- but differences between British and continental economies made membership of the currency union unlikely before the next election, due by 2002.

+ Two businessmen and six Socialist politicians, two of them former members of Spain's parliament, were convicted of ILLEGAL PARTY FINANCING.

+ RUSSIA's government approved a revised 1998 budget with higher spending on social security and the armed forces. Parliament will debate it in mid-November.

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ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDf V5.0-4 #6879)
id <01IPF9XOPRCW000U1Q@PMDf.EOP.GOV>; Thu, 30 Oct 1997 16:17:59 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDf V5.0-4 #6879) id <01IPF9XGF14000PKUE@PMDf.EOP.GOV>; Thu,
30 Oct 1997 16:17:47 -0500 (EST)

Received: from postbox.co.uk ([194.205.1.110])
by STORM.EOP.GOV (PMDf V5.1-7 #6879)
with SMTP id <01IPF8AD3FFS002DSG@STORM.EOP.GOV>; Thu,
30 Oct 1997 15:30:15 -0500 (EST)

Received: from [194.154.62.72] by postbox.co.uk (NTList 3.03.12)
id ra267167; Thu, 30 Oct 1997 20:22:21 +0000

Received: from nobody by stingray.ivation.co.uk with local (Exim 1.62 #1)
id 0xR1AT-0007ex-00; Thu, 30 Oct 1997 20:26:13 +0000

Errors-to: list-support@economist.com

Precedence: bulk

X-List: economist-politics@postbox.co.uk

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

ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: news-errors (news-errors@mx.lodo.infobeat.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:24-NOV-1997 16:38:00.00

SUBJECT: News - East Coast Edition @ 11/24/97

TO: Brian A. Reich (Brian A. Reich@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

East Coast Edition for Monday, November 24, 1997

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U.S. Front Page Stories

*** U-2 flies over Iraq, U.S. wary of Baghdad

*** Septuplet downgraded but all said doing well

*** No outside counsel urged for Clinton, Gore calls

Crime and Catastrophe

*** Baby girl believed kidnapped in Fla.

*** 2 killed in apparent suicide jump from train

*** Hiker missing after Alaska avalanche

*** F-15 crashes in sea, pilot ejects safely

*** Tenn. indicts bookstore for obscenity

The U.S. Political Scene

*** OECD says U.S. economy well balanced

*** FEC warns of shortage of funds for 2000 campaign

*** Justice Dept. lawyer who probes misconduct resigns

*** Bipartisan group in Congress to focus on health

The Courts

*** FBI agent testifies against Nichols in bomb trial

U.S. Business and Financial News

*** Williams Cos. to acquire Mapco for \$2.53B

*** Asia woes push Dow lower

*** Allied Colloids rejects Hercules' \$1.81B bid

*** Mellon Bank to acquire United Bancshares

*** Hollinger to sell 160 publications for \$310M

*** McDonald's CEO remains optimistic about the future

World Front Page Stories

- *** Israel raises prospect of West Bank pullback
- *** U.N. monitors finish 3rd day of work in Iraq
- *** U.S., North Korean officials to meet in Washington
- *** Tajikistan asks international community for aid

The World Political Scene

- *** IMF renews main emergency funding program
- *** APEC tries to shore up confidence in Asia
- *** Russian PM in Hanoi in search for ruble debts
- *** Primakov meets Menem to boost Russia's LatAm presence

World Business and Financial News

- *** Asian issues end mixed; Seoul's index drops 7.2%
- *** Stocks slip as investors fear results of Yamaichi collapse
- *** Yamaichi Securities shuts down in Japan's biggest-ever failure
- *** EU gets Microsoft to change SCO contract
- *** Singapore Air, Lufthansa in deal

Sports

*** Panthers fire coach MacLean; replaced by GM Murray

*** NFL reportedly suspends Bears' Spellman 4 games

*** Blue Jays name Tim Johnson new manager

*** Eddie Murray joins Orioles coaching staff

*** Redskins' Frerotte suffers sprained neck

*** Texas Tech gives football coach Dykes extension

Science and Medicine

*** FDA approves new diet drug

*** UK test may show early signs of cervical cancer

*** Mir station orbiting normally after computer hitch

*** Shuttle crew prepare for satellite rescue

*** Sperm counts falling around the world, expert says

Technology

*** Ericsson sees rapid mobile growth

*** Plugged In: Talk is cheap with computers

*** Iomega says gets court order against Nomai

*** IBM to unveil new computers, price cuts

Human Interest

*** Plane takes off without pilot in Ohio

*** Jilted New York bride tells tale of missing groom

*** Coffee seller wins 'hot tea' suit

*** Blair's office hopes to squelch cat rumor

U.S. Front Page Stories

*** U-2 flies over Iraq, U.S. wary of Baghdad

An American U-2 spy plane flew safely over central Iraq Monday on a United Nations mission to take pictures of sites associated with weapons of mass destruction, officials said. "It spent a couple of hours over Iraq and is now out of Iraqi territory," said Army Colonel Richard Bridges. "There was a U-2 flight today that took photographs of weapons of mass destruction-related facilities," added State Department spokesman James Foley. The United States said it remained wary of Iraq's intentions despite an agreement last week to let Americans resume work on U.N. weapons inspection teams. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6133738-ae4>

*** Septuplet downgraded but all said doing well

The world's only septuplets were reported doing well Monday in their sixth day of life, though one boy had to be put back on a breathing device. "We're not discouraged by it in the slightest," neonatologist Robert Shaw said of a minor breathing problem that put septuplet Joel back on a ventilator. His condition was downgraded from fair to serious, but Shaw said that reflected his return to breathing assistance and nothing else. Five of Joel's brothers and sisters were also listed in serious condition and are also on ventilators at Iowa Methodist Medical Center. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6132441-52d>

*** No outside counsel urged for Clinton, Gore calls

Justice Department prosecutors recommended that Attorney General Janet Reno not seek an independent counsel to investigate fund-raising calls by President Bill Clinton and Vice President Al Gore, officials said Monday. They said prosecutors from the Justice Department's public integrity section urged that Reno end the preliminary investigation into the fund-raising telephone calls without taking any further action. Based on the facts and the law, the prosecutors concluded there was no "reasonable" grounds for further investigation by an outside counsel, the officials said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6132844-018>

*** Baby girl believed kidnapped in Fla.

A five-month-old girl vanished from her Florida home near Tampa early Monday and police said they believe she was kidnapped. Sabrina Aisenberg was reported missing by her parents, Steve and Marlene Aisenberg, in the Brandon suburb of Tampa shortly before 7 a.m., according to the Hillsborough County Sheriff's Department. The parents, who have two older children, said they last checked on the baby at midnight before they went to bed, a sheriff's spokesman said. Detectives said they had no suspects or motive. A \$5,000 reward was offered for the infant's return.

*** 2 killed in apparent suicide jump from train

Two people died Monday when they fell from a fast-moving passenger train near Omaha after removing an upper-level emergency window, Amtrak said. The unidentified victims dropped from the window as Amtrak's eastbound California Zephyr was traveling at about 60 mph as it neared its stop in Omaha, an Amtrak spokesman said. The train was delayed nearly two hours in Omaha. Both the railroad and police were investigating.

*** Hiker missing after Alaska avalanche

A hiker was missing early Monday after an avalanche in the Alaska mountains buried her under several feet of snow Sunday afternoon,

officials said. The hiker, a woman whose name was not released, was swept away by an avalanche near the 3,600-foot summit of Crow Pass, a popular backcountry recreation area south of Anchorage, said a spokesman for the Alaska State Troopers. She had been hiking in the area with a companion when the avalanche occurred, at about 2:35 p.m. local time, trooper spokesman Ken Waugh said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6125721-5ce>

*** F-15 crashes in sea, pilot ejects safely

A Air Force F-15 fighter jet crashed into the Atlantic Ocean off the coast of Virginia Monday after the pilot ejected safely, the Air Force said. "The plane went down about 10 a.m. off Virginia Beach on a routine training mission. The pilot ejected safely," said Major Felecia Tavares, an Air Force spokeswoman at the Pentagon. Tavares said the plane was attached to the 1st Fighter Wing at Langley Air Force Base in Virginia. She said the cause of the accident was not immediately known.

*** Tenn. indicts bookstore for obscenity

Barnes & Noble bookstores vowed Monday to defend itself in a Tennessee county court against an obscenity indictment for displaying three books - including one by Jock Sturges - that feature nude photographs. A Williamson County grand jury in the Nashville suburb of Franklin recently handed down indictments against the local Barnes & Noble store, charging it with "improperly displaying material

harmful to minors," District Attorney Joseph Baugh said. The maximum penalty for the misdemeanor crime would be a \$50 fine, Baugh said.

See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132554-af5>

The U.S. Political Scene

*** OECD says U.S. economy well balanced

The U.S. economy looks well-balanced in its seventh year of growth, with surprisingly low inflation despite tight labor markets, the Organization for Economic Cooperation and Development (OECD) said Monday. "The United States has enjoyed a year of exceptionally good economic performance," the Paris-based group of 29 industrialized countries said in its annual report. The OECD forecast U.S. gross domestic product growth at around 3.8% in 1997, the fastest rate among the group's seven largest member countries and the highest since 1988. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6130261-85e>

*** FEC warns of shortage of funds for 2000 campaign

The body that funds and oversees presidential and congressional elections is warning it might not have enough money for candidates in presidential primaries in 2000 because of falling public support. The

Federal Election Commission is funded by taxpayers who check a box agreeing to contribute \$3 of their annual income tax returns. In 1992, when the contribution was only \$1, 18.9% of taxpayers checked the box. The contribution was increased to \$3 in 1993 and by 1995, the last year for which records are available, only 12.9% checked the box. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6131340-c2b>

*** Justice Dept. lawyer who probes misconduct resigns

The Justice Department attorney long responsible for investigating allegations of misconduct by the agency's own employees said Monday he would resign effective Dec. 30. Michael Shaheen, 57, said in a letter to Attorney General Janet Reno that he would be leaving as head of the Office of Professional Responsibility, a position he held for 22 years, and would be ending his career as a Justice Department lawyer. Reno said in a statement that she will miss Shaheen. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6133319-e9a>

*** Bipartisan group in Congress to focus on health

A bipartisan group of lawmakers announced Monday they had formed a special caucus to study the quality of U.S. health care, as a prelude to possible new legislation. Chaired by Sen. John Chafee, R-R.I., and Sen. Joseph Lieberman, D-Conn., the initial members are moderates and liberals in the House and Senate. Last week, President Clinton called for a consumer bill of rights for managed care patients. But leading Republicans in Congress were immediately critical of what they dubbed

"Clinton Care 2," a reference to the president's failed 1993-94 universal health coverage initiative. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6133842-956>

The Courts

*** FBI agent testifies against Nichols in bomb trial

An FBI agent testified Monday that defendant Terry Nichols was reluctant to fully cooperate with authorities during a 9-hour interrogation about the Oklahoma City bombing. FBI agent Scott Crabtree, who questioned Nichols two days after the 1995 bombing of the Alfred P. Murrah building, said he told Nichols to stop closing his eyes and leaning back in his chair because he was taking too long to answer questions. "A moment would not have bothered me, sir, 20 to 30 seconds seemed to be excessive. I just wanted him to tell me the truth," Crabtree testified in the second bombing trial. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6133409-6e3>

U.S. Business and Financial News

*** Williams Cos. to acquire Mapco for \$2.53B

Williams Cos agreed to acquire Mapco Inc in a non-taxable stock-for-stock transaction valued at approximately \$2.7 billion, based on Williams' price at the close of NYSE trading Friday. The companies have agreed to exchange a fixed ratio of .8325 of a current share of Williams common stock for each share of Mapco common stock. That would equate to \$46.15 for each share of Mapco common stock, based on Friday's closing price of Williams common stock. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6128168-638>

*** Asia woes push Dow lower

Wall Street succumbed to a wave of selling Monday as investors, fearing the impact from the collapse of Japan's fourth largest brokerage, Yamaichi Securities, braced themselves for an expected sell-off in Tokyo. The Dow Jones Industrial Average fell 113.15 points to close at 7,767.92. On the New York Stock Exchange, declines led advances 2,143 to 757 in moderate volume as 518 million shares changed hands. In broader markets, the Nasdaq Composite was down 33.76 to 1,586.99 and the S&P 500 was down 16.42 to 946.67. The 30-year bond finished the day down 17/32 to yield 6.07%.

*** Allied Colloids rejects Hercules' \$1.81B bid

Hercules, a worldwide supplier of specialty chemicals and food products, said it has made a cash offer for British chemical group Allied Colloids Plc which values it at 1.07 billion pounds (\$1.8 billion). It said in a statement it is offering 155 pence for each

Allied Colloids share, which represents a premium of 23% to its closing price last Friday. Hercules said in a statement it already owns 500,000 Allied Colloid shares, representing 0.07% of its share capital. For part 2, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6124906-8d2>

*** Mellon Bank to acquire United Bancshares

Mellon Bank Corp signed a definitive agreement to acquire United Bancshares Inc for cash and stock. In a press release Monday, Mellon Bank said its board also authorized the buyback of up to "a comparable number of Mellon shares" as will be paid to acquire United Bankshares. Mellon Bank said United Bankshares, which owns United National Bank, has more than \$830 million in assets. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6129751-9cf>

*** Hollinger to sell 160 publications for \$310M

Dow Jones Newswires Hollinger International Inc. agreed to sell about 160 publications, or 40% of its U.S. community newspaper group, to an investment unit of Leonard Green & Partners L.P. for about \$310 million. Hollinger said Monday it will use the proceeds from the transaction to reduce its debt as well as to fund its planned acquisition of the Post-Tribune in Gary, Ind. Hollinger said the publications, including daily, weekly and free papers, have a total circulation of about 900,000 a week. Kenneth L. Serota, vice president of law/finance and secretary of Hollinger, was named

president and chief executive of the Leonard Green unit. Leonard Green & Partners is a Los Angeles-based private merchant-banking firm specializing in organizing, structuring, and sponsoring management buyouts of established companies. (WSJ)

*** McDonald's CEO remains optimistic about the future

Michael R. Quinlan may be the least visible chief executive of an ultravisible company in America. He lets Ronald McDonald serve as the public face of McDonald's Corp. And he lets Jack Greenberg, its No. 2 executive, field questions about its lackluster performance. This isn't because he's gloomy about its prospects. "I am very optimistic about our future," he says. "Everything is going to be fine" in what he calls "McDonaldland." A rare, 40-minute interview with Mr. Quinlan finds him frank about problems such as the Arch Deluxe and evasive about others, such as food taste. Ground rules prohibit personal questions, and he talks of nothing except McDonald's. (WSJ)

McDonald's disappointed in Arch Deluxe - WSJ. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6124526-98a>

World Front Page Stories

*** Israel raises prospect of West Bank pullback

Israel held out the prospect of troop pullbacks from more areas of

the West Bank Monday in return for a consistent Palestinian crackdown on Muslim militants. Israel Radio reported that Prime Minister Benjamin Netanyahu was preparing a proposal to offer the Palestinian Authority 6% to 8% of West Bank areas now under sole Israeli control in exchange for accelerated talks on a permanent peace accord. The figure was higher than the 2% previously offered by the right-wing government but still far short of the 20% to 25% Palestinians have demanded. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6131725-d50>

*** U.N. monitors finish 3rd day of work in Iraq

Iraq said Monday that U.N. arms monitors had ended a third day of searches for banned weapons without obstacles, but did not specify whether they tried to visit sites Iraq has declared off-limits. It said the monitors verified that 'biased American allegations that banned activities took place' during the three weeks inspections were suspended were untrue. Earlier, a U.S. U-2 spy plane used by the U.N. flew over Iraq without incident. Iraq has previously threatened to shoot down such aircraft. U.N. monitors returned to Iraq Friday after Baghdad reversed an Oct. 29 decision banning Americans. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6130483-292> UN arms monitors shun sensitive Iraqi sites, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6126136-481>

*** U.S., North Korean officials to meet in Washington

U.S. and North Korean officials will hold bilateral talks in Washington this week following an agreement last week to begin four-party negotiations on a Korean peace accord next month, the State Department said Monday. A U.N. spokesman said the talks were expected to be held at the vice foreign minister level and would cover "a range of issues". U.S. officials said it was likely this week's meeting would be between North Korean vice foreign minister Kim Gye-gwan and U.S. principal deputy assistant secretary of state Charles Kartman. The talks aim at securing a permanent peace for the Korean peninsula. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132807-0b9>

*** Tajikistan asks international community for aid

Tajikistan President Emomali Rakhmonov appealed to the international community Monday for financial help in restoring peace and stability in the former Soviet republic after four years of civil war.

Addressing an international donor conference, he also said Tajikistan was doing all it could to free two French aid workers abducted in the capital, Dushanbe, last week. The conference, sponsored by the U.N., is seeking to raise \$65 million in support of a program for political, social and economic reconstruction in Tajikistan. The civil war, which erupted in May 1992 has killed about 50,000 people.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6131203-220>

Tajik forces launch sweep to find French hostages, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6129398-6a5>

The World Political Scene

*** IMF renews main emergency funding program

The International Monetary Fund renewed its main program of emergency funding Monday, ensuring that cash will be available to cope with new crises threatening the international financial system. An IMF statement said the General Agreements to Borrow (GAB) would be renewed for five years from Dec. 26. The program, last used in 1978, takes \$23 billion in contributions from some of the world's biggest economies but uses the money only if existing resources are not enough. It was not used in recent rescue packages for Thailand and Indonesia and officials say the IMF has \$50 billion in usable resources at present. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132556-844>

*** APEC tries to shore up confidence in Asia

Pacific Rim leaders began their annual summit Monday trying to shore up confidence battered by financial failures in Asia, but Thailand, where the epidemic began, said no country in the region was safe. But Japanese Prime Minister Ryutaro Hashimoto, who's country's fourth-largest brokerage had just announced its collapse, insisted Japan was not about to topple behind other stricken Asian nations. The mood of this year's meeting in Vancouver, British Columbia, contrasts starkly

with previous summits, where Asian leaders have basked in the glow of seemingly unstoppable economic growth. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6133272-0cf> No Asian

country safe from crisis, Thailand warns, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132241-27c>

*** Russian PM in Hanoi in search for ruble debts

Russian Prime Minister Viktor Chernomyrdin began a state visit to Vietnam Monday hoping to speed the recovery of billions of dollars in Cold War-era debts from Hanoi. Chernomyrdin, the most senior Moscow official to visit since the collapse of the Soviet Union in 1991, is expected to focus on efforts to reach agreement with Hanoi on the recovery of huge debts wracked up during the era of close ideological and other ties between Vietnam and the Soviet Union. Moscow values those debts at US\$17 billion. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6125235-78f>

*** Primakov meets Menem to boost Russia's LatAm presence

Russian Foreign Minister Yevgeny Primakov met Argentine President Carlos Menem Monday on the second leg of a tour aimed at rebuilding Moscow's neglected links with Latin America. Primakov has kept a low profile on his four-nation tour, avoiding the limelight after his diplomatic success in brokering a deal allowing U.N. weapons inspectors back into Iraq. Few details emerged from the talks with Argentina's Peronist president, except for Primakov expressing the

hope that Menem will make an official visit to Moscow next year. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132179-47d>

World Business and Financial News

*** Asian issues end mixed; Seoul's index drops 7.2%

Share prices closed broadly mixed in the key Asian-Pacific markets Monday. The Korea Composite Stock Price Index plummeted 7.2% on concerns that an International Monetary Fund bailout package won't be enough to support the country's flagging economy. Elsewhere, Indonesian equities soared nearly 4%, as comments made by President Suharto over the weekend sparked buying interest among market participants. In other markets, investors were cautious as they awaited the Tokyo market's reaction to the collapse of Yamaichi Securities, one of Japan's oldest securities brokerages. Financial markets in Japan were closed Monday for a holiday. Hong Kong stocks closed moderately higher, with many investors avoiding the market amid the uncertainty. Taiwan's equities fell sharply amid concerns that the Central Bank of China, Taiwan's central bank, will soon raise interest rates to combat inflation. (WSJ)

*** Stocks slip as investors fear results of Yamaichi collapse

Stocks skidded across Europe Monday as investors were spooked by the

collapse of Yamaichi Securities, Japan's fourth-largest securities firm, and a weak start to trading on Wall Street. Stocks fell sharply in Belgium, Britain, France, Sweden, the Netherlands, Italy, Spain and Switzerland. Banking and technology shares were particularly weak amid worries about the effects of exposure to Japan's growing financial woes. Investors nervously awaited the reopening of the Japanese financial market Tuesday after Monday's holiday. The weaker opening on Wall Street in the wake of the Asian turmoil also pressured stocks. The Dow Jones Industrial Average posted a loss of nearly 80 points at worst during European trading hours. However, South African shares ended mixed, as the gold sector gained 3%. In dollar terms, the Europe/South Africa sector of the Dow Jones Global Index was down 3.03 to 182.14 as of 12:30 p.m. ET Monday, after gaining 2.30 Friday. (WSJ)

*** Yamaichi Securities shuts down in Japan's biggest-ever failure

Yamaichi Securities told Japanese authorities that the nation's No. 4 securities firm will shut down, in the largest corporate failure in Japan since World War II. The collapse raises the question of whether other large shutdowns are in store at Japan's banks, insurers and brokerage firms, which have been weakened by a seven-year fall in land and stock prices and a resulting bad-loan crisis. (WSJ)

*** EU gets Microsoft to change SCO contract

The European Commission said it obtained concessions from Microsoft

Corp that will allow rival firm Santa Cruz Operation (SCO) to develop a competitive software product. Microsoft agreed to change a 1987 contract which California-based SCO had complained restricted its ability to develop a future version of its UNIX operating system software for Intel-based server computers. The Commission said in a statement that the contract required SCO to base its UNIX products on work done by Microsoft in 1987 and to pay a set royalty for licences based on the same work. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6131975-7ff>

*** Singapore Air, Lufthansa in deal

Singapore Airlines Ltd. and Lufthansa of Germany have announced an alliance aimed at improving service for passengers of both airlines.

The agreement covers a range of cooperation including schedule development, frequent flyer programs, and product development. Each side plans to increase the number of flights between Frankfurt and Singapore to 10 a week by next April, from seven a week at present.

(USA Today)

Sports

*** Panthers fire coach MacLean; replaced by GM Murray

The Florida Panthers, who have struggled to a 7-12-4 record and stand

in sixth place in the Atlantic Division, have fired coach Doug MacLean and replaced him with vice president and general manager Bryan Murray. Murray will remain behind the bench for the remainder of the season. The 43-year-old MacLean guided the Panthers to the Stanley Cup Finals in the 1995-96 season, but the team was swept in four games by the Colorado Avalanche. It was just the Panthers' third season in the league. MacLean has a career record of 83-71-33.

*** NFL reportedly suspends Bears' Spellman 4 games

The Chicago Tribune reported Monday that the NFL has suspended Chicago Bears defensive end Alonzo Spellman four games, partially because of his refusal to take a steroids test. Spellman was suspended indefinitely without pay by the Bears on Nov. 5 for refusing to undergo arthroscopic surgery on his injured left shoulder. The NFL Players Association filed an appeal on Spellman's behalf. The Tribune, citing unidentified sources, reported that Spellman was also suspended by the league for refusing to take a random steroids test.

*** Blue Jays name Tim Johnson new manager

Tim Johnson became the sixth full-time manager in Toronto Blue Jays history Monday morning, receiving a two-year contract with a club option for the year 2000. It is the first managing job at the major-league level for the 48-year-old Johnson. He guided the Iowa Cubs of the American Association (AAA) to a first-place finish in the

Western Division. The managerial appointment ends speculation that another Johnson - Davey - or Buck Martinez would secure the job held in the interim by Mel Queen. Cito Gaston was relieved of his duties exactly two months ago. Queen will return as pitching coach. Tim Johnson had a seven-year, 516-game career as an infielder, playing with the Milwaukee Brewers from 1973-78 and the Blue Jays in 1978-79.

*** Eddie Murray joins Orioles coaching staff

Eddie Murray is back with the Baltimore Orioles. The Orioles announced Monday that Murray has rejoined the club as a coach. Murray, who spent 12 1/2 of his 21 major league seasons with the Orioles, agreed to a two-year deal to serve as a coach under new manager Ray Miller. The 41-year-old, an eight-time All-Star, concluded his playing career last season with the Los Angeles Dodgers. Murray, Hank Aaron and Willie Mays are the only players in major-league history to record 3,000 hits and 500 homers. A career .287 hitter, Murray played for the Orioles from 1977 to 1988 and returned to Baltimore in a trade with the Cleveland Indians on July 21, 1996.

*** Redskins' Frerotte suffers sprained neck

Washington Redskins quarterback Gus Frerotte missed the second half of Sunday night's 7-7 tie with the New York Giants because of a sprained neck and is uncertain for this weekend's game against St. Louis. Frerotte suffered the injury after he scored on a 1-yard run

in the second quarter and then head-butted the padded wall behind the end zone in celebration. He was taken to Prince George's County Medical Center for X-rays, which were negative. "I've butted with people many times; it just happened to jam me up," Frerotte said. "It was a stupid move and it might have cost this team the game."

*** Texas Tech gives football coach Dykes extension

Texas Tech has extended the contract of football coach Spike Dykes two years, the school announced Monday. The 59-year-old Dykes began his tenure with the Red Raiders before the 1986 Independence Bowl, going 69-57-1, and is tied with Pete Cawthon for the longest tenure in school history. The extension will keep him locked up through the 2000 season. Under Dykes, Texas Tech has been to five bowl games, including a school-record four straight from 1993-96. His reward is a \$200,000 base salary per year with additional athletic-related income from in-season weekly television and radio shows, shoe and apparel contracts, endorsements, speaking engagements and other activities.

Science and Medicine

*** FDA approves new diet drug

The U.S. Food and Drug Administration approved a long-awaited new diet drug, Meridia, on Monday, the company that makes it said. The

drug works on the brain to suppress appetite, makers Knoll

Pharmaceutical, a unit of German company BASF AG, said. The drug

works by affecting the neurotransmitters serotonin and

norepinephrine, message-carrying chemicals that help regulate

appetite and mood, among other things. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6129680-2c4>

*** UK test may show early signs of cervical cancer

British doctors are working on a new test to detect early warning

signs of cervical cancer, officials said Monday. Research showed that

monitoring the development of new blood vessels to the cervix could

be a good indication of whether or not pre-cancerous changes are

taking place. In a study of 70 women with early warning signs of

cancer called cervical intraepithelial neoplasia (CIN), they found

that patients with the highest blood vessel density had cancer and

the lowest were normal. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6129839-ad5>

*** Mir station orbiting normally after computer hitch

The Russian space station Mir was orbiting the Earth normally Monday

despite the second failure of its main computer in a week, space

officials said. Mission Control spokesman Vera Medvedkova said the

breakdown occurred early Saturday morning in two units of a new

computer installed by the station's Russian-American crew at the

beginning of October. The units were replaced early Sunday morning

with replacements delivered to the space station earlier in October and the station was now operating normally. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6131103-aad>

*** Shuttle crew prepare for satellite rescue

The crew of the space shuttle Columbia will attempt to catch a \$10 million solar observatory Monday that was left tumbling in space after a botched release. NASA's Winston Scott and Japanese astronaut Takao Doi are to venture outside the shuttle at 7:15 p.m. ET and try to grab the slowly spinning satellite. The observatory, which was to fly free of the shuttle for two days to study the Sun, was set spinning when its release from Columbia on Friday went badly wrong.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6131658-5f3>

*** Sperm counts falling around the world, expert says

Modern living is hitting men right where it hurts the most, with sperm counts falling more quickly than anyone thought, U.S. researchers said Monday. Experts who set out to dispel fears of falling sperm counts found they were even lower than had been reported. "I think this study will change the debate about sperm decline from 'if' to 'why'," said Shanna Swan, chief of the reproductive epidemiology section at the California Department of Health Services, who led the study. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6132336-1df>

Technology

*** Ericsson sees rapid mobile growth

Sweden's giant Ericsson telecommunications group said Monday it aimed to build its share of the world's rapidly growing mobile telephones market. Johan Siberg, the president of Ericsson Mobile Communications AB, said his company had just under 20% in money-terms of the world's mobile phone market - roughly on a par with Finland's Nokia and Motorola of the United States. "The overall handset market has been growing about 50% a year (in volume). Maybe it is dropping off a bit now. In absolute terms, it is still continuing very strong but in percentage terms maybe it is coming down to 40% for next year," Siberg said. Ericsson predicts about 200 million mobile telephones will be in circulation worldwide by the end of this year, up 64 million from 1996. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6124355-e50>

*** Plugged In: Talk is cheap with computers

Hey, computer, I'm talking to YOU. It is no longer the stuff of science fiction: using a variety of programs now on the market, people can boss their computers around at will. Industry analysts and leaders believe sales of voice recognition software will begin to climb now that the technology has matured to a point where people in

a variety of professions can use the products to help them write letters, control their computers and complete other tasks that previously only a mouse or keyboard could perform. Microsoft Corp. Chairman Bill Gates told the Comdex computer show last week that the industry should prepare for major breakthroughs in the field of voice recognition software over the next two years. "It is the next big wave," Gates said. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6116490-07b>

*** Iomega says gets court order against Nomai

Iomega Corp said U.S. District Court for the Northern District of California granted Iomega a temporary restraining order against Nomai SA and its U.S. subsidiary, Nomus Inc, last week. The company said the order restrains Nomai and Nomus from "making, selling, offering for sale, using, importing, or distributing Nomai's XHD cartridges in the United States which claim on their labeling or packaging that Nomai's XHD cartridges are compatible with Iomega Zip disks or are compatible with Zip drives or disks." The company said the order also restrains Nomai and Nomus from advertising or publishing such Zip compatibility claims in the United States.

*** IBM to unveil new computers, price cuts

IBM Corp plans to announce a series of products and price cuts aimed primarily at the corporate desktop. Among the new products is the third-generation of IBM's network computers; called the Network

Station Series 1000. The new devices, which are small, slender units that link to network applications and data but do not house hard disks or operating systems themselves, will carry an estimated retail price of \$999. The new devices will also be the first network stations to use the Java-based eSuite WorkPlace business applications IBM's Lotus Development unit rolled out earlier this month. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6122302-b70>

Human Interest

*** Plane takes off without pilot in Ohio

Federal investigators said Monday they will try to figure out how a vintage propeller plane could take off without its pilot and fly for more than an hour before crash-landing into a farm field. Sunday's mishap involved a 50-year-old, single-engine Aeronica Champ which took off from Urbana Grimes Field near Dayton, Ohio, after pilot Paul Sirks got out to hand-crank the propeller. "It's a little peculiar so we'll be looking into it," Federal Aviation Administration spokeswoman Tanya Wagner said, adding that she had never heard of a case where a plane took off on its own. The plane buzzed the field and then flew north for nearly 100 miles before running out of fuel and smashing into a farm field.

*** Jilted New York bride tells tale of missing groom

Nicole Contos, left standing at the altar by a no-show groom, did what any jilted bride would do in the 1990s: She told the media. Contos, whose fiance failed to show up Saturday for their \$65,000 wedding reception at a Manhattan hotel, appeared on the front page of New York's Daily News Monday and gave radio interviews to tell her tale of woe. Her wedding plans shattered after Tasos Michael, a London lawyer and shipping specialist, got cold feet and hopped a flight home. The 27-year-old teacher said she got the bad news from the best man, who arrived at the church in a shirt and tie rather than his tuxedo. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6131953-0c9>

*** Coffee seller wins 'hot tea' suit

A Denver jury has rejected a lawsuit brought against Brothers Gourmet Coffee Inc. by a woman who sought damages for burns received when a cup of Brothers tea fell off the dashboard of her moving car, the Specialty Coffee Association of America said. Lesly Terrance filed the suit, which accused a Denver Brothers outlet of negligence. As in the renowned Liebeck v. McDonalds "hot coffee" lawsuit, Terrance claimed that Brothers was negligent in serving tea that was defective and unreasonably dangerous because it was too hot. According to Brothers attorney Mari Perczak, who interviewed the jury after the verdict, the panel believed that Terrance knew the risk she was taking when she put the tea on the car's dashboard.

*** Blair's office hopes to squelch cat rumor

The office of British Prime Minister Tony Blair launched a publicity offensive Monday to dispel rumors that Humphrey - a stray cat which made its home in Blair's London residence - had been put down.

Earlier this month, the Cabinet Office announced that Humphrey, who turned up in 1989, was unwell and had been offered a home in the suburbs. But opposition Conservatives questioned this version of events. In response, pictures of the aging feline sitting next to just-published newspapers were taken to put Britons' minds at rest.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6131818-e09>

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East Coast Edition for Tuesday, December 30, 1997

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U.S. Front Page Stories

*** U.S. storm spawns accidents, rescues

*** Oklahoma victims' relatives recount pain of loss

*** U.S. police deaths up sharply in 1997

*** Building collapses near New York's Times Square

*** Calif. snuffs out smoking in bars and clubs

*** U.S. says not responsible for Iraq milk shortage

Crime and Catastrophe

*** Man takes wife, children hostage in new Texas standoff

*** Indiana nurse arraigned for murders

*** Versace killer acted alone, Miami Beach police say

*** 6th victim of Massachusetts blaze found

*** Delta plane skids off runway in N.Y.

The U.S. Political Scene

*** Trustees wind up Clinton legal defense fund

*** Clinton to seek more money for AIDS drugs programs

The Courts

*** Fla. school board seeks to dismiss Bible lawsuit

*** Conservative U.S. seniors group sues over Medicare

*** Kuwait fines U.S. wrestler for on-air TV assault

U.S. Business and Financial News

*** IBM sets new hard disk storage record

- *** Stocks extend year-end rally
- *** U.S. Consumer Confidence reaches a 28-year high
- *** Harrisons & Crosfield to buy Rheox for \$465M
- *** Suit filed to block Lukens/Bethlehem Steel merger
- *** Columbia faces IRS tax fight

World Front Page Stories

- *** Hong Kong extends ban on chickens from China
- *** Texas judge releases Rwandan wanted by U.N. tribunal
- *** Iraq says loses patience with U.N. sanctions
- *** Population to double in 74 poor countries - report
- *** Yugoslavia to lose EU trade privileges

The World Political Scene

- *** Battered N. Ireland sees new threat to peace
- *** Kenya crisis deepens; Moi, opposition, say vote rigged
- *** S. Africa, China set diplomatic ties for Jan. 1
- *** Menem to suggest sharing Falklands with Britain

World Business and Financial News

- *** Banks weighing \$10 billion in new Seoul credit - report

- *** Most Asian bourses cheer Wall Street's solid gains
- *** Cinven holds talks to acquire Reed Elsevier's magazine unit
- *** Early gains on Wall Street support European shares
- *** French unemployment dips to 12.4%
- *** Toyota may make luxury cars in the U.S.

Sports

- *** Report: Plea bargain entered in ASU gambling case
- *** Purdue vs. Oklahoma State in Alamo Bowl
- *** Penn State's Enis to enter NFL draft
- *** UCLA's McCoy to play Tuesday vs. Illinois
- *** Snow postpones Syracuse-Pittsburgh hoops game

Science and Medicine

- *** Gene technique may help in chemotherapy
- *** WHO expert on Ebola virus welcomes vaccine news

Technology

- *** IBM calls Comdex trade show 'waste of money'
- *** Taiwan TI-Acer further slashes 1997 forecasts
- *** Intel, Platinum in licensing, marketing pact

*** AOL to offer takeout meal service

*** China Internet rules won't effect HK, telcom boss

Human Interest

*** Britain to issue Diana stamps in February

*** First dog exercises executive privilege on vacation

*** Cyprus hunters make life difficult for U.N. force

*** Fairy-tale ending for family of N.Korean defectors

*** Ostrich sushi, stir-fry on promoters' menu

*** British parents to get pagers to fight truancy

U.S. Front Page Stories

*** U.S. storm spawns accidents, rescues

Icy roads triggered numerous accidents across Indiana Tuesday, killing two people, while upstate New York was paralyzed by heavy snow and a cargo ship sank in storm-tossed seas off Florida. A car carrying two people slid across an icy patch and into the path of a truck on Interstate 65 near Crown Point in northwest Indiana, killing both people, police said. In central New York state, traffic was virtually stopped altogether by more than a foot of snow, stranding

holiday travelers and prompting authorities to call for driving restrictions. A state of emergency was declared in Syracuse, N.Y., where officials deflated the Carrier Dome sports stadium on the Syracuse University campus because they feared the huge domed roof might collapse. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695997-601>

*** Oklahoma victims' relatives recount pain of loss

Grief-stricken relatives of Oklahoma City bombing victims testified about their losses Tuesday as part of the government's bid to convince jurors that Terry Nichols deserved to die for his role in the attack. A woman who wanted to "reach into heaven" to bring back her two grandsons and a father who said his first thought in the morning and last at night was of his dead daughter were among the witnesses testifying in the second day of the penalty phase of the trial. Witnesses broke down and cried when they spoke of the agonizing wait for confirmation their loved ones were among the 168 people who died in the 1995 bombing of the Alfred P. Murrah federal building. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6696320-e0d>

*** U.S. police deaths up sharply in 1997

Felons killed 76 law enforcement officers in the United States in 1997, a sharp increase over 61 in 1996, two police groups said Tuesday. The number of officers killed in accidents while on duty

also rose steeply, to 83 in 1997 from 55 the year before, the National Law Enforcement Officers Memorial Fund and the Concern for Police Survivors (COPS) said in a joint statement. Craig Floyd, chairman of the memorial fund, said the biggest factors in the high fatality rate were a sharp increase from 1996 in deaths by firearms, 70 compared with 56, and an unusually high number of traffic fatalities. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694233-ff9>

U.S. drug emergencies down, illegal drugs rise, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695216-4db>

*** Building collapses near New York's Times Square

An abandoned building collapsed Tuesday on New York's 42nd Street, temporarily closing the famous thoroughfare a day before New Year's celebrations in Times Square. City officials said no one was injured in the collapse of the six-story building. The site is near where crowds gather on Dec. 31 to see the traditional ball drop marking the new year, a celebration watched by millions on television. A combination of a winter storm and construction of a hotel and entertainment center next door apparently caused the collapse Tuesday morning, New York City Buildings Commissioner Gaston Silva said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6692597-3fa>

*** Calif. snuffs out smoking in bars and clubs

At the start of the New Year, California will become the first state

in which all bars, clubs and card rooms are smoke-free. Or will it? Although a law banning smoking in such establishments goes into effect Jan. 1, many people doubt that bartenders will interrupt the singing of Auld Lang Syne at midnight to order their patrons to snuff out their cigarettes and cigars. "It's a law that's impossible to enforce," said state Assemblyman Brett Granlund, a smoker and Republican who represents the desert area of Yucaipa, east of Los Angeles. It is also a law that has inspired heated conversations in bars and gambling clubs in the country's most populous state. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6693255-11a>

*** U.S. says not responsible for Iraq milk shortage

The United States threw the blame back at Iraq Tuesday for a shortage of baby milk powder under the U.N. sanctions in force since 1990. State Department spokesman James Foley denied the United States was responsible for the shortage, contradicting Iraqi Trade Minister Mohammed Mehdi Saleh. He said the U.N. sanctions committee received an application to buy baby milk powder from Tunisia on Dec. 23 and approved it within a day. On Sunday Iraq announced it was reducing rations of baby milk, cooking oil and other essentials in January 1998, saying it had not received sufficient supplies under its oil deal and blaming Washington for the shortfall. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6695680-23e>

*** Man takes wife, children hostage in new Texas standoff

The brother of a man who took 80 children hostage at a day-care center this month was himself locked in a standoff with police Tuesday as he held his ex-girlfriend and two of their children hostage. Assistant Police Chief Ray Simmons said James Riccardo Lipscomb, 38, seized his former girlfriend and their three children at a public housing apartment in the north Dallas suburb of McKinney Monday night. He was armed with a knife and initially threatened to kill the woman, police said, but he later calmed down and released their 9-year-old son after opening negotiations with police. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6694033-d58>

*** Indiana nurse arraigned for murders

A male nurse who once said he could not take a life because it would be like playing God pleaded not guilty Tuesday to charges he murdered six patients, and prosecutors hinted he may have killed many more. Orville Lynn Majors, 36, wearing handcuffs and a red prison jumpsuit, smiled at photographers before making a brief appearance in a Vermillion County courtroom to enter not guilty pleas. Vermillion County Prosecutor Mark Greenwell told reporters that additional murder charges may be lodged against Majors, who has been the lone suspect in more than 100 mysterious deaths at a small-town hospital in Clinton, Ind., between 1993 and 1995. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694479-6a7>

*** Versace killer acted alone, Miami Beach police say

Andrew Cunanan murdered Italian fashion designer Gianni Versace and did so on his own, but the alleged serial killer's reasons for the slaying went with him to his grave, police said Tuesday. "Andrew Cunanan is the subject responsible for the homicide," said Miami Beach Police Chief Richard Barreto. Versace was shot to death July 15 on the steps of his mansion in Miami Beach's South Beach neighborhood. Cunanan committed suicide on a houseboat on July 23, ending a national manhunt. Versace's family filed a lawsuit Tuesday asking for both temporary and permanent injunctions against the release of autopsy photos and other pictures from the massive report on the killing. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6696006-719>

*** 6th victim of Massachusetts blaze found

Firefighters found Tuesday the body of a young girl, the sixth victim of a fast-moving fire that ravaged a three-story, wooden apartment house in Medford, a town northwest of Boston. The child, identified as Sarah Jeanrisme, 7, was found on the top floor and is the final victim of the fire that erupted Sunday evening. Medford Fire Chief Lawrence Sands said the focus "will now be on determining what started the fire." The other victims were named as Jean Marie Jeanrisme, 31, his wife Alta, 27, and their children Jasline, 5 and

Kevin, 8 months. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6693988-f8d>

*** Delta plane skids off runway in N.Y.

A Delta Air Lines jet blew two tires as it landed Monday night at an upstate New York airport, making it skid partly off the runway but causing no injuries or damage, police and airport spokesmen said. The incident happened at about 10:15 p.m. ET at Stewart International Airport in Newburgh, N.Y., about 70 miles north of New York City, as Delta flight 716 from Atlanta was landing on a slushy runway, the spokesmen said. The plane's nose gear went off the runway but the aircraft stayed completely upright, spokesmen for the airport said.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6689373-92a>

The U.S. Political Scene

*** Trustees wind up Clinton legal defense fund

President Clinton and his wife have agreed to dissolve a trust fund aimed at paying their personal legal expenses, leaving them with nearly \$3 million in lawyers' bills, the fund announced Tuesday. The fund's trustees unanimously recommended winding up the Presidential Legal Expense Trust after determining the fund, in its current form, could not succeed because of fallout from politically charged

investigations into campaign fund raising. The trust will accept no contributions received after Wednesday, pending its formal dissolution through steps beginning New Year's Day, the eight trustees said. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695602-f8a>

*** Clinton to seek more money for AIDS drugs programs

President Clinton plans to seek an increase in spending for a program to help people with the virus that causes AIDS to buy expensive new treatment drugs, the White House said Tuesday. Spokesman Joe Lockhart confirmed a New York Times story saying Clinton would seek a 35% increase in spending for AIDS drug assistance programs which help pay for new medications that help block development of the disease. Those drugs are usually given as a mixture in a so-called drug cocktail and can cost \$12,000 to \$15,000 a year for one person. In some cases private insurers do not pay for them, said a White House official. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695969-8c6>

The Courts

*** Fla. school board seeks to dismiss Bible lawsuit

A Florida school board has asked a judge to dismiss a lawsuit seeking

to stop it from offering a Christian Coalition-backed Bible class, attorneys said Tuesday. "The curriculum is constitutional, and this lawsuit is premature and has no merit," said Gene Kapp, spokesman for the American Center for Law and Justice, which is representing the Lee County School Board in its fight over the Bible course. The motion to dismiss the suit was filed Monday. The American Civil Liberties Union of Florida, People for the American Way and Steel Hector & Davis, a Florida law firm, filed suit against the school board earlier this month on behalf of parents and other county residents. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695455-c7d>

*** Conservative U.S. seniors group sues over Medicare

A senior citizens group filed suit Tuesday in an effort to block a provision making it difficult for Medicare patients to get health care services outside that federal system. As part of the Balanced Budget Act last summer, a provision was enacted making it illegal for a doctor to privately contract with a Medicare-eligible patient, unless the doctor agrees to opt out of Medicare for all patients for the next two years. The provision goes into effect Thursday. The United Seniors Association filed suit against Health and Human Services Secretary Donna Shalala, whose agency encompasses Medicare. The group alleged the ban on private contracts was an assault on medical freedom. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6696051-f38>

*** Kuwait fines U.S. wrestler for on-air TV assault

Kuwait fined an American wrestler Tuesday for assaulting a Kuwaiti television show host who asked him in a live interview if professional wrestling was fake. Kuwait's news agency said a Kuwaiti court ordered World Wrestling Federation wrestler Leon White, better known as Vader, to pay the \$164 fine for the April assault in which viewers said he wrenched the reporter's tie and used foul language. The host of the "Good Morning Kuwait" show had asked Vader if his wrestling was fake. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694651-f34>

U.S. Business and Financial News

*** IBM sets new hard disk storage record

IBM confirmed that scientists at its Almaden Research Center have developed a hard disk capable of holding 11.6 billion bits of data per square inch of disk space. As reported in the Wall Street Journal, the 11.6 billion bits of data per square inch is more than double the previously highest storage capacity. The new hard disk's capacity was demonstrated in a laboratory and puts the company on track to providing products with 10-gigabit density by 2001. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6691783-193>

*** Stocks extend year-end rally

U.S. stocks extended their rally Tuesday afternoon as investors showed renewed confidence in the retail sector's holiday sales. The Dow Jones Industrial Average rose 123.56 points to close at 7,915.97. Among the broader benchmarks, the S&P 500 index was up 17.48 at 970.84 while the Nasdaq composite index was 28.03 higher at 1,565.48. New York Stock Exchange volume was modest with 501 million shares changing hands as advancing issues swamped decliners, 2,170 to 794. Finally, the 30-year Treasury bond closed down 24/32 to yield 5.97%.

*** U.S. Consumer Confidence reaches a 28-year high

The Conference Board said Tuesday its index of U.S. Consumer Confidence jumped to 134.5 from a revised 128.1 in November, the highest reading since June of 1969 when the index stood at 137.9. "Consumers are clearly entering the new year extremely satisfied with ongoing conditions, and have high expectations for 1998," Lynn Franco, associate director of The Conference Board's Consumer Research Center, said. Economists had expected the index to fall to 126. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6692335-3bc>

***** Harrisons & Crosfield to buy Rheox for \$465M**

Harrisons & Crosfield Plc said it will buy NL Industries' Rheox chemicals business for \$465 million in cash as part of a new strategic shift, while also returning 402 million pounds (\$671 million) to investors. The purchase comes as Harrisons & Crosfield focuses on becoming a chemical company, shedding its timber, building supplies, food and agricultural businesses. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6688227-b68>

***** Suit filed to block Lukens/Bethlehem Steel merger**

Lukens shareholder Wretha Walker has sued the company officers and directors seeking to block a proposed merger with Bethlehem Steel that was announced Dec. 15. She alleged that the Lukens directors failed to meet their fiduciary duties to maximize shareholder value. Walker said that by accepting Bethlehem's \$650 million cash and stock offer, the Lukens' directors "failed to investigate and inform themselves of the interests of all potential offerors for Lukens including Allegheny Ludlum Teledyne." On Dec. 22, Allegheny offered to acquire Lukens for \$28 a share vs. the \$25 a share value of the Bethlehem proposal. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6682824-884>

***** Columbia faces IRS tax fight**

Columbia/HCA Healthcare Corp's practice of putting aside tens of

millions of dollars as insurance against challenges to its Medicare reimbursement claims is the subject of a dispute with the Internal Revenue Service. Columbia is fighting an IRS demand for \$267 million in back taxes for 1993 and 1994, part of which the IRS says are due on funds the company set aside as reserves to pay potentially questionable Medicare claims. Columbia has filed petitions with the Tax Court challenging the IRS and disputing its claims that it owes taxes on its Medicare reserves. Columbia's Medicare reserve accounts also have drawn scrutiny from federal investigators pursuing a huge Medicare fraud probe that has resulted in the indictments of three midlevel Columbia managers. (WSJ)

World Front Page Stories

*** Hong Kong extends ban on chickens from China

Hong Kong said Tuesday it was extending a week-long ban on chicken imports from mainland China to contain a killer "bird flu" as health workers in the territory continued an unprecedented slaughter of poultry. Workers spread out in markets and farms for a second day to kill more than a million chickens and an unknown number of ducks, geese and other birds possibly infecting humans with the H5N1 virus, previously found only in birds. Hong Kong used to get most of its chickens, about 75,000 birds a day, from southern China until it imposed a ban on chicken imports from the mainland on Dec. 22. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694515-5d6>

WHO team to hunt for 'bird flu' in China, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6689083-5fb>

Facts about Hong Kong's 'bird flu' virus, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6689245-470>

*** Texas judge releases Rwandan wanted by U.N. tribunal

The release in Texas of a Rwandan pastor, indicted by a U.N. tribunal investigating the 1994 genocide in the central African nation, has baffled U.N. officials who said Monday the next step is Washington's. Elizaphan Ntakirutimana, a 73-year-old clergyman, was arrested Laredo, Texas, in September 1996, where he was living with his son, a prominent doctor. But two weeks ago a federal magistrate ruled the U.S. government had no constitutional right to honor the tribunal's orders. Charges against him claim he turned over to militias people who sought refuge in his church. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6687673-9e1>

U.S. concerned at Texas judge's decision on Rwandan, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695714-6c5>

*** Iraq says loses patience with U.N. sanctions

Iraq's parliament said Tuesday it was losing patience with the United Nations and would not tolerate any further delay in the lifting of sanctions. "The extraordinary situation imposed on Iraq should have an immediate end...", said the Iraqi National Assembly in a statement

carried by Iraqi news agency INA. The statement said the assembly supported the powerful Revolutionary Command Council's firm stand against sanctions issued Dec. 20. Iraqi leaders then said they would not remain idle if the U.S. continued to place obstacles in the path of lifting the sanctions imposed after Iraq's 1990 invasion of Kuwait. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694889-ea6>

*** Population to double in 74 poor countries - report

The population boom is still booming in the world's poorest countries, even as it levels off in richer nations that encourage the education and employment of women, the Population Institute reported Tuesday. Seventy-four less developed countries can expect their populations to double in 30 years, and the world's total population will reach 6 billion by mid-1999, it said in its annual overview. But in the 51 richest countries, populations are stabilizing, due in part to changes in the lives and rights of women, institute president Werner Fornos said. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695288-2d6>

*** Yugoslavia to lose EU trade privileges

The European Union will not renew trade privileges to Yugoslavia next year because it has not met human rights and other conditions, an EU spokesman said Tuesday. The EU has decided that trade preferences for Bosnia-Herzegovina and Croatia, set to expire Dec. 31, will be

renewed for 1998, European Commission spokesman Thierry Daman said. The decisions were recommended by the European Commission, he said. But the 15-nation bloc took no action to renew trade privileges for Yugoslavia, meaning they end Dec. 31, Daman said. The trade benefits included offering duty-free access to the EU and eliminating restrictions on imports of industrial products from Yugoslavia. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6694325-2c1>

The World Political Scene

*** Battered N. Ireland sees new threat to peace

Northern Ireland's bitterly divided Republican and Unionist communities head into 1998 united in their hope for peace but only too aware of how close they stand to plunging back into the abyss of violence. The fragile peace process was plunged deep in crisis late this month when Protestant extremists killed a former IRA gunman in revenge for the prison murder of their leader, Billy Wright, by extremist Irish Republican inmates. Both groups responsible for the killings - the Protestant Loyalist Volunteer Force and the Catholic Irish National Liberation Army - are fringe forces, which have ignored a ceasefire observed by the main guerrilla organizations. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6693275-091>

*** Kenya crisis deepens; Moi, opposition, say vote rigged

Kenya's election crisis deepened Tuesday when President Daniel arap Moi accused the Electoral Commission, whose chairman he personally appointed, of rigging in favor of the opposition. Moi and his ruling Kenya African National Union (KANU) stopped short of calling for the votes to be scrapped after logistical chaos Monday led to confusion Tuesday. But cancellation, with uncertain consequences for Kenya's stability and frail economy, could not be ruled out after damning attacks on the conduct of the polls by both KANU and its opposition. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6694582-acb> Kenya begins releasing poll results - radio, see <http://www.infobeat.com/stories/cgi/story.cgi?id=6692390-851>

*** S. Africa, China set diplomatic ties for Jan. 1

South Africa and China signed an accord Tuesday establishing diplomatic relations between them for the first time, starting Jan. 1. Foreign Minister Alfred Nzo and his visiting counterpart Qian Qichen signed the agreement in a ceremony at the colonial-era Union Buildings in Pretoria, the site of Nelson Mandela's inauguration as president in May 1994. A joint communique said the governments of both countries "have decided upon mutual recognition and the establishment of diplomatic relations at ambassadorial level as from Jan. 1, 1998." See <http://www.infobeat.com/stories/cgi/story.cgi?id=6688834-94d> Taiwan denounces S. Africa's 'absurd' China switch, see <http://www.infobeat.com/stories/cgi/story.cgi?id=6690339-1b9>

China wins Taiwan's last big ally, S. Africa, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6694252-4dc>

*** Menem to suggest sharing Falklands with Britain

Argentine President Carlos Menem said Tuesday he would suggest sharing the Falkland Islands when he meets British Prime Minister Tony Blair in the new year. "Perhaps we could talk about shared sovereignty, which would be a significant step," Menem said. Menem was invited by the Labor government in London in November to become the first Argentine president to visit Britain since the Falklands War of 1982. In 1982, the military dictatorship then ruling Argentina sent troops to seize the pro-British islands in the South Atlantic which Argentina calls the Malvinas and has claimed since 1833. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6694743-3e3>

World Business and Financial News

*** Banks weighing \$10 billion in new Seoul credit - report

Banks in the U.S., Europe and Japan are considering extending new credit of as much as \$10 billion to the government of South Korea, after high level meetings Monday in financial capitals around the world, the Wall Street Journal reported Tuesday. Quoting people familiar with the talks, the newspaper said the banks also have

agreed to roll over the bulk of their outstanding short-term loans and other forms of financing to South Korean banks on a case-by-case basis. The goal, the newspaper said, would be to postpone the repayment dates of such debts, most of which are now falling due, by up to 18 months. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6688245-fb5>

IMF approves \$2 billion payment for S. Korea, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6696280-242>

*** Most Asian bourses cheer Wall Street's solid gains

Share prices closed mostly higher in the major Asian-Pacific markets Tuesday. Tokyo's stocks rose sharply on the final trading day of 1997, as Monday's solid gains on Wall Street sent local investors scrambling to cover short positions. On Monday, the Dow Jones Industrial Average jumped 113.10 to 7792.41, boosted by gains in the banking sector. Meanwhile, the U.S. gains also helped Hong Kong's blue-chip Hang Seng Index surge 2.4%. Elsewhere, Taiwan's issues turned higher as investors cheered the efforts of local companies to boost share prices before the end of the year. In Sydney, resource stocks led the broader market higher, while Kuala Lumpur's key index soared 3.7%. The same forces also lifted Thai stocks. Buying in large-capitalization shares lifted Jakarta's bourse, while over-the-counter Malaysian stocks attracted the attention of investors in Singapore. In the Philippines, all markets, banks, businesses and government offices were closed for a holiday. South Korean stock, bond and futures markets also were closed for a

holiday, but the currency fell against the dollar. (WSJ)

*** Cinven holds talks to acquire Reed Elsevier's magazine unit

Cinven, the giant British venture-capital firm, is in talks to buy Reed Elsevier PLC's magazine unit for more than \$1.5 billion, according to executives close to the negotiations. The talks are preliminary and the executives stress that other bidders may also vie for the magazine unit, IPC Magazines, which the Anglo-Dutch media giant put on the auction block in October. The price also remains uncertain but the executives estimate the value at between 800 million pounds and one billion pounds (\$1.34 billion and \$1.68 billion). Cinven declined to comment. Officials at Reed Elsevier and its adviser, SBC Warburg Dillon Read, couldn't be reached immediately to comment. (WSJ)

*** Early gains on Wall Street support European shares

Share prices advanced across Europe Tuesday, boosted by Tuesday's early gains on Wall Street and end-of-year trading. Shares in Britain, Belgium and Italy rose as the Dow Jones Industrial Average continued to climb. Meanwhile, Dutch, Spanish and Swiss shares improved as investors bought shares to spruce up their portfolios. Telecommunications giant L.M. Ericsson led gains in Sweden and blue-chip buying lifted the French bourse. Elsewhere, a weaker gold price pulled gold shares in South Africa lower. In dollar terms, the Europe/South Africa sector of the Dow Jones Global Index was up 0.90

to 187.35 around 12:15 ET Tuesday, after rising 2.50 on Monday. The Dow Jones World Stock Index advanced 1.64 to 165.97, adding to a gain of 2.36 a day earlier. (WSJ)

*** French unemployment dips to 12.4%

French unemployment edged down to 12.4% in November, the Labor Ministry said Tuesday, as jobless protesters continued to occupy unemployment offices around the country to demand new government aid. The number of jobless - 3.1 million French adults-dropped 0.3% in November. This marked the first time in months the unemployment rate has dipped below 12.5% - October's level. (USA Today)

*** Toyota may make luxury cars in the U.S.

Toyota Motor reportedly may begin making luxury cars at plants in the United States for the first time beginning as early as 2000. Japan's Nihon Keizai reported Tuesday Toyota is considering building a luxury sport-utility, introduced early this month in Japan as the Harrier, in a plant in Indiana. Toyota is building a \$700 million plant south of Princeton, Ind., and already plans to produce about 100,000 T100 pickup trucks annually when it opens in fall 1998. The plant will employ about 1,300 workers. (USA Today)

Sports

*** Report: Plea bargain entered in ASU gambling case

One of the individuals indicted in a 1994 point-shaving scheme at Arizona State reportedly has entered a plea agreement. The Tribune in Mesa, Ariz., citing a deputy U.S. District Court clerk, reported that Joseph Gagliano Jr. pled guilty on Dec. 19 to one count of conspiracy to commit sports bribery for his part in the plan to fix several ASU basketball games. The clerk told the newspaper that Gagliano would be sentenced June 1, but that no details of the plea were available because the agreement is sealed. Former ASU guards Stevin Smith and Isaac Burton earlier this month pled guilty to a felony charge of conspiracy to commit sports bribery. The two players agreed to cooperate with authorities and testify for the prosecution of the four other individuals, including Gagliano, that also were indicted.

*** Purdue vs. Oklahoma State in Alamo Bowl

Sixteenth-ranked Purdue and 24th-ranked Oklahoma State make their first bowl appearances of the decade when they meet Tuesday night in the Alamo Bowl at San Antonio. Purdue (8-3) is playing in college football's postseason for the first time since a 27-24 loss to Virginia in the 1984 Peach Bowl. Oklahoma State (8-3) has not extended its season since 1988, when the Cowboys, then led by Barry Sanders, slammed Wyoming, 62-14, in the Holiday Bowl. The Alamo Bowl is the lone game on Tuesday's college football schedule. Three more games are scheduled for Wednesday and six more on New Year's Day.

*** Penn State's Enis to enter NFL draft

Penn State junior tailback Curtis Enis, who last week was declared ineligible for the Florida Citrus Bowl after admitting he had dealings with an agent, has played his last game for the Nittany Lions. Enis issued an apology for his actions Monday and at the same time announced his intentions to bypass his senior season and enter the NFL draft this spring. "I made a mistake and I accept full responsibility for my actions," said Enis before declaring he would turn pro.

*** UCLA's McCoy to play Tuesday vs. Illinois

UCLA junior center Jelani McCoy, suspended by the school for violating team rules, will make his season debut Tuesday against Illinois. McCoy and senior swingman Kris Johnson were suspended from the men's basketball team on Sept. 29. Johnson was fully reinstated on Nov. 17, while McCoy was cleared to participate in practice and other team functions after he was partially reinstated on Dec. 1 and fully reinstated 21 days later. The 6-foot-9 McCoy averaged 10.9 points and 6.5 rebounds last season while shooting 76 percent from the field. He started 28 of 32 games, blocked 61 shots and was eight baskets shy of qualifying as the NCAA field-goal percentage leader.

*** Snow postpones Syracuse-Pittsburgh hoops game

The Big East Conference game between 19th-ranked Syracuse and Pittsburgh was postponed because of a snowstorm that has blanketed upstate New York with up to two feet of snow. No makeup date has been announced. A state of emergency has been declared in the city and workers at the Carrier Dome deflated the dome to take the pressure of snow and ice off the roof. The Orangemen (11-1, 2-0 Big East) were coming off their first loss of the season, a 93-61 decision at the hands of Michigan in the championship game of the Puerto Rico Holiday Classic. Syracuse is idle until Sunday, when it hosts Rutgers. Pittsburgh (5-3, 0-1) is off until Saturday, when it hosts Miami.

Science and Medicine

*** Gene technique may help in chemotherapy

Researchers have reported success in early tests of a genetic technique to protect bone marrow from the toxic effects of cancer chemotherapy, the Journal of Clinical Oncology said Tuesday. The researchers removed bone marrow from advanced cancer patients, added the MDR (Multiple Drug Resistance) gene and reinfused the cells into the patients, the journal reported in its January edition. The MDR gene, found at low levels in normal bone marrow cells, produces a protein which reduces the lethal effects of several powerful chemotherapy drugs. The protein flushes the drugs out of the cells before they can do their usual damage. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6680080-ead>

*** WHO expert on Ebola virus welcomes vaccine news

The World Health Organization's expert on the deadly Ebola virus welcomed news Tuesday that American researchers had developed in animals a genetically engineered vaccine. Dr. David Heymann, director of WHO's division of emerging and other communicable diseases, said that while a vaccine was an important "long-term goal," the United Nations agency was trying to establish where the virus hid between fatal outbreaks. Heymann, an American epidemiologist, was working in Zaire in 1976 when the virus was first identified. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6692564-74e>

Technology

*** IBM calls Comdex trade show 'waste of money'

IBM called the Comdex computer show a "waste of money," and said it does not believe the event attracts people who make decisions on buying its products. IBM spokesman John Bukovinsky said the company will save millions of dollars by not participating in the event next year. "Their claims on the number of people attending the show and the demographics on the types of customers that go can't be substantiated," he said. "We've asked for an independent audit for a

number of years, and they've refused." More than 2500 companies participated in the 1997 Comdex and more than 220,000 people attended. Next year's event is scheduled for November 16-20 in Los Vegas, Nev. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6680615-feb>

*** Taiwan TI-Acer further slashes 1997 forecasts

TI-Acer, a joint venture of Acer Inc of Taiwan and Texas Instruments Inc, said it was further lowering its 1997 financial forecasts due to slumping world prices for memory chips. TI-Acer said the chipmaking venture was expected to report a net loss in 1997 of T\$4.6 billion, far beyond its October projection of a T\$1.87 billion net loss. The company revised its 1997 sales target down to T\$11 billion from T\$12.4 billion. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6689885-6f4>

*** Intel, Platinum in licensing, marketing pact

Intel Corp and Platinum Technology Inc. said that they had signed a broad development, licensing, sales and marketing agreement. Under terms of the agreement, Intel, the leading chipmaker, will make an equity investment in Platinum, the companies said. Intel will also license components of Platinum's database management solution, Platinum ProVision, and provide the software company with exclusive rights to Intel LANDesk Configuration Manger. "The collaboration aims to enhance the ability of corporate customers to manage resources

across networks, reduce the total cost of business computing and improve information technology service levels," the companies said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6692214-ea2>

*** AOL to offer takeout meal service

AOL users who work up an appetite while logged on to the computer service will soon be able to order a pizza or perhaps some Chinese food without picking up the phone. In a statement issued Tuesday, America Online Inc. (AOL) said its Internet online services unit had entered a four-year, \$20 million marketing pact with Cybermeals, an online takeout restaurant service. Under the agreement, Cybermeals will match customers logged on the AOL service or visiting the AOL.com Web site with restaurants in their own neighborhoods that feature home delivery. The online restaurant system then places the order. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6695191-d9f>

*** China Internet rules won't effect HK, telcom boss

Hong Kong Internet surfers and providers will not be effected by communist China's sweeping new controls on the world-wide web, Anthony Wong, director general of the territory's telecommunications, said Tuesday. Wong said the Internet and telecommunications were covered by the "one country, two systems" doctrine adopted when Britain ceded Hong Kong to China in July. Under that doctrine, Hong Kong and its 6.5 million people will enjoy a large degree of autonomy

for 50 years, protecting their capitalistic ways. China clamped controls on the Internet on Tuesday, warning that the network was being used to leak state secrets and to spread "harmful information."

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6690134-7cc>

Human Interest

*** Britain to issue Diana stamps in February

A set of five postage stamps marking the life of Princess Diana will go on sale in Britain in February. Sales are expected to raise more than 7 million pounds (\$11.7 million) for her favorite charities. The stamps feature photographs of Diana ranging from the regal princess wearing a tiara to more recent casual poses. The Post Office announced Tuesday it would release more than 120 million sets of the stamps on Feb. 3. All the profits will go to the Princess Diana Memorial Fund, set up after her death to benefit charities ranging from AIDS relief to anti-landmine campaigns. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6687989-2b5>

*** First dog exercises executive privilege on vacation

The Sand Dollar vacation villa on the Caribbean island of St. Thomas usually has a strict no pets policy. But Buddy, a Labrador, is not just any pet. Dolly Greblick, who owns the Sand Dollar, said Tuesday

she would waive the policy to allow President Clinton to bring his new puppy with him when he flies to the U.S. Virgin Islands Thursday for a brief vacation. "How can we refuse the first dog?" she asked. Clinton, first lady Hillary Rodham Clinton and daughter Chelsea, are due to fly to the Virgin Islands on New Year's Day and stay until Sunday. Unfortunately, Socks, the first cat, will have to stay behind.

*** Cyprus hunters make life difficult for U.N. force

Over-enthusiastic hunters in Cyprus are making life difficult for peacekeepers manning cease-fire lines on the divided island, a United Nations spokesman said Tuesday. Hunting is a favorite pastime of thousands of Greek Cypriots who turn out in droves during the winter to shoot game in the countryside. "Over the last number of days there have been a number of encroachments by hunters in the buffer zone and shots have been fired deliberately over the heads of U.N. personnel," a UN spokesman said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6692822-217>

*** Fairy-tale ending for family of N.Korean defectors

A Korean-American's novel about her family on the divided Korean peninsula had a happy ending Tuesday when she and her family were reunited with relatives from North Korea. "For my own sake, and my mother and my grandmother's sake, we had to rescue this family," said Helie Lee, author of "Still Life with Rice," a novel based on her

family's history. Nine North Korean family members were reunited with their relatives from the United States at the royal Duksoo Palace in Seoul. Details of how the family members escaped from the North were not revealed for security reasons, but family members said they asked for help "from Chinese people." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6688974-8b5>

*** Ostrich sushi, stir-fry on promoters' menu

Farmers, exporters and breeders of ostriches are facing a glut of meat, low prices and a skeptical public. Increasingly frustrated that the tall bird is dismissed off as an exotic oddity, they banded together at a recent trade gathering in the Netherlands to promote it as a healthy, everyday staple. Organizers of the new International Ostrich Association planned mass-market advertising campaigns to spread the word about juicy steaks with half the fat of beef. And they cooked up a storm, with a gold-medal chef offering everything from ostrich pate to sushi and stir-fry. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6693007-eb0>

*** British parents to get pagers to fight truancy

Parents in northern England will be given electronic pagers so teachers can let them know at once if their children are truant, the Education Ministry said Tuesday. The pilot plan in the city of Durham is part of a \$37 million government scheme to reduce truancy and stop schools from having to expel troublesome pupils. More than one

million British students are estimated to have skipped their classes
at least once while in 1995-96, while 12,500 were expelled, according
to official figures. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6691381-bel>

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U.S. Front Page Stories

- *** Central N.Y. state feels brunt of snowstorm
- *** Oklahoma bomb trial jury told to rein in emotions
- *** Murder rate drops in major U.S. cities - officials
- *** CNN confirms interview with Iranian president
- *** U.S. population hits 267 million

Crime and Catastrophe

- *** Bizarre Texas hostage standoff ends peacefully

*** Purer, cheaper, snortable heroin floods U.S.

The U.S. Political Scene

*** Clinton faces a busy new year

*** Gingrich gives peek at Republican agenda

*** U.S. seeks clarity from Iran on possible dialogue

*** Sen. Thurmond to prolong hospital stay

The Courts

*** Family testimony may prove key for Unabomb suspect

*** MIT, Quaker Oats settle radiation lawsuit

U.S. Business and Financial News

*** Strong big-ticket orders push index of leading indicators higher

*** Investors ready to celebrate

*** P&G wins diaper-patent dispute vs. Paragon

*** Lukens leaning towards Allegheny's \$28 per share bid

*** Jobless claims up 13,000 last week

World Front Page Stories

- *** Brazil police storm prison to free hostages
- *** Kenya tense at year end after election chaos
- *** HK fights bird flu, Thais urged to stay away
- *** Billion Muslims start fasting month
- *** Iraq achieved 'victory' against U.S. in 1997 - paper
- *** Fewer airline passengers killed in 1997

The World Political Scene

- *** Iraq food plan decision delayed until next week
- *** Iranian leader greets Saddam on Ramadan - INA
- *** Taiwan ends ties with S. Africa, says won't slander
- *** Britain says no question of sharing Falklands

World Business and Financial News

- *** Most southeast Asian bourses end year on a positive note
- *** European stocks gain in thin trading
- *** Ameritech taps opportunities in Europe
- *** French unemployment dips to 12.4%

Sports

- *** Report: Levy to announce retirement Wed.
- *** Half brother of Livan Hernandez defects from Cuba
- *** Sun, Liberty bowls featured Wed.
- *** Flames' Peluso retires for medical reasons

Science and Medicine

- *** New board to advise EU on ethics of biotechnology
- *** S. African, U.S. doctors separate Siamese twins

Technology

- *** Appeals court grants Microsoft appeal hearing
- *** Intel cuts price of Pentium II 33%
- *** Microsoft buys Hotmail e-mail service
- *** Court denies Symantec request

Human Interest

- *** Dog saves Belgian family from burning to death
- *** U.S. balloonist to make third try at world record
- *** Tourists may explore the final frontier in 2001

U.S. Front Page Stories

*** Central N.Y. state feels brunt of snowstorm

Residents of central New York state were digging themselves out of a heavy snowstorm but more was forecast for Wednesday, meteorologists said. The National Weather Service in Buffalo, N.Y., has issued what it terms a lake effect snow advisory for five counties through Wednesday night. The forecast for Wednesday called for accumulations of 2 to 4 inches with 6 inches or more possible in some areas across central New York. Meteorologists said the heaviest snow had fallen overnight between Rochester and east to the Syracuse area, as more than 3 inches was measured on top of the 3 feet already fallen. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6710236-1ca>

*** Oklahoma bomb trial jury told to rein in emotions

The judge in the second Oklahoma City bombing trial Wednesday told jurors who must decide whether Terry Nichols should get the death penalty not to become emotionally "swept away" by victims' testimony. "This hearing is not being conducted for the purpose of seeking revenge. Your decision should not be based on vengeance or anger," the judge said, reminding jurors that victims do not set sentences "for obvious reasons." Since Monday, victims and relatives of 168 who died in the April 1995 bombing have testified how it changed their

lives forever. They are seeking to support the prosecution's contention that Nichols should be put to death for his role in the bombing. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6713235-51b>

*** Murder rate drops in major U.S. cities - officials

The murder rate in New York, Washington, Los Angeles and other major U.S. cities dropped dramatically in 1997, a trend Justice Department analysts Wednesday linked to a decline in crack cocaine use. Other factors, including the U.S. economic boom and low unemployment, might have played a role. Murders in New York City dropped 22% and Washington, D.C., fell 24%. Los Angeles' murder rate hit a 20-year low with 556 homicides, while Chicago and Houston posted some of the lowest rates this decade. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6713659-bd9>

*** CNN confirms interview with Iranian president

The Cable News Network television company said Wednesday it plans to air an interview with Iranian President Mohammad Khatami next week. A spokeswoman for the network said the interview was scheduled to be shown "around the middle of next week," but could not be more specific about the day or time. CNN said earlier this month that reporter Christiane Amanpour was in Iran seeking such an interview. Iran and the United States broke off diplomatic relations in 1979 after an Islamic revolution toppled pro-Western Shah Mohammad Reza

Pahlavi and militants seized hostages at the U.S. embassy in Tehran.

See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6711296-fc5>

*** U.S. population hits 267 million

The U.S. population grew 0.93% to 267.636 million between mid-1996 and mid-1997, slightly faster than in the previous 12 months and above average for the 1990s, the Census Bureau said Wednesday. In line with the long-term trend, the fastest growth was again in the west and south of the country, led by Nevada at 4.8%, Arizona at 2.7%, Georgia and Utah at 2.1% and Colorado at 2.0%, it said.

Washington, D.C. and four states - Pennsylvania, Rhode Island, West Virginia and North Dakota - lost inhabitants. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6709723-e52>

Crime and Catastrophe

*** Bizarre Texas hostage standoff ends peacefully

A knife-wielding man who took his ex-girlfriend and their two young daughters hostage finally freed them and surrendered at the end of a bizarre 42-hour standoff near Dallas Wednesday. James Riccardo Lipscomb, 38, released his three hostages from a duplex apartment in the north Dallas suburb of McKinney where he had held them since a

domestic dispute exploded Monday night. Nobody was hurt. The surrender came almost exactly two weeks after Lipscomb's younger brother stormed into a day-care center in the nearby suburb of Plano, taking 80 toddlers and young children and five adults hostage. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6713294-645>

*** Purer, cheaper, snortable heroin floods U.S.

Purer product, cheaper prices and savvy marketing have given deadly Colombian heroin the lion's share of the U.S. market with New England the fastest growing segment, Drug Enforcement Administration officials said Wednesday. DEA agent George Festa attributed the resurgence of heroin to "a lack of memory on the part of youth, celebrity heroin chic and the fact that you no longer have to inject it.... The purity is so incredible, you can snort it. The ability to snort heroin like cocaine means that it eliminates needles and the risk of AIDS. So its use is spreading. These people don't realize that heroin is not cocaine. Heroin is not a recreational drug." See <http://www.infobeat.com/stories/cgi/story.cgi?id=6710903-ba9>

The U.S. Political Scene

*** Clinton faces a busy new year

President Bill Clinton in 1998 will tussle with Republicans over the

budget and taxes, travel widely for Democratic candidates and try to dispel any notion that he is a lame duck. As he rang in the New Year with high achievers here at the annual Renaissance Weekend retreat, Clinton was looking to his State of the Union speech on Jan. 27 and his budget proposal to be unveiled Feb. 2 as important benchmarks on how the year will shape up. In them, he is expected to stress his domestic priorities of improving education opportunities and expanding Americans' access to child care and to health care, especially for the poor. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6712822-76b>

*** Gingrich gives peek at Republican agenda

U.S. House Speaker Newt Gingrich prepared Wednesday a policy address he believes will become the Republican agenda for the 21st century.

Gingrich, R-Ga., said he plans to introduce an agenda he called "Goals for a Generation" in an address to the Cobb County Chamber of Commerce Monday. Gingrich declined to release details of his policy initiatives but said they would revolve around four areas of concern: education, child welfare, tax reform and preserving Social Security.

See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6711140-de1>

*** U.S. seeks clarity from Iran on possible dialogue

The United States is looking for more clarity about the kind of U.S.-Iranian dialogue Iran will seek when the country's president

gives a planned U.S. television interview next week, a senior U.S. official said Wednesday. Officials have been tantalized by conciliatory rhetoric emerging from Tehran in recent weeks, the most hopeful sign in a decade of a thaw between the two hostile countries. But so far, they consider the overtures from Iran murky, reflecting an internal power struggle in Tehran. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6712201-589>

*** Sen. Thurmond to prolong hospital stay

Sen. Strom Thurmond, the oldest person ever to serve in Congress, has opted to prolong a hospital stay triggered by respiratory ills even though doctors found him fit for release, Thurmond's office said Wednesday. Physicians caring for Thurmond, 95, determined that the senator's respiratory infection was "in check and that he was fit to be discharged" from Eisenhower Medical Center in Augusta, Ga., a statement said. But Thurmond, a South Carolina Republican who is president pro tempore of the Senate, a largely ceremonial post, felt he needed more time to rest and wanted to stay at the army hospital for at least another 48 hours, the statement added. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6711318-5f6>

The Courts

*** Family testimony may prove key for Unabomb suspect

Testimony from his own family may prove to be the best hope for saving Unabomber suspect Theodore Kaczynski's life now that his lawyers have dropped the psychiatric defense for the first part of the trial, legal experts said this week. "If the family is persuasive, it may work," said Greg Rustigan, a professor of criminology. Lawyers for Kaczynski, charged with killing two men with package bombs in a 17-year campaign of anti-technology terror across the United States, said Monday they would not use a "mental defect" defense when opening arguments in the guilt phase of the trial begin Jan. 5 in Sacramento. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6710002-4fb>

*** MIT, Quaker Oats settle radiation lawsuit

The Massachusetts Institute of Technology and Quaker Oats Co. agreed to pay \$1.85 million to former students of a Massachusetts school used in radiation experiments 40 to 50 years ago, officials said Wednesday. MIT will pay the bulk of the class-action settlement for the controversial nutrition studies, officials said. Members of the science club at the Fernald School in Waltham, Mass., were unknowingly fed breakfast cereal and iron supplements contaminated with minute amounts of radiation between 1945 and 1956. Quaker Oats provided a grant to fund the research into how iron and calcium are absorbed by the human digestive system, MIT said. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6709862-6d7>

U.S. Business and Financial News

*** Strong big-ticket orders push index of leading indicators higher

Despite the Asian economic crisis, the U.S. economy can look forward to continued growth in the coming months. The index of leading indicators rose 0.1% in November, the Conference Board, a New York private research firm, said Wednesday. The figure was in line with economists' predictions and matched October's growth of 0.1%. The index increased by 0.3% in September. Although the index, which is meant to forecast economic activity up to nine months in advance, increased to 104.6, six of the 10 components in the index fell, adding a hint of caution to the report. (WSJ)

*** Investors ready to celebrate

Traders on the New York Stock Exchange whooped it up with doo-wop singers and a mariachi band Wednesday as major market indexes stood poised to close out 1997 with another year of stellar returns. The Dow Jones Industrial Average closed at 7,908.05, down 7.72 points. Trading activity was modest with 470 million shares changing hands on the NYSE. By the close of the market, breadth turned decidedly positive with advancing issues outpacing decliners, 1,811 to 1,090. In broader markets, the S&P 500 was down 0.41 points 3.25 at 970.43 while the Nasdaq composite was 5.34 higher at 1,570.37 after initial

weakness. The 30 year Treasury bond finished the day up 22/32 to yield 5.92%.

*** P&G wins diaper-patent dispute vs. Paragon

Paragon Trade Brands said a court had ruled against it in a patent dispute with Proctor and Gamble, with the result that Paragon may incur liability of \$160-\$200 million. The diaper maker said it will appeal the decision, along with an antitrust counterclaim against P&G that was previously dismissed. The court has not yet issued a dollar judgment against Paragon, the company said. The court found P&G's two diaper patents valid and infringed by Paragon's products, the company said. The court rejected Paragon's patent infringement claim against P&G. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6709754-27e>

*** Lukens leaning towards Allegheny's \$28 per share bid

Lukens Inc said late Tuesday that its board determined that Allegheny Ludlum Teledyne Inc's offer to acquire it for \$28 a share in cash was better than a \$25 a share offer from Bethlehem Steel Corp. (BS: 8-11/16, + 3/16). Lukens, a North American specialty steel maker, entered into an agreement to merge with Bethlehem on Dec. 15 and received Allegheny's offer on Dec. 22.

*** Jobless claims up 13,000 last week

New applications for jobless benefits increased by 13,000 last week,

the government said Wednesday. The Labor Department said initial state unemployment claims came in at 318,000 in the week ended Dec. 27, up from a revised 305,000 in the prior week. The weekly claims numbers have jumped around in recent weeks as the numbers have been distorted by shortened claims periods during the holidays. Claims have been hovering at slightly above 300,000 for the past several weeks, a relatively low level that suggests a healthy labor market. The four-week moving average of claims, which smoothes out weekly volatility, edged lower in the latest week to 314,250 from a revised 315,250. (WSJ)

World Front Page Stories

*** Brazil police storm prison to free hostages

Brazilian storm troopers raided a maximum security prison Wednesday to free some 650 hostages, including 200 children, being held by inmates, authorities said. A plume of black smoke was rising from the Sorocaba prison, some 50 miles from Sao Paulo, and at least two small explosions were heard from outside the compound. No gunfire was heard but heavily armed police were swarming into the prison through a gate in one of the walls. Earlier, some 150 special forces and regular policemen had taken up positions inside the compound. Twenty inmates took control of the prison Sunday after an escape attempt failed. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6713417-7da>

***** Kenya tense at year end after election chaos**

Kenya ended the year in a state of high tension Wednesday after two of President Daniel arap Moi's main challengers warned of violence if he was declared winner of the country's badly flawed elections. With results unofficially announced from about a quarter of Kenya's 210 districts, Moi was ahead of his leading rival, Mwai Kibaki. Kibaki and another opposition candidate, Raila Odinga, called the election process "fraudulent." The two men - who like Moi have accused the accident-prone Electoral Commission of rigging the polls - said Kenya was lurching toward civil strife. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6711526-60c>

***** HK fights bird flu, Thais urged to stay away**

Hong Kong slaughtered more poultry Wednesday to contain a deadly "bird flu" virus as monks chanted prayers to pacify the souls of the animals. More than 1,000 government staff have worked around the clock since Monday to kill 1.3 million chickens and an unknown number of ducks, geese and other poultry. The H5N1, an avian strain of influenza A and not known to infect humans until this year, has killed four people in Hong Kong and nine others are confirmed to have been infected. The government Wednesday denied it had lost control of the situation, saying it had a contingency plan for a mass outbreak.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=6710782-d67>

*** Billion Muslims start fasting month

From Indonesia to Morocco, the world's one billion Muslims have begun the holy fasting month of Ramadan, which coincides with the Christian New Year for first time in 33 years. But this year's month of peace and prayers is marred by Asia's financial crisis, unresolved conflicts and civil wars affecting many of the more than 50 Muslim countries. The month, during which the faithful refrain from eating, drinking, smoking and sex from dawn to dusk, starts one day after the sighting of the new moon. For geographical and other reasons, the month can start and end on different days in different places. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6711611-202>

*** Iraq achieved 'victory' against U.S. in 1997 - paper

One of the main world events in 1997 was Iraq's "great victory" in a standoff with the United States over U.N. arms inspections, an official Iraqi newspaper said Wednesday. "One of the important events (in 1997) is that the crisis of spies (American members of the U.N. inspection teams) between Iraq and the United States has seen a great Iraqi victory against a big American failure," al-Jumhuriya daily said. Baghdad briefly expelled U.N. inspectors of American nationality in November, sparking a standoff between Iraq and the United States and the United Nations. Chief U.N. inspector Richard Butler then withdrew most of his inspectors. Iraq later reversed its decision. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6709471-7b9>

*** Fewer airline passengers killed in 1997

Fewer airline passengers were killed in 1997 than 1996, with deaths on revenue-earning flights falling to 1,056 compared to 1,605 a year earlier, according to a leading aviation consultancy. "The numbers are fairly stable. In 1980 there were 1,108 passenger deaths. The average for the 1980s was 1,136 a year, while for 1990-97 inclusive this has fallen to 1,064," Paul Hayes, director of London-based Airclaims Ltd, said Wednesday. The figures include flights in jet and turboprop aircraft built by Western, Russian, CIS and Chinese manufacturers. The loss of three Western-built aircraft in the second half of 1997 contributed substantially to the year's losses. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6710335-8e2>

The World Political Scene

*** Iraq food plan decision delayed until next week

A decision to approve Iraq's food and medical distribution plan has been postponed until next week, U.N. spokesman Fred Eckhard said on Wednesday. Iraq suspended oil exports Dec. 5 to protest delays in receiving food, medicine and other humanitarian supplies for its people suffering under more than seven years of sanctions. It has

said it will begin oil supplies again once U.N. Secretary-General Kofi Annan has approved its new distribution plan that covers the next six months. Annan originally had expected to sign off on the plan Friday. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6710792-6a7>

*** Iranian leader greets Saddam on Ramadan - INA

Iranian President Mohammed Khatami sent a congratulatory message to Iraq's Saddam Hussein, the first such gesture in 17 years, to mark the Muslim holy month of Ramadan, the Iraqi news agency INA said Wednesday. "Your excellency Saddam Hussein, president of the Republic of Iraq...I congratulate you and the Iraqi government and people on the blessed month of Ramadan," Khatami said in a telegram to Saddam. Iraqi and Iranian leaders and officials have not exchanged congratulatory letters since 1980 when a war erupted between the two. The war ended in 1988. Iraqi newspapers Tuesday published greetings sent by Saddam to Arab and Islamic leaders, but Iran wasn't mentioned. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6708454-a1f>

*** Taiwan ends ties with S. Africa, says won't slander

Taiwan vowed on Wednesday to strengthen foreign relations without trying to offend mainland China, a day after its most important ally South Africa switched formal diplomatic recognition to Beijing. Taiwan's Foreign Minister Jason Hu said that Taipei would refrain

from criticizing communist China in the hope that Beijing would eventually understand Taipei's need to break its diplomatic isolation. "From now on, I will try my best not to be emotional, not to attack Chinese communists," Hu said. "Such rhetoric is meaningless." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6707573-72e>

*** Britain says no question of sharing Falklands

Britain said Wednesday there was no question of sharing sovereignty of the disputed Falklands Islands with Argentina while the people living there wished to remain British. "We have always made it perfectly clear that the wishes of the Falkland islanders are what counts," Foreign Secretary Robin Cook told BBC radio. "They do not want shared sovereignty and in those circumstances there is no question of us agreeing shared sovereignty," he said. Cook was replying to a suggestion by Argentine President Carlos Menem that shared sovereignty could be discussed during a visit to London in the new year. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6709713-b58>

World Business and Financial News

*** Most southeast Asian bourses end year on a positive note

Share prices advanced in most key Asian-Pacific equities markets Wednesday. However, most bourses remained shuttered at year's end. A late sell-off forced the Hong Kong stock market's key index to return the gains posted earlier in Wednesday's abbreviated session. Also, Australian stocks closed higher in quiet trading, as overnight gains on Wall Street helped the local bourse end the year's final session positively. Strength in Taiwan's tech shares, and companies' efforts to lift stock prices before year-end combined to boost Taipei's bourse. Profit-taking and waning enthusiasm about potential mergers in the financial sector left Malaysian equities mixed, but stocks in Thailand and Singapore were buoyed by year-end window-dressing. All markets, banks, businesses and government offices in Japan, Indonesia and the Philippines were closed ahead of New Year's. South Korean stock, bond and futures markets were also closed. (WSJ)

*** European stocks gain in thin trading

Share prices advanced across Europe Wednesday during quiet trading ahead of the New Year's holiday. Financial markets in Sweden, the Netherlands and Germany were closed Wednesday for the New Year's holiday, while the British, Swiss and South African markets closed early. In Britain, stocks gained ground but off of midday highs as investors locked in profits late in the session. South African industrial issues surged as investors attempted to boost their portfolios, but gold stocks lagged behind. Meanwhile, French stocks advanced as options-related buying lifted blue-chip stocks, and Italian stocks hit a record close after the release of strong

domestic-product data. Spanish shares slipped slightly as most investors had already closed their positions ahead of Thursday's holiday. (WSJ)

*** Ameritech taps opportunities in Europe

Europe opens its \$160 billion telephone market to full competition on Thursday, ushering in enormous changes for governments, giant corporations and millions of consumers. But few players have as much riding on what happens next as Chicago-based Ameritech. With more than \$5 billion already committed, Ameritech is the largest U.S. investor in Europe's booming telecommunications bazaar. (USA Today)

*** French unemployment dips to 12.4%

French unemployment edged down to 12.4% in November, the Labor Ministry said Tuesday, as jobless protesters continued to occupy unemployment offices around the country to demand new government aid. The number of jobless - 3.1 million French adults - dropped 0.3% in November. This marked the first time in months the unemployment rate has dipped below 12.5% - October's level. (USA Today)

Sports

*** Report: Levy to announce retirement Wed.

Marv Levy, who coached the Buffalo Bills to four straight Super Bowl appearances earlier this decade, reportedly will announce his retirement Wednesday. ESPN, citing sources in Buffalo, reported Tuesday night that Levy - the NFL's oldest coach at 72 - will make the announcement at a 3 p.m. ET news conference. Scott Berchtold, the Bills' director of media relations, said the team has no news conferences planned, adding, "There's no information to be released." Asked about reports that Levy will retire, he said, "There's no comment one way or another." According to ESPN, Bills owner Ralph Wilson is returning to Buffalo from Florida, where he is recuperating from back surgery. Wilson met with Levy last weekend and reportedly discussed an overhaul of the team's assistant coaches.

*** Half brother of Livan Hernandez defects from Cuba

Orlando Hernandez, the half brother of Florida Marlins pitcher Livan Hernandez, is among two baseball players being held in the Bahamas after defecting from Cuba. Juan Iglesias, Livan's agent, told USA Today that Orlando, a 28-year-old pitcher, was among eight individuals attempting to reach the United States from Cuba via a small raft but were forced to dock in the Bahamas due to mechanical difficulties. The group includes Alberto Hernandez, a former catcher on the Cuban national team who is not related to Livan or Orlando. Both Orlando and Alberto were suspended from baseball by the Cuban government for allegedly working with players' agents who helped other players defect. *** Also, Cuban baseballer could qualify to

enter U.S., see

<http://www.infobeat.com/stories/cgi/story.cgi?id=6712283-387>

*** Sun, Liberty bowls featured Wed.

Fiesta Bowl officials hoped to be ringing in the New Year tonight with Arizona State playing on its homefield at Sun Devil Stadium in Tempe. Arizona State will still be in action on New Year's Eve, but a stunning loss to Arizona in November cost the Sun Devils an alliance berth in the Fiesta Bowl along with an \$8.2 million payday. The 18th-ranked Sun Devils (8-3) instead are in El Paso, Texas, to face Iowa (7-4) in the Sun Bowl. The Fiesta Bowl's matchup has No. 9 Kansas State (10-1) playing No. 14 Syracuse (9-3) Wednesday night. Today's other bowl game is in Memphis, where Pittsburgh (6-5) meets 22nd-ranked Southern Mississippi (8-3) in the Liberty Bowl.

*** Flames' Peluso retires for medical reasons

Rugged winger Mike Peluso of the Calgary Flames announced his retirement Tuesday after more than eight seasons in the NHL, citing his vulnerability to a possible spinal cord injury. The Flames announced that Peluso was retiring for "medical reasons" and is suffering from spinal stenosis, a condition that would make him susceptible to injury. "I saw a couple of specialists and with the right hit on the ice I could be a quadriplegic," the 32-year-old Peluso told CQHR Radio in Calgary. "No one knows what kind of hit, but it's something we have to take into consideration."

Science and Medicine

*** New board to advise EU on ethics of biotechnology

A new international committee was set up Wednesday to advise the European Union on ethical questions raised by developments in biotechnology, science and new technology, according to the European Commission. The views of the new European Group on Ethics, Science and Biotechnology will help the European Commission - the EU's executive body - to draft new EU laws. The group of 12 lawyers, biologists and human science professors replaces the nine-member European Group on Ethics and Biotechnology set up in 1991. The issues include the cloning of animals or the genetic engineering of plants used for food. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6708128-7bc>

*** S. African, U.S. doctors separate Siamese twins

South African and U.S. surgeons completed a delicate 28-hour operation Wednesday to separate Zambian Siamese twins joined at the head. Professor Sam Mokgokong, one of the surgeons who helped to separate Luka and Joseph Banda at Pretoria's Ga-Rankuwa hospital, said it was the third operation of its kind in the country in the past decade. He said the team of 10 doctors began the operation

Tuesday and had separated the twin boys' brains by Wednesday morning.

The surgeons had to remove some shared bone. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6709082-734>

Technology

*** Appeals court grants Microsoft appeal hearing

A federal appeals court agreed Tuesday to give Microsoft Corp a quick hearing on its appeal of a preliminary injunction related to the combination of its Internet browser with its computer operating system software. The U.S. Court of Appeals for the District of Columbia agreed to the expedited hearing, setting up a new confrontation with the government early next year. The preliminary injunction, granted Dec. 11 by U.S. District Judge Thomas Penfield Jackson at the request of the Justice Department, prohibited Microsoft from forcing computer makers to include its Internet browser software, Internet Explorer, with its operating system software, Windows 95. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6698424-9ed>

*** Intel cuts price of Pentium II 33%

Intel Corp said that it cut the price of its entry-level Pentium II processor, to help rejuvenate interest in personal computer sales,

now that the holiday shopping season is over. Intel said that it cut the price of its entry-level 233 megahertz Pentium II to \$268 per processor, from \$401 previously, when purchased in quantities of 1,000. "It's happening now so it can start with the first quarter," an Intel spokesman said. "Typically, PC makers get strong sales over the holidays, then after the first of the year, you don't get as many sales." "We are trying to rejuvenate interest now rather than later in the quarter," the spokesman said. Santa Clara, Calif.-based Intel said that its next round of price cuts on will come in early February. This price cut went into effect on Sunday for computer manufacturers.

*** Microsoft buys Hotmail e-mail service

Microsoft Corp, beefing up its offerings on the Internet, said on Wednesday it bought e-mail service provider Hotmail Corp. for an undisclosed sum. Microsoft will make Hotmail a part of its Microsoft Network online service, offering free e-mail to all Internet users, the company said. The Hotmail acquisition "completes a strategy we've had for the past nine months to offer the key services that people want on the Internet," said Laura Jennings, vice president of Microsoft Network. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=6711127-f30>

*** Court denies Symantec request

Network Associates Inc., formerly McAfee Associates Inc., said

Tuesday it dropped its \$1 billion defamation lawsuit against rival software company Symantec Corp. Separately, a federal court last week rejected Symantec's request to stop shipments of McAfee PC Medic, a software product that Symantec says is based on stolen Symantec programming code. Network Associates and Symantec have been embroiled in lawsuits for the past year. Symantec, a publisher of utility software and network management programs, had accused Network Associates of stealing its software code and basing products on it. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6698592-5af>

Human Interest

*** Dog saves Belgian family from burning to death

A dog called Storm saved a Belgian family of six when their house burned down on Monday night, a newspaper reported on Wednesday. "I was woken up by the continuous barking of our dog...If Storm had not alarmed us, we may never have escaped the fire," Anja Avsec, the household's 15-year old daughter, told the daily Het Belang van Limburg. Neighbors in Zutendaal, eastern Belgium, have have set up a solidarity fund for the family, whose home was completely destroyed.

*** U.S. balloonist to make third try at world record

Adventurer Steve Fossett announced plans to lift off from a sports

stadium in St. Louis Wednesday night, his third try for one of aviation's most elusive records - a nonstop balloon trip around the world. Fossett plans to sail above Busch Stadium hoping to catch a favorable upper air jet stream that would push his towering balloon and small yellow gondola out over the Atlantic Ocean. The 53-year-old stock options broker already has come closer than anyone to the goal by setting records for time and distance in a balloon last January with a six-day, 10,000-mile trip from St. Louis to India. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6711226-864>

*** Tourists may explore the final frontier in 2001

For world travelers grown world weary, there is a fresh tourist buzz on the horizon: pay up, strap in, count down and blast off. Zegrahm Space Voyages, a division of Seattle-based adventure tour operator Zegrahm Expeditions, is taking reservations for what it bills as the world's first tourist space shot on Dec. 1, 2001. For only \$98,000, you can book your own recliner on the as-yet unbuilt Space Cruiser, a shuttle-like craft that will whisk travelers to the official "astronaut altitude" of 62 miles above sea-level. See <http://www.infobeat.com/stories/cgi/story.cgi?id=6710148-6d3>

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