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[White House News Reports - December 9 1994]

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All Day

Reporters may obtain copies of three specific policy packages to be presented to members if the Bipartisan Commission on Entitlement and Tax Reform by Sens. Kerrey and Danforth.

8:00 a.m. Hillary Rodham Clinton visits the Drew Elementary School. Miami.

8:30 a.m. The American Civic Forum, a confederation of community groups, holds a news conference to urge solutions to the nation's problems and to "stop the whining." It also announces the First Annual Award for Exemplary Civic Commitment to the 20,000 members of AmeriCorps. Guests include William Galston, Hall of the States, 444 North Capitol St., NW. The Award for Exemplary Civic Commitment will be presented between 5:30 p.m. and 7:00 p.m. at the Capitol Hilton.

9:30 a.m. Rep. Armey (R-Tex.) announces Republican committee assignments for the new Congress. He will be joined by Reps.-elect Weller (R-Ill.) and Bayh (R-Ind.). House Radio-TV Gallery.

Opponents of the staff report of the Commission on Entitlement and Tax Reform are available to reporters. They include AFL-CIO Secretary-Treasurer Thomas Donahue; Wade Henderson, head of the D.C. NAACP office; and former Social Security Commissioner Robert Ball. 311 CHOB.

9:45 a.m. Hillary Rodham Clinton visits the Jackson Memorial Hospital. Miami.

10:00 a.m. The Bipartisan Commission on Entitlement and Tax Reform meets. 210 CHOB.

10:00 a.m. The Federal Aviation Administration releases the air traffic control tapes of the accident involving USAir Flight 427 near Pittsburgh. Room 9ABC, FAA Headquarters, 800 Independence Ave., SW.

10:30 a.m. Sen. Lugar (R-Ind.), incoming chair of the Senate Agriculture Committee, discusses his plans and questions he will ask during hearings next year on the farm bill. 332 RSOB.

11:15 a.m. The Foreign Press Center sponsors a program with Dr. Joseph Janco, director of the Center for American-Eurasian Studies, and Andrei Kortunov, director of foreign affairs at the USA-Canada Institute in Moscow, who will discuss, "NATO, Bosnia and New Directions for U.S.-Russian Relations." Room 948, National Press Building.

11:30 a.m. Sen. Coverdell (R-Ga.) and State Sen. Ray Powers, National Chair of the American Legislative Exchange Council, hold a news conference to announce formation of a "Repeal Initiative" to lessen the burden of state and federal government on families, businesses and local communities. Capital Hilton.

11:30 a.m. Ambassador Malcolm Toon and General Volkogonov, co-chairs of the U.S.-Russia Joint Commission on POW-MIA, hold a press conference at the end of the commission's latest meeting.

12:00 noon The Vice President introduces the President, who will address the Summit of the Americas. Jackie Gleason Theater of the Performing Arts, Miami Beach. Live on C-SPAN.

1:15 p.m. Fed Board Governors' Lindsey gives a luncheon address on supply side economics before the American Legislative Exchange Council. Capital Hilton.

1:30 p.m. Thomas Hubbard, Assistant Secretary of State for East Asian and Pacific Affairs, gives a briefing on U.S.-North Korean talks on issues relating to the opening of liaison offices. State Department briefing room.

5:00 p.m. The President attends a private reception. Biltmore Hotel, Coral Gables.

7:45 p.m. The President makes remarks at a summit leaders' reception. Biltmore Clubhouse Ballroom.

8:30 p.m. Hillary Rodham Clinton attends the spouses dinner at the Summit of the Americas. Alhambra Ballroom, Biltmore Hotel.

8:45 p.m. The President attends a private dinner for summit leaders. Biltmore Hotel.
President Clinton will open the Summit of the Americas in Miami, today. When he arrived last night he told reporters that the summit will build on NAFTA and GATT...two major trade agreements that he has signed in the past year.

President Clinton is dealing with a problem thousands of miles away...Bosnia. He says U.S. forces WILL be made available there as ground troops, if needed to help get United Nations peacekeepers out.

The White House says President Clinton will convene a "national bipartisan working session on welfare reform" in January, bringing together local, state and federal officials.

White House chief of staff Leon Panetta made the announcement after Clinton met with several governors to discuss welfare reform and other issues.

A wind-whipped brush fire in Malibu closed Pacific Coast Highway and ignited frightful memories of last year's firestorm, but was confined to just 100 acres and spared homes.

The flames were virtually out by nightfall, but firefighters remained on the scene because of fears the gusty winds could restart the fire in an area where 350 homes were destroyed in the fall of 1993.

Colorado Democratic congresswoman Pat Schroeder has blasted the soon-to-be speaker of the house...for accepting free consulting services from a corporate psychotherapist.

A horror in China: more than 300 school children were burned to death and another 150 hurt when a fire engulfed a cinema where they were watching a song and dance performance.

Former First Lady Imelda Marcos will run for a seat in the Philippine Congress in next year's elections. An aide says the widow of late Philippine President Ferdinand Marcos is giving in to a public clamor for her to seek a congressional seat in her home province of Leyte.

By Shirley Smith (UPI)
ABC World News Tonight

1 Clinton Makes US Troops Available To Get UN Out Of Bosnia
   John McWethy Washington 2:25

2 Bosnian Govt. Says UN Evacuation Would Be Moral Fiasco
   Hillary Brown Sarajevo 1:30

3 Post Office Will Not Produce Stamp Depicting Atomic Bomb
   Peter Jennings New York 0:15

4 Medical Shots Given To Persian Gulf GIs Were Experimental
   George Strait Washington 2:05

5 Baseball's Strawberry Indicted; Didn't Reveal Autograph Money
   Aaron Brown New York 2:10

6 Macy's About To Come Out Of Bankruptcy
   Peter Jennings New York 0:15

7 Bad Brush Fire In California; Winds Make Fighting It Difficult
   Peter Jennings New York 0:20

8 Alternate Jurors Picked For The O.J. Simpson Trial
   Peter Jennings New York 0:20

9 Clinton Signs GATT Law, Leaves For Summit In Miami
   Peter Jennings New York 0:30

10 Clinton Invites GOP Leaders To Meeting On Welfare
   Peter Jennings New York 0:15

11 GOP Freshman Meet With Party Leaders To Get Advice
   John Cochran Baltimore 1:25

12 Sen. Gramm Says He Will Declare Himself Presidential Candidate
   Peter Jennings New York 0:15

13 Authorities Say Gunman Thought He Was Shooting At Clinton
   Peter Jennings New York 0:15

14 Brazilian Composer Jobim Dies
   Peter Jennings New York 0:15

15 Researchers Issue New, Simpler Ways To Beat Back Pain
   Tim Johnson no location 4:30

16 Anti-Reform Russian Ballet Company Confronts Yeltsin Govt.
   Jillian Findley Moscow 2:05

CBS Evening News

17 Cubans Riot In Panama And Escape; Most Recaptured
   Tom Brokaw New York 0:45

18 Clinton Says US Troops Would Help UN Evacuate Bosnia If Needed
   Rita Braver Washington 2:00

19 Serbs Release 55 UN Peacekeepers; Still Holding 300 Troops
   Connie Chung New York 0:30

20 Graphic Video Of Daily Tragic Occurrences In Sarajevo
   Mark Phillips Sarajevo 1:55

21 Cuban Refugees With Children May Get Freedom; Others Angry
   Diana Gonzalez Guantanamo Bay, Cuba 2:40

22 Clinton Heading To Miami For Summit Of The Americas
   Tom Brokaw New York 0:15

23 Dems Attack Gingrich, Say They Will Not Be Silent Minority
   Bob Schieffer Washington 1:55

24 Former Clinton Business Partner Is Target In Whitewater Probe
   Jim Stewart Washington 2:05

25 Report Says White House Gunman Mistook Visitor For Clinton
   Connie Chung New York 0:30

26 Drowsy Drivers Cause Many Accidents; Govt. Launches Campaign
   Jacqueline Adams New York 2:05

27 Jury Selection For Simpson Trial Completed
   Tom Brokaw New York 0:25

28 Baseball Star Strawberry Indicted On Tax Evasion Charges
   Tom Brokaw New York 0:25

29 US Infant Mortality At Record Low
   Connie Chung New York 0:15

30 Government Panel Issues New Guidelines For Back Pain
   Bob Arnot New York 2:05

31 Democratic Staffers Prepare To Lose Their Jobs
   Linda Douglass Washington 2:00
NBC Nightly News

32 US Offers To Help Evacuate UN Peacekeepers From Bosnia
Andrea Mitchell Washington 2:20

33 Serbs Release 55 Peacekeepers; UN Encouraged By Serb Behavior
Tom Aspell Sarajevo 1:30

34 About 1,000 Cubans Escape, Are Recaptured in Guantanamo
Tom Brokaw New York 0:30

35 Clinton Signs GATT Into Law
Tom Brokaw New York 0:15

36 White House Working On New Strategy; Focus Is On Middle Class
Jim Miklaszewski Washington 1:45

37 Postal Service To Redefine Controversial Hiroshima Stamp
Tom Brokaw New York 0:15

38 Brady Gun Law Probably Not In Danger From New GOP Majority
Pete Williams Washington 1:50

39 Gunman Thought He Was Shooting At Clinton, Say Authorities
Tom Brokaw New York 0:15

40 People With Back Problems Can Recover On Their Own, Study Says
Robert Bazell New York 1:50

41 Winds Whipping Up Fire In Malibu, California
Tom Brokaw New York 0:10

42 Alternate Juror Selection For OJ Simpson Trial Finished
Tom Brokaw New York 0:15

43 Baseball Star Daryl Strawberry And Agent Indicted
Tom Brokaw New York 0:15

44 Police Run Sting Operation, Shoot Video To Catch Car Thieves
Jim Cummins no location 1:50

45 Court Rules Arizona's English Law Unconstitutional
Tom Brokaw New York 0:15

46 Dog Used To Smuggle Drugs Becomes Drug Sniffing Dog
Tom Brokaw New York 0:15

47 UN Says 12 Nations Have Dangerous Germ Warfare Programs
Ed Rabel Washington 3:45

48 Brazilian Composer Jobim Dies At Age 67
Tom Brokaw New York 0:30 49

20-Year Old In Dead End Job Makes Movie About That
Sarah James Redbank, NJ 2:20

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25,000 U.S. TROOPS TO AID U.N. FORCE IF IT QITS BOSNIA

DANGER TO ALLIES CITED

 Americans Would Be Ready to Rescue Peacekeepers in the Balkans if Necessary

By DOUGLAS JEHL

WASHINGTON, Dec. 8 — President Clinton has decided to send as many as 25,000 United States troops to Bosnia to assist in the withdrawal of United Nations peacekeeping forces there if a pullout is ordered, senior Administration officials said today.

Until this week, Mr. Clinton had said he would send American forces to Bosnia only to enforce a peace agreement in the war-shattered country. But with a settlement appearing ever more unlikely and with Western European governments saying the peacekeepers' withdrawal may now be inevitable, the officials said the President believes that it is time to make clear that the United States would help in what would be an embarrassing retreat.

Mr. Clinton signed a memorandum Wednesday authorizing United States forces to take part in such an operation, and his deputies informed the alliance and Congressional leaders about it this morning.

"The President believes it is important that the United States, as a leader of NATO, be ready to assist our allies if their forces are in danger," the State Department spokeswoman, Christine Shelly, said. Under the White House plan, the American ground troops sent to Bosnia would take part only in rescue operations and would leave as soon as the withdrawal was completed.

In a maneuver that underlines the dangers facing foreign troops in Bosnia, Serbs have detained hundreds of United Nations peacekeepers in recent weeks to deter possible NATO air strikes. Today the Bosnian Serbs released 55 Canadians, but about 300 other peacekeepers remained in custody. [Page A12.]

In Congress, Republicans and some Democrats quickly expressed unease about the potential involvement of so many American troops in what could prove a dangerous situation. Senator Bob Dole of Kansas, the Republican leader, warned that Congress would support the mission only if American soldiers were in no way made subject to the United Nations military command, and said he hoped that American assistance "will not be necessary."

But after weeks in which frictions over Bosnia have caused deep strains between the United States and its NATO allies, Administration officials said Mr. Clinton was bound to honor an obligation that had become moral as well as strategic. "It is a test of solidarity," a senior Administration official said.

The Clinton Administration sought throughout the day to underscore its belief that a United Nations pullout now would be premature. Some advisers to Mr. Clinton even said they hoped his pledge might give Britain, France and other countries that have contributed to the United Nations force the confidence to keep their troops in place in Bosnia through the winter.

But as Defense Department officials described contingency planning today for assisting in a withdrawal, they spoke with resignation about what they called the formidable task of extracting 23,000 United Nations troops and thousands of tons of supplies from Bosnia in the midst of a civil war.

The officials emphasized that it was too soon to say how many troops would be needed for that mission. But they said Mr. Clinton's pledge meant that the United States would provide about half the overall NATO force protecting a withdrawal. In a worst-case scenario, they said, some 40,000 to 50,000 troops would be needed to carry out the withdrawal over several weeks.

Under such circumstances, senior Administration officials said, the United States force sent to Bosnia could include as many as five heavily armed Army brigades of 5,000 troops each and their tanks and armored vehicles from divisions in Europe and the United States.

The Bosnian Government and the Bosnian Serbs alike have said they would not impede a withdrawal by United Nations peacekeepers. But American military officials believe that those pledges may mean nothing if either side sees an advantage in maintaining a United Nations presence. Some United States officials fear that an effort to extract the 8,000 vehicles as well as munitions and weapons guarded by the United Nations could meet with opposition from Bosnian combatants who wanted to seize them.

While saying it was too soon to describe evacuation plans, some Administration officials said the American combat troops — who would be more heavily armed than the peacekeepers — would probably serve as a security force to keep harassers at bay. The tanks and other armored vehicles could guard long convoys that would carry United Nations troops and equipment out of Bosnia.

In addition to Britain and France, more than 15 countries have contributed soldiers to the 23,000-member United Nations peacekeeping force. France has been the most outspoken in urging the United Nations and NATO to develop plans to withdraw the force, and the alliance formally asked member nations on Wednesday how many troops they would contribute to such an operation.

Under current United Nations plans, the first of the United Nations troops to be withdrawn would be about 400 of the 1,200 Bangladeshi peacekeepers who are based in and near Bihac, the Muslim enclave in the northwestern corner of Bosnia where recent fighting between Bosnian Government forces and the Bosnian Serbs has been most severe.
WASHINGTON, Dec. 8 — House Republican leaders are preparing plans to abolish more than 100 social programs and replace them with grants to state governments, which would then have a virtual free hand in redesigning aid to the poor, although with substantially less money than the current programs provide.

The move would sweep away more than $60 billion in Federal programs that provide cash, food, job training, child care, foster care and other services. The amount spent by the Government in each category would be reduced, perhaps by as much as 20 percent, and the money would be handed over to the states with a few broad guidelines.

The strategy, which has not been overtly public but has been the subject of meetings among Republican lawmakers in recent weeks, goes well beyond the welfare cuts already outlined in the House Republicans’ campaign document, the “Contract With America.” It is being pushed hardest by Republicans who will assume the chairmanship of important House committees in the new Congress.

While the move is likely to meet considerable resistance, if enacted in full it would reverse a six-decade-old trend dating from the New Deal, in which power over social programs has been concentrating in Washington. It would leave the Federal Government less able to intervene in local affairs, and as a result less able to protect the neediest.

“We’re looking at everything,” Representative Bill Goodling of Pennsylvania, who as the next chairman of the House Education and Labor Committee will oversee a proposal to consolidate job training programs, said in an interview. “There’s no stone that will remain untouched.”

The bold talk coming from the newly powerful Republicans has left President Clinton on the defensive with regard to his own vision of welfare and other social programs. In one step to regain a leadership role, he met with a bipartisan group of 10 governors today and announced that he would convene a national conference on welfare policy next month.

Although his aides spent 17 months crafting an elaborate welfare-overhaul bill that was introduced in Congress earlier this year, Mr. Clinton himself made no mention of it today. Instead, he said, “Washington doesn’t have all the answers.”

The House Republicans’ enthusiasm for their block-grant strategy is likely to meet a respectful though more cautious reception from the new Republican majority in the Senate.

The strategy was the subject of a meeting here today among ranking Republicans in both houses of Congress; the Republican national chairman, Haley Barbour, and several influential Republican Governors, including John Engler of Michigan and William F. Weld of Massachusetts, as well as aides to Gov. Tommy Thompson, Republican of Wisconsin.

A jubilant Mr. Engler left the meeting with a prediction of “a revolutionary new form of relationship between the states and the Federal Government.” He said most of the nation’s governors would be willing to accept reduced financing “in order to gain freedom and flexibility.”

But a wholesale Government redesign is sure to be criticized by advocates for the poor as an abdication of Federal responsibility to protect them. Some of the largest programs, like Aid to Families With Dependent Children and food stamps, were established by laws guaranteeing benefits to anyone who meets qualifications.

Folding those programs into grants to the states would strip away their “entitlement” status, meaning that the states would provide benefits only until the money ran out. It is entirely possible that in economic downturns, when state revenue dwindles while the number of needy grows, some families would be left without food or a way to pay their rent.

“There is a great danger that a group in need of protection may be seriously underserved,” said Mark Greenberg, a lawyer with the Center on Law and Social Policy, a public interest legal group in Washington that specializes in antipoverty policy.

Mr. Greenberg added that even in prosperous times, states could choose to exercise their new flexibility by ignoring the most needy, who are more difficult and more expensive to serve. Job-training money, for instance, might be redirected from ghetto youths toward unemployed mid-career workers. Policy experts of both parties have long lamented the fragmented nature of Federal programs that seek similar goals but are characterized by conflicting rules and deadlines. Congress’s auditing and investigative arm, the General Accounting Office, has counted more than 150 Federal programs to provide job training, and there are dozens of others that provide child care or nutrition.

Efforts at consolidation have typically run into opposition, however, not only from interest groups that benefit from a particular program but also from important legislators, who take pride of authorship in such programs. The creator of a food program for the elderly, for instance, may not want to leave states free to spend the same money on infants.

Some of those legislative obstacles may be removed by the change in majority control of Congress and the resulting shake-up of the committee structure by the Republicans, whose strategy calls not just for consolidation but also for major cuts in overall spending.

“If you consolidate properly, you probably could cut 20 percent and have enhanced services,” said Mr. Goodling, the chairman-in-waiting of the Education and Labor Committee.

But Representative E. Clay Shaw Jr. of Florida, who will become chairman of the House Ways and Means subcommittee responsible for welfare reform, predicted more modest reductions. “Today we were talking about like 10 percent,” he said.

Governor Thompson, meanwhile, warned against overly optimistic savings estimates. “The block grant should not be cut too much at the beginning,” he said. “It’s usually more expensive at the beginning, and the savings come on the back end.”

Beyond the extent of reductions, a number of questions remain, including which programs would be consolidated into block grants and how much latitude states would have in administering them.

Mr. Shaw said that although Representative Newt Gingrich, the next House Speaker, was not at today’s meeting, he had agreed to the strategy in principle. “News is fully behind our efforts,” Mr. Shaw said.

Continued From Page A1

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THE NEW YORK TIMES, FRIDAY, DECEMBER 9, 1994
CUBAN REFUGEES
RIOT IN PANAMA

120 U.S. Soldiers Are Hurt in Melee at Detention Camp

By ERIC SCHMITT
Special to The New York Times

WASHINGTON, Dec. 8 — As many as 1,000 Cuban refugees stormed out of a detention camp in Panama today, injuring 120 American soldiers in a daylong melee before order was restored, military officials said tonight.

Most of the Americans suffered minor bruises and scrapes from rocks, bottles and bricks thrown by angry refugees. But 18 soldiers were hospitalized, including one with a serious head injury and another with a dislocated shoulder, said William Ormsbee, a spokesman for the United States Southern Command in Panama. About a dozen Cubans were hospitalized, Mr. Ormsbee said.

More than 600 American troops were rushed in to help 530 soldiers at the camp quell the violence and help capture the escaped Cubans, some of whom tried to swim across the Panama Canal.

Today's disorder erupted less than 24 hours after 200 Cubans in the same camp commandeered a civilian food truck, broke through the gates of their camp and shattered windshields on three military vehicles. About 40 American troops securing the camp suffered minor injuries in a 30-minute scuffle before the military authorities persuaded the refugees to return to the camp.

The two incidents together reflect the rising tensions among the 8,600 Cubans who have been held in a diplomatic limbo in Panama since early September. In addition, 22,000 Cubans are under guard at the United States naval base in Guantanamo Bay, Cuba.

The refugees in Panama are among the thousands of boat people who fled last summer but were denied direct entry to the United States. When the United States ran out of room to house them at Guantanamo, Panama agreed to take some in, but under American control.

Military officials and refugee advocates said the Cubans were angry over the uncertainty surrounding a decision by the Clinton Administration last Friday to grant entry to the United States for Cuban families in the camps.

Administration officials insist that only the neediest children and their parents will be admitted, but some Cuban refugee groups expect most families to win entry.

"This is indicative of the frustration that the camp residents are feeling, not about conditions in camp, but about the political situation they find themselves in," said Bill Frelick, a policy analyst at the U.S. Committee for Refugees, who visited the Panama camps in October.

Details were still incomplete tonight but the military authorities said the chain of events started at about 5 P.M. on Wednesday when 500 Cubans in one of four refugee camps began hurling rocks at the unarmed United States troops outside.

About 200 Cubans seized the food truck and crashed through the gates of the 8-foot-high fence, which is topped by barbed wire. Once outside, the Cubans smashed the windows of two utility vehicles and a van, and demanded to speak to United States Embassy officials.

Camp authorities blocked the group's advance and promised to consider the refugees' grievances. The coaxing eventually persuaded the Cubans to go back to the camp, the military authorities said.

But this morning at about 9 A.M., military officials said, about 200 Cubans began building a barricade near the camp's entrance. Before long, however, more than 1,000 Cubans had fled out the gates that had not yet been fully repaired from the previous night's damage.

Troops used tear gas to control the rioting, and the military set up roadblocks to search for more than 100 refugees who were still at large tonight, the Associated Press in Panama City reported.
U.S. and Ukraine Cooperate
To Destroy Nuclear Arsenal

By JANE PERLEZ
Special to The New York Times

DNEPROPETROVSK, Ukraine—In the heart of one of the former Soviet Union's largest missile factories, rocket scientists who once built nuclear weapons aimed at the United States are destroying them with the help of Americans.

In the main building, a dilapidated brick structure where the portraits of pioneering Soviet space scientists hang like solemn deities, American defense contractors are working alongside Ukrainian engineers to build a new plant that will vaporize the last drops of nuclear fuel from SS-19 missiles.

What American officials are calling unprecedented cooperation at the Yuzhmash plant is the result of nearly three years of coaxing by Washington to persuade Ukraine, the world's third largest nuclear power, to give up its weapons.

The Ukrainian Parliament overwhelmingly approved the country's accession to the Nuclear Nonproliferation Treaty in mid-November after a stirring speech by President Leonid D. Kuchma, a rocket engineer who used to be the top manager of the Yuzhmash plant. The vote opened the way for Ukraine to formally renounce its nuclear status at a December meeting in Budapest of the Conference on Security and Cooperation in Europe.

Here at the factory 250 miles southeast of Kiev, 60-foot aluminum shells from seven SS-19 rockets now lie on their sides like giant empty caskets in a desolate weed-strewn yard. Hauled here by train from a missile site, they will be the first of 130 SS-19's to be cut up when the completed plant starts up next year.

One's life work ends up on the chopping block is hard for men like Gennadi V. Shevchenko, a ruddy-faced 57-year-old specialist who toiled for years in top secrecy over rocket engines and satellite systems.

"As an engineer I feel sorrow," Mr. Shevchenko said. "A lot of brains, a lot of ideas, a lot of life was put into this. Destroying this is like cutting your heart."

But then he added, "As a citizen I understand."

John Connell, who is in charge of strategic arms elimination at Washington's Defense Nuclear Agency, has come to know his Ukrainian counterparts in meetings and over dinners. He said there was initial hesitation on both sides, but now the program had evolved into a stark illustration of the changing relationships in the post-cold-war era.

"We are as surprised as they are at how things are moving very quickly to a new world," Mr. Connell said; "Everyone was a little bit wary at first. But we're developing a good sense of bonding."

Ukraine, Washington and Moscow reached an agreement in January that allowed for the dismantling of Ukraine's 176 intercontinental ballistic missiles ahead of Kiev's formal ratification of the nonproliferation treaty. The missiles -- 130 SS-19's and 46 SS-24's -- carried about 1,800 nuclear warheads altogether.

So far, the Ukrainians have rejected this solution because they want to find an industrial use for it. A senior Pentagon official said the work at Yuzhmash marked the first time Washington had contracted with a military plant in the former Soviet Union to destroy nuclear weapons.

The official said the Pentagon chose the Ukrainian plant (Yuzhmash is an acronym for Southern Machine-Building Factory) over an American contractor because its on-site presence would make the work go faster and because of Yuzhmash's experience with handling Ukrainian toxic rocket fuel. The fact that 60 percent of the Soviet Union's strategic missiles.

"It has been a pleasant and productive collaboration," the official said.

After shutting back and forth between Yuzhmash and Washington, American defense experts and Vladimir I. Sokol, the deputy of the Yuzhnoye Design Office, agreed on the techniques to be used in destroying the fuel. Five engineers from Morrison-Knudson, an Idaho-based contractor, were assigned to work alongside the Ukrainians.

The two teams are now ready to start on the renovation of the building, which is littered with junk metal. The shells of the rockets, which were drained of their fuel at missile sites before being transported here, will be lifted by crane into a huge chamber to be constructed inside the building. A steam process will separate the remnants of the fuels -- heptyl and amyl -- from the metal, allowing this incinerating residue to be incinerated and the remaining water to be purified.

"It's a bit like a perfume bottle; you empty it, but the scent still lingers," Mr. Shevchenko said, describing how residual toxic fuel clings to the shells even after they've been emptied.

Once the toxic substances are removed from the metal, the shells will then be cut into pieces by American experts, leaving cylinders that can be re-used as fertilizer containers, agricultural silos or fuel tanks.

"At the end you get clean water and clean rocket and all can be deployed for civilian uses," said Mr. Shevchenko.

American officials said disagreements remained over what to do with the drained fuel and on how the SS-24 solid-fuel rockets should be destroyed.

The Pentagon believes the Ukrainian SS-19 rocket fuel, until recently stored in old railway cars, is too toxic that it should be destroyed by incineration. So far the Ukrainians have rejected this solution because they want to find an industrial use for it. A few months ago, they threatened to slow down the dismantling of the warheads from the missiles because they said they had no safe place to store the fuel.
Neighbors Anyone Would Want, And Most Wanted by F.B.I., Too

BY JOHN KIFNER
Special to The New York Times

PITTSBURGH, Dec. 8 — The man who called himself Greg Peters and the woman known as Jo Elliott went to some of their friends and neighbors a week ago, people they knew from cookouts, favors done and re­paid, Halloween trick-or-treating with their children, and said there was something they just had to tell them.

They were on Federal Bureau of Investigation's "10 Most Wanted List.

In reality, they were Claude Daniel Marks, 45, and Donna Jean Willmott, 46, who lived near each other in the Squirrel Hill neighborhood. They had been in hiding for nine years from Federal charges that they were part of a plot to blow up the maximum security prison in Lebanon, Kan., land a helicopter in the confusion and spring a leader of a Puerto Rican nationalist group known as the F.A.L.N.

"Terrorists," the wanted posters say in big letters, "Do not approach armed and dangerous."

Neighbors on two quiet middle­class streets of Squirrel Hill have been stunned by the news that the people they knew as doing parents, helpful friends and community vol­unteers had turned themselves in on Tuesday to the Federal authorities.

"We were stunned, totally," said Janine Stern, when Mr. Marks told her and her husband, "It was very difficult to digest."

"We wondered what could be so serious," he said just starting telling us, "I've been on the run, living under an assumed name," said Mrs. Stern, an artist who lived across the street from the modern house at 2309 Sherbrook Street where Mr. Marks lived with his wife, Diana Block, known here as Pat Hoffman, and their children, Tony, 9, and Leslie, 6.

"We were weighed down by the news. We just didn't allow a lot of things you would read or see in a movie. When I looked at him, he was just a normal guy, I knew, not this Claude Marks."

Fred Orlansky and Liz Evans were stunned, too. They live a few doors up from the apartment Donna Willmott rented at 914 Kennebec Street, a tiny red-haired woman who answered phones at the AIDS information service for the mentally impaired.

"They were very nice neighbors, caring and compassionate," said Mr. Orlansky, who said the couple count­ed themselves the family's best friends on the street. "If you picked anyone on the street you would think was a former terrorist, they'd be right at the bottom of the list."

Liz Evans remembered how the woman she knew as Jo Elliott fixed her chicken noodle soup when she was sick. She recalled "the whole time, she fed me, held my hand, she was there."

The woman's life, Mrs. Evans said, seemed to re­volve around her daughter, Zoe, 4. She never failed to knock on doors along Kennebec Street asking, neighbors said, whether "the Greg that I knew, not this man, is inside."

Mr. Marks was found near Boston, where he had been in hiding since 1985, while the woman was in Chicago, where they had dyed their hair to escape charges involving the report­er's flag and helicopter plot.

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U.S. Investigates Newark Group As a Possible Political Slush Fund

By CLIFFORD J. LEVY
Special to The New York Times

NEWARK, Dec. 7 — Almost every week now, another Newark official or agency receives a subpoena arising from a Federal investigation into municipal corruption. But prosecutors are not only rooting around City Hall. Some of their most valuable pieces of evidence may actually tie lie a few miles away, at the storefront office of a private fund-raising group founded by Mayor Sharpe James.

Since Mr. James was first elected Mayor in 1986, between $3 million and $4 million has been deposited into the bank account of the group, the Sharpe James Civic Association, much of it raised from companies and people doing business with the city, senior law-enforcement officials said.

What happened to that money after it was deposited is not entirely clear and is now the subject of an investigation by the United States Attorney's office. Mr. James said the money was spent only on his election campaigns and charity. But he never registered the civic association as a political action committee or as a charity with state agencies, refuses to make its records public and will not give a full accounting of how the money was raised or spent.

Prosecutors are examining whether Mr. James illegally used some of the civic association's money for personal expenses and to buy real estate and boats, including a $500,000 beach house and a $175,000 yacht, officials have long tried to bolster their support with state agencies, refuses to make its records public and will not give a full accounting of how the money was raised or spent.

Prosecutors are examining whether Mr. James illegally used some of the civic association's money for personal expenses and to buy real estate and boats, including a $500,000 beach house and a $175,000 yacht, and whether the association was used to buy his property because he was a frugal and shrewd real-estate investor. And he said he was being treated unfairly by reporters because he is black. "If an African-American owns a boat and owns a house, and he is in political office, you assume that he had to steal to get that," he said. "That is the tragedy of the out-of-context, biased press."

Mr. James is not only facing the grand jury investigation. He is also being sued in Federal court in Newark by a former bodyguard, Mr. Chertoff, who stepped down as United States Attorney in Newark in May, has also gained national attention as president of the National League of Cities.

Mr. James said he agreed to discuss the inquiry for the first time this week but said that he maintained were distortions of his financial transactions. But after giving several inter¬ views over the last month, Mr. James said on Wednesday that he would no longer dis­ cuss the investigation. He said he had be¬ come angered by newspaper articles about him and by television reporters following him down the hallways of City Hall.

In the interviews, Mr. James presented souvenir programs, newspaper clippings and letters from residents to document what he said were the hundreds of thou­sands of dollars in charitable work that his civic association had done in Newark.

He said he had sponsored picnics and trips to the Hamals, taken the delivery to base¬ ball games and started a much-praised ten¬ nis program for youths. And he noted that some of the money deposited to the civic association's bank account had been collected as fees for these activities and was quickly spent.

Mr. James said he was proud of his civic association, but he depicted it as largely independent of him, insisting that he made few of its decisions. "I don't know if there were any personal benefit from it."

Mr. James also said he would furnish a list of five people, including a City Council member, who attended the first meeting of the civic association.

A Mayor's Money

A special report.

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The associations have rarely registered with the government agencies that are supposed to monitor them or make public records that detail how their money was raised or spent. In recent years, the associations have become increasingly entangled in corruption.

Five members of the nine-member Newark City Council in office in 1993 have been indicted on charges of misusing their associations' or similar entities. One councilwoman, Marie Villani, pleaded guilty to using such funds to pay for personal expenses. Two others have been convicted and sentenced to probation for misuse of funds.

But Mr. James has not been charged with any wrongdoing and he said he was cooperating.

"My general observation over the years is that these civic associations can be breeding grounds for corrupt activity because they involve activities that are not regulated," said Michael Chertoff, who stepped down as United States Attorney in Newark in May and has no role in the inquiry.

In the course of the investigation, the Sharpe James Civic Association, by far the wealthiest civic association in all of Newark, such unregu¬ lated money also seems to have flowed to Mr. James's political action campaign.

If the $3 million to $4 million that prosecutors say the civic association had never broken the law and that he had never received any personal benefit from it.

On Wednesday, Mr. James reluctantly agreed to discuss the inquiry for the first time to clear up what he said were the hundreds of thou­sands of dollars in charitable work that his civic association had done in Newark.

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Mr. James said that investigators who were poring over his personal finances would find nothing illegal or unethical. Reporters who have been questioning him should realize that he is a self-made man who cares deeply about his city, he said.

"All too often the only news that people want to carry about Newark tends to be overshadowed by an overzealous press that attempts to pawns the city and its leadership in a bad light," he said.
On Eve of Miami Summit Talks, U.S. Comes Under Fire

By JAMES BROOKE Special to The New York Times

MIAMI, Dec. 8 — As they began arriving here today for a huge summit meeting, President Clinton and other Latin American leaders were no doubt relieved that negotiators had resolved a series of sharp disagreements over how quickly to establish a vast liberalized trade zone in the Western Hemisphere.

But despite a generalized agreement about the desirability of lowering barriers to trade, which is to be the centerpiece of the first Western Hemisphere summit meeting since 1967, there were plenty of signs already that Latin American officials remain skeptical of United States intentions on trade.

Only after heavy Latin pressure, for example, did the United States agree to set a date for concluding talks for a free trade pact for the Americas — and the date was 2005, well into the future. In addition, the target was for finishing the talks, not for actually lowering the trade barriers themselves.

For years, Washington has lured Latin American countries to open their markets to American products and capital in the hope that they would, in the last decade, Latin American nations have slashed trade barriers and made the region the fastest growing United States export market in the world.

It used to be that Latin American leaders were wary of Yankee free traders. Today they suspect that it is the United States that is losing its historical free trade zeal and is more interested in protecting its own markets from such imports as Costa Rican garments, Colombian flowers, Argentine steel and Brazilian orange juice and shoes.

"Instead of signing a declaration of generalities, we should be setting a date to start the hemispheric free trade zone," said Bolivia's American-educated President, Gonzalo Sanchez de Lozada.

American policy is crucial to Latin America because, with the exception of Cuba, the United States is the largest trading partner for every nation in the area.

American companies have doubled sales in a decade, making Latin America the only region where the United States enjoys a trade surplus. By the end of the 1990's, the United States expects to export more to Mexico, Japan and more to Latin America than to Western Europe.

But the opening has exacted a price. In two years, the region's global trade deficit has doubled to $20 billion. Latin leaders complain that the Clinton Administration is dragging its feet in opening United States markets in keeping with its pronouncements in favor of free trade zones.

"The Latin leaders feel in a way that they have been double-crossed," said Christian Edwards, a Chilean economist who is the World Bank's chief economist for Latin America. "The trade liberalization has been the most amicable in history. But these guys opened up in exchange for nothing."

Clinton Administration officials retort that few issues have drawn the President's attention as free trade. In the last year, he has won Congressional approval of the vast global trade pact known as GATT and of the North America Free Trade Agreement with Mexico and Canada, and has set a goal of a free trade zone in the Asia-Pacific region by the year 2020.

This weekend, Mr. Clinton and 33 leaders of the region are to issue a declaration resolving "to begin immediately to construct the 'Free Trade Area of the Americas' in which barriers to trade and investment will be progressively eliminated."

"Looking at the open-ended timetable, some Latin Americans joke, 'Engaged — without a date for the wedding.'"

This week, economists reported the impact of Latin America's largest free trade zone, with 80 percent over the last decade. In November, Brazil recorded a trade deficit of imports over exports of $600 million, its first monthly trade deficit since 1987. In the first nine months of 1994, Argentina's trade deficit hit $4.3 billion, more than double last year's level.

On the defensive, Clinton Administration officials say they have not been haggling over trade. "From the U.S. side, we feel that we opened unilaterally a long time ago," said Robert E. Garten, Under Secretary of Commerce for International Trade, said in an interview. "The U.S. is by far the most open economy in the hemisphere."

Without waiting for the United States, Latin America's free traders have been so zealous that some say that New Year's Day could be renamed Latin America Free Trade Day.

Starting Jan. 1, trade is to be duty free for 90 percent of commerce among Brazil, Argentina, Uruguay and Paraguay. Known as Mercosur in Spanish, this Common Market of the south covers two-thirds of South America's economic activity. For most of the other third of South America — the Andean nations of Venezuela, Colombia, Ecuador, Peru and Bolivia — Jan. 1 marks the start of a common external tariffs, ranging from 5 to 20 percent.

Inside the pact, trade is already largely duty free. Jan. 1 also marks the start of a third free trade group — Mexico, Colombia and Venezuela. Known as the Group of Thrice, this group will erase all tariffs and quotas over the next decade.

By next June, Latin diplomats plan to wind up talks for fusing the Southern Cone and Andean groups, creating a South America trade zone. By the end of the next year, Mercosur and the European Union are to start formal talks on a trade liberalization pact.

"Converts often have more passion in any religion," said Elliott Abrams, who served as the top State Department official for Latin America in the Reagan years. "The Latin Americans are going gangbusters on free trade. There has not been one step back."

Last year, Vice President Albert Gore announced the Miami summit meeting in the heady days following United States Senate ratification of the free trade treaty with Mexico. But, critics charge, a year has seen the Administration retreat into generalities.

No rules have been drawn up on joining the Nafta club. Sensing protectionist winds in Congress, the Administration withdrew legislation to give the President fast-track authority to negotiate free trade agreements and legislation to extend Nafta trade benefits to 15 Caribbean countries.

"It's up to the United States to set the rules of Nafta accession," said Peter Hakim, president of the Inter-American Dialogue, a Washington-based policy forum on hemispheric relations. "Without a date, it's flat.

This Sunday, Mr. Clinton is expected to invite Chile to start negotiations about joining Nafta.

So far, for the Latins, the primary benefits of their trade openings have been more efficient economies and a boom in intra-regional trade. Growing twice as fast as Latin exports to the United States, intra-Latin trade has tripled, growing from 10 percent of regional trade a decade ago to 25 percent today.

In an odd convergence of interests, American protectionists play into the hands of Brazilian manufacturer.

With Latin America's largest manufacturing base, Brazil wants to emerge as a kind of queen bee of a South American free trade zone. This year, for the first time, Brazil is exporting more to Latin America than to the United States. Eighty percent of Brazil's exports to Latin America are manufactured.

Profiting from shorter shipping distances and shorter letters of credit, Brazilian manufacturers believe that delays in expanding Nafta will give them more time to establish supply lines, credit and consumer loyalties throughout South America.
IN THE REGION

Trade in the Americas: Adding It Up

All the countries in the Americas, except Cuba, will attend the Conference of Americas today.

Trade between Latin America and the United States

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of all exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>80%</td>
</tr>
<tr>
<td>91</td>
<td>60%</td>
</tr>
<tr>
<td>92</td>
<td>40%</td>
</tr>
<tr>
<td>93</td>
<td>20%</td>
</tr>
</tbody>
</table>

Exports to the United States as a percentage of all exports

- Mexico: 78%
- Venezuela: 47%
- Colombia: 41%
- Peru: 21%
- Brazil: 21%
- Chile: 17%
- Argentina: 9%

Trade within Latin America

$100 billion

Trade agreements among countries, with the latest economic and population available.

**NAFTA**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$5,905.0</td>
</tr>
<tr>
<td>Canada</td>
<td>566.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>295.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$6,766.0</td>
</tr>
</tbody>
</table>

Effective 1993. Aims to eliminate trade barriers.

**GROUP OF THREE**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>$295.0</td>
</tr>
<tr>
<td>Venezuela</td>
<td>59.0</td>
</tr>
<tr>
<td>Colombia</td>
<td>45.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$399.0</td>
</tr>
</tbody>
</table>

Effective 1995. Aims to phase out trade barriers in a decade.

**CARICOM**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>$5.0</td>
</tr>
<tr>
<td>Jamaica</td>
<td>3.2</td>
</tr>
<tr>
<td>Suriname</td>
<td>1.7</td>
</tr>
<tr>
<td>Others</td>
<td>3.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$13.2</td>
</tr>
</tbody>
</table>

Effective 1975. Aims to remove external tariffs on imports.

**ANDEAN PACT**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela</td>
<td>$59.0</td>
</tr>
<tr>
<td>Colombia</td>
<td>45.0</td>
</tr>
<tr>
<td>Peru</td>
<td>21.3</td>
</tr>
<tr>
<td>Ecuador</td>
<td>11.8</td>
</tr>
<tr>
<td>Bolivia</td>
<td>5.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$142.2</td>
</tr>
</tbody>
</table>

Starting in 1995, this duty-free zone will become a customs union, with uniform tariffs for imports.

**CENTRAL AMERICAN COMMON MARKET**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guatemala</td>
<td>$9.5</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>6.3</td>
</tr>
<tr>
<td>El Salvador</td>
<td>6.3</td>
</tr>
<tr>
<td>Honduras</td>
<td>3.1</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>1.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$26.5</td>
</tr>
</tbody>
</table>

Effective 1960. Aims to eliminate regional tariffs and establish a common external tariff.

**MERCOSUR**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$425.4</td>
</tr>
<tr>
<td>Argentina</td>
<td>200.3</td>
</tr>
<tr>
<td>Uruguay</td>
<td>10.4</td>
</tr>
<tr>
<td>Paraguay</td>
<td>6.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$642.1</td>
</tr>
</tbody>
</table>

Effective 1995. Aims to establish duty-free trade for 90 percent of goods and phase out tariffs for the remaining 10 percent over the next decade.

Source: United States Department of Commerce, United Nations Economic Commission for Latin America and the Caribbean, Central Intelligence Agency; World Bank.

The New York Times
Top Democrat Seeks Outsider For Ethics Inquiry on Gingrich

By STEPHEN ENGELBERG
Special to The New York Times
WASHINGTON, Dec. 8 — A leading House Democrat called for the appointment of an outside counsel today to investigate an ethics complaint against Newt Gingrich, who is about to become House Speaker.

Representative David E. Bonior of Michigan said Mr. Gingrich should also recuse himself from picking members of the ethics committee that will hear the case.

Mr. Gingrich has called the charges "nonsensical" and "outrageous."

His spokesman, Tony Blankley, said today that the suggestion of an outside counsel was "ill-considered," and he predicted the sitting ethics committee would "favorably complete its deliberations" before Mr. Gingrich will take office as Speaker in January.

The ethics charges stem from a college course Mr. Gingrich taught by satellite to classrooms across the country, first from Kennesaw State College and, later, Reinhardt College, both in Georgia.

It was under-written, in part, by corporate donations to two tax-exempt foundations.

Mr. Bonior contended that Mr. Gingrich used his Congressional staff and office supplies to develop and promote the lectures, a violation of a House rule. He also charged that the foundations had violated Internal Revenue Service rules that forbid partisan activity by tax-exempt groups.

Mr. Bonior renewed his calls for Mr. Gingrich to reveal the names of past donors to Gopac, his political action committee.

If Mr. Gingrich has nothing to hide, he will have nothing to fear from this investigation," Representative Bonior said.

The House Committee on Standards of Official Conduct, as it is formally called, has hired outside lawyers in controversial cases, including the one that toppled House Speaker Jim Wright.

Mr. Gingrich was instrumental in bringing the Wright case.

Today, the Chicago lawyer who investigated Mr. Wright, Richard Phelan, called on Mr. Gingrich to support appointment of an outside counsel.

To do otherwise, he wrote, would be an obvious conflict of interest that would leave Mr. Gingrich looking like "an ethical hypocrite."

Mr. Bonior himself did not appear to have researched all of his charges thoroughly.

At a news conference today, he brandedish a July 1, 1993, letter from Richard B. Berman, executive director of a Washington-based group called the Economic Policy Institute, which contributed $25,000 to underwrite Mr. Gingrich's appearance at a subcommittee hearing on drunk driving.

Gingrich, Now a Round Peg, Hopes to Smooth the Edges

By MAUREEN DOWD
Special to The New York Times
WASHINGTON, Dec. 8 — Representative Newt Gingrich said today that he was still struggling to get the barbed side of his personality under control so he could behave in a way that he felt was more appropriate to his new role as House Speaker.

"Either I have to close down that part of my personality or I've got to learn to be more careful, more specific, about what I say," Mr. Gingrich said at a breakfast with reporters.

"I would agree that in the last four weeks I have answered questions that I'd have been better off sidestepping," he added. Then, referring to statements he made about President Clinton, he said, "I don't think you should ever pick a fight, if it's avoidable," a sometime "revolutionary" saying.

passed in the first month of the new Congress.

"I think there's a big zone here where you can have a New Democrat-D.L.C.-Republican coalition passing a lot of very, very interesting and positive things," he said.

Mr. Gingrich did not apologize for contentious comments that have angered White House officials. But he did note that his remarks last Sunday on the NBC News program "Meet the Press," about his charge that a law-enforcement official had told him that 25 per cent of the White House staff had used drugs in the last four or five years before coming to White House, "had a larger effect than 1 in 100." He also noted that there were no White House staff and office supplies to develop and promote the lectures, a violation of a House rule. He also charged that the foundations had violated Internal Revenue Service rules that forbid partisan activity by tax-exempt groups.

Mr. Bonior renewed his calls for Mr. Gingrich to reveal the names of past donors to Gopac, his political action committee.

Mr. Gingrich said that Americans want "a government that actually gets together and gets in a huddle and has a game plan," adding: "I think that's what people want. I think what they don't want is a bunch of very well-meaning and sincere people who can't even call the huddle.

"No one wants a dictatorship. But they do want some ability to have a quarterback to get together the whole group and to say which plays we are going to run and everybody agrees, and then actually run the plays." He also spoke of himself as a player coach," he concluded.

The crime here is that I save 39 cents and penciled one note on top of another," Mr. Berman said. "Anybody who understands this town understands that people do not pay $25,000 to appear at a subcommittee hearing on drunk driving."

THE NEW YORK TIMES, FRIDAY, DECEMBER 9, 1994
Plans to Trim Government Reach Deep Into Benefits

Panel’s Ideas Seem Sure to Face Opposition

By ROBERT PEAR

WASHINGTON, Dec. 7 — Leaders of a Federal panel studying the cost of Government benefit programs have suggested far-reaching changes, including an increase in the age at which people qualify for Social Security and Medicare, reductions in Social Security payments to affluent people and new limits on tax deductions for the wealthy.

These and other options are to be discussed at a meeting of the panel on Friday. The panel, created by President Clinton in November 1993, is headed by Senators Bob Kerrey, Democrat of Nebraska, and John C. Danforth, Republican of Missouri.

The proposals are not intended to balance the Federal budget, but seek to hold the budget deficit to its current share of the nation’s economic output, 2.3 percent, through the year 2030.

Mr. Kerrey, the chairman of the commission, and Mr. Danforth, the vice chairman, are trying to muster support for their ideas among the other 30 members of the panel. The proposed changes are so broad and so politically explosive that the Senate and House appear unlikely to win support for many elements.

Clinton Administration officials have been briefed on the proposals. Without endorsing any specific option, Mr. Clinton’s budget director, Alice M. Rivlin, said today: “The Kerrey commission is playing an extremely useful role. It’s focusing attention on the big problems of the next century.”

The panel, the Bipartisan Commission on Entitlement and Tax Reform, will submit its final report to the President and Congress by the end of this month, just in time to influence deliberations in the next Congress, which convenes on Jan. 4.

Mr. Clinton and Republican leaders of Congress have said they will not touch Social Security next year, though many experts say some changes are needed to shore up the finances of the program over the next 35 years. Robert E. Denham, the chairman of Salomon Inc., who is a member of the commission, said the necessary changes would be far more painful if Congress deferred action.

Twenty percent of the proposed reductions in the Federal budget deficit would be achieved through cuts in the growth of Federal spending. The remainder would come from higher taxes.

To make the plan politically palatable, Mr. Kerrey and Mr. Danforth propose cutting the pensions for members of Congress by 40 percent. The commission includes five people who are retiring from Congress, so this proposal may encounter opposition.

The plan also includes these options, for which Mr. Kerrey and Mr. Danforth are seeking support:

• Gradually increase the age at which workers may qualify for Social Security and may retire with full Social Security benefits.

• Establish a test of financial need for all Government benefit programs except Social Security and Medicare. This could reduce farm subsidies, unemployment compensation and some veterans’ benefits for recipients with high incomes.

• Impose new limits on the value of itemized tax deductions that may be taken by people in the higher income brackets. This would raise taxes for couples with incomes exceeding $92,000 a year.

Another proposal would let workers take part of their current payroll taxes and invest it in a private retirement plan. These people, presumably those with average and above-average incomes, would receive lower Social Security benefits in the future, reducing outlays from the Social Security trust fund.

The panel said that Government benefits like Social Security, Medicare, Medicaid and food stamps now accounted for 47 percent of all Federal spending and would account for 56 percent in the year 2003. These figures do not include interest on the Federal debt, an irrevocable commitment that accounts for 14 percent of all Federal spending.

Commission members generally praised Mr. Kerrey for his efforts. One, Thomas J. Downey, a former Democratic Representative from Long Island, said, “Kerrey should be given credit for reaching out and offering some bold initiatives.”

Mr. Danforth is ideological about this. “There’s a bottom-line result they want, and there are several ways of getting there,” Mr. Peterson, who was Commerce Secretary in the Nixon Administration and is now chairman of the Blackstone Group, an investment bank, said he supported most of the proposals favored by Mr. Kerrey and Mr. Danforth.

Another member of the panel, Robert Greenstein of the Center on Budget and Policy Priorities, an expert on antipoverty programs, said, “The package as a whole includes so many controversial elements that I doubt you could get a majority for it on the commission.”

But many of the proposals are worthwhile, Mr. Greenstein said, adding, “It’s not an all-or-nothing proposition.”

Mr. Kerrey’s recommendations on Social Security are similar to those made in April by Representative Dan Rostenkowski, an Illinois Democrat, who is the chairman of the Ways and Means Committee. Mr. Rostenkowski, an Illinois Democrat, lost his bid for re-election last month, but is still a member of the commission.

Workers may now retire with full Social Security benefits at the age of 65. This “normal retirement age” will rise gradually under current law, reaching 67 for people born after 1960 or later. The commission is considering proposals to accelerate this increase and perhaps to raise the retirement age even further, to 68 or 70.
A Judge Quits
Hubbell Case
In Little Rock
Says Ties to Clintons May Raise Questions

By STEPHEN LABATON
Special to The New York Times
WASHINGTON, Dec. 8 - A Federal judge today removed himself from the criminal case of former Associate Attorney General Webster W. Starr, citing a potential conflict of interest because of his political and professional relationships with Mr. Hubbell and members of President Clinton's family.

The decision by Judge Bill Wilson, of Federal District Court in Little Rock, Arkansas, overrode a motion by Mr. Hubbell to recuse himself based on legal effect on Mr. Hubbell's guilty plea. But it means that a judge with fewer ties to the President and Mr. Hubbell will have to be selected to impose his sentence.

On Tuesday, Mr. Hubbell pleaded guilty to two felony counts related to laundering $394,000 from his law partners and clients while in private practice. The sentencing guidelines set a possible prison sentence of 21 to 27 months, but that range may be increased if investigators find that he stole more money, or decreased if he offers substantial help to the prosecutors.

Mr. Hubbell's plea was part of a recent flurry of activity in an investigation that had produced little in the way of concrete actions through its first 11 months. On Monday an Arkansas real estate appraiser, Robert W. Palmer, pleaded guilty to conspiring to inflate transactions used to support loans made to Madison Guaranty Savings and Loan Association, which was owned by the Clintons' partner in the Whitewater real estate venture, James B. McDougal.

And today a lawyer for Mr. McDougal, Sam Heuer, said that he had recently written to the independent counsel to inquire about his client's status. Investigations in this case have been renamed the Whitewater special counsel, Benjamin A. Gilman, of New York, citing a potential conflict of interest because of his political and professional relationships with Mr. Clinton and members of President Clinton's family.

Mr. Heuer acknowledged stealing from the Rose firm, whose partners at the time included Hillary Rodham Clinton, the senator's wife, and other lawyers have taken the view that his client was the focus of numerous investigations. Mr. Heuer called for lifting the arms embargo against Bosnia, adding new restrictions to the nuclear agreement with North Korea and placing new limits on the deployment of American troops as United Nations peacekeepers.

Mr. Gilman, whose committee has been investigating the International Relations Committee, settled on a theme that Republicans have concluded is the best way to attack Mr. Clinton on foreign policy: "The President has not shown firm and forceful leadership in world affairs."

"Instead of a strong, steady signal on foreign policy coming from the nation's capital, regrettably the world has heard a series of wavering notes sounded by an uncertain trumpet, leaving our allies concerned and our adversaries confused to our nation's purposes with regard to foreign policy," said Mr. Gilman, who represents all of Rockland County and parts of Westchester, Sullivan and Orange Counties.

Republican staff members of his committee are recommending that he call a series of hearings next year. Republican heavyweights, like former Defense Secretary Dick Cheney and former Secretary of State Henry A. Kissinger, would be called to criticize Mr. Clinton's foreign policy.

Mr. Gilman vowed to push ahead with legislation that would prohibit the United States, except in rare circumstances, from sending troops to serve as United Nations peacekeepers under foreign command. It would also cut Washington's financial contribution to United Nations peacekeeping.

Although Mr. Gilman said he would work closely with the Senator, Hubbell, he acknowledged differences with him in several areas, including Mr. Helms's fierce hostility toward the United Nations. In addition, while Mr. Helms called the peace talks between Syria and Israel a fraud and rejected sending American troops to the Golan Heights to monitor a peace agreement, Mr. Gilman seemed to favor the idea.

The White House could take some solace that Mr. Gilman came off as a lawmaker who wanted to cooperate with the Administration.

"In our committee, we intend to do all that we can to help the Administration re-establish and present a consistent and coherent voice on foreign policy that the American people and the world community need and expect," he said.

Among the other members of the Federal bench in Little Rock is also expected to be selected by computer. Mr. Heuer, Mr. McDougal and Mr. Wilson, a former Arkansas state judge, all said that Mr. Hubbell should have been removed from the law firm firm that listed Mr. Hubbell as a partner, even before he became a judge, Mr. Wilson provided legal advice to members of Mr. Clinton's family. Both Mr. Hubbell and Judge Wilson were also active in the local bar association.

At a hearing in his chambers in Little Rock today in which he participated by telephone, Judge Wilson said that he had told the lawyers for the prosecution and the defense of his relationships to the Clintons and to Mr. Hubbell before the plea was accepted, but that he had now decided to step down from the case to avoid the appearance of not being impartial.

Among other possible conflicts, the judge said that both he and Mr. Hubbell had been appointed by Mr. Clinton and that Mr. Hubbell had acknowledged stealing from the Rose firm, whose partners at the time included Hillary Rodham Clinton.

Both Judge Wilson and the lawyers involved in the Whitewater investigation said he had been randomly selected by computer for the Hubbell case. His replacement from among the other members of the Federal bench in Little Rock is also expected to be selected by computer.

Mr. Heuer, Mr. McDougal and Mr. Wilson all said that they had recently written to the independent counsel inquiries about their client's status. Investigators have been examining whether Madison, which failed in 1989 at a cost to taxpayers of more than $60 million, improperly funneled any money to either Whitewater or to Mr. Clinton's re-election campaign for Arkansas governor in 1984.

Mr. Starr's office responded this week to Mr. Heuer's letter by saying that his client was the focus of numerous investigations. Mr. Heuer and other lawyers have taken the response to mean that Mr. McDougal could be indicted if he failed to reach an agreement with prosecutors.

Mr. McDougal has refused past requests to be interviewed by investigators. As a result, Mr. Heuer said, an indictment might be inevitable.

"All throughout," Mr. Heuer added, Mr. McDougal has "maintained his right to tell his story to an independent jury of his peers."
U.S. Guidelines for Back Pain Reject Some Common Notions

By WARREN E. LEARY
Special to The New York Times

WASHINGTON, Dec. 8 — Most people suffering from attacks of lower back pain should seek relief through light exercise and mild pain relievers like aspirin instead of traditional treatments like bed rest, prescription painkillers and surgery, a Federal health panel recommended today.

The new guidelines for treating acute lower back pain, a condition expected to strike 80 percent of Americans at least once by the age of 50, depart from tradition by emphasizing simple therapies and the tendency of the discomfort to go away by itself within a month in 90 percent of cases, experts said.

The independent panel of 23 experts, which reviewed more than 3,900 studies in its three-year examination of lower back pain, said its guidelines could save billions of dollars a year in health care costs while keeping patients from having to endure needless tests and ineffective treatments.

The study group, sponsored by the Agency for Health Care Policy and Research, a branch of the United States Public Health Service, said doctors and other health care workers should refrain from using imaging tests, like X-rays, CT scans and magnetic resonance imaging, at the beginning of a back pain episode.

Lumbar scoliosis should not be ordered during the first three or four weeks of a problem unless a detailed physical examination and the patient's medical history indicate an underlying problem like nerve damage, tumors, fractures or dislocations, the guidelines say.

Dr. Philip R. Lee, Assistant Secretary for Health, said most adults would experience lower back problems in their lives for largely unknown reasons, but that those problems would go away by themselves within a month in 9 out of 10 people.

"No matter how painful, acute low-back problems usually do not mean a serious, long-term problem," Dr. Lee said at a news conference.

Dr. Stanley J. Bigos of the University of Washington School of Medicine in Seattle, the chairman of the panel, said there were wide variations in the ways acute low-back problems were diagnosed and treated, indicating a confusion about what is known scientifically about the condition and purported treatments.

Instead of the traditional emphasis on bed rest and using sometimes disorientating prescription pain relievers, he said, the new guidelines focus on relieving symptoms and building a tolerance for activity so people can return to their regular activities as soon as possible.

The guidelines said bed rest, if prescribed at all, should last no longer than four days because it can weaken muscles and bones, delaying recovery. And they said low-stress exercise, like walking, swimming or biking, can be started during the first two weeks after symptoms appear, to help the back recover.

Spinal manipulation, as performed by chiropractors, osteopaths and other trained therapists, also got a nod from the panel as a potentially helpful treatment. But this should be re-evaluated after four weeks if there is no symptomatic improvement, it said.

Free copies of a quick reference version of the guidelines for health workers or a consumer version, in either English or Spanish, may be obtained from the A.H.C.P.R. Clearinghouse by telephoning (800) 358-9265 or by writing to P.O. Box 6847 Silver Spring, Md. 20907.

By MATTHEW L. WALD
The New York Times

UPTON, L.I., Dec. 8 — An experimental cancer therapy for irradiating tissue deep inside the brain appears to have halved the growth of an inoperable brain tumor in a Long Island woman, raising hopes for the first practical treatment for a disease that usually kills victims within a month.

The treatment is boron-neutron capture therapy, a two-step process that causes radiation to cancer cells by putting an attractant near the cells that soak up radiation much as a blotter soaks up ink.

In the first step, the patient is injected with boron 10, a naturally occurring radioactive isotope of the element, combined with an amino acid that the body naturally concentrates in the tumor. Then radiologists direct a stream of neutrons at the patient's head.

Neutrons that hit the boron split its atoms into an alpha particle, which carries radioactivity, and a lithium atom. Since these fragments travel only 10 microns or so, or the diameter of a cell, the radiation they deliver is very localized. The rest of the neutrons pass through the head.

The therapy has been tested on small animals at the Brookhaven National Laboratory here, but was rushed into service for a human patient, Joann Magnus, of Westbury, L.I., because of political pressure on the department and a determined campaign by Mrs. Magnus, a professional fund-raiser.

In May, she was told she had glioblastoma multiforme, an fast-growing tumor that can double in size in days. It is diagnosed in about 7,000 Americans each year. Lee Atwater, the Republican political strategist, and Ethel Merman, the entertainer, both died from glioblastoma multiforme.

A similar approach to this tumor was widely tried 30 years ago, but researchers concluded that the treatment did not cure anyone and probably hastened several deaths. In Japan, doctors have experimented with this technique, but have been using neutron beams with lower power, requiring surgical removal of the skull to shield the brain from the neutron beam.

Recently, researchers at Brookhaven National Laboratory here and at other sites have been working with a better radiation beam and a new boron compound that would in the tumors to a greater degree than the form used earlier, but for fear of scaring back the research effort again, none felt the procedure was ready to try on humans.

After a surgeon at Beth Israel Medical Center, in Manhattan, Dr. Thomas F. O'Leary, who had just written a book on glioblastoma, said that "she was walking to the research office, and it wasn't happening," finally Mrs. Magnus called him.

"When I heard about her situation, it was really hard to say no to her," Mrs. O'Leary said today.

Her efforts were also helped by several Senators who criticized the Energy Department for not pursuing such experiments.

On Sept. 13, Mrs. Magnus was given the boron with an intravenous drip and then exposed to a neutron beam coming out of the reactor for 41 minutes at Brookhaven. The patient apparently tolerated the treatment and three times as much radiation to the tumor as to the surrounding tissue.

"I don't know," she said today, in a meeting with Mrs. O'Leary, who was here to tour the laboratory.

The interaction of neutrons and boron is well known. Neutrons are a component of atomic nuclei that are released when an atom is split; in a reactor they go on to strike other nuclei and split them, sustaining a chain reaction. Brookhaven has a reactor that produces surplus neutrons that are used for various kinds of atomic research.

Boron is widely used in nuclear physics because its nucleus has a shape that tends to snap passing neutrons. In civilian power reactors, it is inserted to reduce the power level or shut the reaction down entirely.

Mrs. Magnus's oncologist, Dr. Manjeet Chadha, of Beth Israel Medical Center in Manhattan, said it was too early to judge the success of the treatment. But the Energy Department is preparing an application to the Food and Drug Administration to try boron-neutron-capture therapy on 10 to 12 patients in the next six to eight months as a further test.
Four Counts Added in Shooting at White House

WASHINGTON, Dec. 8 — A Federal grand jury yesterday added four counts of an additional charge to the indictment of the man accused of shooting at the White House in October.

The new charge is based on Mr. Duran's use of a dangerous weapon to assault four Federal officers.

Mr. Duran, who has been held at the Federal Detention Center in Brooklyn since his arrest on Oct. 16, has been charged with four counts of violent crime, against the accused and using a firearm during a violent crime.

Each count of the new charge carries a maximum prison sentence of 10 years.

Mr. Duran's original arrestment, charged with four similar counts, of using a deadly and dangerous weapon to assault four Federal officers. At that time, Kevin O'Donnell, a spokesman for the United States Attorney's office, here, Eric A. Dubelier, said he was unsure whether Mr. Duran could be charged with the additional crimes.

"It was unclear at the time of arrest whether Congress intended for him to be charged with both offenses, Mr. O'Donnell said, "but we believe the addition of these counts makes it possible for a sentence to more accurately reflect the seriousness of this crime."

Mr. Duran is to stand trial on March 16 on 15 felony counts, including attempting to assassinate the President.

He was arrested on Oct. 29 after the police said he sprayed the White House with 29 rounds from a semi-automatic weapon and assaulted four Federal officers.

President Clinton was safely inside the building at the time of the shooting, watching a football game on television.

Mr. Duran could face life in prison if he is convicted of attempting to assassinate the President.

A. J. Kramer, Mr. Duran's lawyer, declined to comment on the effect of the new charges. "It just makes it file more motions at this point," Mr. Kramer said.

Beleaguered Gay Group Chooses A New Leader

By DAVID W. DUNLAP

Trying to emerge from a time of crisis, the National Gay and Lesbian Task Force has chosen as its executive director — the fourth in two years — a longtime activist and organizer who served most recently as a member of the San Francisco Health Commission.

The new executive director, Melinda Paras, 41, has already helped raise $6 million for the operation of the task force, one of the oldest and most visible gay groups in the nation. But Ms. Paras is the single "visionary-spokesperson" in Washington, the organization said, it will emphasize technical and strategic support for local activities like anti-gay ballot initiatives.

"People want to know how you can help with their local organizing," Ms. Paras said. "They don't want your national voice alone."

For three months before her appointment this week, Ms. Paras worked with the task force as a consultant while it struggled with a declining budget (down to $2.6 million from a $4 million estimate) and a demoralized staff. She planned to return to San Francisco yesterday about adoptions in Russia because they had technically withdrawn their bid, they would have to start anew. And, until a new law is put in place, the regional administration in Vladimir said no new adoptions would go forward. Mrs. Baslovskaya, who tirelessly lobbied local bureaucrats to allow Alyona to be an exception, said today that she felt more optimistic.

Because of a production error, the continuation of a front-page article yesterday about adoptions in Russia omitting a passage in some copies. The affected section should have read:

"The local authorities said because they had technically withdrawn their bid, they would have to start anew. And, until a new law is put in place, the regional administration in Vladimir said no new adoptions would go forward. Mrs. Baslovskaya, who tirelessly lobbied local bureaucrats to allow Alyona to be an exception, said today that she felt more optimistic."

Because of an editing error, an article yesterday about the Western Hemisphere summit meeting referred incorrectly to the home state of Representative Richard A. Gephardt, who sent a letter urging President Clinton to safeguard American jobs. He is from Missouri, not Indiana.

An article in Business Day on Monday about the Federal Government's auction of licenses for wireless telephone and data services misstated the number of companies and alliances that made deposits to qualify for the bidding. It was 30, not 23.

An article yesterday about a Journalist ethics class to be taught by the psychoanalyst Jeffrey M. Mass at the University of California at Berkeley referred incorrectly in some editions to a former reporter for The Washington Post who fabricated an article, and who was cited in a Berkeley student editorial on the matter. The issue is. Janet Cooke, not Cook.

Because of an editing error, an article yesterday about the debate over extending the New York City Schools Chancellor's contract referred incorrectly to Deputy Mayor Nina Segarra's opinion. She says she is still considering the issue; she has not yet decided whether to support an extension.

An article yesterday about the passage of an anti-smoking bill by a New York City Council committee misstated the rule on which restaurants would have to ban smoking in their dining areas. It is restaurants seating 35 or more people — not 35 or fewer.
At White House Behest, Postal Service Scraps A-Bomb Stamp

By TODD S. PURDUM

WASHINGTON, Dec. 8 — Bowing to pressure from the White House, the Postal Service today scrapped a stamp picturing a mushroom cloud with which it had planned to commemorate the 50th anniversary of the end of World War II. Instead, it will adopt a design showing President Clinton conveying his views that it was appropriate to do so.

The beleaguered Clinton White House has invoked Truman's resilient self-confidence as inspiration since the Democrats' drubbing at the polls last month. But postal officials said it was they, not the White House, who had chosen an image of Truman for the alternative stamp.

"It is our view that there could be more appropriate artwork to commemorate this event," the White House press secretary, Dee Dee Myers, said of the color rendering of the bomb cloud against a red sky. The stamp is part of a five-year series of 50 commemoratives marking milestones of the war, the last 10 of which are to be issued next year.

Postal officials said the precise image and the caption for the Truman stamp had not yet been chosen. Japanese officials took care not to overtake their influence as a factor in the decision. A spokesman for the Japanese Embassy, Seiichi Kondo, initially issued a statement saying, "We appreciate the deference to Japanese sensitivities, and the consideration of the importance of U.S.-Japan relations that this decision reflects." He later revised that to appreciate the decision, which took into consideration the importance of U.S.-Japan relations and the sentiments of the Japanese people.

Officials said Ambassador Taka­ kazuyama had remonstrated last week with Winston Lord, the Assistant Secretary of State for Asian and Pacific Affairs.

In the half-century since the atomic bombing of Hiroshima and Nagasaki, historians have questioned whether the attacks were necessary or justified. A planned Smithsonian Institution exhibit of the Enola Gay, the B-29 that dropped the first bomb, was revised earlier this year after veterans' groups protested that the accompanying text did not adequate­ly explain the bombings in the con­text of the war.

But one American who never ex­pressed doubts about the decision was the man who made it: Truman, who maintained that the bombs had saved lives that would have been lost in an invasion of Japan.

"I could not worry about what history would say about my personal morality," he said in a lecture in 1965. "I made the only decision I knew how to make. I did what I thought was right."

Leaders of 11 Orthodox Churches in America Plan Unity Move

By DAVID GONZALEZ

Declaring themselves more American than immigrant, the leaders of 11 Orthodox Christian Churches with six million members in North and South America have come together for the first time to establish an administratively united church with voice on social, religious and political issues.

"We'd like the American public to know the Orthodox Church has come of age," Archbishop Iakovos, the leader of the Greek Orthodox Archdiocese of North and South America, said at a news conference yesterday at the Archdiocesan headquarters in Manhattan. "The U.S. is not a foreign land. It is our land."

Russian, Greek, Serbian and other Orthodox churches have grown independently in the United States for 200 years. Each group has historical­ly served immigrant communities and maintained closer ties to their separate mother churches than to each other.

The decision to establish a single Orthodox body in the United States is subject to approval by leaders of the member churches overseas. Depending on their decision, it could provide a pooling of resources on com­mittees and other church bodies.

The chairman of the Standing Con­ference of Canonical Orthodox Bish­ops in the Americas, a long-standing bishops' group, will serve as the spokesman for the united church.

The Orthodox churches split with the Roman Catholic Church in 1054, when these churches rejected the Latin rites of the church. Their refu­sal to recognize the jurisdiction of the Pope remains the principal di­viding point between these two branches of Christianity.

The ritual that developed at the patriarchate of Constantinople, known as the Byzantine rite, became the standard of Orthodox worship after the 13th century. Although the original language was Greek, the liturgy was adapted into many other languages.

Yesterday's announcement re­flects a recognition by Orthodox Christian leaders that their churches by now have spanned several genera­tions born in the Western Hemi­sphere.

Their changing situation is sig­naled by their rejection of the word "diophys" in characterizing the contemporary Orthodox Church. "We cannot accept the word 'diaphys' to describe the church in North America," the bishops said in a statement they drafted last week in a three-day meeting at an Orthodox retreat center in Ligoner, Pa. "In fact, the term is ecclesiologically problematic. It diminishes the full­ness of faith that we have lived and experienced here for the past two hundred years."

The bishops also issued a state­ment yesterday calling for increased evangelization in North America.

"We believe our task in North America is not limited to serving the immigrant and ethnic communities, but as at its very heart the mission­ary task of making disciples in the nations of Canada and the United States," the statement said.

Orthodox leaders said their meet­ing came after decades of coopera­tive efforts among the bishops on such matters as missionary work and theological training.

While calling for administrative unity and greater interaction among the member churches at the local level, the bishops emphasized that the individual churches would still be free to continue with their own liturgical traditions. If the need arose to conduct services in the lan­guage of recent immigrants, for ex­ample, the churches would be al­lowed to do so.

"Call it unity with pastoral diver­sity," said Metropolitan Philip of the Antiochian Orthodox Christian Arch­diocese in Englewood, N.J.
Before a Holdup, 3 Suspects Growing Up in Grim Housing

By JOE SEXTON with LYNETTE HOLLOWAY

The Housing Authority maintenance workers labored hard this week to clean up the building at 252 Osborn Street in the Brownsville Houses in Brooklyn. Hallways were disinfected, graffiti were painted over, broken doorways and garbage chutes were fixed.

The workers, who could not fully explain why they had been ordered there, said they thought reporters and television cameras might be coming, perhaps the Mayor.

But no one unusual or special came to 252 Osborn this week. And for all the whitewash and deodorizers, people in the building fully realize there is no way the stain of recent history is going to disappear.

It was in Apartment 5G, the police and prosecutors say, that the plan to rob a Brooklyn bicycle store was devised last Thursday by Richard Larrier and his two teen-age nephews, Vernon and Lavonne Smith. The scheme, the authorities said, ultimately led to a wild gunfight, the death of a 26-year-old New York City police officer and the death of Mr. Larrier.

Yesterday, the two nephews and a 15-year-old friend, Demetrius Bennett, were indicted for murder. Although the authorities say it was Mr. Larrier who fired the shot that killed Officer Raymond Cannon Jr., they say the youths are equally culpable because they were involved in a holdup and knew that a gun was present.

"Who knows these kids?" said Harvey Greenberg, a senior deputy to the Brooklyn District Attorney, Charles J. Hynes. "We don't really know them. Everybody always says they are shocked when kids like this do something like this."

But ordinary people, shopkeepers, delivery drivers are being killed by juveniles and guns everyday in Brooklyn. There's nothing extraordinary about these three or the circumstances they find themselves in. They are part of a group of lost people who are running amok."

The collectible details of the lives of the three teen-agers are neither dramatic nor unfamiliar for children raised in one of New York City's most depressed and perilous public housing projects. Housing Authority officials say Mr. Larrier and his nephews were part of a notoriously disruptive and dangerous family that had lived at 252 Osborn for years.

Since last May, Demetrius Bennett, who grew up in a building nearby, has lived in a friend's apartment one floor above the Smith brothers. None of the youths had fathers in their households, and all were truants from the earliest grades on. Eileen Smith, the mother of Vernon and Lavonne, has nine children, some of whom live with her in Apartment 5G. Demetrius Bennett's father, who left home before he was 5, and his mother died when he was 11.

Educators who encountered the three at different junctures tell of having to buy underwear for Vernon Smith in grade school, of parents who would not fill out high school applications for their children, of repeated but unproductive contacts with the Child Welfare Administration on behalf of the children.

Like Street Toughs,
But Not 'Gangsters'

Neighbors describe the three youths as street toughs, but not, in the parlance of the projects, "gangsters," involved in drug dealing or gunplay. Relatives, while saying that the teen-agers were "decent kids," concede that there was much about their daily lives that they were unaware of, even gratefully ignorant of. Two of the three have sealed records as juvenile offenders, and all three have minor official arrest records over the last year.

But law-enforcement officials say the official arrest records give only a partial portrait of their criminal backgrounds.

Speaking on the condition of anonymity, the officials contend that the three were part of a "stickup crew" headed by Mr. Larrier and Vernon Smith, the 17-year-old brother. The officials said Mr. Larrier had been arrested twice for drug possession and once for resisting arrest. They also believe that the three had gone to steal bicycles to furnish themselves with the proper equipment for what police officers in Brownsville say is the latest criminal craze: holdup gangs on wheels.

Although none of the youths had been arrested before for robbery, officials say some holdup victims have filed complaints against the three but then declined to go forward with prosecutions. One robbery complaint against Demetrius Bennett, in fact, was filed by a cousin of the teen-ager, the officials said. But the officials said last Friday's holdup of Frenchie's Cycle World in Canarsie might have been the first major robbery that Lavonne Smith, 16, had participated in.

Faceless Buildings,
High Crime Rates

And, according to Mr. Hynes, the three were all active participants in the bicycle-store robbery. Vernon Smith stuck an imitation gun in the back of one store employee, officials said, and he duped Officer Cannon into believing that no holdup was in progress, making it possible for Mr. Larrier to emerge from a back room and fire two shots into the officer's face. Lavonne Smith and Demetrius Bennett helped tie up the two store employees Mr. Hynes said, and once for resisting arrest. They were arrested twice for drug possession and once for resisting arrest. They also believe that the three had gone to steal bicycles to furnish themselves with the proper equipment for what police officers in Brownsville say is the latest criminal craze: holdup gangs on wheels.

Although none of the youths had been arrested before for robbery, officials say some holdup victims have filed complaints against the three but then declined to go forward with prosecutions. One robbery complaint against Demetrius Bennett, in fact, was filed by a cousin of the teen-ager, the officials said. But the officials said last Friday's holdup of Frenchie's Cycle World in Canarsie might have been the first major robbery that Lavonne Smith, 16, had participated in.

Continued From Page B1
The Brownsville Houses, a collection of squat, faceless six-story brick buildings are situated in a part of Brooklyn dominated by a network of adjoining housing developments. Crack remains epidemic. Older residents remain indoors and youths stand a kind of sinister sentry at the doorways. There have been 23 murders in the Brownsville Houses and neighboring projects so far in 1994.

In the Brownsville Houses alone, they have been 774 reports of crimes this year, ranging from manslaughter to disorderly conduct.

"The Brownsville Houses is one of the robbery capitals of the world," said a law-enforcement official who added that 22 residents of 232 Osborn had been arrested by the police for criminal offenses in the last several years. "How bad are these three? On a scale of 1 to 10, they are g's."

Dee Smith, the mother of the boys, said the family housing detectives say the numbers do not begin to approximate the true volume of crime.

"People are afraid, lives are in jeopardy and so nobody goes forward," said Linda Sanders, who has lived in the Brownsville Houses since 1947. "The Brownsville Houses should scream out about what life is like here. But nobody wants to talk."

The blue metal doors to Apartment 5G at 252 Osborn are scarred with scars from gunshot. The floors of the Smith family apartment are layered with dirt, and there is almost no light or air amid the drab environment.

Exterminators sent to the apartment recently by the Housing Authority refused to enter it. Before workers arrived this week, graffiti covered the hallway walls, with tags like "Apocalypse" and "Teen Damage."

Harry Ryttenberg, a spokesman for the Housing Authority, said that formal charges had been filed against the Smiths for "unsusceptibility as tenants," and that an eviction hearing would be held soon.

It is here that Vernon and Lavonne Smith lived, and where their uncle, Richard Larrrier, often lived, too. Eileen Smith, the mother of the boys and the sister of Mr. Larrier, said the boys had become secretive about their comings and goings.

She blames their uncle for THEIR trouble, although she refused to specify what Mr. Larrrier had encouraged the teen-agers to do or what, if any, form of threat he held over them. "They weren't the best kids, but they are not killers," said Mrs. Smith. "When are kids being pressured by someone who is older to do wrong, they tend to follow, especially if they depend on that person. I blame Ricky for this. The things he did."

Teachers, administrators and therapists at Public School 284 remember the Smith boys as troubled children with an unpredictable mother. Vernon came to school dirty, when he did at all, and could sometimes be found seated in hallways refusing to enter classrooms. Lavonne was more outgoing.

"It was heartbreaking because we had no idea what was going on at home," said one school official who refused to be identified. "When I saw their faces on television, I said to my wife, 'Remember, I used to send you to the store to buy underwear?' In Brownsville, though, it's not so much of a shock to see a child you thought being arrested for their involvement in some high-profile crime."

Neither Vernon nor Lavonne ever showed up for a day of school at George Wingate High School, said the school's principal. Board of Education records indicate that the Smith boys were assigned to alternative schools but offer no hint of what became of the boys.

Mrs. Smith said she did the best she could with the boys, and she rummaged through her chaotic apartment to find a sash Lavonne had been given by the local Police Athletic League when he was 13.

The lettering on the sash reads: "Mr. P.A.L., and on a piece of paper she found a speech Lavonne gave when he accepted it. "The P.A.L. has fun things to do, like playing games and learning responsibilities, " the speech reads. "I'm glad to go there because people like to shoot, fight, kill and sell drugs around my area."

Similar such stored bits of a former life are found in the apartment where Demetrius was raised at the other building in the Brownsville Houses. Alexis Hunter, the cousin who filed the robbery complaint against him, fishes photographs and certificates from a plastic bag kept behind the couch.

Cassie Hunter, 22, Demetrius's sister, said she worried about her younger brother every day of her life. "It's hard to accept that he'd do something like this," said Ms. Hunter, who insisted that her brother had been "set up" by the Smith boys and their uncle. "We feel badly for the family members of the cop."

"But Demetrius didn't go there to kill a cop. Demetrius wanted to hurt up and finish high school. He didn't like Brooklyn. Still, it's very hard to get in trouble here if you are trying not to. You have to defend yourself to survive. You are either down or you are dead."

School officials termed Demetrius "a functional student" at Junior High School 263 and a perpetual truant at Wingate High School, though he had improved some this year.

"He thought he could make it on the street, but he had to come to live with me and my son Tyre," Karen Young said of Demetrius, who moved into Apartment 6H last June. "He felt bad by himself. He had no man in his life. And I had no problem with him."

But the police, as well as local educators and neighborhood leaders, are weary of blanket generalizations about the misery of living in Brownsville and they refuse to accept the life circumstances of individual teen-agers as an excuse for criminal behavior. They note that Junior High School 263, in the center of the Brownsville Houses, is a safe, reliable school, and they speak of the hundreds of teen-agers who are able to avoid the violence around them.

"I was in the gymnasium at 263 the other night with 300 kids who had chosen to do the right thing," said Ronald Ward, who has lived in Brownsville for 36 years and is a school board member. "You would have to question the values of the kids that got involved in that shooting. I don't know. Maybe they had given up."

Everything you need to know for your business day is in Business Day. The New York Times
The Cuomos, Of Queens, Look West

Leaving the Mansion For Sutton Place

By IAN FISHER

Gov. Mario M. Cuomo, the quintessential son of Queens who regularly tapped the resentments of the boroughs outside of Manhattan, has placed a bid on a co-op on Sutton Place South, just across the East River on Manhattan's East Side.

With less than three weeks until he must vacate the Executive Mansion in Albany, where he has lived for the last 12 years, Mr. Cuomo and his wife, Matilda, have been looking for a 2,400-square-foot apartment with seven and a half rooms, 24-carat gold on the bathroom fixtures, oak floors and mahogany closets, said the man who is selling it to them. The owner, Charles H. Cunliffe, said that the Cuomos placed a bid about three weeks ago and that he expects to close the deal in the next few days.

He would not give the price, but confirmed reports that it was around $600,000.

The luxury doorman building seems to have everything, including, from his 11-floor terrace, an extra that Mr. Cuomo might cherish most: a view of his old home.

"Of Queens?" Mr. Cunliffe, 64, a semiretired president of a textile company said. "I really don't think so." A second later he corrected himself. "I think you probably can see part of the Pepsi sign," he said.

Often during his political career, Mr. Cuomo, who was born in Jamaica, Queens, and lived there for years above his father's grocery store, gave voice to the resentments that immigrant "outer borough" New Yorkers felt toward the elite world because I would like very

arrangement with the academic

gives me an opportunity to share

I would like to teach a little bit."

much to continue to study and learn.

what I've learned as Governor. A lot

of many decisions he has had to

excessive. He also is considering of-

He could not be reached yesterday

He's moving into the building?"

It's a very classy apartment."

He's got to move."

"It's a long way from Jamaica, Queens: the Cuomos have bid on a co-op on Sutton Place South. On his wedding day in 1954, Mario Cuomo, left, with his brother, Frank, outside the family grocery store in Jamaica.

The new building, at 50 Sutton Place South, at 54th Street, has an entrance of glass and black marble, with a brick facade and terraces. Built in 1956, the building sits on the west side of the street, and its southern side has clear views of the southern tip of Roosevelt Island as well as parts of Brooklyn and Queens.

"I'm thrilled to death," Jeanne Stoller, a resident for 29 years, said as she walked her tiny dog, Sally. "I can't wait to meet the Governor — and his wife."

How do you like it — the Governor's coming into the building?" she called to a woman passing by.

"He's moving into the building," the woman said. "Is that good or bad?"

"We voted for him here," she said — adding, once the woman was out of sight. "She doesn't live here. She comes to take care of her sick moth-

Mr. Cunliffe said he expected the Cuomos to feel comfortable in the apartment, which he moved into in 1969. Apart from a terrace, that the apartment has an oversize dining room, a living room, a maid's room and what he called "two major bath-

"I'm sure he'll like it," he said.

"It's a very classy apartment."
Bracing State For Bad News On Spending

By JAMES DAO
Special to The New York Times

UTICA, N.Y., Dec. 8 — In a swing through three upstate cities that was reminiscent of his campaign, Governor-elect George E. Pataki today began the public relations spadework for what will surely be his most arduous legislative battle next year: winning passage of a budget that he is already warning could hurt a broad array of New Yorkers.

Facing a projected deficit of $5 billion, Mr. Pataki, who takes office Jan. 1, strenuously appealed to two of his strongest constituencies, business leaders and upstate voters, to help him win legislative support for cutting taxes, trimming spending and shrinking government.

Even as he cloaked his grim message in talk of partnership and cooperation, Mr. Pataki broadly hinted that he expects the Legislature to have trouble adopting his budget, which he is required to present by Feb. 1. And he called on the residents, local officials and business leaders of Syracuse, Utica and Binghamton, three communities that strongly supported him in last month's election, to lobby their lawmakers on his behalf.

"I need you to call your Assembly people and your senators and tell them that this is the right course for New York State," he told about 700 people at a Chamber of Commerce breakfast in Syracuse. "It's time for the rhetoric to end. It's time to accept responsibility. It's time to achieve action. It's time to put in place a real tax-cut plan."

In a news conference in Utica, he said the state will have to "cut more, and more quickly," than he had anticipated just a month ago, not only to close the projected shortfall but also to enact the 5 percent cut in income tax rates that he promised during the campaign and which he has since repeatedly vowed to carry out.

Mr. Pataki said that never in his 10 years as a legislator did he see a lobbyist trying to convince a lawmaker to spend less, adding, "I understand the pressures that the Legislature will be under during the course of the budget process. That pressure will be to spend more."

Support base is warned of more and quicker cuts.

Sounding almost upbeat about what is likely to be a brutal fight in the Legislature over spending cuts, Mr. Pataki said, "We don't live in a dictatorship, thank God, we live in a democracy. And the changes we are talking about, the vast majority of them, are going to need the support of the Senate and the Assembly. I am very optimistic we will have that support because of the enthusiasm for the changes we are talking about."

Spending more is a bipartisan tradition in the Legislature. Members assume they will be measured by voters back home by how much money they win for local roads, schools and economic development programs. As a legislator, Mr. Pataki was no different. He consistently worked to increase state spending in his Hudson Valley district, even in the many budgets he ultimately voted against, saying they were fiscally irresponsible.

Mr. Pataki, a Republican, has not released details about what he will propose cutting in the budget. But the general outlines he has presented suggest he will focus on reducing spending for health care and welfare programs for the poor.

If that is the case, he will face his toughest battles in the Democratic-controlled Assembly, which has traditionally opposed such cuts. To succeed, Mr. Pataki will have to win the support of upstate Democrats by splitting them from their more liberal downstate colleagues.

Perhaps with that in mind, Mr. Pataki told his Syracuse audience, which included at least one Democratic senator, that his transition team is uncovering many examples of "out of control" spending by the state bureaucracy.

He said, for example, that State Education Department officials sometimes send letters across the street via Federal Express. He said the state could save $250,000 a year by requiring bureaucrats to deliver more packages themselves.

Alan Ray, a spokesman for the Education Department, said he did not know of any cases like the ones cited by Mr. Pataki.

Mr. Pataki also decried a Medicaid reimbursement system that he said might pay $150 to a taxi driver to bring a patient in a rural area to a doctor who is paid only $11 for the visit.

"A simple change would be to pay the doctor $35 or $40 to make the house call," Mr. Pataki said. "We'd save over $100, the patient gets better service and everybody wins."

In Utica, where Mr. Pataki met with local businessmen as well as county officials and state legislators, a reporter gave Mr. Pataki an opportunity to hedge a bit on his grim avowals, asking whether he would support programs to revitalize downtown shopping areas in small cities.

Mr. Pataki flatly said no. "The fiscal realities are such right now that I don't think any new spending programs can be afforded in the upcoming fiscal year," he said.
Arafats Expecting First Child

By CLYDE HABERMAN
Special to The New York Times

JERUSALEM, Dec. 8 — Yasser Arafat, father of the Palestinian cause for so many, is going to become a biological father for the first time.

Mr. Arafat's wife, Suha Tawil, told an interviewer for the Israeli radio's Arabic service today that she was pregnant and had given her husband the news on Wednesday night. According to an aide, she has been pregnant for a month.

The Arafats were married secretly three years ago — he then age 62, she 28. While this is their first child, they take care of several dozen orphans from Palestinian refugee camps in Lebanon and have formally adopted at least five of them.

"The timing is good — it will be a child of peace," said Mrs. Arafat, a French-educated Christian from the West Bank town of Ramallah who converted to Islam after her marriage. She is expected to accompany her husband from Gaza, where they live, to Oslo, where on Saturday he will receive the Nobel Peace Prize with Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres of Israel.

Her announcement came on the same day that the Israeli newspaper Haaretz published an interview with Naja Yassin, also known as Umm Nasser, who said she was Mr. Arafat's first wife and had lived with him from the early 1970's until their breakup in 1985. It had been suggested by some aides that the Palestinian leader was married before, but the matter was always cloaked in secrecy to preserve his image as someone devoted entirely to his cause.

"We lived together for many years," said Umm Nasser, who was described as having lived in Tunis in recent years, heading a Palestinian women's organization. "I'm the only one who really understood him. I knew what made him angry, what made him happy, what caused him down. I understood him totally."
A Default By Orange County

Several Firms Sued Over Collateral Sales

By SALLIE HOFMEISTER
Special to The New York Times

LOS ANGELES, Dec. 8 — The fiscal hemorrhaging of Orange County worsened today as it defaulted on a $110 million bond payment. In addition, the county sued several brokerage firms in an effort to keep its loss-plagued investment fund from collapsing.

Adding to alarm and confusion surrounding Tuesday's bankruptcy filing, the county, which pledged to meet all school and local government payrolls, acknowledged that it cannot pay all its outside suppliers. "Some vendors are probably not going to get paid," the County Administrator, Ernie Schneider, told a meeting of the Orange County City Managers Association at Irvine's City Hall.

Attempting to contain the crisis and reassure investors and taxpayers, the county today named a financial expert formerly with the state as the new manager of its troubled fund and hired Salomon Brothers as an investment adviser.

The new manager is Thomas W. Hayes, a Republican former California auditor general and treasurer, who lost a 1990 campaign against Kathleen Brown for state treasurer and served on a government panel after the 1987 stock market crash. He will work with the bankruptcy court and Salomon Brothers to reposition the portfolio.

Mr. Hayes, who is 48, replaces Robert L. Citron, who resigned as county treasurer on Monday after disclosing last week that the investment fund had lost more than $1.5 billion because of interest rate bets that went bad. Orange County was forced to file for bankruptcy on Tuesday after it was unable to roll over a $2 billion loan with the CS First Boston Corporation.

"We bit the bullet and defaulted on a $110 million bond that was due today," Mr. Schneider said, according to Bloomberg Business News. "We've done business with these guys for 20 years," a Merrill Lynch executive told Bloomberg Business News. "We're not going to walk away from them now."

The principal exception to the selling of collateral was Merrill Lynch and Company, which said it would not call its $2 billion in credit or sell its collateral. "We've done business with these guys for 20 years," a Merrill Lynch executive told Bloomberg Business News. "We're not going to walk away from them now."

Under what are known as reverse repurchase agreements, or reverse repos, Wall Street brokers lent the county about $12 billion and took as collateral securities worth a little more than that amount. Mr. Citron used these agreements to augment their mouse to $7.5 billion in money from some 187 county agencies, school districts and cities into a portfolio worth $20 billion, though as much as a third of his investments were tied to falling interest rates and soured when rates turned up in February.

The county contends that Chapter 9, the Federal bankruptcy protection that governs municipalities, prevents brokerage firms from selling the collateral. Some bankruptcy experts, however, say repurchase agreements are exempt.

"The bankruptcy court could join the brokerages if it thinks these sales could do irreparable harm to the county," said Richard Marshack of Marshack & Goe, a bankruptcy law firm in Santa Ana that represents two school districts with $130 million in the Orange County investment pool. "But repurchase agreements are exempt under the code."

The county defaulted on repo payments to Nomura Securities and Smith Barney last week, but according to Wall Street traders, the two brokerage houses had agreed to roll them over. CS First Boston, however, called its loan to the county on Tuesday and sold $2.1 billion in collateral, forcing Orange County into bankruptcy.
U.S. May Let Baby Bell Widen Reach

By EDMUND L. ANDREWS

WASHINGTON, Dec. 8 — The Justice Department is close to recommending that a regional Bell telephone company be allowed to enter the long-distance industry for the first time since the Government forced the breakup of the Bell System more than a decade ago.

People familiar with the proposal, which would require the approval of a Federal judge, said it would allow the Ameritech Corporation to offer long-distance service to customers in the company's five-state service region. In return, the company would be required to open its local-telephone business in the area to full competition by other telecommunications companies.

The Justice Department's proposal — though limited to only one of the seven Bell companies, and covering only a small portion of the company's wide service area — could set a precedent for eventually allowing all the regional Bells to provide long-distance service.

The court-supervised ground rules used in breaking up AT&T's Bell System in 1984 forbade the regional Bells to provide long-distance service. But in recent years, growing telephone communications competition has made it increasingly likely that those restrictions will eventually be lifted. The question has been how soon.

Justice Department officials have been circulating a proposal among executives at Ameritech and at several long-distance companies and asked them to comment. The officials indicated that they hoped to file a formal recommendation within two weeks to United States District Judge Harold H. Greene, who oversees the antitrust decrees that govern the Bell companies.

Although Judge Greene has generally resisted pleas by the Bells for a greater freedom, the Justice Department strongly resisted pleas by the Bells for a greater freedom, the Justice Department.

The proposal — which was confirmed by executives at several companies that would not comment on their proposals — suggests that the department intends to make a formal recommendation within two weeks to United States District Judge Greene.

Continued From First Business Page

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Fed was likely to raise short-term interest rates for the seventh time in a month, since February on either Dec. 20 or Jan. 31, when the Federal Open Market Committee, the central bank's policy-making committee, meets.

"It is my expectation that the central bank will raise the Federal funds target rate to 6 percent from its current 5.50 percent," Mr. Johnson said. "The assessment is short-term rates will be raised enough to slow the economy significantly and bring the beginning of the end of the current expansion stage of the business cycle."

Key Rates

In early trading yesterday, long bond prices drew some support from a firm dollar in the currency markets. A stronger dollar means that Treasury securities become more attractive to foreign investors.

In later trading yesterday, long bond prices drew some support from a firmer dollar in the currency markets. A stronger dollar means that dollar-denominated investments like Treasury securities become more attractive to foreign investors.

The Treasury auctioned $7 bil of new one-year bills, with the average rate at auction at 6.55 percent, up sharply from last month, when it was 6.09 percent. A year ago it was 3.47 percent.

The following are the results of yesterday's Treasury auction of one-year bills:

Chase in 15-Branche Sale

By Dow Jones

SYRACUSE, Dec. 8 — Community Bank System Inc. said today that it planned to buy 15 Chase Manhattan branch offices in upstate New York. The price will be determined by the amount of deposits at the branches when the deal closes. The banks currently have combined deposits of about $655 million.

By ROBERT HURTADO

Prices of Treasury notes and bills fell yesterday on continued concerns over the impact of the bankruptcy of Orange County, Calif. The market is concerned that some Wall Street firms may sell the government securities they hold as collateral for their loans to Orange County.

A report of short-term Treasury securities fell 9/32, while the declines in intermediate maturities ranged from 3/16 to 7/32, according to Telerate Inc. The price of the two-year note fell 16, pushing its yield, which moves in the opposite direction from the price, to 7.49 percent, from 7.43 percent on Wednesday.

The long end of the market, however, was stronger. The price of the 30-year bond rose 9/32, to a price of 9595 13/32, for a yield of 7.86 percent, down from 7.88 percent on Wednesday.

Despite the worries over Orange County, the municipal market steadied after a sharp drop on Wednesday.

Analysts said there was very little selling of California issues, with traders choosing to wait for further developments. John C. Mooney, a portfolio manager on the municipal side at SunAmerica Asset Management, said, "What bidding there was on California paper was limited and cautious, with few takers." He said the bids on shorter-maturity paper improved yesterday to 70 cents on the dollar, compared with 60 cents the day before.

The average yield to maturity in the Bond Buyer index of 40 actively traded municipal issues rose to 7.08 percent on Wednesday.

The Treasury market initially extended its losses in early trading on persistent concern over the Orange County losses and Federal Reserve policy. On Wednesday, Alan Greenspan, chief investment strategist for the First Albany Corporation, said Mr. Greenspan's testimony before the Congressional Joint Economic Committee that the Fed would soon raise short-term interest rates again, saying that the economy was continuing to grow briskly.

Hugh A. Johnson, chief investment strategist for the First Albany Corporation, said Mr. Greenspan's testimony left the impression that the

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**Key Rates**

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*Estimated daily average, source Telerate

**Municipal Bond index, The Bond Buyer Salomon Brothers and for Treasury's tax-exempt bonds, notes and bills
For Municipal, a Test of Rights
For Municipal Bond Deals,
Case May Be Test of Rights

Continued From First Business Page

pression" and "there is no First Amendment right to be a party chairman.""

In an interview in his office here, Mr. Lorne added: "The whole pay-to-play environment is a serious
thing. I don't think this rule presents any significant conflict with the First Amendment and it is
to the integrity of the markets. I know abuses have
taken place.

"There should be a question," Mr. Lorne said
"whether the chairman of the state political party ought to
have significant financial dealings with bankers in that state."

Mr. Lorne is being joined in the battle by Harvey Pitt, a partner at
Frank, Harris, Shriver & Jacobson, who is representing the Mu-
nicipal Securities Rulemaking Board, the industry's self-regulatory
organization. The board first adopt-
ed the contribution ban, which was
later approved by the S.E.C.

"This is not a restriction on free
speech," Mr. Pitt said. "The rule is
designed to prevent pay-to-play" —
the industry's term for making con-
tributions to public officials who
might then play a role in assigning
underwriting business.

"If you want to play, you shouldn't pay," Mr. Pitt said. "And if you
want to pay, you shouldn't play." Mr. Pitt said Mr. Blount should have chosen between politics and banking.

Because of an emergency stay
granted in May by the United States
Court of Appeals for the District of
Columbia, Mr. Blount was the only
municipal banker in America al-
lowed to make contributions to
the state political party. If he
were to make a contribution, he
would have to direct the funds
to the party. If he didn't give,
he could not donate to local politicians.

During a typical election cycle,
Mr. Blount raises and distributes
about $800,000 to state and local can-
didates. In the November elections,
Mr. Blount said he was in the awk-
ward position of asking others for
votes, but unable to sign checks.

The case also comes as Mr. Lorne
of the S.E.C. has touched off a contro-
versy among municipal bond law-
yers by suggesting that they, too,
consider limiting campaign contri-
butions. Right now, municipal bond
lawyers are made to contribu-
tions to local politicians who are in
the position to hire them. For that
reason, the Blount case is being
watched closely in legal and invest-
ment banking circles.

"This is very important," said
Christopher Taylor, executive direc-
tor at the rule-making board and a
defendant in the case. "If we are
overturned, we'd have to go back to
the drawing board. We are prepared
go to the Supreme Court. If we
lose, we would write new and
extremely tough rules on disclosure
of political contributions."

Mr. Blount's unique dual role as
the party chairman and a municipal
banker made him a perfect test case
in the minds of the regional firms
and Wall Street individuals who back
his effort, he said. He declined to
identify them.

His lawyer, Mr. Baine, said Mr. Blount had never abused his position and yet "there is a restraint on the content of his political speech," adding: "The rule makes it impossible for him to function as party chair-
man."

Mr. Blount said regional munici-
pal bankers were hard hit by the
rule, because they are entirely pre-
cluded from making donations to
local politicians — while big Wall
Street firms and commercial banks can still give, by directing contribu-
tions through their corporate finance
departments and not their municipal
finance departments.

"The Wall Street firms and big
commercial banks were all out push-
ing G-37," Mr. Blount said, a refer-
ence to the ban. "But they can still

A ban on political
contributions faces a
court challenge.

make political contributions the way
that the rules are set up. The S.E.C.
is trying to put the regional firms out
of business."

In addition to First Amendment
issues about Mr. Blount's right to
free speech, Mr. Baine, the lawyer,
has raised 10th Amendment issues
on the separation of Federal and
state powers and the right of a Fed-
eral agency to regulate state and
local elections.

"The S.E.C. upsets the balance of the Constitution by taking it upon
itself to tell how a state can finance
decide state campaigns," he
said.

Mr. Lorne responded, "I don't view the 10th Amendment as being
very important in this case."

Even as he prepares for court, Mr.
Lorne is fighting a heated battle for
suggested, in a speech, that the re-
luctance of municipal bond lawyers
to consider similar restrictions is a
state of denial profoundly danger-
ous to the profession."

The speech left some lawyers in-
dignant. "Lawyers don't want to be
subjected to restrictions that invest-
mant bankers have and Lorne had no
cause to vilify this profession," said
Neil Arkuss, a Boston lawyer and
former head of the National Associa-
tion of Bond Lawyers.

"Investment bankers are all the
same," he added. "But law firms
aren't. Besides, where would state
treasurers go for contributions?"

"Who better than I to know what that
treasurer does or doesn't do?"

Mr. Lorne said he "won't retreat" on his campaign for lawyers to re-
lice themselves, though the S.E.C.
has no jurisdiction over lawyers.

"I hate these donations," he said.
"I really do."
By ROGER COHEN
Special to The New York Times

ZAGREB, Croatia, Dec. 8 — Maj. Gen. Rupert Smith, a Briton who formed close ties with the United States armed forces during the Persian Gulf war, will replace his cousin, Lieut. Gen. Sir Michael Roseman, as the commander of United Nations forces in Bosnia next month, American and United Nations officials said today.

We have been told that General Smith's appointment is now definite," a senior American official said. "You need a steady guy who is a military diplomat in that job, and he seems to fit the bill."

General Roseman's one-year term ends on Jan. 24. It began with great momentum. His biggest achievements have been the successful promotion of peace between Muslims and Croats in central Bosnia, a limited improvement in living conditions for the inhabitants of Sarajevo and the protection of war-weary people against starvation.

But under the constraints of protecting the peacemakers, the operation is under the threat of force to advance the cause of peace, the United Nations operation broke down in the northwestern Muslim enclave of Bihac, where protests, threats and an abrupt halt by NATO air attacks to halt a Serbian encroachment into the day, one day, the combatants will actually collapse, exhausted, into your arms. But you'll only get a deal if you're standing there to catch them when they fall."

Sir David met with the Secretary General this afternoon and discussed plans for withdrawal from Bosnia if it becomes necessary.

Mr. Haas, who will become director of national security programs for the Council on Foreign Relations in January, takes a different view. "In terms of Bosnia, I think that, there is no chance that the current U.S.-NATO strategy can work," he said in an interview today. "We looked at the existing strategy and they drew exactly the wrong conclusions. They looked at the attempt to use policy of force to business diplomacy, noted it wasn't working, and decided to use no force. But the solution was to jerk up the force."

Mr. Haas says the situation was made worse by the "capitulation" of the Clinton Administration, which took refuge behind the Europeans. "We may exist on a map," he said. "But it does not yet exist as a political-military entity. The whole time a Serb forces have been looking at the United States, nor any new ideas from the European countries that the Bosnian Muslims from a safe distance."

A central question is whether peacekeeping should be scrapped for a new mandate under Chapter VII of the United Nations Charter, the section that authorizes military intervention. Chapter VII was used by the Bush Administration to build support for action against Iraq.

Most diplomats and United Nations peacekeeping officials agree that this cannot be done without the strong leadership of the United States. Washington, and particularly the Congress, now seems headed instead for a period of what one European envoy called "malign isolationism," in which there is talk of arm the Bosnian Muslims from a safe distance.

Another question is whether the United Nations force should be reconstituted with other troops. Islamic nations, which plan a summit meeting next week in Casablanca, have said they will supply the replacements.

But there is an unspecific agreement among Europeans and Russia that this would not be tolerated because of a fear of Islamic militancy, and diplomats say there would be "heavy pressure" on the Secretary General to turn down the offer. This has angered the potential contributor from the Islamic world, whose troops are welcomed elsewhere in large numbers.

Perhaps because the alternatives are so unpalatable, several key diplomats have said officials in the Secretariat are not keeping the Council adequately informed about United Nations operations, or about efforts to free troops being held hostage.

Among United Nations officials, there is a growing sense that the Council will ultimately have no choice but to begin withdrawing the United Nations peacekeeping mission to Bosnia. But there is an unspoken, agreement among Europeans and Russia that this would not be tolerated because of a fear of Islamic militancy, and diplomats say there would be "heavy pressure" on the Secretary General to turn down the offer. This has angered the potential contributor from the Islamic world, whose troops are welcomed elsewhere in large numbers.

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Western Europeans Cast
A Cautious Line Eastward

By CRAIG R. WHITNEY
Special to The New York Times

ESSEN, Germany, Dec. 8—Smiling from their setbacks in Bosnia and Russia's criticism of
outvoted to the east, leaders of the 12 nations in the European Union will offer
Eastern European countries a tentative road map to mem-
bership at a two-day summit meet-
ing that begins here on Friday, diplo-
mates say.

There are differences among
them nonetheless. The Eastern Europeans view
Kohl as able to obtain French approval for
membership at a two-day summit meet-
ing nevertheless as a threat to Rus-
ian interests. The French and other southern
European countries are more anxious
too much to Germany's tune.

But the Russian Foreign Minister,
Yevgeny Primakov, has been dancing
which will expand to 15 members
by mediators is a Bosnian surrender
basis of the contact group plan.

Portes and five other leading
economists proposed
previously presented as a take-it-or-
leave-it Government, which had accepted
in the area.

The main swap being considered
for more than two weeks. But the
Serbs also pressed their attack on
the Muslim enclave of Bihac, firing a
missile attack endangering United
Nations troops they have detained
on Monday. These missiles, which
appeared around Bosnia and in the
area northwest of Sarajevo came as
new attacks on an
area

There were no reports of mistreat-
ment of the Canadians among the
350 foreign workers and soldiers being held in the Iljiasa area.

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ment of the Canadians among the
350 foreign workers and soldiers being held in the Iljiasa area.

The extension of that threat may be
more critical at the summit talks than
concrete proposals to get them ready, he said.

Portes and five other leading
European economists proposed
a European Union secretariat for the
six associates, a suggestion
rebuffed by officials of the group as a
needless layer of bureaucracy.

France and then Spain will hold
the rotating six-month presidency of
the union next year, and they are not
expected to push the issue of mem-
bership for the Eastern Europeans.

Mr. Delors said he also wanted
the leaders to adopt a five-point plan
here to combat unemployment:
more than 17 million people in the
12 countries are out of work.

His proposals to allow the group
to issue bonds to finance vast road
and rail projects were rejected by fi-
nance ministers last week.

Most members agree in principle
that the best way to reduce un-
employment is to cut back on the social
benefits that make it highly expen-
sive for employers to hire workers in
Western Europe. But all have found
it difficult to get labor unions and
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As Ex-Chief Awaits Fate, More Brazilians Face Impeachment

By JAMES BROOKE
Special to the New York Times

RIO DE JANEIRO, Dec. 8 — Two years after Fernando Collor de Mello resigned the presidency in disgrace, friends and foes in Brazil's largest political scandal are falling victim to what reporters here call the "impeachment curse." Thinner, grimmer and a virtual exile, the former president has said he is ready to reconcile with his younger brother. Only a year ago, Pedro pro­filed his older brother in a best-selling biography titled: "The Portrait of an Imposter." "If I receive any sign that I will be greeted like a brother, I will immedi­ately go to New York to meet Pe­dro," he told Veja magazine.

According to other reports, Mr. Collor, who flaunted a millionaire life style as President, has fallen on hard times, selling an apartment to pay household bills. Some of the press leaks seem inten­ded to soften public opinion and the hearts of the eight justices. If convicted of "passive corruption," he would face a maximum sentence of eight years in jail.

On Wednesday, the chief prosecu­tor charged that Mr. Collor did not touch his salary during his first two years in office, but instead received $4.7 million from an influence ped­dling ring run by his campaign treasurer, Paulo Cesar Farias. The defense maintains there is no hard proof establishing a link, conceding that Mr. Collor lived lavishly, sup­ported by $38 million left over from the 1989 presidential campaign.

Two years after the corruption scandal shook the nation, only one man, Mr. Farias, is in jail. Arrested a year ago in Thailand, Mr. Farias now lives in a military police bar­ racks in Brazil, ordering his meals from local restaurants. After his wife died of a heart attack in July, his two children were sent to Swiss boarding schools.

Largely alone in the world, Mr. Farias has said he consol­es himself with the misery of his adversaries. Last April, the impeachment curse reached Isom Pinheiro. As Speaker of the Chamber of Deputies in 1992, Mr. Pinheiro became a national hero, leading the nationally televised congressional inquiry into

Court Strikes Language Law

SAN FRANCISCO, Dec. 8 (Reu­ters) — Saying the measure violated the United States Constitution, a Federal appeals court has struck down an amendment to the Arizona Constitution requiring state employ­ees to speak only English on the job.

In 1988 voters in Arizona narrowly approved the English-only measure which had been appealed by Arizonans for Official English, the back­ers of the English-only measure.

The court rejected the argument that the state's interest in the restrictions on free speech were justified by state interests in protect­ing democracy by encouraging unity and political stability and encourag­ing a common language.

It said the state's interest in the efficiency of its work force ran directly counter to the amendment since government offices were more efficient when employees were allowed to speak other languages with clients who were not proficient in English.

DON'T FORGET THE NEEDIEST!
Mexican State Gets 2 Chiefs: One Official, One Itinerant

By ANTHONY DE PALMA

TUXTLA GUTIERREZ, Mexico, Dec. 8 — The officially elected Governor of Chiapas was sworn in today, defying rebel threats to resume their uprising if he took office. The inauguration was free of violence, but it did nothing to ease political tensions.

The calm that prevailed in Tuxtla Gutierrez, 430 miles southwest of Mexico City, also marked the first political victory of President Ernesto Zedillo Ponce de Leon. Mr. Zedillo, who took office a week ago, had insisted that Eduardo Robledo Rincon, the candidate of the ruling Institutional Revolutionary Party, be inaugurated despite threats from rebel leaders in Chiapas that such an action would be interpreted as breaking an 11-month-old cease-fire.

"I came to Chiapas for peace," Mr. Zedillo said after the ceremony, which was held in the City Theater instead of the state congressional chambers for security reasons. Hundreds of heavily armed federal troops surrounded the huge white building on the eastern end of this capital city and only PRI loyalists, many bused in by the party, were allowed to get anywhere near.

A few hours later, the defeated candidate, Amado Avendano Figueroa, unofficially took office in an improvised swearing-in ceremony in front of 3,000 to 4,000 supporters and declared that he would run a parallel government recognized by the Zapatista National Liberation Army. Mr. Robledo, a former senator from Chiapas, pledged to reform the state constitution, tighten electoral laws, strengthen the judicial system and insure that the state legislature fairly represents the interests of the one-third of the population that is Indian.

He named an Indian, Jacinto Rincon, to head the state office of indigenous affairs, and a member of the opposition Democratic Revolutionary Party, Ernesto Zepeda Ramos, as secretary of government. He also repeated a pledge he made Tuesday night to resign if the Zapatistas launched their rebellion. "I aspire to assure that nothing will be the same after today," Mr. Avendano also promised change as he received a ceremonial baton of power from a Chiapas Indian amid a cloud of incense and the heavy sound of a drum. Mr. Avendano, a lawyer and editor, was candidate of the leftist Democratic Revolutionary Party last August. By official count, he received 35 percent of the vote, but his supporters and the rebels say there was widespread fraud that cheated their candidate of victory.

"We are starting from zero," he told several thousand supporters in front of the state administrative building. "We don't have money to buy a table or a chair." He said he would form an itinerant government modeled after the government-in-hiding of President Benito Juarez while the French controlled Mexico in the mid-19th century.

The demonstrators called Mr. Robledo's swearing-in illegal, and they denounced the opposition party member who joined Mr. Robledo's Cabinet as a traitor. While scattered demonstrations in support of Mr. Avendano were reported throughout the day from various parts of Mexico, nothing was heard from the Zapatistas or their leaders in the Lacandon Forest.

The rebels threatened to take up arms again if Mr. Robledo took office. But in recent days the rhetoric was tempered, and Mr. Avendano was careful today not to incite the crowd.

"The police and soldiers there are not murderers," he said, pointing to dozens of riot troops protecting the state buildings around the plaza. "They are Chiapanecos, like us.

State and federal officials did nothing today to prevent Mr. Avendano from proclaiming himself governor, and analysts said they expect the Government to continue to tolerate his presence for the near future.

What was not immediately clear is how the Government can solve some of the tough social and economic problems that have plagued Chiapas and fueled by the rebel insurrection. Old religious rivalries between Catholic and Evangelical Indian groups have often spilled over into violent confrontation and thousands of acres of farm land have been illegally seized by peasant groups.
Ulster Peace: A New Snag
Politics Shifts Focus In London and Dublin

By JOHN DARFTON

LONDON, Dec. 8 — As negotiators for the British Government and representatives of the I.R.A. prepare for their first official meeting on Friday in Belfast, a hard truth has become evident: Progress toward peace in Northern Ireland has bogged down politically.

The stalling did not happen, as many had feared, because trigger-happy Catholic or Protestant paramilitary commanders forced the resignation of Prime Minister Albert Reynolds three weeks ago. If they do not soon succeed, the country will suffer a general election.

Quickly, the Irish Labor Party leader and a key figure in aligning international support for the peace process, warned on Tuesday that the week’s work for an election would spell a “prolonged period of instability” that “would do potential damage to the progress toward peace and reconciliation in Ireland.”

In London, the Conservative Government of Prime Minister John Major has been obsessed with a parliamentary arithmetic that could lead to an administration that would be vulnerable to a collapse of full power. On Tuesday, the mutate resulted in an ignominous defeat for Mr. Major on a tax proposal. Of much greater concern is that the Government cannot even focus on Bosom, where it is thinking of withdrawing its troops, never mind Northern Ireland.

To complicate matters, Mr. Major pushed the rebels by temporarily drumming them out of the party, thus losing his majority in the House of Commons. This means that if he is to pass a difficult bill he must rely on the support of the Liberal Democrats — which wants continued union with Britain — and so they are wary of rapid progress at the negotiating table that could weaken ties with London and lead to absorption by the Irish Republic.

As we noted in our analysis of the parliamentary arithmetic, a Protestant community has an “unreasonable advantage,” a spokesman for the Prime Minister said. So, he added, today, the process won’t work if we alienate either side, the unionists or the republicans.

The talks, beginning on Friday, are preliminary sessions involving only two of the 25 active Sinn Fein, speaking on behalf of the Irish Republican Army, and civil servants representing the British Government. They will follow a one-week’s time, Mr. Major told Parliament today, by talks between the British and the so-called loyalist paramilitaries, the Protestant gun-benchers. On Tuesday, the majority of the British members of Parliament said they would not recognize the Sinn Fein as a political party.

If Sinn Fein’s goal is to be treated as a full partner at the negotiating table, the Government is to try to settle some important issues, such as the future of the Irish Republican Army, and civil servants representing the British Government. They will be followed by a two-week period of Sunni Fein being recognized as a political party.

But the substantive talks on the future of the province, involving all the interested parties that care to join in, are coming soon. To prepare for them, London and Dublin have been working behind the scenes for weeks to come up with a “framework” document to lay out the agenda and general proposals worked by the two governments. But the governments cannot agree on the overarching constitutional position for Ulster — how to get Dublin to drop its territorial claims on the north and how to insure that the British majority in the north would be respected. Some 950,000 of Ulster’s 1.6 million people are Prot- estant and most of them want com- pared union with Britain. Sinn Fein’s position is that the decision should be made by all the people of Ireland, north and south.

People close to the London-Dublin talks say that the negotiators have reached a stalemate that can only be broken by the two Prime Ministers. But leaders of the I.R.A. have a Prime Minister for the time being. And if the next one comes from the Fianna Fail party, then he is less likely to be a cheerleading catalyst for a quick settlement.

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Israelis Reaffirm Pact
With P.L.O.

By CLYDE HABERMAN

JERUSALEM, Dec. 8 — Ending a week of soul-searching and doubt, the Israeli Government reaffirmed today that it was committed to the peace agreement that it reached last year with the Palestine Liberation Organization. But it also suggested that it would seek changes to protect Israeli settlers when Palestinian self-rule expands throughout the West Bank.

“The decision by the Cabinet of Prime Minister Yitzhak Rabin ended a crisis that had threatened to unravel the "declaration of principle" that the two Prime Ministers signed in September 1993,” the Israeli Government announced.

As they wrestled with the matter in three separate meetings this week, at least half the 18 Cabinet ministers had publicly described the guiding principles as unusually unworkable, although they offered widely varying reasons and solutions.

Specifically, they expressed concern that provisions for a redeployment of Israeli forces in the West Bank in advance of Palestinian elections would put Jewish settlers there in danger.

For their part, P.L.O. officials warned that peace talks would collapse if Israel tried on its own to tinker with the agreement.

In the end, Israel’s leaders decided that they were not about to scuttle the “declaration of principles” but also that their security concerns must be fulfilled before they move on to the next phase of self-rule. That involves extending it beyond the Gaza Strip to the West Bank enclave of Jericho, where it has proceeded rockily since May, to encompass the predominantly Palestinian areas held by Israel since 1967.

"The Government will continue the negotiations according to its commitment to the declaration of principles, and will act according to its principles and lessons learned to date," the Cabinet said in a statement.

Although the statement did not spell it out, officials said they would probably ask the Palestinians to be flexible by agreeing that Israeli forces may remain in some West Bank towns and villages, even though the 18 Cabinet ministers agreed to seek the withdrawal of Israeli forces from what they called "populated areas" before Palestinian elections there.

In return for P.L.O. flexibility on this score, the Israelis said they were prepared to yield to some Palestinian demands on elections, perhaps agreeing to a larger council than they would prefer to administer an interim period of self-rule in Gaza and the West Bank.

The still-unscheduled balloting forms the core of the next self-rule stage, and is subject to difficult talks that resumed in Cairo this week.

Earlier on Tuesday, Mr. Arifat, the P.L.O. chairman, is ready to be flexible on troop redeployment. Mr. Arifat told the Cairo today that he had been willing to send his aides to see Foreign Minister Shimon Peres of Israel, he said he understood "the position of all leaders," and that "we are putting it in our consideration."

It was basically what Mr. Arifat had also told Secretary of State Warren Christopher the day before in Dublin — "flexible" remarks that got a lot of praise from the visiting American.

Mr. Peres said he believed that "within the existing framework we can discover the necessary answers for our problems."

It was clear that the Israelis were not about to scrap their deal with the P.L.O. — certainly not two days before Mr. Rabin. Mr. Arifat and Mr. Peres are to collect the Nobel Peace Prize that they share because of that very agreement. But it was also clear that many in the Government fear for the immediate future after two months of persistent terrorist attacks on Israeli civilians and outside the territories.

The Gaza-Jericho arrangements have proved to be problem-filled. The entire West Bank self-rule promises to be far more difficult because of the intricate meshing of Arab towns and Jewish settlements.

But officials differed greatly on what the next step should be.

Those leaning to the political right said the army must stay where it is in the West Bank, even with the P.L.O. in elections. But officials differed greatly on what the next step should be.

Some leaders of the governing La- bor Party, fearing that they will lose the 1996 national elections, said talks should be suspended for two years. No, others said, the answer is to speed up negotiations, skipping in- terim solutions and deciding on the territories’ final borders now.

All these approaches were too radical for Mr. Rabin, who wants to leave negotiations in place for now and test the issue on the parties and on interim arrangements. The Cabinet basically reflected his stand.
Abroad at Home

ANTHONY LEWIS

Nobody's At Home

In the month since the election we have been waiting to see whether Bill Clinton could recover from the defeat and emerge a stronger person and President. As of now, the answer looks to be no.

Weakness and vacuity are what we see in the Clinton Administration. It moves from day to day, empty of vision, a Government without a design. Mr. Clinton had for so long seemed more and more like Herman Melville's Bartleby the Scrivener, a dwindling, haunting presence in the White House.

There was a telling example of the way things are in the Administration's change of policy last week on Bosnia. It gave up the effort to have NATO press the Serbian aggressors by serious attacks, giving way to British and French objections.

The New York Times published a detailed report on how the decision came about. It was proposed in a memorandum by the President's national security adviser, Anthony Lake, the story reported, and "formally embraced at a meeting of the President's top advisers that neither Mr. Clinton nor Vice President Al Gore attended." Mr. Clinton had approved the Lake memo, the report said, but he was "at his desk in a David retreat and had been involved only sporadically in the Bosnian issue." So he hardly had a chance to make a decision that has fateful implications for resistance to aggression and good governance in the future of the Western alliance.

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More Mexicans, More Profit

By Lydia Chavez

SALINAS, Calif. — Like the rest of the state, Monterey County favors Proposition 187, which denies education and health services to undocumented workers and their families. The clear message of the vote statewide, pundits say, is that we need to do something about illegal immigration.

But as seen from Salinas, the only thing clear is that political leaders like Gov. Pete Wilson, who offered Proposition 187 as a solution, are hypocritical at worst and wrong-headed at best. They actually send a different message, one that puts food on the table: "Hay trabajo en Salinas" — there's work in Salinas. Keep trekking across the border and up through the Central Valley; at the end of the journey, si, hay trabajo.

Everybody knows that the fields of lettuce, broccoli, mustard greens and grapes are filled with illegal laborers. Farm workers put the number at 40 percent, the growers at 33 percent. Voters would think Governor Wilson wanted to get rid of some of these Mexican workers, but in an appearance at the Heritage Foundation in Washington on Nov. 18 he supported the idea of inviting even more into the country as part of a guest worker program. "It makes sense — it has in the past, it may well continue to do so in the future," he said, explaining that only workers but not their families would be allowed in.

Instead of penalizing a multi-billion-dollar industry that hires undocumented workers, he supports it and picks on schoolchildren instead. Now, Newt Gingrich, the next Speaker of the House, and others say they support similar legislation in the G.O.P.-controlled Congress.

Proposition 187 doesn't matter to the illegal workers picking lettuce in Fresno and oranges near San Diego. They come north not for health care or the schools but for jobs, and Proposition 187 does nothing to prevent employers from hiring them. As long as there's work, they'll stay; family and friends will follow, even if they are denied services. Growers say with a straight face that they hire illegal workers unwittingly, that they are easily fooled by fake Social Security cards. But no one is likely to discover the fraud: only one Immigration and Naturalization Service official in San Jose is in charge of checking up on employers in a four-county area.


Mr. Wilson, explaining that the growers' association kept silent on Proposition 187. "You can't take a position against people you rely on to work for you. On the other hand, you don't want to offend the Governor." It's easy to see why. As a Senator, Pete Wilson made sure the Immigration Reform and Control Act of 1986 made it easy for foreign workers to become citizens. Now he proposes adding to their numbers. "All those people" Mr. Angstadt cites keep wages down. A field worker gets $1.23 for picking 24 heads of lettuce — some 15 percent less than the piece rate 10 years ago. Growers sell that box of lettuce for $8 to $10. Imagine how profit margins will widen even further if we invite more Mexicans into the fields.

"All those people" make it impossible for unions to organize for better wages and working conditions. Too many field workers fear that supporting a union will get them deported, and union contracts are nearly as scarce as immigration agents.

Mexican-Americans must compete for jobs with "all those people" who are their desperate brothers from the south. As a result, unemployment here has increased; to no one's surprise, crime has followed. Last year, the voters in Salinas and elsewhere started looking around for someone to blame for crime and unemployment. There are too many people here, a beleaguered Mr. Wilson told them, and his ratings jumped. But instead of trying to cut off the lure of jobs, he chose to throw children out of school and turn the sick away from doctors.

Proposition 187 provides no answer to real concerns about immigration, but it did provide a banner under which politicians like Pete Wilson can advance their careers. While they play on the fears of frustrated Americans, Mexicans will choose reality: hay trabajo en Salinas.
A Bad Republican Idea

The House Republicans have won praise on this page for the proposed structural reforms of the committee and caucus systems. But the proposal to require a three-fifths vote to raise income tax rates is a bad idea, both from the standpoint of parliamentary procedure and budget policy.

The Senate has institutionalized super-majority voting in its filibuster rule, and that alone should persuade Newt Gingrich and the other Republican leaders not to empower a minority in their chamber to block the will of a majority. Indeed, the House minority could thwart the Senate, too, because the three-fifths rule would apply to tax bills negotiated in House-Senate conference committees. The proposed rule would deliver an unprincipled blow to majority rule.

Also, the rule means that future budget cuts would come largely out of the pockets of low-income families. To see why, look at the Republican "Contract With America." It pledges to fill up a $700 billion deficit hole before the year 2002. To do that, the Republicans would virtually rule out raising taxes and put the whole burden on spending cuts.

Some cuts on nutrition, health care, education, housing and welfare — will often fall heavily on low-income families. But a freeze on taxes will lock in the largess that Congress dispenses to well-off families, like tax subsidies on mortgage interest.

The Stain Spreads in Italy

The abrupt resignation of a Milan magistrate who has spearheaded the investigation into corrupt ties between business and politics will deepen Italy's political crisis. The magistrate, Antonio Di Pietro, had been pressured by leading politicians and businessmen, most notably Prime Minister Silvio Berlusconi, to limit his inquiries.

Other magistrates quickly asserted that the investigation would proceed. Unless it does, Italians' already low faith in their political institutions is sure to take another tumble.

Last month Mr. Di Pietro began an investigation into Mr. Berlusconi's own involvement in payoffs by his media conglomerate, Fininvest. On Tuesday the magistrate asked a court to impose a 10-month jail sentence on Umberto Bossi, head of the Northern League, which is part of Mr. Berlusconi's coalition Government along with the National Alliance, a party of latter-day fascists.

The magistrate is trying to uncover extensive wrongdoing, known to Italians as Tangentopoli, or "Bribesville." Mr. Berlusconi had earlier tried, without success, to end such prosecutorial practices.

Prominent politicians and businessmen caught up in the widening scandal have also accused the magistrates of waging a political vendetta. They have pleaded for sympathy, citing the suicides of 20 suspects. Businessmen have also tried to shift blame for the bribes by accusing politicians of extortion. But wherever the fault lies in individual cases, Italy's growing middle class is fed up with the old way of doing business and sides with the magistrates. If the political class thwart its hopes for reform, Italian democracy will end up the loser.

A Lady in a Car

Lydia Dover describes herself as a Bulgarian immigrant, an unpublished writer and the divorced mother of two grown sons. So far, that doesn't sound like anything to get excited about. But she is also, as she puts it, a "lady in a car" — and that seemingly innocuous fact has some of the residents of Williamsburg Estates, N.J., very excited indeed. "Ter-rified" is more like it.

Ms. Dover likes Williamsburg Estates ("a very special place," she calls it), likes it so much that since late summer she has become as much a part of the landscape as its waist-high grasses and sweeping lawns. Once she was seen washing her hair in a backyard brook, and dancing to music only she could hear, but mostly she just stays in her car hour after hour, writing and sleeping and watching. It is, perhaps, the watching that most upsets those who live along this subdivision's shaded, hilly streets. Some parents say they will not let their children play outside if Ms. Dover is around.
An End, Maybe, to the Food Fight

There can be few New Yorkers who don't know what it is to eat a hot dog, gyro or falafel off a cart. Food doesn't come much faster or cheaper — reason enough for the city to make sure that its licensed vendors flourish. Many of those vendors are immigrants intent on becoming entrepreneurs, just like the grandparents of some of their customers. They are taxpayers, too, which means that apart from providing a welcome service, they are helping pay the city's bills.

Food peddlers can create congestion, however, which is why this mini-industry needs regulating. The 1983 law that prohibited food vending on more than 100 streets was rarely enforced until Mayor Rudolph Giuliani pressed the police last spring to do so. If the crackdown thrilled restaurant owners, it infuriated the vendors and every New Yorker accustomed to picking up a cheap, al fresco lunch. Furthermore, though selling food from a cart may sound entrepreneurial, nearly half the permits had been gobbled up by companies. One owner has 499 cart itself is at present close to impossible. As a result, license holders who would otherwise be paying $100 a year for the permit plus a one-shot $4,000, which is why this mini-industry needs regulating. The first would establish a new panel made up of representatives from the departments of Business Services, Transportation and City Planning, along with a member of the City Council, to hear appeals. The streets that are currently banned to vendors will remain so for now, but reconsideration is possible upon application to the panel. That makes for flexibility.

A second recommendation, limiting to two the number of permits any one person can own as just another way to keep the carts off the street. That could happen, but it does not have to — not if the city insures that the Department of Business Services does indeed make it easier for someone who wants the hard, but potentially rewarding, job of selling food on the city's streets to get a license and permit. If the Giuliani administration is truly serious about giving more power to the vendors, that is a good way to prove it.

Korea Nuclear Pact Doesn't Rely on Trust

To the Editor:

Re your Nov. 27 news article on Republican opposition to the Clinton Administration's deal to halt North Korea's nuclear program: I am concerned by such partisan criticism of the deal. The senators seem troubled that the Administration gave away too much in return for more promises from the North.

The crux of the agreement is not to get the North Koreans to abide by signed agreements but to get them to go beyond those commitments. The North could have dropped out of the Nuclear Nonproliferation Treaty and had no obligations. By signing the framework, it stays in.

Under the treaty North Korea could have continued to produce, reprocess and stockpile large quantities of weapons-grade nuclear material. Instead it has agreed to freeze and ultimately to dismantle its existing nuclear program, steps that go well beyond its treaty obligations.

The agreement does not require that we merely trust the North Koreans but insures compliance through intensive monitoring by the International Atomic Energy Agency. Such monitoring has already confirmed that the North Koreans have stopped all work at facilities in Yongbyon and Taechon. They have now stopped the projects that would have end up spending as much as $7,000 yearly for the use of a permit and cart belonging to a corporation.

Some cynical New Yorkers may see limiting the number of permits any one person can own as just another way to keep the carts off the street. That could happen, but it does not have to — not if the city insures that the Department of Business Services does indeed make it easier for someone who wants the hard, but potentially rewarding, job of selling food on the city's streets to get a license and permit. If the Giuliani administration is truly serious about giving more power to the vendors, that is a good way to prove it.

Single Welfare Fathers

To the Editor:

There has been a lot of talk recently about proposed welfare reforms that target single mothers under 21. But there has been little or no mention of the fathers of these children, or of their responsibility. We need to keep this in mind before it becomes an assumption that these mothers are the sole cause of illegitimate births.

KELLY FLYNN

Urbania, Ill., Dec. 1, 1994

North Korea's neighbors think it's a good enough deal for them to spend $3 billion to do it. To seal the deal, it takes a few million dollars of United States oil during the transition period when the power plant is closed to show our support — not a bad price for lessening the risk of nuclear war.

RE: GARY L. ACKERMAN

Chairman, Subcommittee on Asia and the Pacific

Washington, Dec. 2, 1994
Veterans' Ranks Thinning on Capitol Hill

By Al Kamen
Washington Post Staff Writer

Not long ago there was a time when being a veteran was virtually a prerequisite for anyone seeking political office.

No more.

Last month's congressional elections show a sea change. Whereas 20 years ago, 73 percent of the Senate had served in the armed forces, the Senate next year will have a bare majority, 51 members, with military service of some sort.

And only two of the 11 Republican freshman senators, James M. Inhofe of Oklahoma and Craig Thomas of Wyoming, are veterans.

The downward trend of veterans, reflecting a national slide, is the same on the House side. Fewer than a quarter of the 86 new House members are veterans, and that pushes down the overall presence of veterans in the new House to about one-third of the members, or 148. In contrast, about 70 percent of the House members in 1975 listed military service in their backgrounds.

This may not say anything about how the Defense Department will fare in budget battles to come, but it's clear that more lawmakers with no hands-on knowledge of military matters will be voting.

Kemp's Kansas Caper

• Things got a bit surreal late Tuesday for former congressman and prospective presidential candidate Jack Kemp. Accompanied by his son, Jimmy Kemp, after a weekend of skiing in Vail, Kemp was driving to Kansas City where he planned to catch a plane back to Washington.

But he was trapped en route in a snowstorm that ripped through the Midwest. He looked at a road sign and discovered he was smack-dab in the middle of Russell, Kan., home of Robert J. Dole (R-Kan.), the incoming Senate majority leader.

Kemp was so taken with the idea of being in the home town of a likely rival for the 1996 Republican nomination, that he took a picture of himself to record his entry and safe exit from Dole country.

Public Relations Giant Adding GOP Clout

• Sources say public relations giant Hill & Knowlton is working to beef up its Republican resources, bringing in John Timmons, who used to be legislative counsel to Sen. John McCain (R-Ariz).

There are rumblings that the firm is making a very serious run at signing on veteran reporter David C. Beckwith, press secretary to former vice president Dan Quayle and more recently communications director for Sen. Kay Bailey Hutchison (Tex.). H&K vice chairman Frank R. Mankiewicz, asked if the rumblings were true, said: "I sure hope they are."

Regula Passes 'Non-Green' Test

• Veteran Rep. Ralph Regula (R-Ohio), fended off a mini-sagebrush rebellion against his ascension to chair a key appropriations subcommittee with control over environmental matters.

Conservative activists said Regula's record was way too green when it came to mining, grazing and other matters.

About 30 Republicans from the Western States Caucus met with him Monday to hear Regula's assurances that their concerns would be addressed.

Regula insisted he was not as green as environmentalists claimed, sources said.

Former TV Anchor Takes Family Leave Post

• Former Channel 7 anchor Susan King, who has been doing various television stints since leaving the station about a year ago, is going to be the new executive director of the Commission on the Family Medical Leave Act, which was the Clinton administration's first legislative achievement.

The commission is to review how the law is being implemented and to make recommendations for changes.

Administration folks are tickled to have hooked King for the job, feeling this puts a public face both on the law and on the commission at the same time.

King wrote a moving account in May 1992 in Washingtonian magazine describing her efforts to adopt a baby and the importance of family leave.

Harvard Misspoke on Session for Lawmakers

• Harvard University's Kennedy School of Government says it was wrong to claim, as was stated in Wednesday's column, that its orientation sessions for freshman lawmakers were mostly open—in contrast to the Heritage Foundation's mostly closed-session policy.

That claim was made by a "green staff assistant," says Steve Singer, the school's communications director. The sessions have been, in fact, mostly closed at Harvard too, he says.

Seems an aversion to sunshine is widely shared these days.

New in Transportation Circles

• A convoy of new transportation public affairs officers has arrived in official Washington.

The National Transportation Safety Board, which has lost two public affairs officers lately, now has a new chief, Julie N. Beal. Beal has held several Transportation Department jobs and was NTSB member John K. Lauber's special assistant for a number of years.

At Transportation itself, William S. Adams Jr. was named associate director of the Office of Public Information, the post held for years by the late Bob Marx, who left some large shoes to fill. Adams was most recently press secretary to the Senate Judiciary Committee.

The Federal Railroad Administration also has a new public relations chief, David A. Bolger, who comes from the Bethesda-based public relations firm, Global Exchange Inc. Many of his clients involved sports, including the National Collegiate Athletic Association. He also worked in the 1992 Clinton-Gore campaign.

FRIDAY, DECEMBER 9, 1994: THE WASHINGTON POST
Barry Plan to Cut $431 Million Targets Police, Schools, Salaries

By Yolanda Woodlee Washington Post Staff Writer

D.C. Mayor-elect Marion Barry yesterday unveiled a painful and wide-ranging austerity program for the city he soon will govern.

Addressing the District’s financial future in detail for the first time since he was elected, Barry said that he hopes to quickly slash municipal spending by $431 million but added that even those cuts will fall almost $100 million short of balancing the budget.

He reiterated a series of harsh measures he wants the District to take to avoid going broke: furlough city workers for 10 days, cut their salaries, take $31 million from the public schools, cut medical assistance to the poor by $25 million, reduce the number of city police officers and cut the number of beds at D.C. General Hospital by 50 percent.

But Barry maintained that despite its straits the city still can provide basic services such as trash pickup and summer jobs for youth and can even improve its performance in some areas. He said that if municipal unions agree to furloughs and pay cuts, he might be able to avoid permanent layoffs.

He warned, though, that even if the D.C. Council agrees with all his proposals—some of which already have flown over—the city still will be $95 million in the red.

“We will run out of money in December if we don’t do something,” Barry said in a briefing at the John A. Wilson Building yesterday. “We have to show Wall Street that we’re prepared to do that.

“...I’m going to use the budget cuts as an excuse for inefficiency and ineffective city government,” he said. “We’re going to make D.C. government more effective, more efficient and more responsive. We’re not going to say, ‘Well, they cut our budget. We can’t do this.’ We’re going to do everything we can within the budget.”

Barry’s plan follows previous deficit-cutting proposals put forth by outgoing Mayor Sharon Pratt Kelly, Clarke (D) but appeared to be the most aggressive so far. Kelly moved to cut $140 million—something she was ordered to do by Congress—and Clarke upped the ante between cuts and tax increases to $300 million. Barry’s package of $431 million in reductions is equal to one-eighth of the city’s $3.2 billion general fund.

The immediate objective of Barry’s announcement yesterday was to prevent the city from running out of cash shortly after he is sworn in next month. The city hopes to borrow $250 million soon, but Wall Street is in no sentimental of the District’s financial condition that city officials fear no lenders will step forward.

On Monday, Barry, Kelly and Clarke plan to travel to New York City with financial representatives, who have said a stringent budget-cutting plan is needed if the city hopes to get its loan. Without money, the city may not be able to meet its payroll.

The mayor-elect placed much of the blame for the District’s bleak situation on Kelly, who has repeatedly argued that Barry left the city’s finances in shambles when he ended his first tenure as mayor four years ago. Barry said that since the beginning of the District’s budget year Oct. 1, it has already come up about $200 million short. He also said the Kelly administration did not pay about $322 million in bills from the previous year until after Oct. 1.

That leaves the city with a total deficit of about $531 million, he said. Even though the city got a significant injection of cash from Congress during the first year of Kelly’s term, he said, that all money now has been spent.

Under Barry’s proposal, one of the deepest cuts will be inflicted on the public schools, and that idea is almost certain to encounter resistance among D.C. Council members. Clarke has previously proposed that the schools take a $33 million hit—$1 million more than Barry—but the council’s education committee voted for only $23 million. Barry hopes to get the additional $10 million approved later this month.

Barry said no teachers will be cut, and the schools’ central office will be downsized by 320 administrative positions.

He also is certain to encounter political trouble when he tries to close the D.C. School of Law. At least two council members, Carol F. real and Hilda M.Mason (Statehood-At Large), who helped create the law school, have bristled at the idea.

Among the initiatives Barry put forward are proposals to take $1 million from the D.C. Council’s staff budget and about $800,000 in pay and expenses for residents who serve on advisory neighborhood commissions and other, appointed boards. After Barry takes office, he will present a supplemental budget and look for additional ways to eliminate the $95 million shortfall.

He would move 17 city offices with month-to-month leases back to government property, a shift that would save $7 million; close “nonessential” fire stations and reduce the number of fire engines at each station. In the Department of Public Works, he would close the H Street NE motor vehicle office, eliminate leaf collection, reduce maintenance at District buildings and end makeup garbage collection for holidays.

Last week, residents were furious when their trash was not picked up the day after Thanksgiving, forcing them to wait two weeks for a collection day.

“Nobody wants to make these kinds of reductions, but we have to do it,” Barry said. A top aide to Kelly reacted favorably to Barry’s plan yesterday. “He’s almost there. It’s pretty solid,” said Ellen M. O’Connor, the District’s chief financial officer, who added that Barry’s plan included many of Kelly’s proposals.

Meanwhile, a draft report indicates that the city has gone far, but not far enough, to implement the recommendations of the Rivlin report, an influential study issued four years ago that predicted the city’s current fiscal crisis. It also sets out even more painful cuts than those proposed by Barry.

Among the recommendations: reducing the police force by 928 officers, privatizing Metrobus routes, increasing user fees, increasing parking enforcement, allowing a commuter tax on suburban residents and transforming the University of the District of Columbia into a community college.
U.S. to Send Forces if U.N. Quits Bosnia

Ground Troops Would Help in Evacuation

By Ann Devroy and Bradley Graham
Washington Post Staff Writers

The Clinton administration formally notified NATO allies and congressional leaders yesterday that it would provide American ground troops to help evacuate United Nations peacekeeping forces from Bosnia if a withdrawal is requested, U.S. officials said.

The commitment involves providing about half the evacuation protection force, meaning from 5,000 to 25,000 U.S. troops. A withdrawal would be a highly complex and potentially very dangerous operation for allied forces given Bosnia's mountainous terrain, wide dispersal of U.N. forces and unremitting warfare between separatist Serbs and the Muslim-led government, officials said.

Senior administration officials said President Clinton had decided on the move Tuesday, at the recommendation of his senior advisers. The decision followed several days of discussions about how U.S. policy toward Bosnia would change if U.N. forces were withdrawn.

In such a case, officials said, the administration would return to the policy it pursued early last year, pressing for a lifting of the arms embargo against the Bosnian Muslims while threatening aggressive air strikes if the Bosnian Serbs attacked the Muslims before the arms imbalance is corrected.

In briefings to reporters and congressional leaders, administration officials stressed that the United States' continues to believe withdrawing the 24,000 U.N. peacekeepers now in Bosnia is a mistake that would do after a U.N. withdrawal, particularly in winter at a time of the highest risk of starvation, would be unfortunate.

"We do not believe that withdrawal is imminent," the official added. "But if it occurs, we are prepared to participate.

Republican legislators, who have been critical of the administration's Bosnia policy, generally approved of Clinton's decision but cautioned against American forces getting bogged down in the Balkans. "In my view, planning for the withdrawal of U.N. Protection Forces is the appropriate course of action," said Sen. Robert J. Dole (R-Kan.), who will be Senate majority leader in the new Congress.

Current plans envision the withdrawal of U.N. Protection Forces as a "benign" withdrawal—meaning, generally approved of the U.N. peacekeeping mission. The alliance has been frustrated by the reluctance of U.N. ground commanders, fearful of potential Bosnian Serb reprisals against international peacekeepers, to use NATO air power more vigorously against Serb targets.

"We have a problem of unity of command, because NATO is responsible for the air and maritime, but UNPROFOR is responsible on the ground," Joulwan said. "We have two different organizations with two different missions, and trying to harmonize all that and work together is a challenge."

Although the Rapid Reaction Corps is not slated to be fully operational until next year, both Joulwan and the outgoing corps commander, British Gen. Sir Jeremy Mackenzie, said it is ready now for an evacuation mission.

White House officials described Clinton's decision to offer U.S. troops as a "logical extension" of earlier commitments made by President George Bush as well as Clinton to rescue peacekeepers if they got into trouble.

In their recent internal deliberations on what the United States would do after a U.N. withdrawal, officials worried particularly about leaving the Muslim-led Bosnian government even more exposed to the better-armed Bosnian Serbs.

"We would not want to leave the Bosnian government even worse off than it already is," said a senior official. He said the conclusion that administration officials reached was that the United States would return to Clinton's original "lift-and-strike" policy.

Staff writer Rick Atkinson in Heidelberg and special correspondent Steve Vogel in Rheindahlen contributed to this report.

FRIDAY, DECEMBER 9, 1994 THE WASHINGTON POST
White House Considers Cutting Cabinet Agency
Aides Prepare Dramatically Slashed Budget

By Ann Devroy and Stephen Barr
Washington Post Staff Writers

President Clinton's senior economic and political advisers are preparing budget options that would dramatically slash departments and agencies and may even eliminate a Cabinet department, as the White House competes with the new Republican Congress to cut the federal government.

A senior official said last night that while the options include eliminating departments such as Housing and Urban Development and Energy, advisers are more concentrated on "serious, significant, major restructuring" rather than jettisoning a department.

Republicans who control the House and Senate have already stated they intend to do major surgery—if not from scratch—on the fiscal 1996 budget Clinton is sending to Congress in February. The White House has totally shaken up its budget process to produce what officials describe as a "much more audacious response" to the Republican gains and to emphasize Clinton's desire to move more toward the political center.

A senior administration official said yesterday that Clinton had "asked for recommendations for cutting or eliminating departments or programs. Serious recommendations."

The official said the National Economic Council, rather than officials of the agencies and departments, is preparing the dramatic options and that key decisions will be sought from Clinton on Monday and Tuesday.

A second official said that HUD was once considered a prime candidate for elimination but that Secretary Henry Cisneros has produced a workable set of proposals that call for "dramatic restructuring" and saves money.

In the wake of the election, the administration is restructuring its budget deliberations around four goals: streamlining government, consolidating agencies and departments, eliminating functions, personnel and areas of government, and privatizing some functions performed by government.

Clinton has been in budget meetings almost every day this week and has another meeting scheduled on Monday to debate some of the options. But departments and agencies scheduled for drastic cuts or eliminations are already preparing their internal arguments against such actions.

"Different people within the White House have different views considering what these exercises are trying to accomplish," said one department official. "Our view is what is important is the functions of the department, and that those functions be performed efficiently."

Energy Department officials recalled that when President Ronald Reagan proposed elimination of their department in 1981, the proposal failed for two reasons: the Congressional Budget Office did not believe it would save much money, and no one could decide where to move the department's biggest and most expensive function, manufacturing and maintaining the nation's arsenal of nuclear weapons.

The only department with the facilities, the expertise and possibly the willingness to absorb that mission would be the Defense Department. But giving the Pentagon control of the bomb factories would break with half a century of bipartisan policy to keep that function in civilian hands.

Another official noted, though, that "things that could not have been possible two months ago now make it on the table."

This official said that while the major reviews had been directed at HUD and Energy, other departments and agencies would be asked to justify their missions and explain why parts of their organizations continue to exist.

At the Labor Department, for example, "a lot of intense work" has been done over the last six months on how to consolidate 154 education and training programs. The idea of consolidating the programs began with Vice President Gore's National Performance Review and was continued by OMB, Labor and Education department officials. Two senators with interest in the issue—Edward M. Kennedy (D-Mass.) and Nancy Landon Kassebaum (R-Kan.)—also have been involved.

"It's fair to say that that work is close to ready to go to the president for some decisions on his part," said an official who has worked on the project.

A White House official said discussions were underway with top political appointees to build consensus for a second stage of Gore's "reinventing government" initiative, ranging from creating a "grand vision" for what the government should look like in the next century to consideration of complex "alternative models" for review of agency regulations by Gore.

This is also the time of year for OMB's "pass-backs." The budget office responds to each agency's budget request with suggestions that traditionally include directions for further spending and personnel cuts.

When OMB seeks further cuts during the pass-back, it usually prompts appeals and resistance by the targeted agency.

At the Bureau of Alcohol, Tobacco and Firearms, officials are opposing OMB's suggested cuts, according to a memo written by ATF Director W. L. Magaw.

"The immediate impact of these cuts would be to prevent the apprehension of nearly 5,000 violent offenders a year," Magaw wrote in a Nov. 30 memo to bureau employees. "These offenders commit in excess of 300,000 crimes annually."

According to Magaw's memo, OMB has proposed cutting ATF's firearms enforcement program by one-quarter, about $53 million and 530 employees, to finance a "Cops on the Beat" grant program initiative for state and local law enforcement officers. "OMB sees ATF's role as assisting state and locals in enforcing laws rather than direct enforcement," Magaw said.

The memo said OMB proposed reductions in ATF's alcohol compliance program, elimination of a surveillance aircraft program and a cut off in funds for the relocation of a laboratory to Rockville. Instead of relocating the lab, OMB recommends consolidating it with other Treasury Department facilities, the memo said.

Staff writers Guy Gugliotta, Thomas W. Lippman and Pierre Thomas contributed to this report.
The Class With Clout

GOP House Freshmen Are Young, Driven

By Kevin Merida

GOP House freshmen are young, driven.

In the name of politics, young people are often under served and over scrutinized. Sometimes they are even called irreverent. But this year, the 73 incoming freshmen to the House are young and they are driven. They will be joining some 400 other congressmen in a profession that has been considered to be the domain of the elderly. Instead, these freshmen have come from a variety of backgrounds and have been promised a role of influence. They have been assigned to committees and have been promised a role of influence.

The freshmen are also more diverse, as 21 percent are women and 14 percent are minorities. It is also not as politically seasoned as the previous class, in which nearly three-quarters of the members had held elective office. Of the freshmen, 65 are under age 45: 37 are Republicans, 28 are Democrats. The numbers alone suggest a dramatic shift in influence for newcomers over the last Congress in which Democrats held a 65 to 51 advantage among freshmen. The incoming freshmen and their soon-to-be-senior colleagues will come from more than half the 230 Republicans in the House in the 104th Congress, giving junior members the power to drive legislative decisions. It is unclear, however, how active the '94 rookie class will be in applying this leverage.

"I believe you have to learn to follow before you lead," said Richard "Doc" Hastings (R-Wash.), 53, a former state legislator who now runs a major U.S. paper and supply company. Other GOP newcomers say their mantra must be: "Stand united to maximize clout. If we don't all hang together, we're going to hang separately," said Steve Chabot (R-Ohio), a 41-year-old former mayor of Palm Springs and the Fairfax County Board of Supervisors. The freshmen are wearing laminated miniature versions of the contract around their necks and sporting blue buttons that say, "Majority Makers." Like most newcomers, Capitol Hill has a dizzying schedule of briefings and business meetings.

In the interim, they have been searching for apartments and shopping tips on how to win the committees' assignments of their choice. Many in the class of '94 brag about "committing" to and fending off an uncommon practice, but symbolically important for newcomers who see themselves as "real Washingtoners." They have come from a variety of backgrounds and have been promised a role of influence.

"We really came here as citizen legislators," said Michael P. Flanagan (R-III.), a 37-year-old real estate broker who didn't accept campaign donations from political action committees, is eager to further restrict their influence. Some Republican rookies are wearing laminated miniature versions of the contract around their necks and sporting blue buttons that say, "Majority Makers." Like most newcomers, Capitol Hill has a dizzying schedule of briefings and business meetings.

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"Many of us were talking about the very things that were in the contract before there was even a contract," said Rep.-elect Charles Norwood (R-Ga.), 53, a dentist who defeated freshman incumbent Don Johnson (D). "It gave me a little idea of what I was in for. I think the contract, for the vast majority of [incoming freshmen], is their bible," said Rep.-elect Ray LaHood (R-Ill.), 49, who served as chief of staff for outgoing Republican Leader Robert H. Michel (III). "We've got to sell it and pass it before we do anything else."
Air Fare, Rome to Colorado: $120,000

General's Costly Flight Runs Into Flak on Hill (But the Cat Paid)

By John F. Harris

A commercial flight was leaving the next day, but that was not soon enough for Air Force Gen. Joseph W. Ashy.

Instead, the new leader of the U.S. Space Command traveled on an Air Force C-141 transport jet, which flew him, one aide and the Ashy family car from Italy to Colorado at an estimated cost of at least $120,000.

Ashy's flight might not have been publicized, except for a coincidence before taking off in Naples. Two retired military officers and their wives, who are allowed to travel on military planes on a space-available basis, asked the crew if they could tag along.

Even though the flight was flying nearly empty, Air Force officials said the crew told them no, because they believed Peterson Air Force Base in Colorado was not an allowed port of entry into the United States for travelers not on Air Force business. An Air Force official in Washington said the crew was mistaken, and that accommodations for the foursome could have been made.

Vowing revenge, the spurned red-ties took their grievances to Hackworth, who began investigating. ABC's "20-20" is also planning to air the flight.

Air Force officials said the crew made other mistakes. The manifest on the plane said Ashy's wife was with him on the flight. In fact, the Air Force said, Ashy's wife was already in Colorado, and the woman traveling with him was his 21-year-old aide, Senior Airman Christa Hart.

"Why did a young female enlisted aide... accompany General Ashy on this flight?" Grassley asked in his letter. "Why is Hart's name not listed on the flight manifest? Was Hart performing normal official duties, or was there some other reason for her presence?"

Hart was on the flight because she is joining Ashy in his new assignment, an Air Force official said. She serves as a valet to Ashy and performs some protocol functions.
Miami Auditions for Lead Role in Latin Affairs

By William Booth

MIAMI, Dec. 8—This is an old joke here, but it tells the story of this hyperactive city's best hope for the future.

Q: Why is Miami so popular with Latin Americans?
A: Because it is so close to the United States.

For nine months, Miami has gone on civic spending binge, planting 25,000 palm trees, repaving roads, evicting the homeless from squatter camps, wishing upon wish that the Summit of the Americas, which begins today with the arrival of 34 heads of government, will show the world that Miami is the rightful capital of a transformed Latin America.

Over the weekend, Miami leaders hope to erase years of negative publicity, of images of Miami as a drug-laundering, riot-plagued Caribbean Casablanca, where foreign tourists are hunted down by gun-toting pre-adolescents. The objective is a prettier postcard—a Miami that is the economic and logistical hub of the hemisphere, the full-rem city that sits between United States and the 350 million consumers south of the border.

"We want to present Miami as a lush, green, sunny, sub-tropical, warm, wonderful venue to visit," said Arthur Teele, chairman of the Dade County commission. Local political and business leaders are thinking of a hemispheric Hong Kong, a warm Switzerland, but many still think frontierland.

Miami is arguably one of the nation's most frustrating but fascinating cities—what some scholars of urban America consider the country's first truly multi-national metropolis, a not-entirely neutral zone between two worlds, where the opportunities and squallor of both the United States and Latin America collide. It has passion, but a history of violence and repression, and some of the poorest, most dangerous neighborhoods in America.

It is also the first major U.S. city largely owned and operated by recent immigrants, with all the zeal immigrants bring, yet burdened by some of the worst schools, crime and infrastructure in the country.

Here, Spanish is not just the language of this summer's Cuban rafter washing dishes in his uncle's cafe. It is used—freely and without pause—in the boardrooms of the city's banks. It is the official second language of government and the defacto language of the streets, the music, the arts, the food and the deal. According to the 1990 U.S. census, more people in Miami speak Spanish at home than English.

"We want to show the world that Miami is the rightful capital of a transformed Latin America," said John Edward Smith, a local attorney and a chairman of the Florida Summit Task Force. "Miami has got to get serious."

Like Atlanta in the South, Miami is undeniable a hub for transportation. To get from San Salvador to Bogota, the quickest route is often through Miami. Last year, Miami International Airport became the largest mover of cargo in the nation, passing JFK in New York.

"Because Florida doesn't have significant hard goods like minerals to export, we will have to concentrate on intelligence, intellectual property, energy links and technology," said John Edward Smith, a local attorney and co-chairman of the Florida Summit Task Force.

Yet that is where the boosterism of the city, best expressed in gushy pre-summit articles in the Miami Herald, was launched this year and is broadcast through Central and South America.

Miami as it is today was created by Cuba's Fidel Castro. Before Castro rose to power in 1959, the city was a sleepy, mostly white, southern resort, where Arthur Godfrey and Jackie Gleason—not Gloria Estefan and Julio Iglesias—reigned. But the Cuban Diaspora changed all that and today the city's 600,000 Cubans run city politics and many of South Florida's businesses and institutions.

I think even the most retrograde English-first xenophobic would admit that without the Cubans, there would be no Miami," said Robert Joffe, a political pollster here.

But even the Cubans are no longer alone. U.S. Census numbers of Miami's immigrants are widely seen as wildly inaccurate, but there are at least 75,000 Nicaraguans here, 70,000 Puerto Ricans and 55,000 Colombians. To this add an estimated 105,000 Haitians, as well as tens of thousands of Jamaicans, Brazilians and Hondurans. Indeed, Little Havana is no longer really Cuban—it is more like Little Managua or Little Tegucigalpa. At last count, there were two little Rios.

"Miami's greatest resource is, as the real estate agents, say, location, location, location," said Jerry Haar, a director of the North-South Center at the University of Miami who worries the city could squander its warm weather and geography by failing to invest in schools and infrastructure and competence.

With almost no manufacturing base, Miami makes its money transshipping goods to and from Latin America—goods that are neither consumed nor produced in Miami, but give the city a piece of the $28 billion in trade that passes through.

And so the city's fortune has been largely tied to skimming its wealth from trade and transaction, moving cars, computers, tractor parts and boy's trousers south, while providing legal, technical and financial services to the Latin Americans, the sector that many economists say Miami needs to focus on.

For too long, say city boosters and critics, Miami has cruised on warm weather and immigrant energy, which translates to low wages and the willingness to work—often off the books. It is an easy place to spend money, but not to generate it. There are a lot of new regional corporate headquarters here—including Apple Computer, Black & Decker and AT&T—but their staffs are often small, the offices more like forward outposts than economic powerhouses for the city.

Yet for a wealthy Latin American, Miami has been way station during good times and bad. Wealthy Latin Americans send their children to school here. And when monied Latinos get sick, they come to Miami, where there are VIP suites complete with bilingual staff.

"Miami in the 1980s was a safe place to stash some cash and send the wife and kids," said Nicholas Rodriguez, an international financial consultant from Puerto Rico. "But Miami has got to get serious."

"Because Florida doesn't have significant hard goods like minerals to export, we will have to concentrate on intelligence, intellectual property, energy links and technology," said John Edward Smith, a local attorney and co-chairman of the Florida Summit Task Force.

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Yet that is where the boosterism of the city, best expressed in gushy pre-summit articles in the Miami Herald, whose publisher is leading "summit host," begins to unravel.

For example, the city and county's schools routinely rank among the worst in the nation. FBI crime statistics again named Miami and Dade County as the most crime-ridden place in the United States, in both violent and property crime. And long-simmered are the problems of Miami's poor, most of them black.

"The summit is great for Miami's business community," said H.T. Smith, president of the National Bar Association.

"It will accelerate and empower Hispanic businesses, but for the black community, it's like it isn't even happening, except for the fact that the traffic will be bad."

Special correspondent Anne Day contributed to this report.

FRIDAY, DECEMBER 9, 1994 | THE WASHINGTON POST
The GATT accord awaits President Clinton's signature at the OAS ballroom. It creates a World Trade Organization to enforce rules on global trade.

**In Trade, a Fight for the Director's Chair**

Regional Rivalry for Helm of WTO Strains Ties the GATT Accord Sought to Strengthen

By Peter Behr

Washington Post Staff Writer

The debut of the World Trade Organization as the new arbiter of global commerce has been clouded by a quarrel among its two superpower members, the United States and the European Union, over who will head the new, 124-nation body.

In a dispute that appears to be strengthening a polarization of trading nations along regional lines, the United States is championing the Western Hemisphere's choice for director-general: former Mexican president Carlos Salinas de Gortari, architect of his country's economic resurgence and its free-trade alliance with the United States.

But Salinas, who seeks to be the first top global trade official from outside the circle of industrialized powers, trails the European candidate, former Italian trade minister Renato Ruggiero, who also has the support of African and Middle Eastern nations with historic ties to Europe. A third candidate, South Korean Trade Minister Kim Chul Su, is running last in the preliminary head count of nations.

President Clinton signed legislation yesterday approving U.S. membership in the new WTO, which will open its doors Jan. 1 in Geneva, replacing the 47-year-old General Agreement on Tariffs and Trade. But the dispute over who will head the body threatens to strain the birth of the organization, a powerful new international body meant to symbolize global economic cooperation.

The two leading candidates for director-general, in Washington this week to do lobbying, are not ducking.

"He has finished his campaign and I am starting mine," Salinas said Wednesday, following a speech to the American Enterprise Institute's annual dinner. Describing himself as the "candidate of the South," Salinas is headed to Pakistan, India, South Africa and other developing nations to seek support.

"The impression I have is that the game is over or very near the end," Ruggiero told reporters Wednesday amid a series of calls on senior Clinton administration officials. "If it is not, I would like to know why.... I am far ahead of the other two." He suggested that by insisting on Salinas, the administration is thwarting the majority's choice.

According to Ruggiero and other trade officials, a canvassing last month showed he is supported by more than half of the 124 GATT members, with Salinas and Kim spliting the rest about evenly.

Clinton administration officials said they hope Kim can be persuaded to step aside, leaving Salinas a clear shot at the votes of Asia's developing nations. But trade officials said Kim is hanging in the race.

Ruggiero warned that the U.S. campaign for Salinas could have long-lasting impact, straining ties with Europe—a relationship already frayed by sharp transatlantic differences over stopping the bloodshed in Bosnia.

In fashioning trade policies, the United States is looking south toward the fast-growing economies of Latin America and west to Asia, noted Ruggiero, who fears it could be at the expense of Europe.

An escalation of the WTO quarrel "will not be in the interest of the United States," he added. "Without the collaboration of Europe and the United States there will be no free trade ... no anything," said Ruggiero, describing himself as a veteran fence-mender between the two.

In an organization that is ruled by consensus and that took seven years to negotiate the agreement establishing the WTO, the potential for a long stalemate over who will lead it seems quite real. As early as today, WTO delegates may have to ask the current director-general, Peter Sutherland, to keep the reins as a caretaker.

Although the rules permit a vote of the members to settle the issue, all of the GATT's institutional instincts run against such a showdown. "We've never voted on a GATT director-general," said one international trade official. "It's the last thing anybody wants."

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VICE PRESIDENT GORE, TRADE REPRESENTATIVE MICKEY KANTOR, SEN. ROBERT DOLE, SECRETARY LOYD BENTSEN AND REP. TOM FOLEY WATCH THE GATT SIGNING.
Panel Seeks Consensus On Entitlement Reform

Three Proposals Await Reluctant Members

By Eric Pianin and Spencer Rich

Washington Post Staff Writers

Sens. Bob Kerrey (D-Neb.) and John C. Danforth (R-Mo.), the leaders of the president's bipartisan entitlement commission, are struggling to find consensus for plans to reduce the deficit and contain entitlement spending.

Kerrey, the chairman, and Danforth, the co-chairman, yesterday circulated a memorandum to members outlining three separate approaches that would result in reduced Social Security benefits, increased premiums for Medicare coverage and reductions in itemized tax deductions for wealthier taxpayers.

The commission, scheduled to meet today to review the options, was created by President Clinton to develop recommendations for dealing with the long-term deficit problem and putting the Social Security system on a solid footing through the next century.

"We cannot pay for the explosive growth in our entitlement obligations—fueled primarily by increased life expectancies, the aging of the baby boom generation, and spiraling health care costs," the two senators said in their memorandum. "We must act promptly to address this imbalance between the government's promises and its ability to pay."

Some Democratic members of the commission and their aides complained yesterday that Kerrey and Danforth had failed to properly lay the groundwork for the dramatic and politically risky proposals they were now advancing or to provide them with sufficiently detailed analysis to assess the potential impact of the changes. Many predicted that the proposals would come close to gaining the 60 percent majority of the 32-member panel necessary for adoption.

One alternative that has gained considerable attention from Kerrey and Danforth would significantly reduce Social Security benefits over the long-term by raising the retirement age to 70, changing the benefits computation formula, means-testing Medicare programs and reducing tax deductions for wealthier taxpayers.

The other two options also cut programs but not as much, although the Kerrey-Danforth letter says "each package reaches the goal line."

"I would think it's unlikely they could get the support," said outgoing House Budget Committee Chairman Martin O. Sabo (D-Minn.), a commission member. "Nobody has really talked about the proposals. Apart from hearings, there's been no communications among members."

Another Democratic commission member, who declined to be identified, said the commission "ran into the buzz saw of the election," which left the defeated Democrats unwilling to pick their teeth out for any controversial proposal and the victorious Republicans unwilling to expend any political capital until next year's budget negotiations with the administration.

A Democratic senate aide who canvassed Democratic commission members yesterday warned that the body's deliberations were on the verge of a "meltdown."

A commission spokesperson said last night that Kerrey and Danforth still were conferring with other commission members and hadn't decided whether to push for adoption of one of the three alternatives or throw the meeting open to a wide-ranging discussion. "The door is wide open to other proposals," the aide said. "If these are not suggestions (members) can support, we hope to get feedback and see where it leads."

Robert Ball, a former commission-er of Social Security and a critic of the entitlement commission's efforts, said package that Kerrey and Danforth have focused on "would absolutely devastate Social Security."

"The Social Security cuts in the long run amount to 50 percent of the benefits," Ball said, compared to levels that would be paid if current law remained in effect. "For low-wage workers the cuts in benefits would be 34 percent. For average-wage earners, the benefits would be cut 43.7 percent, and for maximum-wage earners, 49.7 percent."

Ball and other critics of the commission, including the AFL-CIO and the National Council of Senior Citizens, complain that commission leaders have targeted Social Security when they ought to focus on the far more serious problem of controlling expenditures for Medicare and Medicaid. Ball said that the Social Security system will have a surplus for the next 25 years, before running out of money. "It's true that some adjustments need to be made in the long run, but nothing like what is being proposed," he said.

Commission member Thomas J. Downey, a former Democratic congressman, said: "There are things there that will work and things that will not work. We can't just get all the savings from the elderly."

Commission leaders said prompt action is needed to begin coping with severe long-term budget problems that will be fueled by an aging population and sharp increases in health care costs. Entitlement programs, such as Medicare and Social Security, coupled with interest payments on the national debt, consume more than 60 percent of all federal spending.

Kerrey, who convinced Clinton to create the commission, has used the public hearings to try to educate the public and commission members about the long-term problem. Critics complain that there haven't been any private meetings where members could talk frankly and negotiate to try to forge a politically acceptable plan.

One of the largest benefit cuts in the proposal that Kerrey and Danforth are focusing on would be achieved by raising the "normal" Social Security age for retirement with full benefits from age 65 to 70 over 30 years. A person would be allowed, as at present, to retire as early as 62, but with permanently reduced benefits. The net effect would be to cut benefits by 40 percent for people retiring at 62. Another provision would change the benefit formula and reduce future benefits.

Still another provision would cut the annual cost-of-living adjustment for Social Security and other federal programs. In Medicare, the eligibility age would be raised to 70 (it is now 65) but people could join at age 62 by paying an early enrollment charge. The package also proposes a means test on Medicare and other entitlement programs and it would reduce the annual rate at which members of Congress and state and federal pension credits, starting in 1996.

Clinton Welfare Conference

President Clinton announced yesterday that the White House will hold a bipartisan conference on welfare reform next month with governors, mayors and members of Congress.

"I have called for this session as a first step in an honest dialogue about our country's broken welfare system and what we must do to fix it," Clinton said. "He described the current system as "a bad deal for the taxpayers who pay the bills and for the families who are trapped in it."

Welfare reform was a signature idea of Clinton's presidential campaign, but it languished as health care reform took precedence. Now, Republicans are far beyond the reform proposals that Clinton presented earlier this year.

"People want their leaders to stop the partisan bickering, come together, and roll up their sleeves and get to work," Clinton said. "This meeting will be the beginning of a new day not just for the welfare system but for how our government works."

—Ruth Marcus

FRIDAY, DECEMBER 9, 1994 THE WASHINGTON POST
Hubbell Judge Steps Aside In Sentencing

Wilson Cites Conflict In Recusing Himself

By Dan Morgan
Washington Post Staff Writer

The chairman of the National Governors' Association, Vermont Gov. Howard Dean (D), yesterday accused the new Republican leadership of Congress of putting on a "political show" in proposing a constitutional amendment to balance the federal budget without including a key fiscal safeguard demanded by the states.

Dean said a Republican decision to frame the amendment so it did not prohibit passage of federal laws that cost states money was "very disappointing" and "very hypocritical of the new Republican leadership."

Republican sources said at a Wednesday night meeting of GOP governors with congressional Republican leaders it was clear the law-makers intended to propose legislation to deal with governors' concern about federally mandated but unfunded programs, rather than make it part of a separate constitutional amendment on balancing the budget.

"There seems to be agreement to work on two tracks," said Rep. Rob Portman (R-Ohio), who is drafting an unfunded mandate bill in the House. He said dealing with unfunded mandates through legislation would be quicker and would avoid constitutional questions.

Sen. Don Nickles (R-Okla.), part of the transition team in the Senate, said he also opposed the idea of trying to pass a constitutional amendment without making it many pages, "I could see a 20-page amendment. I think we need to be very cautious."

Republican governors have indicated support for a balanced budget amendment and they plainly want to avoid a rupture with the new Capitol Hill leadership, but they have made clear they will be as determined as Democratic counterparts in fighting highly sensitive federal-state relations issue highlighted the potentially explosive nature of federal-state relations as the Republican majority in Congress maps unprecedented cuts in federal spending.

The stakes for the states in the budget cutting that will unfold next year are enormous. The federal government provides some $230 billion a year to states, and federal dollars account for about 20 percent of state budgets.

The money includes federal grants under Medicaid, welfare, highway, education, housing and many other programs.

Much of this money will be subject to the budget ax, but since other major sources of spending reductions, such as Social Security and defense, have been ruled out by Republicans.

"States are going to have to do with less," Leavitt acknowledged. But he said governors could live with this if Washington gave them more flexibility on how to use federal money and eased the burden of regulations and programs for which no money was provided.

Dean, in town yesterday to meet White House officials and chair a panel on children's issues, said no state legislature "in its right mind" will approve a constitutional amendment that does not include safeguards against unfunded mandates because "what they're really doing is asking state taxpayers to raise taxes.

"I think it's very hypocritical of the new Republican leadership to pretend they're not going to raise taxes and are going to balance the budget, when they're going to force states to raise taxes. It's an old play.

I'm very disappointed that the new speaker is going to adopt the traditional ways of Congress."

Responding to Dean, Portman said, "I think it's only fair to give the statutory remedy a chance to work. His statement misses the point that we are going to pass a tough statute."

Leavitt said he preferred a single constitutional amendment that would balance the budget and outlaw unfunded federal mandates, but that appeared to be "politically unrealis-

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Staff writer Dan Balz contributed to this article.
GOP Contractors' 'Dream' Bill Has Deficit Hawks Losing Sleep

Fifth of 10 articles

By Clay Chandler
Washington Post Staff Writer

n keeping with their campaign promise to champion family "values," House Republicans are using the nation's strapped mid-
dle class, House Republicans' "Contract With America" proposes several tax changes intended to make it easier for the average family to buy a home, send children to college and save money for retirement.

The American Dream Restoration Act—the fifth of 10 bills House Republicans have promised to bring to a vote in the first hundred days of the 104th Congress—offers three reforms pitched to middle-income families: a per-child tax credit of $500; a slight reduction of the tax "penalty" on married couples; and several broad changes in the rules governing tax-favored Individual Retirement Accounts.

"Middle income families are forced to buy their first homes later in life and must scramble to send their chil-
dren to college," states a House Republican Conference summary of the measures. The bill's provisions, according to the CBO, are "designed to deliver relief from the heavy burden of government and let families keep more of their hard-earned dollars to pursue their own version of the American Dream."

Democratic critics, however, argue that the Republican proposals would benefit the wealthy far more than the middle class, and divert public resources from the truly needy. "I don't think most Americans believe cut-
ing programs like Medicare for the middle class in order to fund tax cuts for people making nearly $200,000 is their idea of a middle-class agenda," said Gene Sperling, chairman Pete V. Domenici (N.M.) and incoming Finance Committee chairman Larry E. Dole (Kan.), incoming Senate Finance Committee chairman Bob Packwood ( Ore.).

The $500 tax credit would apply to each child aged 17 or under in families with incomes up to $200,000 begin-
ing in 1996. The measure, which would be extended to 50 million families and lower government revenue by an estimated $109 billion over five years. Among those potential gains over the long term because they are categorized in a different tax bracket from singles. The Joint Committee on Taxation, a bipartisan congressional panel charged with analyzing the impact of tax proposals on government revenue, estimated that one recent Republican proposal for eliminating the marriage penalty altogether would lower govern-
ment revenues by at least $72 billion over five years. The House contract proposal calls only for "phasing out" the marriage penalty. Draft legislation for the proposal calls for $2 billion annual tax credit for married taxpayers, but leaves it to the Treasury secretary to determine how the credit should be administered.

Clinton administration economists estimate a $2 bil-

lion credit, if it were distributed equally among the na-
tion's roughly 13 million taxpayers who file statements jointly, would amount to a benefit of about $40 a year.

"This is a matter of principle," said Gillespie. "The point is that we want to make marriage less punitive ... This is just the beginning of a process that will make the code neutral on the issue of marriage."

The Republican contract calls for creation of a new, tax-favored savings vehicle—dubbed the "American Dream Savings Account"—a proposal that would offer "Super Individual Retirement Account"—that would offer all taxpayers preferential tax treatment on contributions of up to $20,000, provided that funds are later withdrawn for one of four purposes: retirement income, purchase of a first-


time home, education of a family member or insurance for long-term care.

The new accounts would be a switch from current law, under which only a narrow group of taxpayers—single people with incomes under $35,000 or couples with in-
comes under $50,000—are eligible for preferential tax treatment on IRA accounts.

In contrast to current IRA rules, which many Republi-
can's decry as anti-family, the Super IRA would be open to the nation's 92 million non-working spouses.

However, the most controversial feature of the new accounts is that they would be "back-loaded—that is individ-
uals would be taxed when they put money into the ac-
count rather than when they take it out, as they do now. Republicans estimate that between the number of new account holders and the up-front taxes collected, the bill will generate $4.7 billion in its first five years.

Democrats agree that revenues would go up in the short term. But many budget experts worry that back-
loaded accounts would add billions to the deficit over the long term. William G. Gale, a tax specialist at the Brookings Institute, argues that IRA-type programs only encour-
age asset shifting by people who are already high savers. Moreover, budget experts at the Congressional Research Service, the Joint Committee on Taxation, and the Congressional Budget Office have analyzed similar proposals and found that after the first five years, the back-loaded accounts result in less revenue. The Center of Budget and Policy Priorities estimates the GOP propo-
sal would reduce revenues by approximately $50 bil-

lion over five years. But Gillespie of the House Republican Conference, ar-

gues that the American Dream accounts are revenue gainers over the long term because they "make it easier for families to save, and that has the effect of spur-
ing economic growth." He said the plan will also help lessen federal spending over time because it will "make families more self-reliant and less dependent on the government for things like education, health care, job training and re-
tirement support."

Monday: The National Security Restoration Act
FEC Defers Choice On Bush Audit; No Tsongas Penalty

By Charles R. Babcock
Washington Post Staff Writer

The Federal Election Commission yesterday put off a decision on whether President George Bush's 1992 reelection campaign has to repay $1.3 million to the Treasury. It also will not hold Paul E. Tsongas's 1992 presidential campaign liable to repay illegal loans solicited and then embezzled by his now-jailed finance chairman.

Both campaign actions, if decided to FEC audits because they received millions of dollars from a fund that matched their small donations with money voluntarily earmarked by taxpayer checkoffs. Bush received an additional $55 million from the fund as his party's presidential nominee.

Most of the large repayment recommended by FEC auditors for the Bush campaign came from polling and other expenses that its primary campaign committee made that should have been paid for by the general election committee. The campaign argued that any spending up to Aug. 20, 1992, the day Bush accepted the GOP nomination, could be attributed to the primary committee. The auditors said the pertinent question was not the date, but which campaign benefited.

The Tsongas audit debate was enlivened, according to an Associated Press report, by FEC attorney James Portney's claims that Tsongas and his campaign manager, Dennis Kanin, knew about some of the fund-raising efforts of finance chairman Nicholas Rizzo and that they learned of a secret bank account he set up months before the convention.

Tsongas Penalty

Report, by FEC attorney James Portney, said a four-member Democratic majority in the committee had asked him to be available for another meeting, although Rep. Jim McDermott (D-Wash.), the chairman, reportedly is out of the country.

"It is up to the chairman of the committee to have a meeting," Goss said. He added with a laugh, "I think Bonior bought him a ticket to Ireland and then made his speech."

Democrats have pointed out that Gingrich is in a position to appoint members of the panel that would consider the matter unless the Democratic-led panel holds another session this year. Gingrich has said he would not excuse himself from making ethics appointments, although he has delayed naming an ethics panel chairman.

Without such an appointment, Phe- lan wrote, Gingrich "will be perceived either as an ethical hypocrite or as out-of-touch with traditional standards of integrity as the leadership he replaces."

Speaker-to-Be Regrets Drug Allegations

By Charles R. Babcock
Washington Post Staff Writer

Partisan maneuvering over a pending ethics charge against incoming House speaker Newt Gingrich (R-Ga.) continued yesterday, House Democratic Whip David E. Bonior (D-Mich.) said an outside counsel should be appointed to investigate, while a Republican ethics committee member said the panel's Democratic chairmen should call another meeting to consider new facts presented by Gingrich.

Bonior said at a news conference that Gingrich "has an ethical cloud hanging over his head" from allegations that he used a college course he teaches for partisan purposes. The course has been financed by tax-deductible donations to foundations, including several from Gingrich's political contributors. "If Mr. Gingrich has nothing to hide, he will have nothing to fear from this investigation," Bonior said.

Bonior said in a telephone interview late yesterday that he is not basing his call for an independent investigation on what Gingrich "did to Jim Wright." Gingrich helped instigate an ethics inquiry that led to Wright's resignation as House speaker in 1989.

"It was a comment which produced a larger effect than I intended," Gingrich said at a breakfast with reporters. "I stand by precisely the same thing."

The ethics committee wrote Gingrich an eight-page list of questions about his role in the course taught at Reinhardt College in Georgia. The letter said the committee needs more information before deciding whether to start an investigation or dismiss a complaint filed by Ben Joes, the Democrat whom Gingrich defeated last month.

Gingrich answered by challenging the committee's jurisdiction to pursue the matter, and the committee put off a final decision at a meeting late last month.

Rep. Porter J. Goss (R-Fla.), a committee member, said yesterday that while he could not discuss the group's internal deliberations he could say that it has received more information from Gingrich about the complaint. He added that Rep. Fred Grandy (R-Iowa), the committee's ranking minority member, had asked him to be available for another meeting, although Rep. Jim McDermott (D-Wash.), the chairman, reportedly is out of the country.

"It is up to the chairman of the committee to have a meeting," Goss said. He added with a laugh, "I think Bonior bought him a ticket to Ireland and then made his speech."

Democrats have pointed out that Gingrich is in a position to appoint members of the panel that would consider the matter unless the Democratic-led panel holds another session this year. Gingrich has said he would not excuse himself from making ethics appointments, although he has delayed naming an ethics panel chairman. Richard J. Phelan, a Demo- crat and the outside counsel in the Wright case, wrote a letter yesterday to the ethics committee suggesting that Gingrich "practice in office what he preached in the Wright case" and agree to the appointment of an independent counsel.

Without such an appointment, Phe- lan wrote, Gingrich "will be perceived either as an ethical hypocrite or as out-of-touch with traditional standards of integrity as the leadership he replaces."

Speaker-to-Be

Regrets Drug Allegations

Associated Press

House speaker-to-be Newt Gin- grich (R-Ga.) said yesterday he wished he had not alleged that some White House staff members had used drugs. He did not apologize for the comment but said he regretted it had become a distraction from the GOP's "Contract With America" message.

"It was a comment which produced a larger effect than I intended," Gingrich said at a breakfast with reporters. "I should not have said it... I've got to learn to be very specific about what I'm trying to accomplish."

But he added, "I stand by precisely what I said on 'Meet the Press.' " Gingrich said Sunday on the NBC-TV show that he "had a senior law enforcement official tell me that in his judgment up to a quarter of the White House staff, when they first came in, had used drugs in the last four or five years."

White House Chief of Staff Leon E. Panetta denied the accusations and said Gingrich was "behaving like an out-of-control talk show host."
A federal grand jury added four firearms charges yesterday against Francisco Martin Duran, the Colorado man who allegedly tried to kill President Clinton, raising the ante by 40 years on the maximum sentence he could face if convicted.

Through one of his public defenders, Duran, 26, a hotel upholsterer, pleaded not guilty to all of the charges in the new, 15-count indictment.

The new charges were made amid reports that Duran may have thought he had shot Clinton in his sights when he allegedly fired at the White House Oct. 29 with a Chinese-made semiautomatic rifle. New York newspaper reports this week that a New York furnisher, who resembles President Clinton, was on a private tour of the White House and may have been in view when Duran fired.

The four additional charges in­volve carrying and using a firearm during a crime of violence, for alleg­edly shooting at four Secret Service agents as they made their way across the White House lawn to try to stop him. The four firearms charges carry could become impor­tant if prosecutors fail to prove that Duran tried to kill Clinton but won convictions on the other counts in the indictment. The attempted assas­sination charge carries a maxi­mum penalty of life in prison.

Yesterday's action by the grand jury means that Duran's prison ex­posure on the remaining charges in­creased from 80 years to 120 years.

Kevin A. Ohlson, a spokesman for the U.S. Attorney Eric H. Holder Jr., said a prosecutor conduct­ed a legal analysis and examined congressional records dating back to Congress in 1862 to allow such charges to be made.

Prosecutors initially did not in­clude the four counts because they were unsure whether Congress in­tended to allow such charges to be brought along with charges of as­saulting federal officers with a fire­arm, Ohlson said.

Ohlson said a prosecutor conduct­ed a legal analysis and examined congressional records dating back to the 1984 crime bill to determine whether the four charges could be added. The new crime bill, signed by Clinton in September, also clarified the 10-year penalty for use of a semiautomatic firearm.

In the hours after the shooting, Secret Service agents said the at­tack was not aimed at Clinton. But FBI agents found witnesses in Colo­rado—friends and co-workers of Duran—who said he had indicated he wanted to "take out" the pres­i­dent.

If Duran thought Dennis Basso, the furrier, was Clinton, the at­tempted assassination charge could stand legally. Prosecutors would have to prove only that he intended to shoot the president.

**Corrections**

Jackson Offers No Apology
For Blast at Christian Right

By Laurie Goodstein
Washington Post Staff Writer

Jesse L. Jackson yesterday refused to apolo­gize for calling the conservative Christian Coali­tion a "strong force" in Nazi Germany and a racial influence in the slave-holding South. The pastor and Congressional Black Caucus leader expanded on remarks he made last week in Chicago and New York, saying that "there is an ideological and histor­i­cal connection" linking the Christian Coalition today to the white supremacists and anti­semites of yesteryear.

Reed asked Duran, "It is tragically ironic that someone who has dedicated his entire public life fighting prejudice and bigotry has now hurled such an irresponsible slur and is guilty of insensitivity and bigotry himself."

Jackson responded, "They didn't call on the president to condemn [Sen.] Jesse Helms (R-N.C.) for making racist remarks. They didn't call on the right to condemn [en­counter House speaker] Newt Gingrich [R-Ga.] for im­plying that one-fourth of the White House staff could pass a drug test. There is a political reaction."

Jackson's remarks come at a time when leaders of the coalition and other conservative Christian groups have participated in several meetings seeking dialogue and reconciliation with Jewish leaders to ally concerns ex­pressed by some that the coalition embodied a theocratic, intolerant vision of America.

The Christian Coalition was founded in 1989 by the Rev. Pat Robertson. Its more than 1.3 million members distributed about 30 million voter guides during last month's midterm elections and were quick to take credit for the con­servative Republican victory.

Jackson said he is aware that the Christian Coalition itself did not exist during slavery or World War II, but that "they are in the same lineages..."

"We have never ever questioned his right to use his faith, his pulpit or his pastoral office to organize politically," Reed said of Jackson. "He has campaigned openly in churches; he has passed chicken buckets down the pews to raise funds, and he has endorsed candidates from the pulpit, in clear violation of election law, and we have never questioned his right to be in­volved politically."

Reed said he and Jewish leaders had agreed to step forward in mutual defense when any of them are attacked with "religious bigotry."

Phil Baum, executive director of the American Jewish Congress, yesterday said his group would send a letter to Jackson registering out­rage over his remarks. "It's a gross distortion to say that the Christian Coalition is in any way whatever analogous to Nazis or fascists or a precursor to Hitler," Baum said.

But David Saperstein, director of the Religious Action Center of Reform Judaism, said that "it would be outrageous to suggest that they [the Christian Coalition] are Nazis... if you look at some of the statements that some of the leaders of the religious right have made in spurring their supporters on, whatev­er their motives might be, there have been hate-filled statements, intolerant statements, and I think the religious right needs to be held accountable."

**Correction**

In the high school basketball pre­view that ran in The Washington Post on Dec. 2, the late James Hunter of Coolidge High School was listed among the best players in the D.C. Interscholastic Athletic Association. Mr. Hunter was shot and killed on June 7, 1994. The Washington Post regrets that the inclusion of Mr. Hunter in its preview may have caused his family additional distress.

By Toni Locy
Washington Post Staff Writer

A federal grand jury added four firearms charges yesterday against Francisco Martin Duran, the Colorado man who allegedly tried to kill President Clinton, raising the ante by 40 years on the maximum sentence he could face if convicted.

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The new charges were made amid reports that Duran may have thought he had shot Clinton in his sights when he allegedly fired at the White House Oct. 29 with a Chinese-made semiautomatic rifle. New York newspaper reports this week that a New York furnisher, who resembles President Clinton, was on a private tour of the White House and may have been in view when Duran fired.

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Suggesting that Stratton Oakmont has violated terms of a court agreement the company signed earlier this year to settle SEC allegations that it manipulated stock prices and ran a high-pressure “boiler room” sales operation that defrauded investors.

An independent counsel appointed to review Stratton Oakmont’s operations has given the SEC a confidential report on the way the firm does business. The SEC was to release the report last week in response to inquiries from news organizations, including The Washington Post, that held up after the brokerage’s attorneys raised a legal challenge.

Stratton also is the target of an investigation by the National Association of Securities Dealers, which regulates stockbrokers, into alleged violations of rules meant to protect investors, NASD records show.

Two years ago, D’Amato, who is to head the Senate Finance Committee, faced a SEC probe to determine whether Stratton Oakmont, his largest single customer, had manipulated stock prices. The SEC alleged that Stratton Oakmont brokerages were involved in a sales technique called “prepared scripts,” which the SEC said was used to manipulate stock prices. Stratton Oakmont denied the allegations.

The SEC probe, which included a raid on Stratton’s Bethesda, Md., offices, was dropped in December 1991. SEC Commissioner Donaldson, who then was Stratton’s top regulator, said he had no idea what the SEC was looking into.

SEC Prepares New Action Against L.I. Firm
Stratton Oakmont, Which Aided D'Amato, Probed for Violations of Pact on Sales Techniques

By Jerry Knight
Washington Post Staff Writer

The Securities and Exchange Commission is preparing to initiate new disciplinary action against Stratton Oakmont Inc., the Long Island securities firm that helped incoming Senate Banking Committee Chairman Alfonse M. D’Amato (R-N.Y.) earn a $37,000 profit on a one-day investment, securities industry sources said.

The sources said the SEC has collected evidence suggesting that Stratton Oakmont has violated terms of a court agreement the company signed earlier this year to settle SEC allegations that it manipulated stock prices and ran a high-pressure “boiler room” sales operation that defrauded investors.

Ira Lee Sorkin, Stratton Oakmont’s attorney, said the firm is complying fully with the court agreement. Asked whether the SEC has reopened its investigation of Stratton, Sorkin said: “I have no idea what the SEC is or is not doing. All I can tell you is that the consent order is alive and it was always understood that [the SEC] would be monitoring it.”

After settling the SEC allegations and paying a $2.5 million civil penalty for securities law violations, Stratton Oakmont shifted part of its operations to Bethesda, where it now runs a telephone sales operation with more than 100 employees who solicit investors nationwide.

Former Stratton Oakmont broker. He said the script was used by Stratton Oakmont brokers to persuade investors to buy the stocks of small companies, some of which Stratton Oakmont executives had invested in.

“A leopard doesn’t change its spots,” said attorney Charles P. Loewenson Jr. A D’Amato spokesman said the senator “cooperated fully” with the independent investigator. He said he could not elaborate on the statement or explain why D’Amato was questioned.

D’Amato plans to lead the Senate’s Whitewater investigation and has been highly critical of the commodity market investments that earned big profits for Hillary Rodham Clinton.

In the court agreement, Stratton Oakmont agreed to stop a series of practices that the SEC said violated federal securities laws and defrauded investors. Stratton Oakmont settled the SEC complaint without contesting the agency’s allegations that the firm manipulated stock prices and ran a high-pressure boiler room sales operation in which brokers used prepared scripts to persuade investors to buy the stocks of small, little-known companies, some of which Stratton Oakmont executives had invested in.

Although Sorkin said Stratton Oakmont has changed the way it does business, a New York lawyer handling a lawsuit and investor complaints against the firm disagreed. “A leopard doesn’t change its spots,” said attorney Timothy Denuh. “Based on the experience of some of my more recent clients, I haven’t seen any evidence of any substantive change in the manner in which Stratton sells its securities.”

A broker who formerly worked in Stratton Oakmont’s Bethesda office said he had no experience or training in the securities business when he was hired and was given scripts telling which stocks to recommend to customers, what to say about the companies and even how to respond to objections investors might raise.

Although the SEC criticized Stratton’s use of selling scripts, “nothing in the order prohibits the use of accurate scripts,” attorney Sorkin said.

The script provided by the former broker recommends investing in Care Group Inc., a small Long Island firm that provides home health care services. The script is dated Oct. 3, the same day Care Group disclosed that its main subsidiary was the target of an investigation by the Justice Department for Medicare billing fraud.

One focus of the current SEC investigation is Stratton Oakmont’s sales of Solomon-Page Group Ltd. stock, according to regulatory sources.

On Oct. 20, Stratton Oakmont sold a new offering of 2 million shares of stock for Solomon-Page, a New York personnel recruiting firm. Late in the day, after the sale was finished, Solomon-Page announced that it had lost its largest single customer, a New York bank that provided 31 percent of its annual revenue.

The prospectus gives to potential buyers of Solomon-Page stock disclosed that one big customer accounted for a substantial part of the firm’s billings and warned that loss of the client would hurt the firm, but gave no hint that the loss was imminent.

The prospectus did not disclose that a group of investors who were selling their holdings in Solomon-Page were Stratton Oakmont executives.

Sorkin would not comment on specifics of the Solomon-Page offering but said the prospectus was reviewed and approved by the SEC.

FROM THE MOUTHS OF BROKERS

The following are excerpts from a prepared script provided by a former Stratton Oakmont broker. He said the script was used by Stratton Oakmont brokers to persuade investors to buy the stocks of small companies, some of which Stratton Oakmont executives had invested in.

“Before we get started,” the former Stratton Oakmont broker said, “I want to picture an event that is unfolding dramatically. It’s called earnings. It’s $(fill in blank) per share. . . .

The time to get involved in this is now. Do this.”
How GM Managed to Blunt Pena’s Full-Tilt Safety Crusade

By Cindy Skrzycki
Washington Post Staff Writer

Transportation Secretary Federico Peña’s retreat last week from his tentative plan to recall General Motors Corp. pickup trucks illustrates the new post-election mood in Washington. On regulatory issues, business is back in the driver’s seat.

Peña’s fans say he was right the first time in launching his quixotic battle against one of America’s biggest companies in the name of saving lives. His critics say he blundered in pushing a weak argument that design flaws made the GM pickups prone to fires in side-impact collisions—especially when he lacked strong White House backing—and that he would have been trounced by GM if he hadn’t backed off.

In any event, last Friday GM was handed one of its biggest victories in the regulatory arena since the company beat back a recall of its X-car in the 1980s. To escape pursuit by Peña, GM will pay $51 million over five years (a trickle from its cash flow) toward funding safety programs.

For other industries that are battling with regulators—over such issues as curbs on smoking, rules on workplace ergonomics and food safety surveillance—GM’s victory is a case study in how to beat federal bureaucrats by their own rules.

GM waged an across-the-board battle. The company insisted repeatedly, in every available forum, that its trucks were safe and met federal safety standards—and appeared to worry about strident Republican opposition to much of their work; a White House that doesn’t want public relations disasters over regulatory issues (witness the GM outcome); and more scrutiny from the Office of Management and Budget.

“It means, inevitably, that federal regulators will have to look before they leap,” said William Gormley, professor of government and public policy at Georgetown University.

For Peña, it meant getting clobbered by a windmill.

Project Relief Joins Anti-Regulation Boom

THE REGULATORS, From F1

The strategy worked. Peña capitulated at the eleventh hour, saving GM the public embarrassment of having the company’s critics parade burn victims before a DOT public hearing.

Peña was persuaded, sources said, that more lives would be saved by plowing money into safety programs than by spending years in court. Others don’t look at the settlement quite so favorably. Groups supporting new regulatory initiatives are wary of the timing of the GM decision. They wonder if the election results already have a chilling effect on how executive agencies go about their business.

“Agencies will be careful about they do,” said David Vladeck, director of Public Citizen’s litigation group. “Look at GM. It’s Exhibit A.”

One regulatory expert said the new conservative political environment means that agencies now have to worry about strident Republican opposition to much of their work; a White House that doesn’t want public relations disasters over regulatory issues (witness the GM outcome); and more scrutiny from the Office of Management and Budget.

“It means, inevitably, that federal regulators will have to look before they leap,” said William Gormley, professor of government and public policy at Georgetown University.

For Peña, it meant getting clobbered by a windmill.

PROJECT RELIEF, an amalgam of business associations, think tanks, grass-roots groups and individuals, will make its debut next Wednesday with its own 100-day agenda: Change the process by which the federal government regulates.

Bruce A. Gates, vice president of public affairs for the National-American Wholesale Grocers Association, the coalition’s chairman, which was formed with Rep. Tom DeLay (R-Tex.), who heads the House Republicans regulatory reform effort.

Gates said Project Relief, which includes conservative groups such as the Cato Institute and Americans for Tax Reform, will push for a regulatory moratorium. It also is planning on securing an 800 number so people can phone in their regulatory frustrations from around the country.

OUT FOR COMMENT: Carol Browner, head of the Environmental Protection Agency, makes sure she sees a Democrat and a Republican when she makes courtesy calls on the Hill these days . . . RJR Nabisco has been tussling tensely with the Labor Department over when RJR will testify at hearings for setting standards for smoking in the workplace. But there are no hard feelings. RJR just sent Labor Secretary Robert Reich a two-foot-high barrel of holiday crackers, cookies, Grey Poupon and other Nabisco treats. A bemused Labor official said the gift was sent off to a charitable organization.
House Foreign Panel Chief Vows Scrutiny
Military Operations Abroad Face Stricter Controls, Gilman Says

By R. Jeffrey Smith
Washington Post Staff Writer

U.S. military operations in foreign countries will be subjected to more congressional scrutiny and some new legislative controls next year, the incoming chairman of the House International Relations Committee predicted yesterday.

Rep. Benjamin A. Gilman (N.Y.), a moderate Republican named to the post on Wednesday, said at his debut news conference that the Clinton administration had engaged in "inconsistencies and ... vacillation" in its conduct of foreign policy, and had committed U.S. troops to stay too long in places such as Somalia and Haiti.

"Instead of a strong, steady signal on foreign policy coming from Washington, regrettably the world has heard a series of wavering notes sounded by an uncertain trumpet, leaving our allies concerned and our adversaries confused as to our purposes," Gilman said.

But Gilman's rhetoric was not as provocative as that of his Senate counterpart, incoming Foreign Relations chairman Jesse Helms (R-N.C.), Gilman noted that he and Helms did not see eye-to-eye on the United Nations—an institution that Helms has referred to as a "longtime nemesis of millions of Americans."

Gilman said he and his Republican colleagues will seek next year to impose a strict "national security" relevance test for any U.S. involvement in foreign military operations, and would register their disapproval of operations that failed the test by cutting off funding.

Gilman also said his committee next month would immediately take up legislation drafted by the House Republican Study Conference as part of the "Contract With America" that would restrict foreign command of military operations involving U.S. troops and also reduce U.S. funding for United Nations peacekeeping to what Gilman called a "fair share."

He did not specify what the U.S. contribution would be, but the legislation would maintain a limit of 25 percent of the total costs that Congress imposed last year, as opposed to the 33 percent paid by Washington for most recent peacekeeping operations. He also said the committee would demand advance consultation about U.S. approval of U.N. peacekeeping missions.

"We will be setting conditions on the use of our military forces" to ensure that peacekeeping directly serves U.S. security interests, Gilman said. "We want no more so-called nation-building exercises by our military as we witnessed in Somalia last year."

A former attorney elected to the House 22 years ago from a suburban area north of New York City, Gilman is regarded as a liberal on social issues and a moderate on many economic and defense issues. "He is in the broad mainstream of American foreign policy," said Rep. Lee H. Hamilton (D-Ind.), the outgoing committee chairman.

Hamilton said Gilman has long been supportive of such initiatives as the Middle East peace process, U.S. aid to Russia, and free trade. But he said "there have been differences in the past year [with Gilman] ... on the timing of [U.S. troop] withdrawal from Haiti and Somalia."

Gilman reiterated his support for lifting the U.N. arms embargo on Bosnia's Muslim-led government,但 said the committee would look carefully at whether the United States needs to contribute thousands of troops to any NATO operation withdrawing U.N. peacekeepers from Bosnia. Gilman also said he favored trying to "tighten" the recent U.S. nuclear accord with North Korea by placing unspecified conditions on any U.S. financial obligations under the deal.

Friday, December 9, 1994 THE WASHINGTON POST

Truman to Replace Atomic Bombing on WWII Stamp

By Bill McAllister
Washington Post Staff Writer

The Postal Service acceded to President Clinton's wishes yesterday and canceled plans for the atomic bomb stamp that had offended Japan.

Postmaster General Marvin T. Runyon announced on a sheet of 10 World War II commemoratives that the mushroom cloud stamp, the official said. The official, who asked not to be named, said that the decision was expected to be controversial and that the Postal Service was bracing for criticism from veterans and other groups.

The White House had suggested Truman as a replacement, an idea that postal officials had raised separately, the official said. Runyon, a World War II veteran, sought to dampen criticism by noting that the Postal Service is the nation's largest employer of veterans and was mindful of "the sacrifices they made in World War II and other military conflicts."

"We are changing the design of the stamp because of the importance of U.S.-Japanese relations at this critical time in U.S. foreign policy," Runyon said because President Clinton conveyed his views that it was appropriate for us to do so," the postmaster general said in a statement.

Disclosure of the stamp's design Nov. 17 set off protests in Japan that quickly reached Washington. Former president George Bush, visiting in Japan yesterday, became the latest dignitary to call for removing the stamp from a set of 10 World War II commemoratives planned for release in August, a postal official said.

Members of the Postal Service Board of Governors had supported the mushroom cloud design during a closed-door meeting in Tampa Monday, telling Runyon to agree to a change only if the president requested it, the postal official said.
Serbia Suspected of Aiding Bosnian Allies

Evidence Suggests Milosevic May Be Ignoring the Embargo He Declared Last August

By John Pomfret
Washington Post Foreign Service

ZAGREB, Croatia, Dec. 8—Diplomats and U.N. officials say a growing body of circumstantial evidence suggests Serbia's President Slobodan Milosevic is secretly breaking his own embargo on the Bosnian Serbs.

These sources cited increasing signs that Milosevic was under increasing support from the Bosnian Serbs and was undertaking an effort to force an end to Europe's worst conflict since World War II.

The latest clue emerged today when two award-winning photographers—incarcerated and beaten for two days by Serb forces besieging the Muslim-held Bihac pocket in northwestern Bosnia—said their captors identified themselves as members of a paramilitary unit from Belgrade.

While anecdotal, the allegations by Ron Jacques of New York and Luc Delhaye of Paris prompted Peter Galbraith, the U.S. ambassador to Croatia, to say, "These are very serious reports, and they have to be investigated."

The reports highlight a complex policy pursued by Milosevic, who was hailed earlier this week by the foreign ministry of Britain and France as the "ace" in the game of international initiatives to end Bosnia's war: that China and the United States have accused of being a war criminal.

More than a dozen allegations suggest that Milosevic's support for the Bosnian Serbs has not waned:

• A large number of advanced antiaircraft missile systems now cover 40 percent of Bosnia's airspace. Diplomats in Zagreb have said they believe these units were supplied by the Bosnian Serbs.

• The Bosnian Serb army, which six weeks ago was reported to be on the boil, suddenly has a surfeit, and much of it appears to be coming from Serbia.

• A large number of advanced antiaircraft missile systems now cover 40 percent of Bosnia's airspace. Diplomats in Zagreb have said they believe these units were supplied by the Bosnian Serbs.

• A pilot who died in a bombing raid on the Bihac pocket three weeks ago was from Serbia.

• Serb forces arrested Jacques and Delhaye on Monday even though they were traveling in Croatia with the permission of Serbian authorities.

In an interview today, Jacques, a photographer for the Paris-based Saba photo agency, described a two-day ordeal of beatings, being dosed with buckets of cold water and a mock execution. At one point, Serbs covered his head with a padded hood and beat him, Jacques said.

"Several of the guys said they were from Belgrade and were soldiers from an elite unit," Jacques said after he and Delhaye were released Tuesday night. The soldiers, he said, all wore red berets and a patch on their uniforms showing a downward sword surrounded by an acronym for "Only solidarity saves the Serbs."

U.N. sources said that from the description, the men appeared to be part of a Serbian paramilitary unit run by a Belgrade-based gangster called Zeljko Raznatovic, also known as Arkan, who the United States has accused of being a war criminal. Milosevic supported Arkan in his unsuccessful bid last December for a seat in parliament and has used Arkan's units before. Officials contended that Milosevic's control is tight enough over Arkan's units that they would not be operating on a free-lance basis inside Bihac.

U.N. officials said the reports suggested that rumors of Milosevic's split with the Bosnian Serbs' self-declared government in Pale have been exaggerated, if not stage-managed, and that the recent Bosnian and Croatian Serb onslaught against the Bihac pocket suggests support from Belgrade.

U.N. officials and diplomats pointed to the following developments as additional signs that Milosevic's support of the Bosnian Serbs has not waned:

• Ratko Mladic, the commander of Bosnian Serb forces, attended meetings in late November between Russian Foreign Minister Andrei Kozyrev and Milosevic.

• There are increasing numbers of suspicious helicopter sorties close to Serbian territory along with indications of troop movements from Serbia into Bosnian Serb-held turf.

• A pilot who died in a bombing raid on the Bihac pocket three weeks ago was from Serbia.

• Ratko Mladic, the commander of Bosnian Serb forces, attended meetings in late November between Russian Foreign Minister Andrei Kozyrev and Milosevic.

"There is major evidence out there to raise serious questions about whether Milosevic is breaking his embargo, a diplomat said.
Serbs Link Airlift to ‘No-Fly Zone’

By John Pomfret
Washington Post Foreign Service

ZAGREB, Croatia, Dec. 8—Bosnian Serbs have told U.N. officials that they can resume the Sarajevo airlift, on hold since Nov. 21, only if NATO suspends its flights over Bosnia enforcing an international “no-fly zone,” a U.N. spokesman said today.

The 2 1/2-year-old international airlift, the longest in history, has been vital for delivering food to the besieged Bosnian capital and has become a powerful symbol for international concern for the beleaguered population.

“This is unacceptable,” said Kris Janowski, spokesman for the U.N. High Commissioner for Refugees. “The airlift is a purely humanitarian operation. It’s a lifeline for the city.”

The airlift, like the 316 U.N. soldiers being detained by Serb fighters throughout Bosnia, has become a hostage in a struggle between the Serbs, the United Nations and NATO, U.N. officials said. That the Serbs have so far been successful in halting the airlift reflects the weakness of the position in Bosnia of the United Nations and its fears about asking NATO warplanes to destroy recently deployed Serb antiaircraft missile batteries.

While food stocks are not dangerously low in Sarajevo, U.N. officials said that if the Serb blockade continues another two weeks, some type of emergency actions would have to be taken to feed the 250,000 to 350,000 people estimated to live in the city.

Western nations, including the United States, have flown 11,318 sorties, carrying 138,729 tons of food and medicine into Sarajevo. Only the Berlin airlift carried more supplies.

Serbs stopped the airlift and detained hundreds of U.N. soldiers following the first of two NATO air strikes in late November. Soon thereafter, a Serb antiaircraft missile battery appeared near Sarajevo’s airport in a signal that the Serbs would no longer guarantee the security of the planes flying in.

While NATO, which patrols the no-fly zone over Bosnia, requested U.N. permission to destroy that site and others, U.N. commanders rejected the request, fearing that the Serbs would harm the U.N. troops they hold.

Gen. Milan Gvero, chief of staff of the Bosnian Serb forces, told British army Lt. Gen. Michael Rose, the U.N. commander in Bosnia, on Monday that he would only agree to the airlift’s resumption if his forces received a written guarantee from the U.N. Security Council that NATO would not bomb Serb targets again.

If asked by the U.N. mission, NATO is authorized to bomb Serb targets to protect U.N. soldiers, to protect six U.N.-designated “safe areas” and to enforce two heavy-weapons exclusion zones around Sarajevo and the Muslim enclave of Gorazde in eastern Bosnia.

But while Serb authorities have adamantly refused requests to resume the airlift, they have shown some flexibility on road convoys.

On Wednesday, UNHCR announced that it had received clearance from the Croatian Serbs to send a 10-truck convoy carrying 100 tons of aid to Bihac on Thursday. It would be the first such convoy to make it into the pocket of 189,000 people since Oct. 1. But Serb forces stopped the convoy, Kessler said, adding that he hoped it would arrive in Bihac on Friday.

Cuban Refugees Rebel At Camp in Panama

1,000 Flee to Jungle, but Most Are Captured

By David Luhnow

PANAMA CITY, Dec. 8—About 1,000 Cubans fled a U.S.-run refugee camp in Panama today after two days of riots, but most were swiftly recaptured, U.S. military officials said.

The Cubans attacked U.S. soldiers in stone-throwing protests Wednesday and today, slightly injuring more than 100 U.S. soldiers, and finally ran out of the camp after tearing down a barbed-wire fence, a U.S. military spokesman said.

At least three Cubans were also hurt, a U.S. Embassy spokesman said.

Officials said American soldiers and Panamanian police later captured most of the escaped Cubans in the jungle surrounding the Panama Canal, near four camps where the United States holds almost 9,000 Cuban refugees who were picked up last summer trying to sail from Cuba to Florida.

About 100 Cubans remained at large this afternoon, the embassy spokesman said. The U.S. military spokesman said about 60 U.S. soldiers were hurt while trying to quell the revolt today.

About 40 more American soldiers were slightly injured Wednesday afternoon when the crisis flared, officials said.

The Cubans, who were transferred to Panama after they were picked up by the U.S. Coast Guard, have protested the slow pace of transfers from the camps to the United States and other countries.

U.S. soldiers detained 145 refugees who were handcuffed and held in custody in a secure part of the camp, the embassy official said. U.S. troops and Panamanian police set up roadblocks across the sparsely populated area to catch any Cubans still at large, U.S. officials said.

The troubles began Wednesday when 200 to 300 refugees at two camps hurled rocks at soldiers, smashed windows and attacked 12 U.S. military vehicles. They also tore down part of the fences that surround the camps.

“This is a very serious demonstration... The seriousness of this clearly indicates the frustration, these people have with the uncertainty over their future,” Gen. James Wilson, commander of the U.S. refugee operation in Panama, told reporters early today, referring to the demonstration the day before.

The unrest Wednesday came hours before 129 Cubans were granted asylum and flown to the United States and Spain.

Before the escape, Wilson said, he had ordered stepped-up security at each of the camps. He added that U.S. officials began checking the refugees to see who would qualify for asylum in the United States.

FRIDAY, DECEMBER 9, 1994 THE WASHINGTON POST
Israel Tepidly Reasserts Accord Pullback Pledge

By Barton Gellman
Washington Post Foreign Service

JERUSALEM, Dec. 8—After days of suggesting it no longer wished to withdraw troops from Palestinian cities in the occupied West Bank, Israel's Labor Party-led government today issued a vague pledge to honor the historic accord calling for an Israeli army pullback and limited Palestinian self-rule in the region.

But the cabinet, which remains deeply divided after three separate debates on the issue, said also that it would "act in accordance with the lessons learned so far" from the performance of the Palestinian self-rule authority in the West Bank town of Jericho and the Gaza Strip.

That was widely understood here as a reference to the government's view that Palestinian leader Yasser Arafat, head of the authority, has done a poor job of suppressing violent Islamic groups that seek to sabotage the Israeli-Palestinian accord.

More than 30 Israelis have been killed by Palestinian militants in the past two months, and Israeli officials said that the army would not be moving any time soon.

On the eve of Arafat's departure for Oslo to share this year's Nobel Peace Prize with Israeli Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres, all three men seemed eager to prevent a collapse of the accord. Peres vowed that Israel would make no change in the accord, their fundamental problem remains: Arafat is counting on Israeli consent, although Rabin is far from ready to take that step.

Rabin's government, mired in a gloomy mid-term mood, has finished the easy part of making peace. It has transferred administration of West Bank health and education matters to the Palestinian Authority. Now it finds itself faced squarely with what Environment Minister Yossi Sarid called "the most difficult decisions in the history of Zionism"—whether, when and how to draw new borders of a future Palestinian state. Once the army withdraws from a town, officials said, it is highly unlikely to return; in that place and at that time, the occupation will end.

"We are coming to the stage of irreversibility," Sarid said in an interview. "Even the decision to establish the state of Israel in 1948 by the late David Ben Gurion, according to my best judgment, was a less difficult decision... because today's is much more controversial."

Few Israelis care much about the Gaza Strip, where Palestinians took effective control last May, and Jewish settlements there are sparse. But the West Bank, a much larger expanse, is home to more than 120,000 Jewish settlers, a significant number of whom have strong religious or ideological ties to the land.

On the surface, the current debate is over protection of those settlers, who are entitled under the accord to remain where they are at least in this "interim period" of self-rule talks. But Israel also promised to pull back its troops from Palestinian cities before Palestinians held elections in them, elections that were supposed to have taken place in July.

The last two months have seen a surge in terrorist attacks by Islamic militants who reject any compromis es with Israel. Roughly twice as many Israelis have died in those attacks as in the comparable period before the agreement promising Palestinian self-rule was signed on the White House lawn 14 months ago. Rabin sold the accord to the Israeli people in part by promising it would increase their security. Arafat, he said in an oft-quoted line, would crush the militants without interference from a Supreme Court or the "pretty souls" of Israel's civil rights movement.

That has not happened, and Israel's public has reacted accordingly. Israel television this week broadcast a play performed by Islamic radical students in Gaza that celebrated the abduction and killing of Israeli army Cpl. Nachshon Waxman in October.

Students at Gaza's Islamic University laughed and jeered as the actor playing Waxman cowered and called for his mother.

"This is the murderous joy that beats in the heart of many Palestinians," the newspaper Ma'ariv said in an editorial. "These are the pictures that we must remember whenever we sit in air-conditioned rooms and hold academic discussions on the legitimate aspirations of the Palestinian people."

Nissim Zvilii, a member of parliament and secretary general of the Labor Party, said Rabin's government would lose seven legislative seats—and with them any chance of staying in power—if an election were held today.

"Even supporters of the peace process are not happy with the way it is developing," he said in an interview. "It may be that it was an illusion from the beginning."
Big News, Old News For Arafat

Wife Is Pregnant; ‘New’ Ex Emerges

By Barton Gellman and Nora Boustany
Washington Post Foreign Service

JERUSALEM, Dec. 8—Yasser Arafat, who long fostered an image of revolutionary zeal by insisting he had “married a woman called Palestine,” today found himself tangled in domestic news of an entirely different sort.

First a longtime aide in Beirut and Tunis, Najla Yassin, broke one of the better-kept secrets in the Arab world, telling an Israeli newspaper she had wed Arafat in the late 1960s and longed to rejoin the PLO. “I am the only one who understood him, really,” she declared.

Then, and perhaps not by coincidence, Suha Tawil, who exchanged vows with Arafat in 1991 and made the match public the following year, announced she is pregnant with his first child.

“The timing is good,” Tawil told Israeli radio’s Arabic service, referring to this weekend’s presentation of the Nobel Peace Prize to Arafat and two Israeli leaders. “It will be the child of peace.”

Yola Haradain, a personal aide, said Tawil had learned of her pregnancy Wednesday night and is one month into term. Arafat’s spokesman did not return telephone calls to his office or his home.

It was hard to tell which disclosure would prove more sensational in Palestinian circles. Arafat, who heads the Palestine Liberation Organization, first used the “woman called Palestine” line in an interview in 1972, and he repeated it over the years. He “adopted” many children of Palestinians killed in the struggle with Israel, but appeared to have no formal affiliation with any one of his own.

A Tunis-based associate of Arafat’s confirmed the essential details of Yassin’s story, which was published today, a Haaretz report indicated. Arafat’s Tunis associate said that even Yassin had not been Arafat’s first wife. The PLO chairman, he said, first married Egyptian writer Rashida Mahran. Yassin, a beauty in her younger days, became his wife in 1960.

Sworn to secrecy about their private life, Yassin was well known as Arafat’s office and household manager.

By the time Arafat fell in love with Tawil, Yassin was said to be bitter and feeling betrayed by the man to whom she had dedicated her life.

Since the late 1992 disclosure of Arafat’s marriage to Tawil, there have been persistent rumors of imminent fatherhood. Arafat always smiled shyly and said, “You’ll have to ask my wife.”

“It is difficult,” Tawil told French magazine, noting the PLO chairman’s nomadic lifestyle. “He does not always sleep at home.”

Tawil, 31, an Orthodox Christian with a taste for French designer clothes, perfumes and fine living, converted to Islam when she married Arafat, giving her full rights of inheritance to his fortunes. But she never accepted the practice of some Muslims of taking more than one wife.

One Palestinian leader, speaking anonymously, said today that Tawil was “stupid” to have allowed herself to become pregnant. A child, he said, would be a distraction from the essential business of building a Palestinian state.

Gellman reported from Jerusalem, Boustany from Amman, Jordan.
Governor Sworn In
In Mexico

Rebels, Supporters
Back Rival Official

By Tod Robberson
Washington Post Foreign Service

TUCTLA GUTIERREZ, Mexico, Dec. 8—Mexico's ruling party inaugu­rated a new governor in Chiapas today, and the leading opposition party swore in its gubernatorial candi­date as a competing leader, moving the rebellious southern state a step closer to renewed conflict.

President Ernesto Zedillo, ignoring threats of a return to war by the rebel Zapatista National Liberation Army, attended the inauguration cere­mony of Gov. Eduardo Robledo here in the Chiapas state capital hours before departing for the Summit of the Americas in Miami.

The summit will mark the first presidential trip abroad by Zedillo, who was inaugurated last week, while placing him in the precarious position of defending Mexico's economic poli­cies before Latin American leaders at the same time that those policies are being blamed here as a primary cause of the Zapatista rebellion.

The uprising was launched Jan. 1—the same day Mexico, Canada and the United States began implement­ing the North American Free Trade Agreement—and led to the cease-fire.
The German role is more unclear than ever, and we Germans are still struggling to find our way. In terms of Bonn’s EU agenda, the last six months have been “really rather disappointing,” as one German Foreign Ministry official put it this week. German ambitions to form a European police unit called Europol went nowhere; so too did German efforts to institute an EU-wide withholding tax on savings to curb the flow of German bank deposits to tax havens Luxembourg.

More substantively, the Essen participants are supposed to come up with a blueprint for eventual EU accession by East European countries. But the heart of the matter—revision of agricultural policies and figuring out how to pay for the new poor cousins from the East—has by no means been resolved.

France and Germany, the EU’s central pillars, find themselves increasingly at odds over the political realities of post-Cold War Europe. Bonn’s commercial and geopolitical interests pivot increasingly toward the East, which can serve as a fire wall against instability in Russia or Ukraine. Paris tends to see it as a zero-sum game, in which the ascension toward the East, which can serve as a firewall against political repercussions, but it had been a perfectly ordinary thing with the Dutch or Brits or others.”

It was not perfectly ordinary for the Germans, who for a week have been thrashing about in paroxysms of doubt, debate and Teutonic anguish over whether or not to heed the request. German combat forces have never been deployed beyond NATO’s frontiers. The country’s highest court ruled only in July that German troops may legally participate in multinational operations abroad.

The government on Wednesday sidestepped the issue on a technicality, claiming that NATO had not formally asked for the jets with a letter from Secretary General Willy Claes. But the uproar—which may well be repeated if German troops are asked to assist in evacuating U.N. forces from Bosnia—suggests how far Germany has to go before pulling its weight on critical international security matters.

By Rick Atkinson
Washington Post Foreign Service
BERLIN, Dec. 8—Which Germany will host the European summit meeting that opens Friday in Essen?

Will it be the continent’s most prosperous and most populous country, the visionary Germany that rhymespizes about a unified Europe of the future, the Germany that sees itself as a bridge between East and West, a stalwart proponent of expansion for both NATO and the European Union?

Or will it be the Germany that still demonstrates little aptitude for international leadership, a country struggling to unshackle itself from Cold War mentalities and habits, a Germany that this week has tied itself in knots over the relatively unpopular 12 EU member—six East European aspirants—presented in Essen, and therefore the gathering might become a kind of continental funk.

“The foreign policy situation is so much in flux,” an official in the chancellor’s office acknowledged.

The Essen gathering marks the closing days of Germany’s six-month stint as EU president, a ten-week ygry likely be a mixed bag of incremental progress, frustration and enduring hope for a brighter future.

The New Frontier Party, which everyone would informally call the party chairman—Socialist Party Chairman Takashi Yonezawa for the party chairman—was elected to the party’s number two job, secretary general.

The big new opposition party is second in size only to the Liberal Democratic Party—despite the name, the most conservative of Japan’s major parties—which is the biggest party in Murayama’s governing coalition.

Many New Frontier members are former Liberal Democratic politicians; Kaifu was the party’s president and prime minister from 1990 to 1992. Kaifu is closely associated in the public mind with the fight against political corruption; he was cashiered by leaders of the Liberal Democrats in 1992 because they feared he was pushing too hard to pass an anti-corruption bill.

Kaifu defeated former prime minister Tatsuo Hata and Democratic Socialist Party Chairman Takashi Yonezawa for the party leadership.

The most interesting thing about the New Frontier Party’s election for party chairman is that an election was held at all. Normally, a new party would be expected to choose a leader through Japanese-style consensus building, with a long series of closed-door meetings at which everyone would informally agree on a single person.
Turkey Jails 8 Kurdish Lawmakers for Ties to Terrorist Group

ANKARA, Turkey, Dec. 8—A Turkish court today found eight Kurdish legislators guilty of involvement with a Kurdish separatist terrorist group and sentenced them to prison terms ranging from three to 15 years, ending a trial that has raised new questions about the extent of democracy in Turkey.

Hours before the sentences were announced, the State Security Court dropped treason charges—which carry the death penalty—against the eight, seven of whom are members of the pro-Kurdish Democracy Party that was outlawed by the government in June. Instead, the defendants were sentenced under articles of the Turkish penal code that forbid aiding and abetting outlawed groups.

Video taped speeches and taped telephone calls were introduced as evidence during the trial, which was widely condemned by human rights activists in Turkey and abroad as a denial of free speech and the democratic process.

As Turkey prepares to sign a customs union agreement with the European Union later this month, the trial has further damaged Turkey's image abroad, already strained because of pressure on Ankara by European nations and the United States to improve its human rights record.

The State Department issued a statement today saying it was "deeply concerned" about the verdicts.

Selim Sadak and Leyla Zana, the only woman in the group. They had been charged with aiding and abetting outlawed groups. Sirri Sakik and Mahmut Alnak were given a 30-year sentence each on charges of disseminating separatist propaganda, but they were organized because they already had spent nine months in jail.

Six of the legislators have been jailed since March, when their parliamentary immunity was lifted at the request of the State Security Court, which handles cases related to terrorism. Two others were arrested after the Democracy Party was outlawed in June.

The eight refused to present a defense, saying that restrictions imposed prevented a proper defense during the unusually rapid four-month trial. Spokesmen for the defendants said they would appeal the verdict.

Many in the West had seen the presence of the Democracy Party in the legislature as a sign of progress toward finding a solution to the divisive and bitter conflict over the Kurds in Turkey.

The official stance of the government is that PKK terrorism must be eradicated before any question of cultural or educational rights for Kurds can be addressed.

The PKK's terror tactics, which have included the assassination of scores of schoolteachers in the southeast and bombings throughout Turkey, have hardened the government's stance. Prime Minister Tansu Ciller, whose government spent $6.5 billion this year in its military campaign despite an economic crisis, last spring linked the Kurdish lawmakers with the terrorist group, saying the PKK will not be allowed to take shelter in the assembly.

The PKK, which reportedly sent letters recently to European leaders offering to give up armed struggle and talk with the government, has suffered setbacks due to an intensified military campaign over the past few months. An estimated 300,000-strong government force is said to be taking part in the campaign. More than 13,000 people have died in the 10-year-old conflict.

Human Rights Group Criticizes Clinton

Associated Press

The United States and other democracies lowered to a whisper their sense of human rights the past year, concentrating on expanding trade, human rights Watch said yesterday.

"President Clinton rarely showed the moral leadership needed to build public support for tough human rights positions, allowing pursuit of trade and investment over human rights policy," the U.S.-based monitoring organization said in its 1994 report.

"Key members of the European Union shared in this retreat," along with other major economic powers, it said, naming Germany, France, Japan, Australia and Canada.

"With the [U.S.] administration trumpeting trade and whispering about rights, victims worldwide were regularly abandoned" to torture, genocide and other horrors, the report said.

Clinton yielded to "resurgent mercantilism" and allowed Commerce Secretary Ronald H. Brown to become the U.S. government's human rights spokesman, Human Rights Watch Executive Director Kenneth Roth said at a news conference releasing the 360-page global report.

"So thoroughly did the quest for foreign markets eclipse human rights that Secretary Brown made the audacious claim, without presidential contradiction, that . . . the public stigmatization of repressive regimes—for decades indispensable to the defense of human rights—is a mere "feel-good policy" that accomplishes nothing," said the report.

There was no comment from the White House and State Department.

Along with the United States, Germany, France, Canada and Australia all vied for Chinese commercial contracts, with waning interest in Chinese repression," it said.

"A similar moral vacuum filled the halls of the United Nations," Human Rights Watch said. Criticizing "failure of leadership" by Secretary General Boutros Boutros-Ghali, and ranking "accommodation of the killers above protection of their prey," it said the world organization "squandered . . . the opportunity to play a forceful role protecting Bosnian civilians from ethnic slaughter and expulsion."
China Improves Ties With Former Enemies

By Steven Mufson
Washington Post Foreign Service

BEIJING, Dec. 8—Despite widespread fears that a fast-changing China will attempt to flex its muscles in Asia, China is strengthening political, military and economic ties with former enemies on its borders.

Over the past 45 years, China has fought wars on almost every border: against Russia, India, Vietnam and South Korea. It has exchanged mortar attacks with Taiwan and was suspected of aid ing an Indonesian communist insurgency.

As China's economy and national pride grows, its neighbors have become more and more nervous that a stronger China will try to dominate the region. "In the U.S. judgment, China's military development does not pose a threat, but that is not the view of China's neighbors," said a U.S. Defense Department official who asked that his name not be used.

China's neighbors, however, have become more and more nervous that a stronger China will try to dominate the region. "In the U.S. judgment, China's military development does not pose a threat, but that is not the view of China's neighbors," said a U.S. Defense Department official who asked that his name not be used.

Those fearful of the future have cited several ominous signs: China's military exercises on the coast near Taiwan, the continuation of nuclear weapons tests every six months, Chinese stubbornness over Hong Kong negotiations, and gunboat diplomacy early this year in a dispute with Vietnam over the Spratly Islands.

Over the past four months, however, China has signed peaceful cooperation accords with all its former adversaries in an effort to ease Asian anxieties. Periaptatic President Jiang Zemin has traveled to Moscow, Jakarta and Hanoi.

Premier Li Peng went to South Korea, and Defense Minister Chi Haotian visited China's former foe India.

See CHINA, A41, Col. 5

China says the flurry of diplomacy is consistent with the foreign policy pursued since Deng Xiaoping took power here in 1978. Deng has sought to soothe relations with China's neighbors as well as with the United States so China is not distracted from the task of economic development.

"Ever since China initiated the policy of reform and opening up, when China made as its central task economic development, China has stood for sound relations with its neighbors to create a peaceful environment," said a Foreign Ministry spokesman.

Indeed, although China's military budget has increased substantially in recent years, it has dropped substantially as a percentage of state expenditures as other areas get top priority.

Many analysts hesitate to credit China with too many good intentions for the recent diplomatic flurry. "Just the things that tie it all together is the desire of leaders, particularly of Jiang Zemin to build up his image through the glad-handing and the television coverage," said Richard Margolis, former political adviser to the Hong Kong governor and a political analyst for an investment banking house. "The symbolism of some recent diplomatic moves is striking."

In September, Jiang traveled to Moscow for the second time in 17 months. He and Russian President Boris Yeltsin signed an economic cooperation pact and agreed to stop targeting their nuclear weapons at one another. They also initiated an accord settling a dispute over a 34-mile section of the Sino-Russian border, a small but symbolic of improvements in relations since the 1969 border skirmishes that resulted in several hundred deaths.

Earlier Sino-Soviet relations were poisoned by the deployment of Soviet troops in Afghanistan, heavy Soviet troop buildups on China's western and northeastern frontiers and Soviet support for the Vietnamese occupation of Cambodia. But those issues have been swept away, and, with Russia distracted by internal problems, China no longer focuses its foreign policy on countering the Soviet threat.

Previous visits by Chinese party chiefs to Moscow have not always gone so well. Party Chairman Mao Zedong visited the Soviet Union in December 1949, and for several days Soviet leader Joseph Stalin did not even acknowledge his presence in Moscow. By contrast, Jiang received a red carpet treatment, meeting Russian Prime Minister Viktor Chernomyrdin, Yeltsin and the chairman of the Duma, the lower house of Parliament. "Autumn is the harvest season. I have brought in a good harvest in Moscow," Jiang told the Russian Tass news agency.

Days later, China became the first defense minister in four decades to visit India. In 1962, China fought a border war with India. Relations remained tense for years, and China has not been a major supplier to India's regional rival and sometime enemy, Pakistan. But last year, the world's two most populous nations took steps to reduce military tensions near the border where frequent skirmishes have taken place.

On the Korean peninsula, where a million Chinese troops died during the Korean War, China has been working to ease tensions over North Korea's nuclear weapons program. U.S. officials said China played a constructive role in negotiations with North Korea.

In late October, Premier Li went to South Korea to cement China's warming relations with Seoul. He signed deals expanding aviation links and economic ties with South Korea's President Kim Young Sam, Chinese Premier Li said his visit would "be conducive to maintaining regional peace and stability in the Korean peninsula." At the recent Asian-Pacific Economic Cooperation forum in Jakarta, Jiang was welcomed by Indonesian President Suharto, who once suspected China of funneling money to communist rebels in that country. On his way home, Jiang stopped in Vietnam, which only 15 years ago fought a fierce one-month war against China. That war, initiated at the beginning of the Deng era, began with a Chinese invasion and ended in a chaotic Chinese retreat. This year tensions flared again over the conflicting claims to the Spratly Islands, which are widely believed to be an oil exploration prospect. Vietnam signed an exploration contract with a foreign oil company, and China responded by sending in gunboats.

But during Jiang's visit, Vietnam and China created a commission to settle the dispute. Apart from a visit by Premier Li to Vietnam last year, Jiang's visit was the first top-level economic cooperation in Jakarta, Jiang was welcomed by Indonesian President Suharto, who once suspected China of funneling money to communist rebels in that country. On his way home, Jiang stopped in Vietnam, which only 15 years ago fought a fierce one-month war against China. That war, initiated at the beginning of the Deng era, began with a Chinese invasion and ended in a chaotic Chinese retreat. This year tensions flared again over the conflicting claims to the Spratly Islands, which are widely believed to be an oil exploration prospect. Vietnam signed an exploration contract with a foreign oil company, and China responded by sending in gunboats.

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"To say that worshiping trees, rocks and spirit guides is a product of sophisticated questioning ... is the product of unclear thinking and anti-Christian bias."

—Tom Fitton

Startling change of pace in "Youngbloods" is a story of the day to verbal slam-dancing. The show is meant to mimic a dormitory ball session between conservatives and liberals. It's billed as "a McLoughlin Group" for twenty-somethings "except we're a lot smarter than those guys," says Youngblood Kevin Pritchett, 25.

"Youngbloods" is a startling change of pace in the lineup on National Empowerment Television, the year-old cable network of conservative fund-raiser Paul Weyrich and his Free Congress Foundation. NET is a cable channel packed with delights as "Insights With Robert Novak," "Republican National Convention," "Republican Neighborhood Meeting," Star Jones as "Jane Pauley fanatic after my mother," "Seinfeld," as "I don't have moral problems with your behavior," and "Washington Post" as "I don't know we exist."

It's not clear how many more people will know that the conservative kids exist, even after "Youngbloods" first anniversary. NET's audience skews old and right. The commercials during "Youngbloods" are for the Backwoods, the Running Clinton Watch, a "Predators" video tape of tarantulas and parrots, the National Conservative Convention, and an American Spectator magazine and this gem: "Ped up with victimage, liberal politicians and whining, baseless reporters? That's why I invented the Politically Incorrect T-shirt." The producers hope that their new outlet on TLC cable systems across the country will enable them to reach young folks hungry for intelligent conversation.

Although they often get bogged down in detail or in bald polemics, the facts are discussed. Among the people of the young generation, "Youngbloods" sometimes confront one another in another "Youngbloods." The "view" crowd would never dream of: Craig Bowman, the openly homosexual, liberal analyst; Pat Robertson is an evil man to me, as a gay man. He wants to exterminate my people; the conservatives (in unison): "That's not true!" Bowman: "I'm a Christian too."

"Your rights aren't being taken away!" asks April Lauroye, the preachers' conservative rocke, who dresses in black and says, "I'm happy to have my convictions known.": "Youngbloods" disproves the theory that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. To say that young people are just the MTV brainwash and anti-Christian persuasion. 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ew Gingrich, House speaker-designate, may turn out to be the best thing that’s happened to the Democrats since the election.

Human nature being what it is, it would be unreasonable to expect the Republicans to emerge from obscurity to dominance without a certain amount of what’s been happening lately has frightening overtones of the kinds of tactics and mendacity that we haven’t seen in this town since McCarthy’s ‘50s.

What prompts this parallel is Gingrich’s assertion, on a national television show, that up to a fourth of the administration staff had used drugs in the four or five years before they took their White House jobs. Is he trying to make drug use today’s equivalent of flirting with the Communist Party?

You can hear it now: “Are you now or were you ever a member of the counterculture that uses marijuana?”

He might be surprised at just how vast that counterculture is. From the early ‘60s on, marijuana was the late evening drug of choice at college parties across the country. People experimented with it in vastly greater numbers than their parents experimented with the C.P.U.S.A. If you threw everyone who blew a little dope in college out of the job applicant pool, you’d be left with a lot of people who had asthma, bad allergies or, most likely, no curiosity. Give me the counterculture any day.

It appears that what very well may derail Gingrich and his acolytes is their own penchant for self-destruction and their inability to leave volatile, divisive social issues alone. Had he said that the Clinton White House was staffed by people who were inexperienced and ineffective, he wouldn’t get much argument. He’d be stating some publically agreed upon in town, and he’d be focusing on a problem that affects how government works.

Gingrich overstated his public perception: that government under the Democrats wasn’t working, not to a perception that there’s a drug problem at the White House. These assertions are irrelevant to his task. He was not elected to smear the president of the United States.

Nor is there any evidence that he and the Republican majority were elected to impose a right-wing, male-supremacist religious agenda on the country. Yet his discourse is riddled with that kind of language. He accused Surgeon General Joycelyn Elders of taking positions that are “anti-Catholic,” presumably because she supports a vote on a constitutional amendment to restore the country. Yet his discourse is riddled with that kind of language: He accused Surgeon General K. Armey of Texas, the New York Times quoted him as saying, “I’m going to be so femcentric that we’re going to have to pay twice as much in premiums and out-of-pocket costs as a single fed.”

According to Uncle Sam, a family is two or more people. Although health insurance premiums are the same whether the family is two people or 20, total costs are not. Big families may have more deductibles to satisfy, more co-payments and higher out-of-pocket expenses.

Yesterday’s column listed big family “best boys” as rated by “Checkbook’s Guide to 1995 Health Plans for Federal Employees.” Today’s ratings show what a couple is likely to pay next year, in premiums and uncovered out-of-pocket medical and hospital costs, in fee-for-service plans, preferred provider options and health maintenance organizations available to federal workers and retirees.

For fee-for-service plans: Mail Handlers high option, $2,150; and standard option, $2,280; GEHA, $2,450; APWU, $2,450; Cross standard option, $2,500; National Association of Letter Carriers, $2,550; SAMBA (special agents), $2,760; Secret Service, $2,810; Postmasters standard option, $3,190; Alliance, $3,270; Foreign Service, $3,310; BACE (categorical), $3,790; Blue Cross high option, $4,880; and Postmasters high option, $5,240.

For HMOs: Mail Handlers high option, $1,840; and standard option, $1,880; Blue Cross standard option, $2,030; APWU, $2,120; GEHA, $2,200; SAMBA, $2,260; NALC, $2,280; Alliance, $2,590; Postmasters standard option, $2,740; and BACE, $3,180.

HMOs: HealthKeepers, $1,460; George Washington, $1,460; Standard option, $1,510; Kaiser, $1,650; Humana high option, $1,660; HealthPlus standard option and Humana standard option, $1,670: Principal, $1,690; MD-IPA, $1,740; HealthPlus high option, $1,780; Prudential, $1,880; CareFirst, $1,920; CGIWA, $2,040; Chesapeake, $2,090; GW High option, $2,090; Aetna, $2,160; Columbia, $2,190; Free Speech, $2,250; US Healthcare, $2,280; and Potomac, $2,320.

Prescription Drugs

If you expect to need prescription drugs next year, consider an HMO or a fee-for-service plan such as APWU, Blue Cross standard, NALC or GEHA.

Although the Mail Handlers plan is highly rated, it has a limited prescription benefit and doesn’t cover mail-order drugs.

Investing, Retirement, Taxes

At 9 a.m. tomorrow on WUST radio (1120 AM), John Elliott, benefits specialist with the Office of Personnel Management, will talk about the thrift savings plan, the old (CSRS) and new (FERS) retirement programs and life and health insurance. At 10 a.m., Dave Redden will talk about career transition, retirement and taxes.

Departures

The Bureau of the Public Debt is losing two of its top bureau directors: Andy Tran and Treadwell Phillips—to retirement. Tracy heads the program management staff and spent three years in the Peace Corps before joining the Treasury agency 25 years ago. Phillips runs the division of reviews and analysis. His federal, state and city government career began in 1953.

Burke W. Boggs is retiring as director of the office of administration of the Government Printing Office. He started his government service 30 years ago and has held several of the GPO’s top technical and administrative jobs.

Family Leave Law

Much confusion abounds over PL 103-388. It lets workers use sick leave to care for sick or injured relatives, for adoptions or for family funerals. Although it went into effect last Friday, some agencies won’t implement it until Dec. 22. They can do that, but they shouldn’t be misleading workers by telling them they can’t do any changes before Dec. 22. The Clinton administration made it effective Dec. 2 to benefit everyone before the holidays.
William Raspberry

Straight Talk About Immigration

Should the government be rewarding line-jumpers?

America, as Jim Sleeper of the New York Daily News once noted, is one of the few places on the globe where a charge of racial or ethnic bigotry is a serious indictment.

Even if American-born citizens are being unfair to one group or another, they are at pains to protest that their objective is inclusion, not exclusion—that they are simply doing as a welcoming place for all who share its ideals.

This wish not to be seen as bigoted has helped to change perceptions, laws and attitudes. It has also created at least one important issue almost off the table: immigration.

We have been worried about the deleterious effects long before Proposition 187—a measure that has yet been fearful of speaking plainly about it lest we be viewed as bigots. We have seen the social costs of disregarding the worth and dignity of legal residents. We have seen a number of localities—overlooking and depressingly few in number—take action. At least one poll found that some two-thirds of Hispanics—the category usually evoked by the phrase "immigration problem"—believe we are admitting too many.

Why is straight talk on the subject so difficult?

One explanation may lie in the reaction to Proposition 187: it was a perfect storm, a confluence of local distress between legal and illegal immigrants. America's tradition as an immigrant nation, its congenital emergency food and health care. The distinction between legal and illegal immigrants. America has an interest in seeing its immigrants, who are the people who have, by definition, broken the law, and they are guilty of an ethical breach as well. They have jumped the line of immigrants waiting for their visa.

It does really matter, a sense for the federal government to reward these violators of law and decency with mandated services for themselves and their children. It is a sense that money-shorts states with no choice in the matter?

Can't we put aside our charges of bigotry and at least talk about it?

Stephen S. Rosenfeld

Strategy or Therapy?

It is tempting to take Boris Yeltsin's passionate objections to the expansion of NATO as a lever to bring Russia to the table to cool down Russian nationalists. Not so long ago, after all, he indicated his government would sit still if Poland could.

But this is almost certainly too glib and simplifies a view of a development that, if not handled properly, has the potential to bring back the Cold War but to sour the possibilities for American-Russian ties.

These days Russians look at NATO's approach to enlargement and see perhaps not just an encroachment on territory but also the implied downsizing of the NATO Partnership program of which they are a part, the new Washington-Beijing-Bomb threat and Bill Clinton's $25 billion defense add-on. All this comes as they feel under a cruel domestic passage. Many believe the United States is exploiting their distress for its own strategic advantage. We Americans deny selfish or menacing intent. And we are right. Bringing competent competitors into the game is not a need; it is a luxury. We don't mean Russia ill. But we do mean to comfort new democracies much discomfited—"nationalists" in Russia are almost everybody. We believe that the United States is exploiting their distress for its own strategic advantage.

We Americans deny selfish or menacing intent. And we are right. Bringing competent competitors into the game is not a need; it is a luxury. We don't mean Russia ill. But we do mean to comfort new democracies much discomfited—"nationalists" in Russia are almost everybody. We believe that the United States is exploiting their distress for its own strategic advantage.

Here is the dilemma. Prudence demands that we give due deference to Russia's understandable special aversion to seeing NATO's frontiers "approach the border" of Russia, as Yeltsin puts it. But for now, I'd be happy to hear serious and candid discussion of the one problem that everybody acknowledges is a problem: illegal immigration.

As Zuckerman noted, these are the people who have come in for her share of knocks when the community should reward these violators of law and decency with mandated services for themselves and their children. It is a sense that money-shorts states with no choice in the matter?

Can't we put aside our charges of bigotry and at least talk about it?

The drama of dealing with Moscow.

Robert Novak suggested that some politicians are hypocritical in their support for term limits (op-ed, Dec. 1). He pointed to those who are backing off from their original support for term limits now that Republicans have taken over Congress and also to those who support a six-term limit for the House instead of the three-term limit proposed by the two-thirds of Hispanics—the category usually evoked by the phrase "immigration problem"—believe we are admitting too many.

This is just the tip of the iceberg. The constitutional amendments being proposed in Congress for special treatment to incumbents and undermine the basis for term limits in the first place.

Under the proposed amendments, current service does not count. So, every sitting incumbent gets to serve extra time. If a person believes that experienced legislators are a problem, that fresh blood is needed, this special exception makes no sense.

Why should Rep. Newt Gingrich (R-Georgia or cold peace." It could happen. The United States looks instead to tailor special arrangements in the near abroad—an international peace-keeping presence in Armenia/Azerbaijan, unique security assurances for Ukraine (though not the NATO guarantee of a larger neighbor's shadow is strategically risky and politically unsustainable. If we offered Moscow an enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

Aware of the dangers of drawing a new line in Europe, the American government looks instead to tailor special arrangements in the near abroad—an international peace-keeping presence in Armenia/Azerbaijan, unique security assurances for Ukraine (though not the NATO guarantee of a larger neighbor's shadow is strategically risky and politically unsustainable. If we offered Moscow an enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

But sympathy and good faith drive us to offer the American government looks instead to tailor special arrangements in the near abroad—an international peace-keeping presence in Armenia/Azerbaijan, unique security assurances for Ukraine (though not the NATO guarantee of a larger neighbor's shadow is strategically risky and politically unsustainable. If we offered Moscow an enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

The West is torn between roles as strategist and therapist. Strategists say, "Surely the West could, by being smart and careful over time, deal with Russia's perfectly reasonable insistence that no NATO enlargement diminish Russian security. Therapists say that the United States wants to have its cake and eat it too, such a grand compromise—let us get NATO enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

As always in dealing with Russia, however, the United States is exploiting their distress for its own strategic advantage. We Americans deny selfish or menacing intent. And we are right. Bringing competent competitors into the game is not a need; it is a luxury. We don't mean Russia ill. But we do mean to comfort new democracies much discomfited—"nationalists" in Russia are almost everybody. They represent not a particular school of thought but a common search for a post-Soviet identity. They need to be talked to straight, not given lectures or, least of all, sermons.

Term Limits Iceberg

One answer is to distinguish between Central European security concerns, which the Clinton administration has been pressing, and South Caucasus security concerns, which the United States wants to have its cake and eat it too, such a grand compromise—let us get NATO enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

From Cold War, Yeltsin suggests, things could move to "cold peace." It could happen. The United States looks instead to tailor special arrangements in the near abroad—an international peace-keeping presence in Armenia/Azerbaijan, unique security assurances for Ukraine (though not the NATO guarantee of a larger neighbor's shadow is strategically risky and politically unsustainable. If we offered Moscow an enlargement, they get a sphere of influence—Clinton would be burned in effigy, and Ukraine and Kiev would go nuclear.

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Allen Sanderson

Break Up Baseball

It's time to break up baseball—to let the major leagues splinter into four or more separate bodies, do away with the post of commissioner and above all remove the financial and political barriers that prospective rival leagues now confront.

To longtime fans of the strike-bound game, that may sound absurd or radical, but it's not; it's simply a matter of bringing competition—something that exists just about everywhere else in the economy—into the baseball business.

Suppose we had a commissioner of automobiles. That person would be appointed by the executives of Ford, GM and Chrysler and would ultimately do their bidding. He would act to enhance and protect the industry's market power, and the result would be higher prices for cars, reduced choices for consumers, higher profits for the Big Three and fatter paychecks for UAW members.

Until deregulation in 1978, we had the equivalent of an airline commissioner—the Civil Aeronautics Board. Passengers paid equivalent of an airlme commissioner—the rate bodies, do away with the post of commissioner and above all remove the financial and political barriers that prospective rival leagues now confront.

The public would best be served by truly independent rivals in baseball, for the present, perhaps six eight-team leagues, each with a president, separate and independent players' associations and perhaps even some variation in play (the American League has a designated hitter, and we owe the three-point shot to an innovation of the long-gone American Basketball Association).

Bring competition into a restricted market.

Baseball today is a legal cartel through which the owners and their usual spokesmen—the commissioner—have restricted entry, limited fan choice and practiced such antiscocial behavior as retarding the game's racial integration in the first half of this century or engaging in collusion against free agents in the second.

Owners have profited handsomely while also reluctantly opening the door for the player's union and its 700 members to share in their monopoly spoils. (How disingenuous or naive of the union's leader, David Fehr, to testify that owners should lose their antitrust status while his union remains exempt from similar statutes.)

For the most part, government's role in sports in this century has been to increase the power of the individual industries. Cartels are inherently unstable institutions, but government support increases their effectiveness and longevity. In professional sports leagues—by sanctioning collusion with regard to player drafts, by continuing baseball's antitrust exemption, endorsing exclusive territorial broadcasting rights, excluding major league farm clubs, subsidizing stadiums and preserving their exclusive use by a franchise—governments at all levels have compelled a shameful record in sports.

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Unlike the production of cars or planes, baseball does better with some cooperation and interdependence among teams. They must schedule opponents and agree on basic rules of the game. In addition, whereas Wendell King's demise, the Baltimore Orioles have some stake in the financial health and on-field performance of the Milwaukee Brewers. However, this case can be overstated: Self-interest and market forces provide much of this naturally. (For example, player reserve systems and player drafts in which the worst teams get first pick do not have any significant impact on the distribution of playing strengths across teams; they merely transfer money from players to owners—precisely as economic theory predicts.)

Given these few basic beneficial areas of coordination and interdependence, the unit engaged in competition is the league itself, not individual teams. The failure to recognize this point has permitted excessive collusion in professional sports, including activities that would never be allowed elsewhere in the economy. Public sentiment and antitrust law would prevent a merger of Ford and General Motors and would prohibit Bush and Miller from making joint pricing or output decisions. Yet in sports we have allowed, and often even encouraged, rivals to merge or teams to bargain as a single entity, concentrating power even further.

The competitive ideal would be more teams in more cities and a wider range of prices and viewing options for fans. Current owners would have lower profits. Current players would have lower salaries, but players now relegated to Nashville and Columbus would see their pay increase.

The reason we have only 28 teams and only one league is not insufficient fan interest, a dearth of player talent, optimal efficiency from operating at that scale or no investors sitting in the wings. It is the fact that current owners and players both benefit financially from these highly restricted service and labor markets, and they have been remarkably successful in getting governments at every level to provide them with subsidies and protection from the usual market forces.

At this important crossroads for baseball and other professional sports (and, one could easily add, for intercollegiate athletics as well), public officials need to improve their own batting averages. Some deregulation and an infusion of competition could bring the same consumer benefits to baseball that they provide in other sectors of the American economy.

The writer is a senior lecturer in economics at the University of Chicago and teaches a course in the economics of sports.
Marion C. Blakey

Good Call, Mr. Pena

Last Friday afternoon, the government made a dramatic U-turn in the right direction. U.S. Secretary of Transportation Federico Pena announced that his department would end its two-year investigation of the safety of General Motors C/K pickup trucks and would drop its demand for their recall. In return, General Motors would provide more than $50 million to support auto safety research and to buy 200,000 child safety seats for low-income families.

Consumer advocates are calling the agreement "unprincipled and irresponsible" and threatening legal action to block the settlement. Ralph Nader called it "the most unprecedented bailout of law enforcement officials by a culpable corporation in regula-

tory history."

But as the public official who launched the government's investigation, I was happy to see this sound, common-sense solution, pro-

viding both immediate and long-range benefits for the public. If the secretary had continued to press the C/K case, it is likely that no one but lawyers would have benefited.

The outrage of Mr. Nader and others is no doubt heightened by the unexpectedness of the announcement. The C/K was moving on a collision course. In October, Secretary Pena had announced his initial deci-

sion that General Motors C/K pickup trucks with "side-saddle" fuel tanks were unsafe and prone to fatal explosions in side-impact crash-
es. He called for a recall, and GM adamantly refused, maintaining the trucks were safe. Federal safety hearings were set for this week, pitting the victims of tragic truck fires against GM, America's largest industrial corporation. A protracted court fight appeared inevitable.

To understand the wisdom of the secre-
tary's final decision, it is important to un-
derstand the facts behind it. In 1992, when I served as head of the National Highway Traffic Safety Administration (NHTSA), there had been several widely reported fatalities involving fires in C/K pickups, and concerned government officials unanimously recommended that NHTSA investigate. Millions of the trucks (pro-

duced from 1973 to 1987) were still on the road. I believed a potential danger was charged, they failed to meet federal safety standards, it would be unconscionable not to act.

NHTSA is required by law to set federal standards for motor vehicle performance to protect the public against unreasonable risk of death or injury. In the C/K truck case, the agency has a specific standard: Trucks must not leak fuel in a 20 miles-per-hour side-impact crash. The trucks were origi-
nally certified as safe, but there were ques-
tions about the initial testing, and whether the tanks might have deteriorated in use.

In the months that followed, NHTSA's professional staff worked through 40 car-
tons of GM's technical documents and con-
ducted a thorough examination of the gov-
ernment's own data. Vast quantities of accident statistics were analyzed, and new, independent crash tests were conducted. At the end of all this research, a group of engineers certified that the C/K pickups not only met but exceeded the federal safety standard. In fact, the trucks would pass a 45 miles-per-hour safety standard, such as the one some of their most vocal critics have recently proposed. Senior career offi-
cials unanimously recommended that the investigation be closed.

Normally, that would have ended the matter. Yet a year later, Secretary Pena an-

nounced that he believed the trucks' lack of a fire in a side-impact crash was no different from, and in some cases less than, other vehicles on the road. And if NHTSA lost, its authority would have been weakened. Meanwhile, as the case dragged on for years, substantial taxpayers' resources would have been diverted from other safety programs, and none of these trucks would have been removed from the road.

Faced with the facts, the secretary could have forced General Motors to spend tens of millions of dollars in defending—probably suc-
cessfully—the safety of the trucks. Or he could take GM's money and the money the govern-
ment would have spent on litigation and put it into safety programs that would directly save lives. The secretary made the right decision.

The writer is a former administrator of the National Highway Traffic Safety Administration.

A Halloween Boo

HIDDEN VALLEY Elementary School in Alachusa County, Fla., makes a big deal of Halloween. Each year the school is deco-

rated for the celebration, special stories are read and, in the spirit of all this fun, the teachers dress up in costumes. But apparently there are Grinches for more than one holiday. In this case the spoiler was a parent, Robert Guyer, who not only kept his own children out of school for the day but sued county officials demanding that the annual party be perma-

ently enjoined. It constituted, he said, an establish-
ment of religion. On Monday, the U.S. Supreme Court refused to review the judgment of Florida trial and appellate courts in favor of the school board.

What religion, one might ask, is being fostered by these costumes and decorations? "Wicca," said Mr. Guyer, a variety of witchcraft, which he claims has an increasing number of followers and that the activity is a threat to the nation's children. He raised no objection to the portrayal of pumpkins or even ghosts. But he sounded a warning against witches, cauldrons and brooms, which are allegedly particu-
larly significant to followers of "Wicca". Those teachers who dressed as clowns, and even the one who came as Ronald Reagan, were unobjectionable.

But the ladies in the long black robes and pointy hats, he claimed, were unconstitutional. So was a sign in the school cafeteria depicting a wand-waving witch asking "What's cooking?"

Lighten up, Mr. Guyer. This litigation is a case study illustrating the time-wasting burdens on the court system and the determination of some adults to micromanage the schools because of their own narrow fears. Shakespeare is being censored in some parts of this country because parents think Romeo and Juliet set a bad example for adolescents. Surely Halloween, the celebration that stretches more than one holiday, allows the kids to enjoy a day of treats and fun without encouraging them to frighten adults, should be allowed one day of the year. Let the kids enjoy it free from fear of "Wicca," plaintiff's lawyers and other goblins.

The writer is a former administrator of the National Highway Traffic Safety Administration.

Friday, December 9, 1994 The Washington Post

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Charles Krauthammer

Balkan Dementia

Now Newt Gingrich has lost his head over Bosnia too. Not content to let Bob Dole lose the days of the tank brigade into Balkan oblivion, Gingrich has turned hawk. He once took the hands-off view that Bosnia is a European problem. Now he is going to sit idly by while their army and train them? The Serbs are certainly not going to sit idly by while their arm and train them? Who keeps CNN-rich Sarajevo alive when the United Nations leaves and water, power and food are cut off?

Answer: (a) No one, or (b) American ground troops. Take your pick.

Step 2: Arm the Muslims. Another nice idea, three years too late. Who is going to stop the Russians from flooding the Serbs with weapons once the arms embargo is broken? The Serbs are certainly not going to sit idly by while their enemies are prepared for battle. They will launch pop-up groups more powerful than the one in 1995, which will cost thousands more lives and perhaps extinguish Bosnia for good. Who will prevent that?

Which brings us to Step 3: We will need to arm the Muslims. Massive American air strikes—why, just the threat—will stop the Serbs cold. This faith in air power is touching considering the idea is that as long as we stay in the air, there are no risks. Non-sense. Once we Americanize the war, the risks are exclusively ours. Once we order air strikes, we assume responsibility for the Bosnian civilians. Once we arm the Muslims, we assume responsibility for the conduct of the war.

At which point, we are where we were in Vietnam, 1964, when we gratuitously made it our war and committed ourselves to one

Field Marshal

Gingrich's excellent adventure.

peace plan. Oh, it would be lovely to blast Belgrade. But what is the logic of bomb- ing the one Serb party that is pushing for a peaceful settlement? Why would we then bomb? Why, the Bosnian Serbs. Gingrich would "paralyze [their] capacity to function as a society." Problem is, they are not a functioning society. The Serbs are a scattered, agrarian population whose economy, hardly robust to begin with, has ground to near zero. What are we to do? Turn on the Serbs who are down in Pale?

The Gingrich bombing plan is classic post-Vietnam strategy: intervention on the cheap. No ground troops, no risk, short time span, large effects. From the beginning to the end, this is childish fantasy. As with all intervention-on-the-cheap schemes, the idea is that as long as we stay in the air, there are no risks. Non-sense. Once we Americanize the war, the risks are exclusively ours. Once we order air strikes, we assume responsibility for the Bosnian civilians. Once we arm the Muslims, we assume responsibility for the conduct of the war. Once we begin air strikes, we be come a combatant.

At which point, we are where we were in Vietnam, 1964, when we gratuitously made it our war and committed ourselves to one side in an untenable situation. The only alternative then is the agony of a ground war or the humiliation of a compromise.

If we help the Europeans try to settle the war today basically Serbian terms, certainly no honor will accrue to us. But it will not half the calumny it surely will be if we are forced to do so many years and many dead later.

Moreover, the Gingrich war path is not just bad foreign policy. It is bad domestic policy. It is never a good idea for Congress to run American foreign policy. It was not a good idea when the Democratic Congress tried to shred Reagan's in the 1980s. It is not a good idea for the Republican Congress to stage-manage Clinton's today.

Furthermore, regarding Central America in the '80s, the Democrats were merely trying to block an activist White House. The Republicans are more ambitious. They are trying to foist an activist Bosnia policy on a passive administration. That is far more tricky and far more dangerous because, in the end, it is the executive that has to carry out the policy. Do we want a war policy run by an administration that is too smart and incompetent to undertake it? Do we really want Bill Clinton, George Stephanopoulos and James Carville running a Bal kan war, with NATO, Russia and the fate of southern Europe in the balance?

Finally, apart from all else, this is bad politics. This whole adventure into foreign policy is a huge, needless distraction for the Republicans. They were not elected on Nov. 8 to save Bosnia, which is beyond saving. They were elected to fix America, which is, as yet, not beyond fixing.

Their mandate to govern was won on a domestic agenda. There is a window now open for the Republicans to enact it. To squander that opportunity on foreign adventures—and on an adventure that promises the country nothing but grief—is simply crazy.

Mr. Barry's Cuts: Still Not Enough

AFTER A fresh look at the financial devas tation to which his 12 years as mayor contributed mightily, Marion Barry has presented his first blueprint for fiscal recovery on his return in less than a month. While his proposals for cuts do surpass those offered so far by Mayor Kelly and council Chairman Clarke, the mayor-elect's numbers also come up short. They're at least $95 million short for the current fiscal year, and that's assuming against tradition that nothing further pops up when more rocks are turned over. That also assumes that enough members of the council will wake up to the horrible financial realities and do more than just whittle at spending that needs axes, not pen knives. At least Mr. Barry knows he hasn't done enough and says there will be still more to go no further than Barry procedures.

Mr. Barry's numbers for now would begin with $140 million proposal presented by Mayor Kelly—which is no firm base in itself. Then there is $40 million that the council has already decided to extract in increased property taxes from those businesses and homeowners who stick around for this hit. Mr. Barry's cuts and consolidations do include plans to renegotiate scheduled pay raises, which ought to be knocked out entirely, and furloughs, which have got to happen in any case, given this missing link in his plan: Mr. Barry is not including any layoffs, looking instead to attrition and consoli dations as a way to shrink base costs. Again, layoffs are not the first step, but when it comes to the District payroll, they should be in the mix.

Similarly, Mr. Barry's proposal to cut the in-patient capacity of D.C. General is a step—but only a step—toward phasing out this facility. He did say yesterday that he will study proposals that would transfer and consolidate hospital operations with those of Howard University Hospital. Specifics—details, including more solid estimates of possible savings—are needed first.

Mr. Barry and school board members have come up with a total of $31.8 million in cuts, which is close to the $33 million proposed by Mr. Clarke. But will the council as a whole meet this number? Despite Mr. Barry's optimism, doesn't seem likely. On Dec. 1, the council will act on its committee recommendations —and at the dismal rate things have been going in those sessions this week, the members had better have some realistic second and third thoughts when they come together for final action.

The reluctance of elected officials to reject this hit and address this city's financial plight with a full-bore assault on spending that cannot be sustained or justified threatens not just the books but the future of local self-determination here. And time won't wait anymore.
The GOP Rules Revisions...

MOST OF the rules changes the Republicans are preparing to adopt in the House are good ideas. Their likely effect will be to make the House a more open institution.

Cuts are proposed in the number of committees and subcommittees and the size of staff. The goals are to set an example in cutting costs and to make the legislative process more efficient. The Republicans also proposed—in the name of equity and to lock the Golden Rule in place—to apply to the House, as employer particularly, the same rules it has imposed on private employers over the years. If, in fact, as the critics allege, that raises some separation-of-powers questions, well, what are courts for, anyway? It seems fair enough.

The tenure of committee chairmen would henceforth be limited to three Congresses. That, too, should reduce incrustation. A side effect may be to increase the power of the speaker and central party leadership. Most committee meetings would have to be open, including to broadcast coverage; less doctoring of the Congressional Record would occur than occurs today; and the minority would be guaranteed the right to offer a motion to send any bill back to committee with instructions to rewrite it.

On the other hand, the D.C. delegate would lose an already limited right to vote when the House is working its way through legislation in the committee of the whole; that’s not in the spirit of openness.

A couple of changes could have the effect of opening up appropriations bills to more amendments from the floor. The Democrats had come to discourage such amendments on troublesome subjects such as abortion. The Republicans suggest they’ll be more willing to take their chances; why not, in a place that’s supposed to run according to majority rule? It would also become against the rules to use emergency spending bills as vehicles for non-emergency spending. One of the hoariest customs of the House would die with that one.

The Republicans had planned to propose that tax increases could pass only by three-fifths votes. The goal is easy enough to understand, but it’s a bad device. A minority shouldn’t be given control of so important a piece of policy; they should take their chances with majority rule on taxes, too. As it happens, they seem to have developed qualms of their own about the original proposal. The draft rule now would require a three-fifths vote only to increase income tax rates; other proposals to increase even income taxes—by limiting deductions or exclusions from income, for example—would require only majorities. It would be better to have none of this, but a largely symbolic application to rates only isn’t the worst of possible compromises.

In one sense these changes are odd, because the next Congress is going to see a much greater concentration of appointive and other power in the hands of the speaker than in any Democratic Congress in a third of a century. The possibility is that, at the same time, individual members may have a greater chance to be heard in committees and on the floor. That at least is the promise. The House had become an institution badly in need of an airing-out, and it is getting one.

... And a Flap Over Caucuses

THE REPUBLICANS also intend to change the rules to take away the funding source of the larger and better known congressional caucuses. The black, Hispanic, women’s and other such groups have been financed mainly out of their members’ office accounts. The members traded smaller personal staffs in order to have joint staffs to represent their elevated common interests. Can’t do that any more, the Republicans say.

The argument is in part that it’s unfair to use taxpayer funds to underwrite special interests. The black, Hispanic and women’s groups, which are but a few of the many caucuses, have reacted with particular fury. They accuse the Republicans of trying to weaken them for political reasons and of showing no small amount of prejudice and, ridiculously, an allusion to “ethnic cleansing” was even made. The argument is vastly overblown. Some, though not all, of the taxpayer funds will still be spent, albeit by the individual members and not quite in the same way. The like-minded members will also still be able to meet and join forces—no rule against that. Less will likely change than has met the ear.

Any group of representatives can band together to strengthen their leverage. There are, in fact, 140 such groups in the House, ranging from those focused on ethnic interests to those promoting industries such as trucking or sports. But 28 of these groups have been accorded the title of legislative service organization. They have had an elevated status, their own office space and, from their members, pooled money. There has been no logical pattern to the selection process. Both the New York and Pennsylvania congressional delegations, for example, are LSOs. No other state has this designation, though the California Democrats (but not the Republicans) do. The auto, steel and textile industries have taxpayer-financed caucuses—in addition, of course, to enormously powerful and well-funded private sector lobbies representing the interests of these industries and their workers—but the construction, airline and computer software industries have none. Blacks, Hispanics and women have particularly effective organizations; other groups do without. There is a rural caucus but none for urban problems, a children’s and an older Americans’ group but none for ages in between.

This change puts all such groupings in the same boat. Each has the right to try to influence legislation, provide members with advice and ideas and build public support for its positions. It is not advocacy that has been squelched, as one staffer complained. Such groups as the Democratic Study Group have performed an important service over the years in dispensing information about bills headed for the floor. Another way will have to be found to perform that valuable function. But it will.
Michigan judge yesterday refused to enforce a property settlement agreement signed by former Chrysler Chairman Lee Iacocca and Darrien Iacocca, who are seeking a divorce, because Darrien had second thoughts. His lawyer, John Schaefer, told the judge she signed the agreement in a Las Vegas hotel after her estranged husband "bracketed" her for several hours. Philip Vasterveld, his attorney, called the story "hogwash" to reporters and said he forced Darrien Iacocca to fly to Las Vegas or to sign the agreement. The judge left open the door for a later settlement. Sounds better than a plot for "Santa Barbara."

Jacqueline Kennedy Onassis's 15-room Fifth Avenue apartment has been quietly put on the market for $9 million after 27 years at the Sheraton-Carlton and that his hospital room yesterday that he has lost his lease, as on Christmas Day.

Queen's Sandringham estate was devised because he needs to know what really happens when you play around with guns. It's not pretty."

—Hot actor Wesley Snipes, star of the new action flick "Drop Zone," on his responsibility as a role model for young African Americans, in the Norfolk Virginian-Pilot

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Peterson, who turns 88 today, has lived there 27 years and is moving after the first of January to Chevy Chase, D.C., to be closer to her son.

Happy holidays.

—Tony and Joe's Seafood Place of Georgetown will do its bit to curtail drinking and driving on New Year's Eve. The restaurant will award the "designated driver" of a party a $25 gift certificate at the end of the evening just for-keeping cool in the parking lot, the drivers.

In memory of AIDS activist Elizabeth Glaser, who died over the weekend from complications of the disease, the Pediatric AIDS Foundation, which she founded, is holding a gala benefit. The proceeds will go to the Elizabeth Glaser Scientists Program. Glaser's family has asked that donations in her memory be made to the Santa Monica, Calif.-based group.

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Doonesbury

For Mansion-Minded Consumers

Respected consumer advocate Esther Peterson is putting her sprawling Shepherd Park home—and all the history that goes with it—on the market for $595,000. Known as the Shepherd Mansion, the three-story 13th Street house, complete with seven fireplaces and many bedrooms, was once the pre-Civil War summer abode of Darius Clagett, a wealthy dry goods merchant. Peterson, who turns 88 today, has lived there 27 years and is moving after the first of the year to Chevy Chase, D.C., to be closer to her son.

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Concerns about interest rates and the Orange County financial crisis sent stocks skidding in heavy trading. The Dow Jones Industrial Average dropped 135.73, or 1.33%, to 9,867.73. Airline stocks sank as investors were unnerved by Southwest and Continental's announcements that earnings would fall below expectations.

The U.S. and Canada have moved to prevent insider trading were lax. Mario Gabelli's investing group AT&T sought permission for a public offering of 35.9 million of its shares (he acquisition at about $250 million. With the agreement put the value of its Ford Explorer sport-utility vehicle, and its Lincoln Continental luxury sedan, betting that strong demand for cars and trucks will continue.

What's News

**Business and Finance**

MORGAN STANLEY is in talks to merge with British investment bank S.G. Warburg in a $7 billion stock swap. The combined entity, with 74 offices worldwide and total assets of more than $35 billion, could be a global challenger to powerhouse such as Goldman Sachs and Merrill Lynch.

The ruling party's candidate took office as governor of Mexico's southern state of Chiapas. Gov.-elect Robledo tried to impress Indian and peasant groups by promising reforms. But the leftist opposition party's candidate held an inauguration of his own, claiming he was the true winner in an Aug. 21 vote. (Article on Page A12)

The Pentagon is set to announce a major round of cutbacks in weapons programs, which is expected to include the eventual termination of a Northrop Grumman missile program and cuts in helicopter and fighter programs. Separately, the Army said it will cut 45,000 troops to reach a force of 450,000 by the end of 1996. (Article on Page A2)

Acute lower-back pain can be relieved with over-the-counter painkillers and mild exercise, not extended bed rest or surgery, a government panel said. Surgery seems to help one in 100 people, the panel said in issuing guidelines. (Article on Page B5)

The Postal Service yielded to pressure from Clinton and the Japanese government, announcing that it will drop plans for a stamp depicting the atomic bomb explosions that devastated Japan in World War II.

Japan's main opposition groups chose a former prime minister, Toshiki Kaifu, to head the unified party they plan to launch tomorrow. The New Frontier Party already is caught up in factional squabbles, though causing the alliance to lose some public support. (Article on Page A12)

Muslim rebels claimed responsibility for two bombings in south Lebanon. Eight Israeli-backed militiamen were killed and eight other people wounded. Separately, Israel's Rabin and PLO leader Arafat will receive the Nobel Peace Prize tomorrow.


About 1,800 Cubans died a U.S.-run refugee camp in Panama after two days of riots in which more than 300 U.S. soldiers were injured. U.S. military officials said. Most of the refugees wereуть soldiers and damaged 12 military vehicles.

**What's News**

**World-Wide**

**The FTC's bid to bar B.A.T Industries' acquisition of American Tobacco was set back as a judge criticized the testimony of a key FTC witness.** (Article on Page B8)

**The U.S. Patent Office dealt a blow to W.R. Grace's broad patents covering the genetic engineering of cotton, saying it no longer believes that Grace is entitled to the patent protection.** (Article on Page B5)

**Markets—**

Stocks: Volume 382,256,640 shares. Dow Jones industrials +50.62, or 1.35%, to 3,830.72; off 49.79; transportation +17.75, or 1.75%; utilities +17.61, or 1.75%.

Bonds: Lehman Brothers Treasury index +.073, up +.15%. Moody's: Aaa's; Lehman Brothers Treasury index +.073, up +.15%. Commodity: Oil $1.17; 12 a barrel, up 25 cents. Dow Jones futures index +1.31%, up +.01. Spot index 143.68, up +.42.

Dollar: 100.45 yen, up 0.52; 1.5770 marks, up 0.0099.

**The U.S. and Canada have moved closer to an agreement that would give U.S. and Canadian airlines full access to each other's markets, according to people familiar with the talks.** (Article on Page A4)

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WASHINGTON WIRE
A Special Weekly Report From
The Wall Street Journal's
Capital Bureau

REPUBLICANS REVAMP Hill commit­
tees as they consolidate control.

Gingrich asks appropriations subcom­
mittee chairmen to promise in writing that they
will carry out the GOP "Contract With America." He packs key committees—Ways and Means, Appropriations and Com­merce—with young loyalists. He cuts some subcommittees, forcing turf changes that affect lobbyists. Commerce subcommit­tee on health and environment is divided between Florida's Bill Young (with home-state elderly to protect) getting health and Ohio's Oxley (with ties to Midwest manufacturers) getting environmental issues.

Many GOP senators seek Finance seats now that tax cuts are in vogue. Old favorite Appropriations loses appeal in era of spending cuts. Dale's rival Gramm may join him there. While Appropriations members Nickles and D'Amato may also switch, Maybe Murkowski, too.

(Prints: Osten as consolation price.

HELPING RUSSIA remains a top prior­
ity despite GOP threats to cut aid.

If Moscow adopts a believable budget, the International Monetary Fund will lend $6 billion to finance reforms, plus $6 billion to stabilize the ruble—despite reports that it is losing faith. U.S. officials, who had called the IMF timid, now praise its "bold pro­gram." The main questions: Are Russian budget numbers real or fanciful? Will taxes be collected—or avoided through payoffs?

Republican support for Yeltsin is "un­shaken" despite his "indefensible" barbs at

U.S. officials. If Moscow adopts a believable budget, Republicans want presidential decisions before

HEALTH LOBBYISTS will give the GOP

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Reforming the Interstate Commerce Com­
motion as promised could require paying ousted commissioners their $15,000 salaries for life. Ditto at the Federal Maritime Com­mission.

CANCEL THE DEMOCRAT. Find me a

Republican. Lobbyists troll intensively for hires with

ties to GOP legislators who are taking

charge. But they are hard to find. Most

Republicans with links to the new leaders

want political jobs that can help shape

legislation directly; few seek lobbying work
despite the big pay. Republicans get hun­
dreds of applications for Hill jobs, but few

GOP staffers send out resumes. Gingrich aide Tony Blankley turns down eight offers: Ted Van Der Meid, a staffer for retiring GOP

leader Michel, planned to leave town but now may stay.

So lobbyists try lures. They call head­
hunters to find right-leaning employees. They also tell young Hill staffers to switch while they are so in demand rather than risk being worth less in two years if Democrats

return. "The smart ones are coming out

now," says lobbyist Mike House.

One big winner: Billy Pitts, another

Michel aide, is getting offers approaching $300,000.

MINOR MEMOS: Democratic staffers from House Appropriations talk about hold­
ing a farewell party—on the Achille Lauro.

Will Hillary watch? Taking Gingrich's advice, a Turner Classic Movies network schedule "Boys Town" for early February. . . . After reading an erroneous report putting his wealth at $17 million, Lloyd Benn­

sen's wife asks: "Where is it?"

—ROBERT KEATLEY
Clinton Weighs Dismantling of HUD; Energy, Transport Cuts Also Studied

BY MICHAEL K. FRESEY
AND CHRISTOPHER GEORGES
Staff Reporters of THE WALL STREET JOURNAL
WASHINGTON — President Clinton, seeking to dramatize a commitment to smaller government, may dismantle the Department of Housing and Urban Development or another cabinet agency.

The housing agency emerged as a leading candidate for the major restructur- ing, which could turn HUD into several independent entities and eliminate many programs. But officials have broadened their study to look at eliminating either the Department of Transportation or the Department of Energy.

Mr. Clinton, in one of his first acts after the devastating defeat suffered in the elections, asked aides for proposals down- sizing the government. In meetings that included Vice President Al Gore, Mr. Clin- ton requested a set of “bold cutting propos- als,” a senior aide said. The final plan, which Clinton is due to present to Mr. Clinton as early as Monday, is expected to include the dismantling of a Cabinet department and smaller agencies as well.

Save the plan, which administra- tion officials said would amount to billions of dollars, would either help fi- nance a tax cut or simply lower overall federal spending.

Election Gives ‘Mandate’

“The president was explicit that he be presented with some very serious cuts in departments,” said Gene Sperling, a White House aide. “The election has given us a mandate to go even further in some of the cuts that we’ve already passed but have unfortunately gone unnoticed.”

Doing away with or deeply cutting funding for a major agency would give the struggling president an opportunity to re- cast his image away from being a more indepen- dent politician to one that is a player in the secondary mortgage market. Likewise, a Public Housing Corp. would be created to play a role similar to the one that the Resolution Trust Corp. performed with failed savings and loans: It would sell off public housing to private industry, while finding creative ways to market the 300 or so troubled housing developments around the country.

Also, a super economic-development agency would be created to handle the

Federal Housing Administration, which guarantees mortgages, as a more indepen- dendent outfit like the Federal National Mort- gage Association, and see it as a player in the

roughly $1 billion a year in development funds that come from HUD, as well as the economic-development funds that are dis- bursed by other government agencies.

Housing subsidies for 5.5 million Americans handed out by HUD probably wouldn’t be affected in the short run, officials said. But according to internal Office of Management and Budget docu- ments, the administration, even without a larger reorganization of the agency, is seeking to eliminate nearly $1 billion in funding for nearly a dozen housing pro- grams next year.

They include programs for new construction of housing for the elderly and disabled, as well programs that provide loans to low-income Americans and emer- gency shelter programs.

Plans for a major overhaul of one or more agencies have been in the works for several months, administration officials said, with the White House and agency leaders in question drafting specific options. But last month’s Republican sweep at the polls helped push the idea to the forefront of the administration’s agenda.

Although the administration has re- duced the federal bureaucracy by more than 270,000 jobs, or 13%, over the past two years, recent polls have shown that the effort has gone largely unnoticed by the public. Officials said the White House and Cabinet agencies are now reaping for placing welfare-over- ugh plan.

In an effort, he said, to remove poli- tics from the sticky welfare issue, Mr. Clin- ton said he intends to convene a “National Welfare Working Session” to see if a consensus solution can be found.

Despite his rhetoric, the session clearly is an attempt by him to take at least part of the credit for Republicans are now reaping for placing welfare- ugh near the top of their congressional agenda next year. Mr. Clinton said wel- fare now is at the top of his agenda as well, apparently replacing his failed at- tempt this year to change the nation’s health-care system.

White House aides said the session will include governors, mayors and mem- bers of Congress from both parties.
Clinton Promises to Help U.N. Leave Bosnia

Withdrawal Isn't Imminent; Offer to Send In Troops Is Bid to Bolster NATO

By THOMAS E. RICKS
And CARLA ANNE ROBBINS
Staff Reporters of THE WASHINGTON POST

WASHINGTON: President Clinton agreed in principle to send U.S. troops to help a U.N.-led coalition of peacekeepers from Bosnia. But U.S. officials privately said a pullout doesn't appear to be imminent, describing the mainly a political effort to shore up the shaky NATO alliance.

With the 23,000 U.N. peacekeepers in Bosnia under a siege, and France threatening to withdraw, NATO planners have developed several contingency plans for a withdrawal. If the NATO rescue force had to fight its way in and out, it would total about 45,000, with the U.S. providing more than 20,000. The most likely unit to be used would be the Army's 1st Armored Division, based in Germany, augmented by Special Forces units and civilian-aid units.

One officer familiar with the plans being presented to NATO said the U.S. military's general belief is that the withdrawal wouldn't take place until spring, if at all. He noted that nobody wants to attempt to move 23,000 U.N. peacekeepers and then 6,000 vehicles during the fierce Balkan winter.

A sudden withdrawal, without a simul­taneous plan to bolster the Serbs, the situation could explode at any moment, forcing a pullout. "We're one spark away," said a senior U.S. diplomat. "The administration's commitment to helping the U.N. forces in this operation is to keep them going."

President Clinton has repeatedly said that he wouldn't send U.S. combat troops into Bosnia. But any evacuation could involve risks and could bring U.S. casualties. Nevertheless, U.S. officials said that for the sake of the NATO alliance and America's leadership role in Europe, they had little choice but to offer the support.

The president believes that it is important that the United States as the leader of the Atlantic alliance be ready to assist its allies in the event their forces are in danger, State Department spokeswoman Christine Shealy told reporters.

NATO's failure to settle the war in Bosnia has put the worst strains on the alliance in decades. The French, in particular, have pointed to Mr. Clinton's refusal to send peacekeepers as a symbol of the U.S. abdication of leadership.

While insisting that a withdrawal doesn't appear to be imminent, U.S. officials also said that several other nations' peacekeepers being held hostage by the Serbs, the situation could explode at any moment, forcing a pullout. "We're one spark away," said a senior U.S. diplomat. The diplomat also noted that France is in the midst of a tough presidential campaign, and that the conservative government would be concerned about a withdrawal to see how the voters might respond.

But U.S. officials said a withdrawal would have political costs for the French and other European governments. Televised scenes of mass starvation among nearby besieged Muslims and new demonstrations of its new public.

The Pentagon to Announce Round of Cuts

In Weapons Programs, Sparing Several Industries

By THOMAS E. RICKS
And JEFF DILE
Staff Reporters of THE WASHINGTON POST

The Pentagon is to unveil as soon as today a long-awaited major round of cutbacks in weapons programs, including the eventual termination of the Northrop Grumman Corp.'s troubled Tri-Service Standoff Attack Missile.

The TSSAM program will be terminated either immediately or after an acceptable prototype is built, Pentagon officials said. Similarly, the Army's new RAH-66 Comanche helicopter, built by Boeing and the Sikorsky unit of United Technologies Corp., is being reduced to a "prototype program" under which only two or three aircraft will be built, they said.

The Air Force's F-22 fighter, the single-largest Pentagon weapons program, is scheduled to take an annual cut of either $100 million or $200 million. Several senior Pentagon officials said the final decision on that program was still unclear to them last night. The F-22 fighter is being built by Lockheed Corp. and Boeing.

Spokesmen for Northrop Grumman, Sikorsky, Boeing and Lockheed said they weren't aware of any final decision on the prospective cuts, although each acknowledged hearing rumors.

In a widely publicized August memorandum, Deputy Defense Secretary John Deutch ordered the services to consider options for shedding $600 million in a single cut. Several defense officials said the final decision on that program was still unclear to them last night. The F-22 fighter is being built by Lockheed Corp. and Boeing.

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The cuts, while severe in the eyes of the affected companies, are far smaller than the $1 billion in savings the Pentagon was said to be searching for when Mr. Deutch's memo surfaced.

The Air Force, for example, had been braced for the larger cut in the F-22 program. Some officials say cutting $30 billion from the program now could ultimately help boost development-program costs over the long term by as much as $3 billion. That estimate assumes that the $200 million is restored to the program in the future. If the funds are never restored, the officials say, the damage would be worse, with an increase in the overall cost of development and production by $2.3 billion and a production delay of more than a year.

The loss of the TSSAM program would hurt Northrop Grumman, which employs 1,700 workers on the program, but it comes as little surprise. The program to develop a radar-eliminating standoff attack missile already has racked up $620 million dollars in losses at prime contractor Northrop Grumman alone, and government estimates have suggested it could incur $1 billion in losses among all its supplier-team members before development is complete in 1997.
Congressional Democrats Are Looking for a Way Out of the Political Wilderness Without Clinton

BY JEFFREY H. BERNBAUM
Staff Reporter of The Wall Street Journal

WASHINGTON—Congressional Demo­crats have lost faith that President Clinton will provide the direction they need to lead them out of the political wilderness, and are starting to work independently to find their own way.

In the House, Democrats on the Ways and Means Committee aren’t waiting to hear from the White House, but instead are plotting their own answer to the Republicans’ calls for tax cuts. Another group is devising a welfare-overhaul plan, even though the president has offered his own. And Democratic staffs are compiling budgetary options to combat the Republic­ans’ call for tax cuts. Another group is plotting their own answer to the Repub­licans’ call for tax cuts.

But in any case, it’s possible that if they aren’t defeated because they bucked the president’s, to blame for their election drubbing. Democrats feel they have lost their allies on the left, and are no longer the minority leader, Thomas Daschle of South Dakota, and others are gearing up to fight any deep cuts in farm programs the president proposes, and the White House might suggest. The new Democratic leaders also want to unite their own spokes­people on various issues. They want to define the Democratic Party. Our trick is to bring Bill Clinton to us.”

Advertisements for former Rep. Tom Downey (D., Wash.) in the Seattle Times say: “This is a White House with blood on its hands. Of course, others would argue that congressional Democrats face a strategic choice. They can stand united, as President Clinton is likely to do, or they can seek to devise separate alternatives. Insiders say the new minority leader, Thomas Daschle of South Dakota, and others are gearing up to fight any deep cuts in farm programs the White House might suggest. The new Dem­ocratic leaders also want to unite their own spokes­people on various issues. They want to define the Democratic Party. Our trick is to bring Bill Clinton to us.”

Likely Freelancing
From now on, in fact, lots of freelancing is likely as Democrats work through their problems without Clinton. Democrats who try to set international fleeing-refugee plans. But there will be con­servative Democrats on Capitol Hill who choose to press for fewer items than the president proposes, and liberal members who push for more.

In contrast, the Democrats, who now face the same objective, are showing signs of not only shunning their own chief spokesman, but fighting among them­selves. The problem isn’t just an ideologi­cal split between the liberal and conserva­tive wings of the Democratic party, but a difference about what is the best political tactic.

Fears of the ‘Ash Heap’
Liberals argue that compromising with the Republicans would be disastrous for Mr. Clinton and themselves, because it will cost the party its identity. “If he stands still for that stuff, he will consign himself to the ash heap,” warns Rep. Jim McDermott of Washington state.

Moreover, on the other hand, the president has no choice but to move toward the Republicans and their antigovern­ment approach, which was the message of the election,” Rep. Penny says. The fact that many Democratic centrists are leaving Congress, either through retirement or because of electoral defeat, won’t make it any easier to agree on a common ap­proach with the White House.

And neither side seems to trust that Mr. Clinton has decided which one way to go. Asked whether he will work with the president, liberal Rep. Billy Tauzin of Louisiana replies, “Depends who he is this week.”

If he isn’t alone among Demo­crats in his di­sagreement for the president, “I don’t sense any hand-wringing about what [Capitol Hill Democrats] can do to bolster the executive branch,” Mr. Secrest, the pollster, says. “They are dismayed at the political ineptness they perceive from the White House.”

Mr. Clinton and the Democrats in Con­gress also have somewhat different political goals; that is sure to be a thing of the past. The president wants to revive his own sagging fortunes enough to make a credible run for re-election. He thinks that he can get things done. Just yesterday, Mr. Clinton called for a bipartisan national conference on welfare.
FTC Challenge To B.A.T Plan Faces a Setback

By SUEIN L. HWANG
AND EDWARD FELGENHALL
Staff Reporters of THE WALL STREET JOURNAL

The Federal Trade Commission will appeal to block B.A.T Industries PLC's acquisition of American Tobacco Co. was dealt a severe blow yesterday when a decision was handed down in a serious blow yesterday when a judge rapped apart the testimony of a key FTC witness.

In a heated session in federal court in New York, Judge Milton Pollack sharply criticized numerous assertions made by Lewis Tatem, a FTC economist, and even questioned Mr. Tatem as to his credentials for serving as an expert witness. The FTC had been counting on Mr. Tatem, who was scheduled to be its last witness, to outline the oligopolist in cigarette industry and support its argument that the acquisition would lead to higher cigarette prices.

Instead, Mr. Tatem and senior FTC litigator Ailee A. Ramadhani found themselves mostly on the defensive. "If this is the basis of an argument, I'll tell you now it doesn't send me anywhere," warned Judge Pollack, referring to a piece of evidence intended to show how tobacco companies had "signaled" their prices to one another in 1993. He said the FTC might as well have presented evidence gathered in "War on II." "If you don't come up with any better evidence than this, it doesn't entitle you to a first place in tacit collusion," the judge later said.

Judge Pollack's comments, which punctuated a number of arguments from the FTC considering its strongest, left some agency attorneys hanging their heads. Several in the back of the courtroom whispered among themselves in dismay over the judge's treatment of Mr. Tatem. Held to High Standard

Some antitrust lawyers who aren't involved in the case said the judge seemed to be intoning the government to an unusually high standard. In many respects, these lawyers say, the FTC has a textbook case against B.A.T, because of both parties agreeing that the acquisition will increase concentration in the industry beyond the limits outlined in 1992 federal guidelines on mergers.

Ordinarily, a violation of the mathematical formula in these guidelines puts the burden on the merging companies to show that their combination won't lead to higher prices. In making its case, B.A.T is relying heavily on a decision last year by the U.S. Supreme Court, which said that the U.S. tobacco industry was competitive enough that companies wouldn't be able to coordinate an effort to raise prices.

The judge seems to be going along with B.A.T's argument that the Supreme Court decision is "the floor," the judge said, and, he specifically mentioned that Republicans are rewriting the tobacco industry and support its argument that the acquisition would lead to higher cigarette prices.

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"If you don't come up with any better evidence than this, it doesn't entitle you to a first place in tacit collusion," the judge later said.

GOO Softens Plan to Grant Line-Item Veto

By PHIL KUNTZ
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON -- For the second time in two days, House Republicans appeared to be backing away from some of the line items in their "Contract With America." Incoming Speaker Newt Gingrich (R., Ga.) indicated yesterday that Republicans now favor giving the president line-item veto authority only temporarily. The bill distributed with the contract would have granted permanent power to the president over line-item veto specific spending items and targeted tax benefits in legislation without having to reject an entire bill. Long backed by Republicans, the line-item veto proposal is causing consternation within the party now because it could help President Clinton block parts of the GOP agenda. There also has been talk of delaying the effective date until 1996 to protect the Republicans' first-year agenda of tax cuts.

At a breakfast meeting with reporters Mr. Gingrich said he would recommend a less aggressive approach to vetoing with a proviso, eliminating the power after a certain period unless Congress extends it. Stated by just about every House Re- publican candidate and incumbent on Sept. 27, the contract promised floor votes within 100 days of the 104th Congress on 10 specific bills. But Mr. Gingrich said yesterday that the measures could be changed in committee before coming to the floor, and he specifically mentioned that Republicans are rewriting their welfare bill.

Mr. Gingrich also defended a proposal within the plan to give the president the power to delay his signature on tax increases requiring a three-fifths super-majority vote for any bill that increases revenues. Now Republicans want to limit the number of line-item vetoes to three a year. Mr. Gingrich also defended a proposal within the plan to give the president the power to delay his signature on tax increases requiring a three-fifths super-majority vote for any bill that increases revenues. Now Republicans want to limit the number of line-item vetoes to three a year. Mr. Gingrich also defended a proposal within the plan to give the president the power to delay his signature on tax increases requiring a three-fifths super-majority vote for any bill that increases revenues. Now Republicans want to limit the number of line-item vetoes to three a year. Mr. Gingrich also defended a proposal within the plan to give the president the power to delay his signature on tax increases requiring a three-fifths super-majority vote for any bill that increases revenues. Now Republicans want to limit the number of line-item vetoes to three a year. Mr. Gingrich also defended a proposal within the plan to give the president the power to delay his signature on tax increases requiring a three-fifths super-majority vote for any bill that increases revenues. Now Republicans want to limit the number of line-item vetoes to three a year.

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Hubbell Judge Withdraws Due to Clinton Connection

By RAYMOND MOORE
Staff Reporter of THE WALL STREET JOURNAL

LITTLE ROCK, Ark. -- The federal judge appointed to review whether President Clinton should step aside because of the Whitewater controversy is resigning in a case that raises questions about his relationship with Bill and Hillary Rodham Clinton.

U.S. District Judge William B. Wilson informed lawyers involved in the case yesterday that he would not sentence Mr. Hubbell. Judge Wilson, a Democrat who was appointed to the federal bench by President Clinton. He also has represented Virginia Kelley, the president's late mother, and Roger Clinton, his half brother.

Mr. Hubbell, one of the president's closest friends, pleaded guilty Tuesday to mail fraud and tax evasion. He admitted to bilking the Rose Law Firm, where he and Mrs. Clinton are once partners, and some of his former clients out of almost $400,000. He could be sentenced to up to 10 years in prison and fined up to $500,000. In a statement, the judge said he had "no objection" to Judge Wilson's recusal. A spokesman for Whitewater independent counsel Kenneth Starr had no com-
Orange County Hires Financial Experts/Says It Will Sue Some Wall Street Firms

BY STEPHEN J. SANSWEET
AND RHONDA L. RINDLE

Advisers to the Orange County Employees Association had a series of meetings with Orange County officials yesterday, during which they outlined a series of steps, including possible furloughs of city workers, to help the county and the investment pool in order to withstand earthquakes, said it is continuing to treat Orange County "as a going concern" to ensure the pool's financial integrity.

Robert L. Citron, the county treasurer who had managed the fund for two decades, resigned earlier after the torturing investment pool showed paper losses of $1.5 billion. Mr. Citron had used fund assets to build up a highly-leveraged $20 billion of unrealized losses into actual losses.

Some county suppliers said they are worried about overdue bills, while others are slowing down work or shifting personnel away from county projects until the situation is clarified.

At Barton Flanagin Associates Inc., an engineering consulting firm based in Irvine, officials essentially have stopped working on a number of county projects. EQI International, a San Francisco-based company contracted to retrofit fire stations to withstand earthquakes, said it is continuing to treat Orange County "as a viable client." But Frank Carney, a senior project analyst, said that the county is running about a month behind in paying its bills.

Moody's Investors Service Inc. late Wednesday downgraded the commercial paper of the Orange County Employees Association to "not prime" from Pi, the service's highest rating. The service also suspended its review of the county's debt, citing a lack of information, and put the ratings of almost 60 county agencies under review. About 100 securities issues are affected.

A team of Moody's analysts met with county officials in Santa Ana yesterday, a spokeswoman said. "We need to get from the county and the investment pool information on their debt service and cash flow requirements going forward and understand what their resources are beyond the pool," she said. "Each participant will be impacted differently, so it's hard to make a sweeping statement," about when the ratings reviews will be completed, she added.

-- Frederick Rose and Andy Passtor contributed to this article.

District of Columbia Seeks Loan From Wall Street

Special to THE WALL STREET JOURNAL

WASHINGTON—District of Columbia Mayor-elect Marion Barry, saying the city could run out of cash this month, is heading for Wall Street on Monday to see whether the city can get a $250 million loan.

Mr. Barry wouldn't predict the outcome of the trip, during which he'll discuss the crisis-ridden city's finances and plans with bond rating agencies and financiers.

At a news conference, Mr. Barry outlined a series of steps, including possible furloughs of city workers, to help shore up the city's finances. As the city's budget gap now estimated to be nearly $500 million. He said Wall Street wants to know how the city's incoming mayor is ready to tackle the budget problem head-on. "I'm up to it," he declared.

Meanwhile, an aide to Rep. Dana Rohrabacher (R.-Calif.) said the congressman will reintroduce a bill to prohibit the district from borrowing from the Treasury. The proposal was already reintro- duced until last month's election put the next Congress under Republican control.

The Treasury borrowing authority hasn't been used in 10 years, but is seen as undergirding more than $3 billion in outstanding District of Columbia bonds.

The proposal ban "isn't good news" for the city, said Patricia McGuigan of Moody's Investors Service Inc., the rating agency. "It could have negative credit implications."
Within three years, people close to the talks said. U.S. and Canada have drawn closer than ever toward an agreement that would give U.S. airlines full access to Canadian cities.

In exchange, Canadian airlines would get immediate unlimited access to U.S. markets, allowing them to build extensive networks with their U.S. partners. Airline owners of American Airlines, Continental Airlines, and AMR Corp., the owner of American Airlines, have an investment in PWA Corp.'s Canadian Airlines International.

The new progress in the talks, which is still plenty of bickering room for airlines in both countries that could keep an agreement from being reached. For example, it's unclear whether the U.S. can give Canada sufficient promises of future access to crowded airports that parcel out a limited number of landing slots, such as Chicago's O'Hare and New York's LaGuardia. And some U.S. airlines are likely to insist on limiting the Canadians' ability to expand into the U.S. through joint marketing with Continental and American.

Technically, the U.S. and Canada haven't even agreed to formal talks yet. In October, U.S. Transportation Secretary Federico Pena and Douglas Young, his Canadian counterpart, agreed to informal discussions to determine if the two countries had a basis for an agreement. Mr. Pena and Mr. Young are expected to decide within a few weeks whether to proceed.

U.S. and Canadian Negotiators Make Progress Toward Airline Access Accord

By DANIEL PEARL
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Negotiators for the U.S. and Canada have drawn closer than ever toward an agreement that would give U.S. airlines full access to Canadian cities within three years, people close to the talks said. In exchange, Canadian airlines would get immediate unlimited access to U.S. markets, allowing them to build extensive networks with their U.S. partners. Air Canada has a financial investment in Continental Airlines, and AMR Corp., owner of American Airlines, has an investment in FWA Corp.'s Canadian Airlines International.

U.S. airlines also would get unlimited access to Canadian airports, though new rights to Toronto would likely be phased in over three years; and to Vancouver and Montreal, over two years. Canada had originally proposed an eight-year wait. The current aviation treaty allows U.S. carriers just 44 routes between the countries, and Canadian airlines 28 routes.

The two countries' airlines, which had been largely abandoned two years ago, come in part as a result of fierce lobbying by Canadian officials. They've grown convinced that the limited travel options to U.S. cities, while protecting Canadian airlines from competition, has hurt local economies.

For example, there's only one flight between Vancouver and a U.S. destination east of the Mississippi, and all flights from Edmonton to Salt Lake City must proceed to Los Angeles, making it hard for an airline to justify frequent flights, said Ron Gilbertson, who runs the Edmonton airport. He also heads a group of Canadian airports that have gone from national to local control and are lobbying for better international service.

It's ridiculous that the two biggest trading partners in the world shouldn't have direct access," said Leonard Potchin, an Ottawa real estate executive who recently led a business protest that convinced Canada, unilaterally, to grant USAir a direct route between Ottawa and its Pittsburgh hub. The airline still has no direct route between Toronto and Pittsburgh.

There is still plenty of bickering room for airlines in both countries that could keep an agreement from being reached. For example, it's unclear whether the U.S. can give Canada sufficient promises of future access to crowded airports that parcel out a limited number of landing slots, such as Chicago's O'Hare and New York's LaGuardia. And some U.S. airlines are likely to insist on limiting the Canadians' ability to expand into the U.S. through joint marketing with Continental and American.

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—Roseanna Tamburri in Ottawa contributed to this article.

THE WALL STREET JOURNAL, FRIDAY, DECEMBER 3, 1994
Clinton Says Aim Is to Build A 'Special Relationship' With All Latin Nations

BY BOB DAVIS
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — If the Summit of the Americas begins today in Miami and turns out successfully, it's because the hemisphere's two giants, the U.S. and Brazil, were able to overcome mutual suspicion and reach agreement.

The two sides have engaged in quiet negotiations during the past month at the president's office in Brasilia and at the White House concerning the pace of hemispheric trade liberalization and the link between trade and labor issues. "We established the basis for a more productive relationship with Brazil," said White House counselor Thomas "Mack" McLarty. He and White House aide Bowman Cutler handled much of the negotiations for the U.S.

In an interview with The Wall Street Journal, various Latin American newspapers, President Clinton said a "special relationship" between the U.S. and Latin America was impossible to imagine. "I think it's highly likely."

From the U.S. perspective, Brazil is a huge, potentially rich market, finally turning toward open trade and market economics, but Brazil views itself as an important power that needs to be courted, and has a prickly relationship with the U.S. "Brazil has seen its mission as the diplomat defender of the poorer hemisphere, against the hegemonic power of U.S.," says Gary Hufter, a trade economist at the Institute for International Economics, a Washington think tank.

At the hemispheric summit, Brazil's role is magnified because this year it heads the Rio Group, an association of South American nations and Mexico that often negotiated as a group during summit talks in Washington. Brazil also is the biggest country in a regional trade pact called Mercosur.

Recognizing Brazil's leadership position, Mr. McLarty flew to Brasilia late last month to meet with President Itamar Franco, and with Mr. Cutler, Brazil's foreign minister, Henrique Cardoso, who takes office Jan. 1. Both men will represent Brazil at the summit, which will also be attended with Mr. Cutler by the U.S. trade representative, Robert_ABdenur, and by a top Brazilian diplomat who also made one month ago, was rejected by 32 of the 34 summit countries; only Canada and the U.S. will insist on higher labor standards for any deal it submits to Congress. While the compromise pleased the sum­miters, Mark Anderson, a trade specialist at the AFL-CIO, disasmes it as "too little, too late."

At the summit, he argues, "worker interests get nice language, while corporate interests get real action." Mr. Clinton said he believes that free-trade pact aggravates worker insecurity in the short run, but represent vast opportunities for the U.S. in the longer term.

At the State Department meeting, the U.S. also made a compromise sought by Latin American nations—setting a date by which to end FTAA negotiations. Argen­tina wanted the year 2000. The U.S. offered 2005, which was quickly accepted. So far, though, Brazil has opposed setting a date by which to complete the actual tariff phase-out, says Mr. Hufter.

The following day, at & meeting at the State Department that lasted from 8 a.m. to 11:30 p.m., the U.S. won support from Brazil and the Rio Group for a compro­mise. The name of the proposed hemi­spheric free-trade pact was changed from the Americas Free Trade Agreement— APTA sounded too much like Nafsa for labor's liking — to the Free Trade Area of the Americas, or FTAA. And the Latin nations agreed to language in the final declaration linking "free trade" to "the observance and promotion of worker rights." Separately, President Clinton plans to declare at the summit that the U.S. will insist on higher labor standards for any deal it submits to Congress.

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Debate Shifts to 'How'

Though still dismissed by some, the EU's quest for a single currency has attracted a devoted army — an ecclesiastic group that might be called the "Cult of the ECU." Supporters from gray-suited central bankers to a former French porn queen are sworn to secrecy. "You're wasting your time," Germany's state secretary for finance, Gert Haller, recently snapped at a reporter waiting outside. That was more than he usually says. British treasury official Gus O'Donnell, a former spokesman for British Prime Minister John Major, issues his usual tight-lipped line: "I used to be a spokesman; now I'm on the outside."

A journalist's letter to panel chairman Nigel Wicks, sent to the central EU Commission postal address, was returned with the note: "Return to Sender, Addressee Unknown."

It has become a close fraternity. "The fact that you sit together on all these committees makes you feel close," says Yves Mersch, director general of the Luxembourg Treasury and a committee member. "You have a habitat in which he develops a closeness with his captors."

"Debate Shifts to 'How'"

That reinforces a growing consensus that EMU will indeed occur — probably in 1999, but with the outside chance of a 1997 starting date. An initial monetary union would likely include Germany, France, the Benelux and Ireland, while Denmark and Britain might be enabled to join if they reverse their EMU "opt-outs" negotiated at Maastricht.

"More Confident Now"

"I am much more confident now than I was six months ago," says the EU's economics commissioner, Henning Christophersen. Although only Luxembourg now firmly meets all of the Maastricht criteria, because the EU's continued economic recovery will allow many others to make the grade as well.

There was a breakthrough this autumn when a consensus emerged in business and political circles that national currencies and the ECU should be allowed to co-exist during a short transition after monetary union begins.

It is these types of nuts-and-bolts issues that the ECU switches hash out in countless meetings that bounce from Brussels to Paris to Frankfurt to London, gatherings that will grow in frequency as 1997 approaches. The ringmaster of this "traveling circus" is Alexandre Lamfalussy, the first president of the European Monetary Institute, which begins operations for business next month at its new Frankfurt home. Under the Maastricht pact, the EMI is charged with preparing for "Stage 3" of monetary union, in which a central bank and a single currency will be created.

A report by the Association for the Monetary Union of Europe earlier this year stressed that the banking and retailing sectors need to start preparing now, because the switch to a single currency will entail substantial changes to payment and settlement systems.

The ECU class's most colorful member by far lives on the south side of Paris. In the early 1970s, Sylvia Bourdon starred in three pornographic films, and later ran an erotic art gallery and a restaurant. These days, at age 45, the bespectacled Ms. Bourdon is on a mission to promote her design-the-ECU contest, an idea she has been thinking about since 1985. "I think the idea of a single currency is the real guarantor of peace," says the German native. "Countries sharing the same currency are less likely to fight each other."
Defiant Chechnya Tests Moscow's Empire

Small Civil War May Bring Biggest Russian Strike Since Afghan Invasion

BY CLAUDIA ROSETT
Staff Reporter of THE WALL STREET JOURNAL

GROZNY, Russia—From the shattered windows of the presidential palace here, one of Russia's darkest dilemmas comes into view: the issue of whether Moscow can democratically hold together an empire assembled by centuries of conquest and brutal rule.

This city of low brick buildings and busy street markets is the capital of Russia's most rebellious region, the breakaway Chechen Republic. The Chechens' defiance of Russia has flared into a small civil war that now threatens to bring on Moscow's largest military strike since the 1979 invasion of Afghanistan.

For Russia, there are other alarming echoes of Afghanistan. Chechnya is a Moslem republic, threatening to fight a guerrilla war in the Caucasus mountains of southern Russia, should Moscow's army invade. In an effort to avert this unpleasant prospect, Russian politicians have been shuttling to and from Grozny but with no resolution yet in sight. Russian President Boris Yeltsin announced Wednesday that 200 men pray to Allah while two boys circle the palace windows. Before the building, Russian rulers for centuries, these people have waved the green, white and red Russian flags. Cheering them on is a crowd of hundreds more, many armed with pistols, grenades and Kalashnikov automatic rifles they say they will use to defend their republic.

Eating soup in a cafe near the square, a young Chechen says he is ready to fight the death against any Russian incursion.

The showdown over Chechnya is the most visible sign of old habits and widespread resentments that could yet swamp Russia's fragile democracy and turn the country back toward its traditionally ruthless ways. Conquered by Czarist Russia in the 19th century, Chechnya was never a willing subject of the Russian or Soviet empires. In 1991, as the Soviet Union crumbled, Chechnya elected a president, Dzhokhar Dudayev, who declared independence.

President Yeltsin briefly threatened force, then backed off. For the past three years, Russia has muddled along with the problem, claiming sovereignty over Chechen republic, which rebuts the claim.

President Yeltsin briefly threatened force, then backed off. For the past three years, Russia has muddled along with the problem, claiming sovereignty over Chechen republic, which rebuts the claim. But with parliamentary elections due late next year, and a presidential election in mid-1996, Chechnya has become a head-ache that Mr. Yeltsin needs to clear up soon. If Mr. Yeltsin lets Chechnya secede, the result could be a Russian nationalist backlash and an encouragement to other unhappy Russian regions to declare independence.

To force Chechnya back into the Russian fold, Mr. Yeltsin is now threatening to fall back on sheer force. This, too, could set the tone for a more sinister style of politics and trigger rebellion elsewhere in Russia, and similar crackdowns.

OLD SOVIET TACTICS

Already, Russia's government has undermined what frail credibility it has. Resorting to old Soviet tactics, Russia recently has been backing an armed opposition to Mr. Dudayev, but initially denying it involvement. Chechens disarmed by Dec. 1, he would use "all constitutional means" to disarm the Chechens — widely understood as a threat to send in troops. Stationed behind Chechnya's tall gray presidential building are tanks and anti-aircraft guns to ward off Russian bombardments like those that recently broke the enclave windows. Before the building, in Grozny's central Freedom Square, some cattle cars to Central Asia. From there, burned-out tanks from the assault repelled the entire rebellious Chechen population in October 1994.

Defiant Chechnya Tests Moscow's Empire
We've all heard dire pronouncements of generational conflict from politicians and commentators. Indeed it is almost a staple of our political discourse that there are wide gaps between the so-called Generation Xers, ages 15 to 30; the Baby Boomers, 31 to 48; the silent Generation, 49 to 62; and the Depression Generation, 63 and older. Now a Reader's Digest poll explodes this generation-gap myth for good.

A scientific sampling of 1,033 Americans compared fundamental beliefs and values across four generations. The results—some of the most powerful views I have encountered in 30 years of public opinion research—show that even though young people buy different CDs and clothes, they do not buy into a set of values different from their elders.

Americans have traditionally believed that if you work hard, you can get ahead. Does this belief still hold true? The Depression Generation scored highest on this question, with 78 percent saying yes. But Americans are concerned about government. A whopping 67 percent replied "big government." Xers and Boomers—70 percent of them—were the most concerned about government.

That's a big change over 40 years ago. A 1954 Opinion Research Corp. poll found that only 16 percent of Americans indicated big government, given the same choices. In a 1965 Gallup survey, those believing big government to be the problem had risen to 35 percent. By 1985, to 39 percent. Now two of three Americans fear big government.

However, Americans are satisfied with their own lives and jobs. Four of five respondents were "completely" or "somewhat" satisfied. The figures held up across all ages—including Xers, whom many pundits have claimed are pessimistic about their future.

Keith Underhill, 22, of Fridley, Minn., finds his job as a telephone operator for a catalog company "not challenging, not difficult" but still "satisfying because of the income." He sees it as a springboard to bigger things. "I hope to start my own business someday, something in finance."

Looking deeper at jobs, we found 70 percent of Americans believe they are about where they should be, given talents and effort. This is an issue where age always makes a difference, since older people, who are more established in their jobs, tend to be more satisfied in their jobs, while younger workers are still trying to find the right niche. Sure enough, Xers scored 63 percent, about five points below average.

"I’m happy with my job, but I’m getting a little restless," explains Armida Berumen, 23, of El Paso, Texas, a receptionist for an importer of Mexican soft drinks. "I want to go back to school and get more qualified."

The U.S. continues its long tradition as a religious nation. Across all age groups, 85 percent said they have always believed in God. We are also a praying nation. Sixty-seven percent of elderly Americans pray at least once a day, and half of younger Americans say they do so as well. Karla Oestringer, 27, an artist and housewife in Alhambra, Ill., says: "Prayer is very important to me. If I want to pray for a couple of days, I feel out of touch."

Where do Americans get their values? We asked our sample whether they felt America is still "the very best place in the world to live." Yes, they said—80 percent of them. The Depression Generation said yes to the tune of 85 percent. Boomers and Silents scored 81 percent. Perhaps reflecting the dissatisfaction of early jobs (or no jobs), Xers agreed by only 78 percent. Still, a positive response of nearly three-quarters hardly reflects "smoldering disdain" of U.S. society.

But Americans are concerned about the country and where it is headed. The Digest asked Americans which was the biggest threat to the nation's future—big business, big labor or big government. A whopping 67 percent replied "big government." Xers and Boomers—70 percent—were the most concerned about government.

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Mexico's New Law and Order Administration

By David Asman

Such prescience deserves another shot, so we revisited Mr. Lajous on the day after last week's inauguration of President Ernesto Zedillo to find out what this new president might do to gain the public's full confidence. "He's already done it," answered Mr. Lajous. A bit puzzled, we asked him to explain. "Appointing an attorney general was a stroke of genius. This appointment was not only unprecedented but completely unexpected. A visit to the new attorney general's office revealed just how unexpected.

In the small anteroom outside the new attorney general's office, about a dozen wealthy looking (and some extremely worried looking) businessmen shuffle around waiting for an audience with Mr. Lozano. A secretary, exasperated by trying to calm nerves of men obviously not used to waiting, asks me: "In the U.S., don't cabinet officials have a few hours before assuming office? Here, they have to wait for an audience with Mr. Lozano."

A secretary, exasperated by trying to calm nerves of men obviously not used to waiting, asks me: "In the U.S., don't cabinet officials have a few hours before assuming office? Here, they have to wait for an audience with Mr. Lozano." He says: "That one is a direct line to the president. The next one is to the air force." He continues: "That was the president himself. Who better to establish a more independent judiciary than a member to head the office of the attorney general? The new attorney general's office, about a dozen wealthy looking (and some extremely worried looking) businessmen shuffle around waiting for an audience with Mr. Lozano. A secretary, exasperated by trying to calm nerves of men obviously not used to waiting, asks me: "In the U.S., don't cabinet officials have a few hours before assuming office? Here, they have to wait for an audience with Mr. Lozano."

The Americas

By David Asman

But can Mr. Lozano and his opposition party assistants work with members of President Zedillo's Institutional Revolutionary Party (PRI), with whom they have struggled so bitterly for so many years? Mr. Lozano's response was: "Neither the president nor the Mexican people are relying on a particular party to straighten out the crisis in confidence here. They are relying on Mexican patriots. In a country where PRI party officials have been accused of corrupting members of their own party for threatening to more thoroughly investigate corruption, it takes a genuine act of courage for members of the opposition to assume federal investigative posts.

The two largest case loads on Mr. Lozano's desk are the investigations of two leading political figures and the overreach of Lozano's own department's power. From the moment of his inauguration, Mr. Lozano's office was already more independent than any other area of the federal government.

Mr. Asman edits the Americas column.
Disappointment in Somalia: Out of It in Africa

By THOMAS E. RICKS

With the United Nations contemplating nearly simultaneous withdrawals from Bosnia and Somalia, the short unhappy era of multilateral "peacekeeping" appears to be grinding to a close. Forceful U.S. military activity under U.N. supervision, which at the outset of the Clinton administration promised to be central to post-Cold War U.S. foreign policy, increasingly looks to have been a two-year-long exercise in futility.

A quirky but compelling new book captures one crucial day in the life of the U.S. soldiers sent down that blind alley to Somalia. In "Mogadishu: Heroism and Tragedy" (Praeger, 197 pages, $19.95), Kent DeLong and Steven Tuckey tell the astonishing story of Oct. 3, 1993, when 19 U.S. Army troops were killed and 101 more wounded in a fierce battle with the militia of Somali warlord Mohamed Farah Aidid.

Most Americans remember that day, if at all, for the two troubling televised images that followed: first, that of a triumphant Somali mob dragging the body of one of their pilots from his crashed cockpit; in desperation attached cargo straps and pulled him out piece by piece. "First it was his head and arm, and then it was his torso and pelvis," the book quotes Sgt. Mark Belda as recalling with tears in his eyes. It is a sentence that goes a long way toward explaining the bitterness that many in the U.S. Army feel about the Somalia mission.

Another reason for such bitterness is that U.S. forces had been denied needed equipment for political reasons. The battle, which began as an effort to capture several top Aidid aides, lasted 12 hours rather than three or four because U.S. forces lacked tanks or other armored vehicles that would have enabled them to quickly rescue the trapped Rangers.

Two days after the battle Army officials let it be known that Defense Secretary Les Aspin had been asked by U.S. commanders in Somalia for armor and had declined to send it. Mr. Aspin, who was forced to resign two months later, apparently feared that deploying the armor would worry Congress that the U.S. was escalating in Somalia after Washington had supposedly handed off the mission to the U.N.

The U.S. effort to create the nation's first school of creating a "monstrous" welfare system and caving into the teachers' unions. She believes many African-American leaders don't really represent the interests of urban minorities, especially on school choice. "Most of them would rather die than send their kids to inner-city public schools, yet they consign other kids to those same failures," she says.

David Prosser, the incoming GOP Assembly Speaker, notes that he knows what it's like to be treated as a second-class legislator and says it's time for Polly to have the power and staff she needs to advance educational reform.

Democrats and their union allies are apoplectic, but Rep. Prosser touts the move as "a bold experiment in coalition government." Sounds like gridlock may be ending in Wisconsin, but not in the way most of the political establishment expected.

Mr. Ricks, the Journal's Pentagon reporter, covered the U.S. military interventions in Somalia and Haiti.
The Turbocharged Treasurer

With his Navajo jewelry and down-home ways, he was the people’s tax collector, Robert L. “Bob” Citron. Image mattered: Over 21 years in Orange County, California, he rarely let a criticism of his operation go without a blustering answer. Now Mr. Citron, who in 1973 became treasurer as well as taxman, is the silenced symbol of a colossal overreach in municipal finance.

Some of the day-after moralizers about the county’s financial disaster got part of the symbolism wrong. Eager to score points about 1980s-style go-go finance, in a conservative GOP bastion, they missed the fact that Mr. Citron was the only Democrat in a major local office (a nonpartisan one) and that he’d just beaten a Republican opponent who in the campaign had called him to task for his now-infamous investment strategy.

As of last June’s election, few were willing to admit the nakedness of Orange County’s public-fund emperor. The civic establishment and the great bond-rating agencies were, if anything, indignant at questions being raised. That may be part of the reason why a great uneasiness now spreads across the land that the bankrupting of America’s fifth-largest county, while probably the extreme case, is indicative of a widespread crisis in local government. And given the bent for federal intervention shown in this and previous municipal maladies (Orange County wanted its Wall Street creditors to finance bail), plus the interlink between markets, such worries go nationally quick. Witness yesterday’s stock-market jitters.

Mr. Citron used to be a popular fellow because he made bigger government possible, something senior government managers don’t much object to. His Orange County investment pool attracted various units of the public sector that preferred to make 7% on their cash instead of 4%. With so many spending mandates to comply with these days, it’s understandable that these folks might stretch for more revenue (though the fund’s second-biggest participant, the county transit agency, surely should be cut back).

But don’t think the high returns were a takeoff on taxpayers; local government in California already taxes people to the limits of Proposition 13. The Citron strategy simply produced extra money to spend. In short, it’s important to understand what kind of “greed” was at work here.

As to Mr. Citron himself, no one has offered a better explanation than egotism. The big USC Trojan booster wanted to be No. 1 at his game, and he sometimes bought into a colossal overreach in municipal finance.

The second thing to realize is that derivatives didn’t tank Orange County. Though this episode is being treated as another indictment of the smartest financial boysy since “junk” bonds, such instruments have only a supporting role. As of August, derivatives constituted barely a fourth of the leveraged part of the county’s investment portfolio, according to John Moorlach, the man who ran against Mr. Citron. Yet critics single them out as villain, just as they’ve been blamed for the recent losses of some bungling corporations.

Such dangerous talk could lead to restrictions on the sale and holding of derivatives, just as similarly rash actions brought on an unnecessary and temporary collapse of the high-yield (junk) market five years ago. Orange County Congressman Chris Cox said it right: Derivatives are like fire hoses—dangerous in the wrong hands. Do we ban fire hoses? No, what matters is how derivatives are sold and to whom.

The same caution applies to leveraged generally. In fact, that’s what the Orange County scandal is truly about. Bob Citron got into trouble simply by borrowing short to go long. When the bonds he bought went down in value and his loan payments rose—an eventually he dismissed—he had a financial mismatch on his hands. No derivative was necessary for this to happen.

When he entered the turbocharged world of “inverse floaters” in a big way, he unquestionably compounded his error. But the problem was in the investment theory, not the instrumentality. In fact, derivatives with the opposite effect—that is, to anticipate rising interest rates—would be a good bet to stop the losses from the fund. But in a period of deflationary environment, that might be a tough sell.

Some legislators would like to ban local governments from leveraging their finances, period. A deeply conservative or cynical view would hold that public managers can’t be trusted with leverage choices. Yet savvy corporate financial officers such as Judy Lewent at Merck have taught that most forms of structuring debt can be good hedges and not just a means of speculation. The nonprofit world, including the Harvards and the foundations, also realizes the utility of risk. A public manager might arrive at the same judgment.

We find sense in the approach that Securities and Exchange Commission head Arthur Levitt has taken: openness to complex financial tools but insistence on adequate disclosure based on the sophistication of the end users. At the same time, Mr. Levitt and his aides have a host of concerns about the muni market, not limited to use of derivatives, and Orange County-type cases underline those worries.

That leads to the third lesson of this sorry predilection, the importance of adequate oversight of public fiduciaries. Evidently, Mr. Citron’s office was able to pursue a reckless course in tandem with a broker of Merrill Lynch, which grew to be the dominant intermediary. (The firm also was the prime conduit for the issuer of some of Orange County’s troubled paper, Fannie Mae, a taxpayer-backed housing financier.) If Mr. Citron didn’t know that putting all of his next eggs in the basket of one securities house violated a precept of wise stewardship, then he ought to have had a review board that did.

Obviously, the derivatives trade is still a cowboy industry with all the rules and orders of the developing frontier. These kinds of fiascos have shaken it to the core, and from the experience may come a dependably helpful field of finance—if it is not snuffed out by regulation.

For now, relationships have to be tested. Couldn’t Merrill have made money selling its client both sides of the rate exposure? Heinz Bingrell of EnCor Risk Management Consulting in Irvington, N.Y., who used to be with Merrill’s currency derivatives unit, notes that a hedge in Orange County’s case would have been low-profit, while the floaters that added to the damage carried a nice spread. Or the firm may not have been organized to coordinate sales. Anyhow, a drag on the upside would have cut into the fund’s amazing upside.

Mr. Citron’s personality leads to the expectation that he will not stay quiet much longer on what exactly he could have been thinking. (We know Merrill’s economists saw no inflation on the horizon, but interest rates do fluctuate.) Probably several parties to this will have to answer to hearings and, alas, to lawsuits.

So now that they’ve become a household word, what have Orange Countians taught us? Be circumspect about any curtailment of financial freedom, but be adamant about making the units and pieces of your governments live within their means. Properly overseeing the managers of public money never hurts, either.

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USA SNAPSHOTS

A look at statistics that shape the nation

Thurmond near record tenure
Strom Thurmond, R-S.C. — who turned 92 this week — is about a year away from becoming the oldest member of the Senate ever:

Oldest members
*Theodore Green, D-R.I.
Thurmond
Longest Senate tenure
Carl Hayden, D-Ariz.
John Stennis, D-Miss.

Thurmond near record tenure
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Orange Co. freezes hiring as markets feel the heat
By David Craig
California’s Orange County, struggling to work its way out of its financial mess, froze hiring and began scrambling to meet its payroll Thursday.

And county supervisors plan to sue investment firms that sold securities held as collateral for loans to the county.

The moves are the county’s latest attempts to recover from $1.5 billion in losses in its portfolio caused by risky strategies.

The effects of Orange County’s blunder continue to rattle Wall Street Thursday, the Dow Jones industrial average tumbled 50 points to 3686.

Investors are braced for today. "People are worried it's the tip of the iceberg and many more counties are in the same position," says Tony Dwyer at Josephthal Lyon & Ross.


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By Andrea Stone
USA TODAY

Even before this week's sobering FBI report that every American has a "realistic chance" of being murdered, fear of crime was a silhouette on the cultural landscape.

But now, with the chilling revelation that, for the first time, a stranger is just as likely to kill us as a family member or friend, the randomness no longer seems so remote.

Take note: FBI statistics show a 4% drop in violence this year.

Still, as sociologist Dane Archer of the University of California, Santa Cruz, puts it: "There is the actual crime rate, and the fear of crime rate."

As a nation, we are arming and alarming ourselves as record rates. Bunkered down behind home burglar bars or waiting to be buzzed in by wary shopkeepers, we are collectively, instinctively, glancing over our shoulder.

Crime is an obsession, self-defense a preoccupation. And fear has immobilized millions.

Most cope, adapting their every¬
day lives to the new, harsh realities. But others "play into the fear and the fear ends up controlling them," says former New York City Police De¬partment chief psychologist Harvey Schlossberg.

"They become very phobic. They prefer to stay in. They're really very frightened. There's always this feel¬ing of impending doom," he says.

Northern Michigan University cul¬
ture professor Michael Marsden compares the feeling to the structure of a classic horror tale.

"If you look at horror stories, the essence is being alone and confronting your ultimate fate," Marsden says of the "safest" neighborhoods have been transformed.

Nearly one in four homes feature security systems. And, with mayhem alert bars block windows. Motion-sensi¬tive lights flick on to pierce the dark¬ness. Lawns sprout signs warning: "This house protected by..."".

Outside, the flashing lights and blaring horns of an auto alarm may go off, deafening neighbors and ril¬ing the big, nasty-looking guard dog. Even the church down the block, a traditional place of refuge, is locked on weekdays.

You can see the evidence of peo¬ple's fears," says sociologist Archer. "The thickness of the glass, the num¬ber of metal doors pulled down over stores at night, the car alarms. It's amazing how we've adjusted to the architecture of fear."

Crime also structures decisions. "People are not taking part in so¬cial activities," says Gene Stephens, a University of South Carolina crimi¬nologist. "They may not go out after dark (or) they'd like to see a play or go to a restaurant but it's in a highcrime area so they say 'I won't go.'"

Adds Archer: "If you're afraid to walk in the dark or you pull your children out of public school or are moving away or getting an attack dog, you're a victim of violent crime."

Random homicide on the rise

The increasing numbers and randomness of homicide in the USA.

<table>
<thead>
<tr>
<th>Year</th>
<th>More homicides (in thousands)</th>
<th>Murder by relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>23,271</td>
<td>Family member: 2,690</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stranger: 3,259</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acquaintance: 6,217</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Friend/neighbor: 1,955</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unknown: 9,145</td>
</tr>
</tbody>
</table>

Source: FBI Uniform Crime Report

By Marcy E. Mullins, USA TODAY

In a recent poll by Charleston, S.C.-based America's Research Group: "Nearly half said police can't protect them and they feel less safe than they did a year ago. About 37% said they changed their shopping habits because of crime.

Half drive different routes to avoid dangerous areas.

By 2000, says the National Insti¬
tute of Justice, we will spend more than $100 billion on private security.

That's just the monetary cost. The psychic price is difficult to calculate.

"Even if nothing happens to you, there's this pervasive fear that some¬thing might," Kilpatrick says.

So shoppers order Christmas pres¬
ents through catalogs rather than hazard the mall. Banks install cash machines in police stations. Hotel desks discreetly pass bits of scribbled paper so no one can overhear a guest's room number. Car rental companies warn tourists to avoid wrong turns that could turn deadly.

The cars themselves now are a fo¬
cus of fear.

We lock our doors, roll up our wind¬
ows. In gloomy parking garages, we

grasp car keys like switchblades, peek into back seats for lurking as¬
sailants. We swivel our heads at stop signs, drive miles out of our way to avoid risky neighborhoods.

Many have bought car phones, programmed to dial 911. Hitch¬
kikers don't stand a chance.

"The wrong people are locked up," says Kilpatrick. "Most law-abid¬
ing American citizen are locked up behind burglar bars and there's no parole for us."
Florida’s dubious distinction paints picture of state in fear

But some say FBI statistics not accurate

By Deborah Sharp
USA TODAY

FORT LAUDERDALE, Fla. — The unofficial motto in this south Florida city has always given crime wary residents comfort: We’re Not Miami.

But some law enforcement leaders and criminologists here come to a different conclusion. They believe the FBI statistics paints an inaccurate picture of crime in the state:

"The FBI's 'serious crime' list for the first half of 1994. According to the FBI, the numbers (per 100,000 residents)

<table>
<thead>
<tr>
<th>City</th>
<th>Homicide</th>
<th>Rape</th>
<th>Robbery</th>
<th>Assault</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Lauderdale</td>
<td>1.760</td>
<td>5,578</td>
<td>1,183</td>
<td></td>
</tr>
<tr>
<td>Miami</td>
<td>1,465</td>
<td>3,999</td>
<td>1,467</td>
<td></td>
</tr>
<tr>
<td>Tampa</td>
<td>1,351</td>
<td>3,977</td>
<td>1,990</td>
<td></td>
</tr>
</tbody>
</table>

"Fort Lauderdale's Broward County is the most dangerous county in the country," says police Detective Sonya Friedman.

"There are very important changes in behavior, often not based on anything very factual," says William Wilbanks, a criminal justice professor at Florida International University.

But "we're getting there," he says. "It makes you feel good to watch bumper stickers, police partnerships."

"That's a lot of crime," says Harris. "My mom says every time you go to sleep, lock the doors, because people might break into the house."

"Florida cities lead nation in crime

Three of Florida's cities are leading the nation in the rate of serious crime during the first half of 1994, according to the FBI. The numbers (per 100,000 residents)

<table>
<thead>
<tr>
<th>City</th>
<th>Violent Crime</th>
<th>Property Crime</th>
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</thead>
<tbody>
<tr>
<td>Miami</td>
<td>17.294</td>
<td>4.384</td>
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"By Elysia A. McClain, USA TODAY"
For Clinton, Bosnia offer a risky move

By Bill Nicholas and Marilyn Greene
USA TODAY

The newest development in the White House twists and turns on how to end the conflict in Bosnia suggests the need for the riskiest move yet for President Clinton.

While House and Pentagon officials confirmed Thursday that up to 25,000 U.S. combat troops have been offered to help NATO evacuate U.N. peacekeepers from the war-torn region, all those 22,000 peacekeepers need help leaving Bosnia, some observers believe the operation could face significant hazards for allied troops.

"We don't think the U.S. has any choice given our role in NATO to offer those troops in principle," Pentagon Chief of the American Enterprise Institute's "But if the likelihood of this being a peaceful, non-peacekeeping operation is very low.

Given the absence of an international will to commit fighting forces in former Yugoslavia, "It risks American life and limb and American military might," says Eugene Carroll, deputy director of the Center for Defense Information in Washington, D.C.

But just how many of the 5,000 to 6,000 troops have been made on withdrawing the peacekeepers has come from nearly 20 countries. The administration will say it will try to avoid any NATO plans and consult Congress before a final decision is made.

As conditions continue to deteriorate, a number of countries — France in particular — are saying the role of peacekeeping forces in the conflict between Bosnian Serbs and Muslims may be exhausted.

Others say the Bosnian Serbs want the peacekeepers to stay because their exit could be an indication of a more serious bombing by NATO, which has thus far been hamstrung by U.N. concerns about their people on the ground.

But which country recently all but withdrew U.S. support for using force against the Serbs because of fear tensions over Bosnia could cause a major rift within NATO, now has no good solutions in any case:

"If the peacekeepers stay, Clinton likely will have to sign on to major concessions to the Bosnian Serbs in order to get any kind of peace agreement," says Patrick Glynn, now affiliated with the Carnegie Endowment for Peace.

"If peacekeepers leave, some leaders of the new Republican congressional majority will push for lifting the arms embargo against the Muslims and threatening the Serbs with massive NATO bombing raids, increasing sense of a military stalemate," says Robert Dole, R-Kan., his support in U.S. participation in a withdrawal if the White House continues to consult with Congress and there's no U.N. control of U.S. troops.

Sen. Jesse Helms, R-N.C., the Senate leader, S.R-C, the likely chairman of the Senate Foreign Relations Committee, also had no objections. But other Republicans were furious.

"I think it's nuts," says Sen. Hank Brown, R-Colo. "I can't imagine even this administration would think it makes sense to commit American lives without real promise of results."

Sen. John McCain, R-Ariz., said Clinton failed to consult Congress before announcing his plan. "If he fails to get the approval of Congress in an enterprise that risks American lives, I don't hold much optimism for future cooperation on issues of national security."

NATO also will have to contend with more than 250,000 U.N. hostages now held by the Bosnian Serbs.

"Sending a large contingent of U.S. troops to Bosnia would seem to create another set of potentially troubling political problems for a president struggling to mount a comeback from last month's elections."

The perception of Clinton's foreign policy skills improved after the results of democracy in Haiti, but analysis cautions that death of American soldiers in a remote conflict with limited aims, is for the purpose of a pullout."

President Clinton's approval plans for up to 25,000 U.S. troops to take part in a peacekeeping force if the United Nations decides to withdraw. NATO forces, up to half of them major concessions.

NATO, up to half of them American and headed by U.S. Gen. George Johnsham, will take command of the U.N. troops and launch a coordinated air and ground campaign that would include "shock troops and launch a coordinated air and ground campaign that would include "shock troops..."
PUBLIC EXPECTS GOP TO HONOR ‘CONTRACT’

By Richard Wolf
USA TODAY

The Republicans' Contract With America must be passed by Congress — or just brought up for House votes, as promised — to pass muster with the public, a new poll shows. Seven in 10 Americans hold the GOP accountable for passing its 10-point plan, the USA TODAY/CNN/Gallup Poll shows. But House Republicans who devised it only pledged floor votes within 100 days.

The poll of 1,014 people, taken Dec. 2-5, illustrates a problem facing Republicans as they prepare to run Congress after winning the House in November. Republicans now have an incredibly high expectation, and expectations are running long, time is short, and a vote must be pushed. "Now, you all remember the will of the people," said incoming Senate Majority Leader Bob Dole. "The will of the House rules committee. "Public backs GOP agenda."

"We can't guarantee the votes," said Rep. James Ram-

 Republicans have a smaller list of priorities, but they are confident in their 230-204 majority. Some measures, such as term limits, welfare reform, are complex. Those ratios are comparable to majorities Democrats gave themselves 40 years ago when they last held such a slim House majority. "We can't guarantee the votes," said Rep. James Ram-

"I heard it, I haven't heard of it," says Rep. Jerry Mcmillan, a Republican from Georgia. "I've been set apart by the GOP leaders and it's one we intend to meet."

That document — now familiar to 97% of the public, up from 24% two months ago — pledges House floor votes by April 13, 1995, on 10 issues ranging from tax cuts to term limits. Just meeting that timetable will be a huge undertaking, regardless of the outcome.

A majority of people say Republicans must pass the proposals outlined in their Contract With America in order to fulfill it. USA TODAY/CNN/Gallup Poll shows the proposals most people favor term limits, and say limits, if passed, should apply to incumbents.

But the poll shows some measures popular among House Republicans that the document tied the hands of local candidates to a national agenda. But some measures, such as welfare reform, are complex. Others, such as term limits, lack broad support in Congress. "We can't guarantee the votes," says Rep. James Ramirez, R-Minn. "We've set our standards high, but we think public opinion is on our side."

In the Senate, Republicans have a smaller list of priorities and have issued no firm promises or timetables. But GOP leaders do have an ever-expanding list of proposals.

"You can't do it all at once," says incoming Senate Majority Whip Trent Lott, R-Miss. "If you try to do everything simultaneously, you'll probably accomplish almost none of it."

But House Republicans are confident their 230-204 major-
2A • FRIDAY, DECEMBER 9, 1994 - USA TODAY

POLITICS

GOP not eager for immigration debate

Leaders have ‘different view’ of Prop. 187

By Maria Puente
USA TODAY

Since the overwhelming passage of California’s Proposition 187, some have predicted that the new Republican leaders in Washington would rush to pass a national version. But key GOP leaders are in near-harmony in rejecting the provisions of 187, which would deny illegal immigrants most state services.

Incoming House speaker Newt Gingrich says he doesn’t want it. Neither does Sen. Alan Simpson, R-Wyo., the Senate’s most influential voice on immigration issues.

And Rep. Lamar Smith, R-Texas, the leading candidate to take over the House subcommittee on immigration, says there’s no consensus among Republicans about the most important provisions of 187.

“I think nationally we ought to take a different view,” says Gingrich. Which raises the question: Just how will Republicans approach the volatile immigration issue?

“You’re not going to see the most controversial sorts of immigration-related legislation pushed because leaders recognize that can be a divisive issue,” says David Mason, Congress expert at the conservative Heritage Foundation. In fact, immigration isn’t even mentioned in the GOP’s Contract with America.

The approach reflects Republican efforts to avoid conflict within their own party, not an easy task given the sharp divisions over key aspects of the immigration debate.

California’s Republican delegation still is likely to push for 187-type laws. But Smith says: “Our primary interest will be in addressing the problems of illegal immigration … and building bipartisan support for resulting legislation.”

Likely goals: “Sealing” the borders, reducing benefits to both legal and illegal immigrants, cracking down on document fraud, setting up a national registry to verify work eligibility, and investigating the failures and inefficiencies of the Immigration and Naturalization Service.

That approach is welcomed by Republicans who fear the GOP could be blamed for rising anti-immigrant sentiment. “The Republican Party has no chance of being a majority party without being the party of immigrants … a party that is inclusionary, not exclusionary,” says former HUD secretary Jack Kemp, a likely 1996 presidential candidate.

Self-described “compassionate conservatives” — people like Kemp, former drug czar William Bennett, conservative columnist Linda Chavez, and a host of GOP governors — say the immigration issue has to be handled with care.

“It’s an explosive issue,” warns Bennett. “You’re dealing with people’s assumptions, people’s attitudes; these are … dangerous waters.”

Bennett and Kemp are trying to promote the benefits of legal immigration and stop the spread of 187-type laws. But they say it’s legitimate to question immigration policy and failed immigration controls.

“The real trick, where the GOP has to become more sensitive, is learning to talk about these questions in ways that don’t blame immigrants for all social problems,” says Chavez.

Conservative thinker Dinesh D’Souza, an immigrant from India, sympathizes with Kemp and Bennett, but says many Americans have “visceral” concerns about how immigration has changed the country’s culture and demographics.

“Kemp and Bennett argue that America is a country based on an idea of what it means to be American, and by embracing it we all become Americans,” says D’Souza, of the centrist American Enterprise Institute. “But most people’s deepest loyalties are not to ideas, but to ways of life.”

But one of D’Souza’s institute colleagues says Kemp and Bennett make a good case. “They’re issuing a political warning to the GOP that the way to succeed as a majority is to be a party of hope and optimism, not play to fear and prejudice,” says Congress expert Norman Ornstein.

Frank Luntz, a GOP pollster and close adviser to Gingrich, puts it even more plainly: “One of the greatest blocks of potential new support for the party is the Latino community … and we have to be careful not to alienate them.”

Legal, Illegal Immigration

Admissions of legal immigrants continue to drop, while the number of illegal immigrants apprehended continues to rise.

By Genevieve Lynn, USA TODAY

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Source: Immigration and Naturalization Service

By Genevieve Lynn, USA TODAY

CONSERVATIVES WEIGH IN: High-profile Republicans Jack Kemp, left, William Bennett and columnist Linda Chavez oppose anti-immigration measures modeled on California’s Proposition 187.

By Matt Mendelson, USA TODAY

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Source: Immigration and Naturalization Service

By Genevieve Lynn, USA TODAY
The Republican brain trust

Led by incoming House speaker Newt Gingrich, a new breed of conservative Republicans now controls Congress. Some are elected; others are advisers whose writings influenced Republicans when they were in the minority and now form the basis for efforts to remake the government:

House's new leader playing it smart

By Bob Minzesheimer
USA TODAY

When he taught economics at North Texas State, Richard Ar­mey used to lecture students about Armey's Axiom No. 1: "The market's rational; the government's dumb." Back then he had never met a member of Congress, but he had decided that "these folks weren't bigger than life, and in fact, most of them weren't bigger than me." Now 10 years later, the Texas Republican is about to become House majority leader, second only to the new speaker, Newt Gingrich.

Both are former professors turned conservative renegades turned power brokers, who want big changes that limit government — and make it smarter. Gingrich is in the spotlight now, but Armey is as much of an ideological firebrand. And Armey is the top player in Gingrich's emerging Kitchen Cabinet.

And on the Senate side, watch for new assistant majority leader Trent Lott of Mississippi and GOP presidential hopeful Phil Gramm of Texas to be pushing conservative ideas at the more moderate majority leader Robert Dole.

The newest face, however, remains Armey, "a thinker with big ideas (who is) also willing to sweat the legislative details," says Dave Mason of the conservative Heritage Foundation. Armey, 54, who has defended the "politics of confrontation," sees his new role as "managing the playing field.

In the past he's been known to make things rough with his acerbic one-liners. Armey apologized after he told Democrats, "We don't care about your president," during the crime bill debate. And he once lectured first lady Hillary Rodham Clinton at a hearing: "I have been told about your charm and wit, and let me say, the reports on your charm are overstated." These days, Armey says he's "learning how to be more circumspect. The problem is, whatever I say now is seen as a statement on behalf of the party.

But he vows to keep attacking "irrational, excessive government" and pushing his top "personal priority": a flat 17% income tax that ends deductions and raises exemptions. Armey is a "fishing buddy" of Supreme Court Justice Clarence Thomas, whose wife, Virginia, works for the House GOP Conference, headed by Armey. "We fish — he's better than I — to get away from our work."
THE STRATEGISTS

Kristol: 'Gorilla' of gurus

By Richard Benedetto
USA TODAY

To hear Democratic rival Tony Coelho tell it, Republican strategist William Kristol sees everything but walk on water.

'He's the big gorilla of political guru -- the hottest property in town today,' Coelho says about the 41-year-old former aide to Dan Quayle.

Kristol's ability to turn intellectual arguments into political action, and his prescient advice to Republicans to question whether there really was a health-care crisis, forced Democrats to play catch-up throughout the campaign.

Now he may be the most influential non-elected Republican in town, using "broad incrementalism" and warning against political "suicide missions" that might reverse GOP gains.

He's already held post-election meetings with House Majority Leader Robert Dole and soon-to-be House speaker Newt Gingrich to discuss strategy for the first 100 days of the 104th Congress.

A memo to Republicans goes out this week, he says, "planning the first 100 days to lay the basis for a successful two years, which in tum can turn the basis for health care, Clinton fumed."

Mention of that now brings a chuckle and a hint of a blush to the boyish cheeks of the former aide to Quayle and ex-Education secretary William Bennett.

But Kristol also remembers when many felt challenging health care was untenable.

"The one thing I saw at the beginning, that maybe no one ever saw, was that defeating his health-care plan, and defeating it on principle, could have a devastating effect on big-government liberalism, and could help reinvent conservative thinking," he says.

His advice today: Pass as much of the GOP's Contract With America as possible and make real progress in tax and spending cuts, along with congressional and welfare reform.

And avoid "suicide missions" such as forays into cutting Social Security or getting bogged down in battles over welfare reform.

He cautions that there's danger in thinking the GOP majority is an "easy win," and to do too much too soon.

"To some it's like we're in the candy store late at night and the cops are going to come soon, so let's take as much as we can," he quips.

He adds the GOP must avoid thinking they can use only White-water to topple the president.

"It's important not to depend on scandals to do our work for us. We won't have a chance to win a huge ideological victory," he says.

GOVERNORS tap 9 of the most influential minds

Republicans in Congress are calling on top thinkers from business, academia and government. Among the most influential:

Peter Drucker: A business consultant, social critic, he's the author of The Unseen Revolution: How Pension Fund Socialism Comes to America. His says organizations aren't successful when weighed down by bureaucracy.

Morris Shestack: New Gingrich brought this conservative management consultant and psychotherapist to talk to GOP lawmakers.

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He adds the GOP must avoid thinking they can use only White-water to topple the president.

"It's important not to depend on scandals to do our work for us. We won't have a chance to win a huge ideological victory," he says.

"We could blow it, but the New Deal era is over and the opportunity is there for a longer reshaping of American politics."

Kristol is a Harvard Ph.D. whose parents are Trotskyite-turned-conservative Irving Kristol and historiographer Gertrude Himmelfarb. He grew up on Manhattan's ultra-Uberal Upper West Side, but in college he supported Richard Nixon.

"I agreed with my parents and rebelled against my generation," he proudly says.

Many old-line Republicans praise Kristol's ideas but complain he fails to coordinate with party leaders. On the vice president's staff, Kristol developed a reputation as a leader, so much so that he was barred from some strategy sessions, recalls Quayle in his memoir, Standing Firm.

Now it is Kristol holding strategy sessions, with young Republicans, for now, hanging on every word.

"I'm not sure what the next move is, but we have a whole range of options," says Tim Foster, a former aide to former Vice President Dan Quayle.

"I think it's important for us to have a new leader," Foster says. "I think it's important for us to have a new look."
Welfare proposal would ban federal funds for counseling

By Leslie Phillips
USA TODAY

In a preview of bitter fights to come, a top Republican is working to strip from the GOP welfare proposal a "gag rule" that would ban use of federal funds for abortion counseling.

Meanwhile, the White House announced Thursday it would host a bipartisan welfare reform conference next month to find a consensus with mayors, governors and members of Congress on the complex issue.

Welfare reform is a top priority for my administration, for the American people," Qinton said in a statement.

"Welfare reform is a top priority for my administration, for the American people," Qinton said in a statement.

The president's welfare plan is very different from the one offered by House Republicans. But even House Republicans are not united.

Rep. Susan Molinari, R-N.Y., one of the highest-ranking women in the House as vice-chair of the Republican Conference, opposes the "gag rule." A handful of other Republicans also promise to fight bans on use of taxpayer money for abortion counseling.

"The gag rule has no place in welfare reform," says Rep. Steve Gunderson, R-Wis.

But the numbers are working against them.

The National Abortion Rights Action League estimates the House is now split 218-146 against abortion rights; 71 others have mixed records. The Senate is now split 45-38 against abortion; 17 have mixed records.

But even House Republicans are not united.

In 1993, President Clinton rescinded the ban.

But even House Republicans are not united.

"I am going to amend out any gag rule that's in any legislation I see. And if it stays in, I'll vote against the legislation," says Rep. Christopher Shays, R-Conn. "But I don't think Republicans are going to be looking at issues that divide us."

"Others think the provision will be removed in committee. Indeed, before the election, Newt Gingrich called its inclusion in the Contract with America a staff mistake."

"I don't think there's too much doubt about what the fate of that would be on the floor," Gingrich spokesman Tony Blankley said. "I think it'll be taken out."

But the November elections remade the landscape.

The "gag rule" under the Bush administration applied to the main source of funding for family planning clinics. The contract's "gag rule" applies to money spent on the primary welfare program, Aid to Families with Dependent Children.

"Your proposal that poor kids be snatched out of their homes simply because their parent or parents are poor is callous and wrongheaded," North Dakota Sen. Byron Dorgan and Kent Conrad wrote in a letter to the president.

"Sometimes in public life, the best thing you can do is simply admit that you made a mistake."
Deficit plan would eat into Medicare

WASHINGTON

A bipartisan panel is expected to get some politically explosive recommendations today for controlling the federal deficit, including a plan to raise the retirement age for future Social Security recipients and means-test Medicare.

The Medicare proposal, certain to set off strong opposition, would reduce future Medicare health benefits for wealthy retirees.

Sens. Robert Kerrey, D-Neb., and John Danforth, R-Mo., chairman of the Bipartisan Commission on Entitlement and Tax Reform, present their plan to a presidential task force today. The panel's report to Congress, among the proposals:

► A higher retirement age, probably to 66, for future Social Security recipients. The current retirement age of 65 is set to rise to 67 early in the next century.

► Creation of mandatory retirement savings accounts. Future Social Security payroll taxes would be lowered by two percentage points while requiring workers to set up private accounts.

► Requiring Medicare recipients to pay greater deductibles and copayments.

► A new formula for calculating inflation, producing smaller cost of living increases in Social Security benefits.

Pessimism is growing among both liberals and conservatives about prospects for agreement on the commission's recommendations, which is supposed to find ways to reduce the budget deficits by cutting growth in Social Security, Medicare and other entitlement programs.

— By William M. Welch

ETHICS PROBE: House Democratic Whip David Bonior on Thursday said he wants an outside counsel to investigate an ethics complaint, filed by a political opponent, as nonsense.

By John Duricka, AP

RUSSIAN ADOPTIONS: Hundreds of Russian children are caught in a legislative limbo, their fates hanging on a controversial foreign adoption bill that landed on President Boris Yeltsin's desk this week. If Yeltsin signs the bill into law, there will be a freeze on foreign adoptions while Russian officials figure out how to implement its provisions.

Russian officials figure out how to implement its provisions. The U.S. Embassy, which handled visas for 1,700 adopted American children last year, expects delays of up to nine months.

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TRADE TALK: Saying "we must never run away from the world," President Clinton signed a bill approving U.S. participation in the GATT world trade pact that aims to break down trade barriers and cut tariffs. Clinton signed the bill at the Organization of American States headquarters after he and Vice President Gore applauded the bipartisan effort that led to the bill's passage. Clinton later flew to Miami for the start today of the three-day Summit of the Americas, designed to foster more open trade in the Western Hemisphere.

TIGHT REINS: Gathering the reins of power, incoming House speaker Newt Gingrich has asked Republicans on the powerful Appropriations Committee to sign a letter reiterating their support for his legislative Contract with America. Committee Republicans reportedly were asked Wednesday to either sign a letter crafted by Gingrich or write their own. Some called the letters a pledge of loyalty to the Gingrich platform. "The role of the committee is going to change dramatically. It's going to be a committee to cut spending instead of to increase spending," said Gingrich spokesman Tony Blankley. "He (Gingrich) wants to make sure members each understand the changing role of the committee. It is no longer logrolling but cut, cut, cut." (Poll: Pass contract proposals, 8A)

USA TODAY - FRIDAY, DECEMBER 9, 1994
Money, luck ran dry for Orange County treasurer

By Richard Price
and Gale Holland
USA TODAY

SANTA ANA, Calif. — The collapse of Orange County's finances goes down as one of the major catastrophes in the history of local government, but the fall of the man in the middle may be even more dramatic.

Until a few weeks ago, county treasurer Robert Citron, 69, was a nationally recognized financial whiz and the darling of revenue-hungry politicians in southern California.

Now, disgraced by the county's bankruptcy filing and forced to resign from his $100,000-a-year job, he sits in his modest one-story ranch house of an upper-middle-class neighborhood here, vilified by angry residents and targeted by a battery of investigations.

He's left with the hope "that people will judge him on all of his career and not just this one event," says friend Bert Scott. "He knows he had some responsibilities in this thing."

But reports this week have him telling neighbors that he did nothing wrong — a suggestion that wouldn't surprise people who know him best.

Although he's always been regarded as brilliant, ethical and hard-working, his one quality cited more than any other as a contributor to the collapse of this county's investment fund is his vanity.

Never seriously challenged in 24 years as treasurer, he was headstrong and independent. He published a weekly report that irritated the county assessors because it cast doubt on Citron's achievements. And he irritated others by demanding that taxpayers write their checks to him personally.

Ultimately, Citron was so self-assured that he ignored warnings about his investments earlier this year.

Daniel Daly, chief investment officer for San Francisco, says lenders capitalized on the county's $1.5 billion investment pool.

"They were like bartenders giving drinks to an intoxicated guy," he says. "His credit binge created the problem, but why did everybody else close their eyes? ... Bob Citron was a victim of Wall Street as much as Wall Street was a victim of Bob Citron."

John Moorlach, the Republican who forecast the problems when he ran for treasurer this year, says Citron was in a "little overconfident" because it "might have gotten a little overconfident." Because Citron so successful — to the benefit of other governments investing in his fund — few questioned him. Not when he was producing 9% returns each year, double what many other funds yielded.

It was hard for anyone to imagine him taking big risks. He wasn't flashy. It was hard for anyone to imagine him taking big risks. He wasn't flashy. Operating mostly in obscurity, he worked long hours, rarely took vacations and almost never accepted gifts.

His most noteworthy personal distraction was his devotion to his alma mater, the University of Southern California. He frequently wore the school colors of cardinal and gold, and his car bore USC vanity plates.

Otherwise, he devoted his free time to the profession. A leader among municipal fiscal officers (named among the nation's best in 1988), he helped write the state legislation loosening guidelines that allowed him to ply his ill-fated investment strategies.

So solid was his reputation that state Sen. Marian Bergeson, a Newport Beach Republican, withdrew her support of Moorlach's candidacy because she criticized Citron, the county's only elected Democrat.

"I didn't want to send out any negative signals," she says. "When a county is heavily into the investment market, the last thing you want to do is suggest there's something wrong. I guess we should have listened."

Contributing: Dan Whitcomb

Supervisors scramble for damage control

By Gordon Dickson
USA TODAY

Orange County supervisors scrambled Thursday by picking former California state treasurer Thomas Hayes to lead it out of bankruptcy protection.

Consultant Sandra Sternberg says Hayes is a master of sound government investment. "If Tom Hayes can't do it, no one can."

Hayes managed the state's portfolio from 1989 to 1991. He'll take a 90-day leave as president of Metropolitan West Securities in Los Angeles.

He says the county's $1.5 billion investment pool must be shifted into a low-risk, short-term investment pool.

Orange County supervisors also tried to control the fallout. The county:

- Threatened to sue brokers who try to pull funds. Chairman Thomas Riley says nervous brokers "contribute to the uncertainty."
- Diverted sales taxes to ensure Transportation Authority funding.
- Placed December property tax payments into a low-risk, short-term investment pool.

HAYES: Chosen to lead Orange County out of bankruptcy protection

By Eric Draper, AP

CITRON
AP

Citron: 'The last thing you want to do is suggest there's something wrong. I guess we should have listened.'

Contributing: Dan Whitcomb

USA TODAY, FRIDAY, DECEMBER 9, 1994

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**Dow plunges 50 as investors skitter**

**EPA relents on clean-air regulations**

By David Bauman Gannett News Service

WASHINGTON — EPA administrator Carol Browner reversed gears on federal auto pollution-control policy late Thursday, telling a group of governors she will give the states more time and flexibility to meet clean air standards.

That’s a break for motorists in dozens of states who otherwise would have been forced to put their auto emissions inspectors through time-consuming, annual inspections.

New Jersey Gov. Christine Todd Whitman called the surprise move “a victory for the consumer and common sense.”

Browner’s move would let states find alternatives to the costly and controversial tailpipe emissions inspection and certification program that the Environmental Protection Agency was forcing them to follow or risk being millions in federal highways dollars.

While Browner agreed to give the states flexibility in running their emissions testing program, the states still will have to meet the federal clean air standards.

“This represents a significant savings in dollars to the state and a boost to the consumer,” Whitman said.

Asked why the Clinton administration agreed to the governors’ pleas, Whitman said it was simple: “They got the message,” she said, referring to the November elections.

**Bond rally fails**

Bond Buyer price index of 40 tax-free muni bonds, cents per dollar of face value

**Market’s tailspin, 1A**

**Market Watch, 3B**

About municipal bonds

- 1.5 million muni bond issues are on the market.

Source: Bloomberl Business News, Public Securities Assn., Securities Data, Lippert Analytical Services, USA TODAY research

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Asked why the Clinton administration agreed to the governors’ pleas, Whitman said it was simple: “They got the message,” she said, referring to the November elections.

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**EPA relents on clean-air regulations**

By David Bauman Gannett News Service

WASHINGTON — EPA administrator Carol Browner reversed gears on federal auto pollution-control policy late Thursday, telling a group of governors she will give the states more time and flexibility to meet clean air standards.

That’s a break for motorists in dozens of states who otherwise would have been forced to put their auto emissions inspectors through time-consuming, annual inspections.

New Jersey Gov. Christine Todd Whitman called the surprise move “a victory for the consumer and common sense.”

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Asked why the Clinton administration agreed to the governors’ pleas, Whitman said it was simple: “They got the message,” she said, referring to the November elections.
Muni bonds: Worth the risk?

Continued from 1B

The rest.

Q: What are the advantages to investors of buying muni bonds?
A: Wealthy investors love municipal bonds because muni interest is free from federal income tax. If you buy muni issued in your state, interest is usually free from state and local taxes, as well.

Suppose you live in California and pay 43% of your income in federal and state taxes. You're considering a corporate bond and a 5.4% muni bond fund yields 5.4%. The corporate bond fund looks like the clear winner. But after taxes, the muni is better.

You'll pay 43% of the income from your corporate bond fund in taxes. That would leave you with a 3.8% after-tax yield. So the 5.4% yield from your muni bond fund — which is free from taxes — is the best deal.

In most cases, you need to be in the 28% federal tax bracket or higher for muni's to be worthwhile.

A: A muni's tax-free interest doesn't mean it's a perfect long-term investment. Stocks typically produce higher returns over the long term. And you don't pay taxes on stock price gains until you sell the stock.

Q: How risky are muni bonds?
A: Riskier than many investors realize — as holders of Orange County debt can attest. Like all bond investors, muni holders are exposed to several kinds of risk. There is interest rate risk, which hits when rates rise and prices fall. In other cases, a bank or insurer agrees to back a muni issuer with a letter of credit if the issuer defaults. In other cases, a bank or insurer assures an insurer or issuer that the bond issuer will pay. Those payments have to be approved by the bankruptcy court. In some cases, the county could use bankruptcy court protection to stop making principal and interest payments on its bonds. But county officials haven't said whether they will do that. Another question: What happens when a muni bond issuer seeks bankruptcy court protection?

Q: What happens when a muni bond issuer seeks bankruptcy court protection?
A: A lot of Orange County bondholders would like to know. If the county's finances, not the health of the muni market,触发 bankruptcy proceedings, the county could use bankruptcy court protection to stop making principal and interest payments on its bonds. But county officials haven't said whether they will do that. Another question: What happens when the government agencies within Orange County that participated in the county-run investment fund? To meet their bond payments, they may need to withdraw money from the fund. Those payments have to be approved by the bankruptcy court. In some cases, the county could use bankruptcy court protection to stop making principal and interest payments on its bonds. But county officials haven't said whether they will do that. Another question: What happens when a muni bond issuer seeks bankruptcy court protection?

Q: What should I do now if I own muni bonds or mutual funds that own municipal bonds?
A: Sit tight. Expect some up and downs as bond investors take a hard look at the municipalities behind the bonds. That's making it difficult to determine prices on many of the bonds. The ratings firms aren't taking responsibility for their job, they say, was to rate the county's finances, not the health of the county's investment fund. "We're not regulators and we're not auditors," says S&P spokesman Glenn Goldberg. "We don't tell cities and states how to set their investment policies.

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USA TODAY • FRIDAY, DECEMBER 9, 1994
NATIONLINE

OUTCRY HASTENS END OF WWII BOMB STAMP

President Clinton persuaded the Postal Service to drop a commemorative stamp marking the 50th anniversary of World War II's end by depicting a mushroom cloud above the caption "Atomic bombs hasten war's end, August 1945.

Instead, the Postal Service said Thursday, it will issue a stamp featuring President Truman announcing the war's end at least the fourth commemorative stamp of Truman since 1973. Postmaster General Marvin Runyon said the change was made because the Clinton White House wanted it and because of the importance of U.S.-Japanese relations. The stamp is due out next September.

BOMB PLOT CASE: Ashraf Mohammed and his wife, Evelyn Cortez, were sentenced to federal prison for harboring fugitive wanted on charges of plotting to bomb New York area landmarks. Mohammed, 32, got a 41-month sentence; Cortez, 34, got 31 months. The fugitive, Matarawy Mohamed Saleh, 38, is one of 11 Islamic fundamentalists scheduled for trial Jan. 9 on bomb-conspiracy charges.

NO CHARGES IN MOUNTAIN ASSAULT: The Justice Department said no charges will be filed against any federal agent in the August 1992 shooting death of white supremacist Randy Weaver's wife by an FBI sharpshooter during a standoff at Weaver's Idaho mountain cabin. Weaver's son and a U.S. marshal were killed at the outset of the siege when marshals went to arrest Weaver on a gun charge. He was acquitted of killing the marshal.

RAPE NAMES: The Florida Supreme Court struck down a 1911 law that made it a crime to publish or broadcast the name of a rape victim. The ruling upheld lower court decisions that the law violates free speech and free press rights.

NO MORE EARLY RELEASE: Florida Gov. Lawton Chiles ended a program that released some felons early. Cited: fewer prison sentences and a massive prison construction program. In the past, inmates served about 40% of their terms. New inmates will serve 70% to 80%.

STALEMATE: California Assembly Republicans again boycotted a session to prevent Democrat Willie Brown from continuing as speaker. The Nov. 8 election gave the GOP 41 of the 80 seats, but Paul Horcher switched to independent Monday and voted for Brown. Next vote for speaker: Jan. 4.

CHURCH SENTENCES: Judge Thomas Quirk of Lake Charles, La., was sued by the American Civil Liberties Union, has offered to resentence people he had ordered to stand church as part of probation.

YOUNG KILLER SENTENCED: A Chicago boy, who was 10 last year when he broke into an 83-year-old neighbor's house, beat her with a cane and slit her throat, was released to his parents and put on five years' probation.

AIR-TRAVEL INDUSTRY COMPLAINTS UP

Consumers filed 548 complaints against the air-travel industry in October, 16% more than September and up 22% from a year ago. The Department of Transportation's monthly report also said 85.9% of flights by the 10 largest carriers arrived on time — within 15 minutes of schedule. That's 2.4% fewer than in September, but 3.5% more than a year ago and 5.4% more than the 12-month average. Delays due to mechanical problems are not included. The carriers mishandled 4.70 bags per 1,000 passengers, about the same as a year ago. Overbookings by the nine major airlines resulted in an average 1.04 passengers per 10,000 being denied boarding in July, August and September. Proportionally, Southwest bumped the most, 3.56 per 10,000; Northwest the least, 0.31.

>FLIGHTS THAT ARRIVED ON TIME

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>COMPLAINTS PER 100,000 FLIERS

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Source: Transportation Department


USA TODAY • FRIDAY, DECEMBER 9, 1994
Manilow's music to bloom in Central Park

Paul Simon did it. So did Diana Ross and Luciano Pavarotti. Now, Barry Manilow will go for the greenery with his first free concert in New York's Central Park.

Plans are under way for a "Sunday in the Park with Barry" in September '95. Manilow wraps his current tour New Year's Eve in Las Vegas, and his Singin' With the Big Bands is moving up the Billboard chart. The sisters will give the party at Streisand's home, with guests including Streisand's ex, Elliott Gould, their son, Jason Gould, and Kind's fiancé, lawyer Bob Rovner. They also can toast Roslyn's new Virgin Records album, Come What May.

FAST TALK: President Clinton "really belts it out," says the Marlena Brando of the Metropolitan Opera, Richard Leech. The tenor sang with the first family, Aretha Franklin and Trisha Yearwood at the national Christmas tree-lighting Wednesday.

Clinton also is a tenor: "He said he used to have a three-octave range," reports Leech. "Obviously, his voice has taken abuse with all his speaking engagements. But there's a singer inside there. He said if he'd had my voice, he never would have gone into public office." Leech also was thrilled to sing with Franklin; they talked of a future duet.

Leech is embroiled in a bit of scandal at the moment. The new Madonna Butterfly in which he appears at the Met was booed opening night by legendary diva Lelia Albanese, who called it "dirty." One critic compared Leech to Brando's Stanley Kowalski because he strips to a T-shirt and kisses a bare-shouldered butterfly in their love duet. "Hey, I'll take that any day," says Leech of the comparison.

Just getting tough won't stop teen pregnancies

Norman Lockman attacked the Progressive Policy Institute's report on teen pregnancy as unrealistic ("To fight teenage pregnancy, let's get real," Tuesday).

He suggested anyone who "knows the score" knows teen mothers have babies to get status, attention and financial support. Get tough and eliminate the "payoffs," he said, and young women will get the message. Like many commentators, Lockman fell into the trap of narrow thinking. Yes, welfare is part of the problem. That's why PPI's plan urges a radical overhaul of the welfare system and an end to unconditional government support. Teen-age girls who have babies and ask for government assistance will be required to help themselves and their children.

For school-age mothers, that means staying in school and learning how to be a good parent. If teen mothers' homes are stable, they should be required to live at home. If not, they should be required to live in "second-chance homes" with their children, where they can receive the structure and support they need to finish school and raise their children.

But welfare isn't the only factor here. Young women also have babies because the media glamorize sex. Yet there are no TV programs that dramatize the problems of raising a child on a $294-a-month welfare check. They have babies because there are few consequences for being an unmarried father. They have babies because older men rape them. Yet few of those men end up in jail. And they have babies because they can't imagine getting good jobs or going on to college.

As we curtail the incentives for young women to have babies, we also must offer incentives for teens who stay in school and don't become parents. If we don't do all of these things, we will fail to solve the problem of teen pregnancy. It's an ambitious agenda. But a sensible one.

Kathleen Sylvester, vice president Domestic policy, PPI, Washington, D.C.
If Clinton's looking for work, he can stay home

By Joe Urschel

White House officials reportedly are trying to find another job for President Clinton. Unfortunately, there are no insignificant Southern states that need an experienced governor right now. So instead, they are looking to get him some real work, like on an assembly line or in a police department. This would not be full-time work, probably only a shift or two. And the idea isn't really to do any work — other than image work. Rather, it is to get him out of "the bubble." The "bubble" is Washingtonese for the protective layer of isolation that surrounds a president and allows him to go about the business of governing without the distractions that be-devil the rest of us. Presidents often feel that after spending their entire careers trying to get inside this bubble, they must immediately devise ways to get out so they don't lose touch with reality.

Unfortunately, by the time they do get in, they are so out of touch that they actually think they can transform themselves in the workaday world.

Here's a president who has absolutely no experience in the private sector but who thinks he can walk right in off the street and do your job for an afternoon. Having done so, he will then presumably be better equipped to "feel your pain." Hasn't he got enough of his own?

He just witnessed the greatest repudiation of his party in nearly 50 years. The Democratic Leadership Council, trying to distance itself, has labeled him "irrelevant." Then, in the midst of all this, Lloyd Bentsen, the one experienced legislator in his Cabinet who might have a chance of working with the new opposition majority, walks off.

Meanwhile, Clinton faces two partisan vigilantes poised to open hearings into the messy Whitewater history just as his best friend and Hillary's ex-law partner, Webster Hubbell, is entering into a plea bargain that sets him up to sing like Joe Valachi.

This is precisely the time he is playing the role of commander in chief. The Democratic Leadership Council, the one experienced politician in his administration, is in the midst of a major collapse. Clinton is in pain, suffering from the AIDS virus and attack other sexually transmitted diseases. That's cruel.

Unfortunately, there are no insignificant Southern states that need an experienced governor right now. So instead, they are looking to get him some real work, like on an assembly line or in a police department. This would not be full-time work, probably only a shift or two. And the idea isn't really to do any work — other than image work. Rather, it is to get him out of "the bubble." The "bubble" is Washingtonese for the protective layer of isolation that surrounds a president and allows him to go about the business of governing without the distractions that be-devil the rest of us. Presidents often feel that after spending their entire careers trying to get inside this bubble, they must immediately devise ways to get out so they don't lose touch with reality.

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The AIDS fight is not just a government problem. Unprotected sex can cause AIDS, and that's an issue for any sexually active person, no matter what color, creed or income. For more information, call 1-800-342-AIDS.
Today's debate: REVIVING ORPHANAGES

Orphanages aren’t answer for the care kids need

OUR VIEW

Nothing can replace the love of a parent in a child’s life. Help keep families together.

Incoming House Speaker Newt Gingrich and other welfare-reform vigilantes would do well to spend a little time this Christmas talking to poor kids and their struggling parents. Then try talking to child-welfare experts. It’s mighty doubtful any would put the orphanages those reformers favor at the top of their wish list.

The image of orphanages or other institutional homes can always be burnished with a Hollywood spin. It’s nice to imagine saintly people rescuing poor kids from savage streets and placing them in Boys Town-like settings, from whence they emerge spiffy and tailoring into a “normal” life. All the while saving the taxpayers money.

But the image doesn’t match reality. So before rushing to clone Father Flanagan, a little dose of the facts:

A few Flanagans would emerge, of course. But the history of institutions for vulnerable people — be they abandoned kids, the elderly or the retarded — is nightmarish. And not just in Dickens’ time. Today. The formula is as fatal as it is familiar. The institutions get skimpy support if they’re public and slipshod regulation if they’re private. So they usually operate on a shoestring, offering low pay for tough, sensitive jobs. Who hasn’t read a story about a nursing home or other care facility racked by scandal? Stories about unqualified staff, even criminals, abusing people. Stories about appalling physical conditions.

Needless death? Not unusual, either. New York City, for instance, abandoned an experiment with large care facilities after two babies died from infections resulting from improper diapering.

If this were just an occasional problem on the road to a generally promising future for the kids, maybe it would be worth a try. But that isn’t the track record either. The North American Council on Adoptable Children cites 50 years of research showing long-term childhood institutionalization leads to problems in interpersonal relationships, higher rates of personality disorders and severe parenting dysfunctions.

Nor will orphanages save money. They cost at least seven times what foster care costs today, according to the Child Welfare League of America.

This isn’t to say no orphanage can work or no orphan can thrive after living in one. There are exceptions. More importantly, it will always be necessary to take some children from abusive, neglectful parents and place them elsewhere. But not in warehouses. And not every kid who happens to be poor. Kids don’t deserve punishment because their moms got pregnant as teens.

That’s not Gingrich’s intent, of course. But it’s the inevitable result of trying to deter teen pregnancy by rendering mothers financially incapable of raising their kids.

Threatening to break up a family will never teach family values. Gingrich and friends should know that.

Don’t reject this option

OPPOSING VIEW

We must change the welfare system, and some children may need this care.

By Gary L. Bauer

Charles Dickens had few kind words for orphanages, but any liberal who takes comfort in that fact should take greater comfort that Dickens is not alive today. His portrait of our welfare system would be anything but charitable.

Government-run orphanages might not be at the top of my list — or anyone else’s list — of urgent pro-family reforms, but the liberals’ reaction to the idea that they might be needed fails the straight-face test.

Thirty years of Great Society cash transfers have moved mountains of money but solved few problems. The U.S. taxpayer has paid enough into welfare over the past three decades to purchase the assets of the entire Fortune 500 and every acre of U.S. farmland.

What has that massive investment bought? The now-majority staff of the House Ways and Means Committee has amassed nearly two dozen studies that show a link between welfare benefits and illegitimacy. Welfare would be more than tolerated — it would be sacrosanct — if it had purchased safe streets, decent homes and sound schools. But its fruit has been

by Gary L. Bauer, president of the Family Research Council, Washington.
Why Castro belongs at the table in Miami

Only one head of state will be missing when leaders from 34 countries gather at this weekend's Summit of the Americas in Miami. Most will travel thousands of miles, from Canada to Argentina and in between. But one of our nearest neighbors, just 90 miles off the Florida shore, won't be represented. Yet you can bet much of the buzz will be about Cuba and its bad boy Fidel Castro.

Cuba's population of over 11 million is the seventh largest among the 35 American nations. It has more people than the 14 smallest countries combined. Populations among those meeting in Miami:

Bigest
- USA: 280 million.
- Brazil: 157 million.
- Mexico: 92 million.
- Argentina: 33 million.
- Canada: 28 million.

Smallest
- St. Kitts: 40,000.
- Antigu: 64,000.
- Dominica: 80,000.
- Grenada: 83,000.
- St. Vincent: 114,000.

Host Bill Clinton snubbed Castro because he allegedly is the only non-democratically selected leader in the Americas. That's political baloney. U.S. presidents for three decades have tried to isolate Castro to appease politically powerful Cuban exiles in Florida. It's been a no-win policy. The losers have been the people in Cuba.

Most other countries in the Americas have normal or near-normal relations with Cuba. We did business with dictators in the Soviet Union and are doing it in China. It makes no moral or economic sense for a country which is a world leader to be punitive toward its bad boy Fidel Castro.

But one of our nearest neighbors, just 90 miles off the Florida shore, won't be represented. It makes no moral or economic sense for a country which is a world leader to be punitive toward Cuba. It also has represented its countries in a forum that celebrates democracy and respect for human rights.

-To suggest Castro could represent the people of Cuba is to argue that Hitler, Stalin, Cedras or Somoza should also have represented their countries in a forum that celebrates democracy and respect for human rights.
— Jorge Mas Canosa, Cuban American Nashiivound.

By allowing right-wing Cuban exiles to dictate our policy, the Clinton administration not only misses the opportunity to influence Cuba through trade and expanded communications, it has violated the rights of American citizens with tightened travel controls. One does not need to construct democracy in Cuba by restricting it at home.
— Wayne S. Smith, Center for International Policy

A new Latin look

Look what's missing from this weekend's meeting of 34 Western Hemisphere leaders in Miami: military uniforms.

The caricatured Latin leader, wearing dark sunglasses under the shiny brim of a military cap, won't be around the Summit of the Americas. Instead, business suits are the order of the day.

That's quite a change, not only in attire but also in attitude. At the last summit of hemispheric leaders in 1967, 10 of the 26 in attendance were military strongmen. And many countries slipped under military rule in the decade after. Today, though, only Cuba has a dictator, Fidel Castro, and he won't be there. Every other leader has been democratically elected.

For the United States, the trend is both comforting and worth encouraging. This nation has had its security threatened by Nazi U-boat bases in South America and Soviet missiles in Cuba. Waves of immigrants have washed upon U.S. shores, escaping civil strife in Nicaragua, Guatemala, El Salvador, Cuba and Haiti as well as poverty throughout the region.

Democracies provide an antidote to such afflictions. Not only do they often become U.S. friends, but they also give their own people hope for a better life.

So what does the USA need to do to ensure today's democratic nations don't slip back to dictatorship? Not much.

Today financial markets are the most powerful force in the region — more powerful than the Soviet Union ever was. Latin American finance ministers in their efforts to raise money now call U.S. mutual fund managers, not Soviet bureaucrats, for advice. And history has taught them that juntas aren't good for business. Their debts helped inflation throughout Latin America soar to an average 400% in the 1980s. And their trade protections made people poorer.

That's why, along with the rush to democracy, there's a huge push in Latin America for free markets and free trade. Tariffs have been cut in half, while more than 20 free trade groups have formed.

The U.S. can nudge that process along by offering membership in the largest free trade group of all, NAFTA, to other nations in the hemisphere.

That would help us, too. U.S. exports to the region have jumped $50 billion in a decade. Free markets would mean more sales. And trade expansion would lift living standards, critical to fledging democracies.

Economic turmoil helped toss Latin America's tin-pot dictators on history's scrap heap. Economic growth could keep them there for good.

FEEDBACK
Other views on the Americas summit

"Neuhrath is having a bad day when he suggests that Castro can be killed with capitalism and communication. Tyrants don't die that way. The beauty of the summit is that all leaders are democratically elected."
— Javier Suarez, former Miami mayor and Cuban native

"To suggest Castro could represent the people of Cuba is to argue that Hitler, Stalin, Cedras or Somoza should also have represented their countries in a forum that celebrates democracy and respect for human rights."
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IN QUOTES

"Fortunately, I'm not allowed to do anything wrong."
— Sandie Truey, who handles investments for Maricopa County, Ariz., after Orange County, Calif., filed for bankruptcy due to a $1.5 billion investment loss

"I would ask her to go to Blockbuster and rent the Mickey Rooney movie Boys Town."
— House Speaker Newt Gingrich responding to Hillary Clinton's criticism of his proposal that orphanages are an option for the nation's welfare children

"To say Boys Town is reflective of life in orphanages is like comparing Hogan's Heroes to life in Nazi prison camps."
— Rep. Robert Matsui, D-Calif., responding to Gingrich

"This is for people who don't have a life. I have a life."
— Potential juror in O.J. Simpson case asking Judge Lance Ito to be dismissed from case. Her wish was granted.

USA TODAY - FRIDAY, DECEMBER 9, 1994
Wall St. Puts the Squeeze on Orange County (Santa Ana)

By Mark Platte and Matt La fixture

(c) 1994, Los Angeles Times

SANTA ANA, Calif. Orange County officials Thursday mounted a legal fight to stop Wall Street from unloading nearly $9 billion in securities being held as collateral for loans to the county, and appointed a former California state treasurer as financial adviser in an attempt to come to grips with the largest municipality bankruptcy in U.S. history.

News of the sell-off touched off a new round of fears that the county's financial situation was more dire than suspected and that its investment pool already out $1.5 billion could be further drained. If the securities sales are upheld in federal court, the impact could be devastating to the more than 180 cities, school districts and other agencies that invest in the pool.

"We are seeing a lot of hysteria on Wall Street," said County Supervisor William G. Steiner. "We're taking actions to address this."

After several days of seeming paralysis over the financial crisis that forced the county into bankruptcy court this week, local government leaders went on the offensive Thursday. The county:

- Authorized its counsel to file a federal lawsuit against four brokerage firms that this week sold securities they held as collateral for loans to the county much of which were dumped on the financial markets Thursday.

- Named former California Treasurer Thomas W. Hayes as the county's financial adviser. Hayes served as Gov. Pete Wilson's finance director for two years.

- Imposed a hiring and salary freeze on county workers and at least temporarily stopped paying county vendors.

- Set up a separate, low-risk fund for all the property tax money that landowners must pay by Monday. Those billions of dollars are expected to keep the county afloat.

- Sent Chief Administrative Officer Ernie Schneider to calm fears at a closed-door meeting of city managers and finance directors from across the county. Schneider, however, was unable to say whether cities will get their money from the county's investment pool, which has plunged at least 20 percent in value since January.

- In Sacramento, Wilson said he is sympathetic to Orange County but does not expect the state to provide any financial relief.

In Santa Ana, attorneys filed class-action lawsuits Thursday on behalf of bondholders, alleging the county falsely represented its investment strategies. Named as defendants were former Treasurer-Tax Collector Robert L. Citron, other county officials and Merrill Lynch, which holds $2 billion of the county's securities as collateral for loans that enabled Citron to boost his ill-considered bets in the financial markets.

The state Department of Corporations announced it will investigate the relationship between Merrill Lynch and the county treasurer's office and review the events leading up to the county's bankruptcy filing for possible violations of the state.

Supervisors spent the day wrestling with the swift succession of bankruptcies that followed the lead of CS First Boston, which on Tuesday sold into the market $2.6 billion in county bonds it held as collateral for loans to the county fund. The sale followed the county's failure to make $1.2 billion in loan payments that had come due.

First Boston's action, in turn, prompted the county to seek federal and state bailouts before reluctantly settling Tuesday on filing under Chapter 9 of the federal bankruptcy code. Such a filing is so rare that fewer than 10 cities, villages or counties sought such protection between 1980 and 1990.

The county also defaulted Thursday on a $110 million
Pension fund bond that came due. The bonds were sold by First Boston in September and included a special provision that allowed investors to demand their money back with only seven days notice. That demand came last Thursday, when the first signs of Orange County's impending financial failure were announced. The effect of the default on county pension funds was not immediate known.

(Optional Add End)

The sales provide a crucible for testing how Chapter 9 works.

Lawyers for the county and the Wall Street firms staked out contradictory positions on whether the brokerage houses were allowed to sell the securities they were holding as collateral on Orange County's loans. The brokers declined to discuss their legal positions beyond saying that they believe they are within their rights by selling the collateral.

Bruce Bennett, the county's bankruptcy attorney, also would not provide specifics, saying only that he believes many of the county's investments are sheltered under Chapter 9's provisions for an automatic stay of such sales.

In the municipal bond market, Wall Street traders said the prices of Orange County bonds improved sharply Thursday from Wednesday, when a few bidders were offering 50 to 60 cents on the dollar for the bonds.

Traders said bids on Orange County and related bonds were in the range of 80 to 85 cents on the dollar, though they said few bond owners were actually selling at those prices.

Meanwhile, some traders said neighboring San Diego County bonds dove in price Thursday as worries mounted about the health of that county's investment fund.

Overall, California municipal bond fund share prices, reflecting portfolios that include all types of California bonds, fell for a second day Thursday, but by minor amounts compared with Wednesday's sharp losses.

The elements of the county's repair plan were announced throughout the day Thursday.

Hayes, the former state treasurer, will oversee the restructuring of the investment portfolio for the next 90 days. The county also said it had hired Salomon Bros., a leading New York-investment bank, for investment advice.

U.S. Formally Offers to Send Evacuation Force to Bosnia (Washn)

By Art Pine (c) 1994, Los Angeles Times

WASHINGTON President Clinton formally offered Thursday to send up to 20,000 U.S. ground troops to help evacuate the U.N. peacekeeping force in Bosnia-Herzegovina if the allies decide to withdraw in the face of increased harassment and hostage-taking by nationalist Serb forces there.

Pentagon officials said the United States probably would supply between 40 percent and 50 percent of an allied evacuation force of up to 45,000 troops. The U.S. military also is likely to provide the bulk of the air- and sea-lift for the operation.

The mission would mark the first time that the United States has sent ground troops to Bosnia. U.S. officials emphasized that the president's decision involved only a commitment "in principle," and said the administration would insist on approving any evacuation plan in advance and consulting with Congress.

and almost certainly would be under the command of a U.S. general or admiral.

A senior U.S. official said the United States would contribute "a substantial part" of the total NATO force which he said could involve up to nine brigades, complete with tanks and heavy weapons but he said no firm decisions had been made on how many troops may be involved.

However, some of those familiar with the operation said an estimate of between 15,000 and 20,000 U.S. troops would be "a good working number" for such a venture. While some would come from U.S. bases in Europe, most would be from bases in the United States.

Although U.S. officials stressed that the allies have not yet decided to withdraw any peacekeeping troops, NATO strategists are in the early stages of drafting military plans for the evacuation. They are working on an array of contingency proposals, from a simple loading operation involving fewer troops, to a full-scale extraction under heavy fire. Allied defense ministers will meet to review the plans next week.

Officials said Clinton's announcement was designed to reassure France, Britain and other U.S. allies that the United States will help evacuate their troops, despite the recent controversy here over the use of American forces in peacekeeping-related missions.

U.S. officials delivered a similar message to the allies privately last week, but apparently failed to quell some doubts. Policy-makers hope that "clearing up any ambiguity" publicly will help heal the rift in NATO and persuade some member countries to leave their troops there longer.

(Optional add end)

Congressional Republicans appeared ready to accept the notion of U.S. participation in such an evacuation, but they served notice that they would insist that Clinton seek formal authorization from Congress before actually committing U.S. troops.

Incoming Senate Majority Leader Bob Dole, R-Kan., also noted pointedly that withdrawal of U.N. peacekeepers would clear the way for lifting the arms embargo against the Bosnian Muslims and carrying out more aggressive NATO air strikes, which GOP senators have endorsed.

The administration had advocated both policies over the months, but was unable to put them into effect because Europeans feared their peacekeeping troops would then become targets of stepped-up retaliation by the Serb nationalists.

However, a senior U.S. official hinted Thursday that the administration may resume pressing the allies both to lift the embargo and to intensify NATO air strikes against the Serb nationalists if the U.N. peacekeeping troops are forced to withdraw.

On the Democratic side, Sen. Claiborne Pell, D-R.I., outgoing chairman of the Senate Foreign Relations Committee, said he was disturbed that Clinton had made the troop offer. Pell said he was opposed to any use of U.S. ground troops in Bosnia.

Reaction from the United States' NATO allies was muted. Britain welcomed Clinton's offer but emphasized that a pull-out of U.N. peacekeeping forces still was not imminent. French officials did not comment on the decision.

There currently are about 24,000 U.N. peacekeeping troops in Bosnia, mostly British, French, Canadian and Spanish. Outside analysts have estimated that evacuating the peacekeepers and several thousand U.N. civilian personnel would take between 20,000 and 45,000 NATO troops.
Rebel Serbs Again Target
U.N. Peacekeepers (Zagreb)
By Carol J. Williams

(c) 1994, Los Angeles Times
ZAGREB, Croatia In the one-step-forward, two-back pattern of the U.N. mission here, officials secured the release of 20 Canadian captives Thursday and piloted supplies through to embattled Bihać while Bosnian Serb rebels attacked with missiles and continued to hold hundreds of other peacekeepers hostage.

Shortly after a 14-truck convoy of food and fuel for ill-supplied Bangladeshi troops was let through Croatian Serb road blocks, Bosnian Serb fighters fired a surface-to-air missile into a civilian area near the main U.N. base in the Bihać pocket, mission spokesman Paul Risley reported.

U.N. troops hoped to investigate damage caused by the missile Friday, but were unable to leave their base at the time of the missile’s impact at 7:30 p.m. because they had no fuel for their patrol vehicles.

Gasoline was among the few days’ worth of supplies let in for the 1,200 Bangladeshi troops, Risley said, adding that the missile damage would be examined at first light. While hailing the convoy’s arrival as a minor breakthrough, he condemned the SA-2 missile attack as “a weapon of terror.”

“An SA-2 fired toward a ground target is an extremely unstable, imprecise missile packed with high explosives,” Risley said.

Bosnian Serbs earlier in the day released 20 Canadian troops held for more than two weeks at a jail in the Sarajevo suburb of Ililias, but nearly 300 other U.N. troops remained in their detention, Risley said.

Thirty-five other Canadians confined to their observation posts near the town of Visoko were allowed to rotate out, but their newly arrived replacements are still virtual prisoners.

Gunmen loyal to Bosnian Serb warlord Radovan Karadžić took hundreds of U.N. troops hostage after NATO air strikes in late November as insurance that their forces would not be hit again. Some of the captive peacekeepers have been starved, mistreated and used as human shields.

The small letups in a campaign of harassment of the U.N. Protection Force, increasing the likelihood of its withdrawal, underscored the nationalist rebels’ dominant position. Repeatedly, they have demonstrated that the humanitarian and peacekeeping actions operate at their whim.

(Additional editorial note)

Although the supplies bound for the Bangladeshis were allowed through, Croatian Serbs detained an accompanying U.N. High Commissioner for Refugees aid convoy in the town of Glina, just inside the Serb-held Krajina zone, Risley said. The aid was bound for the Bihać region’s mostly Muslim population.

The mission has been informed by the No. 2 in command of the Bosnian Serb army, Gen. Milan Gvero, that U.N. troops will remain captive and humanitarian works will be blocked until NATO war planes abandon Bosnian skies.

“The Bosnian Serb military authorities are quite adamant that they are not going to give us the necessary safety and security guarantees for resumption of the humanitarian airlift into Sarajevo airport,” said the mission’s chief spokesman, Michael Williams. “They have said they are unwilling to do so while they are still under threat of NATO air power.”

Williams acknowledged the increasing appearance of SAM batteries around potential air strike targets along NATO overflights, as the pilots have no authorization from the U.N. mission to destroy the anti-aircraft missiles threatening them.

The air defense systems, which Western diplomats and NATO officials believe were provided by Serbs in Yugoslavia, now provide anti-aircraft cover over at least 40 percent of Bosnian territory, Williams said.

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ANALYSIS: Escalation Vs. Negotiation in Bosnia Tests Political Will
By Ronald Brownstein

(c) 1994, Los Angeles Times
WASHINGTON Recent calls from Republican congressional leaders Bob Dole and Newt Gingrich for an escalation of American intervention into Bosnia point toward a contentious new round of legislative and political struggles over U.S. involvement in Europe’s bloodiest conflict since World War II.

Dole and Gingrich, in lashing President Clinton for inaction and urging the United States to support the Bosnian Muslims with air strikes and arms shipments, have set the stage for bruising legislative conflicts with a Clinton administration that is now pushing for a negotiated settlement to the fighting. But the two leaders may also be precipitating a collision with Republicans skeptical of greater U.S. military involvement in the war.

“I don’t think there’s a huge amount of support in Republican ranks for having a crusade on Bosnia,” said one well-connected GOP strategist, who asked not to be identified.

The sharp attacks from Kansas’ Dole and Georgia’s Gingrich, the incoming Senate majority leader and House speaker, are bringing full circle the long and tortured domestic debate over Bosnia.

As a presidential candidate in 1992, Clinton sounded much as Dole and Gingrich do today. Clinton frequently accused President Bush of not doing enough to support the Bosnian government and called for air strikes to limit or reverse the battlefield gains of the Bosnian Serbs.

In office, Clinton has repeatedly declared his support for greater use of force against the Bosnian Serbs, but has been unable to convince the Europeans to go along. The nadir came in spring 1993 when the administration proposed the so-called “lift and strike” option under which the United Nations would lift the embargo against shipment of arms to the Bosnian government, and NATO would undertake widespread air strikes on military facilities of the Bosnian Serbs. Clinton was forced to back down after the major NATO countries brusquely rejected the proposal.

After a frustrating series of similar confrontations that generally produced only minimal military action, Clinton moved toward the European position in November. After the allies rejected an administration call for air strikes against Serb forces advancing on the Muslim town of Bihac, the administration indicated that it would abandon its requests for further airstrikes and instead emphasize negotiations to reach a settlement.

That abrupt turn in policy created the opening for the new Republican thrust.

Last Sunday, on the ABC program “This Week With David Brinkley,” Dole laid out a three-step alternative to the administration plan. The Kansas Republican called for the
removal of U.N. peacekeeping forces from Bosnia; for the United States to unilaterally break the international arms embargo against the Bosnian Muslims, and for a NATO campaign of "robust bombing" against Bosnian Serb military targets intended "to bring them to the negotiating table."

Appearing the same morning on NBC's "Meet the Press," Gingrich endorsed Dole's agenda, but appeared to go even further in urging air strikes against the Bosnian Serbs and perhaps Serbia itself.

Gingrich said the United States should warn the Serbs that, "If you launch a general offensive, we would reserve the right to use air power against every position you have, against every command and control center, against every position, everywhere. We would reserve the right to take you apart, and we'd do it in three to five days... and we're telling you to just back off and accept an armed truce."

Secretary of State Warren Christopher and other administration officials have denounced those proposals as a prescription for expanding the war. But many observers see broad similarities between Dole's approach if not Gingrich's broader discussion of bombing and the administration's own ill-fated "lift and strike" initiative from last spring.

Indeed, in criticizing Dole and Gingrich, the administration has sounded some of the same cautious notes about the risks of escalating the conflict that Bush raised against candidate Clinton in 1992.

"It's one of the ironies," said Richard Haass, a senior associate at the Carnegie Endowment for International Peace and an aide on the National Security Council under Bush.

"Now you have Republicans arguing for 'lift and strike' and you have Clinton after the campaign where he outflanked Bush early on and talked tough at the outset of his presidency coming around to a fairly extreme version of the Bush position."

In some important respects, though, the Republican leaders' plans go beyond even Clinton's earlier approach. While Clinton sought multilateral approval for lifting the arms embargo against the Bosnian government, Dole and Gingrich want the United States to breach it alone.

Dole has indicated that he intends to move quickly next year on legislation instructing Clinton to break the arms embargo. The administration staunchly resists that proposal, arguing that shipping arms to Bosnia without U.N. approval would undermine compliance with other international embargoes the U.S. supports, such as the sanctions against Iraq.

But support for lifting the arms embargo has steadily grown across the political spectrum, and even administration officials consider it virtually inevitable that Congress will approve such legislation next year.

Joseph I. Lieberman, D-Conn., a strong Dole ally on Bosnia policy. Moreover, Lieberman acknowledges "there's much less consensus" in Congress for urging air strikes than for lifting the arms embargo. Indeed, several prominent legislators, including McCain, a former Navy combat pilot, have already expressed doubts that wider bombing will dislodge the Bosnian Serb gains.

"I have never believed and do not believe that tactical air power alone will affect the battlefield situation," McCain said. "And if you engage in very large scale bombing campaigns that would have some effect, you would have to use strategic bombing which would include things like B-52's, which would inflict significant civilian casualties."

"I don't think the American people would approve of it," he said. "I don't think it's a viable option."

With most legislators focused on other concerns, Republican congressional aides say, opinion hasn't hardened in GOP ranks about the push from Gingrich and Dole for wider military action in Bosnia. But several sources said that Republican legislators and strategists alike will be instinctively cautious about investing too much political capital in demanding greater involvement in a war still distant and incomprehensible to most Americans.

"You want the agenda next year to be: The Republicans change Congress," said one GOP pollster. "You don't want the story for the first two months to be: The Republicans go into Bosnia."

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The real issue may be whether the votes exist to override a veto if Clinton chooses to exercise one, which White House aides say he would be inclined to do. An override vote is less certain: last summer, amendments to lift the arms embargo. Indeed, several prominent legislators, including McCain, a former Navy combat pilot, have already expressed doubts that wider bombing will dislodge the Bosnian Serb gains.

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Western Hemisphere Summit Takes Aim on Trade Barriers (Miami)
By Tracy Wilkinson and William R. Long=
(c) 1994, Los Angeles Times=
MIAMI With free trade their mantra, President Clinton and the heads of 33 governments began gathering in Miami on Thursday for an unprecedented summit aimed at tearing down barriers to commerce throughout the Western Hemisphere.

The Summit of the Americas, the first such regional meeting in 27 years and the largest ever, opens formally Friday with speeches, toasts and much fanfare. President Carlos Menem of Argentina hailed the summit as "perhaps one of the most transcendental events in recent years in our continent."

Although tricky issues such as immigration, drug-trafficking and Cuba are expected to find their way into the three days of discussions, the meeting will focus principally on trade. U.S. officials said the strength of the summit rests on a "Plan of Action," copies of which circulated Thursday, that outlines concrete steps to larger goals, including an agreement to freeze illicit money-laundering assets and establish protections for migrant workers.

Clinton administration officials sought to portray the meeting as a major achievement and a natural next step following trade agreements with Canada and Mexico and the Pacific Rim, as well as the hard-fought revision this month of the General Agreement on Tariffs and Trade, or GATT.

Others are less optimistic.
"I think high and false expectations are being created," Peruvian President Alberto Fujimori said. "I don't think we are going to come out of the meeting with a stronger America and measures that benefit the population."

Clinton will meet with leaders of a vastly changed
Latin America, one eager to open its markets and welcome foreign investment, but still unable to better the lives of millions of poor. With the end of the Cold War and the fall or retirement of military dictatorships and leftist guerrilla movements, economic issues have replaced security concerns. Emerging from the "Lost Decade" of debt crisis and civil war, Latin America is enthusiastically seeking a new relationship of interdependence and cooperation with the United States.

Still, many Latin and Caribbean officials feel neglected by the Clinton administration, which has exhibited little interest in the region and proposed no policy initiatives.

When the summit concludes Sunday, the 34 participating countries will have agreed on establishing a new free trade zone that stretches from Canada to Chile. They have tentatively agreed to finish the negotiations for such a zone by the year 2005, according to the draft "Plan of Action."

The treaty would eliminate all tariffs and other barriers to trade throughout the hemisphere, a region that encompasses about 750 million people and wields more economic power than the European Union.

But reflecting the very different agendas of the different countries, there was last-minute renegotiation over the 2005 target date, diplomats said Thursday, and failure altogether to establish a deadline for actually creating the free-trade zone.

The emphasis on trade underscores the dramatic changes in Latin America during the last decade. Once-centralized, protectionist economies saddled with money-losing, state-controlled enterprises have given way to open, free-market economies bent on privatization and commerce. Latin America has become the fastest-growing foreign market for U.S. goods and services and supports about 3 million U.S. jobs, according to Clinton administration figures.

Political transition has accompanied the economic transition. In contrast to the years when military strongmen ran things, all but two of the presidents and prime ministers attending the summit reached their position through popular elections.

The most serious threat to stability, analysts say, is widespread, deep poverty. Latin America has the world's most skewed income distribution. From Central America to Brazil, the gap between rich and poor has widened in the last 10 years despite statistics confirming overall economic growth.

Beyond trade, other issues will be raised: Venezuela's President Rafael Caldera will call for stronger regional extradition laws to aid in the battle against corruption, while Colombia's President Ernesto Samper and Ernesto Perez Balladares of Panama want tighter extradition laws to aid in the battle against corruption.

Argentina's Menem will seek to introduce Cuba to the talks. Clinton did not invite Cuban leader Fidel Castro, the vociferous Cuban exile community, the subject is sure to come up. Mexico's Salinas will call for closer Latin American ties.

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Gingrich Takes Up Social Security, Medicare Solvency Issue (Washn)

By Edwin Chen—(c) 1994, Los Angeles Times=

WASHINGTON—Acknowledging the need to curb the growth of entitlement programs, incoming House Speaker Newt Gingrich said Thursday that wealthy retirees should buy their own health insurance and that Congress eventually must "look at" long-term and perhaps painful ways to keep Social Security solvent.

Denying Medicare to retirees with annual incomes of more than $100,000 would save the government about $56 billion in five years, Gingrich said.

During a breakfast interview with reporters, he also expressed regret at having suggested that as many as one in four White House staffers had used drugs before joining the Clinton administration and at calling President and Mrs. Clinton one-time members of the "counterculture."

The outspoken Georgia Republican said he stands by his remarks, but added that he should have kept them to himself. "I had to say it over again, I probably wouldn't say it," Gingrich said.

"I don't delight in controversy. I like achievement," he said, saying his remarks were routine bumps that one faces during any job change. "I'm trying to learn a new job," Gingrich said.

Had he not made those remarks, Gingrich acknowledged, "the country might well have been better off for it."

His comments about Social Security and Medicare, the tax-financed health insurance program for the elderly and the disabled, are significant because Republican leaders in recent years have flatly declared Social Security untouchable, and past efforts to restrain Medicare spending have proved politically lethal.

Gingrich's remarks come as a bipartisan Commission on Entitlement Reform and Tax Reform is completing a report to Clinton next week thus ensuring the issue even greater visibility in the days ahead.

Budget experts say Congress will never eliminate the federal deficit unless it curbs spending on the big entitlement programs that provide guaranteed government benefits to millions of Americans.

Gingrich prefaced his suggestion that Congress cannot avoid taking up the Social Security funding issue by saying the retirement program must remain undisturbed for the foreseeable future, calling the solvency question "a problem ... somewhere around 25 to 30 years from now."

On the other hand, he added, "The problem of children dying in dumpsters is this evening. The problem of schools that fail to educate is this afternoon. The problem of the disabled, are significant because Republican leaders in recent years have flatly declared Social Security untouchable, and past efforts to restrain Medicare spending have proved politically lethal.

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Although Social Security is in surplus now, projections are that it will run out of cash in the year 2033. Similary, Medicare's hospital trust fund will go broke in 2021 under current spending rates.

The reform commission, chaired by Sens. Bob Kerrey, D-Neb., and John C. Danforth, R-Mo., is to deliver a report to Clinton by next Thursday on controlling entitlements programs, which account for 47 percent of the budget but threaten to consume nearly all federal spending by the next century.

On other issues Thursday, Gingrich survived both conciliatory and combative, particularly in discussing the prospects of working with a Democratic president and a Senate that, while dominated by Republicans, has rules that would enable Democrats to derail GOP initiatives much as the Republicans did this year while in the minority.

Democrat Calls for Outside Ethics Probe of Gingrich (Washn)
By Thomas B. Rosenstiel=
(c) 1994, Los Angeles Times
WASHINGTON The second-ranking Democrat in the House called Thursday for appointment of an outside counsel to investigate whether incoming House Speaker Newt Gingrich, R-Ga., has violated House ethics rules and federal tax codes with his network of political organizations.

The allegations, already under review by the House ethics committee, suggest that the House Republican leader used funds and organizations that were designated as non-partisan to recruit, fund and train Republican candidates and party activists.

"With the multitude of unanswered questions, ethical allegations and serious conflicts of interest faced by the incoming speaker of the House, I believe that it is imperative that we have an independent, non-partisan ... outside counsel to carry forward this investigation," Rep. David Bonior, D-Mich., the incoming House minority whip, said at a news conference.

Bonior's proposal was immediately denounced as "ill-considered" by Gingrich's office. "The matter is currently pending before the ethics committee of the 103rd Congress," said Gingrich spokesman Tony Blankley, "and I fully expect that committee to favorably complete its deliberations," before the new Congress convenes Jan. 4.

At the center of the complaint is whether a college course Gingrich has taught, "Renewing American Civilization," is an educational course or a thinly veiled propaganda arm of Gingrich's political recruitment empire that was improperly financed. The course, taught at Reinhardt College in Georgia, was paid for with the help of private contributions that were tax-deductible. If the course was political recruitment, according to law, the private citizens who helped finance the class should not have received the tax breaks.

There are also questions about whether some of Gingrich's tax-exempt political groups were or were not involved in organizing the course.

Bonior said an independent counsel was necessary for a variety of reasons, including the fact that Gingrich has declined to recuse himself from possibly appointing the Republican members of the House ethics panel for the next Congress, at a time when a complaint against Gingrich is pending.

Bonior also argued there is a longstanding precedent to use outside counsels who do not have some of the same "investigative powers as special prosecutors or independent counsels" to handle such matters.

Bonior referred to several documents that are part of the complaint that he said raise questions as to whether the private citizens who helped finance Gingrich's course should have received tax exemptions for their contributions.

One of those documents is a letter written to a potential investor in the class by an aide to Gingrich that said "the goal of this project is simple: to train, by April 1996, 200,000 private citizens into a model for replacing the welfare state and reforming our government."

Bonior also released a letter that apparently accompanied a $23,000 contribution from Richard Berman of the Employment Policies Institute in Washington.

A handwritten note at the bottom said: "Newt thanks again for the help on today's committee hearing."

Bonior called the statement "most disturbing" and said it "makes you wonder exactly what kind of influence or favors this $25,000 check bought."

Bonior wants the current ethics committee, which has an equal number of Democratic and Republican members, to convene next week and consider his demand panels are under no obligation to act or even consider his demand. The group's jurisdiction ends when the new Congress convenes in three weeks.

White House Plans Bipartisan Summit for Welfare Reform (Washn)
By Elizabeth Shegren and Paul Richter=
(c) 1994, Los Angeles Times
WASHINGTON Seeking to seize the initiative from Republicans on welfare reform, the White House announced Thursday it will convene a high-profile national conference next month to create a strategy on the politically popular issue.

The White House hopes that a welfare conference will allow President Clinton to wrest control of the issue from incoming House Speaker Newt Gingrich, R-Ga., and other Republicans, who have dominated the debate since the elections last month.

Even as the White House announced its plan, however, leading Republican lawmakers met quietly with influential GOP governors in an attempt to seal the fate of a welfare overhaul even before Congress convenes Jan. 4. The Republicans believe that they may be able to preempt the President by reaching a swift consensus among GOP members of Congress and governors.

The White House initiative reflects Clinton's fear that unless he moves swiftly and forcefully, GOP lawmakers will grasp the agenda as soon as Congress convenes. The White House had even considered moving the State of the Union Address to early January, but then decided to go with a traditional date later that month.

The high-level tug-of-war over welfare shows that both parties understand how troubled the system is and how appealing it would be to voters if they could claim to have made major reforms.

Clinton said the welfare summit has the support of a bipartisan group of governors.

"Americans have asked their elected officials to put aside politics as usual and begin earnest work to solve our nation's problems and welfare reform is at the very top of our agenda," the President said as he was leaving for the three-day Summit of the Americas in Miami. Governor, lawmakers and local officials from both parties will be invited to the conference, which will be
hld behind closed doors at the White House and chaired by Clinton, officials said.

White House officials believe that Republican governors and lawmakers will feel pressured to take part, lest they be accused of partisan obstructionism. One official expressed confidence that even Gingrich and incoming Senate Majority Leader Bob Dole, R-Kan., would attend.

"I'm sure they would want to attend something this important," the official said.

Rep. Robert T. Matsui, D-Calif., said news of the welfare conference would suspend debate on the issue and prevent various groups from solidifying their positions.

"This does put the president back into the mix in a major way. He then becomes the dominant player in all this," said Matsui, a veteran lawmaker whose voice on welfare reform was very influential before Republicans took over the House.

Clinton already has leverage because of his veto power, Matsui stressed, but by holding the conference he gains an early, influential role in the crafting of legislation, instead of responding to decisions that have already been made.

(Conditional add end)

Both parties have been talking about changing welfare programs in order to force recipients to take financial responsibility for their families and to discourage people from having children they cannot afford.

But the welfare reform plan laid out in the Republicans' "contract with America" bears little resemblance to the carrot-and-stick approach that Clinton and his allies envisioned.

Both the White House and the GOP plans would limit Aid to Families With Dependent Children to two years. But that's where the similarities stop.

Under the president's proposal, the government would become the employer of last resort, guaranteeing subsidized jobs for those who could not find them in the private sector.

The Republican version offers no such security. It gives states the option of extending cash benefits in exchange for work, but only for three additional years.

The GOP plan would also deny benefits to teen-age mothers and their children and to families where legal patriarchy is not established for the children. It also mentions orphans as an option for children whose parents cannot afford to raise them and would make legal immigrants ineligible for scores of benefits they now receive.

Republican governors favor yet another solution. They want the federal government to give them the flexibility to craft welfare reform strategies to their states' needs.

GOP Revolution Briefs Troops at Freshmen Orientation (Baltimore)
By Melissa Healy-
(c) 1994, Los Angeles Times=

BALTIMORE "A revolution," Mao Tse-tung once observed, "is not a dinner party."

And so, when freshly minted Republican congressmen convened for an intensive political study session under the watchful eyes of party cadres, they started with lunch. Between courses, the new recruits collected reading lists, hailed their beloved chairman, incoming House Speaker Newt Gingrich, and threw a few bombs at that distant incubator of counterrevolution, Harvard University which traditionally has conducted freshmen orientations.

"Just-think," said Vin Weber, Republican activist and co-chairman of Empower America, the Republican group that helped shape the freshman curriculum, "if you were at Harvard, you could be listening to Michael Dukakis."

Unlike Harvard's orientations, which featured plodding government professors droning on about arms control and urban policy, the three-day orientation that began Thursday features not only conservative political superstars like presidential candidate Jack Kemp, but those who helped stir the voters to revolution. The climax will be speeches by radio talk show host Rush Limbaugh and William Bennett, the conservative philosopher and former U.S. education secretary.

The shift from Harvard Yard to a Baltimore hotel 40 miles from the Capitol dome is more than a simple change of venue. In the oft-used phrase of Republican leaders Thursday, it is a revolution.

Harvard University's Kennedy School of Government, which is perceived by many Republicans as a bastion of the kind of "counter-culture" values denounced by Gingrich, this year canceled its orientation session for freshman lawmakers. Its explanation: lack of interest.

"There's a new day in America," Kemp said Thursday when asked to explain the sudden demise of the Harvard program. "People want something new. They didn't want the typical Harvard School of Government notion of what reform is."

The conservative Heritage Foundation, which teamed up this year with Empower America, had no such problem. A total of 69 newly elected senators and representatives, all but one of them Republicans, accepted their invitation to what appears to be combination study hall and pep rally. Six of the seven Democratic freshmen declined to attend.

Over three days starting Thursday, they are to hear about "Real Welfare Reform" from Charles Murray, author of the controversial book "The Bell Curve," which argues that there are genetic differences between races that determine intelligence. They'll listen to the leader of the Christian Coalition outline the "Concerns of the Pro-Family Voter," and hear from other panels about the requirements for "Building an Enduring Conservative Majority" and for "Making Congressional Reform Work."

Thursday, nuclear scientist Edward Teller, known as the father of the atomic bomb and a driving force behind the Reagan administration's "star wars" initiative, called for a renewed effort to build missile defenses. Teller, said Kemp, "is here to shine the beacon of the peace-through-strength movement across America."

(Conditional add end)

Edwin J. Feulner, Jr., president of the Heritage Foundation, hailed the new members as "fellow revolutionaries." He urged the new troops to consider Heritage, which lies two blocks from the Capitol, "the armory, the weapons factory in your battle for the American people."

There also was ample evidence that a cult of personality - the boon and bane of revolutionaries throughout history - is developing around Gingrich.

Speakers looking for applause lines needed only utter Gingrich's name, and the response was thunderous. "He's an inspiration to us, a true leader," said California Rep.-elect Andrea Seastrand.
Clinton Leans Toward Modest Middle-Class Tax Cut (Washn)
By Paul Richter and James Risen=
(c) 1994, Los Angeles Times=
WASHINGTON With only days remaining before final decisions on his federal budget plan, President Clinton is leaning strongly toward a modest middle class tax cut and also contemplating major cutbacks and restructurings in federal departments, administration officials said Thursday.

After a series of high-level meetings in recent days, Clinton is expected to propose a tax cut next week that would most benefit middle-income wage earners, yet not worsen the budget deficit, the officials said.

In recent weeks, administration officials have most often talked about a reduction that would expand the personal tax deduction or provide a tax credit for families with children, at a cost of about $30 billion.

The only open question, they have said, is whether they could find a way to finance such a cut. That obstacle has apparently now been overcome, although full details about that element of the budget plan were not immediately available.

In their effort to keep up with Republican promises to shrink the bureaucracy, the administration has been scrutinizing a series of cuts in the federal agencies, and has considered completely shutting down the Department of Energy and the Department of Housing and Urban Development.

In early budget meetings, the president "told the staff that he wanted very bold proposals, that would bring very substantial changes," one official said.

However, the officials eventually backed away from eliminating HUD after Housing Secretary Henry Cisneros offered a counter-proposal he said could save money without abolishing the agency outright.

Energy, another agency that has been accused of wasteful practices, was also spared, officials said. "No proposal for eliminating a department reached the president," one official said.

Former President Ronald Reagan proposed eliminating the Energy department in 1981, when he first came to office. But the plan was abandoned after the Congressional Budget Office expressed skepticism that the move would save much money.

The Clinton administration also has asked other agencies to prove that they fulfilled their mission, and show that the continued existence of many parts of their agencies was necessary.

The administration's "Reinventing Government" program calls for elimination of 272,000 federal jobs. So far, about 75,000 of that number have been cut.

Clinton officials are expected to complete their budget decisions before Christmas for a fiscal 1996 budget that will be sent to Congress in February. Some details of the spending plan may be included in a major address that Clinton is expected to give next week to further explain what course he intends to navigate in the aftermath of last month's Republican election victories.

(Original add end)

Because the Republicans who will soon control Congress are likely to vastly rewrite the proposal, the 1996 budget may well be the least important of the three Clinton has offered. But it retains at least symbolic importance as an indicator of his goals.

The spending plan will clearly provide further evidence of a White House move to the political center that has occurred in the weeks since the widespread Democratic gains in the Nov. 8 congressional elections.

Offering a middle-class tax cut would allow Clinton to claim that he had fulfilled a celebrated promise from the early days of his 1992 campaign. It would be far smaller than the $500 a child tax credit that is called for in the Republicans' "contract with America."

But the Clinton administration has adamantly maintained that its proposal must be "deficit neutral." That feature is dear to the president, and perhaps even dearer to his chief of staff, Leon Panetta, who was formerly the director of the Office of Management and Budget.

Top White House officials have held a swirl of meetings since the election to reset their course for the next two years. While some decisions have yet to be made, it is clear that the administration intends to hew to the principle of fiscal discipline, officials say.

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Young Black Males Continue to Be Main Violent Crime Victims (Washn)
By Robert L. Jackson=
(c) 1994, Los Angeles Times=
WASHINGTON Young black men under age 25 continue to be victimized by violent crime more than other racial or age groupings, the Justice Department said in a report issued Thursday.

Studies long have shown that black male youths often are the targets of violence. The latest statistics show the trend has intensified for blacks aged 16 to 24. The easy availability of guns was cited as a factor.

The department's Bureau of Justice Statistics reported that in this age group in 1992 the last year for which complete figures were available black men were more than 1&1/2 times as likely to be victims of violent crime as white men.

Black males aged 12 to 24 were almost 14 times as likely to be homicide victims as were members of the general population. For black men over 24, the rate was eight times that for the general population, the report said.

Tracing the upward trend among blacks over the last five years, the study showed that rapes, robberies and aggravated assaults represented 60 percent of all violence against black males aged 12 to 24 in 1987 and had risen to 65 percent by 1992. The proportion of the same crimes against white men in the identical age group remained stable at about 45 percent, according to the study.

(Original Add End)

Statistician Bruce Taylor, who co-authored the study, said that "black youth were more likely than white youth to be victims in crimes involving weapons." But he said nothing in his data explained why this trend had occurred.

However, another Justice Department official who requested anonymity said, "You've got to believe the wide availability of guns is a factor. Drug crimes are on the increase, and young blacks involved in that business can earn enough to buy guns on the black market, which they use to protect their territory and for other purposes."

A separate report on capital punishment issued Thursday by the Bureau of Justice Statistics also showed statistical imbalances by race. Of 37 prisoners executed by states in 1993, 13 were black and 17 were white, despite the fact that blacks compose only 12 percent to 14 percent of the nation's population.

Of the remainder, six were Latino and one was Native American.

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Anti-187 Activists Call for Disney, Nabisco Boycott (Los Angeles)

By Paul Feldman and Patrick McDonnell

(c) 1994, Los Angeles Times

LOS ANGELES—Activists who unsuccessfully fought California's Proposition 187 at the ballot box unveiled formal boycott plans Thursday against two U.S. corporate icons the purveyors of Mickey Mouse and Oreo cookies in an effort to capitalize on the economic clout of Latino consumers and others opposed to the immigration initiative.

Boycott organizers, who are hoping to win support throughout the United States and Latin America, are targeting Walt Disney Co. and RJR Nabisco because of major donations by corporate officers to the re-election campaign of Gov. Pete Wilson and other pro-187 Republican candidates.

"We want to sensitize companies like Disneyland that make earnings from immigrants," said Fabian Nunez of La Alianza in Pomona, speaking to reporters outside the main entrance to the Anaheim tourist mecca. "These corporations need to be sensitive to the people that make them wealthy."

Carol Makovich, a spokeswoman for RJR Nabisco in New York, said the conglomerate did not take a position on Proposition 187, which denies education and non-emergency medical care to illegal immigrants. Boycott representatives have not contacted RJR Nabisco, said Makovich, who declined further comment. Disneyland spokesman John McClintock said the company also remained neutral on Proposition 187 and that its gubernatorial campaign contributions "were based entirely on business and tourism concerns as you would expect with the Disney Co."

Proposition 187 won by an almost 3-2 margin at the polls, where exit interviews showed Latinos made up only 8 percent of the voters although they account for 27 percent of the state's population. Latino activists Thursday termed boycotts an alternate method to demonstrate their growing clout.

"We don't have the electoral power that our numbers would suggest, but it's important to show the community that we do have economic power the community does have a voice," said Evangelina Ordaz, a professor of Chicano Studies at California State University, Northridge. She was among those announcing the RJR Nabisco boycott at a separate news conference outside a Latino supermarket in a largely immigrant district of Los Angeles.

(Sponsor a Boycott)

Sponsoring the action against the tobacco and food conglomerate is the California Latino Civil Rights Network, an activist group that helped organize a large anti-187 march in Los Angeles last spring.

The Disney boycott is being led by Coordinadoras '96, a coalition of leaders of smallish grass-roots immigration rights groups including One-Stop Immigration of Los Angeles and La Alianza. The group said its boycott will also concentrate on Chevron, another substantial contributor to Wilson's campaign and on national convention business slated for California.

Thursday's actions are the latest in a series of Latino-led boycotts some seemingly spontaneous, others, like Thursday's moves, planned in advance against donors to Wilson, who made his support for Proposition 187 a centerpiece of his re-election effort.

Organizers made it clear that additional companies would be targeted because of their financial support for Wilson and the other Republicans. The GOP helped bankroll campaign and Wilson ran a series of tough TV ads.

Mad and Glad Over NAFTA

By Jonathan Peterson

(c) 1994, Los Angeles Times

If you want to know how sticky free trade can get these days literally just ask the guys at Burlington Northern Railroad about the green goo.

The brouhaha erupted earlier this year, when Mexican officials decreed that U.S. corn shipments be dyed green. Trade deal or no, this was business: The dye helps Mexicans track American corn in their restricted market, and the rule stands, despite American complaints.

"In many cases, the corn colored the inside of the rail cars green," said Rusty Jesser, a spokesman for Burlington Northern, explaining why the railroad will no longer carry the gooey grain.

As heads of state from North and South America gather Friday in Miami to consider closer economic ties, a towering precedent looms over their summit: The North American Free Trade Agreement, now approaching its first birthday.

By many gauges, free trade has been good medicine for the North American economy and an instructive lesson for the entire hemisphere. Yet a close look at one year's experience with NAFTA shows how profoundly the world of commerce can vary from the world of political rhetoric and cold statistics.

Neither the burning fears nor extravagant expectations sparked by the pact have been borne out since it took effect Jan. 1. (It will take years to determine NAFTA's true effect on jobs, industries and the economies of North America.)

Some rules have led to controversy, red tape and confusion, with the green-corn flap as only one example. Other have opened up surprising opportunities. Tomato farmers in Florida are mad. Sausage exporters in Illinois are glad. And amid the fears of organized labor, union jobs in a California factory have expanded.

The nitty gritty of international trade, in other words, has proven to be a much messier process than the idealized image that emerges from global summits.

"Most people thought NAFTA meant 'Put the stuff in my truck and cross the border,' " notes Ross E. Porter, a customs adviser, recalling how one frustrated American merchant finally gave up on shipping low-cost bathing suits into Mexico after a series of delays.

It's not that easy, he says.

So, as delegates gather in Miami, the NAFTA experience offers some points to keep in mind as they sketch an economic future for the hemisphere:

NAFTA's greatest significance is symbolic, its very existence a security blanket for American executives spooked by Mexico's uncertain business culture. The reductions in import taxes, however sweet, are less important than the reductions in fear.

"If you're going to pick a country (with vast potential), Mexico is the one," declares Richard J. Heckmann, chairman of U.S. Filter Corp. in Palm Desert.

"But without NAFTA you're scared to death of it."

Free trade isn't free. Mexican avocado growers, U.S. cherry farmers and Canadian peanut-butter makers are a few of the parties unhappy with restrictions imposed by their next-door neighbors.

NAFTA's short-term benefits, while real, may be exaggerated by the economic recovery that is stimulating exports and investment throughout North America.

Certain the pact is fact-checking. Tariffs are being phased out over the next 15 years, as the three neighbors try to make their business laws and standards much more harmonious.

Yet the real action is concentrated in Mexico, an economy of breathtaking potential that only now is edging its way into the mainstream.
bureaucratic caprice turned export efforts into a helter-skelter gamble.

To get the flavor, consider the seemingly mundane matter of clothing labels.

U.S. exporters used to wonder, "Did labels have to be attached? Did they have to be sewn on? Did they have to be stuck on? Could you put them side by side with the freight? There were as many different answers as there were ports of entry," recalls Porter, marketing manager at Porter International in San Diego.

The trade deal should ease the confusion by answering those nettlesome questions: "With NAFTA the red-tape burdens are sometimes a problem but at least they're dependable."

Throughout North America, investors and executives are teaming up in joint ventures, scrambling for product distributors across the border and exhibiting a fresh interest in neighboring countries. Trade among the three nations is galloping at record levels. "Eleven months ago we had only four people in Mexico," says Carlos J. Valderama, director of Latin American operations for the Carlsmith Ball law firm in Los Angeles, which advises clients on both sides of the U.S.-Mexican border. "Now we have 16."

Doing business in other countries is not always for the faint of heart. Trade provisions can have pull-your-hair-out complexity and none is more important than the rule that products must be made in North America to qualify for lower tariffs.

Sound simple? At Alesis, a Los Angeles manufacturer of studio electronics equipment, the made-in-North America proviso has triggered a time-consuming research project devoted to figuring out if a digital audio tape recorder with hundreds of components passes NAFTA muster.

"When NAFTA passed I jumped for joy, thinking we wouldn't have to pay duties in Mexico, and we'd be even more competitive," recalls Mark Frederick, international sales manager for the company. "When we looked at the paperwork, I was really disappointed."

In any case, the growing demand by Mexican musicians for Alesis' ADAT audio tape recorder underscores a larger point about NAFTA: It is a catalyst to an ongoing process. International trade inside North America is burgeoning anyway. "We've been growing in Mexico 30 percent to 35 percent the last few years NAFTA or no NAFTA," Frederick points out.

For others, however, NAFTA is of paramount importance, a reassuring sign that the United States and Mexico have committed themselves to a new relationship. The commitment, rather than the fine print, is what prompted these executives to take a fresh look south of the border.

And the rewards are starting to flow back. "Mexico was last on my list of places to go," conceded Raymond W. Cohen, a vice president with Diagnostic Monitoring Systems, of the Orange County.

Before NAFTA, that is. This year, the Orange County company projects that Mexican sales could reach $50,000 up from zero in 1993. "Specifically because of NAFTA, I said, 'This is a good time for us to do some business in Mexico.'" Cohen says.

Not that trade wrangles have vanished into the past. U.S. restrictions on avocados have angered Mexicans, and U.S. restrictions on avocados have angered Mexicans, and U.S. officials allow... for all this, trade is humming. Even U.S. corn exports to Mexico are up dramatically (almost tenfold) under NAFTA, despite the green-dye rule that aims to keep corn for animal feed separate from corn for consumers protecting Mexico's highly subsidized corn industry in the process.

"We continue to look at Mexico as a good customer," says Richard R. Calhoun, an assistant vice president with Cargill, a giant grain company in Minneapolis.

Meanwhile, one year after organized labor lost a furious fight to stop NAFTA, the employment impact looks modest in a U.S. economy that has 115 million non-farm jobs.

The Labor Department has approved special benefits for only 13,496 casualties of the trade accord so far. Requests have been received from 286 companies in 40 states.

While the Clinton administration claims a gain of 100,000 jobs, the Joint Economic Committee of Congress estimated a net loss of 10,000, and some insist that the jobs deficit is much higher.

The hardest criticism goes beyond numbers, however. NAFTA, its opponents maintain, has given employers a potent new lever to use on workers and politicians, in effect letting them say: Don't make waves or we'll shift production to Mexico. While no massive shifts have occurred so far, the game is in its early stages.

"What the serious critics of NAFTA said was that this would be part of a general downward trend in labor standards and environmental conditions," said Dean Baker, an economist at the liberal Economic Policy Institute in Washington. "And everything we've seen bears this out."

Most experts are more enthusiastic. Free trade, goes the mainstream thinking, is bringing North Americans a greater choice of goods and services, making the entire continent more productive and providing a downward pressure on prices.

"In any trade agreement some people will lose their jobs and some people will gain jobs," said Kurt E. Karl, an economist with the WEFA Group near Philadelphia. "The big news is that prices go down and consumers are the winners."

Well-paid union workers should be at the top of the losers' list, according to common wisdom. Yet in another of NAFTA's anomalies the real world of business offers various examples to the contrary.

At U.S. Filter, a major manufacturer of water-treatment systems, 1994 has been a banner year for Mexican business: a sewage treatment system for the city of Cuernavaca (in which the California company is investing $20 million) and water systems at a new Chrysler plant and the Coca-Cola bottling plant in Mexico City.

And all that work has prompted a flurry of hiring north of the border.

"The engineering is done in Pittsburgh. The construction is done in Whittier (Calif.) and Rockford (Ill.) And the installation is in Mexico," explains Heckmann, company chairman.

The Whittier plant, for instance, has added about 30 employees this year, largely because of the demand from Mexico. They are mostly welders and assembly workers who belong to the International Brotherhood of Boilermakers and are paid on average $13 an hour plus benefits.

The Mexicans "need our help, and we need their business," said Heckmann, a fervent NAFTA supporter who travels to Mexico once a month. "To me it's the perfect combination."

(End)
4 Charges Added to White House
Gunman's 11-Count Indictment (Washn)
(c) 1994, Los Angeles Times=
WASHINGTON Federal prosecutors added four more charges Thursday to their previous 11-count indictment against Francisco Martin Duran, who is accused of spraying the White House with rifle fire Oct. 29.

The new charges, alleging that Duran used a semiautomatic weapon in four instances of trying to impede federal officials who arrested him, add a total of 40 years to the maximum possible punishment which the 26-year-old Coloradan could receive upon conviction.

Prosecutors said they included the additional weapons charges after lawyers determined they would strengthen previous charges of impeding and assaulting Secret Service officers who rushed to seize Duran on a sidewalk after tourists momentarily subdued the gunman.

Duran, who pleaded innocent Thursday to the broadened indictment, already is facing a charge of attempting to assassinate President Clinton, who was inside the White House at the time. That count alone carries a maximum punishment, upon conviction, of life imprisonment.

Meanwhile, federal sources said Thursday they are considering the possibility that the assailant may have mistaken a gray-haired visitor who was inside the White House fence for the president when he opened fire. The visitor, Dennis Basso, a 40-year-old furrier from New York who had just completed a tour, was not injured. The assailant fired more than 25 rounds at the front of the Executive Mansion.

Duran's trial has been set for next March 16.

U.S. Soldiers in Panama Injured in Rioting by Cuban Refugees (Washn)
By Richard A. Serrano=
(c) 1994, Los Angeles Times=
WASHINGTON About 160 U.S. soldiers suffered mostly minor injuries in two days of riots by rock-throwing Cuban refugees who are growing increasingly frustrated by their detention in Panama camps, Pentagon officials said here Thursday.

The soldiers, most of whom suffered cuts and bruises, were hurt Wednesday night and Thursday when more than a thousand refugees broke out of three chain-link campsites and commandeered military vehicles in an attempt to flee the area near the Panama Canal. By Thursday evening, authorities said, most of the refugees had returned to the camps.

Only 17 of the injured soldiers required hospital care, the most serious being treatment for a fractured sternum. Among the Cubans, three were injured slightly.

U.S. military officials said, ironically, the disturbances began just hours before it was announced that some of the refugees would be granted asylum in Spain and that others would be given temporary asylum in the United States.

"This is a very serious demonstration," Brig. Gen. James Wilson, commander of the U.S. refugee operation in Panama, told reporters there early Thursday. "The seriousness of this clearly indicates the frustration these people have with the uncertainty over their future."

Wilson said he ordered increased security at the camps, and U.S. officials now are checking the refugees to see how quickly some of them can qualify for asylum elsewhere.

The protests mark the most serious disturbances at the Panama camps since the United States transferred nearly 5,000 Cuban boat people there this summer.

Army Maj. Rick Scott, a Pentagon spokesman, said the disturbances began about 4 p.m. Wednesday when 100 Cubans shook their chain-link fence, threw rocks and bottles and broke through the main gate before U.S. military police were able to stop them 50 feet outside the camp perimeter and move them back inside. "Reports indicate that about 40 U.S. military personnel and one Cuban received minor injuries," Scott said.

Later Wednesday night, he said, another 200 Cubans at another camp broke down a gate, commandeered a military truck and used it to knock down some of the chain-link fencing.

"There did not seem to be any intent to leave and stay gone," Scott said. "They simply wanted their concerns voiced."

Then, around 9:30 a.m. Thursday, a third disturbance erupted that left 120 U.S. military personnel injured with cuts and bruises when about 1,000 refugees broke out of a third camp and attempted to flee.

But officials in Panama said the refugees soon began returning peacefully to the camp when they realized there was nowhere to run.

Nobel Winners Scramble to Make Progress in Mideast Talks (Jabaliya)
By Mary Curtius=
(c) 1994, Los Angeles Times=
JABALIYA, Gaza Strip The three men who travel to Oslo, Norway, Friday to accept the Nobel Peace prize were scrambling Thursday to salvage the Israeli-Palestinian peace process that earned them the award.

Emerging from a hastily arranged meeting Thursday morning, Palestine Liberation Organization Chairman Yasser Arafat and Israeli Foreign Minister Shimon Peres, who are to share the prize with Israeli Prime Minister Yitzhak Rabin, each made statements designed to reassure the other's constituency.

Peres said the Oslo accord, the peace framework that Israel and the PLO signed in September 1993, would only be altered "by mutual agreement" and not unilaterally, as some Israeli officials hinted last week it might be. Rabin and other officials have said it may be impossible for Israel to keep its commitment to pull Israeli troops out of West Bank Palestinian towns and villages before holding Palestinian elections in the Gaza Strip and the West Bank.

Israeli officials have expressed doubt that the Palestinian authority will be able to protect the more than 100,000 Israeli settlers living in the West Bank once Israeli troops redeploy out of Palestinian population centers. They point to the Palestinian authority's...
would allow Israel to limit the redeployment of its troops and civilians in Gaza, which it governs, and to its reluctance to crack down on Islamic militant groups.

Directly addressing that Israeli concern, Arafat said after his session with Peres that the Palestinians will take Israel's security needs into consideration as the two sides continue to negotiate the redeployment and elections.

"We have to understand also when we are speaking about the election, the necessity of the Israelis for security and we are putting it in our consideration and we have to put it in our consideration," he told reporters.

Arafat then rushed to Jebaliya refugee camp to celebrate the seventh anniversary of the Palestinian uprising, or "intifada," against Israeli military rule in the West Bank and Gaza. As the keynote speaker at a low-key rally organized by Patah, the PLO faction that he founded, he promised the cheering, friendly crowd that he would remember those who died fighting the intifada and not abandon their dream of establishing an independent Palestinian state.

Peres returned to Tel Aviv, to a special Cabinet meeting called to decide the government's position on continuing negotiations with the Palestinians. Dovish Cabinet ministers said they were disappointed that the government made no mention of uprooting some of the more isolated settlements in Gaza and the West Bank as a way to help ease the security dilemma facing Israel. Several of the more dovish Cabinet members have been urging that settlements in the West Bank be concentrated into a few large blocs that the army could more easily defend.

Rabin has called the several dozen tiny, isolated settlements in the West Bank "security catastrophes." But he continues to insist that no settlements will be moved during the interim phase of Palestinian self-rule, which is meant to last at least until 1996.

Peres, Rabin and Arafat are expected to hold more talks in Oslo before receiving their joint award Saturday. Rabin is said to be trying to sell Arafat on a compromise that would allow Israel to limit the redeployment of its troops in return for Israeli concessions on the type of elections the Palestinian want to hold.

The dilemma for Arafat is that he is trying to entice the largest Islamic opposition movement, Hamas, into participating in the elections. Hamas is almost certain to boycott any vote unless Israel makes substantial redeployments from most of the West Bank.

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Turkish Court Sentences 8 Kurdish Politicians to Prison (Istanbul)

By Hugh Pope=

Special to the Los Angeles Times=

ISTANBUL, Turkey A Turkish court sentenced eight elected ethnic Kurdish leaders between 5 and 15 years in prison Thursday, ignoring concerns expressed in the United States and elsewhere in the West they were being jailed merely for expressing their views on Kurdish rights.

The military-dominated state security court in the capital, Ankara, accepted secret wiretaps and speeches to find five former parliamentary deputies Leyla Zana, Ahmet Turk, Hatip Dicle, Orhan Dogan and Selim Sadak guilty of working for the rebel guerrillas of the banned Kurdistan Workers' Party, or PKK.

The five all received the maximum sentence of 15 years. Former, Deputy Sedat Yuittas received a sentence of seven years and five months for helping the rebels. Former deputy Sirri Sakik and independent deputy Mahmut Alinak were sentenced to 3 and 1/2 years each in jail for making separatist statements. Sakik and Alinak were the only two to be released pending an appeal.

"What is being punished is Turkish-Kurdish Brotherhood ... How can people call this democracy if this happens when we just say something," asked Alinak in front of the gates of the Ankara jail where the eight have been imprisoned for up to nine months.

Alinak, an independent deputy, has retained his parliamentary seat. The other seven were all members of the pro-Kurdish Democracy Party, banned in June for alleged activities against the territorial integrity of Turkey. The ban automatically threw them out of Parliament.

"These heavy sentences are shocking, incomprehensible. These sentences will not help Turkey's image abroad or its integration with Europe," said one Western ambassador in Ankara.

Diplomats said the trial would probably not divert European Union governments from plans to conclude key negotiations this month on a 1996 customs union with Turkey. But the European Parliament has already suspended relations with its Turkish counterpart over the issue and may try to block any new legislation.

U.S. State Department spokeswoman Christine Shelly had said Monday that the Kurds were on trial for "expressing their own thoughts" and added: "We have repeatedly expressed to the Turkish government our deep concern over the trials and their implication for democracy and freedom of expression in Turkey."

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Former Japanese Prime Minister to Head New Opposition Party (Tokyo)

By Sam Jameson=

(c) 1994, Los Angeles Times=

TOKYO Japanese politics was once again turned on its head Thursday as a former ruling party prime minister was elected to lead Japan's newest and biggest-ever opposition party.

Toshiaki Kaifu, who led the nation and served as president of the Liberal Democratic Party (LDP) from August 1989 until October 1991, was elected over two rivals to the leadership of the New Frontier Party, a combination of eight opposition groups that lost power in June.

Kaifu's selection, together with the unopposed choice of Ichiro Ozawa as secretary general of the new party, put the same two men at the helm of Frontier as had steered the LDP when Kaifu was in power.

In Thursday's election, Kaifu, 63, won 131 votes among
Orange County's Woes Don't Demand Bold Government Action (Washn)
By Robert A. Rosenblatt-
(c) 1994, Los Angeles Times-

WASHINGTON - It's too bad for Orange County, but its financial hardship does not demand any bold government action, municipal finance experts said Thursday.

If the federal government had helped with some kind of emergency financial aid or regulatory relief, "it would send a signal to other treasurers: 'Why don't I try gambit, too.' It would be an encouragement to make bigger and bigger bets," said George Kaufman, professor of banking and finance at Loyola University in Chicago.

Once the immediate shocks are over, the financial debacle in Orange County which has filed for Chapter 9 bankruptcy to ward off creditors could even prove salutary for the various U.S. counties, cities and districts as they make investment decisions, other experts suggested.

"In the long range, this could be good for municipalities ... making them more prudent in what returns they expect on their funds," said John Antonelli, vice president of municipal trading at J. B. Hansauer & Co., a retail bond firm in Paramus, N.J.

The firm's clients, affluent individuals, have expressed interest and some concern, but there is no sense of panic and no fear that the Orange County problem will be duplicated elsewhere, Antonelli said.

John Shannon, an expert on state and local finance and a consultant to the Urban Institute, said Orange County's troubles offer a painful but salutary lesson.

"People have to learn by experience," he said. "If you try to devise a master plan from Washington to prevent people from making mistakes, you create more problems than you solve," he said.

'(Alan) Greenspan made darn good sense not to go for some knee-jerk manufactured solution," Shannon said.

Two Men Claim Governor's Post in Chiapas (Tuxtla Gutierrez, Mexico)
By Juanita Darling-
(c) 1994, Los Angeles Times-

TUXTLA GUTIERREZ, Mexico - Two men took the oath of office Thursday to be governor of deeply divided southern state of Chiapas, both promising a new constitution and electoral reform.

Eduardo Robledo, the ruling party candidate and official winner of the Aug. 21 election, was inaugurated during a special legislative session at the modernistic City Theater with Mexican President Ernesto Zedillo in attendance.

Amada Avendano, who claims the election was stolen from him by vote fraud, was installed at the main plaza several blocks away, where 3,000 protesters gathered in front of Mexican President Ernesto Zedillo in attendance.

Both events were peaceful. Demonstrators who had marched from all over the state to protest Robledo's inauguration did not attempt to confront the tight security surrounding the theater. Police guarding the statehouse watched the plaza ceremony indifferently and protesters did not disturb their barricades.

However, tensions remain high as Mexicans wait to find out whether the Zapatista National Liberation Army will carry out its threat to break its uneasy truce with the government once Robledo takes office. The rebels, who briefly took control of four county seats last New Year's Day, have said that Avendano will be recognized as governor in any territory they control.

The inauguration day was the first measure of how Zedillo's week-old administration would respond to both the rebels and to nonviolent protests.

"My presence in Chiapas is for peace," Zedillo said in a speech. "I come to Chiapas to assume the demands of the rebels and to nonviolent protests."

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"My presence in Chiapas is for peace," Zedillo said in a speech. "I come to Chiapas to assume the demands of the rebels and to nonviolent protests."
called for negotiation and dialogue, without mentioning the Zapatistas by name. Avendano, a crusading newspaper publisher who was the candidate of the Democratic Revolutionary Party, made clear his parallel government will be a peaceful protest that will not include taking over any government buildings. In other states, opposition parties have forced the government's resignation by blockading government buildings, preventing the conduct of state business. "We lack the minimum infrastructure to be able to function, because the government has appropriated the goods and real estate that belong to us, the people," Avendano said as supporters chanted, "The people voted, Amado won."

"It will take a lot of work for us to recover peacefully that to which we have a right," he said. "We are going to make democracy with our own hands."

He proposed a constitutional convention with representatives from each county in the state and an electoral reform law.

During his inauguration speech, Robledo renewed his offer to resign if that would convince the Zapatistas to lay down their arms. He offered a 12-point government program that includes a new constitution with electoral reform, which will be written by the state legislature. He also proposed an agrarian law, "to redistribute that (land) which can be known in Mexico as "redistribution." Besides a judicial reform, Robledo offered a new agrarian law, "to redistribute that (land) which can be redistributed, make productive what has been redistributed and to respect that which cannot be redistributed."

(Official add end)

The officially elected governor also came down strongly in favor of law and order, a growing demand in a state that many citizens claim has become ungovernable. Since the uprising, increasing numbers of peasant groups have invaded plantations, demanding that the government confiscate the land and turn it over to them, a process known in Mexico as "redistribution."

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Russia Opposition to NATO Expansion Shouldn't Be Surprising (Moscow)

By Sonni Efron and Tyler Marshall=

(c) 1994, Los Angeles Times

MOSCOW The West was stunned last week to see a cornered Russia strike back with unexpected ferocity against plans to expand NATO eastward, moving a still-frightening Cold War enemy 500 miles closer to Russia's borders.

To anyone who has read a Russian newspaper recently, it should have come as no surprise.

In the three years since the collapse of the Soviet Union, Russia has rediscovered that it has national interests that do not coincide with those of the West.

For months, opinion-makers from across the Russian political spectrum have been warning the United States to stop ignoring Russia's geopolitical and economic imperatives and stop dismissing as nationalist cranks the many respected Russians who disagree with U.S. policies on Bosnia-Herzegovina, Iraq or NATO.

"The West in general is doing everything not to listen to Russia," said Vyacheslav A. Nikonov, chairman of the Parliament's International Security and Arms Control Subcommittee.

A month before Russian Foreign Minister Andrei V. Kozyrev launched a diplomatic sneak attack last week on

the NATO proposal in Brussels, Belgium, Nikonov, together with a delegation of Russian lawmakers, had warned a NATO meeting in Washington that Russia would view any expansion of the alliance as a hostile act particularly if Moscow was not invited to join.

President Boris N. Yeltsin and his chaotic government may be sending the West dangerously contradictory signals about how friendly Moscow can afford to be without giving the Russian Far Right ammunition to attack Yeltsin as an American lackey.

But the political climate outside the Kremlin is unambiguous: Public and parliamentary distrust and suspicion of the West are growing. Elections loom ahead. Standing up to the West will be good theater and good politics for some time to come.

"Yeltsin Tells NATO Off," read the approving headline in the newspaper Komsomolskaya Pravda after the gruff Siberian informed the Conference on Security and Cooperation in Europe, or CSCE, meeting in Budapest, Hungary, Monday that any NATO expansion would trigger a "cold peace."

With Yeltsin's enemies demanding early elections in 1995 and a political fight to the death expected, "the Russian government is afraid of supporting anything being done by the United States or the West," foreign policy analyst Vitaly Naumkin said.

Underlining Russia's defiance, Iraqi Foreign Minister Tarik Aziz arrived in Moscow Tuesday for talks with Iraq's old ally. Iraq owes Russia about $7 billion, and Moscow has been lobbying for an end to the U.N. trade embargo against Iraq relatively soon so as to restore one of its most lucrative trade relationships. The Western allies have criticized Kozyrev for cozying up to Iraqi President Saddam Hussein.

Russia and the West seem even less likely to see eye to eye on Bosnia.

Tuesday, Russia blocked a CSCE declaration condemning the Bosnian Serbs, a move that is likely to win support from a Russian public whose cultural and religious sympathies lie with the Serbs and from politicians who accuse the West of unfairly favoring the predominantly Muslim government of Bosnia-Herzegovina.

The theme that links these diverse political issues is resentment of the victorious West. The Cold War is over. The Soviet Union lost. To a degree that Yeltsin cannot afford to admit to his compatriots, Russia too has lost: its diplomatic clout, its military might, its standard of living and its international prestige.

Though NATO is a distant abstraction to most Americans, it still inspires caution, if not fear, in generations of former Soviet citizens trained to view it as the principal military threat to their nation's survival, said Alexander A. Konovalev, a defense analyst at Moscow's U.S.A. and Canada Institute think tank.

Moreover, Russians want to be liked by other countries, just as Americans do. Many feel hurt and stung to see their former Warsaw Pact allies begging for admission into the old enemy camp and portraying democratic Russia as a resurgent monster in the making.

Russia spends one-fifth of what the United States does on defense, has a military less than half the size of the Soviet Red Army and no longer shares a common border with Poland or the Czech Republic, the two countries most consistent on NATO membership as a guarantee against Russian aggression, Nikonov said.

Enlarging NATO will only make Russia feel isolated and slighted, provoke the Russian military to demand the retention of tactical nuclear weapons in defense and bolster ultranationalists such as Vladimir V. Zhirinovsky, said Nikonov and his colleagues.

"This move is an enormous heap to Zhirinovsky, the
Residents of Bosnia, Liberia and Iraq possessed before the Gulf War forces that we eviscerated in 44 days using 20 percent of our forces.

The military is involved in peacekeeping operations in Haiti, Rwanda and the Gulf for which it wants more money. As Rep. Barney Frank, D-Mass., commented, the $270 billion we will spend this year simply keeps the Pentagon on retainer, like a lawyer. Every time we ask it to do something, it bills extra by the hour.

That is how the bogus "readiness" issue arose. Last year, Congress dithered a few months before giving the military an extra billion or so to pay for moving troops to Rwanda and Haiti. So the Pentagon postponed a round of routine exercises for backup military units, reducing the bureaucratic measure of their readiness. Republicans howled that the military was going "hollow." But it is the threat, not the military, that is hollow.

Conservatives of both parties have been shameless in this debate. They accuse the president both of "gutting" the military and of using it too much. They want a military that costs more and does less. The Pentagon the largest source of waste, fraud and abuse in the federal government has become the public-works program conservatives love. Republicans campaign to spend more money on "Star Wars" weapon systems. House Speaker Newt Gingrich says that big government can't do anything right, while arguing that the Pentagon, the largest bureaucracy of all, can create and run a flawless missile-defense system if we just give it a few billion more.

We pay dearly for this folly. Under current laws, every additional dollar given to the military must be cut from domestic programs. The $25 billion Clinton just approved adds 1 percent to Pentagon spending over six years. But on the domestic side, it virtually guts what is left of new spending on education and training, roads and sewers, research and development that the president rightly said were vital to our economic future.

What the president ought to do is take a broom to the Pentagon stables. Dispatch Vice President Al Gore and his "reinventing government" team to the Pentagon, which writes seven of 10 federal paychecks. Stop building new weapons systems that were designed for a Cold War that is no more. Pare the active-duty forces back on track.

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But this debate isn't about military prowess; it is about politics. When Republicans raise the ante, the President tries to look strong by throwing more money in the pot. With Pentagon bureaucrats finagling to get more money and Republican presidential wannabes prating about a "hollow military," the stakes keep going up. The Pentagon will cash in. And our children will be stuck with the tab.

Common Sense Must Tame the Science Genie

David Walsh chairs the department of politics at the Catholic University of America.

By David Walsh

(c) 1994, Los Angeles Times

President Clinton deserves credit for the leadership he displayed in unilaterally prohibiting federal funds for the creation of human research embryos. The president's decision was issued on the same day that a federal
and we have not granted comparable status to any other human beings. That means that science must make its contribution to the existing reality of political power. In our society, political power can be a source of knowledge. The result is the confusion we witness in which science proposes to create some human beings in an order to destroy them for the benefit of other human beings.

This is a pressure to which we are all more or less subject, for we have been brought up in a society that recognized only one definitive and unquestioned source of knowledge: science. It is difficult for even a president to take the lead in resisting what the particular scientific community declares to be necessary. Such resistance is bound to appear reactionary, a concession to brute political prejudice or an outburst of sheer irrational fear. The perception cannot be otherwise so long as we continue to recognize science as the one unchallenged source of knowledge, the only impartial font of reason. Disputes over the creation of experimental human embryos and other biomedical horrors will never be resolved until we recognize that scientific rationality is not the only source of knowledge available to us.

Science, even for scientists, is only a part of human life. It is a way of investigating reality through analysis and experimentation that yields insights and results of impressive reliability. As such, it occurs within the larger context of human life, which is structured by a common-sense understanding of who we are and what we owe one another. The benefits we expect to sustain only if it is recognized as legitimate and reasonable. The limitation of science must be reasonable. What, then, can sustain the rationality of the president's decision if it is cut off from the support of science itself?

At root, the problem is not one of science but of politics. We must find a way of taming the genie of science, but it must be by virtue of an authority that claims intellectual priority, not merely a raw exercise of political power. In our society, political power can be sustained only if it is recognized as legitimate and reasonable. The limitation of science must be reasonable. What, then, can sustain the rationality of the president's decision if it is cut off from the support of science itself?

If he and we wish to see such courageous decisions sustained, then two things must be explained. First is the necessity of eliminating the monopolistic status of science as the claim to knowledge; we have other sources of knowledge that are prior and more embracing and more compelling. Second is to emphasize that the principal alternative form of knowledge available to us is common sense, including common-sense morality. Without it, we lose that instinctual cautiousness that has enabled generations of human beings to survive. We would become like the rats that are specially bred for laboratory experiments. For no naturally occurring species can be counted on to so incautiously and recklessly press levers, wander through mazes and suck on tubes as part of experiments in which they rightly suspect they will eventually be expended.

The value of such public controversies as this one over experimental embryos is that they remind us that humans are never merely components of the laboratory of science. Science must serve man, not the reverse.

Elizabeth Glaser's Legacy
(c) 1994, Los Angeles Times

The following editorial appeared in Thursday's Los Angeles Times:

Elizabeth Glaser, who died Saturday of complications from AIDS, was best known for the speech she gave at the 1992 Democratic National Convention. However, she was equally eloquent when she told graduates of the University of California, Los Angeles, Medical School: "I will not win all of my battles, and neither will you. But if we do our best with intelligence, compassion and love, that will be enough it has to be enough. And that way, though each outcome may not be what we had wanted or hoped for, at least each day we can be proud of who we are."

Her message to the Democrats, and the nation, in 1992 bears repeating: "This (fight against AIDS) is not about being a Republican or an independent or a Democrat. It's about the future for each and every one of us."

Two days before her death, David Satcher, director of the federal Centers for Disease Control and Prevention, declared AIDS to be the leading cause of death among Americans 25 to 44. "In the history of epidemics, AIDS is among the worst in the world," Satcher said. At the time of Glaser's convention speech, 200,000 Americans had died from AIDS; when she died, the list contained 50,000 more names.

It's said that half of those who learn that they are infected with HIV try to go on with their lives and that the other half simply wait to die. Glaser, who was infected by a blood transfusion, co-founded a group devoted to pediatric AIDS research. She raised millions of dollars to finance research and to pay for the care and treatment of young AIDS patients. Though she lost a child to AIDS, she never succumbed to discouragement and she totally rejected the view this is a disease that strikes those who do not deserve our compassion, our help and our tax dollars. Her legacy is large.
President Clinton has ordered the Pentagon to draw up plans for sending more than 10,000 Army combat troops to Bosnia to help with the possible withdrawal of U.N. peacekeeping forces from the Balkan conflict.

The Pentagon announced yesterday that the U.S. troops would take part in a NATO operation to pull out 12,300 military and civilian U.N. peacekeepers from war-torn Bosnia.

Pentagon officials, speaking on the condition of anonymity, said the NATO force could be as large as 25,000 troops with about half of them, or 12,500, U.S. Army combat troops.

A U.S. role in the withdrawal was decided by Mr. Clinton on Wednesday and is intended as a gesture of solidarity toward the NATO alliance, which has been fractured by policy differences over the conflict.

The Clinton administration has opposed putting U.S. combat troops on the ground in Bosnia but has said it would contribute a U.N. peacekeeping force should a settlement be reached among the warring factions.

While House Chief of Staff Leon Panetta, however, said yesterday that the Clinton administration does not expect the United Nations to move its peacekeepers from Bosnia now.

"There's been no decision to move the peacekeepers," he said. "Our hope is that there will be a negotiated settlement to the Bosnian situation. But because the peacekeepers are there, and that kind of contingency could arise, the question was would the U.S. participate with our allies in that effort, and the answer to that was yes." TROOPS

From page A1 it would.

Mr. Panetta said the United States had "basically followed past precedent in this kind of situation with regards to our NATO allies" — a precedent that was established, I understand, in the Bush administration.

He said the U.S. commitment made in the past was "if we had to go in on an emergency basis, we would be able to remove the U.N. peacekeepers for any emergency reason, that we would participate in that effort.

Acting State Department spokeswoman Christine Shelly said Mr. Clinton's decision to assist in the pullout of the U.N. Protection Force (Unopro) was not a reversal of U.S. policy.

For the time the force was deployed, the allies had agreed that ground forces would be deployed if necessary to assist their withdrawal if they came into danger, she said.

Ms. Shelly also said U.S. participation in such a force may be subject to congressional approval.

Republican House and Senate leaders have called for a pullout of U.N. troops and an active bombing campaign against Serbia as a way to end the conflict.

Defense Department and other administration officials discussed sending U.S. involvement with congressional leaders Wednesday night and yesterday, administration and other sources said.

"We have a vital national interest in the preservation of this alliance, NATO," a senior Pentagon official told reporters in announcing the plans.

The senior official said the deployment of U.S. troops would be "temporary" and last several weeks once launched, although it is hoped that the United Nations would decide to keep the forces in Bosnia.

Asked about recent statements by administration officials that U.S. ground troops would not be sent to Bosnia, the senior official said: "These forces will not stay behind once they cover the Unprofor for departure. They will withdraw themselves. So that's the major difference."

While Mr. Clinton has said U.S. troops would take part on the ground in peacekeeping after a settlement of the conflict, he has now clarified that if Unopro withdraws, that is another circumstance that would justify the temporary deployment of American forces," the official said.

No decision has been made by the United Nations to pull out of Bosnia, but European government officials have indicated they plan to withdraw their troops and equipment in the next several weeks because of the escalating conflict.

"The president has decided that the United States is prepared in principle to commit U.S. ground forces to a future NATO-led operation to support Unopro withdrawal," the senior official said.

The withdrawal force could face hostile fire from either Bosnian Serbs or Muslims, and a worst-case scenario would require five to seven NATO brigades. "They can have up to 5,000 troops."

The U.S. units would be drawn from forces deployed in Europe and from units based in the United States.

Plan call for introducing enough weapons and troops to unleash major attacks on Serbia or Muslim forces should they make any attempts to intervene militarily in the departure, officials said.

One Pentagon source said the plan at minimum would call for sending a mechanized or armored brigade with about 4,000 troops to take part in the NATO withdrawal force of three to six brigades.

The pullback would require protecting both on the ground and by aircraft as the U.N. troops and armored vehicles travel across the mountainous Balkan territory to ports on the Adriatic Sea.

Some U.N. troops have been held hostage by Bosnian Serb forces and the presence of the peacekeepers also has inhibited NATO from conducting air strikes. The Serbs, their harassment of U.N. troops beginning to pay off, yesterday released dozens of hostage peacekeepers.

The administration favors a continued U.N. presence in Bosnia because of its humanitarian mission, the senior official said.

The senior Pentagon official said the planning so far is limited to U.N. troops and personnel in Bosnia and does not include the troops now deployed in Croatia or Macedonia.

The United Nations charged yesterday that soldiers from Croatia were fighting Serbs in western Bosnia. Russian Serbs, who have captured about 70 percent of Bosnia-Hercegovina from the Muslim-led government in a war that has left 200,000 people dead or missing, have threatened to retaliate against Croatia.

There currently are about 300 U.S. troops based in Macedonia, which is south of Bosnia.

The withdrawal of forces from Bosnia could alter the size or rules of engagement for forces in other former Yugoslav states.

State's Ms. Shelly said that the North Atlantic Council, NATO's ruling body, meeting in Brussels, would consider — and is expected to approve — a request from NATO's military planners to permit NATO pilots over Bosnia a freer hand in "suppressing" Bosnian Serb anti-aircraft weapons, including surface-to-air missiles that might threaten them.

The decision follows the discovery of a vast network of missile defenses operated by Bosnian Serbs covering 40 percent of U.N. airspace over Bosnia-Hercegovina, U.N. officials said yesterday.

Also, the administration remains opposed to a unilateral lifting of the arms embargo for the region, and any withdrawal of U.N. forces would depend on the U.S. lifting the embargo on arms to be lifted.
Prospects for future U.N. peacekeeping operations have been clouded by the organization's failure to end the blood bath in Bosnia.

Support for U.N. peacekeeping efforts has been a central plank of the Clinton administration's foreign policy. But the incoming Republican chairmen of the congressional committees on foreign affairs, Sen. Jesse Helms of North Carolina and Rep. Benjamin A. Gilman of New York, have pledged to monitor such efforts closely and are reluctant to approve more commitments.

The new Republican majority in the House will propose legislation to "reduce financial contributions to U.N. peacekeeping operations and will place tighter restrictions on foreign command and control of our troops whenever and wherever they're called upon to participate," Mr. Gilman said yesterday.

Several Western diplomats at the United Nations have said Bosnia has proved that peacekeeping efforts must be selected more wisely.

A U.S. diplomat at the United Nations yesterday refused to characterize the Bosnian operation as a success or failure, saying only that "the operation in Bosnia has performed reasonably well under extremely adverse conditions."

Critics of the world body charge that its inefficient and cumbersome decision-making processes generate chaos whenever the United Nations takes on a peacekeeping job.

But a U.N. spokesman said the failures of U.N. operations in Bosnia and Somalia have at least focused attention on the world body's proper role in solving conflicts.

"The U.N. has historically operated on disputed borders between countries. This may prove to the international community that the U.N. has no business intervening in a country's internal conflict," the spokesman said.

Defenders of the United Nations say the organization is often made the scapegoat of cynical governments that are not ready to provide the resources or political will to get the job done.

"If U.N. peacekeeping is to succeed, it needs, first, a clear mandate; second, the resources to carry out that mandate; and third, the political will of the member states to carry [it] out," said Ralph Cwerman, vice president of the New York-based United Nations Association, a private, nonprofit organization.

The United Nations' defenders also say it is well able to serve as a peacekeeper in situations where the parties have agreed to make peace, but it suffers from dangerous overextension in situations where it has been asked to impose peace.

"For a peacekeeping operation to be successful and to be managed well, you do not insert [U.N. forces] into a war zone. That's not their job. You do not fight a war with a white tank," Mr. Cwerman said.

The United Nations' reputation has suffered in Somalia and Bosnia from just that kind of confusion of roles.

In Somalia, U.S. soldiers were killed trying to enforce complicated nation-building policies pushed by U.N. Secretary-General Boutros Boutros-Ghali, setting off revulsion in the American public.

Among U.S. foreign service and military officials, disenchantment was more focused and more intense. So chaotic were U.N. command and control operations in Somalia that President Clinton insisted in April, in Presidential Directive 25, they never be repeated in future U.N. peacekeeping missions.

When the United Nations got the job of peacekeeping in Bosnia, the enforcement of the mission was entrusted to NATO.

But the result still has been chaos and recriminations.

The top U.N. official in Bosnia, Yasushi Akashi of Japan, was accused by critics of blocking desperate Muslim requests for NATO air strikes to halt Serbian attacks on U.N.-designated safe areas or of approving those requests too late for the actions to make any difference.

Privately, some U.S. and other diplomatic sources involved in Bosnia said U.N. decision-making there has suffered the same crippling problem it had in Somalia: Mr. Boutros-Ghali.

They said he insisted on approving or making all key decisions, disastrously slowing down NATO's response time.

If NATO ever acts again as the enforcer of U.N. policies, "they have got to have a sensible, honest-to-God command structure that eliminates Akashi and all the references back to New York," said David Acheson, president of the Atlantic Council of the United States, a think tank that supports NATO.

If NATO continues to work with the United Nations, it "really needs to develop a new command-and-control doctrine that eliminates the dual key"— joint U.N.-NATO control of tactical operations such as air strikes, Mr. Acheson said.

NATO participation in such activities should be "based on the principle of delegation of [tactical] command," he said.

Mr. Boutros-Ghali has also attracted criticism for making commitments or public statements without clearing them with NATO or the U.S. government, a pattern U.S. diplomats involved in Somalia also complained of.
Trade referee to suit up Jan. 1, but China may be on the sidelines

By David R. Sands and Willis Witter

THE WASHINGTON TIMES

The World Trade Organization is likely to take up official business Jan. 1 lacking only two things — a leader and the participation of the world's biggest country.

The WTO, which links more than 120 countries in a wide-ranging treaty liberalizing global trade, won official approval from its two biggest economic powers yesterday: the United States and Japan. The European Union is expected to approve the deal before the end of the year.

WTO members meeting in Geneva yesterday agreed on Jan. 1 as the official start date for the new body, but they remain deadlocked over competing candidates from Europe, North America and East Asia to head the organization, envisaged as a referee for international trade disputes.

And continued bickering between China and a group of developed countries led by the United States has made it increasingly likely China will not get its wish to be a member of the WTO on the kickoff date.

The European Union is backing Fiat executive Renato Ruggiero, a former Italian trade minister, for the WTO top post. But the United States supports former Mexican President Carlos Salinas de Gortari, and an Asian bloc including Japan prefers South Korean Trade Minister Kim Chul-su.

EU officials maintain Mr. Ruggiero has enough support to put him over the top, but neither of the other candidates is backing down. Despite intense lobbying, diplomats in Geneva say the impasse may stretch well into the new year.

The Chinese membership bid has snagged on U.S. demands that China adopt more extensive reforms to its trading system. China maintains that it has already made major concessions and needs extra time to complete the job because it still a developing country.

"China has it in its power . . . to adhere to the basic responsibilities of a great economic power," U.S. Trade Representative Mickey Kantor said this week. Mr. Kantor said the United States would not "stand idly by" if China continued to shirk its economic responsibilities.

But Chinese officials in Geneva said yesterday that China must be allowed to join the WTO or it will renege on previous promises offered to appease U.S. complaints.

"If you exclude China from the organization, then it is logical that China will not abide by any of the offers it has made in the past," said Long Yongtu, China's chief negotiator in the Geneva talks, who is also deputy vice minister at the Ministry of Foreign Trade and Economic Cooperation.

TRADING

China maintains that it has already made major concessions.

The WTO will stand alongside the International Monetary Fund and the World Bank as the third pillar of a new world economic structure originally envisioned after World War II but blocked by Washington fears it might infringe on U.S. sovereignty.

Over the whole of 1995, it will exist alongside the General Agreement on Tariffs and Trade — a "temporary" organization since 1948 as well as a complex of international trade accords — administering the new treaty's rules and providing a forum for continuing trade talks.

Trade envos from member states of GATT, which will gradually be absorbed by the WTO, agreed on the Jan. 1 date just under a year after the seven-year negotiations on the accord were completed.

So far, just over 40 countries have ratified the GATT treaty — which will open markets for services, textiles and farm produce — and 117 have formally signed it. A total of 145 countries say they want to come into the new body.

In Japan, lawmakers passed the GATT treaty with little fanfare, unlike the raucous debate surrounding the ratification vote in Congress last week.

Japanese politicians cut back-room deals ensuring its approval months ago. The price: $6 billion over the next six years to protect Japan's farmers, particularly rice growers, from the impact of cheap imports mandated by the new organization.

Prime Minister Tomiichi Murayama said yesterday that Japan will drastically review and reform its agricultural practices. For decades Japan subsidized farmers by gouging consumers with some of the highest grocery bills in the industrial world.

Last week the more powerful lower house ratified the trade pact. As in the United States, support extended across party lines.

This article is based in part on wire service reports.
Did dead show some life at polls?

Sauerbrey charges fraud in Baltimore

By Lisa Nevans

Dead men may tell no tales; but Republican Ellen Sauerbrey says she has evidence dead people can vote — and did so in Maryland's gubernatorial election.

Mrs. Sauerbrey, who has refused to concede the election to Democrat Parris Glendening, said yesterday that her investigators have found evidence of voter fraud in Baltimore.

"Were there people who should have been dropped? Absolutely," Mrs. Sauerbrey told cable News-Channel 8. "Were there dead people who voted? Absolutely. Were there people who registered and voted from vacant buildings? Absolutely."

One day after election officials certified her Democratic opponent the winner by 5,993 votes, the outgoing minority leader of the House of Delegates said it's too early to know how many fraudulent votes there were or whether throwing them out would erase Mr. Glendening's lead.

But an attorney for Mrs. Sauerbrey's Election Inquiry Fund said the round-the-clock probe is being expanded to Prince George's and Montgomery counties.

"The investigation is ongoing, and we're not yet done," said John Carbone, the lead legal counsel for the investigation. The searchers had planned to study at least three counties before fraud was discovered but are just beginning their probe in Prince George's County, where Mr. Glendening completed three terms as county executive Monday.

Investigators are studying the cards voters signed when they cast their ballots and comparing them with the signatures on the original voter registration. They also are scrutinizing voting addresses to ensure they represent occupied homes.

Mr. Carbone would not say how many instances of fraud have been uncovered and could not say when or if Mrs. Sauerbrey will challenge the election in court. The Democrat has named a transition team and is acting as governor-elect.

"To this point, Mrs. Sauerbrey has been reluctant to share with the voters not only the types of misconduct, but, more importantly, the volume," said Bruce L. Marcus, counsel for the Glendening campaign.

"In every election there are allegations of misdeeds, and in every election with 1.4 million people participating there are bound to be people who do things they shouldn't. Unless she's got 6,000 votes she can prove fraudulently voted for Mr. Glendening, then the election has to stand."

Mrs. Sauerbrey has filed a court challenge to 2,000 absentee votes in Montgomery County that were opened the morning after the election, before her representatives arrived. State law says they cannot be opened until noon on the day after the election.

Mr. Glendening has challenged absentee votes in 11 other counties, including the Sauerbrey strongholds of Baltimore and Anne Arundel counties, saying all voters should be treated the same way. He has challenged those votes on the same grounds Mrs. Sauerbrey is using in Montgomery.

Mr. Glendening carried Baltimore city and Prince George's and Montgomery counties. Mrs. Sauerbrey carried the rest of the state.

Mr. Raynor, the state election chief, said he knows of no vote being cast in the name of a dead person. If he did, he said, he would call for an investigation by the state special prosecutor.

It is irresponsible for Mrs. Sauerbrey to make such claims without presenting evidence of voter fraud to a local election board, he said.

The evidence will be presented "in the appropriate forum" when the Sauerbrey campaign has decided whether to file suit, Mr. Carbone said.

• This article is based in part on wire service reports.

The Washington Times FRIDAY, DECEMBER 9, 1994

see RACE, page A20
Court rejects Arizona's ban on foreign speech by state workers

By Joyce Price
THE WASHINGTON TIMES

A federal appeals court has struck down an Arizona constitutional amendment requiring state employees to speak only English in the workplace, saying it violates the First Amendment.

The ruling Wednesday by the 9th U.S. Circuit Court of Appeals in San Francisco, which upheld a 1990 decision by a lower court, also found that Arizona's English-only measure was broad and "unconstitutional in its entirety."

The 9th Circuit ruling said that, under First Amendment protection, government officials or employees have the right to speak the language of their choice, as long as the foreign language spoken does not disrupt office business.

The judge said he recognized the importance of a "common language ... in our diverse and pluralistic society."

But he wrote that "by prohibiting public employees from using non-English in performing their duties, the Arizona law "unduly burdens their speech rights as well as the speech interests of the portion of the populace they serve."

While Americans historically have "encouraged immigrants to learn English," rarely has legislation "tried to compel immigrants to give up their native language," Judge Reinhardt wrote.

The "Arizona restriction on language provides no encouragement ... only compulsion. As such, it is unconstitutional," he concluded.

But Mr. Zall said the amendment is "constitutional in almost every situation."

And he said the court has created a right "that allows government employees to speak the language they choose on the job." Such thinking, he said, has been rejected by other courts.

Mr. Zall referred to the Spun Steak case, in which the appeals court reversed a lower-court ruling that the company had violated federal civil rights law when it required bilingual workers to speak English while performing job functions.

The U.S. District Court judge whose opinion was overturned in the Spun Steak case had relied on federal Equal Employment Opportunity Commission guidelines that said barring employees from speaking their primary language "could result in a discriminatory work environment."

But the 9th Circuit held that those guidelines went too far and that Spun Steak did not discriminate against Spanish-speaking employees.

Mr. Montoya, who is familiar with the Spun Steak case, noted that it involved workers in a private sector, while the Arizona measure affects those in the public sector.
more effective," Mr. Barry said.

"Observers said they haveacoordinate and future mayor's plan is a good
beginning but that long-term structural issues still need to be
addressed if the District is ever to climb out of its financial morass.

"At least on the cut side, he's on the right track," said D.C. Council
member Jack Evans.

In addition, Mr. Barry, a partner with the consulting firm KPMG
Peat Marwick and a member of the Rivlin Commission, which is
releasing a report that recommends drastic spending cuts in the
D.C. government, said Mr. Barry is taking the delicate steps of ad-
ressing a crisis without seriously impairing the delivery of essential
services.

In the schools, for example, which are a focal point of Mr. Bar-
ry's budget ax, the mayor-elect proposes chopping 320 positions in
the central office, which he de-
scribed as "top-heavy." He also
said the D.C. Board of Education
budget should be halved, with 19
staff positions done away with
over two years.

Additionally, Mr. Barry pro-
posed eliminating 200 junior and
senior high school teaching posi-
tions through attrition.

"What he has done is put a plan on
the table that is doable, can be achieved," Mr. Herman said. "The
term-long solution — that's not on the table.

Some city services, most nota-
ibly the D.C. School of Law, would be
elaborate under Mr. Barry's
plan.

Closing the law school at the end
of this academic year would save
the government $3.1 million in 1996 and $4.8 million in 1997. Cur-
rent students would be given
vouchers to attend other area law
schools, Mr. Barry said.

"I would choose phasing out
the law school over decimating our
university," he said.

Mayor Sharon Pratt Kelly had
proposed closing the law school,
but her proposal was rejected by
the council, which includes sev-
eral strong advocates for the
school.

The Rivlin Commission report,
drafted of which was obtained ear-
lier this week by The Washington Times, recommends scaling back
the University of the District of
Columbia to a community college,
among many drastic measures.

Mr. Barry said he had not seen
all the recommendations made in
the new Rivlin report before yester-
day's news conference at the
John A. Wilson Building. The re-
port has not yet been released.

He called the current fiscal cri-
sis the "most serious financial sit-
uation facing the government
since the advent of home rule.

The city is in the red, he said,
left the District with "a struc-
turally flawed" government whose
procedures and practices were often
exacerbated by overspending.

To save $30 million, Mr. Barry
said he would consider 10-day fur-
loughs of government workers
and/or a renegotiation of pay in-
creases for union workers.

"It's better than reductions in
force," Mr. Barry said. With 10
or frozen pay increases, 2,500
city workers would have to be let go, Mr. Barry said.

But, Mr. Barry acknowledged,

"when I'm finished with all of this,
we will still have about a $100 mil-
lon problem," Mr. Barry did not disclose what
the city's strategy will be Monday
when he goes to New York with
D.C. Council Chairman David
Clarke and Mrs. Kelly to meet with
Wall Street bond agencies.

School board member Jay Sil-
berman said Mr. Barry's piece-
meal approach to solving the bud-
goal crisis is "an attempt to cut
your civic nose to spite your civic
face."

"These recommendations are
indefinite in terms of what he is cut-
ting," he said. "And with the pro-
positions, which would be worth
the type of moneys we had antici-
pated, and is really bad for mo-
rale," Mr. Evans said. Instead,
he recommended, "you bite the bullet
and say you have to fire govern-
ment workers."

Council member Linda Cropp,
who said she is loath to resort to
reductions in force, said furloughs
may be necessary because they
could provide a quick cash fix.

David Schlein, national vice
president for District 14 of the
American Federation of Govern-
ment Employees, who rep-
resents about 5,000 city govern-
ment workers, opposed furloughs.

"They're short-term solutions at
best. ... You don't even deal with
the real problem," he said.

As for renegotiated pay raises
for union workers, "we will con-
sider" that if Mr. Barry wants to
negotiate, Mr. Schlein said.

Richard Berendzen, who heads
the Rivlin Commission, said he is
encouraged by yesterday's propos-
als, but the city must look four or
two years down the road and take
dramatic, structural measures.

"When you've got a $400 or $500
million problem, that's a tough nut
to crack," he said.

The city "is just not set up to be
financially viable in the long-
term," Mr. Berendzen said.

But, he added, Mr. Barry, "more
than almost anyone else" has the
political wherewithal to success-
fully deal with the crisis.
Sniper saw visitor resembling Clinton

By Kristan Metzler

MIAMI — President Clinton arrived late Monday night to tour the Summit of the Americas, where every hemispheric issue except ostracism of Cuba already is settled in writing.

He left: Washington signaling that he had been humbled by changes wrought by anxious voters that he had been humbled by himself since taking office. He wanted to let voters know he heard their concerns.
The incoming Republican chairman of the House Foreign Affairs Committee slammed the emphasis on human rights in his and said he intends to increase the decision by the incoming House Domestic issues, lamented the de­

 intervention overseas,” Mr. Gilman said. “We’re all aware of the number military interventions. It reduces the U.S. share of overseas military activities, including Haiti.”

“With regard to the U.N. and our role in peacekeeping, we’re going to be setting conditions on the use of our military forces to make cer­

 We are still the party of eman­

“I have a great deal of concern about the violations of [the] War Powers resolution (limiting the president's power to go to war without congressional approval), and I think there has to be stricter consultation and a better orienta­

“We have all aware of the number of inconsistencies and the vacilla­

“We intend to make certain that the White House will be listening,” he said.

Mr. Gilman, a centrist on do­

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By Jerry Seper
THE WASHINGTON TIMES

U.S. District Judge William R. Wilson yesterday withdrew from the Whitewater case of former Associate Attorney General Webster L. Hubbell, who pleaded guilty to felony mail fraud and income tax evasion.

The judge accepted guilty pleas from Hubbell, a longtime friend and political confidant of President Clinton's, on Tuesday in Little Rock.

Judge Wilson, appointed to the bench by Mr. Clinton, told prosecutors and defense lawyers in the case following a telephone conference he had decided to recuse himself because of his social and professional connections to the president.

Another judge will be named to sentence Hubbell, who made a plea agreement with Whitewater-independent counsel Kenneth W. Starr on charges that he defrauded Little Rock's Rose Law Firm and its clients of $394,000 and failed to pay $120,000 in federal income taxes.

During the telephone conference, Judge Wilson said it was "well known" that he and Hubbell had been named by Mr. Clinton to high government positions and that he had known the president and first lady Hillary Rodham Clinton socially during their days in Arkansas. Mr. Clinton appointed Judge Wilson on Tuesday in Little Rock.

Mrs. Clinton was a partner with Hubbell at the Rose firm and a partner with Hubbell and former White House Deputy Counsel Vincent W. Foster Jr. in a business partnership known as Midlife Investors Inc.

"Mr. Hubbell has the right to enter a guilty plea. I have no problem with the plea portion of the case," Judge Wilson said, adding that his ties to the Clintons and the fact that both he and Hubbell "were active in legal affairs in Arkansas" meant he could not continue in the case and meet an "appearance of justice."

"It's not fair to Mr. Hubbell or to the office of the independent counsel," Judge Wilson said. "I appreciate the confidence expressed in me by both Mr. Hubbell and the independent counsel."

Hubbell entered his guilty pleas during an emotional hearing after the case had been assigned to Judge Wilson by random computer selection in the U.S. District Court Clerk's Office. The computer will now be used to select a new judge to impose sentencing on Hubbell.

Hubbell, the No. 3 official at the Justice Department when he resigned in March, faces up to 10 years in prison and fines of $500,000, although his agreement with Mr. Starr to testify in the Whitewater probe could result in a lesser sentence. Under federal guidelines, Hubbell's prison sentence could be as little as 27 months.

The Starr inquiry is continuing, with a possible indictment of next week of James B. McDougal, owner of Madison Guaranty Savings & Loan Association and a partner with his wife, Susan, and the Clintons in Whitewater Development Corp., a northern Arkansas real estate project. Madison and Whitewater are focuses of the Starr probe.

Mr. Starr in a note this week advised Mr. McDougal that he is the focus of "numerous investigations" by Whitewater investigators. The note said Mr. McDougal should submit to questioning by prosecutors and FBI agents.

Mr. McDougal's attorney, Sam Heuer, told reporters in Little Rock yesterday that his client is unlikely to agree to be questioned in view of what he described as a target letter from Mr. Starr. He said the note is the first step toward a probable indictment.

He also said Mr. McDougal probably would not plead guilty. "Jim's living in a trailer, and he has serious medical problems. I just don't see it," Mr. Heuer told the Associated Press.

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By Rod Dreher
THE WASHINGTON TIMES

The Rev. Jesse Jackson is standing by his statements comparing the Christian Coalition to Nazis, slave owners and Jim Crow segregationists.

"The ideological kinship is right down through the years," Mr. Jackson said yesterday. "It's not a personal thing. They've been rather consistent to opposing remedies to historical errors."

Judge minister and Democratic political activist caused a stir with remarks delivered in Chicago and New York last week in which he likened activists from the "reigious right" to white supremacists in other historical eras.

Anti-Defamation League head Abraham Foxman, a staunch critic of the Christian right, was among those denouncing Mr. Jackson's comments as too extreme.

In an interview with The Washington Times, Mr. Jackson said his comments had been taken out of context. "I don't want these statements misinterpreted. I'm not seeking a confrontation. I'm seeking my standing. I'm seeking an end to polarization."

He said he had only been trying to make the point that some, but not all, Christians in Nazi Germany and in the segregated South violated the true spirit of their faith by supporting evil, often in the name of Christianity.

"I didn't call anybody a Nazi," he said.

The Chicago Sun-Times quoted Mr. Jackson as having said the forebears of today's Christian Coalition "laid down a suitable, scientific, theological rationale for the tragedy in Germany."

Mr. Jackson said yesterday that the Christian Coalition "didn't kill anybody, but the complicity and importance of the suffering of people other than their own basic orientation is the same."

Of the Christian Coalition's hostile reaction to his analogies, Mr. Jackson said: "I'm surprised that they're surprised."

The minister said examples of un-Christian positions taken by the religious right include opposing U.S. efforts to restore Haitian President Jean-Bertrand Aristide to power; opposing affirmative action and congressional redistricting creating majority black districts, and "opposing a woman's right to self-determination," meaning abortion.

Mr. Jackson's comments were among a series of statements by House Republicans voted to end funding to all congressional caucuses. Rep. Kweisi Mfume, Maryland Democrat and head of the Black Caucus, likened the action to the imprisonment, torture and killing of Muslims in Bosnia-Herzegovina, calling it "ethnic cleansing."

Mr. Jackson said the line was not too harsh, and he accused House Republicans of trying to short-circuit progress by blacks, women and Hispanics.
Members of Congress have found one thing they can agree on: If American ground troops join NATO forces to extract U.N. peacekeepers from Bosnia, they should answer only to alliance commanders, not to the United Nations.

The Clinton administration said yesterday it plans to send at least 10,000 U.S. troops to Bosnia for the mission. "I do not believe we should commit U.S. ground forces to Bosnia," said Sen. Strom Thurmond, South Carolina Republican and incoming chairman of the Senate Armed Services Committee. "If necessary, U.S. troops should be sent under NATO command only for the purpose of assisting with the withdrawal of United Nations forces."

Added a senior Pentagon aide: "There is no way a U.S. commander would allow us to go in unless the doctrine is firepower, overwhelming firepower."

Sen. Bob Dole recently called for the United Nations to pull out, terming its peacekeeping mission a failure as Bosnian Serbs continue to capture Bosnian Muslim territory.

The number of U.N. troops in Bosnia from each participating country:

- **Bangladesh**: 1,235
- **Belgium**: 276
- **Brazil**: 3,390
- **Canada**: 862
- **Denmark**: 586
- **Egypt**: 426
- **France**: 3,646
- **Jordan**: 1,122
- **Malaysia**: 1,544
- **New Zealand**: 249
- **Norway**: 663
- **Pakistan**: 3,016
- **Peru**: 506
- **Sweden**: 1,051
- **Turkey**: 1,462
- **Ukraine**: 581
- **United States**: 125

Mr. Dole said he hopes U.S. forces would not be needed to extract the peacekeepers, repeating his call for stepped-up NATO bombings against Serbian army positions.

"Once U.N. forces are withdrawn, the way would be cleared for NATO to carry out effective air strikes, and for the arms embargo to be lifted against the Bosnians so that they may, at long last, defend themselves," he said.

Sen. John McCain, Arizona Republican and an Armed Services Committee member, said President Clinton first should ask Congress to authorize such a large troop deployment.

"The number of American lives that would be placed at risk in this operation — at least 20,000 — is so high, and the confusion that has previously plagued NATO-U.N. command and control questions in Bosnia has been so appalling, that I have serious reservations about an undertaking this large and this dangerous," Mr. McCain said.

But Rep. Ike Skelton, Missouri Democrat and a senior member of the House Armed Services Committee, backed the president.

"I don't think we have any choice," Mr. Skelton said. "We're a part of NATO, and if we had troops dug in in some valley, we'd expect other troops to bring us out. . . . I don't like it. No one likes to see American troops in harm's way. But if the NATO alliance is to succeed and survive, we have to be not only part of it, but the leader of it."

Sen. Ben Nighthorse Campbell, Colorado Republican and co-chairman of the Senate Foreign Relations Committee, called for full disclosure on the moves the president is considering.

"I don't think the administration is being clear about its intentions as it proposes new military and diplomatic initiatives," he said. "I want to know why we should take on more risk, and how we will be sure those risks are worth taking."

But Sen. Robert C. Byrd, West Virginia Democrat and chairman of the Senate Appropriations Committee, pronounced the current NATO mission a "military disaster" and said the United Nations should be given a "fresh" opportunity to succeed in the region.

"The American people are sufficiently convinced that the United Nations' mission in Bosnia is a failure," he said. "The proof is that even the United Nations now is proposing that its troops be removed from Bosnia."

Sen. Richard Lugar, Indiana Republican and chairman of the Senate Foreign Relations Committee, said that by sending American ground forces to Bosnia, the administration is "putting U.S. lives at risk, and in the process is taking this country down the road toward a possible armed conflict with the Serbs in BiH."
Colleagues blast Travelgate charges against ex-director

Dale denies theft, admits funds mix

By Paul Bedard

WASHINGTON TIMES

WASHINGTON: (9/9/94)

Associates of Billy Ray Dale yesterday defended the former White House travel office director against charges he bilked $68,000 from just two agencies his office was supposed to pay reporters' expenses on presidential trips.

One day after Mr. Dale was indicted on two counts of embezzlement, his former subordinates and business partners described the 32-year federal worker as a "country boy" apt to celebrate anniversaries at a fast-food restaurant, not the Palm.

"Billy didn't steal any money," said travel office aide John McSweeney.

"He has no interest in living any lavishing lifestyle — he lives in Clinton, Md.," said former travel office worker Barney Brasseaux. "I worked with Bill for 11 years and know him to be very honest."

The indictment did not indicate what Mr. Dale allegedly did with the money, but the Justice Department is expected to charge that he pocketed it for his lavish lifestyle — he lives in Clinton, Md., and buys a boat and built a house with money embezzled from the travel office.

The White House fired the entire travel office in May 1993, but the administration later found jobs for five of the seven dismissed workers. A sixth has retired.

While none of the travel office workers interviewed yesterday could provide any evidence of White House pressure behind the Dale indictment, some suggested Mr. Clinton's defense of Travelgate was read by White House and Justice Department officials as a signal to prosecute.

But White House Counsel Alberto Gonzales yesterday said the indictment was a "signal to take the case away from the White House and to put it in the hands of investigators." He denied any involvement in crafting the indictment.

Justice Department lawyers, however, have charged that the files are missing or do not exist, clouding Mr. Dale's alibi that he can account for every expense.

"I've never had a reason at any time to question his integrity," said former travel office workers John Tabackman.

Mr. Tabackman has charged that the documents were stolen or destroyed.

By Jerry Seper

SNiper accidentally shot white supremacist's wife

WASHINGTON: (9/9/94)

The Justice Department will not seek criminal indictments against an FBI sniper who killed the wife of a suspect involved in the last year's Idaho shooting death of Samual Weaver.

The department also will not seek to indict the sniper's supervisor, a top assistant attorney, who is the former head of the FBI's hostage-rescue team.

A hearing officer known to have spent 17 months looking into the bloody 11-day siege that claimed three lives, found insufficient evidence to show that FBI agents used excessive force, sources close to the probe said.

The decision not to prosecute was made by Assistant Attorney General Deval Patrick, who heads the department's civil rights division, according to the sources. The report's recommendation was considered by the department's Office of Professional Responsibility and included second opinions from investigative reports and interviews of those involved.

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While much of the department's inquiry was aimed at the FBI agents familiar with the meeting.

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U.S. lives get longer as fewer infants die

By Joyce Price
THE WASHINGTON TIMES

U.S. life expectancy reached an all-time high of 75.8 years in 1992, while infant mortality fell to an all-time low, according to a federal report released yesterday.

The Advance Report of Final Mortality Statistics for 1992, prepared by the National Center for Health Statistics, found that women outlive men by an average of 6.8 years and that whites outlive blacks by an average of 6.9 years.

"White females continue to have the highest life expectancy at birth (79.8 years), followed by black females (73.8 years), white males (73.2 years), and black males (65 years)," the report says.

An increased life expectancy for black males is one of many bright spots in the report. But the report cautions that the increase is "still below the peak attained" in 1984.

Overall life expectancy for Americans rose three-tenths of a year in 1992, the report says. The increase can be explained primarily by lower death rates for heart disease and accidents, despite increased mortality rates for AIDS and diabetes.

In 1992, infant mortality fell to 8.5 deaths per 1,000 live births. Mortality rates declined for both black and white infants, but the report shows that black infants died at more than twice the rate of white infants.

The government mortality report also showed:

• Age-adjusted death rates for the six leading causes of death — heart disease, cancer, stroke, lung disease, accidents, and pneumonia or influenza — fell in 1992.

• Death rates for most age groups declined in 1992, except for those in the 35-to-44 age bracket. Higher death rates for this population were primarily attributed to AIDS, which killed 35,566 Americans in 1992 and moved up from the No. 9 cause of death to No. 8.

• The number of homicides in the United States dropped from 26,513 in 1991 to 25,488 in 1992.
Alabama election remains a mess
Democrats fight GOP judge's win

By Hugh Aynesworth
Washington Times

Alabama's secretary of state calls it a "constitutional crisis." Democrats call it unfair. Some Republicans liken it to the 1948 U.S. Senate race in which the president was not ruled on the latest and final returns of Nov. 8. Mr. Hooper, the Justice Sonny Hornsby led Mr. Bennett to certify the election up to Feb. 28 or until any election contest has been concluded.

Mr. Hornsby has been declared the winner, Democrats are still battling in federal court to in which the president was not ruled on the latest and final returns of Nov. 8. Mr. Hooper, the Justice Sonny Hornsby led Mr. Bennett to certify the election up to Feb. 28 or until any election contest has been concluded.

After the election via "newly dis­ discussed various ways of going about it. He said the court had never actually considered the question of whether absentee ballots were in fact legitimate and should be counted before the final vote was certified.

The Republicans then moved to federal court in Mobile, this time before a Reagan-appointed U.S. federal judge, Alex Howard. On Nov. 17, Montgomery County Circuit Judge Gene Reese, a Democrat, ruled for the Demo­ crats, saying that a 1993 state Su­ preme Court decision had pre­cluded absentee ballots from being counted.

Mr. Hooper, once a state judge in Montgomery, said that the court had never actually considered the question of whether absentee ballots were in fact legitimate and should be counted before the final vote was certified.

The Republicans then moved to federal court in Mobile, this time before a Reagan-appointed U.S. federal judge, Alex Howard. On Monday, Judge Howard angrily or­dered Alabama Secretary of State Jim Bennett to certify the election without the questioned absentee ballots and had all records sealed until Feb. 28 or until any election contest has been concluded.

The Republicans then moved to federal court in Mobile, this time before a Reagan-appointed U.S. federal judge, Alex Howard. On Monday, Judge Howard angrily or­dered Alabama Secretary of State Jim Bennett to certify the election without the questioned absentee ballots and had all records sealed until Feb. 28 or until any election contest has been concluded.

Judge Howard said counting any ballots lacking "required sig­ nature" would be "abominable under the United States Constitution." He ruled Reese's ruling amounted to changing the rules after the election had been held.

So the Democrats took their case to the federal appeals court in Atlanta, and Mr. Bennett awaits what he calls his "clarification."
"Contract With America" is important issues relevant to the thought he's heard the last from North Carolina Republican, the committee dismantled. “All of a sudden, it is an insult to Africa and the African-American community if the subcommittee is merged with Asia,” the official said. “It’s ridiculous; it makes sense to merge them. For one, Asia could teach Africa a thing or two about development.”

Black leaders on the Hill decried the proposed merger during recent meetings with incoming House Speaker Newt Gingrich, Georgia Republican, and Rep. Henry J. Hyde, Illinois Republican, according to the source. The caucus is requesting that the Africa subcommittee be maintained as a separate entity within the House Foreign Affairs Committee.

We obtained a recent letter sent by the Black Caucus to Mr. Gingrich, which notes that “over 25 million Americans of African descent live in the United States and the dismantling of the subcommittee would be insensitive to their concerns” and adds that “important issues relevant to the 54 countries in Africa” could not be adequately addressed were the committee dismantled.

Mr. Gingrich has said one of the “key planks” in the GOP’s “Contract With America” is a one-third reduction of staff on the various House committees.

What It Takes

Just when Sen. Jesse Helms, North Carolina Republican, thought he’d heard the last from his critics, along comes Jack Kemp with his two cents worth. Mr. Kemp, a former secretary of housing and urban development with eyes on the White House, was asked this week about tantamount to saying bad things about your mom.”

Number Crunching

A recent front-page story in The Washington Times reported that the Federal Aviation Administration paid a private psychological consulting firm more than $41.4 million to conduct training for its senior agency managers between 1986 and 1993.

That dollar figure came from official U.S. Court of Appeals documents. The story sent FAA officials, who thought we were seeing things, scurrying to re-examine the court documents. Sure enough, there was the $41.4 million figure.

On Thursday, the FAA called our reporter, Ruth Larson, to say the $41.4 million was an error; the real number should have been $1.4 million (no word on who may have punched in the extra $40 million). The Justice Department has now written the Court of Appeals to ask that the records be corrected to say “more than $1.4 million.”

Discovering California

For most of this week, California lawmakers on Capitol Hill have been huddling behind closed doors, their aim to put the nation’s most populous state back on the congressional map.

“Too long we’ve been ignored through lack of representation on various committees,” said one Californian, who confirms a pending announcement that additional California lawmakers will be appointed to several powerful House committees, including Rules, Appropriations and Commerce.

“We are the last state in the union to come out of the job slump,” the official explained. “Defense is gone, the aerospace industry is declining, we have many highly skilled workers who are unemployed ... but now we’re flexing our muscles.”

The California delegation, he said, will concentrate in the 104th Congress on “illegal immigration, repeal of the motor-voter bill due to fraud in the midtern election ... GATT, NAFTA — these are all California issues — and national issues — and there will be tremendous focus on them in the next Congress.”
“Congratulations... suckers! You’ve just been elected to a legislative body with a lower public approval rating than, well, the press. You’ll get no respect from constituents, there are no perks left to speak of, you have to live in Washington, D.C., and, come two years from now, you’ll be lucky to be re-elected.”

**The Gaylord eminence**

The Wall Street Journal’s Phil Kunz reveals Joseph Gaylord as Newt Gingrich’s chief behind-the-scenes figure, a man without whom the new House Speaker says the devolution of Democrats in the House “would not have been possible.”

The 48-year-old political consultant, a key figure in such enterprises as Mr. Gingrich’s GOPAC political action committee and college class, is the Georgia Republican’s eyes and ears. Frank Luntz, a Republican pollster who has worked with both men, was quoted: “Other than his wife and family, Joe Gaylord is the most important person in Newt’s world.”

GOP consultant Eddie Mahe, an early Gingrich political intimate, now says the city has overcome “the bitter divisions of the past.”

**Dole? Warm, fuzzy?**

Sen. Bob Dole, Kansas Republican, is “however temporarily, de facto co-president in what is, however temporarily, a coalition government,” Newsweek’s Howard Fineman says.

“When the tectonic plates shifted last month, Dole popped up in the middle. To his left, Bill Clinton and a rubble of Democrats, to his right, [Newt] Gingrich and an impatient majority of conservative House Republicans.”

“Dole will position himself as the sober elder statesman between — and above — two garrulous and controversial sidekicks.”

**Safire’s reality**


**Rosty on health**

Rep. Dan Rostenkowski told the Chicago Tribune that the real key to the defeat of health care was the White House’s spurning of “its most powerful ally,” corporate America.

“They [corporate executives] thought they were treated as adversaries rather than allies by the White House from the start — and responded accordingly,” the Illinois Democrat said.

He said the public was confused “to the point where it ultimately feared change more than it desired reform. The responsibility for creating this environment is shared by many of us, but it begins at the White House.”

**Congrats probably**

Columnist Craig Winsor in Roll Call warmly welcomed freshman members of Congress:

“The speaker-designate, Newt Gingrich, must be given his due. Much of the House crystal that he has broken in his bullish passage to the leadership needed breaking.”

“Mr. Gingrich’s provocative decision to eliminate financing for 29 House caucuses — and responding accordingly;” the Illinois Democrat said.

He said the public was confused “to the point where it ultimately feared change more than it desired reform. The responsibility for creating this environment is shared by many of us, but it begins at the White House.”

**Today’s quote**

Adam Gopnik, writing on a snide, aggressive press, says in the New Yorker, “However you feel about Bill Clinton, no other American president since the 1870s has been hung up by his thumbs so soon, and left there to hang for so long.”

**Chicago harmony?**

Mayor Richard M. Daley kicked off his re-election campaign yesterday, declaring an end to Chicago’s past racial divisions and carefully avoiding criticism of two black officials who may challenge him.

“The era of ‘council wars’ the divisive City Hall infighting in the administration of the late black Mayor Harold Washington, are over,” and from peace has come progress,” the mayor said. Mr. Daley — first elected in 1989 to complete the last two years of Mr. Washington’s term — now says the city has overcome “the bitter divisions of the past.”

The Democrat is favored to win a second full term in April’s general election.

**One paper’s fear**

A Wall Street Journal editorial: “What we fear is that Webster Hubbell will now disappear into the secret maw of the independent counsel’s interrogations. Under those circumstances, some appropriate venue must be found to let voters form opinions about the political meaning of a confessed crook’s tenure at Justice. The only answer is congressional hearings, both by Senator [Alfonse M.] D’Amato and Congressman [Jim] Leach. We hope to hear Mr. Hubbell testify under oath, in public, about what he did for whom — and why. Let the voters make of it what they will.”
CEOs have an ear in Bentsen successor

Poor Bob Rubin. He gets picked to be secretary of the Treasury and everyone, potential friends and foes alike, promptly labels him for what he's not. For instance, his critics proclaimed immediately, Mr. Rubin is:

- Not Lloyd Bentsen. He lacks the stature and maturity Mr. Bentsen brought to Treasury, thanks to his years in Congress and chairmanship of the Senate committee that oversaw much of Treasury's handiwork.
- Not going to change Mr. Bentsen's policies at Treasury. Mr. Rubin will come in and keep the ship going in the same general direction because the two never publicly quarreled while working together.
- Not going to challenge the Federal Reserve or make the markets nervous. Like Mr. Bentsen, his critics said, he believes in protecting the dollar and in the independence of the Fed.
- Not exactly gifted with oratorical skill and flair, as Mr. Bentsen was. He tends to put his hand before his face in TV interviews, for instance.
- Not experienced at high-level wheeling and dealing on international economic policy issues that have severe consequences for exchange rates, the stock market and the U.S. economy in general.

What is curiously lacking in any of the discussion on Mr. Rubin's appointment is what he's done or will do at Treasury. The public statements on Mr. Rubin almost seem as if they were manufactured with a cookie cutter without any appreciation for who he really is.

Both Mr. Bentsen and incoming Senate Majority Leader Bob Dole, Kansas Republican, for instance, almost looked like they compared notes before issuing their statements and decided to say virtually the same thing, changing just one word. Mr. Dole said Mr. Rubin is "a man of honesty and integrity" while Mr. Bentsen said he is "a man of honor and integrity."

The irony in this is that Mr. Rubin is, in fact, a very well-known commodity. Just not to the public.

In the past two years, Mr. Rubin has been the principal point of contact to the big-business community, the world of Fortune 500 CEOs who track Washington's business or regulatory utterances almost as closely as they do earnings and sales.

"Most of the business leaders know him well. He's been the only

see CAPITAL, page B9

CAPITAL
From page B8
reasonable voice in the White House," said an official who represents many of the large companies in Washington. "The fact of the matter is the business community's going to do handstands over Rubin's appointment."

Why? It's simple. Mr. Rubin listens to CEOs. All the time.

"A lot of them [CEOs of Fortune 500 companies] talk to him privately every other week. We went to him all the time, on almost everything," said the business community official. "Everyone in the business community went to him with their questions and problems. Sometimes to McLarty, but almost always to Rubin."

Listening is an art in Washington, and, apparently, Mr. Rubin is good at it. His "open-door" policy was so well-known to CEOs that some would take to calling him every week or so just to vent their frustration or tweak the White House.

"Rubin's always willing to listen," said a business industry source. "His agenda and ideology is not real well-known — and it's difficult to gauge it from an inside-the-White House job — but he's clearly been very open to suggestions from business."

He also seems to take criticism. When he met with the Business Roundtable a year ago, he was hammered with some very critical questions about where the administration was headed. But Mr. Rubin listened — and he was invited back. He spoke to the Business Roundtable's policy meeting early last month, and the reception was noticeably warmer the second time around.

"Bob Rubin is a terrific selection," said John Snow, CEO of CSX Corp. and chairman of the Business Roundtable. "I have worked with Mr. Rubin and greatly admire his leadership and his knowledge of finance and fiscal policy. His experience will pave the way for productive relations on both sides of the aisle and throughout the business community."

This ability to listen will probably help him with folks like incoming House Ways and Means Chairman Bill Archer, Texas Republican, who got used to Mr. Bentsen's style.

"Mr. Archer admired Mr. Bentsen's ability to talk to both sides — liberal and conservative alike," said an Archer spokesman. "And whenever you spoke with Lloyd Bentsen, you knew exactly where he was coming from. Mr. Archer would certainly hope that Mr. Rubin would exhibit that same willingness to listen as well!"

So Mr. Rubin is not Lloyd Bentsen. He's not going to dramatically change course at Treasury or in dealings with the Fed. He's not experienced in public or at high-level international meetings.

But he does listen. There is no "language barrier" with the business community. And that's usually worth something in Washington, even if it doesn't immediately translate into public accolades.

The Washington Times FRIDAY, DECEMBER 9, 1994
Diplomacy is ‘answer’

Bosnia-Herzegovina's supporters may be outraged by Washington's recent shift in policy, but countries surrounding the former Yugoslavia are cheering the move, said Greek Ambassador Loucas Tsilas. "To impose a military solution there is impossible," Mr. Tsilas told a group of journalists during a working lunch this week. "Diplomacy is the answer."

Mr. Tsilas said many Europeans welcomed the recent shift in U.S. policy on Bosnia, saying the renewed efforts by the Western powers to seek a political solution help "preserve the cohesion of NATO."

A self-declared strong supporter of the alliance, Mr. Tsilas said the Bosnian experience poses some fundamental questions for NATO's future. "NATO has some soul-searching to do," said the ambassador, indicating some members of the alliance still "don't know what they want it to become."

A 'global' ambassador

Pakistani Ambassador Maleeha Lodhi is making such an impression as a diplomat that she has gained the attention of Time Magazine International, which named her one of its 100 most promising young leaders of the world.

Ms. Lodhi, 42, who was named ambassador last year, is the only diplomat on Time's list, which was selected from 400 nominees. A former journalist in Pakistan and political science professor at the London School of Economics.

In Washington, she moved quickly to limit the damage recently when former Prime Minister Mian Nawaz Sharif publicly proclaimed that Pakistan had nuclear weapons.

Time described her as a "fearless opponent of authoritarian President Zia ul-Haq's" and said she makes "no secret of her political ambitions." She would like to run for parliament.

Ms. Lodhi became the first female editor of the Muslim, an Islamabad daily, in 1987, and later took over the editorship of the News, another Pakistani paper, where she exposed scandals in the Sharif government.

Ms. Lodhi told Time that many of the world's leaders are "ill-equipped, intellectually and politically, to cope with a world in which the great simplifying struggles of the past have given way to new complexities."

She also said she sees a "death of idealism" in many leaders who adopted an "uninspired and uninspiring" pragmatism.

Santa a Canadian?

Yes, Virginia, there is a Santa Claus. He is a Canadian.

Just ask Canadian Ambassador Raymond Chrétien. He would never have lied to little Virginia O'Hanlon, whose letter to the editor of the New York Sun in 1897 inspired the famous reply.

Mr. Chrétien explains, "Christmas is a special time for us [Canadians]." Living so close to the North Pole helps. But, he insists, "Santa Claus is also a Canadian."

Thus he began the annual Canadian Embassy Christmas party this week, where Mounties sang, Nova Scotia salmon adorned the tables and a giant Canadian Christmas tree sparkled on the embassy plaza on Pennsylvania Avenue with the Capitol dome lit up in the background.

As guests waited in line to greet the ambassador, they were serenaded by a trio of musicians from the Royal Canadian Mounted Police, singing, "Let it snow. Let it snow. Let it snow." (But the weather outside was delightful.)

Mr. Chrétien introduced Donald Downs, minister of natural resources of Nova Scotia, the maritime province that supplied the tree and the seafood.

After praising the balsam fir, he told the audience, "There is no free lunch," and proceeded to tell them all about Canadian Christmas tree sales in the United States and pitch for investment in Nova Scotia.

Washington-area residents bought 50,000 Nova Scotia trees last year.

This year the embassy has a list of where the trees are on sale and discount coupons for tree purchases at Maryland vendors. Trees are not the only Canadian export for the holidays. A Quebec company, Barcana Inc., which decorated the embassy for the party, supplied the lights for the National Christmas Tree.

*If you have a tip, suggestion or question, call Embassy Row at 202/636-3297.*
The Americas summit and Mr. Clinton's trade agenda

By Thomas J. Duesterberg

I n 1967, President Lyndon Johnson attended the last formal summit of heads of state from the Western Hemisphere, which was held in Punta del Este. The signature policy achievement of that meeting was the commitment of Latin American nations, fully supported by the United States, to build a "common market" for trade and economic cooperation.

The solemn commitment taken in 1967 quickly faded into inaction and disillusionment. As national economies retreated into autarky behind high tariff barriers, and the standard of living in much of Latin America soon entered a period of long decline.

When President Clinton convened the first hemispheric summit since Punta del Este in Miami, he had a historic opportunity to renew and invigorate the vision of 1967, build a solid foundation for future economic integration and call for an end to the "negligible" and "faint-hearted" in the United States to open its markets to foreign nations.

Thomas J. Duesterberg is senior fellow and director of the Competitiveness Center of Hudson Institute. He was assistant secretary of commerce for international economic policy from 1989 to 1993.

The economic dynamism and move to free trade in Latin America have changed dramatically since 1967, making it now possible to improve the standard of living and build closer political ties grounded in mutual interest between North and South. The single most important change has been the remarkable shift toward free-market economics and democracy in Mexico since 1986. Mexico's openness, symbolized by the North American Free Trade Agreement (NAFTA), has generated strong and credible commitment to quick expansion of NAFTA. Such economic dynamism was quite helpful at the Miami summit and Mr. Clinton's trade agenda.

Economic dynamism and move to free trade in Latin America have also proven quite beneficial to the U.S. economy, primarily because the U.S. has controlled over one-half of the export market in the region. The economic dynamism and move to free trade in Latin America also provide significant benefits to the U.S. economy, primarily because the U.S. has long been the supplier of choice and has controlled over one-half of the export market in the region. The past 10 years, U.S. exports of goods to Latin America have grown by over 350 percent. We now sell 70 percent more in some cases than in Latin America than to Japan and nearly as much as to all of the European Union. According to the Office of the U.S. Trade Representative, we will be selling over $250 billion in goods to Latin America by 2000. GDP growth in Latin America has averaged $12.8 billion in sales to Europe and $88 billion to Japan.

Such economic dynamism has helped nurture political decentralization throughout Latin America, as deregulation, privatization and individual enterprise have proved much more compatible with democratic than authoritarian forms of government.

Recognizing this connection, the Bush administration has encouraged Latin American nations on the path of reform with the Enterprise for the Americas Initiative (EAI), which in some respects reformulated the 1967 vision of a common market into one of a hemispheric free-trade area to include the United States and Canada. EAI implicitly offered permanent access to the U.S. market and debt reduction as Latin American countries adopted market-oriented and fiscally conservative policies that enhanced their democratic institutions.

Now the advanced economies of Latin America such as Chile, Argentina and Colombia are determined to follow the lead of Mexico, Canada and the U.S. to take full advantage of market liberalization. Unfortunately, Mr. Clinton has been sending the wrong signals to the dynamic Latin countries. Early in his administration, he ended the EAI, which had been well accepted in Latin America. He has confused the message of economic cooperation by promoting "sustainable development," environmental protection, worker rights and institutional building, which often appear patronizing to dynamic Latin countries.

Moreover, Mr. Clinton administration has failed to provide any solid commitment to Chile's request for a free trade agreement. Clinton failed to offer any NAFTA-equalization benefits to the Caribbean countries, and even failed to preserve administration's ability to negotiate new trade agreements under the so-called fast track.

Failure to deliver on the promise of free trade and economic integration has enraged Latin American nations on the path of the Americas Initiative and "trade not aid," it would be a tragedy for the U.S. to open its markets to foreign competition.

Ambitious U.S. policy is causing it to look to the Southern cone and to Europe for new opportunities. Brazil has always been suspicious of U.S. domination and seems to be trying to draw Chile and Argentina closer to an exclusively South American strategy as an alternative to NAFTA accession.

Europe is dangling the concept of free trade agreements between South American nations to take advantage of U.S. indecision.

These factors have more than thrown up the promise of the Miami summit into question. Nonetheless, a strong and credible commitment from Mr. Clinton to open NAFTA to Latin America according to a specific timetable has great potential for rescuing the first hemispheric summit in 17 years. Chile's President Eduardo Frei has every right to feel personally affronted by U.S. failure to honor its early statement of intention for a free trade agreement after ratification of NAFTA. It would be relatively simple to reverse this affront and give real substance to the U.S. commitment to quick expansion of NAFTA. U.S. articulation of a clear set of guidelines for new Latin American leaders would need to meet in order to be eligible for NAFTA would also underpin Mr. Clinton's commitment.

Vigorous affirmation of a path to achieve economic integration would make the Miami summit a success.
Free trade hemisphere... strings attached

ABELARDO VALDEZ

Free trade in the Western Hemisphere: the best alternative for Latin America.

JAMES SHEEHAN

Instead of promoting lower trade barriers, the Clinton agenda for neo-imperialism will subject the region to increased economic controls, limitations and restrictions.

T
ty seventy years ago, as a young military aide, accompagnied John F. Kennedy to the first summit of the heads of state of the Americas at Punta del Este, Uruguay. That summit's primary goal was to support the hemispheric response to the liberation of nations in the Latin American countries and to discuss the prospects for closer relations among the Americas. Today, the Western Hemisphere is in the midst of a new hemispheric summit. The strategies and goals are different.

In the quarter-century since the first summit in Punta del Este, the United States and the rest of the Western Hemisphere have moved closer together. The United States, Canada, and Latin America have become a community of nations, and the issues facing the region have changed dramatically.

The Summit will launch the Western Hemisphere Free Trade Area (WHFTA). The U.S., Canadian, and Latin American governments recognize that this summit is not only a historic moment but also the start of a new hemispheric free trade area. The role of the United States will be pivotal, and the U.S. Congress is clear on whether to grant fast-track trade negotiating authority.

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ABELARDO VALDEZ, former U.S. ambassador to the United Nations, says: "The Summit will launch the Western Hemisphere Free Trade Area (WHFTA). The U.S., Canadian, and Latin American governments recognize that this summit is not only a historic moment but also the start of a new hemispheric free trade area. The role of the United States will be pivotal, and the U.S. Congress is clear on whether to grant fast-track trade negotiating authority. The NAFTA experience should teach us never to take for granted the benefits of free trade."

Instead of promoting lower trade barriers, the Clinton agenda for neo-imperialism will subject the region to increased economic controls, limitations and restrictions.

James Af. Sheehan is a research associate at the Competitive Enterprise Institute.
Guilty pleas ... beginning of a cascade?

TONY SNOW

R. EMMETT TYRRELL JR.

**Independent counsel Kenneth Starr, the chief investigator of the Whitewater investigation, has been on the job for almost a year. This week he got a big assist from a little guy named David Hale. Hale helped him ascertain whether Bill Clinton's ascent to the presidency was financed by illegal means.**

The issues involved are quite simple. The allegations concern a Whitewater land deal that involved two categories: pre-Inaugural and post-Inaugural. The pre-Inaugural category involves assertions that the future president received financial assistance from people who later benefited from tax-exempt law.

Although the methods of siphoning up cash for Mr. Clinton varied, the modus operandi didn't. The then-governor's pals are said to have helped underwrite his career with money siphoned illicitly from others. All the while, these folks managed to avoid getting tangled by the long arm of the law.

Mr. Starr argues that in some cases the president puffed up Whitewater's finances by misleading federal banking officials. To underwrite the scheme, consider this statement:

The counts against the real estate appraiser, Palmer, say he deliberately overstated the value of property that had been purchased with loans from the Madison Guaranty Savings and Loan. The assessments enabled James McDougal, a Clinton business partner and contributor who ran the presidential fund, to claim the value of Madison's holdings. The investigations,according to Mr. McDougal & Co., lent themselves to the notion that the entire transaction of a give cash made its way into Bill Clinton's coffers.

For example, Mr. McDougal held an April 1982 conference that raised $35,000 to retire some of McDougal's debts from his days as a university year's race. At least three people whose names appear on the McDougal checks drew from Madison say they have never given anything. Furthermore, Mr. Clinton took a personal loan from someone whom he had helped in establishing institutions around the state but who also had the dough for re-election activities. While the borrowing probably had been a part of the president's program, the president's supporters may have regards to the notes in question and perhaps related campaign-finance and other laws.

Although Whitewater includes dozens of other issues, most can be boiled down to this: How can you scratch your back if you'll scratch yourself? This is where Mr. Clinton especially suffered from a very itchy spine.

This brings us to Part 2, in which we speculate whether the administration engaged in a vengeful kickback to neutralize the horse trades to cover up the aforementioned scandals. Al D'Amato, in a recent political newsletter, says he again won't publish the story. He just wants to figure out whether anything happened at the White House and the Treasury Department about Whitewater.

Rep. Jim Leach, Iowa Republican, the next chair in line, the House Banking Committee, says he has not been piling the president. Mr. Starr wants to figure out whether anything happened at the Madison Guaranty Savings & Loan.

So far, an instinctive Clinton attorney can lay his hands on and many that government has obtained. This has not been easy.

Mr. Adams has been reading the new Whitewater documents. He's been shown the hands on and many that government has obtained. This has not been easy.

Well, through all the here's and ing's and ins and outs of it's an obvious reading documents. Now the real issue at stake is whether anyone in the White House, or anywhere else, will ever be found guilty of what has happened.

That Hubbell would admit to anything criminally derelict is a "sideshow" to Bill Clinton to continue through all past few weeks to cast himself as a political deceiver or "truly gung-ho." It's that Hubbell is willing to admit to two, so if he is willing to admit to two, why isn't he willing to admit to three?

What songs might he now be singing to prosecutors? It is known that Hubbell was close to Bill Clinton and the former President's supporters may have had a hand in turning Hubbell... Did anyone tell him he was even closer to Hillary Clinton, with whom he was repeatedly seen working on shaky deals involving the Rose Law Firm. Hubbell might be trying to avoid sentencing for deeds done under the Clinton administration. But he might also be trying to strong-arm a fiduciary plan on deeds done in Washington during Bill Clinton's presidency.

The more serious charge might be obstruction of justice. There may have been two instances of which he was accused to be quelling the criminal investigations referrals to Madison. We know these referrals disappeared into the confines of the Department's Criminal Division. Surely the Independent Counsel would like to know if Hubbell did the quelling, what contact he had with the Cunningham firm, and what record in Criminal Justice has been. Another obstruction charge might arise from the treatment of David Hale. Mr. Hale is the Little Rock judge who last fall was under threat of indictment for making untruthful statements.

Mr. Clinton has kept hiding them. When Vince Foster died, Hillary Clinton's chief of staff, died of an apparent suicide, and the missing documents. Mrs. Clinton said, "I don't think that she did remove any documents." The Clinton had a hand in the Madrid lessons and government

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The ‘myth’ of negative stories?

By Arianna Huffington

The New York Times treats the problem with today's press as fundamentally different: Conclusions are forced by facts. But aren't the facts often written by the press? As Samuel Francis argues, 'the myth of negative stories?' Mr. Gopnik wonders what actual Americans believe might do the press a world of good.

Arianna Huffington is author of six books, including biographies of Picasso and Maria Callas, and most recently, "The Call of the Soul" (Simon and Schuster).

Citizen, Statesman, Commander in Chief: Newt Gingrich and a Presidential Campaign

At the coronation of King Newt this week, His Congestion-Majesty took the trouble to summon William Safire, the white-haired editor of the New York Times, to be present in the House of Representatives when the new speaker did not take the time to peruse the greatest of all American's Farewell Address before this glorious body. The new speaker however, driven by the same objective commitment to inform the readers? Was David Remnick's comparison, in the New York Times editorial, that the readers? Was David Remnick's comparison, in the New York Times editorial, that Mr. Dole seem to be waving his name around to impress the public. Mr. Gingrich seems not to have considered the national interests, which Mr. Gingrich seems not to have considered the national interests, which are more clearly stated in Mr. Dole's words, "Europe," Washington said in 1990. "Europe" is a set of primary interests which to us have none, or a very remote relation. "Europe" must be engaged in frequent controversies, the causes of which are essentially foreign to our own interests. "Europe" must be engaged in frequent controversies, the causes of which are essentially foreign to our own interests. It remains unclear whether Mr. Gingrich's words, "we would do it in three to five days," truly end in a frenzy: "Yesterday's headlines truer to Belgrade and Bosnia, in the New York Times editorials as the American equivalents of Don Vito Corleone's offer you can't refuse. Mr. Gingrich wants to appeal to power and prestige when they fail to "behave." Yes, they do deserve to be informed, but information is a demand for attention, not for power. Mr. Gingrich proposed to build in its place. The new speaker wants to dispatch Gen. Colin Powell to Belgrade to deliver "accepting an armed truce." Mr. Christopher, for all his own impatience with a reporter's question, "Do whatever we want because if we don't, we'll be right to take you apart." Of course, "we" have needed a bit of parenting? Was Frank Rich's advice, they may be bidding farewell themselves sooner than they'd like.

Samuel Francis, a columnist for The Washington Times, is nationally syndicated. His column appears here Tuesday and Friday.

If there is anything on this planet that could make President Clinton's New Age foreign policy look like a good idea, it's the policy Mr. Gingrich proposed to build in its place. The new speaker wants to dispatch Gen. Colin Powell to Belgrade to deliver "accepting an armed truce." Mr. Christopher, for all his own impatience with a reporter's question, "Do whatever we want because if we don't, we'll be right to take you apart." Of course, "we" have needed a bit of parenting? Was Frank Rich's advice, they may be bidding farewell themselves sooner than they'd like.

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Spinning of the tangled PR. man

David Gergen's imminent departure from the Clinton administration would be the stuff of Shake­ spearean tragedy if the tale contained true nobility and generated real insight. Without those ele­ ments, it's just a soap opera.

Sad because David Gergen's mis­ sion failed. He transformed the White House as a master image-maker, hired to make President Clinton appear as much as he had as a can­ didate. Like some saving angel, Mr. Gergen came as the experienced Washington insider helping the fledgling Washington outsider.

But, though, it's just a soap opera. Time magazine had hailed, "The Incredible Shrinking Presidency," with Mr. Clinton's photo tucked into the corner of its memorable cover.

Since then, Mr. Clinton's presi­ dency has shrunk further. The White House is no longer the locus of power.

Mr. Clinton is the first half-term president in modern times. This failure of mission Mr. Gergen himself must recognize. On a recent "Larry King Show," he lamented how the public doesn't yet realize that Mr. Clinton is a cen­ ter of power, not a locus of power.

When asked about this, White House Press Secretary Dee Dee Myers said, "He's a manager again what David was hired to do here. Wasn't it presidential­ly important?"

Mr. Myers' poigniant, even bitter, reply reveals the second element of sadness. Besides failure of mission, there is loss of personal admiration. Though quite a nice man, Mr. Ger­ gen evokes quite unison sentiments.

He ignited Republican fury as a turncoat, and failed to gain Demo­ cratic appreciation for his willing­ ness to help. Mr. Clinton's attempt to graft Mr. Gergen onto his youth­ ful Democratic staff never took.

So the apologists of bipartisanship has become the object of bipartisan scorn. David Gergen must feel sad. But sadness does not become tragedy without nobility and insight gained.

Noble his call to service seemed to some. Although he will be a sad­dest president and we all have a stake in his success. When the president calls, it's usu­ ally noble to heed that call.

Usually, since core values are usually being served. But that wasn't the case here.

In the early '80s, Mr. Gergen was an adept salesman of Reaganomics. In the early '90s, Mr. Gergen returned and sold the real thing — clearly Mr. Clin­ ton's first priority that first year in office.

When an individual serves a Republican and then Democratic president in one of the many areas of policy continuity — like "rein­ venting government" or anti-drug programs or anti-proliferation efforts, etc. — that is noble.

But when an individual serves different party administrations on opposite sides of the same issue, that indicates something less. Per­ haps the absence of core values, the abundance of personal position, and indifference to issues as opposed to image-making — what­ ever the true explanation may be.

This leads into the other element missing for tragedy, insight gained. While White House aides now say Mr. Gergen isn't all he was cracked up to be, the lesson of his tale is more basic: Mr. Gergen's profession isn't all it's cracked up to be. He doesn't know what he stands for.

Image-makers don't, and can't, help much. Their image may be fine but their skills are vastly oversold. Michael Deaver, a true virtuoso in the field, helped Ronald Reagan enormously. But Mr. Reagan's image didn't suffer much (if any) during his second term, after Mr. Deaver had departed.

Sure, Iran-Contra broke, but that was a problem of sloppy procedures and stupid decision-making. Image-making could have helped Mr. Rea­ gan then. Anyway, he recovered and left office with his customarily high standing, just as high as when Mr. Reagan left.

That spinners can't help faulty policies must have been learned. It obviously hasn't, when the White House deputy chief of staff, Harold Ickes, explained the embarrassment that Mr. Gergen does near­ ly as effective a job as we could have in articulating our message.

Democratic Party leader Larry Meschel of Ohio was even more blunder, and wrong, when explaining: "It's a matter of merchandising, of public relations. We need a public relations firm that communicates the Democratic Party's policies."

Were David Gergen to be the last person to enter the White House as an image-maker, his sadness would have a redeeming result.

That he won't be makes the tale, however lacking in tragedy, even sadder.

Ken Aderman is a nationally syn­ dicated columnist.

New York writer Deroy Murdock is president of Loud & Clear Communications and media consultancy.

Our newly nationalized student loan program

By Deroy Murdock

A $ one of the 25 million Amer­i cans who owe some $245 billion in student loans, here's a suggestion for loan forgiveness. It's a proposal Clinton's restructuring of educational lending looked attractive.

Under a plan launched last summer, some 40,000 borrowers who failed to make more than 10 years' payments, were to take more time to pay off their debts and may do so more attractively. Without nobility and insight gained, there is a cloud lingering not far behind this one.

President Clinton's direct loan program takes Washington far beyond its traditional role of guaran­ teeing loans made by private banks and financing other educa­ tional programs. Suddenly, the U.S. Treasury is in the business of borrowing money even turning it over to borrowers to students. Says Sen. Nancy Landon Kassebaum, Republican of Kansas, and chairman of the Senate Labor and Human Resources Committee, "People who are having difficultyNeill your debt are getting that money directly from the U.S. Treasury.

The administration originally set out to federalize student loans. But Congress balked, at least par­ tially. It settled on the more modest objective of authorizing the federal government to shell out to 60 percent of loan volume worth at $38 billion, the depart­ ment of Education is on track to that deal. While it is a step in the direction of "reinvigorating government," the Clinton admin­ istration quietly has rein­ vested nationalized student loan money to their students (as happened in 1991 to 1995), it would turn around and use it loan authority to dictate tuition caps, registration fees or mandate a Politically Correct national curriculum. As David R. Merkowitz of the American Counc­ il on Education asked in the New York Times: "What is to prevent the Federal Government down the line from writing new regulations that go to questions like Darwinism science versus creation science?"

Direct federal lending is a per­ fect example of a 10-car pileup on a road paved with good intentions.

President Clinton's direct loan program takes Washington far beyond its traditional role of guaranteeing loans made by private banks and public/private partnerships. Suddenly, the U.S. Treasury is in the business of borrowing money then turning around and lending it to students.

The 104th Congress, in coopera­ tion with Mr. Clinton in his best New Democrat uniform, should come to the rescue by developing a realistic student loan plan that par­ ents can save for their children's schooling. Amounts of student loans should be tax-free so long as they cover academic expenses (tuition, books, room and board). On the other hand, educational withdrawals (such as paying for spring break) should be subject to taxation. As the student system grows, future demand for edu­ cation loans should wax.

For the public/private partnerships, pri­ vately-financed, government-guar­ anteed student loans are a better bet. Middle-class kids like me get edu­ cated at institutions once beyond our dreams. Ambitious students who don't need the government's largesse now have to join the fun by withholding their employees' loan payments for the tax man.

The direct lending scheme humanely attempts to make pay­ ments affordable. It does this with lower incomes by tying remittances to income and allowing borrowers to stretch the payment of federal loans 10 years to 25 years. However, it offers only illusory benefits.

Despite lower monthly costs, com­ pounding interest severely boosts total indebtedness. Business Week calculated that a student who borrowed $17,125 at 8 percent interest faces 10 years of $207 monthly payments that add up to $24,940. The Clinton program per­ mitted 10 years of payments for a total of $39,690, more than twice the amount of the original loan.

The Clinton's 10-year plan will not cover their debts after 25 years, a Department of Education fa­ miliarity. When the taxpayer (or the student) does not repay the loan within 25 years, the remaining balance will be forgiven. But when an individual serves different party administrations on opposite sides of the same issue, that indicates something less. Perhaps the absence of core values, the abundance of personal position, and indifference to issues as opposed to image-making — whatever the true explanation may be.

The region where Russian intervention has been most intense is the Caucasus, where Chechen and Azeri oil fields are located. There are at least four possible outcomes of the conflict in Chechnya. The first is that the Russian army will be able to suppress the Chechen rebellion, but at a great cost in terms of blood and treasure. The second is that the rebellion will continue, but without a clear leader or a strong base of support. The third is that a negotiated settlement will be reached, but it will be unenforceable and the peace will be fragile. The fourth is that the conflict will escalate into a full-scale war, with widespread destruction and loss of life.

The British government is preparing for the possibility of a major conflict in the region, and the United States has deployed additional forces to the area. NATO has also increased its presence in the region, with troops and equipment deployed to Estonia, Latvia, and Lithuania. The alliance is determined to prevent any further expansion of Russian influence in the region and to protect its member states from Russian aggression.

The situation in the Caucasus is complex and the outcome is uncertain. The situation is likely to remain volatile for some time to come, and the risk of a full-scale war remains high. The international community is watching with concern and urging a peaceful resolution to the conflict. 

Cord Meyer is a former White House official and a nationally syndicated columnist.
Distorted AIDS policy abetting scourge?

The war on AIDS has had all the success of the government's war on poverty. It has distracted attention from the real hot spots of the epidemic. The number of new AIDS cases in the United States grew even faster than anticipated last year.

The Centers for Disease Control and Prevention (CDC) had expected a 75 percent increase partially because of a new expanded definition of the disease. New AIDS cases actually jumped 111 percent last year because of a sharp increase in infections among heterosexuals. Further, said CNN, "AIDS resulting from heterosexual contact in 1993 rose 130 percent."

In fact, the entire increase was due to a new expanded case definition that the CDC implemented in reaction to activist pressure. This definition greatly speeded the rate at which new diagnoses came in, and was targeted toward the spectrum of illness seen more often in nonhomosexuals, especially women. The heterosexual increase of 130 percent was far less than the hemophiliac increase of 169 percent, yet there have been no new hemophiliac infections since 1985. Thus, pace CNN and virtually the entire increase was due to a new expanded case definition that the CDC implemented in reaction to activist pressure.

The war on AIDS is the 1994 Price of The Washington Times, decided the public deserved to hear it. The public also didn't hear that on July 12, CDC Director David Satcher and Assistant Director James Curran told a congressional panel that the agency was considering lowering the estimate of current HIV infections from 1 million to 800,000. This figure in turn had already been reduced from a range of 1 million to 1.5 million. The CDC testimony was enough to make Rep. Gary Studds, Massachusetts Democrat, go ballistic, which may or may not explain why the agency has yet to implement it. But it was not enough for a single newspaper carried by Nexis to report it.

When it does, the alarmists will react. But eventually news of the declining epidemic must leak out. When it does, the alarmists will react. But eventually news of the declining epidemic must leak out.
Poor victims who don't get no respect

We're not running out of victims after all. A fresh supply arrives with the morning papers.

A group of parents in Fairfax County are irate because a student notes in the school newspaper that the typical participant in a program for gifted students at Lake Braddock Secondary School in Burke is so hung up on grades and test scores that he shows "the maturity of a chimp." The parents demand an apology, but the young journalist should first deliver an apology to the monkey house at the zoo.

A city councilman in Richmond, proving that illiteracy is no bar to public service, waxes wrath about the victimization of black citizens whose taxes pay upkeep for a museum depicting artifacts of the late War Between the States, since this would be the equivalent of asking Jews to pay for a museum "glorifying" Nazi Germany.

The Rev. Jesse Jackson, the noted historian and warrior against anti-Semitism, feels victimized by white Christians who disagree with his nutty welfare-state racism. It was the white Christians of Germany, he says, who "laid down a suitable, scientific, theological rationale for the tragedy in Germany." Mr. Jackson, who seems to be auditioning for Flip Wilson's famous Church of What's Happening Now, thus becomes the first famous theologian to suggest that there actually was a "suitable" rationale for the Holocaust, "scientific" or "theological."

Halfway around the world, Japan is offended by the U.S. Postal Service, which wanted to include a stamp depicting a mushroom cloud, like the one over Hiroshima, in a set of stamps commemorating pivotal events of the war that Japan started with the bombing of Pearl Harbor. The series doesn't include a commemoration of the attack on Pearl or the Bataan Death March, either, but no one in Ibkyo complained.

Any mention of Hiroshima prompts the cruelest of flings about the usual factoids. The Associated Press reports that the Hiroshima bomb killed 140,000 persons. The actual number, awful enough, was about 60,000. The invasion of Japan, which the bomb made unnecessary, would have killed a considerably more awful 2 million.

Bill Clinton, ever eager to find someone to sur-render to, canceled the stamp, doing it on Pearl Harbor Day. To be fair, the president is said to confuse Pearl Harbor with Pearl Bailey. Military stuff makes the commander in chief's teeth itch.

The stamp looks offensive enough to the bemighted Occidental eye. Under the depiction of the familiar mushroom cloud are the words "Atomic bombs hasten war's end. August 1945."

You might think somebody had written something rude, like "Gotcha!"

This was only a postage stamp, after all. Japan should have been so lucky. If the Post Office had delivered the bomb it would have arrived in Hiroshima, badly damaged, in 1951.

The victimized parents in Fairfax have so far not asked for State Department intervention or a congressional investigation. But lawyers, with that lean and hungry look known in the trade as "the Yale Law School stare," have been seen circling the school.

"There is a dirty little secret about the [gifted] students that no one talks about," writes Andrew Owen, a Lake Braddock senior and a gifted student himself. "[Gifted students] by and large lack the maturity that should be present in a high-school student. And so we have a girl who cries when she receives a 94 on a history test. Why is she crying? Because she missed one problem. Sure, a 94 is an A, but it not a perfect A. The student who receives top grades typically possesses the maturity of a chimp and can be heard proudly proclaiming that their whole life is school."

The gifted young of Fairfax have not learned that nerds do not get their rewards in high school. The Fairfax parents should remind their progeny to be of good cheer, that the revenge of the nerds generally arrives at the 25th anniversary class reunion.

By then the cheerleader, who once wrinkled her pert little nose at the proffered affections of the nerd, is herself wrinkling. She arrives on the arm of the quarterback, once so skilled at finding a receiver in a crowd, now long since accustomed to his intended receivers roughing the passer. He tries not to trip over his beer belly.

Sleek and tanned, rich from his software royalties, the gifted nerd springs jauntily from his sugar-white Lexus 400, taking care not to scuff his $900 wingtips or soil the $2,000 suit cut in Rome to accommodate his toy body. His third wife, a svelte 22-year-old with perfect legs long enough to reach Yokohama, rests a delicate hand, weighted with a blinding burden of many carats, on his arm.

The quarterback and the cheerleader hurry inside for the game of top-this-if-you-can. The cheerleader wants to get bombed, quickly.
The Summit of the Americas

Bu dapest last weekend, the Summit of the Americas in Miami this one. President Clinton is looking more and more like a foreign policy president since he reluctantly rejected his domestic agenda Nov. 8.

Tonight Mr. Clinton will be greeting the leaders from 33 American countries — the one exception, the odd man left out, being Cuba's Fidel Castro. It is the first time since Lyndon Johnson presided over the 1967 summit in Punta del Este that such a meeting has convened. Quite a historic occasion it is, and certainly it will be a significantly friendlier crowd that greets Mr. Clinton than the one President Johnson had to deal with.

Mr. Clinton even has a chance to look a little less like a leader without followers, which is rather the way he came across in Budapest. That chance depends on his determination to stick with the administration's trade agenda, which is very much the direction that Latin American leaders want to pursue. With the Uruguay round of the GATT treaty in the bag, Mr. Clinton can point to solid U.S. leadership in the area of international free trade.

Whether the president will pursue such a course remains to be seen. Initial indications, based on the drafts of the summit resolution that have been circulating, are somewhat mixed. There certainly is a fair deal of talk about free trade, but as Mark Falcoff, Latin America expert at the American Enterprise Institute, told The Washington Times, there are also a lot of other issues, mixed in with trade. Mr. Clinton "goes to the meeting with a much more complex bag of items stuffed in there by his own people. The State Department, environment, labor, human rights [activists] all want to piggyback on the trade issues." Just about every conceivable group, interesting and cause is represented in the commitments undertaken here, from environmentalism to multiculturalism, from women to minorities, indigenous peoples, people with disabilities, children, migrant workers, prisoners, the extremely poor. It all sounds suspiciously familiar.

Furthermore, one of the last items to be negotiated was the question of expanding the North American Free Trade Agreement. That should be the heart of the summit, not an afterthought. What should come out of this summit to make it a success is a series of concrete measures, deadlines and specifics for breaking down trade barriers in the hemisphere.

The first step has to be a date for negotiations to start for Chile to join NAFTA, for which it is certainly qualified (more so than Mexico, in fact).

More broadly, the administration needs to make clear that free trade in the hemisphere will be helped by folding other regional trade agreements into an overall American Free Trade Agreement. Trade experts fear that a proliferation of competing trade pacts and bilateral agreements, such as is happening now, could have the opposite of the desired effect and increase the risk of trade wars. And, Mr. Clinton needs to show his commitment to pledging to ask the 104th Congress for fast-track negotiating authority on these options.

The Miami summit represents a remarkable opportunity. For the first time, every country represented will have been democratically elected and will be pledged to pursue market economic principles (even if the execution in some cases leaves something to be desired). These trends are as beneficial for them as for us, as neighbors and trading partners. There's a lot of work to be done here. Let's hope the president goes to it with his sleeves rolled up.

Targeting the Corporation for Public Broadcasting

A mong the many institutions that are about to come under new (Republican) congressional scrutiny, the Corporation for Public Broadcasting may be one with a lot to worry about. Republicans have long had misgivings about both the principle and the practice of publically financed broadcasting, and this week Newt Gingrich announced that he hopes to distance CPB.

Of course, members of the public broadcasting establishment immediately rushed to their own defense, with the usual reminders about "Sesame Street" and "Mister Rogers' Neighborhood." And there can be no denying that public broadcasting has brought us some terrific programs since its beginnings in 1967.

On the other hand, there can also be no denying that it has brought us a great deal of terrible programming as well, primarily because it has heen to political and social positions utterly abhorrent to most Americans.

The founding premise of public broadcasting was that commercial television played to the lowest level of taste and had very little redeeming educational value. Not to forget, either, the pernicious influence of the commercials themselves on the kiddies. Public TV would have no need to pander to the advertising companies and could thus serve up wholesome, cultured fare for all, unsullied by attempts to sell toothpaste.

An interesting — if painfully snobbish — idea perhaps, but not one that ever quite caught on with an audience. Not even its greatest defenders could ever claim that public broadcasting scores high on any ratings list. And it's pretty hard to come up with a good reason why the American people should fork over their tax dollars for television programs they have no interest in watching. It's just as hard to justify using those hard-earned dollars to pay for material that consistently devalues the views, aspirations and lifestyles of the very people supporting it. A good dose of having to care about what its audience thinks could do public broadcasting a world of good.

The truth is that Americans in search of culture, of commercial-free viewing, of tedious educational programming, of clever and innovative children's shows, can simply turn to one of their commercial stations, and frequently get it served up there without the political propaganda.

And most Americans have always preferred the menu on the commercial stations anyway.

In fact, for Public Broadcasting loses its $300 million after 1996 (funding until then was already approved), it will probably be barely a blip on the American entertainment-and-information media spectrum.

One footnote to this story is instructive. Mr. Gingrich made his comments on CPB funding on National Empowerment Television, the privately funded conservative cable and satellite channel. NET is a classic example of the proliferation of alternatives to the broadcast networks — including PBS. And because that's where Mr. Gingrich chose to let CPB know what he had in mind for its fate, the episode vividly illustrates the new media environment as well.

The Washington Times FRIDAY, DECEMBER 9, 1994
Guatemala has been much in the news in recent months, but not exactly for reasons that the Guatemalan government is very happy about. The case of Jennifer Harbury has been all over the American media and shows no signs of going away. It has all the ingredients to make a tasty news item: Marxist rebels, romance, dark government secrets and a woman bravely fighting for her husband's life. Small wonder that everybody from the Harvard Magazine to People magazine and the ubiquitous Mike Wallace of "60 Minutes" have jumped on the story.

Ms. Harbury is the American Harvard-trained lawyer, who went to Guatemala to write about the country's Marxist guerrilla insurgents—the Marxist Guatemalan National Revolutionary Union (URNG). She ended up falling in love with a leader of the rebels, one Efren Bamaca Velasquez, also known as Comandante Everado. In 1991, she agreed to move in with him, but their romance was but short-lived. The following year, on March 12, he disappeared after a firefight with the Guatemalan army. The government says that he probably died in the shootout; she says there have been several live sightings since his disappearance.

The Guatemalan government has ordered the exhumation of several bodies in order to prove to her that he is truly dead. She says they are trying to wear her out through the gristy ritual. They say that finding the grave of an insurgent killed more than two years ago is not easily accomplished. In the effort to get the United States government to put pressure on the Guatemalans, on Oct. 11, she began her much publicized hunger strike in the central plaza outside the presidential palace in Guatemala City. This has been to the intense dismay of the government of President Ramiro de Leon Carpio, himself actually a former human rights lawyer who is serving out the remainder of the term of Jorge Serrano Elias, who was removed from office in 1993 after a self-actuated a former human rights lawyer who is publicized hunger strike in the central plaza outside the presidential palace in Guatemala City.

It will undoubtedly be in the interest of the Guatemalan government to see this inquiry thorough and open an investigation as possible, as indeed of other cases of disappearance and human rights abuses. The government is nearing a peace agreement with the rebels and the influence of the army needs to be curtailed. An accounting of what happened during the years of civil war will, at some point, have to be a part of that process. Certainly it will not help Guatemala's international image to take legal action to silence Ms. Harbury. Attorney General Acacio Valderr Mora did just that Dec. 1. after Ms. Harbury had threatened to sue the army. His action gives Ms. Harbury two weeks to present her evidence in court or stop making public claims against the government. That is only likely to win her more support abroad.

However, it is entirely possible that it will never be known what happened. As Foreign Minister Gladys Marichu Ruiz Sanchez de Vehman told reporters and editors at The Washington Times this week, proving a negative is difficult and could be impossible. No positive proof of Mr. Bamaca's death may ever be found. The fact of the matter is that he was a leader in a guerrilla war, which over the past 34 years has left over 100,000 dead, thousands of people missing. Were he never found, dead or alive, that would not be entirely strange.

The determining factors for U.S. policy toward Guatemala ought to be the firm establishment of civilian control of the government, the army and the police, progress in human rights and a resolution of the long-standing civil war. These have (more or less) been the guiding principles in our policy in El Salvador and Nicaragua, and they apply equally to Guatemala. It is clear that Guatemala has a ways to go, particularly in terms of reducing the influence of the military, which may be talking about reductions in size but continues to control the police and exert considerable political influence.

What we cannot have is a hunger-driven foreign policy. Randall Robinson set the example, which Ms. Harbury has followed faithfully. Who will follow her lead? The media may run with the Harbury story, but U.S. foreign policy has to be determined by the larger picture.

Your Page One Dec. 1 "news analysis," "Agreeing to Serbs' demands is peace at the price of least resistance" was nothing but "pure propaganda." Bosnian Serb leader Radovan Karadzic himself could not have written a better piece. Like all Serbian propaganda, it is based on distortions, half-truths, and outright lies. There is not a shred of critical "analysis."

Your reporter worries that the State Department has "systematically ignored Serbian aspirations," without mentioning that these "aspirations" are the subjugation of Bosnia-Herzegovina, the seizure by force of one-third of Croatia, and the ethnic cleansing of these territories and the Albanian-majority province of Kosovo in order to create a racially pure Great Serbia.

Your reporter, however, does not miss the opportunity to smear the government of Bosnia-Herzegovina with the old Serbian canard that it is Muslim fundamentalist simply because the Bosnian Muslims accepted arms from Iran in desperation because the democratic West denies them the right of self-defense. Your writer even collaborates in the denial of Bosnian Muslim ethnic identity by lending credibility to the spurious assertion that the Muslims are basically Serbs who converted to Islam.

Nor does your reporter hesitate to repeat that pillar of Serbian propaganda that all sides are equally to blame — in the face of recent after reports from the United Nations and other human rights organizations that the Serbs alone are engaged in a systematic policy of ethnic cleansing.

Finally, we have to endure once again the mythic Serbian version of World War II. Fact: A Nazi collaborationist regime set up in Belgrade under Serbian Gen. Milan Nedic. Fact: This regime issued brutally anti-Semitic stamps and rejected that Belgrade was "Judenfrei" (free of Jews). Fact: Serbian Chetniks massacred thousands of Croats and Muslims. Fact: The anti-fascist partisans were led by Croatian-born Josip Broz Tito, and initially they were mostly Croats. Fact: The Allies backed Tito because the Serbian Chetniks wouldn't fight the Germans. Fact: The Germans never seriously attempted to subjugate Yugoslavia; they were primarily interested in protecting the puppet Regime in Greece.

In light of the above, I cannot imagine why you labeled this article "news analysis" or why you gave it such prominence.

EDWARD J. DAMICH National Federation of Croatian Americans Fairfax

The Washington Times FRIDAY, DECEMBER 9, 1994

Your 'news analysis' should have been labeled 'pure propaganda'
Clinton to send U.S. troops to Bosnia, officials announce

By Michael E. Ruane, Jennifer Lin
and Angie Cannon

Knight-Ridder Newspapers

WASHINGTON President Clinton Thursday raised for the first time the specter of Americans participating in potentially bloody ground combat in Bosnia.

Clinton will send U.S. ground troops to aid in the extraction of U.N. peacekeepers from Bosnia, if such an operation becomes necessary, the government announced.

The peacekeepers have increasingly been menaced by Bosnian Serb forces during their renewed assaults in recent weeks against Muslim enclaves across Bosnia. About 300 of the peacekeepers are even being held hostage by the Serbs to thwart NATO air strikes.

A rescue operation could involve a sizable NATO ground force, almost half of which would be made up of American soldiers, a senior defense official said at the Pentagon.

Experts estimated that the rescue force could be as large as 25,000, though the Pentagon declined officially to discuss exact numbers. The force would be heavily armed. "Capable of covering withdrawal and taking care of itself," the defense official said.

The official who briefed reporters at the Pentagon stressed that the United States hoped that the 23,000 U.N. peacekeeping troops would not have to be withdrawn from Bosnia.

If they decide to go, the peacekeepers might leave without violence, depending on the Bosnian reaction. But the danger of a violent struggle involving U.S. forces would be high.

The defense official said that both Muslims and Serbs in the conflict have agreed not to impede a withdrawal, but most indications have been that rescuing the peacekeepers could, in fact, be a complex, savage and perhaps impossible operation.

Bosnian experts Thursday spoke of the likelihood of a peaceful withdrawal, worrying instead about such things as "free for all" battles over the treasure trove of U.N. military equipment, and bands of civilians blocking withdrawing convoys.

But the United States hopes none of that will be necessary.

"We at this point do not expect the U.N. to remove the peacekeepers," White House chief of staff Leon Panetta told reporters Thursday. "Our hope is that there will be a negotiated settlement to the Bosnian situation."

"But because the peacekeepers are there and that kind of contingency could arise," he added, "the question was to start planning for a pullout, and NATO officially asked the administration that American forces would not fall under the U.N. command."

"Under no circumstances should any American forces be subject to United Nations decisions on their manner of operations, rules of engagement or ability to defend themselves, as is presently the case with NATO air forces," he said.

Rep. Ben Gilman, R-N.Y., chairman of the House International Relations Committee, said Congress needs to examine the troop size, the mission's limitations and cost.

"I think we do have a responsibility to make certain that the (U.N.) forces are withdrawn safely and in a secure manner," he said. "But when we talk about utilization of 10,000 of U.S. troops, I think we better leave some room for questioning how extensive our involvement will be."

France, which, with 3,600 soldiers, has the largest contingent in Bosnia, asked the U.N. and NATO on Wednesday to start planning for a pullout, and NATO officially asked its experts to draft a withdrawal plan.

Government officials and Bosnia experts said Thursday there could be an array of withdrawal scenarios, ranging from totally peaceful to totally hostile.

Many of the American troops could be drawn from the two divisions based in Germany, the First Armored Division and the Third Infantry, mechanized mainly because of their proximity to the Balkans.

But those two divisions, which have tanks and other armored vehicles, lack light infantry, which might be required for some aspects of the withdrawal, experts said. That need could be filled by an airborne combat team that is based in Vicenza, Italy, or by airborne units in the United States.

NATO already has about 180 aircraft operating in the area, enforcing the U.N. no-fly zone over Bosnia and dueling with Serb missile batteries, but that number would probably have to be increased.

"If they know that there are planes in place under a variety of contingencies to extricate those forces it may give them the..."
Some goals diluted, others broadened in Summit's action plan
By Mary Beth Sheridan and Christopher Marquis
Knight-Ridder Newspapers
MIAMI  Diminishing some of the initial hopes for the Summit of the Americas, negotiators from across the hemisphere have diluted proposals to fortify democratic rule and refused to create institutions to improve health, schooling and government.

But in their "action plan," a final draft copy of which was obtained by The Miami Herald, the region's 34 governments have committed themselves to an unprecedented collective approach to stemming corruption and money-laundering.

By all accounts, the main focus and achievement of the summit will be a drive toward regional economic integration. The countries have tentatively agreed to set a date of 2005 to conclude negotiations for a hemisphere-wide free trade zone.

However, a second pillar of the summit's agenda—the need to forge new approaches to bolster nascent democracies—faced an uphill battle against nations' concerns about their sovereignty.

"The fact is, the Latin American countries were not willing to come together and forge really strong hemispheric institutions yet" dealing with democracy, said Peter Hakim, head of the Inter-American Dialogue, a think tank in Washington.

"They either lack the confidence in themselves or the U.S. to move forward," he said.

The draft copy of the "action plan," which is to be made public on Sunday, drops proposals for several new hemispheric institutions. Among the casualties: a commission in each country to tackle health reform; a hemisphere-wide office to focus on education reform; and a department on biodiversity in the Organization of American States.

Harriet Babbitt, the U.S. ambassador to the OAS, noted that the administration's efforts to produce a document by regional consensus has produced "more general language (that reflects) people's comfort level."

But, Babbitt insisted, virtually all of the mechanisms essential to the summit's goals of building hemispheric trade, protecting democracy, and forging new paths in sustainable development have survived.

"I'm from the what-can-you-do school," she said.

"The last draft provides the political space for the OAS to be a more vigorous and useful tool in strengthening democracy."

A comparison of three successive drafts of the action plan show how the document lost some of its specificity and activism during recent weeks of negotiations. It also became far more elaborate in some areas, including new steps to fight drugs, protect women's rights and combat terrorism.

All drafts called the consolidation of democratic government "the central political priority of the Americas." Nations acknowledged the OAS' role as the principal body to defend democracy.

But an early draft of the action plan sought to bolster the OAS' authority to "preempt trouble," and committed all governments to ratify the Washington protocol, which widens OAS powers.

The most recent draft, dated Dec. 4, makes no mention of preemptive action and commits governments only to consider ratifying the Washington protocol and other regional accords.

It adds that all collective action must reflect "due respect to the principle of nonintervention" in other countries' affairs language traditionally used by Latin American countries nervous about U.S. interference.
It was a bit of a retreat from an earlier version that might have put more teeth into the democracy question, said Ambler Moss, a former U.S. ambassador to Panama who heads the University of Miami's North-South Center.

For Babbitt, the final draft reflects a blend of competing impulses.

"The issues of strengthening democracy and the traditional hemispheric concern of nonintervention are concepts which have historically, and continue to, need to be balanced," she said.

The early document also sought to establish several new entities within the OAS to "build on its capacity to preempt future crises."

(EDITORS: NEXT GRAF OPTIONAL TRIMS)

Among them: a roster of consultants on government reform, a "Center for the Study of Democracy" devoted to research and technical training, and a group to monitor the pro-democracy recommendations.

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The latest draft creates no new institutions. It calls for strengthening the OAS' Unit for the Promotion of Democracy so that it can provide assistance on matters such as legislative and judicial reform.

Contrary to the more interventionist approach of the early draft, the latest version twice asserts that OAS intercession in defense of democracy must come "at the request of the affected state."

The battle against narcotics trafficking fared better in successive consultations. In all drafts, negotiators recognized that illegal narcotics and related criminal activities pose grave threats to the hemisphere's societies and institutions, and pledged nations to reduce production and consumption.

Under prodding by Colombians, negotiators focused extensively on money-laundering in the most recent document. It commits governments to ratify a 1988 United Nations convention against drug trafficking and to make it a criminal offense to launder the proceeds of serious crimes.

Negotiators refused, however, to require financial institutions to report large and suspicious transactions, setting on language "encouraging" them to do so.

The nations agreed to hold two conferences on narcotics to explore a hemispheric approach to fighting drug trafficking.

Acknowledging that some of the largest drug-producing nations have scant resources, the leaders agreed to convene a hemispheric conference of donors to seek funds for such issues as crop substitution.

With a strong push from Venezuela, Chile and Ecuador, leaders acknowledged that "corruption in both the public and private sectors weakens democracy and undermines the legitimacy of governments and institutions."

Governments have pledged to enhance the public's ability to scrutinize their actions, including opening official records.

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They also committed themselves to establishing conflict-of-interest standards for public employees, and imposing stiff penalties on those who entice them illegally.

A call by Venezuela to make it easier for nations to extradite corrupt citizens who have fled beyond their borders was softened. The latest draft calls on the OAS to fashion a hemispheric policy on corruption "with due regard to applicable treaties and national legislation."

34 nations try to find a unified voice at Summit of the Americas

By Peter Slevin Knight-Ridder Newspapers

MIAMI The Summit of the Americas turns from project to reality Friday night, bearing the tenuous hopes and ambitions of a hemisphere more usually divided than united.

Thirty-four heads of government from Canada to Chile are converging on Miami for three days of talk and more talk around a square table at Vizcaya, aboard a boat in Biscayne Bay, alongside one another at a grand gala.

The goal, set by host President Clinton, is a network of close relationships and concrete steps toward greater hemispheric integration at a time when the region is concerned more with economics than ideology.

Miami is the primed and primed host community, racing to pull itself together for the glittering spectacle. City leaders see the weekend as an affirmation of the city's place at the heart of the hemisphere.

As presidents and prime ministers began to arrive Thursday, the primary attention focused on the only head of government who stayed home. Fidel Castro is the only uninvited leader, but the Cuban president cast a long, familiar shadow.

Argentine President Carlos Menem on Thursday made good on his pledge to make an issue of Cuba's lack of democracy and civil rights.

Menem, who supports dialogue with Castro, accepted a key to the city of Coral Gables and an Apostles of Freedom medal from the Cuban American National Foundation. He then addressed more than 2,000 anti-Castro demonstrators.

"I have asked the president of Cuba," said Menem, "and I will ask him every time I see him, 'When will Cubans finally have liberty and the possibility to elect their leaders by vote of the people?'"

Metro buses are chugging through the city with placards sponsored by the Foundation: "Scores Presidentes. Cuba sin Castro. Democracia Ya." "Cuba without Castro. Democracy now."

The third hemispheric summit the first in 27 years and by far the most ambitious comes when none of the invited leaders are in uniform and all are looking for common denominators.

Trade, in particular. The Saturday summit at Vizcaya will have three parts, including democracy and sustainable development, but the bread-and-butter topic will be economics.

"At the top of the agenda will be economic issues," said Thomas F. McLarty III, Clinton's former chief of staff. "There's clearly a convergence. We will see the shape of the future for this hemisphere."

On Sunday, the heads of government will gather to sign a declaration of principles and a communique that touches on issues from corruption to economic integration.

The documents are expected to lay the decade-long groundwork for the creation of an Americas Free Trade Area. In a speech Friday in Miami Beach, Clinton will define "a new architecture," McLarty said.

The show begins in earnest Friday.

For the fortunate few hundred with tickets, the first event is Friday morning's breakfast at the Miami Beach Convention Center, hosted by Gov. Lawton Chiles and the summit host committee.

Clinton-heads now at the Theater of the Performing Arts, then breaks for talks with congressional leaders before zooming across town to the Biltmore for a round of receptions. He will greet one group of Florida guests, one group of business executives, and finally an invited array of diplomats and dignitaries.

Six motorcades will deliver the heads of government to the Biltmore for the final reception before Clinton breaks away with the other heads of government for a private
Hillary Rodham Clinton will host a separate dinner for the leaders' wives, while Secretary of State Warren Christopher hosts foreign ministers at a dinner in the rotunda of the Omni Colonnade.

Once in the Biltmore, it is unlikely a guest will be permitted to leave before the heads of government depart for dinner at about 9 p.m. The rules are dictated by protocol, with an assist from security.

All weekend, rings of security will require guests to be generous with both time and patience. Everyone needs invitations and credentials, which will be checked and double-checked long before the guests reach the site.

Simply to collect credentials, invitees were asked to appear in person with a picture identification at the Doral Ocean Beach Resort. If they could not appear in person, they were asked to provide authorization to a messenger on letterhead stationery.

White House staffers have been working around the clock in the "list war room," matching names to invitations. Because of a printing company's missed deadline, anyone who tried to pick up invitations to Saturday's gala at the Knight Center were told regretfully that they would have to come back once more.

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Sightseers with camcorders and joggers pushing baby strollers cruised the area near the Biltmore on Thursday, angling for a glimpse of the action. Many residents draped Cuban and American flags across their homes and their lawns.

The 68-year-old Biltmore itself bore the look of a Hollywood thriller. Security men wore sunglasses and dark suits on a bright day as dozens of Metro-Dade police officers stood nearby in hot uniforms, their chests protected by bullet-resistant steel plates.

There to protect against protests and outbursts, the police had little to do but give directions, trade jokes, tell stories and count the fancy cars that glided past them.

"It's quiet so far," said Officer Sandy Dellabella, "just the way we hope it stays."

At Jackson Memorial Hospital, workers installed the hemisphere's flags at the main entrance and finished painting touch-ups in readiness for Friday's visit to the neo-natal unit by Hillary Rodham Clinton.

At Charles R. Drew Elementary School, nationally recognized for its excellence in teaching poor children, the children's band and chorus enthusiastically rehearsed for its performance.

But the volunteer program continued to suffer from poor communication and a constantly shifting target. Local organizers of the many-headed production found themselves besieged by volunteers awaiting assignments just hours before the summit kicks into gear.

"I have people who are incredibly unhappy with us," said Carol Klingbeil, a coordinator whose staffers are working more than 17 hours a day. "We've stressed all along that flexibility is the key. Even though people say they have been through events before, nobody has ever been through anything like this before."

Clinton hopes for free-wheeling meetings
By Christopher Marquis
Knight-Ridder Newspapers

MIAMI Some heads of government groused about protocol. Some of their ministers felt slighted.

But when President Clinton plays host to 33 hemispheric leaders for dinner and a working lunch Saturday as part of the Summit of the Americas, the only people whispering in his guests' ears will be interpreters.

Clinton likes things that way up close and personal, freed from the clutches of advisers as intimate as a group of three dozen politicians can be, aides say.

The president first insisted on "leaders only" meetings in Seattle, where he was host of the first summit of the Asia Pacific Economic Cooperation forum one year ago.

That shirt-sleeve, free-wheeling get-together among Asian and Pacific leaders ultimately led to an agreement last month in Indonesia to eliminate all trade barriers among those countries by 2020.

Now, top advisers to Clinton say, the president hopes to get Latin American, Caribbean and Canadian leaders to break bread and barriers over meals. Another dinner, on Fisher Island Saturday night, will be restricted to the leaders and spouses.

Summit organizers have done their best to discourage anything that sounds like canned speeches in these private sessions. For Clinton, a world-class conversationalist, informal tete-a-tetes are sustaining.

"It's his style," said one White House aide. "He thrives on the intellectual exchange. I would like to think people see President Clinton as a different kind of president someone who is open and accessible, and not given to a particular ideology."

The region's leaders have already achieved considerably greater consensus than the APEC leaders did, U.S. organizers said.

By duly elected leaders and market advocates, the presidents and prime ministers have spent a year delving into issues beyond trade, addressing once-taboo subjects from corruption and money-laundering to environmental protection.

"Look at the agenda of the (Miami) summit," said Charles Gillespie, one of the senior summit organizers at the State Department. "We're talking about political subjects, law-and-order subjects, how governments function."

Whether it is because of geographic proximity, shared histories or the new democratic, free-market orientation of the region, Clinton will find far more in common with his guests in Miami than he did in Seattle.

"Many of these leaders are American educated," said Treasury Secretary Lloyd Bentsen. "They've gone to our graduate schools in this country, understand the economics of a free market system. They're not afraid to get into a room and discuss those opportunities."

And, despite initial grouses over the format, administration officials predict the hemisphere's leaders will warm to Clinton's admonition to let down their hair.

"They're a looser group" than the APEC leaders, the official said. "I mean, they're Latinos."
Aristide's cautious approach dismays many supporters
By Susan Benesch Knight-Ridder Newspapers

PORT-AU-PRINCE, Haiti - President Jean-Bertrand Aristide had been scheduled to give a speech in Cite Soleil, and thousands of his supporters from the slum stood for hours waiting to hear him. But at the last minute he changed plans for security reasons and delivered the speech on radio, from a nearby military base. His words were still addressed to people of Cite Soleil, but his distance disappointed and angered some.

"They said he was going to come but he didn't," said Josue Frezin, a member of a pro-Aristide group in Cite Soleil who spent most of the past three years fearing for his own life.

Seven weeks after they danced and cheered when Aristide returned to Haiti, some of the slum dwellers and social activists who helped elect him to the presidency and stood through three dark years of military rule are becoming increasingly disillusioned.

They are dismayed by Aristide's new moderation and restraint, his efforts to woo rich and conservative Haitians who once opposed him, and the security that has kept him almost invisible to common Haitians.

Aristide still has unconditional, even rapturous support from most Haitians. Unwilling to blame the president for their disappointment, they see him as a captive of the foreigners surrounding him, including the U.S. soldiers who cleared the way for his return Oct. 15.

"He doesn't have even half of the power he had" at the beginning of his presidency, said Wilfrid Alexi, a member of the pro-Aristide Movement for the Development of Cite Soleil. "Maybe 30 percent. In 1991 it was different. Now he's not acting on his own account."

"His life is so much in danger than he can't make his own decisions," said John Desir Elias Daniel, head of another neighborhood organization in Port-au-Prince. The danger is from pro-military and other thugs still not neutralized by the U.S. forces.

Some Haitians also had unrealistic expectations.

"We are disappointed because we were waiting for a total, wholesale change," said Joseph Ronald of the neutralized by the U.S. forces.

"We need to institutionalize this ... contact," said one organizer. "Like in democratic countries."

But most Haitians do not think in those terms. They simply miss Aristide.

When he ventures out, Aristide moves under heavy, U.S.-directed security. He has made nearly all of his trips to the provinces in the company of visiting U.S. officials such as Secretary of Defense William Perry or National Security Adviser Anthony Lake.

When he returns to Cite Soleil last month left a sour taste among many slum residents.

"I think Aristide should come here to see us," said Marie Lourdes, 38. "I don't understand why he doesn't come."

And on a recent visit to the southern town of Jacmel, Aristide went directly to a heavily-guarded building, the old customs house, and spoke from inside the building. None of his supporters outside could see him as he addressed them.

A Jacmel man who witnessed the scene later asked friends in the capital: "Is (Aristide) a prisoner?"

Aristide's cautious approach dismays many supporters
Helms and his aide plan to challenge White House on foreign policy
By Jennifer Lin and John Monk
Knight-Ridder Newspapers
WASHINGTON You have to say this about Sen. Jesse Helms and his right-hand man on foreign policy, retired Adm. James W. "Bud" Nance, they don't mince words.

"I'm going to choose my words very carefully," said former Rep. Jack Kemp, when asked if Helms will be an effective Republican spokesman on foreign affairs.

"The job of speaking for the Republican Party in foreign affairs will be made tougher for him by his vote against GATT," Kemp said. "The essential ingredient of leadership is to take a country up not down, not down, and the possibility of world leadership is to take a country up not down, take our view against GATT," Kemp said. "The essential ingredient of the administration's management of foreign affairs."

Early targets will be Clinton's policy on North Korea, Haiti, the Middle East and Bosnia. (EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

"The executive branch is going to be challenged by the Congress more than ever before," said J. Brian Atwood, director of the U.S. Agency for International Development, which allocates foreign aid.

"One will be the grace periods of public silence that Democrats have customarily granted Clinton and his foreign advisers so they can craft policy during a crisis."

Instead, Helms is likely to call hearings spontaneously to prevent the administration from taking any step without first undergoing a Republican interrogation, Atwood said. (END OPTIONAL TRIM)

The verbal shots Helms and Nance have fired at the administration in recent weeks have left some Republicans uncomfortable with their expected starring role. Others worry whether Helms' priorities reflect those of the party.

"I'm going to choose my words very carefully," said former Rep. Jack Kemp, when asked if Helms will be an effective Republican spokesman on foreign affairs.

"Kemp, a potential Republican presidential contender, said the decision by Helms to vote against a recent world trade agreement, called the General Agreement on Tariffs and Trade (GATT), had damaged his standing with some Republicans. (EDITORS: NEXT 2 GRAFS OPTIONAL TRIM)

Helms voted against GATT because it would create a new world trade organization that many critics believe could undermine U.S. sovereignty.

"The job of speaking for the Republican Party in foreign affairs will be made tougher for him by his vote against GATT," Kemp said. "The essential ingredient of leadership is to take a country up not down, take our view of the world up not down, and the possibility of world trade up not down." (END OPTIONAL TRIM)

To be sure, there will be many other Republican voices on foreign affairs. Sen. Richard Lugar of Indiana, who himself ran the committee from 1985-1986 when Helms was agriculture chairman, is a respected centrist. In the House, Rep. Benjamin Gilman of New York, the ranking Republican on the current foreign affairs committee, holds an even more liberal views on international issues.

"Helms doesn't have intellectual command of the (Senate) committee," said Frederick Holborn, a U.S. foreign policy analyst and Congress watcher. "And he doesn't have a natural majority on that committee either."

The power Helms will exercise as chairman lies in his ability now to decide which matters the foreign relations committee will take up at hearings and when. In addition to spotlighting issues, the committee has the power to authorize money for foreign aid, recommend for approval international treaties and ambassadors and set the budget of the State Department. "We can force people to answer questions," Nance said. He added that while Helms was in the minority, he couldn't always press issues.

But Helms' other source of influence comes from the fact that many leaders in other countries view him as a force to be reckoned with. "He is seen as the voice of Congress on foreign affairs," Holborn said.

Since joining the committee in 1979, Helms has been a thorn in the side of both Republican and Democratic presidents.

He has held up appointments of ambassadors by as much as a year to get his views across. And he has used minority staffers to conduct independent investigations in Central America and other regions activities some call meddling with matters better left to the left.

Other Republicans became so outraged with Helms three years ago that they forced him to bring in a new minority staff director. Helms turned to Nance.

Nance, a former commander of the USS Forrestal and national security adviser to President Reagan, is respected by many in Congress and the administration. (EDITORS: STORY CAN TRIM HERE)

Helms and Nance grew up two blocks apart in Monroe, a town of 20,000 near Charlotte. Helms likes to tell people that the turmoil in Haiti was not a national security threat.

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and its neighbors, Helms has objected to the cost of peace and the possible use of U.S. troops to implement it. Helms said recently that Congress needs to reassess the entire Middle East peace process so it knows what the total U.S. financial commitment will be.

"Syria doesn't want peace with Israel," Helms said. "What Syria wants is the Golan Heights plus, of course, access to the American taxpayers' money." Helms also objects to using U.S. troops to enforce any peace accord between Israel and Syria. Israel would have to give up its occupation of the Golan Heights as a condition of peace and would like to have U.S. forces there to enforce the peace accord.

"What is their mission?" asked Nance. "What happens if a war starts? What do they do? ... We deserve to know what we are buying into."

BOSNIA. Helms appears to be joining incoming Senate Majority Leader Bob Dole of Kansas and incoming House Speaker Newt Gingrich of Georgia in supporting a three-point plan for Bosnia:

- Removing U.N. peacekeepers; arming the Muslim-led government and blitzing Serb targets with NATO airstrikes.
- Most Republicans are supporting more aggressive action in the Balkans, placing them at odds with President Clinton, who still wants to negotiate a diplomatic end to the 32-month war.

FOREIGN AID. Helms insists Congress must rein in U.S. foreign aid.

"As it now stands, the foreign aid giveaway program qualifies as the world's greatest WPA (Work Projects Administration)," Helms said.

This year, the U.S. government spent $12.3 billion on foreign aid; roughly half the money was spent on military aid, with the remainder going to development projects. On this issue, however, Helms may be in the minority. One likely opponent will be his committee colleague, Sen. Lugar, who has worked in the past to reform the foreign aid program.

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Varying state time limits for receiving welfare frustrate legislators

By Vanessa Gallman
Knight-Ridder Newspapers
WASHINGTON There is no limit, it seems, to the different ways states now seek to push or prod people off welfare.

Vermont says go to work after 30 months. Florida mandates no more than three years of benefits in a five-year period. Michigan requires recipients to work, volunteer or go to school after 90 days.

Virginia wants people working or doing community service after 30 days. Iowa sets a different time limit for each family. And just have your benefits, then if you have any options the "two-year-and-work" limit proposed by President Clinton and the "five-year-and-off-for-a-lifetime" limit proposed by conservative Republicans.

All these various limits frustrate some members of Congress and those who work with the poor, especially since there is little evidence that any time limit really forces people to become self-sufficient. The federal government has allowed states to experiment with the idea, but it is too soon to determine success. Most programs have just started in the last year or two.

"Why do we even need time limits when the government says 70 percent of the mothers get off welfare on their own within two years?" asked David Liederman of Child Welfare League of America, a coalition of 800 agencies that work with troubled families. "They think they are scoring politically, but I think they need to go to church and pray for forgiveness."

Vermont Gov. Howard Dean, chairman of the National Governor's Association, said time limits were essential to send a message that hard-core groups that stay on welfare for years. But some of the shorter limits are more politics than substance, he said.

"We didn't get into this mess overnight, and we're not going to get out of it overnight. There has to be some reasonableness to some of these proposals," said Dean, a Democrat.

Some federal guidelines on limits may be needed, Dean said.

Federal welfare reform is nearly guaranteed to include some limits on benefits. Most of the major legislation includes limits, and public support for it has been strong.

But imposing limits gives rise to other more nettlesome questions: Should the limit mean the end of all benefits or the end of benefits without work obligations? Should the federal government be obligated to provide job training or community service jobs or should people fend for themselves?

"The rationale for a time limit on benefits is very simple: It's that welfare is supposed to be a transitional program that helps young single families move from welfare to work," said Melissa Skolfield, spokeswoman for the Clinton welfare plan. "It is not going to be a form of long-term assistance."

Some members of Congress argued during congressional hearings last summer that more emphasis should be put on helping those who get back on welfare in a few years after losing jobs, child care or health insurance.

"We cannot institute arbitrary deadlines by which people must be self-sufficient," said Rep. Robert T. Matsui, D-Calif., who proposed expanding federal jobs programs instead. "The emphasis should be on work, not time limits."

Rep. George Miller, D-Calif., chairman of the House Select Committee on Children, Youth and Families, called the time limits in the Clinton bill "an untested, an extreme measure. It is a big chance to take with the lives of welfare families in order to send a message."

Time limits send an important message but they still may not be necessary, said Rep. James Talent, R-Mo., whose bill provided the foundation of the welfare reform legislation in the House Republican "Contract with America."

The best incentive would be to require recipients to work for their benefits, he said.

"If you have to perform 32 hours of community service and just have your benefits, then if you have any options you'll get off," he said. "You don't need time limits."

(EDITORS: STORY CAN TRIM HERE)

The states really don't need the federal government telling them how to reform welfare, said Wisconsin Gov. Tommy Thompson, who wants to replace the entire welfare system in his state by 1999.

The Clinton administration is now allowing 20 states to try their own experiments in welfare reform. And most of the major legislation does allow states some flexibility in how to enforce parts of the plan.

"The current system doesn't work. It looks people into generation after generation of welfare dependency and gives them no hope," said Thompson, a Republican.

"The best thing the federal government can do for themselves, welfare recipients and this country is to allow states to administer the programs completely," he said. "One size does not fit all."

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CLINTON'S POLITICAL CHALLENGE

By Jack W. Germond and Jules Witcover

WASHINGTON Seldom if ever has a president received such bad news from a major public-opinion poll as Bill Clinton has learned from the latest survey by the Gallup organization for USA Today and CNN. It charts just how tall the mountain is that he must climb to win re-election in 1996.

The only encouraging measurement, if you can call it that, is that President Clinton after two years in office has a very slightly higher approval-disapproval ratio on how he is doing his job than Ronald Reagan had at the same point in his first term. The ratio is 42 percent favorable, 50 percent unfavorable for Clinton, compared to 41-50 for Reagan, bogged down at the time by a recession. But even that comparison is demening when you consider that the economy has thrived in Clinton's first two years.

All seven other presidents before Clinton, going back to Dwight D. Eisenhower, had positive favorable-unfavorable ratings at this juncture, with John F. Kennedy at an astounding 76-13 ratio, and even the beleaguered Jimmy Carter in 1978 was at 50-34.

Other numbers in the poll are equally depressing for Clinton. Asked whether he was doing a better or worse job than they expected, 53 percent said worse, to only 29 percent who said better. Fully half of all those surveyed called his presidency a failure, to 44 percent who called it a success. And on every one of eight major issues listed, Republican Party leaders were given higher grades than the Democratic president.

Even in the two areas in which Clinton has had demonstrable achievements, he got poorer marks. Of those polled, 50 percent said the GOP leaders would handle the economy and deficit reduction better than Clinton, who scored only 40 percent on dealing with the economy and 34 percent with deficit reduction, which was the centerpiece accomplishment of his first two years.

In projected presidential races in 1996, the poll found that voters surveyed favored an unnamed Republican over him by 53-40 in a two-way race and by 41-37 in a three-way race in which Ross Perot also ran, with 18 percent favoring Perot. With Jesse Jackson as the third candidate, 49 percent said they would favor the Republican to 38 for Clinton and 10 for Jackson. And in a four-way race with both Perot and Jackson in, the Republican would be favored by 40 percent to 35 for Clinton, 14 for Perot and 8 for Jackson, the poll indicated.

It's true that polls that list unnamed candidates aren't very reliable in projecting how an actual election will turn out involving specific contestants. Such surveys naturally enable voters to express their displeasure with the devil they know. Once a specific opponent is identified, his or her warts become part of the equation, and that displeasure may be tempered. But it's abundantly clear that such displeasure is widespread today.

The USA Today/CNN poll is echoed by another by the Times Mirror Center for the People and the Press just out. It has Clinton being beaten, 40-33, by an unnamed Republican and even worse news for him: Two-thirds of all Democrats surveyed say they want him challenged for the Democratic nomination in 1996.

The Times Mirror poll underscores the lack of public confidence in Clinton in its finding that 43 percent want the Republican leadership in Congress to take the lead in solving the country's problems, to only 39 percent who favor the president continuing in this traditional role.

One possible silver lining for Clinton in that cloud is the suggestion that voters will hold the Republican majority in Congress to account for failures in problem-solving over the next two years, provided the president and his party do not allow themselves to be painted as naked obstructionists. But that reading will be hard to avoid if Clinton is impelled to use his veto repeatedly to block what he sees as Republican excesses.

The president does not need such polls to tell him his political future is dark. The Nov. 8 election results emphatically informed him of that fact. But there is a sense in these latest numbers that voters have made up their minds in a negative way about him, as they clearly hadn't about Reagan when his job approval was so low in 1982. If that is so, the task of rebounding will be much harder than it would be if voters were reserving judgment.

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Hands off Social Security, Gingrich warns

A bipartisan commission will release a list of programs it says need trimming.

By KENNETH PINS
OF THE REGISTER'S WASHINGTON BUREAU

Washington, D.C. — A deficit-cutting group is set to reveal its entitlement reform plans today, but incoming House Speaker Newt Gingrich said Thursday that Social Security is off the table and will be for at least five years.

"I think it's an absolute dead end," said Gingrich.

The bipartisan commission, which is expected to recommend cuts in farm subsidies as well as Social Security and other entitlements, is headed by Sen. Bob Kerrey, D-Neb., and retiring Sen. John Danforth, R-Mo.

During the campaign, Republicans pledged to pass a balanced budget amendment to the Constitution, and Gingrich has scheduled a vote on that in the House for Jan. 19.

The amendment, if it passes and is ratified by the states, would take effect about 2002, and budget experts say it is not possible to achieve a balanced budget without addressing the rapidly rising costs of Social Security.

As he did in the campaign, Gingrich said Thursday that he wants to move Social Security off-budget cutting Social Security, you're telling me you're going to avoid cutting the rest of the government by transferring, at a paper level, the hardest-earned dollars of the poorest workers in America," he said.

Gingrich is in the process of amassing more centralized power than any speaker in the modern era, and his statements are being closely dissected because he is expected to have more influence on outcomes in the House than his predecessors.

Gingrich justified that, too, Thursday in a breakfast with reporters.

"The American people are tired of a decentralized, diffuse system that can't make any decisions, and where every small baron has enough influence that they can say 'no,' but nobody can say 'yes,'" he said.

He said he expects the public will approve.

"I think the average American would say, 'Yeah, that's a team that actually gets together, gets in a huddle and has a game plan.' I think that's what people want.

"I think what they don't want is a bunch of very well-meaning and sincere people who can't even call a huddle.
The lobbyists within

Taxpayers shouldn't have to pay for special-interest caucuses.

Those who are peeved by the legislative influence that corporate money can buy should be even more upset with use of tax money for similar purposes — and happy with Republican efforts to call a halt.

This week, House Republicans cut the umbilical cords of 28 special-interest organizations within Congress itself. They're financed through dues paid by members of Congress out of their office budgets, which are tax-paid. They include the Black Caucus, Women's Issues Caucus, Hispanic Caucus, Arts Caucus, Environmental Study Conference, Space Caucus, Steel Caucus, Sunbelt Caucus, Republican Study Committee and Democratic Study Group.

There are 150 congressional caucus groups in all, but the favored 28 spend federal money, with virtually no oversight. That means they can bill taxpayers for such fun stuff as private receptions, Christmas parties and the rest.

That had long bugged GOP Representative Pat Roberts of Kansas, but there wasn't much he could do about it, until now that he's part of the House majority. He's also slated to take over chairmanship of the House Agriculture Committee.

The action doesn't mean the demise of the various caucuses — only that in the future, they'll have to pay their own way.

It is more than a little presumptuous that any alignment of special interests within a legislative body should consider it proper to bill taxpayers for the furtherance of their personal agendas, no matter how much they consider those agendas to serve the larger public interest.

Second thoughts on a stamp

The Postal Service overreacted in dropping A-bomb commemoration.

The U.S. Postal Service overreacted to criticism of its A-bomb stamp, scheduled for issuance next year as part of an ongoing series on events of World War II. It has announced it will withdraw the stamp depicting a mushroom cloud, and will substitute a picture of former President Harry Truman preparing to announce Japan's surrender.

The Postal Service acted after the Clinton administration objected, saying the A-bomb depiction was inappropriate.

A historical series on World War II will be incomplete without depiction of what was perhaps the most significant single event of the war, or maybe of the century. And the mushroom cloud has long been the accepted symbol of the A-bomb. It belongs on the stamp.

The Postal Service's mistake wasn't the illustration, it was the proposed stamp's caption, which said, "Atomic bombs hasten war's end, August 1945."

It wasn't necessary for the Postal Service to enter that endless argument.

When the United States nuked Hiroshima and Nagasaki, military commanders were preparing for the biggest and bloodiest battle of that or any other war in the world's history. Japan was beaten, in the sense that it couldn't possibly reverse the tide. But people fighting for their homeland tend not to be swayed by reason or reality, particularly those schooled from birth to accept death for an emperor as the highest possible honor.

Some historians argue that Japan was ready to surrender; others that the same impact could have been obtained by inviting the Japanese to witness the A-bombing of an unoccupied island. We will never know. What we do know is that Japan finally surrendered after Hiroshima and Nagasaki, and a lot of GIs came home who otherwise would not have. Further, horrible as the A-bombings were, they undoubtedly took fewer Japanese lives than would have been lost had the United States invaded, using "conventional" weapons. The "conventional" firebombing of Tokyo took more lives than either A-bomb.

Having said all that, it's still hard to understand why the U.S. Postal Service proposed to use a caption certain to fan the flames of a controversy that still arouses strong passions among people of good will on both sides. Further, the caption seemed blithely to suggest that A-bombs are appropriate instruments of foreign policy — at a time when the world is still debating such issues as extension of the Non-Proliferation Treaty and international control of weapons-grade atomic fuel.

The Postal Service manages to make enough enemies without looking for more. That may be why it surrendered on the stamp.
Leaders of Western Hemisphere expect to sign trade agreement by year 2005

By Dio Ribadeanaeira  Boston Globe

MIAMI - Leaders of the Western Hemisphere meeting this week in Miami are expected to sign an agreement calling for the establishment of a hemisphere-wide free trade zone by the year 2005, according to a draft copy of an "action plan" to be issued Sunday.

The plan, developed after weeks of negotiations and designed to ensure that the leaders project a unified image, also calls for stiffer drugs laws and the strengthening of democracy.

On Sunday, the United States, Canada and Mexico are expected to announce at the summit the start of negotiations to admit Chile into the North American Free Trade Agreement.

U.S. and Latin American officials arriving Thursday for the start of the Summit of the Americas Friday said they do not expect the meeting to make major changes in the plan.

"I believe this will be one of the most transcendental events in this hemisphere in decades," Argentine President Carlos Menem said in a news conference here Thursday. "The Americas urgently need to unite their efforts in the political, economic and social areas to become a great continent."

Despite the Clinton administration's wish to keep the divisive issues of Cuba and immigration off the agenda, they are almost sure to come up during talks Friday at the Vizcaya Museum and Gardens, an Italian Renaissance-style villa along the Miami waterfront. Cuba, because of its non-democratic government, was the only country not invited to the summit.

To ensure that the meeting, the largest ever between the United States and Latin American countries, yields something more than rhetoric the action plan outlines a series of follow-up meetings on some of the issues to be discussed at the summit, ranging from money laundering to terrorism to science and technology.

At a time when Latin countries are embracing open economies, it is not surprising that the plan devotes the greatest amount of detail to developing a so-called Free Trade Area of the Americas.

Under the plan, the United States and Latin countries, working with the Organization of American States, would study ways to harmonize the two dozen existing bilateral and multilateral trade pacts in the hemisphere so there could be a blueprint for the regional free trade area. The hemisphere's leaders will agree to complete this work by March 1996.

A free trade zone from Alaska to Chile would create the largest unified market in the world. By 2005, the United States, Latin America and the Caribbean will make up a $13 trillion economy, with $850 million people, according to U.S. government projections. Increased U.S. trade with its neighbors could generate 2.5 million new jobs in the next decade, government forecasters predict.

Before leaving for Miami Thursday, President Clinton signed legislation to approve the worldwide trade pact known as GATT, the General Agreement on Tariffs and Trade. The legislation authorizes the United States to join 123 countries in reducing trade barriers.

Clinton, along with Vice President Al Gore and their wives, arrived in Miami Thursday night. Clinton will give an opening speech Friday afternoon and will host a reception and dinner before the hemisphere's leaders get down to business.

Some other key points contained in the draft version of the action plan would pledge leaders to fight for passage within their countries of measures to:

- Combat corruption by establishing conflict-of-interest standards for public employees and stiff penalties for those who use their job to enrich themselves.
- Combat drug trafficking by making it illegal to launder drug profits. In addition, legislation would be adopted to allow the freezing and forfeiture of proceeds of money laundering.
- Create an anti-poverty volunteer corps to provide help to poor communities and in times of natural disasters.
- Seek to achieve by the year 2010 a primary school completion rate of 100 percent and a secondary school enrollment rate of 75 percent.
- Commit to reducing child mortality rates by one-third and maternal mortality rates by one-half from the 1990 levels by the year 2000.

In addition, the hemisphere's leaders will agree to strengthen the OAS's ability to intervene when democracy is threatened and to find ways to strengthen traditionally ineffective and corrupt legislative and judiciary systems. The action plan says nothing about providing more money to the OAS.

The plan also is relatively vague on other issues, including the environment, human rights, labor and poverty. Many U.S. and Latin activists have travelled to Miami to publicize the issues.

**Panel rules Tsongas not responsible for fund raiser's embezzlement**

By Stephen Kurkjian  Boston Globe

WASHINGTON - In a surprise victory for former Sen. Paul Tsongas of Massachusetts, the Federal Election Commission Thursday ruled that his 1992 presidential committee does not have to repay the $800,000 in loans received and stolen by his chief fund raiser during the campaign.

By a 5-1 margin, the commission rejected the recommendation of its audit division that the Tsongas committee be held financially responsible for the criminal actions of Nicholas Rizzo, who was Tsongas' lead fund raiser and longtime friend, and who pleaded guilty last year of embezzling nearly $1 million in loans and contributions to the campaign.

Rizzo was sentenced last year to 52 months in federal prison after pleading guilty to what prosecutors called the largest defrauding of a presidential committee in U.S. history. Federal prosecutors in Boston found that Rizzo embezzled the money after convincing several longtime supporters that Tsongas' presidential campaign was in desperate need of funds.

While several commissioners criticized Tsongas and Dennis Kanin, his campaign manager, for not monitoring Rizzo more closely, the board agreed with Tsongas' argument that he had been victimized by Rizzo's theft and should not be required to repay any of the loans or reimburse the federal government for funds not properly reported.

Tsongas, who had blasted the agency's auditors for recommending Tuesday that he pay the federal government more than $100,000, said he was pleased by the vote of the bipartisan commission.

"I was beginning to lose faith that common sense would prevail, but my faith has been restored," Tsongas said in a telephone interview. "I have been saying all along that we were victims of Nick Rizzo's actions, and finally that's been upheld."

The decision means that Tsongas likely will not have to worry about losing civil suits brought by the supporters who loaned money to Rizzo thinking it would ultimately be repaid by the committee. In effect, the election commission ruled that the loans were not debts of the Tsongas campaign and the lenders would have to seek repayment from Rizzo alone.

Tsongas had wanted to appear before the commission to

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**Panel rules Tsongas not responsible for fund raiser's embezzlement**
rebute the audit division's recommendations, but had been
told he would have to wait until the committee issued its
ruling before seeking the right to testify at an appeal hearing.
Although the committee was ordered to pay about $10,000
to the federal government for improperly spending campaign
money at the Democratic National Convention in 1992, it is
uncertain whether the committee will appeal that decision,
said Lyn Utrecht, Tsongas' counsel.
"This decision upholds what we've been saying all along,
that the committee did not know of Mr. Rizzo's activities" in
embezzling the funds "and should therefore not be responsible
for his actions," Utrecht said.
Joan D. Aikens, the lone commissioner voting to hold
the Tsongas committee responsible for Rizzo's thefts,
criticized the decision. "It is a mistake not to hold the
committee responsible for its mistakes," said Aikens, a
Republican. However, the other commissioners said they were
convinced that neither Tsongas nor campaign manager Kasin
were aware that Rizzo was embezzling money and had been
assured by Rizzo on several occasions that he was abiding
by federal campaign laws.
If the commission had decided to follow the auditors'
recommendation and find Tsongas' committee responsible for
Rizzo's actions, it would have been a political and
financial blow to Tsongas. The former senator has long
been known for his political integrity and management
skills. Since his committee is now out of funds, Tsongas
might have had to make good personally on some of the
repayments.

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Yeltsin defeat at summit may increase
Russian backlash against the West
By Fred Kaplan Boston Globe

MOSCOW After this week's European summit in Budapest,
Hungary, many Russians are finally beginning to realize they
lost the Cold War.
The result could be the deepening of an already spreading
backlash against the West, which many here view more as
arrogant victor than peaceful partner.
President Boris Yeltsin emerged from the session of the
Conference on Security and Cooperation in Europe isolated
and dejected. More devastating still, the Western leaders
present, who have often pampered the Russians' political
sore spots in the recent past, did nothing to disguise the
letdown.
The newspaper Izvestia, which generally supports
Yeltsin's policies, called the meeting a "terrible
defeat" for Russian diplomacy. Sevodnya, a liberal
newspaper, called it a "humiliation."
Yeltsin went to Budapest with a grand plan to transform
Europe by turning the conference, known as the CSCE, into
the region's main security organization. The plan would
thus play down the role of NATO, the West's military
alliance, which several former Soviet allies in Eastern
Europe encouraged by the United States want to join.
Since Russia belongs to CSCE but not to NATO, the idea
would also strengthen Moscow's role in settling European
conflicts.
The Russian president sternly warned that expanding
NATO eastward would create a "cold peace." President
Clinton replied, "NATO will not automatically exclude any
nation from joining. At the same time, no country outside
will be allowed to veto expansion."

No country endorsed Yeltsin's plan.
For the past year or so, every Russian official from
Yeltsin down has been bellowing, over and over, "Russia
is a great power." Repetition of the slogan is seen as
"a giveaway that they know it is no longer true.

However, the CSCE summit marked the first time the
Western powers, in effect, told the Russians to knock off
the pretensions. By presenting his plan in such stark
terms CSCE or NATO, Russia as a central player or Russia
as a marginal player Yeltsin gave them little choice.
"Was it worth making such a fuss about the expansion
of the North Atlantic alliance?" Izvestia asked. "Would
it not have been better from the start not to dramatize
the situation, so we would not be herded into a dead end?"
How or whether the United States and Russia can cooperate,
at least for the near future, is unclear.
"Clearly," wrote Rossiskaya Gazeta, the Russian government's
official newspaper, "the era of political romanticism in the
world is over."

Several press commentaries here suggest that Russia's
present weakness was caused by excessive kowtowing to the
West. "Russia can blame only itself," Izvestia wrote.
"Wasn't it obvious two years ago
when it was first mentioned that Poland, Hungary, the
Czech Republic and Slovakia might join NATO?
that Russia
didn't have the strength to interfere?"

Nezavisimaya Gazeta went further: "While Russia was
busy dismantling the Soviet imperial policy, the West
praised it and invited it into the world and European
communities. As soon as there was nothing left to
dismantle ... the barrier went up before its very eyes."

Many Russians not just extremists but moderate
nationalists genuinely believe the West is plotting to
keep their country on its knees, to ensure its military
remains weak and its industries blocked from competing on
the Western market.

Even Mikhail Leontiev, the pro-reform economics
columnist for Sevodnya, wrote last month of the "mounting
anti-Russian sentiment" in U.S. policy. This policy was
being formed, he wrote, as if Vladimir Zhironovskiy, the
much-feared, anti-Western politician, were already in the
Kremlin. "It would probably be advantageous for many
Americans if that actually were to happen," he continued,
because "the inevitable economic collapse and political
chaos ... would mean the disappearance of Russia as a
geopolitical and economic rival."

Nobody is yet predicting a revival of the Cold War. But
the notion of turning away from the West, as a model of
development and a direction of hope, is more and more
widely advocated.

Vladimir Lukin, chairman of the parliament's foreign
affairs committee and a former ambassador to the United
States, put it this way recently: "Russia belongs to two
major regions, Europe and Asia, and it also has nuclear
weapons. These two facts should determine our foreign
policy and its priorities."
WASHINGTON — President Clinton's former business partner has been notified that he is a target in the Whitewater investigation and likely will be indicted.

James McDougal, the ex-owner of the collapsed savings and loan at the center of the Whitewater investigation, got a written invitation to undergo questioning by prosecutors and FBI agents.

The notes-prompting target letter" also warned McDougal that he is the focus of "numerous investigations" by the government's five agencies, namely the Commerce Department, the Federal Trade Commission, the Department of Justice, and the Treasury Department.

"Mr. McDougal has given me every indication in the past that he has no desire to be interviewed by the independent counsel,"Never added. "My feeling is that, absent any type of interview, this thing would result in an indictment and trial.'

McDougal was the Clintons' partner in the Whitewater real estate venture, in which they said they lost $800,000.

McDougal also controlled Madison Guaranty Savings and Loan, the failed thrift seized by regulators in 1989 at a cost to taxpayers of more than $300 million.

"Special prosecutor Ken Starr is investigating whether deposits' funds were improperly used to keep the Whitewater venture solvent or improperly channeled to back one of Clinton's Arkansas gubernatorial campaigns."

"The prosecutor's letter arrived Tuesday, the day another long-time Clinton friend, former Associate Attorney General Webster Hubbell, pleaded guilty to twoest Racketeering in the Whitewater affair."

"While Hubbell is a cooperating witness, Whitewater prosecutors are exploring whether he or anyone else in the Clinton administration interfered with two early Whitewater-related criminal inquiries."

Meanwhile, the federal judge in Hubbell's case in Little Rock removed himself from considering the matter further, citing his close relationship with Clinton -- who nominated him for the post.

U.S. District Judge William Wilson Jr. said he was confident he could be fair and impartial in hearing the case, but he said he was concerned about appearances if he presided.

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New retreats in drug-flap fracas

WASHINGTON -- House Speaker Newt Gingrich backed off charges yesterday that the drugs and crime-busting of the counter-culture lay at the Clinton White House.

The Georgia Republican, who is still considering a presidential run, said that the Clintons were "not engaging."

"The Clinton drug issue is no more a fluke," Gingrich said. "It's a pattern that we're seeing in the Clinton White House."
Rose pays for Hubbell’s sins, may sue

BY ANDREA HARTER
Democrat-Gazette Business Writer

The Rose Law Firm has begun
paying $125,000 to settle a case
brought by several clients of
Webb Hubbell, who has pleaded
guilty to two felonies and admitted
to overbilling the Whitewater
Investigation.

The settlement was announced
Thursday byBOOL Clark, a partner
at Rose, who said the firm
was entering it to avoid a possible
liability from the investigation.

The settlement was made
by the firm to settle claims
brought by former Little Rock mayor
Hubbell, who pleaded guilty
to tax evasion and mail fraud.

The settlement is one of
the first in a series of
settlements expected to be made
by the firm.

The settlement was made
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Ron Clark

real sensitive. The list is accurate, but whether it (list) is all or not, I'm not going to get into that," Clark said.

According to federal records, some clients Hubbell overcharged were: The Resolution Trust Corp., the federal agency that manages and sells the assets of failed savings and loans; the Federal Deposit Insurance Corp.; Environmental Systems Co., Little Rock; American Cemetery Association, Washington, D.C.; Air Products and Chemicals Inc., which has an office in Little Rock but is headquartered in Allentown, Pa.; Universal Underwriters, Overland Park, Kan.; Worthen Banking Corp., Little Rock; American Council of Life Insurance, Washington, D.C.; Tyson Foods Inc., Springdale; Lovett & Foster Ltd., Little Rock; Sturgis Estate, Central Texas Iron Works, Waco, Texas.

Several companies and organizations that Hubbell still is conducting an investigation. Our clients are

Arkansas Democrat Gazette
Beltway bombast
Hillary and Panetta take aim

The White House reacted in curious ways to Speaker-in-waiting Newt Gingrich's assertion that a quarter of current White House staffers had used illegal drugs in the four or five years before they went to work for Bill Clinton.

Clinton said nothing. The responses came from First Lady Hillary Clinton and Chief of Staff Leon Panetta.

Without responding directly to Gingrich's allegation — certainly without denying it — Hillary suggested that Gingrich should watch his mouth. His conduct, she said, ill-befitted an incoming speaker of the House.

That was a reasoned and proper response, but then Hillary added, "I just don't believe we should be hurling accusations against one another in this country."

That was a bit hypocritical, coming from a woman who spent most of the last year hurling the nastiest kind of accusations at drug and insurance companies and just about anybody who made a buck in the '80s.

Panetta's reaction was not as temperate as Hillary's. Panetta lost his head plumb, demonstrating that he is at best only half-armed for a battle of wits with Gingrich.

Imitating the conduct he was criticizing, Panetta likened Gingrich to an "out-of-control talk show host," and then, righteously indignant, he responded to an accusation that was never made. No one at the White House uses illegal drugs, Panetta declared. Then he suggested that "If Newt Gingrich has evidence to the contrary — he ought to make it public, and I'll fire them."

The Washington press corps, which roasts Republicans but can't seem to ask even semi-tough questions of Democrats, didn't remind Panetta that Gingrich had not alleged that anyone was using drugs in the White House, only that some — up to 25 percent — current White House staffers had used drugs in the past.

One of my Republican acquaintances suggested that Panetta didn't deny past drug use by White House staffers because he couldn't.

"Folks who don't think drugs like marijuana and cocaine should be illegal aren't likely to be reluctant to use them," he said.

In fact, Panetta has confessed in the past that a few — maybe as many as 10 — members of the White House staff have used drugs. Reporters didn't remind him of that confession either.

However, the greatest oversight of the ladies and gentlemen (and I use the terms advisedly) of the press was falling to jump down Panetta's throat when he hypocritically challenged Gingrich to implement drug testing for congressional staffers. It fell to a Republican congressional aide to remind the media that Panetta voted against a random drug testing plan for the House when he was a member of that body.

Finally, Panetta declared that the White House could not work with a speaker as irresponsible as Gingrich. Panetta should speak for himself. If he can't work with Gingrich, he should be replaced. Gingrich will be speaker, and the White House will have to work with him if it wants to get anything done in the next two years.

The people with the power to decide whether Gingrich should be speaker — the Republican majority in the House — demonstrated engagement with Hillary and thumbed their noses at Panetta by electing Gingrich as speaker while hailing his name.

To Panetta's bombast, Gingrich responded calmly, "I'm very surprised at the way Leon flew off the handle."

But what do you want to bet that he was glad Panetta made an ass of himself in the eyes of the public if not in the eyes of the inexplicably biased members of the Washington press corps who are doing untold damage to the credibility of the press with one-sided reporting that stands exposed every time a citizen compares their stories to what they see live on the Cable News Network and C-SPAN?"
Leaders at Summit bring different goals and ambitions

By Michael McGuire Chicago Tribune

MIAMI Argentine President Carlos Menem hopes the Summit of the Americas will help bring human rights to Cuba. Chile's President Eduardo Frei hopes he'll go home with an invitation to join the North American Free Trade Agreement.

Mexico's President Ernesto Zedillo wants those attending to persuade the United States to drop its toughening line on immigration.

And President Clinton is counting on the summit to jumpstart a hemispheric free-market pact that will strengthen his administration's success on trade issues.

The unprecedented gathering of 34 heads of Western Hemisphere nations will begin Friday.

While most of the 34 leaders descending upon Miami bring their own baskets of expectations, the vital document they likely will sign provides for a Free Trade Area of the Americas, a framework leading to a hemispheric free-trade zone by the year 2005.

Officials heading here have been ironing out final details on an "Action Plan" designed to tackle issues ranging from tearing down trade barriers to freer immigration, women's rights and the war on drugs and corruption.

It is the first hemispheric gathering free of military dictators or governments of the extreme Right or Left.

Cuban leader Fidel Castro was the only leader not invited to the summit, a snub the island's strongman called "a great honor."

Thousands of Cuban exiles planned to hold a rally Saturday to protest Castro's grip on Cuba.

Latin American historian Frank R. Safford, associate dean of Northwestern University's College of Arts and Sciences, said the summit would have been "unthinkable" even 10 years ago, considering South America's long history of nationalism, rigid protectionism and high tariffs.

And a Chilean official said: "It's a case of nobody wanting to be left out in the cold, what with everyone else joining one or another global trading bloc."

Clinton administration officials said the consensus of summit attendees on a full agenda was highly unusual ranging from tearing down trade barriers to freer immigration, women's rights and the war on drugs and corruption.

"The summit is the willingness by the summit nations to carry out the Action Plan."

Ambler H. Moss, Jr., Director of the University of Miami's North-South Center, said the real test of the summit would not be the "high-sounding, lofty principles about how we have free trade," but in the plan's implementation.

"This (the Free Trade Area of the Americas) is a very good and credible product," said Moss, a former U.S. ambassador to Panama and former deputy assistant secretary of state for congressional relations. "It is very technical, very multifaceted, but very real, because putting together a free-trade area is a painstaking technical bundle of elements, and the action plan will spell these out in considerable detail."

An important product of the summit is the clear communication to Latin America on the U.S. position on trade matters.

Moss said that following the creation of NAFTA, Latin American leaders wondered whether the United States would just stand still on expanding a trading bloc.

"Now the United States has come up foresquare in favor of going ahead, making a commitment to go ahead with the construction of a free-trade area," Moss said. "That's the main thing (the leaders of Latin America) wanted from the United States."

In major turnaround, Clinton decides to send U.S. combat troops to Bosnia

By William Neikirk Chicago Tribune

WASHINGTON In a major turnaround, President Clinton has authorized the deployment of as many as 15,000 U.S. combat troops to provide cover if the United Nations decides to withdraw its peacekeepers from Bosnia, administration officials said Thursday.

The president previously had said he would not send U.S. troops to Bosnia unless there was a peace agreement. He had steadfastly rejected getting the U.S. involved in a ground war against Serbian aggression in the former Yugoslavia.

But now, urged by other NATO countries to participate in the creation of a withdrawal force as a contingency, administration officials said Clinton decided in principle to commit troops for rescue purposes in the interest of maintaining solidarity with U.S. allies.

"The president believes that it is important that the United States, as the leader of the Atlantic alliance, be ready to assist its allies in the event their forces are in danger," State Department spokeswoman Christine Shelly said.

A decision to send American forces into the dangerous conflict, even on a rescue mission, would come at politically sensitive time for Clinton, with Republicans now in control of Congress.
Many GOP members oppose the deployment of U.S. troops in the conflict, even to help with withdrawal. Sen. Alfonse D'Amato, R-N.Y., spoke against the move in a television interview over the weekend. Administration officials said Clinton would consult with Congress before actually committing troops.

No decision has yet been made on the actual deployment of troops, nor how many ultimately will be involved, officials said. While refusing to give a number, they noted that NATO is calling for a withdrawal force of some 35,000 to 40,000 troops, with the U.S. providing roughly half of the troops.

But a White House source said that the U.S. share of the withdrawal force is more likely to be 10,000 to 15,000 troops.

Officials said the number will depend on the situation on the ground at the time of an actual withdrawal, and whether Serbian forces continue the fighting during the pullout. They also emphasized that no decision has been made to pull out United Nations peacekeeping forces, known as UNPROFOR troops.

Assisting U.N. peacekeeping forces in a pullout is seen as a highly difficult mission by the Pentagon. Not only would they be thrust in the middle of a conflict, but it is feared they would likely be tied up for weeks removing troops and equipment in mountainous terrain over poor roads in winter.

"The challenge of withdrawal is formidable," a Pentagon official said. With 20,000 NATO peacekeepers from 19 countries, 8,000 vehicles and thousands of tons of supplies, he said it would be a "real challenge ... to extract this force and to do so with a minimum risk of life."

Such a situation would increase the possibility of casualties if the fighting continues. But U.S. officials said they took Serbian officials at their word that they would not impede a U.N. withdrawal.

If the United States does get involved in a withdrawal, officials said that they not stay behind to keep the peace after U.N. forces have departed. "They will withdraw themselves," a defense official said.

An administration official said it was a hard and painful decision for the president to make. "This may be one situation where we can't dictate the outcome, not by force or by diplomacy," he said. The administration said it now is relying chiefly on diplomacy to bring peace to Bosnia.

At the Pentagon, a senior Defense Department official told reporters that "the president believes it's very important that the United States, and the leader of NATO, to be ready to assist allies if their forces are in danger. This is what an alliance is for, and that's why this should not be hyped as a major decision."

With the United States now promising a rescue force in case of a withdrawal, NATO allies with forces in Bosnia may be more inclined to stay engaged, the official said.

"It may give them the reassurance they need to continue their present mission," as he put it.

At the same time, the official noted that if U.N. forces are withdrawn, it would remove the objection of U.S. allies to lifting the arms embargo in Bosnia. The administration opposes a unilateral lifting of the embargo, but not necessarily a multilateral lifting, he said.

"We remain focused on a diplomatic solution," he said. "We don't think that air power by itself, or indeed, lifting the arms embargo by itself is a solution."

During his meeting with NATO foreign ministers last week, Secretary of State Warren Christopher was pressured by U.S. allies for an American commitment to a withdrawal force. At the time, Christopher told them that a recommendation was on
Pampered Press Covers the Summit in Style
By Kevin G. Hall, The Journal of Commerce
Knight-Ridder/Tribune Business News
MIAMI--Dec. 9--Call it Operation Desert Storm with back rubs, if you will. Some 6,000 journalists are expected to converge on Miami for the summit, most likely the largest gathering of curmudgeons and gossipers who report for a living since the Persian Gulf war.

As this sunny city prepares to welcome President Clinton and leaders from 34 countries across the hemisphere for the weekend Summit of the Americas, coverage of the event has taken on a carnival-like atmosphere.

As in a carnival, the media is congregated under a huge tent at the Port of Miami's Terminal 12.

But unlike Desert Storm, where reporters were treated as nuisances, the carpet is being rolled out for journalists at the Miami summit. Just past the entrance to the media tent, medical personnel with stethoscopes around their necks await, luring reporters aside for a blood pressure check and a 10-minute massage. Asked how it was, one contented Venezuelan reporter made his fingers into an "OK" sign and flashed a huge grin. No one mentioned this isn't daily treatment for the White House press corps.

"We've already sent three people to the hospital with hypertension," said Thomas Moore, an occupational health nurse with Baptist Hospital running the massage tent.

The first aid booth is lined with sunscreen and sunblock products for those journalists who might plan to spend more time on the beach than chasing after news.

"People coming from Canada (for the summit) definitely need it," joked Mr. Moore, who one week earlier had been dispatched to a nationally televised tennis tournament to watch after the likes of Bjorn Borg, Jimmy Connors and John McEnroe.

While massages for visiting international journalists were a lighter side of summit preparations, security was anything but light. Behind the media tent on the intercoastal area, police patrol boats kept close watch. A strong police presence was visible all along Collins Avenue and the Art Deco District of Miami Beach, where many summit participants or staff are staying.

As dignitaries from across the Americas began arriving Thursday, roads leading to and from Miami International Airport were blocked off and locals were advised to stay at home if possible.

Near the Port of Miami, Cuban flags were unfurled from buildings and a church carried a large banner in Spanish, which translated in English read "Cubans United."

Menem Says Regional Blocs Won't Harm Americas-Wide Trade
By Kevin G. Hall, The Journal of Commerce
Knight-Ridder/Tribune Business News
MIAMI--Dec. 9--Regional trade blocs taking effect in 1995 will not hamper efforts to forge an Americas-wide free-trade zone, Argentina's President Carlos Saul Menem said Thursday during a news conference after arriving for the Summit of Americas.

Argentina is part of the Southern Cone Common Market, known by the Spanish acronym Mercosur. It takes effect on Jan. 1 and reduces tariffs on most goods moving among Argentina, Brazil, Uruguay and Paraguay.

This weekend in Miami, leaders from the Americas are expected to sign a document creating free trade in the Americas by the end of 2005. Mr. Menem dismissed concerns that the patchwork of existing free-trade pacts will complicate the broader goal.

"It is in no way an obstacle to belong to a regional bloc," Mr. Menem told reporters at an afternoon briefing in which he also stood out as the sole Latin American leader speaking against Cuba - the only member of the Americas not invited to the summit.

Most Latin American leaders want an end to the U.S. embargo against the island nation, but Mr. Menem - a victim of imprisonment under a dictatorship at one time - explained that if "I have to choose between bread or freedom, I will always choose freedom."

As for hemispheric trade integration, Mr. Menem said Argentina will concentrate on making Mercosur work first, and then work on the longer process of Americas-wide free trade.

"You want to build a house with a foundation first," he said, noting that the summit creates the framework for tariff-free trade by 2005. "This means 12 years and during these 12 years we will organize some summits as important as this one . . . so that by the end of the 12 years we will have (free trade) and we have already started this process."

The Argentine leader welcomed news that Chile on Sunday will be invited to join the North American Free Trade Agreement, and said Argentina has not been invited but "is certainly ready." However, if such an offer does not come "we certainly won't die," Mr. Menem said.

END/A27JC-MENEM

END/A27JC-SUMMIT
Today the quest begins

The Summit of the Americas, which begins today, will do more than formalize an agreement to complete talks this year aimed at lowering all hemisphere trade barriers. It also celebrates the first pan-American gathering at which all 34 heads of state in attendance have been democratically elected. This is a momentous turnaround in a hemisphere that, just a decade ago, was blighted by dictatorships and torn asunder by unending civil war.

The summit also marks official recognition of Miami as a North American city that long has treasured its brotherhood with all the Americas. Here, North and Central and South America and the Caribbean are viewed as friendly neighbors. Here, everyone is a valued partner. Here, people of many nations all are willing participants in a socioeconomic integration that is not an "us" versus a "them," but a union into a synergistic "we." Here, perhaps uniquely in the Americas, exists the day-after-day "summit" in which cultural differences increasingly are valued and respected, in which common values are nurtured and common dreams — of progress, prosperity, equality, human and political and social and economic rights — are fiercely held and nourished.

There is nothing wrong with asking the summit to carry this symbolic weight. Were it stripped of its ceremonial face and symbolic intent, this August gathering might seem like a leadsen board of directors meeting. Instead, we understood the importance of symbols when he decided to hold his 1826 hemispheric summit in Panama. The revered hero of South America said his choice was made "because we was a sundeasent from the two extremities.

Miami's symbolic importance resides in what it has become by virtue of where it is located. Among other reasons, the Clinton administration rightly selected Miami as the summit site because Miami is an — arguably the — example of how a once-traditional U.S. city can grow through its active engagement with foreign economies and cultures.

From many currents, one stream

Had it not been for Fidel Castro's ascent to power in 1959, and had it not been for Greater Miami's willingness to open its doors to the Caribbean and the southern hemisphere, the summit's host city never would have taken its present shape. The two events — the Cuban revolution and Miami's trade-driven growth — clearly are interrelated.

Miami thus can give ironic thanks to Castro, the sole — and absent — speaker at this feast of democratic aspirations. Many of our area's foreign-trade pioneers can express their gratitude as well: These Cuban emigres took advantage of growth — clearly are interrelated. at this feast of democratic aspirations, during the post-Mariel and "cocaine crisis of the early 1960s, when the great exodus from Cuba to Miami — this city and by extension all of South Florida — has been a beacon of hope, of respite, of success from all the problems that impel peoples to move elsewhere in quest of a better life. The process of amalgamation continues. In it, many who settled here from the Caribbean and Latin America have encountered serious, mostly unjustified, resentments. The fearful among those, of whatever origin, who preceded them here mistakenly blame "immigrants" for many of our nation's travails. They forget that our nation would not even exist except for immigrants shoring up the family resemblance between their countries and their host city. Like them, Miami struggles with poverty, inequality, crime, strained public service, authoritarian characters, and the traumas of the displaced peoples who have fled here. They fled seeking safety, or opportunity, or simply the freedom to be themselves.

A beacon of hope

Ever since the early 1960s, when the great exodus from Cuba to Miami — this city and by extension all of South Florida — has been a beacon of hope, of respite, of success from all the problems that impel peoples to move elsewhere in quest of a better life, the creation of an "us" versus a "them" process of amalgamation continues. In it, many who settled here from the Caribbean and Latin America have encountered serious, mostly unjustified, resentments. The fearful among those, of whatever origin, who preceded them here mistakenly blame "immigrants" for many of our nation's travails. They forget that our nation would not even exist except for immigrants shoring up the family resemblance between their countries and their host city. Like them, Miami struggles with poverty, inequality, crime, strained public service, authoritarian characters, and the traumas of the displaced peoples who have fled here. They fled seeking safety, or opportunity, or simply the freedom to be themselves.

The quest begins

Paradise Lost, as Time magazine called it in 1981, is the story during the post-Marxist and "cocaine cowboy" crime wave. Neither is Miami Paradise Found. No estrella side, Miami never was that, really.

No, Miami's aspirations are markedly less Miltonian — and therefore all the more markedly achievable. We aspire to be, as much as any city in this hemisphere can be, simply Paradise Sought. That aspiration will be brought nearer by each concrete goal that the summit conferees adopt and thereafter strive in union to reach.

This is a unique time in the Americas. Ours is a unique city in which to acknowledge it — and to calibrate the instruments by which we intend to define our common, hemispheric, Paradise Sought.

To this quest The Herald urges the efforts of all 34 heads of state here assembled. Together, these democracies might find what all the peoples of the Americas seek. Alone, none of us can.