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White House News Report

Ira Magaziner
Domestic Policy
216 OEOB
DELIVER ASAP

Wednesday, November 23, 1994
Produced by the Office of News Analysis
Room 161, OEOB (Ext. 6-5694)

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8:30 a.m. The Commerce Department releases durable goods for October. The Labor Department releases weekly jobless claims.

9:00 a.m. Ukrainian President Leonid Kuchma delivers an address, "A Vision for the Future of Ukraine," before the Center for Strategic and International Studies. B-1, lower level, 1800 K St., NW.

9:30 a.m. Meeting of the Federal Reserve Board of Governors. C St. btw. 20th and 21st Sts., NW.

9:30 a.m. Solicitor General Drew Days will be available to comment on background concerning the motion he is filing to participate as an amicus curiae in a Kansas City school desegregation case. Room 5348, main Justice.


10:00 a.m. The President receives a Thanksgiving Day Turkey from the National Turkey Federation. Rose Garden.

10:00 a.m. American Cause sponsors a forum on the political ramifications for the Republican Party for the upcoming special session of Congress. National Press Club.

12:00 noon The President has lunch with President-elect Ernesto Zedillo of Mexico.

1:20 p.m. The President escorts President-elect Zedillo to the South Portico and bids him farewell.

2:00 p.m. The President participates in a So Others Might Eat Thanksgiving Day event. 710 St., NW.

2:30 p.m. Mexican President-elect Ernesto Zedillo holds a news conference on his visit to the U.S.

TV News Headlines
Wire Reports
New York Times
Washington Post
Wall Street Journal
USA Today
Los Angeles Times
Washington Times
Des Moines Register
Boston Globe
New York Daily News
Arkansas Democrat-Gazette
Dallas Morning News
Chicago Tribune
Atlanta Journal/Constitution
Journal of Commerce
Fort Lauderdale Sun-Sentinel
Miami Herald
St. Petersburg Times
Newport News Daily Press
Baltimore Sun
1. GOP Proposal Would Radically Redefine Welfare
   (John Martin Washington 2:15)
2. State Officials Like Welfare Consolidation, Not Fund Cuts
   (Rebecca Chase Atlanta 1:35)
3. Religious Leaders Say They'll Fight School Prayer Amendment
   (Peter Jennings New York 0:20)
4. Helms Says Clinton's ''Personal Safety'' At Risk on Military Bases
   (Jim Wooten Washington 2:10)
5. No Sign Serbs Have Been Deterred by NATO Attack
   (Peter Jennings New York 0:25)
6. Dow Plunges 91 Points
   (Peter Jennings New York 0:15)
7. Book Spurring Furious Debate Over Race and Intelligence
   (Beth Nissen no location 4:35)
8. Little-Known Group Has Been Funding Research on Race Differences
   (Bill Blakemore New York 5:30)
9. Transcript of Susan Smith's Confession Released
   (Linda Pattillo no location 1:15)
10. Two Gunmen Open Fire Into DC Police Headquarters; Three Killed
    (Peter Jennings New York 0:25)
11. Mass. Residents Confront Convicted Rapist Moving to Their Town
    (Peter Jennings New York 0:25)
12. GOP Program Would Redefine Welfare if Passed
    (Peter Jennings New York 0:30)

CBS Evening News

13. Helms Increases Attacks On Clinton; Dems., Some in GOP Angered
    (David Martin Washington 2:40)
14. Clinton Calls Helms' Remarks ''Unwise and Inappropriate''
    (Bill Plante Washington 1:40)
15. GOP Members Meeting In VA. Discuss How To Cut Federal Programs
    (Linda Douglass Williamsburg, VA 1:50)
16. Reich Says Welfare Reforms Should Include Corporate Welfare
    (Connie Chung New York 0:15)
17. Three Dead After Shootout At D.C. Headquarters
    (Connie Chung New York 0:20)
18. Paroled Child Molester Moves Into Town, Angering Residents
    (Jacqueline Adams Lexington, MA 2:10)
19. State Farm Will Charge Higher Premiums For Some Smaller Cars
    (Connie Chung New York 0:15)
20. Wendy's Stops Selling Hot Chocolate That's Too Hot For Kids
    (Connie Chung New York 0:20)
21. Stock Market Plunges To Lowest Level Of The Year
    (Dan Rather New York 0:25)
22. Serbian Troops Close In On Muslim Town Despite Airstrike
    (Allen Pizzey Sarajevo 2:00)
23. Charges May Be Dropped Against Pilot In Friendly Fire Case
    (Dan Rather New York 0:25)
24. Court Says Naval Academy Had Right To Expel Gay Midshipman
    (Connie Chung New York 0:15)
25. Audio From 911 Calls Released From Last Week's Calif. Shootout
    (Jerry Bowman San Francisco 1:50)
26. Quality Of Prisons Raises Debate In Cities With Crowded Jails
    (John Blackstone San Francisco 3:50)
27. Story Shows How Much Americans Love Their Dogs
    (Frank Currier Minneapolis 2:10)
NBC Nightly News

28 At Least 3 Killed in Shootout At D.C. Police Headquarters
   Bob Kur Washington 1:45
29 Helms Backs Down From Statements About Clinton's 'Safety'
   Brian Williams Washington 2:30
30 GOP Leaders Discuss How To Change Government
   Gwen Ifill Williamsburg, VA 2:00
31 Stock Market Drops Sharply; A Look at Why
   Mike Jensen New York 1:25
32 Two Communities Express Anger Over Rapist's Early Release
   Tom Brokaw New York 0:30
33 Residents Upset Over Pedophile Living In Their Community
   Rehema Ellis Lexington, MA 1:40
34 Teachers Union Sues School Over 'America Superior' Curriculum
   Kenley Jones Lake County, FL 1:40
35 Serbs Close In On Bihac, Vow Revenge For NATO Airstrike
   Andrea Mitchell Washington 1:30
36 Charges Against Pilot In Friendly Fire Case May Be Dropped
   Tom Brokaw New York 0:20
37 Italy's Prime Minister Faces Corruption Charges
   Tom Brokaw New York 0:25
38 Break-Ins to Top Secret Computers Occur Often Through Internet
   Bob Hager Washington 3:25
39 Wendy's Stops Selling Hot Chocolate Because It's Too Hot
   Tom Brokaw New York 0:20
40 Time Management Seminars Popular As People Feel Too Busy
   Mike Leonard Chicago 2:20

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***** filed by:US-F(--) on 11/22/94 at 20:08EST ****
***** printed by:WHPR(LSAM) on 11/22/94 at 20:42EST ****
Hourly News Summary
Around the World, Around the Clock...with United Press International.
-0-
We are awaiting official confirmation of another airstrike on rebel Serbs along the Croatia-Bosnia border, who have been attacking the Bihac "safe zone."

The Serbs had launched a tank and infantry attack into the southern edge of Bihac, in spite of earlier United Nations and NATO strikes to stop them.
-0-
Two people were killed in a plane collision over St. Louis. They were in a small Cessna that was struck by a TWA flight.
-0-
Four dead in a sensational shootout in Washington, D.C. police headquarters. Those killed include three lawmen and one suspect.
-0-
President Clinton has closed out his formal talks with Ukrainian President Leonid Kuchma. The two presidents signed agreements to boost cooperation between their countries, including in space exploration.

President Clinton says the U.S. will also keep helping Ukraine get rid of the nuclear weapons it amassed back in the days of the Soviet Union.
-0-
Clinton says he is encouraged by the progress made in negotiations with GOP Senator Robert Dole on GATT. But Clinton ruled out any side deals, saying "I disagree that there should be some deal cut on capital gains" in order to assure passage of GATT.
-0-
The Republicans are pushing ahead with plans to overhaul the nation's welfare system. As it stands now proposals would no longer guarantee recipients access to food stamps, school lunches, or other welfare benefits.
-0-
By Shirley Smith (UPI)
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BC-YUGOSLAVIA-NATO-RAID URGENT
NATO makes air strike in Bosnia - defence source
BRUSSELS, Nov 23 (Reuter) - NATO carried out an air strike in Bosnia on Wednesday, a defence source said.

The source had no more details, and could not confirm reports that the target of the strike had been a Serb base from which missiles were launched at British jets on Tuesday.
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URGENT
NATO Bombs Serb Positions for Second Time in Three Days
Eds: UPDATES with NATO airstrike in western Bosnia
By ROBERT H. REID= Associated Press Writer=
SARAJEVO, Bosnia-Herzegovina (AP) NATO warplanes bombed Serb positions today for the second time in three days as Serb fighters were poised to overrun the U.N. "safe area" in Bihac.

A U.N. source in Zagreb, Croatia, speaking on condition of anonymity, confirmed that NATO planes had struck Bosnian Serb positions this morning.

He refused to elaborate, but said the bombings were linked to Tuesday's surface-to-air missile attack on two British NATO planes flying over Serb-held Banja Luka, in northern Bosnia. Those NATO jets were not hit, but their pilots said they had been deliberately targeted.

It was the eighth NATO airstrike since the Bosnian war began in April 1992. On Monday, nearly 50 alliance war planes participated in a strike on a military airfield in Serb-held Croatia that had been used to bomb the U.N. "safe area" of Bihac in northwestern Bosnia Bosnia.
Serbs, Using Helicopter, Press Drive in Bosnia

Serbs near Bosanska Krupa reportedly fired on NATO jets.

Continued From Page A1

bying system in force in Bosnia and Herzegovina. United Nations and NATO commanders must agree on any military action.

"If they go in tomorrow or the next day with another bombing air strike, the Serbs will prepare for more raids. A senior United Nations official suggested that Mr. Akashi had turned down a NATO request for an air strike today. The official added that the situation was "tense." "The Bosnian Serb offensive on Bihać, supported by rebel Serbs from the Krajina region of Croatia and some renegade Muslim forces, came in response to an abrupt advance last month by the Muslim-led Bosnian Army to the east of Bihać. More than 10,000 Muslim civilians lost their homes to the V Corps of the Bosnian Army, and fled west and south into Serb-held parts of Croatia.

The overwhelming Serbian response against an isolated pocket of Bosniaks in northwestern Bosnia has again confronted the United Nations and NATO with the difficulties of peacekeeping in the midst of a fully armed conflict.

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Clinton Praises Ukrainian

President Clinton spoke during an arrival ceremony for President Leonid Kuchma of Ukraine, left, at the White House yesterday. Mr. Clinton praised Ukraine's decision to give up its nuclear arms. Page A8.

Big Cache of Nuclear Bomb Fuel Found in an Ex-Soviet Republic

BY MICHAEL R. GORDON

WASHINGTON, Nov. 22 - The United States has uncovered a large cache of bomb-grade uranium in Kazakhstan and secretly negotiated to bring it to the United States for safe storage, Clinton Administration officials disclosed tonight.

Half a ton of highly enriched uranium, enough to make as many as 50 bombs, has been a major worry for Administration officials since they learned of its existence. Officials did not disclose whether the material had reached the United States yet.

Administration officials said the nuclear material, located at Ust-Kamenogorsk, was poorly protected and represented a potential source of nuclear material for third world states and arms traffickers.

An Administration official said the matter had been kept so secret that it was given a code name, "Sapphire." "It was insecure and we wanted to get out of there before anyone was tempted to make a run on it," the official said.

A major worry was that the nuclear material from cash-starved Kazakhstan might find its way to Iran and Iraq.

A former Soviet republic, Kazakhstan has agreed to relinquish the nuclear arms it inherited with the breakup of the Soviet Union. It signed the treaty against the spread of nuclear weapons.

But while Kazakhstan had decided to give up its nuclear arms, it also inherited former Soviet nuclear installations and nuclear stockpiles.

One of those installations was a nuclear fuel fabrication plant at Ust-Kamenogorsk, where the highly enriched uranium was stored. The size of the supply, the lack of advanced controls over the nuclear material and the general breakdown of law and order in the former Soviet Union made the bomb-grade material a major risk.

"It was totally insecure," an nuclear expert said. "People were afraid that it might get swept at any moment."

After Kazakhstan acknowledged having the material, the Clinton Administration launched a secret effort to try to remove the material. The negotiations were led by William H. Courtney, the American Ambassador to Kazakhstan and a former nuclear arms negotiator.

The American goal in the months of secret talks was to arrange for the highly enriched uranium to be shipped out of Kazakhstan to a safe storage site. Under the accord, the material is being sent to the Oak Ridge nuclear facility in Tennessee.

Several American agencies were involved. In addition to the State Department, the Pentagon is helping with the transportation while the Energy Department is taking care of the storage.

Highlighting the importance the United States attaches to the project, Defense Secretary William J. Perry, Secretary of State Warren Christopher and Energy Secretary Hazel O'Leary are scheduled to hold an unusual joint press conference on Wednesday, disclosing the effort.

Reporters were told tonight that the officials would be available tomorrow to "discuss a previously classified project."

While public attention is largely focused on Haiti, Bosnia and other trouble spots, Administration officials say that poor control over nuclear materials in the former Soviet Union is one of the major threats to American security.

Over the summer, Western European police seized small quantities of plutonium believed to have come from the former Soviet union. There have also been seizures of several kilograms of highly enriched uranium within Russia.

But those quantities are minor compared the huge supply uncovered in Kazakhstan, which experts say would have been enough to make as many as 50 bombs.

The case of Kazakhstan shows that it is possible to take cooperative action with former Soviet states to deal with problem of loose nuclear materials. But much more remains to be done, officials said.

Russia has a very weak system of accounting for its nuclear materiel, according to Russian officials. The 1993 report of Gosatomnadzor, roughly the Russian equivalent of the Nuclear Regulatory Commission in the United States, said that Russia does not have a nationwide system of accounting for nuclear materials.

A commission established by President Boris N. Yeltsin concluded in October that a wide range of upgrading measures were needed to protect nuclear materials. But where the money will come from to improve the nuclear safeguards remains uncertain.

American officials, however, have made some progress lately. American laboratories are working with Russian laboratories to improve control over nuclear materials.

Huge double fences have been installed at two highly enriched uranium facilities at the Kurchatov Institute, one of the largest in Russia. And Russia has recently agreed to cooperate with the United States at several other scientific institutes, including Odninsk and Dmitrovgrad.

Russia has also finally broken ground in building a new plutonium storage site. And these subjects will be addressed by Vice President Al Gore and Prime Minister Viktor S. Chernomyrdin.

"Most of the materials in Russia, however, remain to be protected," an Administration official said. "And the scale of the work that remains to be done is daunting."

The United States spend nearly $1 billion each year to protect nuclear materials and information. But American officials estimate that Russia will have to spend billions to correct all the problems accounting for and protecting its nuclear supply.
NEW JERSEY PLANS TO CUT PAYMENTS FOR MEDICAID 20%
LEGAL BATTLE IS EXPECTED

Reimbursements to Hospitals to Be Cut by $135 Million a Year Starting in March

BY JOSEPH F. SULLIVAN Special to The New York Times

TRENTON, Nov. 21—New Jersey officials said today that they planned to cut the amount of money hospitals receive for caring for Medicaid patients by 20 percent starting in March. William Waldman, the State Human Services Commissioner, said he expected a court challenge, but it was confidential whether it would be upheld.

"We cannot be in the business of subsidizing hospitals," Mr. Waldman told reporters at a meeting in his office. "We must become the purchasers of services that are delivered efficiently and economically.

New Jersey now pays the third highest Medicaid rates in the country, behind Rhode Island and New York, Mr. Waldman said, and the proposed rate changes would place the state closer to the national average. The cuts would simply be made across the board, based on the amounts of the previous year's reimbursements, regardless of the number of patients served. Under state law, no one may be refused medical care.

Medicaid is one of the largest and fastest-growing costs for state governments, in many cases the second biggest outlay after education. In recent years, state officials across the country have taken a variety of approaches to lower expenses, limiting prescription drug use as well as coverage for certain procedures considered optional, like fertility operations.

One approach is to lower compensation to providers: hospitals and doctors. For example, Kentucky has recently proposed a $50 million reduction in Medicaid payments to physicians.

Although Mr. Waldman said the cutback is not intended to be a budget-saving device, he said it was inspired in part by Gov. Christine Tod Whitman's philosophy of making government "smarter, leaner and more effective." But he also called Medicaid "the Pac-Man" of government, eating up the state budget, and said program costs were increasing at a rate of 18 percent a year, threat-Continued From Page A1

en possible service cuts in the future.

The announcement was a surprise to hospital administrators. Gary S. Carter, president of the New Jersey Hospital Association, said, "Slashing payment rates to hospitals by 20 percent at a time when demand for services is increasing and proposed alternatives for Medicaid care in the future is still on the drawing board is wrong."

"In the long run, these cuts will hurt the most vulnerable hospitals and most vulnerable people in the state," Mr. Carter said, in a written statement released through his office. "Hospitals are not in favor of any cuts that would undermine the mission and integrity of the entire Medicaid payment system."

Administrators of many of the association's 100 member hospitals will meet on Monday to come up with a more complete response to the announcement, he said.

"Ron Jones, the chief financial officer of United Hospitals Medical Center and Children's Hospital in Newark, learned that his hospital's Medicaid reimbursements will drop from $32.5 million to $40.6 million if the changes are finally approved.

"I can't imagine setting a budget with less," he said. "We might have to curtail services at some point." Mr. Jones said half of the hospital's patients the hospital admits each year are Medicaid recipients. The medical center has 345 beds and a $149 million annual budget.

"I hope we can at least convince the state to phase in these cuts so we don't have to deal with them all at once," he said. "We'll have to think about increasing the number of inpatients we serve, but that would take several months and probably wouldn't make up for all the loss."

The Medicaid cuts are one of several financial pressures on the hospital industry. In recent years Congress has regularly limited its increases in compensation for the Medicare program for the elderly, and private insurers have used their managed-care programs to negotiate lower compensation rates.

In New York, Governor-elect George E. Pataki appointed a task force headed by Elizabeth P. McCaughy, the Lieutenant Governor-elect, to examine the state's $20 billion Medicaid program for possible economies.

James K. Talton, the president of the United Hospitals Fund of New York, said, "There is also pressure to cut Medicaid spending in other states, and if it disproportionately affects urban hospitals it could make it difficult for them to survive."

John Holahan, director of the health policy research center at the Urban Institute, a nonprofit research group in Washington, said, "There are lots of ways cut back on Medicaid, but not many pain-free ways." The same hospitals that care for most of the Medicaid patients are those that have a lot of charity care, he said.

You can probably find some fat in administrative costs but at some point you're going to get into the muscle," he said. Mr. Holahan said the search for economies comes as Congress is preparing to look at Medicare next year. "You could see hospitals scrambling to remain competitive," he said.

New York, New Jersey and most other states are moving to managed-care systems, aimed at getting patients out of emergency rooms and into health centers where they can get preventive and primary care. So far, 420,000 of the New York's 2.5 million Medicaid patients are in managed care, but the goal is to enroll half by the year 2000.

New Jersey has enrolled 46,000 of about 400,000 people who receive welfare through the Aid to Families With Dependent Children program and hopes to have most receiving their health care through health maintenance organizations in another two years.

Indiana trimmed its Medicaid program by $10 million in 1983 and is looking to make $400 million more in cuts this year. Critics have charged that the service reductions are too severe and said the two-year Medicaid reduction program should be stopped.

In Massachusetts, Gov. William Weld, a Republican, recently stopped paying for fertility treatments for women on Medicaid. In 1989 his administration, with support from the Democratic Legislature, negotiated lower rates with nursing homes and hospitals and moved 250,000 Medicaid recipients into managed care.

Lottery Numbers
Nov. 22, 1994
New York Numbers — 652
New York Win 4 — 6529
New Jersey Pick 3 — 364
New Jersey Pick 4 — 0810
New Jersey Cash 5 — 6, 14, 21, 27, 31
Nov. 21, 1994
New York Pick 10 — 1, 2, 15, 18, 20, 22, 23, 31, 32, 35, 41, 43, 49, 51, 57, 60, 62, 63, 79
Connecticut Daily — 344
Connecticut Play 4 — 2410
Cutting Medicaid in New Jersey

Here is a list of the state's hospitals that will receive the largest cuts in their annual Medicaid payments under a plan proposed yesterday by New Jersey officials. Figures are in millions.

<table>
<thead>
<tr>
<th>Proposed Cut</th>
<th>Current Payment</th>
</tr>
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<tbody>
<tr>
<td>University Hospitals Medical Center, New Brunswick</td>
<td>$14.1</td>
</tr>
<tr>
<td>Jersey City Medical Center</td>
<td>8.6</td>
</tr>
<tr>
<td>United Hospitals Medical Center, Newark</td>
<td>8.1</td>
</tr>
<tr>
<td>St. Joseph's Hospital, Paterson</td>
<td>7.4</td>
</tr>
<tr>
<td>Newark Beth Israel Medical Center</td>
<td>6.4</td>
</tr>
<tr>
<td>Cooper Hospital-University Medical Center, Camden</td>
<td>6.0</td>
</tr>
<tr>
<td>Cathedral Healthcare Systems, Newark</td>
<td>4.2</td>
</tr>
<tr>
<td>Kennedy Memorial at Stratford</td>
<td>3.2</td>
</tr>
<tr>
<td>Jersey Shore Medical Center, Neptune</td>
<td>3.1</td>
</tr>
<tr>
<td>Atlantic City Medical Center</td>
<td>3.0</td>
</tr>
<tr>
<td>Elizabeth General Medical Center</td>
<td>3.0</td>
</tr>
<tr>
<td>R. W. Johnson University Hospital, New Brunswick</td>
<td>2.8</td>
</tr>
<tr>
<td>East Orange General Hospital</td>
<td>2.5</td>
</tr>
<tr>
<td>Monmouth Medical Center, Long Branch</td>
<td>2.4</td>
</tr>
<tr>
<td>Barnert Memorial Hospital, Paterson</td>
<td>2.3</td>
</tr>
<tr>
<td>St. Peter's Medical Center, New Brunswick</td>
<td>2.3</td>
</tr>
<tr>
<td>West Jersey Hospital, Voorhees</td>
<td>2.2</td>
</tr>
<tr>
<td>Bergen Pines County Hospital, Paramus</td>
<td>2.0</td>
</tr>
<tr>
<td>Muhlenburg Regional Medical Center, Plainfield</td>
<td>2.0</td>
</tr>
<tr>
<td>Our Lady of Lourdes Medical Center, Camden</td>
<td>2.0</td>
</tr>
</tbody>
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Until two years ago, New Jersey, like many other states, paid for charity care by adding a 19 percent surcharge to the hospital bills of paying patients or those with insurance. That system also covered bad debts, which could conceivably been used to pay for any shortfall in Medicaid reimbursement.

But under the new system, which runs through the end of the next year, charity care is being financed by borrowing $1.6 billion from the Unemployment Insurance Fund, and bad debts are not covered.

Hospital administrators say that if they can't find the economies in their operations the state is seeking, then they will have no choice but to cut services. Ron Napiorski, chief financial officer for University Hospital, a teaching hospital at the University of Medicine and Dentistry of New Jersey, said the $14 million cut the hospital is scheduled to experience could force a reduction in its training program for interns and residents.

Mr. Waldman said the cutback in Medicaid payments will not be so severe that it would affect access to health care. He said as a result of deregulation, "Market forces in the health care industry are changing very rapidly and we believe our new rates will be competitive with what other purchasers of health care are paying next year."

Federal law requires that states make Medicaid reimbursements that are "reasonable and adequate." In the last several years hospitals and nursing homes in several states, including New York, Indiana and Washington, have won legal challenges to have reimbursement increased.

Velvet Miller, New Jersey's director of the Division of Medical Assistance and Health Services, said Medicaid pays $1 billion for inpatient services for 132,000 people annually. Of that total, $676 million is paid to the state's 84 acute care hospitals that will be affected by the rate change.

The Federal and state governments each pay half of New Jersey's Medicaid costs, so the $135 million in projected savings will mean a $67.5 million spending cut for the state.

Al Drake, the chief spokesman for the Public Defender's Office, said the proposed cutback was the type of government action the Public Advocate's office "would have looked at and expressed concern about, but there is no longer a Public Advocate." As part of a cost savings effort, Mrs. Whitman eliminated the Public Advocate's Department during her first few months in office.
City Council Supports Mayor
On a Sex-Store Moratorium

BY JONATHAN P. HICKS

City Council members yesterday agreed to Mayor Rudolph W. Giu­lia­ni's plan for a one-year moratori­um on opening or expanding any sex-­oriented video store, theater or bar.

The move is the first step in sharply restricting adult-­entertainment businesses, which the Mayor has made part of his effort to improve the quality of life in New York. Dur­ing the moratorium, new zoning laws are to be written to generally banish sex-oriented shops to areas of the city zoned for industry.

The moratorium, which was ap­proved yesterday by the Council's Land Use Committee, virtually as­suring its passage by the full Council today, gives the Mayor and the Coun­cil time to work out the differences between two competing zoning pro­posals, both of which would bar sex­oriented shops from residential neighborhoods.

But the moratorium has also fanned debate among legislators, civil liberties groups, neighborhood organiza­tions and adult-­entertain­ment entrepreneurs about the lan­guage, impact and legality of the measure.

Norman Siegel, executive director of the New York Civil Liberties Union, said the moratorium was a violation of the First Amendment, and added that he expected his group would file a suit against the city on behalf of the adult-­entertain­ment businesses.

"We believe the moratorium cannot survive constitutional scrutiny," Mr. Siegel said. "I think that if we want government to serve as the arbiter of good taste, we might as well abolish the First Amendment and let the city decide, on the basis of a popular vote, what kind of expres­sion is permitted."

Some operators of sex-­oriented estab­lishments also reacted angrily to the moratorium. "Pornography is not obscenity, and what I sell is a legal product," said Richard N. Kunis, the owner of Manhattan Video in Midtown Manhattan. "The problem is the signs and the appearance of the storefronts, not the con­tent of the material. So, to legislate on the content is crazy."

By proposing to restrict the busi­nesses, the Mayor has tapped a well­founded debate among legislators, civil liberties groups, neighborhood organiza­tions and adult-­entertain­ment entrepreneurs about the language, impact and legality of the measure.

City Council leaders contended yester­day that support for some level of restriction is so broad that new tough regulations were virtually cer­tain.

The Mayor's zoning proposal would prohibit sex-­oriented estab­lishments from opening within 500 feet of other adult businesses, resi­dential neighborhoods, houses of worship or schools. The other plan, pro­posed by Councilman Walter L. McCall, who chairs the Council's subcommittee on zoning and fran­chises, is not as restrictive. It would merely prevent such establishments from operating within 500 feet of an area zoned for residences.

Mr. Giuliani praised the vote for the moratorium yesterday. Joseph B. Rose, the director of the Depart­ment of City Planning, said the measure was needed until the zoning issue was decided because many op­erators of adult-­entertainment busi­nesses would otherwise try to ex­pand or increase their establish­ments in anticipation of restrictions imposed by the city.

"This will prevent a frantic rush to adopt regulations," Mr. Rose said. Already, arguments are taking shape from many quarters.

Some city officials complain that the Mayor's proposal would banish X-rated businesses from Manhattan, but force them into industrial areas in other boroughs.

"We have a number of industrial areas that are located near residen­tial areas," said Jerome X. O'Dono­van, a Democrat Councilman repre­senting Westerleigh, S.I. "What the Mayor is saying to the other bor­oughs is, 'you guys take them.'"

But others have contended that the Mayor's plan is as an attractive solution to a longtime problem. Gretchen Dykstra, president of the Times Square Business Im­prove­ment District, praised the plan, say­ing that the provision to bar adult businesses from opening within 500 feet of each other would prevent sex­oriented districts, like the stretches of X­rated shops in Times Square.

After the moratorium is approved by the Council today, the Mayor's proposal for permanent regulato­rions will be submitted to the Council and sent to the city's 59 community boards for discussion. Before com­ing to the City Council, hearings will be conducted and the Planning Com­mission will vote.
The Dow Jones industrial average yesterday: 3,700

Cates of deposit and Treasury bills as soured on low yields for bank certificates of deposit and Treasury bills from "reverse sticker shock," the belief that investors, both large corporations and individual investors, are increasing their gains and cutting their losses.

The New York Times

By ANTHONY RAMIREZ

In one of the most turbulent market sessions this year, stock prices fell further yesterday than on any other day in the last 16 months. Almost all the 9-point, or 2.4 percent, selloff in the Dow Jones industrial average came in late afternoon trading and left traders puzzling over the reasons. But many said that the heavy sales were a result of the belief that investors, both large corporations and average Americans, would now sell stocks to buy bonds because they are becoming a more attractive investment.

The attraction of bonds is tied to the fact that interest rates are at their highest level in more than two years. Such higher rates are offering investors yields in the bond market that many now feel outweigh the near-term gains in the stock market.

Don Fishbach, president of Fischbach Management and Research in Cincinnati, likens the current situation to "reverse sticker shock," the mirror image of when consumers changed their highest level in more than two years. The Federal Reserve's six short-term rate increases this year have pushed the interest rate on 30-year Government bonds more than 8 percent and above 7 percent on two-year Treasury notes. The last increase, a jump of three-quarters of a percentage point, came last week as the market continued to try to slow growth and restrain inflation in the year ahead.

If these rate increases do prompt a shift of investor sentiment to bonds, then analysts are worried about the outlook for the stock market - could be for further sharp declines. At the least, the stock market, which sank in January, would settle around its lows for the year.

Selling in expectation of an event is normal in financial markets. Stock and bond traders try to get ahead of the tide, which can increase their gains and cut their losses.

Byron Wien, United States investment strategist for Morgan Stanley in New York, on Monday reduced recommended allocation of stocks to 85 percent from 97 percent, with the difference going to securities with weaker underpinnings.

"I think I'm late in recommending this change," Mr. Wien said. "The market has been driving the bond market is mutual funds and there is increased probability that cash inflow into mutual funds may slow or even reverse."

"It's not happening yet," he added. "I'm just saying the risk is high..."

Spokeswomen at Fidelity Magellan, T. Rowe Price, said that their nation's biggest mutual funds, said there was little transfer out of stock funds into bond or money-market funds yesterday. In the last two days, the Dow has fallen 135 points, or 3.7 percent, the biggest two-day drop since the Fed's increase, some three weeks after the Federal Reserve raised short-term interest rates on Feb. 4 for the first time this year.

Moreover, stock prices may drop again this week if two Government reports - durable-goods orders today and jobless claims on Friday - signal the kind of economic strength that federal Reserve policy makers and the financial markets regard as inflationary. Such inflation signals often prompt the Federal Reserve to further tighten interest rates.

Because of the Federal Reserve's six rate increases in key interest rates, Treasury notes with maturities as short as one year now yield more than twice as much as the 30-blue-chip stocks of the Dow, even with their dividends reinvested into the stock market alone, the Dow has lost more than 2 cents for every dollar invested in it since the beginning of the year.

"We're talking negative territory as far as stocks and everybody is noticing," said Gregory A.Nie, vice president for technical analysis at Kemper Securities in Chicago. "Even cash - and I mean 30-day or 90-day notes - is outperforming stocks and bonds are certainly beating stocks."

On any given day, there are any number of explanations for market movement, most often worry about the passage of the global free trade agreement or rumors about large institutional investors or major funds selling large blocks of shares in key stocks.

But like Monday's decline, in which the Dow stumbled 45.75 points, yesterday's fall came out of a cloudless sky. The dollar had been stable for much of the session, bond prices were steady and Government reports were released to rattle traders.

However, a normally favorable pattern for the markets may have stumped the stock traders. The Treasury Department sold $31 billion in five-year notes at a yield of 8.71 percent, one one-hundredth of a percentage point less than bond traders had expected to pay. That tiny gap signaled to many stock and bond traders that the flow of potential bond buyers might open soon. These buyers had been sitting on their hands for more than a month as long-term bond yields had passed 8 percent.

If these buyers sold stocks to buy bonds, then analysts are worried about the outlook for the stock market. The Standard & Poor's 500, they watched around 2:45 P.M., not long after the Treasury auction results were announced, and accelerated in the last 15 minutes of trading.

Mr. Nie, the technical analyst at Kemper, said that much of Monday's trading, traders watched a key price indicator all day and then sold stocks in rush. But instead of watching the 200-day moving average for the Standard & Poor's 500, they watched the Dow, whose price of 3,700 had held at critical points in the March and June quarters. When, at 3 P.M., the Dow fell past that level, traders pushed the button on their high-speed computer programs to sell stocks, mainly those in the Dow and the S & P 500 indexes.

At 3:35 P.M., the New York Stock Exchange invoked its 'circuit breaker' rules to slow computer-guided trading.

Nineteen stocks fell yesterday for every five that rose in price, or 491 advancing stocks to 1,901 declining stocks. The losing stock groups included computer, chemical and drug issues.

In addition, a third key stock index, the Nasdaq composite index was signaling trouble. The Nasdaq index, generally reflecting smaller companies like high-technology firms, fell 16.53 points to 741.21 yesterday. But more importantly for traders, prices fell below the 200-day moving average for the Nasdaq, around 750.

4 Killed in Shooting
In the Headquarters
Of Capital’s Police

BY MICHAEL JANOFSKY
Special To The New York Times

WASHINGTON, Nov. 22 — Four people, including one District of Col­lumbia police officer and two F.B.I. agents, were killed today in a wild eruption of gunfire inside the police headquarters building, the authori­ties here said.

The police said that a total of six people were shot in the incident, which began around 3:30 P.M., but early reports of numbers and details were sketchy.

At least one of the four dead is believed to be a gunman who shot the others, and he was apparently killed by a SWAT team after an hourlong standoff in which attempts to negotiate with him failed.

After providing a brief account of the incident immediately, the police withheld information until they had investigated further.

Chief of Police Fred Thomas said this evening that the gunfire erupted in a third-floor office used by the department’s “cold case squad,” which investigates cases in which

Continued on Page A21, Column 3

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Chris Sanders, one of the officers who identified Detective Daly as a victim, criticized security precautions at the building. "Anybody can walk in here and take over the building. No problem," he said. "This is just ridiculous. The normal security around here is a guy sitting at the front door and some one at Motor Vehicles. They keep cutting the budget."

Budget cuts have become a major concern for the city in recent months with Congress demanding spending cuts of $140 million for the 1995 fiscal year.

nor Assistant Chief William White, who spoke to reporters earlier, would confirm that.

A spokeswoman for the F.B.I., Susan Lloyd, said that the gunman used either an automatic or semiautomatic weapon.

Two police officers identified one of the officers killed as Detective Sgt. Hank Daly, a 30-year veteran who had worked on homicide cases for 23 years. "He was a very methodical, calculating committed police officer," said one officer who knew him. "How many cops after 20 years are still working homicide?"

Detective Daly had been assigned to the cold case squad. "He had tremendous success in closing cases," the officer said. "That unit has some of the better homicide detectives in the country."

The police station, which also houses the Department of Motor Vehicles and Department of Finance and Revenue, is at Indiana Avenue and Third Street N.W., about a half-mile east of the White House and several blocks from the Capitol.

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Pataki Says He'll Meet Giuliani, And Help Him in Albany Fight

Olive Branch Comes Wrapped in a Press Release

By JAMES DAO

Special to The New York Times

ALBANY, Nov. 22 — They still have not spoken, but Governor-elect George E. Pataki offered an olive branch today to Mayor Rudolph W. Giuliani, saying he would meet with the Mayor one-on-one next week and that he would help the Mayor next year in Albany to block two bills that would hurt the city budget.

In a press release ostensibly about the potential evils of "unfunded mandates" and "pension supplement" bills, Mr. Pataki effectively offered a cease-fire in one of the most visible political feuds the state and city have seen in decades.

The two men have been at war since Mr. Giuliani, a Republican, crossed party lines to endorse Gov. Mario M. Cuomo in October, and then campaigned fiercely against Mr. Pataki. Mr. Pataki, also a Republican, won anyway, refused to return two congratulatory calls from the Mayor and announced him by calling a meeting on city issues and inviting the Mayor as if he were just one of a number of city officials.

But today, the tone changed. Mr. Pataki issued the press release published in both of the Mayor's main newspapers to try to calm fears that Mr. Giuliani had fanned strenuously against — one that New Yorkers "will suffer as a result of New York's most visible political feuds the state and city have seen in decades.

The day before those phone conversations began, Mr. Pataki had stoked the feud by proposing a meeting with the Mayor and nine other city officials on Staten Island. Mr. Giuliani rejected the idea, he said, because he was concerned that the meeting would be "mired in partisan politics.

But in a gesture ripe with conciliation and "I'm surprised," said Louis Grumet, executive director of the New York State School Boards Association, which fought for the education aid bill. "Senator Pataki has throughout the campaign and to my knowledge throughout his career been a strong supporter of state aid to education."

"The education bill, known as the maintenance of effort, was supported by both houses of the Legislature, but at Mr. Giuliani's request was never heard in the Senate for his final signature. The Republican-controlled State Senate, which passed the original version of the bill and controlled its fate, had agreed to try to amend it in ways that Mr. Giuliani would support."

Mr. Giuliani has not said whether he will sign the bill. They lost the first round of that case in State Supreme Court and have filed an appeal, which could take months to complete.

Mr. Pataki returned the insult by charging in repeated trips upstate that Mr. Giuliani had negotiated a deal with Mr. Cuomo to trade his endorsement for hundreds of millions of dollars in state aid.

But in the original version of the bill and controlled its fate, had agreed to try to amend it in ways that Mr. Giuliani would support."

"They had developed a good relationship on substantive issues," Mr. Giuliani said, referring to Mr. Powers and Mr. Finnegarn. "I suggested that we should have a smaller meeting in which to develop a more positive relationship, and suggested sever

eral ways to do it."

Such friendly words were in sharp contrast to the heated attacks of the campaign, in which Mr. Giuliani repeatedly criticized Mr. Pataki for maintaining close ties to Senator Al-

LAWRENCE VAN GELDER

fato M. D'Amato, an increasingly bitter rival of Mr. Giuliani. He said that ethics "would be trashed" in a Pataki administration that would be "of D'Amato, for Cuomo and by D'Amato."

A feud fades as the Mayor praises the Governor-elect's 'sensitivity.'
ROME, Nov. 22 — Italian magistrates told Prime Minister Silvio Berlusconi today that he was being investigated on corruption charges because of bribes paid to tax inspectors by his business empire.

Already reeling from local elections in which his conservative Forza Italia party fared disastrously last weekend, Mr. Berlusconi received word of the judicial move as he played host to an international conference in Naples on combating organized crime.

He immediately proclaimed his innocence and made clear that after just seven months in office he was in no mood to resign. "I will carry on," he told reporters. "And why not?"

In a statement broadcast later on the national evening news, he said that only Parliament could force him from office.

"I will not resign and I will not step down from the post that has been conferred on me by the head of state and the confidence of Parliament," Mr. Berlusconi said. "Only a clear and explicit vote of no confidence by Parliament would force me to write my resignation letter."

"I have not incurred any body," he said.

The development deepens the sense of crisis surrounding the Prime Minister's fractious triple-party governing coalition, which already faces fierce public protests over its efforts to trim a budget deficit. The Government's proposals to cut spending on social security payments have set off some of the biggest demonstrations in Italy since the end of World War II.

After two years of corruption investigations that tarnished Italy's citizen's rights in magistrates' investigations but is widely viewed by Italians as the near-equivalent of an accusation.

Such judicial notices are usually issued when there is insufficient evidence but need to interview their suspects before deciding whether to seek a trial.

None of the action taken against the Prime Minister implies guilt, but it is bound to intensify an already passionate debate over whether there is a conflict of interest between his political office and his continued ownership of Fininvest, a vast array of broadcasting, publishing, insurance and real estate that does business estimated at $7 billion a year.

Since February 1992, thousands of Italian business executives and politicians have been implicated in the magistrates' so-called Mani Pulite or clean hands, investigations into corruption that has damaged the country's anti-corruption magistrates.

In July he set off a public uproar when he issued a decree banning magistrates from "preventively" detaining corruption suspects who had not been charged. Under pressure, he withdrew the decree.

Reports that Mr. Berlusconi himself was implicated in scandal surfaced last Monday in the Milan newspaper Corriere della Sera. The paper said anti-corruption magistrates in Milan had placed the Prime Minister, several executives of his Fininvest business empire and officers of the Government tax police on a list of people to be investigated on two counts of corruption.

The first count relates to payments of some $80,000 said to have been made to tax inspectors by Mr. Berlusconi's Mondadori publishing company in 1991 in return for a favorable audit. The second consists of some $60,000 said to have been paid to tax inspectors by his insurance company, Mediolanum Vita.

Mr. Berlusconi has acknowledged that his company paid bribes to tax officials but denied any personal involvement.

Today he asserted that the company was not guilty of corruption, but was rather a victim of a 'vendetta' by like-minded Italian business interests that operated under the corrupt system of old.

"It will have to be said that this is an old story and that my assistants have already been questioned about it, and that they, like thousands of other executives and businessmen, have been victims of corruption and not agents of bribery," the Prime Minister said in his statement.

He cast the accusations against him as part of a vendetta by leftist magistrates against his conservative Government.

"Let others judge the sense of responsibility among those who have brought this question to light on the very day in which the Prime Minister is presiding, as a representative of our country, over the world conference on transnational organized crime," the statement said.

Gradually the magistrates have seemed to be closing in on the Prime Minister. Several senior Fininvest executives have been interrogated; one of them, his younger brother, Paolo, has been charged with three counts of corruption and is under house arrest.

While the Prime Minister, too, is now a target of suspicion caused by the Italian currency to fall on international financial markets. The lira slipped to 1,605 against the dollar and tumbled to its lowest rate ever against the German currency, closing at 1,035 to the mark.

Mr. Berlusconi's office confirmed that he had been served today with a "notice of guarantee," a judicial device that is supposed to guarantee a

The Prime Minister's business empire is linked to bribes of tax auditors in Italy.
Clinton Backs Off on School Prayer Proposal

By MICHAEL WINES

WASHINGTON, Nov. 22 — One week after he seemed to open the door to a constitutional amendment to allow organized prayer in schools, President Clinton seemed to slam it shut today, saying his earlier remarks had been “over-read.”

“I do not believe that we should have a constitutional amendment to carve out and legalize teacher- or student-led prayer in the classroom,” Mr. Clinton said at a news conference today. “I think that that is inherently coercive in a nation with the amount of religious diversity we have in this country. I think that would be an error.”

The root of the misinterpretation, Mr. Clinton suggested, was that he and reporters alike were worn out from weeks of travel when he addressed the prayer issue in Jakarta, Indonesia, last Tuesday.

Mr. Clinton had been asked at a question-and-answer session with reporters about his view of plans for a student-led prayer in the classroom today. “I think that that is inherently coercive in a nation with the amount of religious diversity we have in this country. I think that would be an error.”

The President rethinks an overture toward Republicans.

Then he said: “Obviously, I want to reserve judgment; I want to see the specifics, but I think this whole values debate will go forward and will intensify in the next year, and again, I would say this ought to be something that unites the American people, not something that divides us.”

Later, he added: “I want to see what the details are. I certainly wouldn’t rule it out. It depends on what it says.”

At the time, those remarks were greeted with enthusiasm by Mr. Gingrich and with despair by some Democrats and civil liberties groups. The detractors accused the President of abandoning principle on an issue that they said is a crucial test of individual rights.

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Rostenkowski Starts Searching for a Job

CHICAGO, Nov. 22 (Reuters) — Representative Dan Rostenkowski, the 18-term Illinois Democrat who was defeated on Nov. 8 after being indicted on corruption charges, says he has more than $500,000 in unpaid legal bills and is looking for work.

The Chicago Sun-Times reported on Monday.

Mr. Rostenkowski, 66, said in an interview with the newspaper that he had $230,000 in unpaid legal bills for staff members and $300,000 to $400,000 in outstanding bills for his own legal battle against a 17-count Federal indictment.

He said he had already exhausted a $1 million campaign fund and a $1 million legal defense fund

Prayer Idea Draws Fire

WASHINGTON, Nov. 22 (AP) — Leaders of a number of Protestant and Jewish organizations pledged today to lobby against any proposed constitutional amendment that would allow organized school prayer, saying it would harm the right of the people to worship according to their own beliefs.

The religious leaders said any such amendment would weaken the First Amendment’s ban against government establishment of religion.

Representative Newt Gingrich of Georgia, preparing to become Speaker of the House when the new Congress convenes in January, has said he wants a vote on a school prayer amendment by next July.

“I appeal to Newt Gingrich: This is a wrongheaded, misguided, divisive agenda,” said Rabbi David Saperstein of the Union of American Hebrew Congregations, one of about 20 groups that held a news conference here today.

The President's comments to underscore his skepticism toward an amendment without actually ruling one out.

Today, Mr. Clinton seemed to go the remainder of the nine yards, stating his opposition to the leading school prayer amendment offered by House Republicans, the bloc that is most ardently campaigning for such a measure.

That proposal, by Representative Ernest Jim Istook of Oklahoma, would permit individual or group prayer in public schools or other institutions but bar state and Federal entities from dictating the language of prayers or compelling individuals to participate.

The President said today that he had made a “generalized commitment” to listen to Republican legislative proposals in an attempt to work with the opposition. But “the very nature of the circumstances” of Mr. Istook’s proposal, he said, “means that for large numbers of our children, it could not be truly voluntary, and I would oppose it.”

The White House counsel, Abner J. Mikva, later tried to recast Mr. Clinton's comments to underscore his skepticism toward an amendment without actually ruling one out.

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Helms Is at Center of Storm
After New Clinton Criticism

By STEVEN GREENHOUSE
Special to The New York Times

WASHINGTON, Nov. 22 — Senator Jesse Helms, the likely next chairman of the Foreign Relations Committee, created a new uproar today when he quoted saying that President Clinton was so unpopular on military bases in North Carolina that he "better have a bodyguard" if he visits the state. Mr. Helms later called the comment "a mistake."

Asked about the Helms comments at a White House news conference today, President Clinton said, "I think the remarks were unwise and inappropriate."

Just days after Mr. Helms, a Republican from North Carolina, created a furor by saying that President Clinton was not up to the job of Commander in Chief, he told The News and Observer, a newspaper in Raleigh: "Mr. Clinton better watch out if he comes down here. He'd better have a bodyguard."

Mr. Helms said soldiers disliked President Clinton because he had avoided service during the Vietnam War, supported homosexuals in the military and had reduced military spending.

After several senators criticized the comment that Mr. Helms made to the Raleigh newspaper on Monday, he issued a statement in which he called it "an offhand remark" not meant to be taken literally.

"I made a mistake last evening which I shall not repeat," he said. "In an informal telephone interview with a local reporter I made an offhand remark in an attempt to emphasize how strongly the American people feel about the nation's declining defense capability and other issues."

"Of course I didn't expect to be taken literally when, to emphasize the cost and concerns I am hearing, I far too casually suggested that the President might need a bodyguard, or words to that effect."

Asked about his reaction to Senator Helms' remarks and "if you feel comfortable with him being chairman of the Foreign Relations Committee that is going to oversee your foreign policy," Mr. Clinton responded that the comments "were unwise and inappropriate" and added:

"The President oversees the foreign policy of the United States and the Republicans will decide in whom they will repose their trust and confidence. That's a decision for them to make, not for me."

Concerned by the threatening nature of Mr. Helms' remarks, Secret Service officials said today that they were looking into his comments and whether the President faced any threats in North Carolina.

In the statement he issued today, Mr. Helms, one of the most conservative members of the Senate, made clear that he would continue to question Mr. Clinton's leadership. He defended his statement that the President was not up to the job of Commander in Chief by saying that Mr. Clinton had "serious problems with his record of draft avoidance, with his stand on homosexuals in the military and with the declining defense capability of America's armed forces."

In the interview with the Raleigh newspaper, Mr. Helms defended his statement that the President was not up to the job as Commander in Chief. While acknowledging that he "should have said it better," Mr. Helms said: "Every schoolboy knows that the elected President is Commander in Chief. There's nothing novel about that. But is that supposed to make him immune from criticism?"

Several Democratic senators condemned Mr. Helms' remarks, and even some Republican lawmakers, including Senator Arlen Specter of Pennsylvania, criticized the comments, which many Republicans said were embarrassing to the party.

Senator Bob Dole, the Kansas Republican who is set to become majority leader, has publicly distanced himself from Mr. Helms' remarks about Mr. Clinton as Commander in Chief.

By publicly disagreeing with Mr. Helms in recent days, Senator Dole seems to be seeking not only to put distance between most Republicans and Senator Helms but also to show that he would not let Mr. Helms take control of Republican foreign policy.

In a CNN interview last weekend, Mr. Helms, a bitter foe of contributing American troops to United Nations peacekeeping operations, said he opposed sending American soldiers to the Golan Heights to monitor a future peace agreement between Syria and Israel.

On Monday, Senator Dole told Israeli Prime Minister, Yitzhak Rabin, that he would back such an idea.

Senator Christopher J. Dodd, a Connecticut Democrat, noted that today was the 31st anniversary of the assassination of President John F. Kennedy. "To suggest on this day of all days, Nov. 22, that an American President's life might be in jeopardy because they were to visit an American military base would suggest that my colleague from North Carolina doesn't seem to know what country he's living in," Mr. Dodd said.

He criticized Mr. Helms for not formally apologizing and said the Republican leadership in Congress should demand an apology and repudiate Senator Helms' comments.

Senator Dole said he had not read the Helms interview, but said, "In my view the President's welcome to any state."

General John Shalikashvili, the chairman of the Joint Chiefs of Staff, contacted news organizations over the weekend to rebut Mr. Helms' comments about the President's fitness as Commander in Chief.

Today, Defense Secretary William Perry also called Mr. Helms' statements misguided. "In his position as the chairman of the Senate Foreign Relations Committee, it is important not to make statements which might undermine the command relationship set up in the constitution between the Commander in Chief and military forces in the field," he said in response to questions.

FOR THE RECORD

Helms on Clinton

Asked whether he thought President Clinton was "up to the job" of Commander in Chief in:

"No. I do not. And neither do the people in the armed forces."

Friday, interview on the CNN program "Evans and Novak"

"Mr. Clinton had better watch out if he comes down here. He better have a bodyguard."

Monday, interview with The Raleigh News and Observer

"I made a mistake last evening which I shall not repeat."

Yesterday, statement issued by Senator Helms

THE NEW YORK TIMES, WEDNESDAY, NOVEMBER 23, 1994
Dole and Gingrich Embrace Before Republican Governors

BY RICHARD L. BERKE

WILLIAMSBURG, Va., Nov. 22 — Bob Dole and Newt Gingrich today displayed a bonhomie seldom, if ever, seen between the two Republicans.

In their first joint appearance since the election (two weeks ago, Mr. Gingrich of Georgia, the House Speaker-in-waiting, and Mr. Dole, who is likely to be the Senate majority leader, appeared at the close of the Republican Governors Association conference here to emphasize how well they will work together.

As might be expected on this day of mutual admiration, the governors responded with standing ovations after Mr. Dole and Mr. Gingrich vowed that they would restore power to the states. Seeking to reassure the governors, they said that while the states would get less federal money, they would not be unduly burdened by efforts in Washington to balance the budget and streamline Government.

Even for politicians, who have a penchant for saying nice things about each other, the cordiality between Mr. Gingrich and Mr. Dole was noteworthy. The two have never been close. It was Mr. Gingrich who once called Mr. Dole "the tax collector for the welfare state." And in recent years Mr. Dole has made it clear that he prefers working within the system and had little patience, or respect, for Mr. Gingrich's incendiary attacks on the political establishment.

During the campaign, Mr. Dole declined to endorse Mr. Gingrich's "Contract With America," a manifesto of proposals signed by more than 300 Republican House candidates.

But today Mr. Dole said, "I'm excited about the Contract With America." And he pledged to work with Mr. Gingrich, even as he acknowledged, "We're not going to agree on every issue."

Mr. Dole playfully teased Mr. Gingrich for getting more attention than the state. "I stand here, in a sense, as the student of the governors." - Mr. Dole drew cheers from the chief executives by telling them that the first Senate bill introduced in the new session will address the limiting of unfunded mandates, in which the Federal Government imposes requirements for the states without providing the money to meet them.

But Senator Bob Packwood of Oregon, who is expected to become chairman of the Senate Finance Committee, warned the governors that it would not be painless. "We will get out of the mandate business," Mr. Packwood said, "but we will also get out of the money business."

The appeals for unity clearly pleased the governors, many of whom praised Mr. Dole and Mr. Gingrich. Several governors also said they were no longer as concerned as they had been on Sunday, when the conference opened and some were warning the new leadership not to impose themselves on the states and not to emphasize social programs at the expense of economic ones.

After a closed-door breakfast meeting between the governors and the new Congressional leaders, Governor Christine Todd Whitman of New Jersey said, "The most important thing is that we are all together."

Gov. John Engler of Michigan said it was an exciting time because "the doors are open and we're sitting at the table." And Gov.-elect George W. Bush of Texas spoke of the "positive spirit of addressing difficult problems."

Mr. Gingrich and Mr. Dole called it a historic meeting, and it certainly was unusual. For the first time in decades, the Republicans who will dominate both chambers of Congress and the governorships sat together, with all parties seemingly eager to use their new power to make major change.

"This is the meeting which crystallized the process of getting power out of Washington," Mr. Gingrich said.

As high as their spirits were, both Mr. Dole and Mr. Gingrich acknowledged that they were well aware that the era of good feeling and harmony on the issues among Republicans would probably not last.

Mr. Dole declined to embrace a welfare overhaul plan supported by Mr. Gingrich's that would replace poverty and food plans with lump payments to the states. "I don't know how many welfare ideas we have — probably as many as we have people up here," the Senator, flanked by several governors, said at a news conference.

At one session with the governors, Mr. Dole said it was too early to debate specifics. "Don't get sucked into the details," he told them. "Give us a little time."

In the meantime, he was savoring the moment. "It's never going to get any better than it is right now because we don't have the responsibility yet," Mr. Dole said. "So it's great."
Labor Secretary Urges Cuts
For ‘Corporate Welfare’ Too

By CATHERINE S. MANEGOLD
Special to The New York Times

WASHINGTON, Nov. 22 — Firing back at conservatives who have vowed to trim welfare costs, Labor Secretary Robert B. Reich today issued a broad but vague call to choke off as much as $200 billion in "corporate welfare" as a way of finding money for jobs programs.

But he stopped short of identifying any corporate tax break or subsidy as unreasonable or counterproductive. And though he referred to a study by a Democratic research organization that identifies $111 billion in preferential programs for specific industries, the Labor Secretary said he was not endorsing that report or the suggestions in it.

Instead, in the third speech in which he has laid out a theory of America's "soul" on the decline — with a cramped middle class and a growing divide between the rich and poor — he blamed social divisions and lingering pocketbook issues for the economy because of slow wage growth and flat job opportunities.

"Nearly one out of five who lost a full-time job since the start of 1993 is still without work," he said. "Among those who have landed new jobs, almost half, 47 percent, are now earning less than they did before."

At the center of Mr. Reich's prescription for change was an 11-month-old report written by the Democratic Leadership Committee's Progressive Policy Institute. The institute's report identifies specific subsidies in the oil and gas industry, private utilities, agriculture and those industries that make tax-free investments in the United States-linked lands like Puerto Rico, the Virgin Islands and Guam as drains on the economy and areas of unproductive tax policy.

Robert J. Shapiro, the author of the report, said the timing of Mr. Reich's remarks was apt, though the report had been in circulation for nearly a year. "We are coming up to the new budget season," he said. "The fact is, if you want to find a little tax relief, you have to find somewhere to save. I'm pleased that they are using market logic" to diagram potential tax cuts.

Tax experts today responded cautiously to Mr. Reich's remarks, pointing out that ever since President Ronald Reagan started assailing welfare benefits, liberals had threatened corporate benefits.

"There has always been this talk that if you don't like welfare, then don't give it to corporations," said Eugene L. Vogel, chairman of the tax department at the New York law firm of Rosenman & Colin.

Mr. Vogel said he generally approved of Mr. Reich's comments but hoped that the Clinton Administration would not move to make a flurry of changes in the tax code. "We just shouldn't keep jiggling it," he said.

And in the current political environment, with Republicans dominating Congress, Mr. Vogel added, "I'm not sure how cooperative Congress is going to be, anyway."

President's Proclamation

WASHINGTON, Nov. 22 (AP) — Following is the text of President Clinton's Thanksgiving Day proclamation:

The White House
By the President of the United States of America

A Proclamation

As the end of another year grows closer, we are again filled with thankfulness for the blessings of a fruitful land. For more than 200 years, Americans have welcomed autumn's harvest with gratitude and good will. As we observe the Thanksgiving Day, we set aside our daily routines to acknowledge the bounty of the Thanksgiving holiday, I invite each family, each religious congregation, each community and city, to celebrate your experience of the American heritage. Reach out in friendship and cooperation to the people of your hometown. Take responsibility for bringing harmony and hope, peace and prosperity to all of the inhabitants of our world. Share the privileges of freedom and the challenge of working for a better world.

Now, therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim Thursday, Nov. 24, 1994, as a national day of Thanksgiving.

We challenge you to help others and lend a hand. We challenge you to express your heartfelt gratitude for the many blessings of our lives.

BILL CLINTON
Removal of Gay Midshipman
Is Backed by Appeals Court

By STEPHEN LABATON  Special to The New York Times

WASHINGTON, Dec. 22—A Fed­eral appeals court today upheld the Naval Academy's removal of a top­ ranked midshipman who had ac­ knowledged his homosexuality.

Lawyers for the former midship­ man, Joseph C. Steffan, said later that they had not decided whether to appeal the 7-0 decision, issued by the United States Court of Appeals for the District of Columbia Circuit. Any such appeal, to the Supreme Court, would provide the Justices their first opportunity to consider the issue of homosexuals' service in the military.

Mr. Steffan was forced to resign from the Academy under the Penton­ gom's old anti-homosexual rules, which were replaced by modified standards last year. The new policy permits homosexuals to serve as long as they remain silent about their sexual orientation, except in the most private of settings, and do not engage in homosexual acts. But, like the old policy, it provides for removal of those who publicly de­ clare a gay sexual orientation.

Several civil rights lawyers said they expected that the decision would be appealed because it left in place an arbitrary means of regulating homosexual behavior, even though the Navy's height requirements or other, government employment require­ ments are riddled with such criteria.

Mr. Steffan's argument has a certain su­ preme charm. For the Government to penalize someone because he was punished for his sta­ tus as a homosexual, not for any other reason, is an argument that the Government had responded that it had a legiti­ mate interest in fostering good order on the ship, and that it was not redundant by the presence of homosexuals.

That argument was written by Judge Laurence H. Silberman, an appointee of President Ronald Reagan, in a full majority decision by six other judges who were appointed by President Ronald Reagan or George Bush.

Judge Silberman said that the mil­ itary, a co-educational institution, members who as­ sert that they are homosexuals did not violate the equal protection clause, and that the difference from the Navy's height requirements or other, government employment require­ ments is riddled with such criteria.

He dismissed Mr. Steffan's argu­ ment that the policy punished sexual preference, not conduct. "Although Steffan's argument has a certain sub­ jectivity, its force is to us that upon close examination it is more clever than real," Judge Sil­ berman said.

"Steffan's claim that the govern­ ment cannot rationally infer that one who states publicly he or she is a homosexual or is a practicing homosexual, or is at least likely to engage in homosexual acts, is an argument of sexual constraint as argument to as to a basic statute which he is knowingly himself," he said.

In their dissent, the only three judges on the panel appointed by President Jimmy Carter and Mr. Clinton said that the majority had unfairly transformed Mr. Steffan's case into one concerning homosex­ ual behavior, even though the Navy never contested his engaging in such activities.

"For the Government to penalize a person precisely for his sex­ ual orientation, runs deeply against our constitutional grain," said the dissent, which was written by Judges Patricia M. Wald and joined by Chief Judge Harry T. Edwards and Judge Patricia M. Wald. "It has, we be­ lieve, no precedent or place in our national traditions, which spring from a constitutional right for the free­ dom to think and to be what one chooses and to announce it to the world."

No day is complete without... The New York Times

Administration Says Accord With Dole on GATT Is Near
Trade Representative Sees 'Great Progress'  

By DAVID E. SANGER Special to The New York Times

WASHINGTON, Nov. 22—Admin­ istration officials today said that they expected by Wednesday to reach a deal with Senator Bob Dole of Kansas, who has been under the support of a world trade agreement scheduled for a vote in a lame duck Congress on Jan. 3.

A day after of negotiations with Dole, Senators Claiborne Pell, the crucial part of the pact, Mickey Kan­ tor, the United States trade repre­ sentative, said he expected "great progress and I think we'll have it."

At a news conference this after­ noon, Mr. Pell said that the expansion of the 124-nation General Agreement on Tariffs and Trade, or Mr. M, would "reduce incomes of American workers, and I think that is our most urgent economic job."

Moreover, he rejected Mr. Dole's effort to win a concession from the White House. Over the weekend, Mr. Dole suggested that his support for the trade pact would be linked to White House moves to reduce the capital gains tax rate, long a Repub­ lican objective.

Mr. Pell gingerly steered clear of criticizing Mr. Dole today, saying he had "been responsive to the circumstances."

The President said he was "encouraged by the progress that we have made in work­ ing with Senator Dole on the substan­tive issues surrounding GATT."

Mr. Dole was more cautious than Mr. Pell, saying, "There were no predictions of an imminent agreement."

"It is my hope that the differ­ ence between the Administration and the Senate can be resolved soon," he said. "We are trying to fix GATT, not to decide on the accord, but to agree on the accord, to clear of criticizing Mr. Dole today, saying he had "been responsive to the circumstances."

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Pilot Offers Explanation For Odd Noise On USAir Jet

By DOUGLAS FRANTZ

A USAir captain says he may have created an unusual noise on a Boeing 737 by accidentally turning on the public address system during a flight a few hours before the airplane crashed near Pittsburgh on Sept. 8, killing all 132 people aboard.

In court papers last week, lawyers for the widow of one of the victims said three people had reported unusual noises aboard the aircraft on its trip from Charlotte, N.C., to Chicago, immediately before its fatal flight to Pittsburgh. The reports gave rise to speculation that the noise was related to the subsequent crash, which remains under investigation by the National Transportation Safety Board.

But in a sworn statement issued by the airline yesterday, the USAir pilot, William T. Jackson, offered another explanation.

He said he was riding as a passenger in the cockpit on the flight from Charlotte to Chicago, where he was to pick up another USAir pilot, and that he had decided to use the public address system and turn it on.

A flight attendant reported to the captain, Peter Germano, that a passenger had complained about an unusual noise, but the pilot did not notice any unusual noises.

Mr. Jackson, who got off the plane in Chicago, said that he had ridden in the passenger section of the aircraft earlier in the flight and had not noticed any unusual noises.

Mr. Jackson told the National Transportation Safety Board, said that Mr. Jackson had given him the same explanation for the noise and that it was under scrutiny. Mr. Jackson was not available for comment yesterday in USAir, which after five fatal crashes in the last five years is now trying to reassure customers that the airline is safe, issued Mr. Jackson a statement yesterday, which was: "The safety board that the board itself."

"Pete turned around to me and pointed out that my leg was keying the public address system," the statement said. "I apologized and moved my leg. After that, there were no reports of anything from the flight attendant."

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Teacher Advising Education Chief Draws Lessons From Own History

By LYNDA RICHARDSON Special to The New York Times

WASHINGTON — Since Terry Dozier, late of Irmo High School in Columbia, S.C., arrived at the Education Department, meetings have not been the same.

She is the first classroom teacher to become a special adviser to a Secretary of Education, serving as what Secretary Richard W. Riley calls his "reality check" on teaching and bringing to the seemingly endless series of meetings a view from the schoolhouse.

For example, when Education Department officials proposed sharing their wealth of information via computer data banks that teachers could access, a national teacher Ms. Dozier argued that they were overlooking some practical aspects.

"Most teachers don't even have 'telephones' at school," she recalled saying. "These are the kinds of things that they take for granted."

Ms. Dozier, whose specialty is world history, was ducking in and out of workshops at a Washington hotel the other day as she supervised the second annual teacher's forum on the Clinton Administration's education reform package, Goals 2000. The Federal blueprint supports the states' development of voluntary academic standards for students and encourages efforts to find new ways to measure student achievement.

Ms. Dozier is an ardent supporter of the legislation, which became law this year.

"Goals 2000 is saying that we should have the same expectation for all children," Ms. Dozier, who taught 10th graders at Irmo High, said in an interview. "We have to get results, not just throw them in the wastepaper basket and say you're born a certain way and nothing can change."

"I believe Goals 2000 is going to be a tremendous support for teachers. In the past, when I had high standards for children, they very often thought I was being a witch. Goals 2000 says we have to set high standards for all kids, and then the job of the teacher is to help children meet those standards."

Ms. Dozier's own life is a testament to the idea that a person can achieve educational success despite painful circumstances as a child and, with wonder and dedication to making teachers' role in the reform dialogue that is raging in this country, we will continue to be used as pawns in the game of education reform and we will never be totally successful in our primary mission of teaching."

Ms. Dozier regards herself as typical of many teachers, attracted to the work by a love of education. She met Secretary Riley in 1985, when he was the Governor of South Carolina and she was a teacher at Irmo High and had just been named the National Teacher of the Year by the Council of Chief State School Officers.

Ms. Dozier was one of the first people Mr. Riley called when President Clinton named him Education Secretary.

"I wanted to send a clear message that teachers would be part of the change," Mr. Riley said in a statement. "It's very important that teachers feel connected to what we are doing and that they are a part of our effort to improve schools in America."

Ms. Dozier lives with her husband, who is also a teacher, and their 4-year-old daughter in Fairfax, Va.

Ms. Dozier said she expected to return to teaching when her political appointment ends, but for now, she is dedicated to making teachers' voices prominent in discussions of education issues.

She has pressed hard in the department for the professional development of teachers and she helped to see changes made in the Elementary and Secondary Education Act to emphasize that professional development is not as a fringe benefit but should be intensive and continuous. She also has published a "Teacher's Guide" to the labyrinthine department.

She is optimistic about her profession and the way that teachers are being redefined as educational counselors.

"Whether we want to or not, we must become leaders beyond our classrooms and enable others to do so," she said in remarks at the teachers forum. "Because until we, as a profession, accept a leadership role in the reform dialogue that is raging in this country, we will continue to be used as pawns in the game of education reform and we will never be totally successful in our primary mission of teaching."

A teacher's voice atop education's bureaucracy.

Terry Dozier, right, is the first teacher to serve as a top adviser to the Secretary of Education. Born in Vietnam and adopted by an American serviceman and his wife, Ms. Dozier says she believes that education can be, as it was for her, the gateway to opportunity regardless of a person's origins.
Gay Officials Gather to Share Ideas

By DAVID W. DUNLAP
Special to The New York Times

SEATTLE, Nov. 21 — Like many colleagues in state capitols and city halls around the nation, the officials who met here over the weekend are concerned about race relations, religious conservatism and re-election.

But what brought about 60 of them together is what sets them apart: they are openly gay, a small but growing presence in local government. They gathered as they have each year since 1985.

"What else do you talk about your problems with your domestic partner — or, more like it, your domestic partner's problems with you?" asked David Sondras, a founder of the International Network of Lesbian and Gay Officials, which sponsors the conferences. Mr. Sondras served 10 years on the Boston City Council until his defeat last year.

And where else, these officials said, could they swap stories over what seems to be a national phenomenon: the preoccupation of the press with their homosexuality. They said it was most often reporters, not constituents or opponents, who brought up the issue.

Sherry D. Harris was elected to the Seattle City Council in 1991, becoming the first openly lesbian black woman to hold public office. "We used to have a joke in my campaign," she said. "Sherry Harris, the lesbian" — always how the news story started, no matter what it was about." And what her legislative agenda was about, she said, was transportation.

State Representative Gail Shibley of Portland, Ore., said that in criticizing with other gay officials, she could reassure herself that reporters were "not just picking on me and not just picking on Oregon" — this defines who you are." She, too, said that transportation issues had defined her campaign.

While conference participants spoke of the need for stronger coalitions between gay organizations and groups favoring abortion rights or environmental protection, they acknowledged the wide gaps that have yet to be bridged within their own ranks.

"We live in a racist society," Ms. Harris said. "The same dynamic exists in the gay community."

Dorinda Henry, a legislative assistant to Ms. Harris, said she took exception to comparisons between the gay rights and earlier civil rights struggles. "As an African-American," she said, "many of my people have gone through much, much more than any gay white man has ever gone through." Ron Simons, the editor of Brother to Brother Seattle, a monthly newsletter for black gay and bisexual men, told the officials that "one of the reasons people of color get marginalized and left out is because many fund-raising events come in at $100 or $200 or $1,000 a shot," which they cannot afford.

Ms. Harris said that feelings of alienation had made it "very difficult" to enlist black constituents in the fight earlier this year to keep two initiatives opposing gay rights off the ballot in Washington.

The distance between some black leaders and some gay causes is one that religious conservatives have turned to political advantage.

The Rev. Louis P. Sheldon, chairman of the Traditional Values Coalition, a conservative church network, said "many of our black churches in Brooklyn were very active below the radar screen" in helping defeat Senator Edward M. Kennedy of Massachusetts, who ran for Attorney General of New York State.

Pastors and congregations were told that "if this woman was elected Attorney General, it would be very precarious for conservative Christians," Mr. Sheldon said.

But Ms. Burstein's defeat was an exception to the rule for openly gay candidates. The Gay and Lesbian Victory Fund, a political-action committee, said 17 of the 14 candidates it backed in the general election had won their races.

"It was far more hazardous to be an openly Democratic candidate than openly gay or lesbian," said William W. Waybourn, the fund's executive director, in a telephone interview. He said the number of openly gay public officials in the nation had grown by 9, to 216, out of a total of 475,000.

Open antagonism was not faced by every candidate, but Cal Anderson got a taste of it running for the State Senate after representing Seattle for seven years in the Washington House of Representatives. He said his Republican opponent, Mike Meenen, referred in a campaign appearance to Mr. Anderson's "perverted and deviant life style."

"I think it really did contribute to the fact that I got 81 percent of the vote," Mr. Anderson said. "A lot of people don't want to be associated with that kind of bigotry."

Other state legislators at the conference included Senator William P. Fitzpatrick of Rhode Island, Assemblywoman Deborah J. Glick of New York and Representatives Tammy Baldwin of Wisconsin, Karen Clark of Minnesota, and George V. Eighmey and Cynthia Wooten of Oregon.

Some city council members who attended were Thomas K. Duane of Manhattan, Tim O. Mains of Rochester, Bruce R. Williams of Takoma Park, Md., and John Heilman of West Hollywood, Calif., who will serve this year as Mayor. Tom Amiano, one of three openly gay candidates elected to the San Francisco Board of Supervisors this month, was also present.

Oregon voters elected five openly homosexual or bisexual Representatives, including a Republican, Chuck Carpenter. They also defeated a referendum to deny homosexual status as a minority and, therefore, protection against discrimination in employment and housing. The initiative was advanced by Lon T. Mabon, chairman of the conservative Oregon Citizens Alliance.

"It doesn't surprise me that openly gay and lesbian candidates can win in Portland and Eugene," Mr. Mabon said by telephone. "From the standpoint of democracy, you care less. If they can run and can win and the constituency doesn't see a problem, that's their business. But from my standpoint, I'm disturbed that they don't see a problem."
Abortion-Clinic Physician Charged With Malpractice

Opponents from Pensacola Attend Hearing

By JON NORDHEIMER
Special to The New York Times

NEWARK, N.J., Nov. 21 — When a physician who filled in for a murdered abortion-clinic doctor in Pensacola, Fla., came before an administrative court in New Jersey today on malpractice charges growing out of previous abortions, he saw two particularly unfriendly faces in the courtroom.

They belonged to Vicky and Mike Conroy, abortion opponents who had traveled 1,000 miles from Pensacola to "see justice served."

"We wanted to see for ourselves if the courts care more about dead doctors than dead women," Mrs. Conroy said.

There are no "dead women" in the three cases cited by the State Attorney General's office in its bid to lift physician — whose medical license has been suspended by the Pennsylvania Medical Board — from the physician who is the namesake of Brigham and Women's Hospital in Boston, performed abortions at a Pensacola clinic after Dr. John C. Britton was gunned down there in July. Paul Hill, an abortion protester, recently was convicted of the murders and sentenced to death.

While Dr. Brigham's activity in Pensacola has made him a target of abortion opponents like the Conroys, it is the quality of his doctoring that was at issue before the State Board of Medical Examiners today.

A state expert witness in obstetrics, Dr. David I. Hollander, testified that Dr. Brigham deviated from generally accepted medical standards in the three cases that resulted in charges.

Dr. Brigham, who has had no formal training in obstetrics and gynecology, has denied all charges. He testified. He said that the perforation in the woman's cervix and delayed getting help for her in a hospital until she had lost a great deal of blood and was going into shock. Surgeons at the hospital performed a hysterectomy, Dr. Hollander said, to pull the woman out of danger.

In the case of the second New Jersey woman, who was 23 weeks pregnant when Dr. Brigham performed an abortion at a Flushing, Queens, clinic, a four-inch perforation was caused in her uterus and colon by instruments, Dr. Hollander testified. He said that the perforation initially went unnoticed by Dr. Brigham.

When asked by a deputy assistant attorney general, Linda Ershow-Levenberg, whether one mishap could have caused the extensive injury, Dr. Hollander replied: "I don't see anatomically how that was possible."

The Pennsylvania woman, who was 23 weeks pregnant, had come to Dr. Brigham's clinic in Voorhees, N.J., for an abortion. On her first visit, Dr. Brigham inserted laminaria strips in her uterus to induce an abortion, according to the allegations against him. On her return the next day, new strips were introduced although the woman's water had broken.

An infection and high fever developed, and the woman went to an emergency room in New Brunswick for treatment, according to official reports.

The state requires that second-trimester abortions be performed only at hospitals or licensed ambulatory care facilities. Dr. Brigham does not hold hospital privileges in New Jersey.

The Conroys, who are not directly involved in the case against Dr. Brigham, run Legal Action for Women, a nonprofit group that encourages women to recover damages from physicians who injure them during abortions. They said that since 1985, their organization had helped some 250 women across the nation file lawsuits against doctors and abortion clinics.

The law, they said, allows unqualified doctors with no specialized training to perform abortions.

"We brought Pensacola to New Jersey to see that states like New Jersey and Florida hold abortionists like Dr. Brigham accountable for their actions," said Mrs. Conroy, a mother of 10 children. "I do feel a responsibility to make his record well known. This man poses a health threat to all women."

But Nathan L. Dembin, a lawyer for Dr. Brigham, suggested that people like the Conroys have another agenda. "Their strategy is to exert additional pressure on abortion providers," he said during a break in today's proceedings. "They care more about getting rid of a woman's right to have an abortion than their health."

A decision in Dr. Brigham's case is not expected until at least next spring.
Prices Advance Sharply On Treasury Securities

By ROBERT HURTADO

Prices of Treasury securities surged yesterday, with investors coming out of the stock market to buy bonds, because of their attractive returns, traders said.

Demand pushed the yield on the 30-year Treasury bond to a three-week low.

A sign of the strong demand yesterday was a better-than-expected auction of five-year notes, which drew a high yield of 7.81 percent, below the 7.82 percent that dealers and traders had anticipated. Prices and yields move in opposite directions.

But some of the buying in the Treasury market yesterday was prompted by players covering short sales, traders said. This occurs when some market participants sell borrowed securities, hoping to buy them back later at lower prices, pocketing the difference. If prices begin to rise instead of fall, these participants have to cover their short positions by buying back the securities to limit their losses.

The price movements early in the session were exaggerated as investors moved, in thin and sporadic trading, to cover short positions. The auction of five-year notes, however, brought more buyers to the Treasury market.

By the end of the day, the price of the 30-year bond was up a full point to 96 13/32 for a yield of 6.02 percent, down from 6.12 percent on Monday and its lowest level since Oct. 31, when it was at 7.97 percent.

At auction, the five-year note was priced at 99.756, for a high yield of 7.81 percent, below the 7.82 percent that dealers and traders had anticipated. Prices and yields move in opposite directions.

Traders said a rise in prices in when-issued trading of five-year notes ahead of the auction probably knocked out many investors with short positions. With the dollar stable and equities down, investors saw an opportunity to lock into some attractive yields. "The move today caught many of us by surprise," Mr. Alexy said. "But I don't see this going on too long. Yields will likely stay in this general range for a while."

Elsewhere in the market, California sold $407 million of general obligation debt in the municipal market through competitive bidding that was won by BA Securities. The bonds in turn were reoffered to the public at a price to yield 7.05 percent for a bond due in 2017.

Serial bonds with shorter maturities were priced to yield from 4.60 percent in 1995 to 7 percent in 2012. Through 2014. Underwriters note that some of the maturities are insured by the Financial Guaranty Insurance Company and are rated triple-A. Uninsured maturities were rated A1 by Moody's Investors Service and A by Standard & Poor's and Fitch Investors Service.

In the corporate bond market the Chrysler Corporation sold $500 million of fixed-rate securities backed by loans to car dealers through its Carco Auto Loan Master Trust 1994-2. The securities, which have a 2.7 years left to maturity, have a 7.75 percent coupon and are priced at 98.985, to yield 7.889 percent, or about 41 basis points more than the 6.95 percent Treasury note due in August 1997.

The securities, which pay interest twice a year beginning Feb. 15, are rated triple-A by Moody's, S&P, Duff & Phelps and Fitch Investor's Service.

The following are the results of yesterday's Treasury auction of five-year notes:

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Source: Treasury Department

CREDIT MARKETS

5-Year Treasury Notes

Average yields at monthly auctions, in percent.

Yields

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<tr>
<th>Date</th>
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<tr>
<td>Nov. 22, '94</td>
<td>7.81%</td>
<td>Nov. 23, '93</td>
<td>5.20%</td>
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<tr>
<td>93</td>
<td>2</td>
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Source: The New York Times

Key Rates

In percent

<table>
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*Estimated daily average, source Telerate
**Municipal Bond Index, The Bond Buyer

Salmoner Brothers and Teases for Treasury's bell-wether bonds, notes and bills

By ROBERT HURTADO

Prices of Treasury securities surged yesterday, with investors coming out of the stock market to buy bonds, because of their attractive returns, traders said.

Demand pushed the yield on the 30-year Treasury bond to a three-week low.

A sign of the strong demand yesterday was a better-than-expected auction of five-year notes, which drew a high yield of 7.81 percent, below the 7.82 percent that dealers and traders had anticipated. Prices and yields move in opposite directions.

But some of the buying in the Treasury market yesterday was prompted by players covering short sales, traders said. This occurs when some market participants sell borrowed securities, hoping to buy them back later at lower prices, pocketing the difference. If prices begin to rise instead of fall, these participants have to cover their short positions by buying back the securities to limit their losses.

The price movements early in the session were exaggerated as investors moved, in thin and sporadic trading, to cover short positions. The auction of five-year notes, however, brought more buyers to the Treasury market.

By the end of the day, the price of the 30-year bond was up a full point to 96 13/32 for a yield of 6.02 percent, down from 6.12 percent on Monday and its lowest level since Oct. 31, when it was at 7.97 percent.

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**Municipal Bond Index, The Bond Buyer

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U.S. Limits Gains From Sale Of Mutual Savings Banks

By KEITH BRADSHER
Special to The New York Times
WASHINGTON, Nov. 22 — Federal regulators adopted new rules today covering sales of mutual savings banks to other banks or investors as a final step in a 10-month crackdown on which savings executives legally pocketed millions of dollars.

Under the regulations approved today, executives of mutual savings banks will no longer be allowed to avoid limitations on cash proceeds and options in the transactions by buying large chunks of stock in their institutions' initial public offerings.

The regulations also set new appraisal procedures aimed at eliminating the consistently low stock prices for the initial public offerings, which until recently resulted in shares of mutual savings banks jumping 20 percent or more on their first day of trading.

According to an estimate by SNL Securities L.P., a financial research firm in Charlotteville, Va., mutual-savings bank executives gave themselves at least $180 million in free stock during the last three years and considerably more in options and low-priced stock.

Lawyers for the executives argued that long-serving managers deserved to reward themselves. The new rules also contained the idea that ownership of mutual savings institutions was unclear, because the institutions were typically founded as collective loan pools for members of churches or residents of small communities.

Consumer groups argued that mutual savings banks belonged mainly to their depositors, and the regulators ultimately sided with them.

The Federal Deposit Insurance Corporation and the Office of Thrift Supervision began drafting the new rules in February when the House and Senate banking committees held a series of hearings to examine reports that executives were enriching themselves at the expense of depositors.

But the agencies retreated today from tentative plans, proposed last summer, to require that only local depositors of a mutual savings bank be allowed to buy its stock in an initial public offering.

Some Wall Street hedges funds and professional investors have made huge profits over the last several years by making deposits in hundreds of mutual institutions across the country, thus entitling them to buy low-priced stock in initial public offerings. A group of professional investors, Thrift Depositors of America, filed a lawsuit this summer challenging the planned restrictions on their activities.

Ricki Tigert, chairwoman of the F.D.I.C., said the agency had concluded that its regulatory authority, which is based on requiring that institutions be insured, did not explicitly authorize it to place residency restrictions on investors in mutual savings bank offerings, which was not going to be possible to come up with a regulation under our legal standards," she said.

V. Gerrard Comizio, deputy chief counsel of the Office of Thrift Supervision, said his agency's new rules would also give more discretion to mutual savings institutions to turn down account applications from investors outside their local areas, and to close existing accounts and refund the money to distant depositors.

Both agencies' rules require that depositors keep money at an institution for at least a year before they can participate in an initial public offering. The previous requirement was 90 days. Only after an institution has been public for at least six months will mutual savings bank directors be allowed to ask share holders to vote on rewards to long- serving managers.

Dad Nagle, president of SNL Securities, said investors actually lost money in several initial public offerings this fall, including those by Harlem-based Carver Federal and the Savings Bank of the Finger Lakes, based in Geneva, N.Y.

Recent regulatory pressure has already produced higher prices for some initial public offerings, he said, adding that rising interest rates and a glut of recent savings and loan issues have made stocks in financial institutions less attractive.

The new rules resemble restrictions imposed in January by the New York State Banking Department on the Green Point Savings Bank of Flushing, Queens. State regulators there said Green Point was not permitted with planned grants of $40 million in stock and more in options for its managers and trustees in an initial public offering.

because of the continuing slump in oil prices, and they are anxious to hold down production in 1995 in a bid to force up prices.

The agreement was reached today among OPEC ministers meeting on the Indonesian resort island of Bali. It will hold oil production among OPEC members to 2.45 million barrels a day in May, a level that in theory could stop up the existing glut of world oil.

"I think it will be very good for the market," Iran's oil minister, Ocho- hamzea Aqazadeh, said of the decision to retain the current production limits. "Prices will be stronger than now."

Oil Prices Are Unruffled By OPEC Output Limits

By PHILIP SHENON
Special to The New York Times
JAKARTA, Indonesia, Nov. 22 — Oil prices reflected little concern among traders today about a decision by the Organization of Petroleum Exporting Countries to freeze current production levels through 1995 in hopes of driving up oil prices.

North Sea Brent, a benchmark grade of crude oil, dropped by a penny, to $16.84 a barrel in London, after the announcement. [On the New York Mercantile Exchange, oil contracts for January rose only 26 cents Tuesday to close at $17.82 a barrel.] The agreement was reached today among OPEC members meeting on the Indonesian resort island of Bali. It will hold oil production among OPEC members to 2.45 million barrels a day in May, a level that in theory could stop up the existing glut of world oil.

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First Oil" will hold oil production among OPEC among oil ministers meeting on the Indonesian resort island of Bali. It will hold oil production among OPEC members to 2.45 million barrels a day in May, a level that in theory could stop up the existing glut of world oil.

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More Scrutiny of a Microsoft Merger

By LAWRENCE M. FISHER

SPECIAL TO THE NEW YORK TIMES

SAN FRANCISCO, Nov. 22 — The Microsoft Corporation and Intuit Inc. said today that they had received a second request from the Justice Department for information on their proposed merger. Both said the request had been anticipated and that they were cooperating with the Government.

"We were by no means surprised to get a second request," said William H. Neukom, Microsoft's senior vice president for law and corporate affairs, adding that second requests were not uncommon in mergers of comparable size.

Microsoft, of Redmond, Wash., agreed last month to acquire Intuit, a Menlo Park, Calif., producer of Quicken, the market-leading personal finance software program, in a stock swap valued at about $1.5 billion. Microsoft also agreed to divest itself of its competing product, Money, to Novell Inc. for an undisclosed amount, to avoid antitrust action.

In what is the largest software industry acquisition ever, Microsoft paid more than 7 times revenues for Intuit, an indication of just how far it is willing to go to capture a market.

The deal also signaled the intention of Microsoft to dominate electronic banking as thoroughly as it does desktop computing, as was underscored by a subsequent deal with Visa International to provide software for electronic shopping.

Last week the Silicon Valley law firm of Wilson Sonsini Goodrich & Rosetti filed a brief with the Justice Department, arguing that Microsoft's acquisition of Intuit was anticompetitive in the present market for personal finance software, its future implications were even more troubling.

Relying on an economics concept called "increasing returns" theory, the paper suggested that Microsoft would use its dominance of desktop computing today to achieve dominance of nascent markets it deems strategic.

"My understanding is that in certain places their market share is small, the economics would predict they're going to dominate," said Gary Reback, the lawyer who wrote the brief. He said the Justice Department had requested the brief, submitted on behalf of the firm's clients, which declined to be named for fear of retaliation from Microsoft. The brief "argues that the Government should take action," he said.

Justice Department officials declined to comment.

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count for 35 to 40 percent of the bill for an operation and often run much higher. The Medicare reimbursement for a total hip replacement — and 85 percent are on patients covered by Medicare — is $9,500 for the entire operation. But with prices for equipment ranging from $500 to $1,000 in simple cases and ranging up to $7,000 in more difficult surgeries, many hospitals contend they are losing money on orthopedic operations. The Premier hospitals, for example, say they now lose an average of $1,300 per case. Doctors are reimbursed separately by Medicare.

Costs can vary widely, even for the same device. Within New York alone, one hospital paid $2,000 for the same hip replacement from the same manufacturer that another hospital purchased for $4,000, said Kerry Hicks, senior vice president at LBA Health Care Management of Englewood, Colo.

The economy drive is riding on the conviction that in most applications there is much less than what is claimed to distinguish new designs from old ones or the products of different equipment makers.

"The long run if the cheaper implants need to be replaced sooner," said Dr. William Healy, chairman of the orthopedic surgery group at the Lahey Clinic in Burlington, Mass.

Hospitals still have to overcome the reluctance of many doctors to abandon equipment they are familiar with. Loyalties also rest on relationships with sales representatives who frequently assist doctors in surgery, provide educational tips and support doctors who are interested in developing new implants. And many surgeons find company-supplied data showing a performance edge for their products convincing.

Even doctors who believe there is little to distinguish the competing product lines fear the legal risks they run if they get poor results during a switch-over.

Experts like Dr. Charles Engh, who runs a teaching practice at Mount Vernon Hospital in Virginia, say that even the most experienced surgeons may need 40 operations to switch to a new line of implants.

"It's something we will ultimately do but it's not our preference," said Dr. Sheehan, an orthopedic surgeon since 1968 who works at three suburban hospitals here. "How would you like to go to a patient," Dr. Sheehan added, "and say, 'I've never used one of these before but I'm sure it will be O.K.'?"

The economy drive is clearly eroding profits for medical manufacturers. The number of hospitals receiving discounts from at least one orthopedic implant vendor jumped from 11 percent in 1992 to 75 percent last year, according to a survey of its readers by Orthopedic Network News, an industry newsletter.

Equipment makers say that the profit-sapping trend could slow the pace of innovation in several key segments of the $45 billion medical device industry. They also contend that it could lead to higher costs in the long run if the cheaper implants need to be replaced sooner.

But some patients' rights advocates challenge those claims. "The power of the device companies to oversell should not be underestimated for the sake of money on orthopedics. The Pre-

The pressure to cut expenses is most intense in orthopedics.

ed," said Dr. Sidney Wolfe, who heads a health issues group for Public Citizen, a consumer lobbying organization in Washington. Over long periods, more expensive devices may not necessarily perform any better than those they supplanted, he said. And because it is much harder to compare implants that stay in the body for years than it is to judge prescription drugs, Dr. Wolfe said, nobody really knows.

The major manufacturers are granting discounts to hospitals that prove they can deliver high volumes of orders. Occasionally, the price retreat is cloaked by rebates or by offering additional services to save money elsewhere. DePuy Inc., for example, offers its Orthoscope program advising doctors on how to prepare patients for rehabilitation ahead of time, leading to faster rel-

leases from hospitals.

Medtronic Inc., a leading device company in the cardiovascular field, is trying to counter pressure to cut pacemaker prices by offering discounts to hospitals that will buy more of its other products. "Having broad product lines allows us to come up with countersoffers," said Richard Reid, a spokesman for the Minneapolis-based company.

Still, the competition is taking its toll. Three smaller orthopedics companies have sold themselves to competitors in the last year.

And the uphill battle manufacturers face in proving their products are superior is expected to lead to ever tougher demands for discounts from individual hospitals and buying groups. Premier, the nationwide buying group based outside Chicago, recently introduced a new program offering its hospitals discounts of up to 40 percent on orthopedic implants if they steer most of their business to participating suppliers.

The suppliers that signed on to the three-year arrangement included the orthopedics division of Johnson & Johnson, Intermedics Orthopedics Inc. (a division of Switzerland's Sulzer), the Osteonics Corporation (a subsidiary of the Stryker Corporation), Smith & Nephew Richards Inc., and Wright Medical Technologies Inc.

Perhaps the most notable thing about the supplier group is the absence of the market leaders, including the Zimmer Corporation (a division of the Bristol-Myers Squibb Company), Howmedica Inc. (a division of Pfizer Inc.), and DePuy (a division of Germany's Boehringer Mannheim G.m.b.H.). These companies currently account for well over half the orthopedic implants used at Premier hospitals.

What the established leaders are gambling on is that enough doctors will remain loyal, despite encouragement from hospital managers to switch, that they will do better by not giving in to the demand for big discounts.

That is just fine by Gary Sabin, vice president in charge of sales at Intermedics. The company, based in Austin, Tex., has 70 percent of the business at St. Francis Hospital in Tulsa, Okla., but much less in other Premier hospitals. "It's our hope the doctors will reward those who came to the party," he said.
**Advertising**

**Mexican Attitudes Shift In Flow of U.S. Goods**

By ANTHONY DEPALMA

Special to The New York Times

MEXICO CITY, Nov. 22 - The Marlboro Man rode off American television years ago, but in Mexico he is still galloping hard, part of a stampede for products from across the border that is changing and challenging Mexico's modest advertising industry.

The elimination of tariffs by the North American Free Trade Agreement has brought hundreds of American products, from Kellogg's Pop-Tarts to the new Ford Mystique, to join standbys like Marlboro cigarettes on Mexican shelves and in showrooms.

The newcomers are extensively advertised in ways that try to reflect Mexican culture. In response, the established Mexican products must be more heavily marketed to keep from losing ground.

As they bid for attention, the new advertisements are testing accepted conventions that until now have excluded nearly all humor and sarcasm — or even indigenous Mexican faces — from television commercials.

But when American competitors were kept out and consumers had few choices, Mexican manufacturers considered advertising to be a nuisance. Now that the border is largely open, that attitude is changing.

"The whole market here is in a state of flux right now," said John E. Holmes, regional president for J. Walter Thompson, which has been in Mexico for 50 years. "The big question now is, 'Are we part of Latin America or are we a part of North America?' The answer is unclear."

This might seem to be a good time for Mexican agencies or the local branches of big international companies to flourish. But the comparatively small size of the Mexican consumer market and the traditional aversion of Mexican businesses to spending on advertising have made this a shaky year for the country's advertising industry.

"An open economy is going to open up creativity, but it's going to pulverize the market itself," said Cecilia Bouleau, editor of the advertising magazine Adereza. "Some big agencies had been forced to lower commissions and reduce staff to be more competitive.

The five largest agencies in Mexico, measured by billings, are foreign, beginning with McCann-Erickson. Many Mexican agencies have survived by allying with international companies, which tends to obscure the smaller agency's identity. Still, advertising interest in Mexico remains high. "Latin America is double the size of the population of the United States, and Mexico is the second-largest country in Latin America," Bouleau said.

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**An Open Border Awakens a New Creative Spirit.**

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Continued on Page D17
**Federal Judge Permits Entry of Haitian-Refugee Children**

**BY MIREYA NAVARRO**

MIAMI, Nov. 22 — A Federal judge ruled today that Haitian children detained in the United States Naval Base at Guantánamo Bay should be allowed into the United States in the same way that Cuban-refugee children are.

The decision by Judge C. Clyde Atkins of Federal District Court here affects 231 unaccompanied Haitians under age 18 who have been in the Guantánamo refugee camps since the summer. Although Cuban children are also held in the camps, the Clinton Administration last month began allowing those who were under 18 and alone to enter the country on humanitarian grounds; already 3,000 children are expected to be brought to the United States with their families.

In a lawsuit against the Government, advocates for the Haitian refugees said the policy toward Haitian children discriminated against them on the basis of race and national origin. "This has nothing to do with immigration; it has to do with equal protection under the law," said Steve Forester, the supervising lawyer for the Haitian Refugee Center. "You can't give a right to one group and then deny it to another, equally situated group."

Justice Department officials had no comment on today's ruling, saying it was being reviewed. But lawyers for the department have argued that different treatment is justified because the return from exile of President Jean-Bertrand Aristide means that Haitians no longer face persecution at home.

Mr. Forester disputed that. "Conditions in Haiti are still extremely poor, and it's going to take at least six months to a year to see if there's going to be a significant reduction in street-level repression," he said.

The ruling was the latest chapter in efforts by exile groups and advocates for refugees to win the release of thousands of Cubans and Haitians held at Guantánamo since they were intercepted as they fled their respective countries for the United States. About 30,000 Cubans have been held at Guantánamo and in Panama since last summer, when the Clinton Administration reversed a longstanding United States policy of granting entry to people fleeing the Communist government of Fidel Castro and instead began detaining them.

About 20,000 Haitians have been detained since late June and early July, but most have returned to Haiti since President Aristide's return in October, and about 6,000 remain at Guantánamo.

Late last month, the Haitian Refugee Center joined a lawsuit in which Cuban-American lawyers successfully sought the right to meet in the camps with Cubans who were contemplating voluntary repatriation. Today's ruling responded to the Haitian center's motion seeking, in addition to the children's parole to the United States, legal counsel for Haitian refugees in detention.

In his ruling, Judge Clyde ordered the Government to give lawyers from the Haitian Refugee Center access in the camps to Haitians who filed written requests for counsel. He also ordered the Government to provide the center with the names of all Haitian refugees in Guantánamo Bay; the center is then to pass them on to relatives or lawyers who request them.

Judge Clyde's decision does not include the 1,588 Haitian children who are in the camps with their families. But Cuban-exile groups in Florida say that, in lobbying for the release of Cuban children, they have told Federal officials that they will also raise money to transport and relocate the Haitian children.

"We've been pressing the Administration for the solution of the problem of all the children in Guantánamo," said the president of the Cuban American National Foundation, Francisco Hernandez. "We don't believe children should be behind barbed wire."

Already 319 Cubans have been flown to the United States from Guantánamo after the White House announced last month that unaccompanied children under 18, as well as elderly people and those with urgent medical needs, would be given entry. These humanitarian-parole flights are continuing.

Clinton Administration officials have said there are plans to release and bring to the United States all Cuban minors and their families, a group estimated at 8,000 to 10,000, though no date has been given for when those releases would begin.
Clinton Thanks Ukraine With $200 Million

By STEVEN GREENHOUSE Special to The New York Times

WASHINGTON, Nov. 22 — President Clinton offered $200 million in additional economic aid to Ukraine today to thank that country's new President, Leonid Kuchma, for tak-

ing politically difficult steps sought by Washington toward free-market reforms and the elimination of nu-

clear weapons.

Promising a new relationship with Ukraine, which the Administration expects to become a major power in Europe in years to come, Mr. Clinton also provided Mr. Kuchma with se-

cure assurances in return for hav-

ing persuaded his Parliament last week to vote to eliminate Ukraine's 1,800 nuclear warheads.

Those assurances included a promise never to use nuclear weap-

ons against Ukraine, to talk with its Government if the country is ever threatened and, if neces-


To demonstrate the Administra-

tion's new bonds with Ukraine, Mr. Clinton announced that Washington would provide a $100 million emer-

gency grant to Ukraine — with no strings — for importing food and fuel. No other country receives such a grant from the United States.

Administration officials say that after years of delaying economic re-

forms, Ukraine sorely needs money to pay for imports because its citi-

zens are being squeezed by a series of reform initiatives, like removing price controls on many products.

Another $100 million in assistance for student exchanges, privatization and small business will raise aid to Ukraine to a total of $900 million for 1994 and 1995, making the former Soviet republic Washington's fourth-

largest aid recipient after Israel, Egypt and Russia.

Mr. Clinton welcomed Mr. Kuchma with a full state visit and a 21-gun salute on the White House South Lawn, a greeting that seemed likely to bolster the Ukrainian lead-

er's status among his own people.

Mr. Kuchma, who is trying to overcome a path ahead on the two most critical issues for the future: economic re-

form and nuclear weapons.

“Your boldness in the face of daunting problems reminds us of one of our greatest leaders, Franklin Roosevelt, who did so much leadership in a time of great hardship,” Mr. Clinton said. “You have blazed a path ahead on the two most critical issues for the future: economic re-

form and nuclear weapons.”

When Mr. Kuchma was elected last July, American officials warned him that unless he took drastic and painful steps to fix his economy, Ukraine risked disintegration.

Administration officials said they were delighted that Mr. Kuchma was able to push through a far-

reaching economic reform program even though former Communists still have a strong hold on Parlia-

ment. Among the moves that he has taken are large-scale privatization of state companies, cuts in Ukraine's budget deficit and the removal of price controls on many goods.

“He has made the tough decisions that eluded his predecessor,” a sen-

ior Administration official said.

President Clinton has written to European and Japanese leaders to urge them to contribute funds to Ukraine so it can buy imports of basic necessities. Several American officials criticized the European Union for moving slowly in furnish-

ing the $100 million in emergency aid that Washington has suggested.

U.S. Proposes

More Muscle

To Aid Bosnia

An Effort to Prevent A Collapse of Bihac

By MICHAEL R. GORDON Special to The New York Times

WASHINGTON, Nov. 22 — The United States today proposed a military action and expanded use of air power to protect the beleaguered area of Bihac in northwest Bosnia.

But Western European nations have yet to agree on whether to take further military action, leaving the fate of the American proposal un-

clear.

“We are pursuing ways to prevent the collapse of Bihac by using air power in support of U.N. safe areas,” a Clinton Administration official said.

“There is a menu of options to address the situation, and we are exploring ideas with our al-

lies.”

The steps suggested by the United States include bombing strikes against ethnic Serbian forces in Bos-

nia and Croatia that are attacking Bihac, which is near the Croatian border.

Other steps include giving NATO planes permission to chase planes into Croatia and shoot them down if they violate the no-flight ban over Bosnia. Allied planes would also be allowed to launch pre-emptive at-

tacks against Serbian anti-aircraft defenses that threaten NATO air-

craft.

In addition, the United States is still considering for the establishment of a weapons-exclusion zone around Bi-

hac, which would extend about six miles from the city. Serbian tanks, artillery and other heavy weapons that violated the zone could be at-

tacked by NATO warplanes.

In terms of policy, the aim of the plan would be stop the Serbian ad-

vance on Bihac and discourage Cro-

atia from entering the war. In mili-

tary action, it seeks to move NATO beyond the series of pinprick attacks that have characterized its response to the war in Bosnia.

It has been outlined in European capitals and presented to diplomats in New York by Madeleine K. Al-

bright, the United States Representative to the United Nations.

Washington also wants its allies to agree in advance on the “triggers,” or actions that would be considered sufficient to prompt specific NATO military responses.

Those could include an advance toward Bihac by Bosnian or Cro-

atian Serbs that went beyond re-

claiming lost territory, such as artillery strikes on the town and a "strangulation" of Bihac that de-

prived its residents of food and need-

ed supplies.

The aim of defining these triggers in advance would be to expedite NATO military action. One serious concern for Washington is that the Bosnian and Croatian Serbs may surround and take up position on the outskirts of the town before Western European nations feel im-

peted to act, leaving the Muslims in Bihac in an untenable position.

But while there is growing anxiety within the Clinton Administration over Bihac, there are still consid-

erations to fewer military action.

Western European nations have been alarmed that less alliance unity would lead to a situation in which the United Nations peacekeeping officials, who must in any air strikes, have also challenged some key elements of the American plan.

The United Nations officials have ar-

negued, for example, the small, poorly equipped Bangladeshi peacekeeping force that would extend about two miles from the town could be monitored.

But American officials say the United Nations is taking an overly technical view of the matter and that a zone that is imperfectly monitored is better than none. A full zone would also leave Bihac within easy range of the guns of Serbian nationalism.

Christine Shelly, a State Depart-

ment spokeswoman, said today that Bosnian President Alija Izetbegovic had contacted the American ambas-

dor to Bosnia today and "ex-

pressed very deep concern about the potential fall of Bihac."

She said the proposal for further military steps would be taken up soon at NATO headquarters. NATO will discuss options to "try to pre-

vent the fall of Bihac and stop the attacks on the Bihac pocket," Ms. Shelly said. "Air action is certainly a possibility and one of the things that will be discussed."
East Europe
Health Care, Out of Cash, Has Relapse

By JANE PERLEZ
Special to The New York Times

CONSTANTA, Romania — In the shabby maternity ward of the county hospital here, Dr. Veronica Niculescu threw a greasy slab of brown soap onto a table. Crudely made from cheap fat, the soap smelled like a barnyard.

"This is the only soap we have and it has no disinfectant properties," she said with disgust. "We are told by the Government: hospitals and medicine are not productive so you get no money from us."

The hospital had run out of rubber gloves, and there was no money in the budget to pay for heat this winter, she said.

Romania's health system is probably the poorest in Eastern Europe and has suffered one of the sharpest declines since Communism collapsed in 1989. But all over the former Communist region, financially strapped governments have neglected health care and now face what experts are calling an unprecendented crisis.

"The mortality and health crisis burdening most Eastern European countries since 1989 is without precedent in the European peace-time history of any country," said said in a report issued in August.

A surge in deaths, particularly among the old, could be attributed to the erosion of medical services, widespread poverty and stress, the United Nations report said. At the same time that services were declining, the effects of smoking, pollution and diets heavy with fat were leading to more illness, it said.

A World Bank assessment this fall concluded that the health situation was so bad in much of Eastern Europe that it was beginning to affect the ability of some countries to compete effectively on the world market.

The Czech Republic is the only Eastern European country where attempts have been made to change the medical system from the Communist model and where the mortality rates have not risen.

Many patients say that health care during the Communist era was far from perfect, and indeed, often a scary procedure. But at least, they say, it was basically free with additional bribes usually being not much more than a box of chocolates or flowers for the doctor.

Technically, health care in the former East bloc countries remains free. But in many cases, patients complain that payments to doctors are now expected in cash and in substantial amounts. Only in the Czech Republic has a system been set up where doctors can open a private practice and their patients can get insurance reimbursement.

The gap in health care systems between the former Communist countries and Western Europe is "wide and growing," said Alexander S. Preker, who wrote the World Bank report.

The two reports have brought these findings to light:

- Patients say that the very young or the old who appear to have suffered most from the creaking health systems but working men between the ages 20 and 50. The death rate among men, suffering from cardiovascular problems and cancers, has soared in all countries covered by the Unicef report, which included Russia and Ukraine, except in the Czech Republic and Slovakia.

- Bribery by patients to doctors and nurses to provide care was commonplace under the Communists, but has become even more pervasive in some countries as state-run medical institutions pay doctors less than bus drivers.

In Poland, a leading newspaper, Rzeczpospolita, estimated that one out of every five doctors spent annually in Poland on health care was spent by patients on "brides and presents."

The Diagnosis
Out of Date
And Out of Money

Patients throughout Eastern Europe say they feel helpless about the medical care they receive.

Helena Gasiorowska, a 56-year-old grandmother who retired early from her bookkeeper's job in Warsaw because of eye problems, has been treated for glaucoma since 1987. She has had three operations. But each time she has been treated — in one of Warsaw's better hospitals — the doctors use the same antiquated diagnostic equipment, she said.

The price of the prescribed medicine, which should be paid for by the insurance system but is not, is beyond her ability to pay from her monthly pension of about $150, she said.

"I have to buy a small tube of pills which cost 600,000 zloty (about $30) and I have to take them all the time," she said. "I worked for 36 years, all the time paying an insurance premium and I have to take them all the time,"

In Romania, relatives of patients bring food and even basic medical equipment to the hospital. In some cases, surgeons are given unaccountable payments to operate. Liliana Miron, a 27-year-old social worker in Constanta, said her family had come up with the equivalent of about $115 in unofficially payments for a neurosurgeon in Bucharest to operate on her father. The figure is about twice the surgeon's monthly salary from the Government.

"If we didn't bribe, the doctor wouldn't operate," Miss Miron said, adding that she faintly provided medicine and syringes.

The Treatment
Nothing That Money Can't Fix

Doctors and hospital directors say they are losing faith in the medical systems in which they work. Doctors must cope with run-down equipment, some of which is so old it can't even be repaired. In some places, the best hospitals don't have basic supplies.

In the Czech Republic, for example, one of the biggest hospitals in Prague, the 1,100-bed Fukutisi Thony-Mayerova Nemocnice, does not have a CAT scan equipment, said the hospital director, Dr. Pavel Zelnicek.

"We haven't been able to afford this special X-ray equipment and we have to send patients elsewhere," he said.

In Poland, the big specialist hospitals are in even worse shape.

Things got so bad at the Upper Silesian Medical Center in Katowice, one of Poland's top heart surgery hospitals, that the director, Jozef Wilk, threatened to close it. In September, Dr. Wilk took the unusual step of going to the press and explaining that the hospital's debts were so great that medical and food providers would soon stop delivering supplies.

At hospitals of Poland's leading cancer hospitals, the Oncological Center in Lodz, there were days in October when all the radiation equipment was shut down. Once more, patients stopped coming to the clinic because the waiting time was so long for radiation treatment, said Dr. Barbara Wreszil, the director of the radiotherapy department.

The Prognosis
Physicians, Heal Thy System

To little avail, proposals have been made in Poland and Hungary to overhaul the medical systems so that those who can afford to pay at last a little toward the cost can do so. This would then enable those who cannot afford to pay to get better treatment, experts say.

But so far, these health care systems remain much as they did under the last years of Communism.

"The belief that health insurance exists in Poland is a myth," said Jacek Ruszkowski, an adviser on health care reform to the World Bank in Poland. Mr. Ruszkowski said the Ministry of Health is given a certain sum of money from the treasury and this is allocated to hospitals in much the same way as before 1989. Thus, money is distributed to hospitals according to how many beds a hospital has, not according to the number of patients.

In the meantime, Polish doctors have largely resisted reforming the health care system because in the current chaos doctors point, Mr. Ruszkowski said. Thus, doctors who in Poland set up private practice use the hospitals to treat and operate on patients but never pay the hospitals for the service and equipment.

By CLYDE HABERMAN

20 Killed in Ethnic Violence in Burundi

BUJUMBURA, Burundi, Nov 22 (Reuters) - Ethnic violence is continuing in Burundi, including 20 killings on Sunday, security officials said today.

The officials said that 16 people had been killed with machetes and four more had been burned alive in the northeastern province of Kirundo. Initial reports said the killings were the work of members of the Twizi tribe against members of the Hutu tribe.

That brought the number of violent deaths in Burundi to at least 144 since the start of last month, officials said.

The Burundi Army, which is dominated by Tutsis, contends that it faces almost daily attacks by rebel groups recruited from the Hutu majority and led by a former Interior Minister, Leonard Nyangoma, who is in exile in Zaire.

Mr. Nyangoma's political party demands the repeal of a power-sharing arrangement drawn along ethnic lines.

Burundi has been tense since its President and the President of Rwanda were killed in a plane crash in April. Burundi did not experience the widespread killings that followed the crash in neighboring Rwanda, but a pattern of ethnic violence has continued.

They are many more miles than that from Israel or from any of the other 16 Jewish communities that have been allowed to remain in the Gaza Strip under the Palestinians' self-rule agreement with Israel.

After the latest deaths, Israelis are once again debating whether this settlement should exist. Some say the army is not doing its job right. And others ask whether it is worth it in the first place to put soldiers at high risk in hostile territory to preserve a way of life for a relative handful of people whose vision is arguably shared by only a minority of their fellow citizens.

Israelis also realize that in Netzarim they are glimpsing the future if Israel and the Palestinian Liberation Organization ever agree on how to expand self-rule to the more complex West Bank, where dozens of Jewish settlements dot the landscape alongside Arab villages. There could be a string of Fort Apaches throughout the territories, officials say, and the debate here could be repeated many times over.

The settlers, all strongly Zionist Orthodox Jews, say that their presence is significant for security reasons, and that since Gaza is part of the same bloc of territory in theucchini strip that is right and duty to inhabit it, they say. But a majority of Israeli Cabinet members would like to evict them.

On Monday, Foreign Minister Shimon Peres was quoted as telling a parliamentary committee that Netzarim was "a thorn that should be removed," a place that has cost millions of dollars to fortify but that, in his view, has "no economic or security value."

Since Palestinian self-rule began in Gaza last May, a contingent of about 100 soldiers has taken up residence — roughly one soldier for every two residents. When people leave, they must go in convoys, for the roads connecting them to other settlements and to Israel are not considered safe. Today, the army is keeping its soldiers safe. It has come for the troops to stand and protect them.

Over the last two days, new orders have come for the troops to stand guard. The road next the town of Netharim was "a thorn that should be removed," a place that has cost millions of dollars to fortify but that, in his view, has "no economic or security value."

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They are trying to block the dismiss-hand-in-glove kind of interaction, and prevent further cuts to the over- and subsistence abuse program, a former state official. Without a city funding for mental retards, "You can't separate the two," said a Pataki aide.

Mr. Giuliani is in City Hall, trying to close a billion-dollar budget gap. Each new cut is a ghastly gouging of services needed by New Yorkers — in some cases, desperately needed. With both the city and the state in deep financial trouble, there was no time for a feud between the Mayor and the Governor-elect.

Moraton Crites, the city's Schools Chancellor, was on the verge of tears Monday when he said to potential reformers in the City Council about the latest cuts to hit the school system. "We are standing at the edge of an abyss," he said. "With each new round of cuts our footing grows more precarious."

Council leaders are fighting drastic budget cuts on a wide front. They are trying to prevent the elimination of city funding for mental retardation and substance abuse programs.

They are trying to block the dismissals of city workers and prevent further cuts to the overburdened Department of Corrections.

Pataki and Giuliani need each other.

Youth programs are hemorrhaging. Programs that feed the hungry are hurting. And Comptroller Alan Hevesi contends that the city could face another shortfall, of $400 million, later this year.

The feud between Mr. Pataki and Mr. Giuliani had gone far beyond the usual friction between governors and mayors. Mr. Giuliani took an enormous gamble with his endorsement of Mr. Pataki's plan, hoping it would be enough to win re-election.

Mr. Giuliani's continuing budget battles with Mayor Giuliani's decision to cross state lines to pursue economic development, distinct problems cannot be worked out. Mr. Pataki's position, hovering in the background, was that city officials would not be able to enforce state laws.

"We may have it resolved," said a voice from the Giuliani camp. You might have thought they were talking about Grant and Lee at Appomattox.

"Something may happen soon," said a Pataki aide. "We have a million dollars at stake."

However it was arranged, the agreement comes not a moment too soon. Mr. Pataki is on a working vacation in Florida, no doubt trying to figure out how to keep his promise to cut income taxes by 25 percent now that he knows the state will face a $4 billion shortfall next year.

Mr. Giuliani is in City Hall, trying to hit the school system. "We are the least the slogan "Not Manufactured in America" should shame palmists from ivory poachers and dolphins from tuna nets, the rights of children go remarkably unremarked. "This is the last vestige of slavery sanctioned in the world to-day," said Senator Harkin. If GATT passes, an opportunity to end these children's servitude will have been shunted aside for the alleged banzans of free trade. But consumers can vote with their credit cards only if products are labeled. At the very least the slogan "Not Manufactured with Child Labor" should shame those companies not in a position to affix it to their products.
by now, the benefits of single-sex education for girls and women have been reported so often and so fully that you might think the advocates of women's institutions could snap their briefcases shut and declare the case closed.

But we can't. It isn't enough to cite the familiar statistics showing that graduates of women's colleges succeed in traditionally male fields — business, government, academia — far out of proportion to their numbers in the population. Unless we understand the reasons for the success of single-sex education for girls and women, we risk missing some important lessons about education, society and the sexes today.

What is it that women's colleges and girls' schools do that coeducation does not? All manner of research — governmental and academic — provides a clear answer: they are places where girls and women get more attention, more respect and more room to be individuals. If too many coed classrooms are places where boys will be boys and girls will be girls, all-female classrooms are places where girls stand a better chance of getting to be people.

Does this mean that we can make, as a compelling argument for all-male schools? Though there are many very such institutions left, the question is more than theoretical, since there are boys admitting women to the Virginia Military Institute and The Citadel remain unresolved. The answer lies in how a single-sex institution connects with the society as a whole.

In a society that favors men over women, men's institutions operate to preserve privilege, women's institutions challenge privilege and attempt to expand access to the good things of life.

In addition, all-male institutions can produce a culture of male-female relations that is not everything one might wish. Certain military academies may provide particularly florid examples, with exotic degraeation ceremonies in which initiates are symbolically identified with women. But generally, the think between all-male groups and misogyny is fairly robust, whether you're looking at the campus at St. John's or in such places as lowland South America and Melanesia, as we anthropologists are in the habit of doing.

Judith R. Shapiro, an anthropologist, is president of Barnard College. This article is adapted from her inaugural speech last month.

Moreover, research to date does not show that boys and men benefit academically from single-sex education in the way that girls and women do. Clearly, the rationales for women's and men's institutions are not parallel.

But even among advocates of women's institutions, we find disagreement, particularly about how they produce their beneficial effects. Some will insist that they serve women's distinctive styles of thinking and learning. This view reflects the influence of "difference feminism" — the branch of feminism that accepts and celebrates what are believed to be distinctive attributes of female-ness.

Now, it happens to be among those who view "difference feminism" with concern. I think it has tended to take our society's folk beliefs about the sexes and run with them, when what we need instead is some critical distance on the subject. In recent years, we have seen rather too much gender folklore in both scholarly and popular writing. Sexual stereotypes are a paradigm of what the Columbia sociologist Robert Merton long ago identified as "self-fulfilling prophesies." It's our belief in them that makes them true.

The point here is not to argue that there are no differences between men and women. Nor do I ignore the fact that men and women tend to be dealt different hands in the poker game of life.

The problem arises when discussions of gender difference turn into sweeping and ethnocentric generalizations about what men and women are basically like. Women are said to be inherently nurturing, skilled at relationships, imbued with a deep, intuitive sense of when the garbage needs to be taken out. Men, on the other hand, are predisposed toward certain aggressive pursuits, from laboratory science to rape, and they also exhibit a possibly genetically based inability to see when the garbage needs to be taken out.

We would do better to shift our focus from whether men and women are the same or different (indeed, they are both) to the question of who benefits from current arrangements. and how these benefits might be shared more widely in a way that better serves the society as a whole.

Women's colleges go to the heart of that issue because they resist to address inequality between the sexes and to serve the interests of women — not as places where women can think differently, or learn differently, or do different things, as is the proverbial room of one's own.

As Virginia Woolf might have put it had she been from the Upper West Side, "Give a woman enough subway tokens and a college of her own, and let her tell it like it is."

People who ask questions about the purpose of women's colleges generally assume they know what "coeducation" means. But in fact, this term requires some . . . deconstruction, shall we say. Coeducational institutions should be places where men and women are equally likely to study in all fields, to build a shared sense of responsibility and authority in extracurricular activities and to be found at all ranks of the faculty and administration. But this is not the case.

Women now make up less than 30 percent of full-time faculty at four-year colleges and universities — and still less in the higher ranks of faculty. The figures are even lower at elite research universities. Although they are making progress, women continue to lag in almost every other critical category in so-called coeducational institutions.

I t is best — and most accurate, I think — to look at coeducation as a project rather than as an achieved state of affairs. And it is a project in which women's colleges are pivotal players. Because women's colleges are places where we don't pay much attention to whether the head of the department is a man or a woman, where we have long had both women and men in positions of major administrative responsibility. The significant contributions of women's colleges lie not only in what they do for women but also in what they do for professional and collegial relationships between women and men.

So why do we need women's colleges to move real coeducation forward? Because women have the most conservative studies and women's colleges are centers of energy for mobilizing and expressing that interest. Since history includes the history of the roles men and women play in society, cannot be continued — not by a man moving forward in a single line, the price of equality is eternal vigilance.
One Nation One Vote? That’s Not Fair

By Michael Lind

When Congress takes up the General Agreement on Tariffs and Trade next week, it should focus on diplomacy, not economics. It should give particular scrutiny to the treaty’s proposed offsprings, the World Trade Organization, which has frequently been described as a United Nations for world trade. That analogy is off the mark.

When negotiating the U.N. Charter, American diplomats were careful to balance the General Assembly, in which every country has one vote, with the Security Council, whose permanent members—the great powers—are able to protect their interests with a veto over any collective action. The World Trade Organization would give the great powers no such advantage; it would be nothing more than a General Assembly of world trade.

The U.S., despite its enormous importance in the world economy, would have neither a veto nor a weighted vote (as it has in the International Monetary Fund) and if we should accept the W.T.O., shall have one vote. Europe would have as much voting power as the U.S. Eighteen members might be up for sale in return for investment or arms. Japan might stop publishing its U.S. trade measures, and it would like to see struck down. It could use the trade organization to do so, perhaps with the help of Eastern European and African proxies.

The consequences for American diplomacy may be even more serious. If the U.S. endorses the rule of one nation one vote in the World Trade Organization, other countries may insist on that principle in the design of other international bodies. Suppose that the U.S. decided to support the creation of a new Pacific security forum. The best institutional arrangement for the U.S. would be to give weighted votes or vetoes to the great powers—America, China and Japan, and perhaps India, Russia and Indonesia. But tiny countries like Singapore, grown accustomed to having as much pull as the U.S. in the World Trade Organization, might insist on the right to oust the U.S. in Pacific security matters.

Joseph McCarthy, who railed against what he called "each member of the U.S." that treaty’s provisions, was a great power — ours or anyone else’s — at stake. By definition, a treaty requires signers to forgo certain exercises of authority or "sovereignty." The most important thing at stake is the design of other international organizations. Apparently not, on the evidence of the treaty that the Bush Administration negotiated and that President Clinton is pushing for.

For four decades, the United States has protected its interests in trade negotiations under GATT. In effect, the U.S. has always had a veto in GATT, which has operated by consensus since 1959 (the last time a formal vote was taken). But that veto is about to be taken away.

If Congress rejects the new treaty, GATT’s loose working arrangement could give ministries the balance of power.

Michael Lind is a senior editor at Harper’s Magazine.

A Lawyer Who Spoke Up

The privilege against compelled self-incrimination, said the dean of Harvard Law School, is "one of the great landmarks in man’s long struggle to make himself civilized." Forty years ago, when Erwin Griswold spoke out in that manner, not many were willing to defend the Bill of Rights against Senator Joseph McCarthy, who railed against what he called "Fifth-Amendment Communists"—traitors, he charged, hiding behind their rights.

"That defense of liberty," by a lifelong Republican whose patriotism not even Mr. McCarthy dared challenge, was one of the brightest achievements of Mr. Griswold’s last week at the age of 90. There were other peaks and, in an extraordinarily long career, a number of valleys.

Among the other high points was Dean Griswold’s contribution as an academic strategist and expert witness in Supreme Court proceedings. The Supreme Court’s 1954 school desegregation decision. Later, on the Federal Civil Rights Commission, Mr. Griswold helped collect the evidence that proved the necessity for major civil rights legislation.

President Lyndon Johnson named him U.S. Solicitor General and he remained in that post into the Nixon years. He stayed too long, arguing the Government’s losing case for suppressing the Pentagon Papers. No harm came from the publication of that history of the Vietnam War, he said years later, indicating that the Defense Department had misled him. Rather, it would demonstrate that the U.S. is still a great power, that it has the prerogatives of international organizations.
Mr. Helms Must Step Aside

"Senator Jesse Helms is out of control, and the Republicans have to do something about it. What Secretary of State Colin Powell means is that Mr. Helms has overstated, defamatory remarks in a manner that is a benefit to the Republican Party. And they are.

But nothing can help Mr. Arafat's sagging popularity ratings unless the P.L.O. leader learns how to help himself. He cannot continue showing his weakness. He cannot let go even more than 200 wounded after Palestinian police fired on street protesters, many of them sympathetic to the militant Islamic organization Hamas.

Last Friday's fatal clashes in Gaza dramatized the perils that threaten Israel's historic peace with Yasir Arafat's PA. Fourteen people were killed and more than 200 wounded after Palestinian police fired on street protesters, many of them sympathetic to the militant Islamic organization Hamas.

It is time for the chairman of the Senate Foreign Relations Committee to see that the chairman is someone who deserves an audience.

At Risk in Gaza

The P.L.O. is the Palestinian Authority, which has made itself an informal guarantor of civil order and start to deliver the fruits of peace to the Palestinian refugees. It has not done so, and there are no need to wait. Allies and potential rivals cannot be expected to sort out who Mr. Helms could "cost him his chairmanship" of Foreign Relations if fellow Republicans cannot "tone him down." There is no need to wait. Allies and potential rivals cannot be expected to sort out who Mr. Helms could "cost him his chairmanship" of Foreign Relations if fellow Republicans cannot "tone him down.

The difference is that he is no longer just another oddball curmudgeon whose outbursts are ignored. People listen to the chairman of the Foreign Relations Committee. The Republicans have a duty to see that the chairman is someone who deserves an audience.

The Schools Chancellor's Future

Even as he struggles to weather the latest budget crisis, New York City's Schools Chancellor, Ramon Cortines, has the support of a solid majority of the City Council and the city's education department. But the chair of the Senate Foreign Relations Committee, who jolted the Joint Chiefs of Staff to invite violence on the President in a country that threatens the most recent cut could not be totally absorbed in the local districts.

Mr. Cortines cannot be forced out. Equally clearly, he is still learning. For him to leave now would be a harsh blow to a school system that has weathered more than its share of problems.

Mr. Cortines's present contract ends June 30, but the board must indicate in January whether it wants to renew it. As of now, five members would offer him an extension.

Clearly, City Hall needs to understand that Mr. Cortines cannot be forced out. Equally clearly, he needs to end the suspense over whether he wants to stay. Both Mr. Giuliani and the Chancellor have reason to make common cause. Despite their conflicts, Mr. Cortines has given City Hall the kind of budget cuts it requested. At the same time he enjoys a level of public confidence that is a benefit to the Mayor and the entire city. It is time for both sides to agree to continue.
For Freshmen, No Harvard

By Al Kamen

Washington Post Staff Writer

Some core one for the "dittoheads." The eggheads at Harvard were forced to cancel a seminar the school sponsored for freshman members of Congress for the last 22 years.

The reason? The overwhelmingly Republican freshmen—with encouragement from the GOP leadership on the Hill—instead will attend a conservative, three-day seminar sponsored by conservative think tanks Heritage Foundation and Empower America.

Sources say House conservatives felt Harvard's Kennedy School of Government operation, though it included Republicans, was too liberal. They wanted a day of more ideologically focused training for each side. But House Democrats, still in charge of preparations and funding, resisted.

The Kennedy school scheduled its week-long orientation program for Dec. 8-14. But Heritage, which held its first seminar two years ago in Annapolis, and cosponsor Empower America, are the big kids on the block now. They scheduled their orientation for Dec. 8-10, moving the site to Baltimore to accommodate the larger Republican crowd.

Cambridge caved. "If only one party participates," said Kennedy School communications director Steve Singer, "we are not interested" in conducting the seminar, which has been part of Congress's official orientation program. Singer said the session would be postponed to next year and the school would try to "work something out with both parties. . . . It's back to the drawing board."

Two years ago Harvard featured a week of speakers including former professor, now Labor Secretary Robert B. Reich, Congressional Budget Office Director Robert D. Reischauer, economist John Kenneth Galbraith, former U.S. trade representative Carla A. Hills and former education secretary Lamar Alexander.

Now the freshmen are going learn about government by listening to Wall Street Journal editorial writer Paul Gigot, former representative and housing and urban affairs secretary Jack Kemp and former education secretary William J. Bennett (the two co-founded Empower America), former U.N. ambassador Jeane J. Kirkpatrick, and yes, talk show host Rush Limbaugh.

Job Bank Brimming With Deposits

Speaking of the Heritage Foundation, résumés from conservatives seeking jobs on Capitol Hill were dribbling in at about 10 at best on a good day before the Republican takeover. After the election the numbers coming in to the job bank grew to about 30 or 40 a day. Now they are running at about 100 a day.

Democrats aren't the only ones in town who are going to be disappointed job-seekers if the résumés pour in at that rate.

Lott Does Little in Tightwad Race

Speaking of job-seekers, the Senate races for majority whip and minority leader appear to be—although no one is certain—tight contests. The whip race, featuring Sen. Alan K. Simpson (R-Wyo.) and Sen. Trent Lott (R-Miss.), is even taking on some of the trappings of a political campaign.

The National Taxpayers Union Foundation has weighed in with a "Dear Republican Senator" letter saying that, when it comes to being a fiscal conservative, Simpson is the clear winner. Simpson was the "seventh most fiscally conservative member of the Senate," while Lott was ranked 35th, the group said. (New Hampshire's two Republicans, Robert C. Smith and Judd Gregg, were Nos. 1 and 2 on the list and Democratic Sen. J. Bennett Johnston of Louisiana came in last.)

For the Democrats, Sen. Thomas A. Daschle (SD.) says he's got the minority leader's job locked up with firm vote commitments. But rival Sen. Christopher J. Dodd (Conn.) says it's still neck and neck. "He's talking to the same people Senator Daschle is calling," said Dodd spokesman Marvin Fast. "He has a different read."

That's why God invented secret ballots. No one will ever know who lied.

It's Official . . .

A Call to Arms

One of the biggest plums on the Hill ripened yesterday. Incoming Senate majority leader Robert J. Dole (R-Kan.) and Howard O. Greene Jr., now secretary to the minority and before that secretary to the majority when the Republicans were last in control, to be Senate sergeant-at-arms.

We're talking major patronage oversight here. The sergeant-at-arms' office runs the Senate computer center, post office, press galleries, recording studio and telecommunications services. Greene would also rotate with his House counterpart as chairman of the Capitol Police Board and the Capitol Guide Board.

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Meanwhile, back at the White House, President Clinton intends to nominate Robert Talcott Francis II, a veteran Federal Aviation Administration official, to the National Transportation Safety Board. Francis, a commercial pilot, is now the FAA's senior representative in Western Europe and North Africa.

Clinton also said he would nominate Morton Bahr, president of the Communications Workers of America since 1985, to be a member of the National Commission for Employment Policy. The commission advises the president and Congress on employment and training issues.

Emily Sheketoff, director of interagency affairs at the Office of Personnel Management, is now the deputy assistant secretary and chief of staff at the Occupational Safety and Health Administration. Hold the résumés. Her job at OPM is already filled. Leigh Shea, formerly special assistant to the director of communications, is now doing Sheketoff's old job.
**Gunman Slain After Killing D.C. Officer, Two F.B.I. Agents and Wounding Two**

By Paul Duggan and Ruben Castaneda

Two F.B.I. agents and a District police detective were fatally shot inside D.C. police headquarters yesterday and two other people were wounded when a gunman opened fire with a compact assault weapon on the building's third floor, authorities said.

The shooting occurred about 3:30 p.m. in one of the District government's busiest buildings inside offices occupied by a homicide task force of D.C. police detectives and F.B.I. agents, authorities said. Besides those slain, two people—an F.B.I. agent and a civilian—were wounded. Police Chief Fred Thomas said last night. The assailant also was killed, but it was unclear by whom.

The slain detective was identified as Sgt. Hank Daly, 51, a D.C. police officer for 29 years. He lived in Falls Church. The identities of the slain F.B.I. agents were being withheld early last night until their relatives were notified.

Two law enforcement sources said the gunman's name was Benny Lee Lawson. It could not be determined how old Lawson was or where he lived.

Lawson was apprehended by homicide detectives a week ago in a triple slaying in the 5400 block of Second Street NW, according to one of the law enforcement sources. In that case, an 80-year-old retired federal worker was shot in a scuffle with gunmen near Marine Barracks, police said. The assailants had fatally shot the man's granddaughter and a neighbor, police said.

Many details of yesterday's shooting remained unclear last night as federal and local investigators, as well as city officials, worked to sort out what happened.

One of the law enforcement sources who identified Lawson said Lawson rode in an elevator with two other people to the building's third floor. But the source said investigators think the two others were strangers to Lawson and were not involved in the shooting.

After the gunfire broke out, Thomas said, members of the task force were able to drag two of the victims—the superior court, waiting to carry the wounded to hospitals.

The building also houses the city offices that issue driver's licenses and motor vehicle tags. Every day, hundreds of civilians pass through the building's doorways, where there are security officers stationed at some entrances but not metal detectors.

An investigator familiar with the incident said last night that the gunman walked into the task force offices in the southwest corner of the third floor and, apparently without saying a word, opened fire with what may have been an automatic weapon.

As Lawson arrived at the offices, Daly, moments before he was fatally wounded, asked Lawson if he needed assistance, one of the law enforcement sources said. Lawson then opened fire with what a federal official said was a TEC-9, an assault weapon slightly larger and bulkier than a handgun.

Members of the joint task force—known as the "Cold Case Squad"—returned fire and killed the gunman, the investigator said.

A D.C. police sergeant and three F.B.I. agents were hit by gunfire, the investigator said. The sergeant and two of the agents were killed, the investigator said, and the other agent was seriously wounded.

The wounded F.B.I. agent was taken to Washington Hospital Center, where he was in surgery. He had been shot at least twice, a hospital official said, once in the right leg and once in the chest with a bullet lodged near his kidney.

Lawson, who is in his mid-twenties, was dressed in slacks and a dress shirt, police said. In 1990, he was among five adults and a juvenile arrested in a raid in the Manor Park section of Northwest Washington in which police seized a cache of weapons, including a TEC-9.

Mayor Sharon Pratt Kelly, members of the D.C. Council, Mayor-elect Marion Barry's transition coordinator Rock Newman and even Detective J.C. Stamps, leader of the C.O.P. police union, said the attack underscored the vulnerability of police headquarters. He noted that the building is used not only by police, but also by hundreds of civilians daily.

Staff writers Scott Bowles, Hamil R. Harris, Toni Locy, Wendy Maitio and Valerie Strauss contributed to this report.
Security Described
As Inadequate at
Police Headquarters

By Marcia Slacum Greene
Washington Post Staff Writer

Security at headquarters for the D.C. police department, where a gunman opened fire yesterday killing two FBI agents and a city detective, has been inadequate for years, according to current and retired police officers.

"There was nothing to prevent this from occurring at the Municipal Center," said William O. Ritchie, former chief of the Criminal Investigations Division. "It was just a matter of time before someone would try to go into the workplace of a police officer and try to shoot him."

"The city places low priority on a police officer's safety," said Officer Chris Sanders, 27, a five-year member of the department. "There are no metal detectors at any entrance, and you have some violent people who are coming in here."

The building in some respects operates as two, with the principal entrance to the police headquarters on Indiana Avenue and the main entrance to motor vehicles on C Street.

Police Chief Fred Thomas had asked the administration to consolidate police offices to tighten security.

In the last year, D.C. police officers were stationed at the building's entrances on Indiana Avenue and C Street but other doors were left unprotected, according to Andre Lewis, a former official for the Fraternal Order of Police. But Lewis, who retired after 25 years on the force, said shootings at the station had not been a major worry.

"Security wasn't a priority on your average street officer's mind," Lewis said. "Their biggest concern was about a terrorist attack or that someone would come in with a bomb. Never would you think something like this would happen."

But Lewis said that officers interviewing prisoners began to put their weapons in locked boxes after the 1978 incident in which Terrence G. Johnson, then 15, fatally shot two police officers in a Prince George's County police station after wrenching a gun from one officer.

Yesterday's shooting, in which the gunman was killed and two other people were wounded, occurred on the third floor, which was the scene of another shooting in January when a homicide detective wounded a colleague when his gun fired, apparently accidentally.

Security at police departments in the Washington region varies from jurisdiction to jurisdiction, officials said.

In Fairfax County, department spokesman Warren R. Carmichael said there were simple restrictions to access in the 14-story Massie Building, the headquarters for police and fire. Employees must wear identification badges at all times or be in uniform, and most floors have reception areas. The main, ground floor has a security desk and 24-hour-a-day guard.

Harry Geehreng, a 26-year member of the Montgomery County force, said doors at headquarters in Rockville are equipped with locks. The department began locking doors after then-Chief Donald Brooks discovered a civilian walking around the second floor with an unloaded shotgun.

"There was no incident," Geehreng recalled. "The civilian wanted a gun permit, a hunting license or some dumb thing, but he made the chief think that anybody could get in."

It is unusual for an officer to be shot in a police facility, according to Craig Floyd, chairman of the National Law Enforcement Officers Memorial Fund.

"Out of the 13,000 deaths we've found in our files, I think you'll find more than one or two, but not many more," he said. "You've got to be pretty crazy to do something like this. There's no surviving an attack like that. Not too many people are willing to do that."

Staff writers Lorraine Adams, Hamil Harris and R.H. Melton contributed to this report.
Meanwhile, Helms seemed to turn his ire in another direction yesterday with a radio interview, "I think pretty much that Jesse Kennedy's assassination is what triggered the comment..."

Sen. Christopher J. Dodd said Helms's remarks were particularly hurtful to many in the Senate. "I think pretty much that Jesse Kennedy's assassination is what triggered the comment..."
U.S. Takes Nuclear Fuel

Officials Feared Terrorism in Kazakhstan

By R. Jeffrey Smith
Washington Post Staff Writer

In a secret operation meant to thwart potential nuclear terrorism at the former Soviet Union, the United States last month dashed a team of nuclear engineers and military personnel to Kazakhstan to take from a poorly guarded warehouse enough highly enriched uranium to manufacture 25 nuclear weapons, U.S. officials disclosed yesterday.

The operation, undertaken under the codename Project Sapphire with the knowledge and approval of the Kazakhstan government, marks the first occasion in which Washington has collected fissile materials from the territory of former Soviet republics and brought them to the United States to be rendered unusable in nuclear weapons.

To do so, the administration had overcome numerous legal and political hurdles, including negotiating a purchase price with Kazakhstan, winning the approval of Moscow, smoothing over a bureaucratic argument over which agency would pay for the material and overcoming initial opposition by the governor of Tennessee, where the material is now in storage.

Several U.S. officials hailed the operation—which they said is to be revealed at an unusual joint news conference Monday by the secretaries of energy, defense and state—as a boon to global nonproliferation, the policy of stopping the spread of nuclear weaponry to countries that do not have them or to unauthorized groups.

"This was a very significant operation," worthy of a post-Cold War thriller, said one official, who like others spoke on condition he not be named. "Much of this stuff is easily convertible to nuclear weapons and it could have been diverted by terrorists. People went out there at substantial personal risk and got it out." U.S. officials did not say who might steal the uranium but validated that a genuine threat existed.

After several weeks of processing by the engineers, the material was picked up last weekend from a nuclear facility in Ulba, Kazakhstan, a remote mountain city 800 miles northeast of the capital of Almaty and placed aboard two C-5 military cargo planes. The planes were flown to Dover Air Force Base in Delaware, after making several stopovers in countries that were initially wary of allowing the planes and their dangerous cargo to land.

A third C-5 cargo plane brought back the engineers and equipment used to package the uranium at the reactor fuel rod fabrication plant in Kazakhstan. After arriving in Delaware, the material was trucked on Monday and yesterday to Oak Ridge National Laboratory in Tennessee.

There it is eventually to be blended with low-enriched uranium and fabricated into fuel rods for civilian nuclear reactors—all under international monitoring—officials said.

The operation was kept secret to help safeguard the uranium from possible theft, both in the Kazakhstan warehouse and while it was being transported to Oak Ridge. It is being disclosed now because the material is now considered out of harm's way, officials said.

The stage for Project Sapphire was set in 1993, after the Clinton administration tried but failed to win South Africa's permission to buy all of the weapons-grade uranium that country had secretly produced for its nuclear program, the officials said.

After a lengthy policy review, the Clinton administration declared in September that it was prepared to "pursue the purchase of highly enriched uranium from the former Soviet Union and other countries and its conversion to peaceful use" as a way to prevent any illicit sale or theft of the material.

The initiative left the door open for the Kazakh government to approach the U.S. ambassador in Almaty, William Courtney, in February with a quiet offer to sell Washington an estimated 600 kilograms of weapons-grade uranium being stored with only minimal security in Ulba. The city and its neighboring towns had once been the center of Soviet metallurgical production but today are economically depressed and tainted by a legacy of horrible pollution.

"Everything is so thoroughly impregnated with emissions from non-classified metallurgical enterprises and "nuclear that even fallen leaves don't decay," said a 1990 Investigative article reporting on a nearby beryllium factory explosion that exposed more than 15,000 people to excess risk of lung cancer.

According to a source privy to the reports of U.S. officials sent to investigate Kazakhstan's offer, the material was being stored in a warehouse "with a big padlock like the kind you see on Saturday morning cartoon shows."

Another official said, "We had substantial concern about their ability to safeguard it and a strong interest in getting this out of there. They had—and have—no nuclear materials control and accounting system," meaning that they did not know exactly how much material was in the cache and would likely be unaware if any was removed illicitly.

Washington's initial reaction to the Kazakh offer was nonetheless enthusiastic, several officials said. Some officials, particularly at the Department of Energy, wanted the Russians to take it "because of the legal, financial, and logistical headaches associated with bringing it to the United States, one official said.

The State Department was concerned that the deal could spark resentment in Russia, where the highly enriched uranium was produced. But when Vice President Gore discussed it with Russian prime minister Viktor Chernomyrdin during a meeting in Washington last summer, Chernomyrdin gave it his blessing.

Other senior officials also raised it with Moscow in an effort to provide more "opportunities for them to say no," one official said, but the Russians reaffirmed their position.

Washington's initial reaction was to haggle over a purchase price. Kazakhstan, one official said, initially offered a value for the uranium "many times" its market value, particularly given that some of the uranium was alloyed with other metals and had no major commercial value. Almaty had to be persuaded to accept what officials described as a secret payment of several million dollars.

While these negotiations were under way, officials in Washington were haggling over who would pick up the tab. In the end, an unusual deal was struck to deduct the payment from the budgets of the State, Defense and Energy departments. "It just took time to work it all out," said one official in explaining the eight-month delay.

One official said, "This was in our national security interest," one official said.

After making several scouting missions to Ulba, the Pentagon ordered three C-5s to land there about three weeks ago, officials said. Two were empty and one was packed with technicians and specialized equipment needed to handle the mildly radioactive uranium.

Their loading task was complicated because some of the uranium was in pure metallic form, some of it in an oxidized powder, and some of it had been fashioned into fuel rods for Russian military naval vessels. One official said it had to be partly processed at the site before it could be packed into shipping containers and withdrawn.

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**WEDNESDAY, NOVEMBER 23, 1994**

**FINAL**
Dow Stock Average Falls 91.5 Amid Interest Rate Concerns

By Brett D. Fromson
Washington Post Staff Writer

NEW YORK, Nov. 22—Professional investors dumped stocks late today and the Dow Jones industrial average plummeted 91.52 points, its steepest loss since the Federal Reserve started boosting short-term interest rates on Feb. 4. Every broad measure of stock prices fell as well.

The flight out of stocks was propelled, market analysts said, by a fear that higher interest rates will stifle corporate profits and make the rewards of fixed-rate securities like bonds more attractive to investors. The Dow's plunge followed a 46-point loss on Monday.

Byron Wien, the Morgan Stanley & Co. U.S. stock market strategist who recommended on Monday that customers move out of stocks, today said, "I am more cautious now because of higher interest rates. Stocks cannot advance with high and rising interest rates."

"The selling just cascaded," said Joseph J. McAlinden, chief stock market strategist for Dillon, Read & Co. "It was across the board. The market caved with no new economic news and a stable U.S. dollar."

The Fed has moved six times this year—the last being a week ago—to nudge rates higher to forestall inflation. See MARKETS, A14, Col. 6

The Dow Stock Average Falls 91.5 Amid Interest Rate Concerns

MARKETS, From A1

Many economists expect another round within a couple of months. As stocks descended late in the trading day, the price of bonds surged, and that sent their yields tumbling. The benchmark 30-year Treasury bond was yielding 8.01 percent, down sharply from 8.12 percent late Monday, but bond interest rates are still more tempting than they have been in years.

Like prior declines, today's drop was fueled in part by computer programs that automatically trigger waves of selling when stocks fall below certain levels. New York Stock Exchange trading limits that were imposed after the 1987 market crash slow but do not stop such programs.

But plain old selling through brokers played a large part too. "Today, stocks were declining in advance of the programs," said William King, managing partner at Ramsey King & Co., a Chicago stock brokerage that deals only with securities dealers. "What we saw was real selling, not just computer-generated sell programs."

The Dow is now basically flat for the year, down about 77 points, but other averages have done far worse. For example, the Standard & Poor's 500-stock index, a broader measure of equities, has fallen more than 8 percent in 1994.

This week's sell-off could continue Wednesday, according to some analysts who said the only reason prices did not fall further today was that traders ran out of time.

McAlinden suggests that investors keep an eye on Wednesday's report from the Commerce Department on durable goods orders. "If the number is up 1 percent or more from September, it might trigger weakness in the bond market."

Other analysts and traders were similarly worried.

Wien expects stock prices to decline 5 percent to 7 percent from current levels, to about 3500 on the Dow, but added, "It could be much worse if mutual fund investors panic."

In the past year, about $200 billion of new money has flowed into stock mutual funds, according to the Investment Company Institute.

"If the market drops precipitously," Wien said, "and those people find their investments under water and they redeem their shares for cash, selling pressure could turn the current correction into a panic."

David G. Shulman, the Salomon Brothers Inc. chief stock market analyst who has been more bearish than most on Wall Street, noted that five-year U.S. government bonds auctioned today yielded 7.8 percent. "That is pretty attractive when stock dividends are yielding around 2.8 percent," he said.

Merrill Lynch & Co.'s chief investment strategist, Charles I. Clough Jr., was similarly bearish. "It isn't only that bond yields are higher," he said. "Now cash yields are competitive with stocks. You can get 6.7 percent on a one-year Treasury bill."

After Monday's late session swoon, traders began the day in a worried mood. The Dow dropped more than 30 points in the first 15 minutes. Stocks then rallied a bit, but the Dow never got into positive territory.

Between 3 and 4 p.m., the Dow fell nearly 70 points. "I went to a three-hour meeting around midday and came back to find the market melting," said Christopher R. Castroviejo, managing partner at Parallax Partners.

Among other market indicators:

• The NYSE's composite index fell 4.26 to 246.32 and the Standard & Poor's 500-stock index fell 8.21 to 480.08. The Nasdaq index fell 13.02 to 744.72 and the American Stock Exchange index fell 5.14 to 436.14.
• Declining issues swamped advancing ones by nearly 4 to 1 on the New York Stock Exchange; NYSE trading volume surged to 383.3 million shares from 250.6 million Monday.
• The dollar fell slightly against most other currencies in light trading ahead of a national holiday in Japan on Wednesday and Thanksgiving in the United States. The dollar traded in New York at 1.5544 German marks, down from 1.5558 late Monday, and at 98.33 Japanese yen, down from 98.36.
D.C. Nearly 'Broke,' Barry Team Says
Advisers Seek Major Cuts in 2 Months; Mayor-Elect to Talk to Unions

By Howard Schneider and David A. Vise
Washington Post Staff Writers

The District government is so close to going broke that it must consider imposing drastic spending cuts within the next two months, including employee furloughs and salary rollbacks for union workers, members of Mayor-elect Marion Barry's transition team announced yesterday.

The District's finances have deteriorated so thoroughly, said former city administrator Elijah B. Rogers, that Barry and outgoing Mayor Sharon Pratt Kelly must consider such measures as closing the District of Columbia School of Law, slashing social service programs and renegotiating a $105 million pay raise slated for union workers this year.

Unless the city squeezes an additional $100 million out of its coffers within two months, he said, private investors may well shun a $250 million short-term bond issue planned for early next year. The city might then be forced to turn to its lender of last resort: the federal government.

If current spending patterns continue, the city is projected to be half a billion dollars in the hole by the end of November, about 15 percent of the District's $3.2 billion general fund.

We are about to run out of money," Rogers said. "We don't have time. . . . We are about to go broke.

Rogers appeared at Barry's side at a news conference yesterday to release a review of the city's finances that he and other longtime Barry backers prepared for the mayor-elect over the last few weeks.

The news was not good. Aside from the $140 million in cuts already forced on the city by Congress, Rogers said city agencies are on a path to spend by next fall more than $290 million more than they are budgeted to raise.

The city spends $80 million a year, Rogers noted, on supplemental Medicaid benefits that go beyond minimum federal requirements, and it offers employees an array of benefits that are among the most generous in the nation.

"The government can no longer be all things to all people," said Rogers, releasing a plan that also called for the wholesale elimination or consolidation of government programs, from the office of international business to the office of Latino affairs.

The report confirms weeks of speculation that the city's financial situation is far worse than anyone would acknowledge before the election.

Barry accepted the report as he offered his most extensive public comments to date about his plans for coping with the budget crisis.

"It is the most serious crisis since home rule," Barry said. However, the mayor-elect did not commit himself to any of his advisers' recommendations for attacking a problem that threatens virtually every city service and could lead the city to the $140 million in cuts already forced on it.

Yesterday, representatives of the Barry Young, an analyst with Standard & Poor's, said he had scheduled a conference call with D.C. officials for today and hoped to get answers to many of his financial questions then.

Even if the city is able, as planned, to borrow $250 million by early next year, Rogers said it only would tide things over until the spring unless some of the spending changes and service reductions outlined in the report Barry Young prepared are implemented.

If testimony before the D.C. Council is any indication, the service cuts will be severe.

Layoffs and service cuts already are envisioned at D.C. General Hospital, the size of the police force may be permanently reduced, and the fire department is planning to close several companies of firefighters.

Yesterday, representatives of the Department of Public Works laid out more than a dozen services—from leaf collection to rat baiting—that will be ended under the $140 million in budget cuts Barry Young estimated last month.

"We should take [action] now," Rogers said. "Rather than allow someone else to take it for us."
Man Linked To 6 Killings Is Captured

Florida Seizes Drifter Sought in Md. Death

By Brian Moore

Gary Ray Bowles, the Virginia-born drifter linked to the slayings of six men from Maryland to Florida, was arrested yesterday in Jacksonville, Fla., after police found him waiting for a job at a day labor center with a Cadillac owned by a friend, the designer who was found dead Sunday.

The Jacksonville sheriff's office announced last night that Bowles "confessed to killing" the florist and five other men—a Wheaton credit union employee, two men in Georgia and two others in Florida.

"He has confessed to six and says that is all he did," Jacksonville Sheriff Jim McMillin said at a news conference. "All of us are relieved he is off the street. There is no doubt there would have probably been more.

Bowles, 32, was the subject of a nationwide manhunt that started in the spring, on Saturday, the FBI placed him on its list of 10 most wanted fugitives.

A construction worker and street hustler, Bowles allegedly targeted older gay men he met in bars, police said. He savagely beat, shot or strangled his victims, mutilated or defiled their corpses and then disposed of them by scraping with their cars, cash and credit cards, officials said.

In April, David Alan Jarman, 39, a phantom in his home, didn't have to look far to find a capable of killing.

Thorpe

In April, David Alan Jarman, 39, a phantom in his home, didn't have to look far to find a capable of killing.

The Washington gay community expressed relief yesterday over Bowles's arrest. Employees of the Lambda Rising bookstore in Dupont Circle wrote "Captured" in red letters on the FBI poster of Bowles taped next to the front door.

"That guy is the fear in the back of every gay man's mind," said Lara-Marie Simpson, 22, a bartender at the Circle bar on Connecticut Avenue. "No one ever totally forgot that he might be out there."

Bowles, a native of Clifton Forge, Va., was arrested at 5:30 a.m. yesterday by a Jacksonville Beach police officer. Bowles had the keys to a car stolen from Walter J. Hinton, a 42-year-old Jacksonville florist who was slain last week, police said. Police did not disclose what Bowles did that hurt gay people's affections.

Bowles lived briefly with Hinton and disappeared with his car and some cash after killing him, police said. That was the same pattern Bowles allegedly followed in other slayings.

Neighbors told police that Hinton was last seen Wednesday and that he had been living with a man named Tim.

When his car was stopped before dawn yesterday, Bowles identified himself as Hinton and then as "Tim Whitefield," officials said. After fingerprinting, Bowles admitted his identity, and teams of homicide detectives from Daytona Beach, Fla., to Montgomery County converged on the Jacksonville jail to begin interrogations. About 6 p.m., police announced that Bowles told investigators he had killed eight people.

He admitted to a Mother's Day slaying in Atlanta, but police did not have that victim's name, the Associated Press reported.

National gay rights organizations hailed the arrest and acknowledged that a gay man preying on other homosexuals created an awkward situation for groups working to prevent bigotry and violence against gay people.

Douglas Hattaway, spokesman for the Human Rights First Campaign, said the case diverted attention from such efforts and that he found himself talking to the media about gay promiscuity because the men Bowles allegedly killed were picked up at bars.

Bowles preyed on one of the most vulnerable segments of the gay community, older men trying to keep their sexual orientation secret and thus forced to frequent gay bars for social interaction, Hattaway said. "It just goes to show how trapped some of our community remains because of homophobia," Hattaway said. "The men were able to live their lives more freely, then this kind of climate for this would not exist."

The Bowles odyssey began March 15 in Daytona Beach, where he lived after his release in December after serving time in a Florida prison for robbery. Detectives investigating the slaying of John Hardy Roberts, a 59-year-old insurance salesman found beaten and asphyxiated in his home, didn't have to look far to find a suspect.

Under Roberts's body was Bowles's identification card. Police said they learned Bowles was living with Roberts before the slaying, and Roberts's car was found abandoned 10 days later in Nashville. Weeks passed before investigators in Florida and Georgia met with the FBI and shared information on two similar unsolved slayings. When other agencies in the region were asked whether they had similar homicides, Daytona Beach police responded. So far, Bowles has been charged in the deaths of:

Jarman, who was found strangled April 14. On the night of his death, Jarman was seen wearing a Dupont Circle bar with a man who resembled Bowles, police said. Jarman's killer disappeared with his car and wallet.

One of Jarman's credit cards was used to rent a Baltimore hotel room shortly after the killing. Police said the hotel registration card matched a sample of Bowles's handwriting.

Milton Bradley, 72, who was found beaten and strapped on a Savannah, Ga., golf course May 5. Bradley, mentally incapacitated by a World War II wound, was seen with Bowles in a gay bar several times in the weeks before he was killed. Police said Bradley's pockets were rifled.

Albert Alice Morris, 37, a convenience store manager strangled and shot May 19 inside his Hilliard, Fla., mobile home. Bowles lived with Morris for more than a week and publicly threatened him in a gay bar the night before the killing, police said. Morris's Cadillac was stolen and later recovered in Jacksonville. A man resembling Bowles attempted to use one of Morris's credit cards at a Hilliard area Wal-Mart store but fled when he was challenged by a store employee, police said.

Bowles also has been identified as the prime suspect in the death of Roberta in Daytona Beach.

Henrico County, Va., police have identified Bowles as one of a few suspects in the death of Henry W. Weatherford Jr., 50, an antique dealer whose body was found in his Richmond area home June 12. Weatherford's car was stolen and found abandoned a few weeks later at a Wal-Mart store in Bridgenort, Mo.

The killings were particularly brutal. The killer usually left an object in the victim's mouth. In one case, it was a towel, in another leaves and soil and in a third a dildo.

Investigators were stymied for months in the manhunt. Bowles was last believed to be in Wisconsin, and federal investigators speculated last week that he might be hiding with friends on the West Coast or with relatives elsewhere. Relatives said Bowles told them he planned to live but rather kill himself than face life imprisonment.

Bowles has said that his father died when he was an infant and that his mother was married as many as eight times. He said he was mentally and physically abused by his stepfathers. Bowles quit school in the eighth grade and lived all over the eastern half of the United States. He was charged with sexual assault, battery, robbery, theft and prostitution starting in his teenage years.

Police and acquaintances said that when money wore thin, Bowles sought older men and sold sexual favors for $10 or $20. But until March, nothing suggested he was capable of killing.

Jeff Ewers, 27, a Dupont Circle area bartender, said Bowles's arrest "served as a relief.

"Everybody knows it can happen again," he said. "Money is so important here, and you always have these rich older guys hitting on younger guys. With that kind of situation, where people are exploiting one another, dangerous things happen.

Members of the victims' families expressed relief that Bowles had been captured.

"Happy isn't the word," said Jay Warshaw, Bradley's sister. "Milton was a dear soul, sweet, lovable, kind, allways giving. Someone as malicious and vicious as [Bowles] should never be let out, should never be allowed to live. It's very hard for me to think someone has that kind of hate in them."

Staff writer Louis Aguilar contributed to this report.

See BOWLES, A13, Col. 1

Wednesday, November 23, 1994 The Washington Post

WEDNESDAY, NOVEMBER 23, 1994 THE WASHINGTON POST

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Clinton Would Support 'Moment of Silence'

Religious Leaders Gather Against School Prayer Amendment as President Clarifies His Stance

By Laurie Goodstein

Washington Post Staff Writer

President Clinton yesterday affirmed his opposition to a constitutional amendment authorizing public school prayer but said he could support legislation allowing a "moment of silence." Clinton, who caused confusion and controversy last week when he appeared to endorse the idea of an amendment in remarks he made in Indonesia, yesterday said that the idea had been clear for a decade. Constitutionally mandated prayer, whether initiated by teachers or students, would be "inherently coercive in a nation with the amount of religious diversity we have in this country," the president told a joint news conference with Ukrainian President Leonid Kuchma. "I think that would be an error."

Clinton made his remarks on a day when a diverse flock of religious leaders stood on the steps of the Supreme Court to say they plan to oppose a school prayer amendment precisely because they believe so strongly in prayer.

The leaders said they plan to lobby Congress and mobilize 25 million church and synagogue members in a battle designed to counter the conservative Christians whose growing political potency has helped drive the school prayer debate.

"Let's not put a secular institution or a secular law between us and the God we all hold dear," said the Rev. Elenora Goldings Ivory, Washington office director of the Presbyterian Church (U.S.A.). "It's better to leave it alone and allow children to pray when they feel moved."

Attempts to legislate prayer would politicize a purely personal gesture, said the group, which represented Luthernans, Presbyterians, Methodists, Seventh-Day Adventists, Jews and members of American Baptist Churches in the U.S.A. and the United Church of Christ.

A few days after the midterm elections swept Republican majorities into the House and Senate, House speaker-to-be Newt Gingrich (R-Ga.) said that he wanted a vote on a school prayer amendment by next year. But some of his Republican colleagues have expressed reservations about giving prayer priority to such a potentially divisive measure.

The religious leaders who gathered yesterday said they were divided on whether they would support silent prayer legislation such as Clinton has endorsed. Ideally, a moment of silence is a time for meditation free from proselytizing, said Meyer Eisenberg, national vice chairman of the Anti-Defamation League of B'nai Brith, but "in the real world, a moment of silence is a fig leaf for prayer."

As they stood on the steps of the building where the justices of the Supreme Court outlawed mandatory classroom prayer in 1962, the religious leaders contended that exhuming the issue would only further cleave a nation facing far more crucial problems.

A school prayer amendment "only distracts from the real issues that we are praying for," said Hilary Shletrof of the United Methodist Church, citing jobs, universal access to health care, housing for the poor, educational opportunity and public safety.

In a poll earlier this month, 46 percent of 800 adults surveyed said passage of a prayer amendment was a "high priority." Thirty-two percent in the poll conducted for Time and Cable News Network called it a "low priority," and 19 percent said it was "not a priority."

Leaders of other Christian denominations and "family values" organizations have recently said that they intend to lobby for "student-led and student-initiated prayer," as opposed to prayers led by a teacher or other school authority.

But J. Brent Walker of the Baptist Joint Committee on Public Affairs said yesterday he would object because, "I don't think you can get around the Bill of Rights by taking a vote of the students."

Many who favor classroom prayer say they see it as one way to compensate for the lack of strong values in many of today's youngsters. Rabbi Sidney Schwartz of Bethesda, representing the Reconstructionist Rabbinical Association, said he recognizes how important the schools are in the religious lives of young Americans but said it "will not be settled in this Supreme Court building or in that Capitol building, nor in the house that sits on Pennsylvania Ave."

Many religious leaders emphasized that classroom prayer would alienate those students who do not share the beliefs of those who say the prayers. The Rev. James Bell, executive director of Interfaith Impact, a coalition of 35 religious organizations, recalled that when he was a high school student in North Carolina, a Christian teacher reduced him to tears by criticizing the Christian prayer he offered in class.

At his separate news conference, Clinton said his own earlier remarks on school prayer — welcomed by some Republicans but greeted with dismay by school prayer opponents — may have been overreacted. He had made a "generalized comment" about proposals made by some Republicans on Capitol Hill without automatically condemning them, Clinton said, adding, "We ought to at least listen and we ought to look for ways to work together."

But Clinton said he could not support the kind of amendment that would allow voluntary school prayer. "I think the current circumstances mean that for large numbers of our children, it could not be truly voluntary, and I would oppose it," he said.

Slain Detective Known as Dogged Investigator

By Sari Horwitz and Debbi Wilgoren

Washington Post Staff Writers

Sgt. Hank Daly, a D.C. police officer for 29 years, was a big, tough, chain-smoking cop who liked to joke in his gravelly voice about the squad room coffee, but was always known as being cool yet aggressive under pressure.

He was respected by his colleagues as a dogged investigator during the years when homicides in the District have soared to record-breaking levels.

Daly was shot to death yesterday in his third-floor office when a gunman opened fire inside D.C. police headquarters at 300 Indiana Ave. NW. Two FBI agents, who had not been identified last night, and the gunman also died. Two other people were wounded.

"He was a tremendous homicide detective," said former D.C. police chief Isaac Fulwood Jr., breaking into tears when he heard of Daly's death. "And he told me a few months ago that he was going to command his new "Cold Case Squad," included the District man convicted in the shooting death of a Senate aide and the man charged with slaying Fulwood's young son.

Daly's fewest detectives said last night they were still in shock over Daly's brutal death.

D.C. police detective V.I. Smith, who was Daly's partner when both were patrol officers in the 6th Police District, remembered him yesterday as "the kind of guy who never went to sleep."

"He was always out in the street, looking and searching," Smith said. "He was a good officer. He was very well respected. He did his job and he did it well."

"Hank was a stabilizing force," said William O. Ritchie, the former head of the D.C. criminal investigations division. "Rarely did you see him in a high-strung demeanor. He took things in stride."

Ritchie said Daly's death was going to be hard on the homicide squad and its families.

"The guys are going to be devastated," he said. "People look at the homicide squad detective. But they too are human beings. Their space has been violated by the bad guy."

The last D.C. police officer killed on duty was Jason E. White, 25, who was shot six times by a man he had stopped for questioning on the southeastern edge of Capitol Hill in December 1993.

Neighbors said Daly and his wife, Mary Ann, had two children, Elizabeth and Steven, both in their twenties.

Neighbor Michelle Oliver said Da-ly loved to go hunting.

"He was a big guy and would clean deer in the back yard," Oliver said. "He was very strong-minded, very firm."

Another neighbor, Garnette Smith, who lives on the same block, said, "I worry. It. I would think you would be safe inside a police department."

Staff writers Eric Lipon and Wendy Maisto contributed to this report.
FATAL SHOOTINGS INSIDE POLICE HEADQUARTERS

A gunman opened fire with an assault weapon yesterday inside the D.C. police headquarters, killing three people and wounding two others, according to police. The assailant was also killed in the incident. The three people killed, besides the suspect, include a Metropolitan police detective and two FBI agents; another FBI agent and a civilian were wounded. Here's a look at the scene of the shooting and a sequence of events, according to D.C. police; many details remained unclear last night:

**SEQUENCE OF EVENTS**

- **About 3:30 p.m.**: Gunman enters the Cold Case Squad office on the third floor after riding up the elevators. Gunfire then erupts in the office. A D.C. police sergeant and an FBI agent are pulled from the room by other officers and a civilian male crawls out of the office with a gunshot wound to the leg. Soon after, the area was sealed off and the Emergency Response Team (ERT) arrived at the scene.

- **About 4:05 p.m.**: A negotiator from the ERT makes contact with the gunman, according to police.

- **About 4:30 p.m.**: ERT officers forcibly enter the office and find two more FBI agents and the gunman suffering from bullet wounds; both of those FBI agents died. Another unidentified male was found unharmed as well.

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**SOURCE**: Law enforcement authorities

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**FACEBOOK**

**TWITTER**

**INSTAGRAM**

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**WEDNESDAY, NOVEMBER 23, 1994 THE WASHINGTON POST**
Dole's Concerns About GATT Seem To Be Easing, Clinton Officials Say

By Peter Behr
Washington Post Staff Writer

Clinton administration officials said they believe they are close to meeting key conditions set by Senate Republican leader Robert J. Dole (Kan.) in return for his support for an international trade agreement scheduled for congressional votes next week.

"We continue to make progress and we hope to wrap it by Wednesday," said U.S. Trade Representative Mickey Kantor, after discussions with Dole's representatives.

In a statement last night, Dole said: "It is my hope that the differences with the administration over the GATT accord can be resolved soon. . . . We have not reached agreement now, nor do I expect to for some time."

Dole's top priority with regard to the trade accord is the creation of a panel of retired federal judges to review trade dispute decisions by a proposed World Trade Organization. The WTO would oversee the rules of the General Agreement on Tariffs and Trade (GATT), which were expanded in the agreement signed by 123 nations this year. Senate sources said a deal on this issue has been virtually completed.

President Clinton yesterday noted "the progress that we have made in working with Senator Dole on the substantive issues surrounding GATT. And I appreciate the very cooperative attitude that has prevailed there." Clinton rejected another of Dole's requests—that the administration rework the Federal on lowering the capital gains tax.

"I disagree that there should be some deal cut regarding capital gains. I don't think that's the right thing to do," Clinton said during a White House news conference with Ukrainian President Leonid Kuchma.

Kelly appeared to back off that stance yesterday, saying he hoped to get a "fair hearing" on the tax issue.

The House is scheduled to vote on the agreement Monday and the Senate on Dec. 1. The administration is short of the 60 votes it needs to win a preliminary procedural test in the Senate, officials said.

Sen. Robert C. Byrd (D-W.Va.), chairman of the Appropriations Committee, said he would vote to delay consideration of the GATT pact until next year because of his "grave concerns" about WTO's effect on U.S. sovereignty.

Dole, whose support is pivotal, says he needs stronger assurances that WTO panels would not infringe on American sovereignty by issuing arbitrary rulings against U.S. laws.

The agreement Dole and administration officials are working on would create a body of appellate judges who would consider whether WTO dispute panels had exceeded their authority in cases involving the United States, or whether panels had conflicts of interest that create a bias on panel decision, administration and Senate sources said.

Three such rulings within a five-year period would trigger a vote in Congress on whether the United States states out of the GATT dispute settlement process, the sources said. "Three Strikes and You're Out" is the plan's working title.

"This will help ensure that GATT panels are accountable and act in a fair way. We are confident they will," Kantor said.

He said an agreement is near on a third issue relating to charges financed on companies that have received "pioneer" licenses for their satellite telecommunications systems. The Washington Post Co. is a majority owner of one of the companies.

The sovereignty issue has arisen because the new WTO process would eliminate an informal veto that 24 other countries had held over dispute panel rulings. Following the lead of their Republican predecessors, Clinton's trade negotiators agreed to drop the veto, leaving that the United States would win more times than it lost.

But lawmakers want more assurance than that, said Robert E. Lightbizer, a trade attorney and former Dole staff aide who has provided advice to the administration.

The judges' findings could help prevent arbitrary decisions that could "blow up" the WTO, he said.

"We do not want unreasonable U.S. trade representative, disagreed. "We're saying, if we get ruled against three times, we take our marbles and go home."

U.S. Auctions Pay P.G. Dividend for Minority Banking

County's Affluence Attracts Its First Black Ownership

By Michelle Singletary
Washington Post Staff Writer

Prince George's County, which had no black-owned banks at the start of this year, now has three as the result of government auctions of failed thrift institutions.

When the last Maryland thrift in the hands of the Resolution Trust Corp. was sold last week, four of its 11 banking offices were acquired by three minority-owned banks chartered in the county, Enterprise Federal Savings Bank.

Enterprise Federal, based in the District, is the nation's first black-owned bank based in the District and Baltimore pur-

chased Prince George's County banks that are owned by John Hanson Savings Bank. In each case the owners said they wanted to be located in the county primarily because of its affluent black population.

"Prince George's County is the place to be. There is no question about it," said John P. Kelly Jr., 53, the new president and chief executive of Enterprise Federal.

Kelly pointed to the fact that Prince George's County ranks in the top 4 percent of counties nationally with the highest household incomes.

Bank analyst Alex C. Hart of Ferris Baker Watts Inc. said that the county has not had the range of financial services that its size and wealth would justify. He said the entrance of the three competing black-owned bank companies provides an opportunity for them to focus on niche areas such as minority and small-business minority.

"Prince George's County is a pretty attractive banking market, and it is not overbanked," Hart said. "There really isn't a dominant bank player in the county."

Enterprise Federal, based in Oxon Hill, has about 19 in-

sures of whom are retired senior military officers, Kelly said. The chairman is Lt. Gen. James F. McCa11, 60, a former comptroller of the Army.

Kelly is the former chief executive of Founders National Bank in Los Angeles, one of the country's oldest black-owned banks. He also is a past president of the National Bankers Association, whose memberships banks, which includes banks and thrifts owned by minorities and women.

See BANKS, C4, Col. 6

BANKS, From C1

Enterprise Federal has some of the same owners who recently failed in an attempt to acquire Abigail Adams National Bancorp, the owner of Dis-

trict-based Adams National Bank. Kelly said the Enterprise Federal investment group also had been trying to acquire offices of other thrifts sold by the RTC, including county branches of John Hanson and Second National Federal Savings Association.

In June, Industrial National Bank of Washington acquired two banking offices of John Hanson, making its first move out of the city. Industrial paid $2.9 million to acquire $39.3 million in insured deposits at Hanson's Oxon Hill and Forestville branches.

In the same sale, Harbor Bank of Maryland acquired the Riverdale branch of John Hanson and deposits of $29 million.

When it failed in 1992, Standard had assets of $1.14 billion, which in-

cluded $98.7 million in approximately $23,000 deposit accounts. The RTC, the agency responsible for disposing of the nation's failed savings and loans, sold the thrift to four financial institutions for $8.4 million.

Enterprise Federal will receive certain RTC loans and will use the RTC pro-

gram to help minority bidders buy banking offices located in predomin-
antly minority neighborhoods. These include interim capital assistance and the option to purchase loans at market value from the RTC's portfolio.

Kelly said the RTC will lend Enterprise Federal $3 million and the in-

vestment group will invest another $3 million into the institution.
The welfare bill supported by Republican leaders in the House would deny benefits to millions of American children and families, causing increases in poverty, homelessness and hunger, according to a report released yesterday by an advocacy group for the poor. The Center on Budget and Policy Priorities reported that if the legislation—known as the Personal Responsibility Act—were fully implemented today, 2.5 million families and at least 5 million children now getting benefits under the Aid to Families with Dependent Children (AFDC) program would be pushed off the rolls.

"These are sweeping changes in safety net programs," said Susan Steinmetz, director of the advocacy group. "The bill contains provisions that go far beyond what people typically refer to as welfare reform."

In response, Republicans said the report overstated the negative effect of the legislation and failed to take into account other benefits that poor families would continue to receive, such as food stamps and Medicaid.

"It's exactly what we expect from people who lobby to give as much money to the poor as they can," said a Republican aide who did not want to be named. "Now Republicans are saying, 'No, we're going to stop this.' 

Despite disagreements about the specifics of the legislation, both sides are clear on this: The changes advocated by Republicans in the House are dramatic, affecting the most basic assumptions about the nation's social service programs.

While Democrats and advocates for the poor argue that the Republican proposal goes too far, Republicans have said that many recipients do not deserve continued assistance. "The existing system is terrible, everybody agrees," said Rep. James M. Talent (R-Mo.), who earlier this year proposed a welfare bill similar to the latest Republican version. "The defenders of the status quo are going to try to convince people that the only alternative is abandoning the poor."

"This is in no way punitive," said Rep. E. Clay Shaw Jr. (R-Fla.), who is in line to head the Ways and Means subcommittee responsible for welfare. "Those who want to improve themselves... they will see this as an opportunity."

Among the most significant changes advocated by Republicans would be to subject AFDC and the Supplemental Security Income program for the elderly and disabled to annual budget reviews under the discretionary spending accounts approved by Congress.

These programs are now entitlements, which guarantees that any American meeting the eligibility requirements will receive benefits, regardless of the total cost. Under the proposed change, families falling onto hard times during a recession may be denied benefits or be forced onto a waiting list for aid. Similar changes would apply to the school lunch and food stamp programs.

While President Clinton and other Democrats have also called for substantial overhaul of the welfare system, the bill backed by House Republicans, led by speaker-to-be Newt Gingrich, is much more restrictive than Democratic and previous Republican proposals.

It would cap spending on welfare programs, consolidate several nutrition programs, including food stamps and school lunches, into a block grant to the states, and limit assistance to five years. The bill would eliminate aid to young unwed mothers and deny additional benefits to unwed mothers on welfare who bear another child.

It would deny benefits to children whose paternity has not been established. The bill would also eliminate aid for most immigrants, even documented aliens who have not become U.S. citizens.

Those provisions, said the report released yesterday, would mean that more than half the aid to AFDC recipients would be denied benefits. Of the more than 14 million families now in the program, about 48 percent have received benefits for a total of five years, although not necessarily in one spell.

Also, poverty has not been established for nearly a third of children in the caseload.

Children denied benefits because their paternity has not been established, Republicans said, would still have access to their mother's benefits.

By Barbara Vobejda
Washington Post Staff Writer

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GOP Leaders Tell Governors
Hard Choices Follow Power

By Dan Balz
Washington Post Staff Writer

WILLIAMSBURG, Nov. 22—The new Republican leaders of Congress today promised Republican governors greater power and freedom to solve problems without interference from Washington, but warned of the difficult choices they jointly face in trying to move the federal government toward a balanced budget early next century.

In a gathering that highlighted the sudden emergence of Republican political power across the country, incoming Senate majority leader Robert J. Dole (Kan.) and House speaker-to-be Newt Gingrich (Ga.) offered to make the governors full partners in what was described as a "historic opportunity" to restructure the relationship between Washington and the states.

"This is the meeting that crystallized the process of getting power out of Washington and in a sense reversing the centralization which began in 1932 and reached its theoretical peak in the Great Society," Gingrich said at the closing session of the Republican Governors Association.

The governors, who have complained about seeking favors on bended knee in Washington, said they welcomed such a reversal of power and promised in return to do more with less.

"If you can relieve us of some of the most onerous mandates, we will live with less money," New Jersey Gov. Christine Todd Whitman said.

The Republican state executives also plainly reveled in their sudden access to the real power brokers in Congress. "After 30 years of being in the vineyards and trying to have an opportunity to get your views expressed and actually carried forth, today was like a whole new beginning," said Wisconsin Gov. Tommy G. Thompson.

Dole remarked on the significance of Republicans controlling 30 governorships and both the House and Senate, saying the party should make dramatic changes in the country, not just flex its political muscle.

"And if we blow it, we may be denied the opportunity for another 10, 15, 20 years," Dole said. "But we're not going to blow it. We're going to do it right."

For the governors, Dole and Gingrich pledged to include protection for the states in the proposed constitutional amendment to balance the budget and to move quickly on legislative relief from federal mandates on the states.

Unfunded mandates are the pass-along costs of federal regulations attached to primarily social and environmental legislation enacted by Congress. For years, state and city officials have complained that their spending priorities have been dictated by the burden of enforcing such laws as the Clean Water and Clean Air acts, legislation requiring easy access to public places by disabled persons and other federal laws enacted by Congress without providing local government with the funds to implement them.

Ohio Gov. George V. Voinovich said that since the late 1980s, Congress has enacted 72 mandates compared with the 19 that were passed from 1970 to 1986. They will cost the states $1.74 billion from 1992 to 1995, he said.

Voinovich said new mandates for Medicaid coverage had forced states to squeeze their education budgets. One instance he cited was an example of Washington's "one-size-fits-all" approach involves substance abuse. Congress mandates that 35 percent of the money be spent on drug abuse, but half of that amount must go to intravenous drug users. Even in states without a large population of drug users, the money must be spent according to that formula.

But governors say the same kinds of things exist on programs ranging from environmental programs to health care to illegal immigration.

On programs such as welfare, governors like Thompson, Michigan Gov. John Engler and Massachusetts Gov. William F. Weld have been forced to go to Washington to receive permission to change their programs. Thompson, for example, needed a waiver to put in place a pilot version of the two-years-and-off welfare reforms that President Clinton favors.

As a former governor, Clinton has been credited by some as being more responsive than previous presidents. Since taking office, Clinton has approved 20 waivers allowing states to save money through their own reforms of welfare provided through the Aid to Families With Dependent Children (AFDC) program, the main federal-state public assistance program. He has also approved six waivers permitting states to undertake major reform of the Medicaid program, thereby saving the states money.

But Weld complained that having to ask for the waivers is slow and cumbersome.

Engler and other governors said they were open to changes in welfare policy that would consolidate various feeding programs, such as food stamps, and give the money to the states in the form of a block grant, even if there were limits on the amount of money available.

"We like the idea of having the maximum possible flexibility and autonomy," California Gov. Pete Wilson said. "We can administer welfare for a lot less."

Gingrich also said that Republicans in Congress should not replace Democratic micromanagement of social programs with Republican micromanagement.

"We can't be here suggesting the social engineering of the right will be more clear than the social engineering of the left," he said. "We can't suggest that our secret budget task force will now replace the Democratic secret health task force.

But with all the revolutionary rhetoric came some moments of sober reality. The new Congress is expected to move swiftly to approve the balanced-budget amendment to the Constitution, which would require the federal government to balance its books by early in the next century.

Sen. Pete V. Domenici (R-N.M.), who will chair the Senate Budget Committee, and Rep. John R. Kasich (R-Ohio), the incoming chair of the House Budget Committee, told the governors the task of finding enough savings to move toward a balanced budget will require extraordinary discipline and sacrifice.

Domenici noted that the deficit in 2002 is projected to be in the neighborhood of $350 billion. The entire defense budget that year will be less than $300 billion, while other domestic programs will cost about $500 billion.

He suggested there was no way to balance the budget without attacking entitlements programs, although he reiterated that Social Security was off the table.

Staff writer William Claiborne in Washington contributed to this report.
As Republicans Talk of Killing Agencies, White House Reads Its List

By Stephen Barr
Washington Post Staff Writer

Rep. Sam Johnson (R-Tex.) wants to pare the bureaucracy at the departments of Education and Housing and Urban Development, zeroing in on funding and responsibilities over to the states. Rep. John R. Kasich (R-Ohio), in line to chair the House Budget Committee, has backed a mega-merger that would reduce the number of Cabinet departments and called for broad subsidy cuts. Rep. Christopher Cox (R-Calif.) has proposed killing off the Interstate Commerce Commission.

Republicans, who have long demanded a smaller government, will get their chance next year when they take control of Congress. Their hit list ranges from Amtrak to the Rural Electrification Administration to the Energy Department.

For Republican strategist William Kristol, these actions mean the end of Democratic dominance and the New Deal-Great Society era. "The trick for Republicans is to be sufficiently bold so as to show we want big change but also sufficiently targeted and skillful so that we're not launching suicide missions on day one," he said yesterday. "There are ways to do that. Roosevelt built the New Deal step by step and we can recommit government step by step."

Cox said Republicans must start next year "with a willingness to imagine something more than marginal tinkering in the present system. . . . Any budget effort that is limited to reevaluating the relative merits of the ICC will miss the point. What we ought to do instead is start from the fundamental question of what should the federal government do, and those things that don't immediately suggest themselves are by definition expendable."

The Clinton administration, which began a governmentwide downsizing and streamlining effort shortly after taking office, appears to be ready to sharpen its budget knife in response. With a presidential election two years away, White House officials do not want to give ground in a high-stakes political fight over what programs can be shut down or shrunk.

A senior administration official said that departments and agencies were being pressed to come up with cuts and that a group at the White House is looking at possible "both for programmatic and affirmative reasons" at dozens of smaller agencies for savings. They include the Tennessee Valley Authority, the Rural Electrification Administration and the Federal Aviation Administration.

Sen. Wendell H. Ford (D-Ky.) and Rep. James L. Oberstar (D-Minn.) called for consolidating the Energy Department into the Commerce Department.

A senior administration official said that most of Energy's functions could be shifted to Interior or Defense and much of Commerce's could be shifted to the State Department and other agencies.

The official said budget officials also are looking "both for programmatic and affirmative reasons" at dozens of smaller agencies for savings. They include the Tennessee Valley Authority, the Rural Electrification Administration and the Federal Aviation Administration.

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Administration officials will soon face budget deadlines for any plans to cut programs or dramatically reorganize the bureaucracy. The fiscal 1996 budget schedule gives Clinton until Dec. 19 and 20 to make his de­
cisions, a timetable that seems cer­
tain to slip. The budget must be sent to the printers by Jan. 26, according to the schedule given agencies earli­
er this year.

Some senior administration officials have cautioned the White House against looking for a bold change, contending that any Cabinet reorganization would probably not save money and end up creating more political trouble than it was worth.

Vice President Gore's National Performance Review took the view that reorganizing boxes on organiza­
tional charts would set off controver­
sies and undercut its goals. But Gore's 1993 report suggested sev­
erial candidates for elimination, such as merging the Bureau of Alcohol, Tobacco and Firearms into the FBI and abolishing the Pentagon's med­
ical bureaucracy in Bethesda.

Gore's report also recommended privatizing air traffic control, consolidat­
ing job training programs, cut­
ing economic development funds, and cutting costs at the Job Corps and in the federal helium program.

Those same targets appear on many Republican budget-cutting lists. But some House Republicans want to create more cost savings.

The 1993 deficit-reduction effort by Republican leaders Joseph R. Biden Jr. and Timothy J. Penny (D-Minn.) called for consolidating the departments of Commerce and Energy with the Environmental Protection Agency, NASA, the National Science Foundation and other agen­
cies to create a Department of Sci­
ence. The plan projected $1 billion of savings from overhead savings and by ending program duplica­tion.

Kristol said he thinks congression­al approval of a balanced-budget amendment to the Constitution and unfunded-mandates legislation, which would stop the shifting of fi­nancial burdens to states, will help bring pressure on Congress to cut spending.

He advocates that Republicans bring the several billion dollars worth of cutbacks listed in the fiscal 1996 administration budget to the floor vote. "Republicans should simply submit all Panetta program termina­tions and get the Democrats to vote on them. The Republican Congress should begin by reducing all of Clinton's cuts," he said.

Kristol also contends that Repub­licans will need to continually make their case to the public for cutting government. "You need to have a show trial where you make clear to the country that a program is obso­lete . . . publicity and hearings that highlight a particularly unnecessary govern­ment program. Then Repub­licans can get rid of it, and if you do that several times, you build mo­
mentum for taking on the tougher programs."

Thomas E. Mann, director of government studies at the Brookings Institution, said that in addition to efforts to shut down programs, he expects Republicans and Democrats will cooperate on new ways to allow states to adminis­ter programs that are financed by Washington. But he said he thinks Washington and the states may years away from addressing the broader question of how program re­

responsibility and taxing authority will be allocated to the nation's various levels of government.

He is also skeptical of any large Cabinet reorganizations, because they incur short-term financial and political costs. "If there is any way to dust the blade of the Republican broad­er, it's that," Mann said.

But Republican promises to re­
shufle the jurisdictions of congres­
sional committees, combined with their plan for the first 100 days, could lead to some significant changes, Mann said. "We're stirring the pot and creating some possibili­ties that didn't exist before Election Day."

Staff writer Ann Devroy contributed to this report.
House Panel Set to Criticize FBI in Ames Case


By Walter Pincus
Washington Post Staff Writer

The House intelligence committee is preparing to level the first significant criticism against the FBI for its part in the failures that allowed confessed spy Aldrich H. Ames to avoid detection almost nine years.

The House panel’s draft report on the Ames case accuses the bureau of being “inexplicably passive” in its original investigation into the 1985-1986 losses of more than a dozen Soviet agents including what the report says were “two of its [the FBI’s] most valuable Soviet assets.”

The committee draft, a copy of which was obtained by The Washington Post, is much less critical of the CIA than an earlier report by the Senate intelligence committee.

Nevertheless, the House Permanent Select Committee on Intelligence accuses top CIA officials of failing accurately to answer questions posed by ranking Republican committee members between 1988 and 1992 on losses of Soviet agents.

It says the matter “will be the subject of a full committee hearing in the next Congress.”

The 77-page draft of the committee’s nine-month inquiry in the Ames case is being circulated among committee members this week and will be discussed at a committee meeting set for next Tuesday, according to government sources.

The House panel also recommends an independent inquiry to determine why the FBI chose to leave the CIA the matter of the FBI’s two lost agents “even after some in FBI counterintelligence concluded in 1988 that the most likely reason for the losses was the penetration of the CIA by a Soviet spy.”

Up to now, criticisms by the CIA inspector general and Senate Select Committee on Intelligence have focused primarily on failures of the CIA’s operations directorate, as well as its counterintelligence and security officers. The CIA also has been accused of failing to turn information over to the FBI, particularly about Ames.

The House panel, while dealing with the CIA’s deficiencies, puts a new light on the FBI’s role.

Loss of the two FBI-recruited and FBI-run Soviets agents was described as “devastating” and “as significant and important to the FBI’s operations as were the CIA compromises,” the report says.

One of the two, KGB Maj. Sergei Motorin, was stationed in the Soviet embassy in Washington and for several years before 1985 gave the FBI detailed reports on all contacts made the KGB agent in the metropolitan area on almost a daily basis, according to government sources. The other was a Soviet military officer, Lt. Col. Valery Martynov, who provided technical materials.

They were among the first fingers by Ames in June 1985, the sources said.

An FBI task force investigated the losses for nearly two years and its September 1987 report “was inconclusive,” the House committee report says.

The group “concluded there was no evidence of a penetration of the FBI and that insufficient information existed to determine that the CIA was penetrated,” the report says. Thereafter, although the FBI provided the FBI with additional information on its losses, the FBI adopted what the report calls a “wait-and-see attitude.”

Unlike the Senate intelligence committee, which was sharply critical of CIA Director R. James Woolsey for failing to take stronger actions against those officials criticized in the Ames case, the House panel found “those who made the most serious mistakes have been identified and, given the options available to [Woolsey], appropriately sanctioned.” Woolsey gave letters of reprimand to 11 retired and active CIA officers, from among 23 that had been singled out in the investigation run by CIA Inspector General Frederick P. Hitz.

The House report supports most of the findings of the Hitz and Senate panels, including condemnation of the “systemic dysfunction between counterintelligence, security, and personnel systems” as creating the environment in which Ames could operate without discovery for nine years.

But unlike the other two panels, the House group focused its new criticisms not only on the FBI but on lower level CIA investigators who “failed to keep senior Director of Operations (DO) managers aware of the CIA’s chain of command advised of critically important information on leads which should have led to Ames’s identification and arrest, perhaps several years prior to 1994.”

The House group also disputes the other investigators’ total condemnations of the “culture” of the DO, the agency’s clandestine spy service, as a reason why Ames survived without discovery.

Although the draft report says the “culture contributed to the weaknesses in the [Ames] investigation,” it also describes it as “a mixed blessing.”

The DO cannot operate successfully without a large measure of implicit trust among its officers,” the report says. “But that trust can breed ties which sustain mediocrity and reward managers who avoid personnel problems rather than confront them.”

The House group introduces new elements in the Ames case in its description of the FBI’s role.

For example, although the FBI learned from the CIA that Motorin and Martynov had been arrested and were about to be extradited, its officials apparently never told then-Director William H. Webster “of the extent of the losses,” according to the report.

Despite the 1987 recommendation from the FBI task force that investigated the Motorin-Martynov losses that relations between the FBI and CIA should be improved, the FBI “never responded to an invitation to have bureau representation” in the CIA-run Counterintelligence Center established a year later.

The FBI task force then looked into other allegations of earlier Soviet penetrations but, the report says, the bureau “appears to have allowed the investigation [into the 1985-1986 Soviet agent losses] to go moribund from 1988-1991.”

The FBI got involved again, the panel said, only after officials from the CIA counterintelligence center restarted their suspended inquiry and sought help from the bureau.

WEDNESDAY, NOVEMBER 23, 1994 THE WASHINGTON POST
Glendening wins by 6,007 in final Md. tally

By Richard Tapscott and David Montgomery
Washington Post Staff Writers

Parris N. Glendening, one of a handful of Democrats to prevail in a near Republican sweep of the nation's statehouses, finally emerged as the clear winner of the tense Maryland governor's race yesterday after an official review of the ballots gave him a victory margin of 6,007 votes.

But even the official canvass of votes did not bring a concession from his GOP opponent, Ellen R. Sauerbrey, who dispatched volunteers to search round-the-clock for evidence of vote fraud that she hoped would reverse the election outcome.

Glendening, the three-term Prince George's County executive, called a news conference to announce his second round of transitional appointments yesterday as the 23 counties and Baltimore City were completing their review of the Nov. 8 election results.

Glendening's edge was only 180 votes fewer than in the unofficial tally announced Nov. 8.

"We obviously are very excited about moving on to devote full attention to the transition," Glendening said after the count was complete last night. "There are immense challenges facing us, and it's going to be every bit of energy and strength we have. But I'm pleased we're over one more hurdle."

During his morning news conference, Glendening criticized Sauerbrey's refusal to accept the results two weeks after the election and her continued airing of unsubstantiated allegations of voting irregularities in Baltimore, a Glendening stronghold.

"Personally, I think it's probably a little embarrassing for her and for the state," Glendening said. "But as a practical matter ... this is not about this election. This is about the 1998 election. Everyone knows that. So, to the extent that she wishes to do that as part of her strategy, it's a fine strategy. But I'm happy to continue to work in a free country. She has an option to do that."

Sauerbrey, the House of Delegates minority leader from Baltimore County, was returning yesterday from Williamsburg, where the canvass was completed yesterday afternoon, her Cockeysville headquarters released a one-sentence statement from her: "Everybody knows that there weren't the only things that were being stuffed in Baltimore City this month."

MARYLAND, From Bl

Glendening’s edge was only 180 votes fewer than in the unofficial tally announced Nov. 8.
Gov. Allen Tries to Turn Party Spotlight His Way

Governors Conference Offers a National Stage

By Peter Baker
Washington Post Staff Writer

WILLIAMSBURG, Nov. 22—On stage at William and Mary Hall, Virginia Gov. George Allen welcomed fellow Republican governors to dinner and announced with a flourish that dessert would be "victory cake." Except no one could see it. With the spotlight fixed on him, an embarrassed Allen had to ask someone in the rafters to shine a little light on the three-layer, white cake.

Don't be fooled, though. Allen has relished every second in the national spotlight the last few days.

As host for this year's Republican Governors Conference, Allen occupied center stage at a meeting that this year is relaying the message of the new majority party across the country.

The first-year governor used the precious exposure to position himself as an early leader in the battle to rein in government, the harbinger of a movement that, a year after his election, led to his party's capture of both chambers at the end of his term.

"Don't count Allen out... but the fact is that Christie's just a little more unique," said Mike Murphy, a New Jersey-based GOP consultant who worked for Whitman. "There's a lot of guys governors that've done well—may seem lofty, answering a question about whether he would like to be vice president by talking about the state budget amendments he must propose next month. Asked whether he would pledge to complete his term as governor, which expires in January 1998, he said, "Yes, unless somebody kills me." Aides expressed irritation at such talk, saying that Allen does not plan to repeat the mistakes of his Democratic predecessor, L. Douglas Wilder, who angered many Virginians by running for president shortly after taking office as governor.

"He's got a very ambitious agenda in state and that's where his focus is," Frank B. Atkinson, counsel to the governor, said of Allen. "He's got a very busy schedule downsizing government and abolishing parole and reforming welfare and reforming education."

But that didn't stop Allen aides from distributing hundreds of copies of his crime plan or pubishing the halls of the GOP meeting with flattering editorials about their boss. And watching him from the back of the room, one high-ranking Allen administration official said, "I expect to see him running for president."" Allen faces the same predicament that afflicts most Virginia governors. Unlike their counterparts, Virginia governors cannot serve two consecutive terms. Therefore, they have little time to build a national reputation and no choice but to look for other offices at the end of four years or leave politics. No political observers expect Allen, 42, to retire at the end of his term.

In the last three decades, only one former Virginia governor—Democrat Charles S. Robb, now in the U.S. Senate—went on to win election to a different post.

"George does have a problem," said G.C. Morse, who worked for former governor Gerald L. Baliles, a Democrat who faced the same problem in 1990 and ultimately decided to practice law.

"If you could run for reelection, then you could sustain it," Morse said. "If you're in a second term, it's a lot easier to step away and run for something else. If you do it in your first term, as Wilder did, you compromise everything you're doing."
Investing for the Long Haul? Forget the Bond Stampede

By James K. Glassman
Special to The Washington Post

Over the past few months, interest rates have been going up and up, making bonds more and more attractive. "Why should I take a risk by buying stocks," a typical investor might ask, "when I can buy a two-year Treasury bond that pays 7 percent?"

Yesterday, lots of investors stopped mulling this question and started acting on it. They sold stocks and bought bonds. The result was a 92-point decline in the Dow Jones industrial average—and, at the very same time, remarkable strength in the bond market.

For short-term investors, getting out of stocks and into bonds is a perfectly rational thing to do. But long-term investors—and ordinary folks—probably shouldn't be in the stock market unless their horizon is at least five or 10 years—it's not rational at all. Instead of panicking, you should consider the drop in stock prices as a potential buying opportunity: Here's the unpredictable, eccentric Mr. Market offering to sell you shares of very good companies at very decent prices.

The reason many investors fell out of love with stocks isn't hard to understand. Stocks are a dangerous stock when a risk-free Treasury security is offering such an attractive return! A good benchmark is the three-year Treasury note, which yesterday was yielding a juicy 7.5 percent. Compare that figure with the

**WORTH THE RISK?**

The guaranteed income from Treasury bonds looks enticing to many investors when compared with the stock market's volatility.

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**THE WASHINGTON POST**

Now's the Time to Pick Up Some Bargains in Stocks

results of a study by Ibbotson Associates of Chicago that covered 67 years of market history. Three-year stock market returns were all over the place. In the best such period, you could have doubled your money; in the worst, you could have lost 80 percent of it. The average annual return was 10.8 percent—higher than Treasuries are paying right now, but not high enough to counter the risk-free rates," Andrew Brenner, senior trader at Nomura Securities International in New York, told Bloomberg Business News yesterday. "It makes no sense at all to buy bonds is a perfectly rational thing to do. But long-term investors—and ordinary folks—probably shouldn't be in the stock market unless their horizon is at least five or 10 years—it's not rational at all. Instead of panicking, you should consider the drop in stock prices as a potential buying opportunity: Here's the unpredictable, eccentric Mr. Market offering to sell you shares of very good companies at very decent prices.

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**THE WASHINGTON POST**

Now's the Time to Pick Up Some Bargains in Stocks

results of a study by Ibbotson Associates of Chicago that covered 67 years of market history. Three-year stock market returns were all over the place. In the best such period, you could have doubled your money; in the worst, you could have lost 80 percent of it. The average annual return was 10.8 percent—higher than Treasuries are paying right now, but not high enough to counter the risk-free rates," Andrew Brenner, senior trader at Nomura Securities International in New York, told Bloomberg Business News yesterday. "It makes no sense at all to buy bonds is a perfectly rational thing to do. But long-term investors—and ordinary folks—probably shouldn't be in the stock market unless their horizon is at least five or 10 years—it's not rational at all. Instead of panicking, you should consider the drop in stock prices as a potential buying opportunity: Here's the unpredictable, eccentric Mr. Market offering to sell you shares of very good companies at very decent prices.

The reason many investors fell out of love with stocks isn't hard to understand. Stocks are a dangerous stock when a risk-free Treasury security is offering such an attractive return! A good benchmark is the three-year Treasury note, which yesterday was yielding a juicy 7.5 percent. Compare that figure with the

**WORTH THE RISK?**

The guaranteed income from Treasury bonds looks enticing to many investors when compared with the stock market's volatility.

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<th>Treasury bonds</th>
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**Danger Is Seen in Rapid NATO Expansion**

*Ukrainian President Warns Process Could Provoke Russia to Create Another ‘Berlin Wall’*

By Margaret Shapiro

**By R. Jeffrey Smith**

Ukrainian President Leonid Kuchma said yesterday that unless the Clinton administration moves slowly in expanding the North Atlantic Treaty Organization, it will risk provoking an angry Russian response and creating another “Berlin Wall” between Europe from a newly hostile East.

Kuchma’s warning distances Ukraine from other Eastern European countries—such as Poland, Hungary, the Czech Republic and Slovakia—that have been putting substantial pressure on Washington to support rapid NATO expansion.

Some Republican lawmakers also have been pressing for speedier action, and the House Republican conference is preparing a national security bill that would set a rough target date of 1999.

U.S. officials say Clinton, who discussed the issue with Kuchma at the White House yesterday, favors some acceleration of efforts to prepare some of Ukraine’s neighbors for eventual NATO membership. Clinton is going ahead with plans to raise the idea at a Budapest summit of European leaders in two weeks.

“But Washington, also wary of alienating Moscow, has carefully refused to set a date for expanding NATO. Many U.S. allies in Western Europe also are skeptical of a quick expansion of the Western alliance,” Kuchma said in an interview with reporters and editors at The Washington Post. “This process of [NATO expansion] is needed, but it should only be prolonged in time.”

Kuchma explained his concern that Russia would be alienated by a military alliance originally formed to defeat Warsaw Pact aggression extended its security umbrella over countries that once lay within the Soviet Union’s sphere of influence.

He said he expected Russia to apply substantial political pressure to interrupt expansion if the process moved too rapidly, and noted Ukraine and some Western European countries are dependent on Russia for some energy supplies. If NATO was expanded despite Russian hostility, he said, it might transform Ukraine into a “sarine boundary” state between opposing camps.

“What I don’t want is to go back to the Cold War … to construct a new Berlin Wall,” Kuchma said. Ukraine should not be a border, but a bridge between Russia and the rest of Europe, he added. Asked when NATO expansion might be feasible, Kuchma said that first Ukraine should become a “strong, independent country”—a goal he suggested would not come before the end of the decade.

At a joint news conference with Kuchma, Clinton said his discussions with Kuchma at the White House yesterday, favor some acceleration of efforts to prepare some of Ukraine’s neighbors for eventual NATO membership. Clinton is going ahead with plans to raise the idea at a Budapest summit of European leaders in two weeks.

But Washington, also wary of alienating Moscow, has carefully refused to set a date for expanding NATO. Many U.S. allies in Western Europe also are skeptical of a quick expansion of the Western alliance. “To my mind, the speeding up of the process would not enhance the security of Europe,” Kuchma said in an interview with reporters and editors at The Washington Post. “This process of [NATO expansion] is needed, but it should only be prolonged in time.”

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Clinton also applauded Kuchma’s leadership and that of the Ukrainian parliament in finally giving approval last week for adherence to the nuclear Non-Proliferation Treaty, which bars development or possession of nuclear arms.

The overwhelming vote was considered a major political triumph for Kuchma, who only last year as prime minister had told the parliament that Ukraine should seek to retain and gain operational control for a time over some of the strategic nuclear arms left on Ukrainian soil after the break-up of the Soviet Union.

Kuchma said that as president, he was able to see that gaining control over the weapons was a costly and politically untenable undertaking that would place Ukraine in a club of pariah states such as Cuba, North Korea and, perhaps, Iraq.

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**Russia Arrests Suspect in Bomb Death of Journalist**

By Margaret Shapiro

MOSCOW, Nov. 22—Russian prosecutors today announced the arrest of a suspect in the slaying of a Russian journalist who was killed by a bomb in his newspaper office last month.

Deputy Prosecutor Oleg Gaidanov did not name the person arrested for Khodolov’s murder, but said the investigation had revealed that the killing was tied to something the reporter was working on for publication.

Khodolov’s colleagues have charged that he was murdered for trying to find out too much about corruption in the army.

Clinton and Ukraine President Leonid Kuchma watch Army conductor signal band at White House arrival ceremony.

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Serb Response to NATO Raid: More Attacks

Helicopter, Ground Troops Hit Bosnia's Bihac Pocket

By John Pomfret
Washington Post Foreign Service

ZAGREB, Croatia, Nov. 22—On the day of a large-scale NATO air strike intended as a warning, Serb forces violated Bosnia's "no-fly zone" with an attack by a helicopter gunship that launched missiles at a pair of British warplanes and renewed assaults from Croatia into northwestern Bosnia, U.N. and other officials said.

U.N. officials reported that Bosnian Serb forces were routing hundreds of civilians from their homes in advances from the south and east toward the U.N.-designated "safe area" of northwestern Bosnia—repeating a pattern of Bosnian 31-month-old war.

Col. Jean Charles Lemieux, a Canadian who is the highest-ranking U.N. officer in the isolated enclave, said Serb troops were burning villages and driving people from their homes as they advanced deeper into the Bihac area.

A senior diplomat in Zagreb challenged a U.N. claim that it had no proof that the Serbs fear that a further escalation in the fighting will soon provoke deeper divisions between the Allies. But the Europeans believe that a substantial number of Croatian Serb forces were participating in ground fighting in the Bihac pocket. He described a combined assault by Bosnian and Croatian Serbs, which he said could have ominous implications for peace in the Balkans and warrants a stronger international response.

The developments came after the meeting, which set the strike schedule for Wednesday in Belgrade, between Yasushi Akashi, the chief of the U.N. mission here, Serbian President Slobodan Milosevic and Croatian Serb leader Milan Martic.

"We warned the Serb high commander, called the NATO airstrike on Udbina a "dangerous and愚蠢" gesture, and we warned the U.N. request for a cease-fire in Bihac silly, "President Alija Izetbegovic, leader of the mostly Muslim government of Bosnia, Meanwhile, condemned the U.N. offer for a local truce.

The NATO air raid had the stated goal of stopping the Serbs from launching airstrokes in Bosnia—a violation of the no-fly zone there. But instead of stopping, the Serbs lobbied to damage only the airfield. After the raid, NATO officials acknowledged that the damage could easily be repaired.

Faced with the firing of two surface-to-air missiles this morning at two British jets flying a regular patrol over Bosnia, NATO officials said they would not risk violating U.N. rules of engagement prohibit search-and-destruction missions.

The missiles were fired at the planes as they flew over the Serb-held Banja Luka region but did not hit them.

Another Serb violation of Bosnia's no-fly zone, by a helicopter gunship, was ignored, even though it blasted Bosnian Muslim targets with missiles.

U.N. spokesman Williams said the Serb advances today from the south and west of Bihac appeared to be an attempt to link up with allies who have crossed the border from Croatia and attacked the northern portion of the Bihac pocket.

Those forces continue their attacks today on Velika Kladusa, the main town in the north, although they were still meeting fierce resistance by the mostly Muslim army there.

Serbs. A meeting here Friday of Juppe, Hurd and Russian Foreign Minister Andrei Kozernev ended with an appeal to the Americans not to ignore the arms embargo or take any other action that could intensify the fighting.

The European perception that the Americans want to exercise leadership over the alliance but not risk the lives of their own troops has contributed to a abrupt erosion of faith in U.S. security commitments in Europe.

Even though the Clinton administration has vowed to maintain 100,000 troops in Europe, the belief is taking hold in European capitals that American public opinion is pushing for withdrawal from the continent.

A Republican-led Congress, officials reason, is likely to emphasize that the Europeans are big enough and rich enough to care for themselves, while an embattled Democratic president is not going to risk continental adventures that could involve American casualties.

With the United States reluctant to take on new responsibilities and Germany still reeling from any stronger military role, the two nations that were supposed to serve as leading forces for stability in a new European security structure have opted for a lower profile.

The enhanced military collaboration between France and Britain, Western Europe's nuclear powers, appears to reflect a shared conviction that they need to work together to fill a security vacuum developing on the continent.

The two countries have undertaken initiatives toward a common defense of the European continent.

Last week in the French cathedral town of Chartres, French President Francois Mitterrand and British Prime Minister John Major announced the creation of a European command for future peacekeeping missions.

They also said work would continue on trying to harmonize French and British nuclear strategies for Europe's future security environment.

The Serb forces ignored Western warnings that its massive assault on the Bosnian Muslim enclave of Bihac, senior alliance officials said an "insane" action, when it launched a simultaneous assault against Bosnian troops on the ground. It creates constant friction within the alliance.

The French government, which has dispatched over 6,000 troops to the Balkans, reacted "very strongly and firmly" to the insult to the U.S. decision to stop enforcing the arms embargo against Bosnia last week.

British officials said the Clinton administration's decision was mistaken if it believed that helping the Bosnian government reverse earlier military losses would persuade the Serbs—who control about 70 percent of Bosnia—to end the war.

"I will not say we want to help the victors against the aggressors, but it bears no relation to what is happening on the ground," a French military official said. "The Americans say they know what is right and what we should do, but they don't even dare to put their troops on the line."

Secretary of State Warren Christopher warned that NATO would take stern military action to protect the safe areas and halt the Serb offensive. French Foreign Minister Alain Pompidou gave the same assurance, reacting "very strongly and firmly" to the decision by NATO to fill a security vacuum developing on the continent.

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"The resentment is there and it keeps growing."

— A senior NATO official

Aerial strikes if necessary, the European allies are alarmed by the risk of reprisals against their peacekeeping troops scattered throughout Bosnia and Croatia. They also confirmed that they might seek punishment inflicted by NATO air power would snuff out the last flickering hopes for Bosnian Serb acceptance of an international peace plan to partition Bosnia and avoid a third winter of war.

"The resentment is there and it keeps growing," a senior NATO official said. "The Americans say NATO's credibility is at stake and we need to keep hitting the Serbs for their violations. But the Europeans fear any expansion of the war and any retaliation against their troops on the ground. It creates constant friction within the alliance."
Ravaged Angolan Town Trying to Rebuild as Truce Takes Hold

By Cindy Shiner Special to The Washington Post

Cuito, Angola—Welcome to Cuito: ammunition dump, minefield, rock pile, cemetery. And people also live here—with pride.

A "bitz spirit," as one aid worker put it, swept through this central Angolan city after government troops routed rebels of Jonas Savimbi's National Union for the Total Independence of Angola (UNITA) last July.

In his decision, Atkins noted that his order involves controlling questions of law regarding detainees' rights. In connection with decisions made to detain the refugees this summer, the Clinton administration announced that boat people from the nations would not be allowed into the United States unless they returned home to apply for visas. But Washington, under pressure from the Cuban exile community, announced Oct. 14 that several hundred Cuban refugees, including the elderly and sick and children without parents, could enter the camps. Government attorneys did not return calls for comment. But the government is expected to appeal.

Atkins also ruled that legal counsel should be provided to Haitians at Guantanamo who are being detained at camps in Guantanamo, in addition to 22,796 Cubans. In his decision, Atkins noted that his order involves controlling questions of law regarding detainees' rights. In connection with decisions made to detain the refugees this summer, the Clinton administration announced that boat people from the nations would not be allowed into the United States unless they returned home to apply for visas. But Washington, under pressure from the Cuban exile community, announced Oct. 14 that several hundred Cuban refugees, including the elderly and sick and children without parents, could enter the camps. Government attorneys did not return calls for comment. But the government is expected to appeal.

Since then, small groups of Cubans have entered the United States from Guantanamo. The decision enforces the government's concerns that the Cuban and Haitian situations were not comparable because the restoration of President Jean-Bertrand Aristide has eliminated the threat of political persecution in Haiti.

An estimated 30,000 people perished last year in Cuito—at least a third of the city's population—in a nine-month rebel siege. Urban areas throughout the nation were largely spared in the 16 years of Angola's civil war leading up to the signing of a peace accord in 1991. But the war resumed with ferocity two years ago when Savimbi took up arms again after rejecting his losses in presidential elections.

Nowhere was the destruction more apparent than in Cuito, where the skyline was blasted, unexploded ordnance littered the streets and land mines lurked beneath the ground. Cuito became the symbol of what Angolans refer to as "the second war." The first one was played out as a Cold War proxy fight between the United Nations and South Africa, which backed Savimbi, and the Soviet Union and Cuba, which supported the previously Marxist government.

Francisco Paulino Fanny, a journalist for Angola's national radio, covered Cuito during the siege. Eight people stayed in his four-room house, seeking shelter from time to time during those nine months in the bunker they dug below it.

"If we manage to have peace," Fanny said, "my main intention would first be to organize my life—the same as everyone else here. To have a comfortable home, and to have the privilege to give my children the chance to learn. And if I'm able, to improve myself professionally."

Those basic desires have been denied to many of this oil- and diamond-rich southern African nation's 10 million people for nearly two decades.

Less than 18 percent of Angola's children complete the fourth grade, said Peter Hawkins, director of the British branch of the relief group Save the Children in the capital, Luanda. "That is the generation in 20 years' time that is going to be running the country." Hawkins said.

Angola is now faced with rebuilding an infrastructure which has been totally and absolutely destroyed: one, by the physical impact of the war, two, by the economic collapse as a result of the fighting, and three, by the massive displacement of populations and the movement of those populations, divorcing themselves away from their traditional ways of life," Hawkins said.

At least one legacy of the war will linger into the next century, aid workers say: land mines. Luanda this month celebrated Independence Day—when the war erupted in 1975—with a soccer match played by para­legic land-mine victims. The irony of this occasion apparently was lost on the nation's officials.

In Cuito, nearly every day produces another land-mine casualty or casualties, aid workers say. Last week, three people pushing a loaded wheelbarrow along a path ran over an antitank mine. They were buried where they died.

"In every hedgerow, by the side of the road, inside buildings, there's unexploded ordnance" creating a veritable smorgasbord of land mines and anti­aircraft shells and mines. This was noted by Mike Marmol, who works for the British de­mining agency Halo Trust in Cuito. "A mine stays in the ground. A miner can lay it, and it can kill his grandson.

Halo Trust is training 25 Cuito residents how to defuse, hoping they will spread their knowledge. Nobody knows how many mines have been sown throughout Angola, but relief workers say there are millions. And even if a field is marked, simply the fear that it might be soon enough to keep people off land they could use for farming. Many civilians end up walking over the seeds planted with land mines, said Mike Marmol, who works for the British de­mining agency Halo Trust in Cuito. "A mine stays in the ground. A miner can lay it, and it can kill his grandson.

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A military judge has recommended the dismissal of charges against one of the fighter pilots facing possible criminal action for mistakenly shooting down two U.S. helicopters over northern Iraq in April, the Air Force announced yesterday.

The move followed a recommendation last week by another military judge to drop proceedings against all but one member of the crew of a controlling aircraft also involved in the accident, which killed 15 Americans and 11 foreign nationals.

If the recommendations are accepted by senior Air Force commanders, as service officials said yesterday has been the normal practice, a single Air Force captain would face court-martial proceedings against all but one member of the crew of a controlling aircraft also involved in the accident, which killed 15 Americans and 11 foreign nationals.

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Appeals Court Backs Expulsion Of Homosexual Midshipman

By Toni Locy
Washington Post Staff Writer

A federal appeals court yesterday upheld the expulsion of midshipman Joseph C. Steffan from the U.S. Naval Academy in 1987 after he said that he was homosexual.

In a 7 to 3 decision, the U.S. Court of Appeals for the D.C. Circuit reversed a year-old ruling by a three-judge panel and broke with other federal courts across the country that have considered similar issues. The court ruled that the academy properly dismissed Steffan simply because he said he was gay, even though he did not admit to engaging in homosexual conduct.

The majority, in an opinion written by Judge Laurence H. Silberman, found that it was logical for academy officials to assume that because Steffan, an honor student, acknowledged he was gay, that he was in fact "a practicing homosexual" and had participated or planned to participate in homosexual conduct, in violation of academy and Defense Department rules.

The majority also said that the academy did not have to prove that Steffan had engaged in the conduct. "When an individual's statement can reasonably be taken to evidence a propensity to engage in certain conduct, the military may certainly take that individual at his word," Silberman wrote.

"We recognize that the government's basic policy—that homosexuals . . . may not serve in the armed forces—is quite controversial. The issue is politically divisive," the judge continued. "We think, however, that Steffan's claim that the government cannot rationally infer that one who states he or she is a homosexual is a practicing homosexual, or is at least likely to engage in homosexual acts, is so strained a constitutional argument as to amount to a basic attack on the policy itself."

Gay rights advocates attacked the decision. "It is a terrible day for the civil rights of all Americans when a court sanctions a government policy of discrimination against its lesbian and gay citizens," said Kevin Cathcart, executive director of Lambda Legal Defense and Education Fund.

The decision reversed three judges who ruled a year ago that the academy could not expel Steffan merely because he said he was gay. Silberman was joined by six judges, all of whom were appointed by presidents Ronald Reagan and George Bush. A dissent was filed by two appointees of President Jimmy Carter and a judge selected by President Clinton.

Steffan, a graduate of the University of Connecticut law school who is working as a law clerk for a federal judge in Newark, was one of the 10 highest-ranking midshipmen at the academy when he was placed under investigation in February 1987, during his senior year. Officials at the academy had learned that Steffan had confided in two fellow midshipmen that he was gay. When first confronted about the allegation, Steffan invoked his right to remain silent. He later, however, confided in an academy chaplain that he was gay. Later, at a meeting with the commandant of the academy, Steffan said he was a homosexual.

Steffan was then given a choice: resign or be discharged. He chose to resign in May 1987. Several months later, he wrote to the secretary of the Navy and asked to withdraw the resignation; the request was denied and Steffan filed a civil lawsuit in U.S. District Court here.

Shortly after he entered office, Clinton changed the military policy. The so-called don't ask, don't tell policy says that members of the armed services will not be asked their sexual orientation, but will face discharge if they say they are homosexual. That policy also is being challenged in the courts.

The Steffan decision was fractured. Three judges who voted with the majority found fault with some of its technical legal logic.

The three who dissented were led by Judge Patricia M. Wald, who argued that "pragmatism should not be allowed to trump principle or the soul of a nation will wither."

"For the government to penalize a person for acknowledging his sexual orientation runs deeply against our constitutional grain," Wald wrote. "It has, we believe, no premise or place in our national traditions, which spring from a profound respect for the freedom to think and to be what one chooses and to announce it to the world."

Wald called the majority's assumptions that Steffan would engage or already had engaged in homosexual activity "ingenious plays on presumptions and inferences" that "cannot disguise the injustice that lies at the heart of this case."

CORRECTIONS
A Federal Page chart on Monday incorrectly reported that retiring Rep. Timothy J. Penny (D-Minn.) was eligible to receive lifetime federal benefits of $1,184,883. Penny did not participate in the House pension plan.

The name of chiropractor Fred F. Bruno was misspelled in a Style article Monday.

An article Sunday about the Quebec government's cancellation of the Great Whale hydroelectric power project misstated how much power the project would have generated. It would have generated 3,000 megawatts.
Given $5,000, NAACP Now Turns to Black Americans for Donations

The NAACP is courting donors from its "natural constituency," black Americans who have benefited from the organization's work and have a direct stake in its survival.

Yesterday, a dozen religious groups, including the largest black denominations, pledged to raise $5 million from local branches, $80,000 from the Ford Foundation, released a $250,000 grant that was withheld by Ford officials after the NAACP was fired.

The Ford money, the NAACP has raised $500,000 in the past few weeks—$350,000 from local branches, $200,000 from members at large and $160,000 from seven large corporations—along with $350,000 from a special reserve fund Ford helped the NAACP set up last year.

The pledge yesterday is an outgrowth of meetings over the past two months among the NAACP and other black institutions interested in saving the nation's leading civil rights group.

It partly responds to critics who say the NAACP has an estimated $4 million budget deficit because it relies too much on corporations and philanthropies, rather than its members or the people it serves.

The NAACP operates on roughly $12 million a year, the "lion's share" of which comes from Ford, said then-Executive Director Benjamin F. Chavis Jr. used NAACP money to quiet a sex discrimination claim by a former female employee. Chavis subsequently was fired.

Ford officials released the grant after the NAACP outlined a nine-point strategy to restore its financial credibility.

The strategy includes bringing in a blue-ribbon committee of prominent black Americans to oversee fiscal reforms and act as a link between the black community and long-time talk-show favorites.

Chavis said about 12 people have been asked to serve on the committee, and only one has turned down the offer.

He declined to name them, but described them as "individuals who have the where-withal to tap into reservoirs of support" for the NAACP.

The religious groups are: The National Baptist Convention USA, the African Methodist Episcopal Church, the Presbyterian Church USA, the National Baptist Publishing Board, the African Methodist Episcopal Zion Church, the Missionary Baptist Convention, the Baptist Convention of America, the Church of God in Christ, Full Gospel Fellowship, National Progressive Baptist Convention and the Religious Action Center of the Kivie Kaplan Institute.

That is what happened last summer, when Ford withheld the $250,000 after it was revealed that then-Executive Director Benjamin F. Chavis Jr. used NAACP money to quiet a sex discrimination claim by a former female employee. Chavis subsequently was fired.

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Hostility
Turned to
Hospitality
A Welcoming Handshake for the Leader Who Put Down His Arms

By Donnie Radcliffe and Roxanne Roberts

"It was a good day," said a satisfied President Clinton last night. "The whole day was a good day." He paused and smiled. "I like this guy."

This guy, Leonid Kuchma, is hardly a household name, but he's one of the most powerful men in the world. As Ukrainian president, he is sitting on the third-largest stockpile of nuclear arms, an arsenal that last week he agreed to give up. Last night Kuchma and his wife Lyudmyla, collected his reward—a state visit to Washington.

But, like many at the White House, the Kuchmas weren't quite sure of their place in history—or in the room. As the scientists and assorted officials of honor lined up at the foot of the grand staircase, Lyudmyla Kuchma found herself peering out from behind her husband. When she finally inched her way forward, Hillary Rodham Clinton noticed what was happening and made way. "We go everybody in now," asked the First Lady, laughing.

As the toast later made clear, the former Soviet republic had put on a show. It's a time when it's easier to take the easy way out, Ukraine has set itself for the highest gods." President Clinton told his guests last night what's next, he shot back. Tell me." There were no predictions or sound bites from the First Lady. "It's a very happy moment... well, maybe two years." Indeed most of the guests preferred to concentrate on the trumpet, busy with crowded and mated asparagus, and the Clementine sherbet. There were a bit of velvet ornamentation here and there, but the focus was definitely on foreign affairs. Domestic politics was the last thing anybody wanted to talk about.

Home Speaker Tom Foley, among others in the recent republican sweep of Congress, whisked his stone-faced wife past photographers without comment. A warm greeting awaited them from the First Lady, however. Mrs. Clinton embraced Heather Foley and saw to it that she was seated next to the president during dinner.

After dinner, Foley said he and his wife would be dividing their time between Washington, D.C., and Ukraine's hometown of Park Ridge, III. Defeated Sen. Harris Wofford of Pennsylvania was a little more communicative. "I'm not going to talk politics tonight," said Mrs. Clinton. But she happily posed for pictures with friends from her hometown of Park Ridge, III. The celebrity glitter on the guest list shimmered in uncharacteristic silence. Radio star and author Garrison Keillor had no folkways. Olympic gold medal figure skater Oksana Baiul, slipped past reporters with barely a smile.

Vice President Gore, still nursing his injured leg, had his own wisdom to consider. When asked whether he would advise the president to fight or compromise with the Republican leadership, Gore thought for a moment and said with a grin, "Spend more time with the press."
Let's Refrain From Attacking the Poor

Growing, and there will be nothing simple in how it will be reversed.

An open debate that is informed, that incorporates the wisdom and experience of states that have experimented with reforms, and that is grounded in the belief that we have a moral obligation to care for those people who cannot take care of themselves is going to be critical to any attempt to get people off welfare and into jobs.

If this process turns into an "us against them"—the taxpayers against the poor—all of us will lose.

The Federal Diary

Dental Plans With Teeth

By Mike Causey

Washington Post Staff Writer

If the federal employee health program has any cavities, it is in the area of dental coverage. That's tough in a town where nearly half the people—representing about $20 billion—depend on the program to help with their medical bills. Federal workers and retirees here are eligible for dental plans. Their choices range from low-cost, localized health maintenance organizations to national fee-for-service plans such as Blue Cross, GEHA and Mail Handlers or preferred-provider options.

During the current open season, people can switch to any plan they are eligible to join and cannot be turned down because of age, health, preexisting medical condition or because they are retired—or their spouse is dead. The open season ends Dec. 12.

Dental coverage is one of the chief features people look for in a plan. Benefits differ from plan to plan. Experts advise insurance-hunters to zero in on several plans with the best overall coverage and then check the fine print in their brochures for special benefits—such as dental coverage. That means at least considering an HMO, even if you are enrolled in and happy with your fee-for-service plan.

Walton Francis, author of "Checkbook's Guide to 1995 Health Plans For Federal Employees," says all the plans here offering the best dental coverage are HMOs. He recommends checking out Aetna, Georgia Winston high option, Prudential and Potomac. He says those plans don't have deductibles or maximum benefits, cover preventive care in full and reimburse most common (and inexpensive) procedures.

HMOs that cover about half the cost of preventive care—such as SAMA (special agents), which doesn't do preventive care but is "very good at cataract surgery," according to Checkbook.

Hospice Care

Individuals with a terminal illness should check the hospice benefit during this open season. Hospices typically provide short-term care at home or in a homelike facility. That includes medication for the patient and family counseling. Most plans cover this service, according to Checkbook.

Hospice care, however, isn't the same as nursing care. None of the plans will pay for custodial care—where the patient needs to be fed, bathed and provided with other basic care. Checkbook says, but all plans pay for necessary care by nurses in the hospital and also cover home care, typically with at least 90 days or visits, although some have no limit on days or actual visits.

Plans that cover extended nursing care for at least 60 to 70 days include Alliance, BACE (congressional employees), NAPUS, Postmasters high option, SAMBA (special agents) and the Secret Service plan. Checkbook says that most HMOs offer several months of coverage but are subject to plan approval and may involve rehabilitative needs—not simply care with daily living.

Checkbook's guide, which rates health plans according to the total amount you can expect to pay next year in premiums, deductibles and uncovered costs, is available at most newsstands for $8.95 or by mail ($10.95) from Checkbook-Health Insurors, 7420 St. NW, Suite 820, Washington, D.C. 20005.

People

Mary W. Noon is retiring from the Court of Veterans Appeals. She's secretary to Judge Hart T. Mankin. Her 33 years with the Court of Appeals and the Navy Department.

President Clinton will name Mary Elizabeth Jackstett, of Takoma Park, and Bonnie P. Castray, of California, as members of the Federal Service Impasses Panel.
The Senate's Different

From the news coverage of the last two weeks, you would think that the Congress of the United States is a unicameral legislature, with just one chamber—like Nebraska. So much attention has gone to the takeover of the House of Representatives by its first Republican majority in 40 years that the Senate has almost disappeared from view.

The phenomenon is understandable. The end of two generations of Democratic dominance is a dramatic story. Rep. Newt Gingrich (R-Ga.), who will be the new speaker of the House, supplies quotable and controversial comments almost every day. He is shaking up the power structure of the House as he prepares to enact the sweeping legislative changes promised by the House Republicans’ “Contract With America” during the first 100 days of work next winter.

But it would be a grave mistake to forget “the other body,” as protocol-minded representatives refer to the Senate. It will have every bit as much to say about what becomes law—and what doesn’t—in the next two years as does the House. We are about to witness a classic demonstration of what the Founders had in mind when they created a national legislature composed of two such different bodies.

The House was intended to be, and now will be, a rapid-response mechanism, carrying out the policies that reflect the momentary will of the majority as expressed in the most recent election. Most of the stuff in the “contract”—both legislation and constitutional amendments—will likely go whizzing through the House, in unadulterated form, so fast it will make your head spin. Term limits, a balanced-budget amendment, tough new measures on welfare and crime and a set of tax cuts will be brought to a vote pronto.

But the Senate will take its time, just as the Founders intended. Only one-third of its members were imprinted with the impulses of the 1994 electorate. The other two-thirds were elected in 1990 and 1992, when the voters were questioning policies pursued by Republican presidents for a decade and more.

Within the Senate, individual senators and small groups have far greater power than do minorities in the House to slow bills down or block them altogether—as the Republicans demonstrated to President Clinton during the past two years. The Senate Republicans will not hesitate to use those powers to force protracted debate on many of the bills sent over from the House.

Even more important than these institutional differences are the striking contrasts between the House and Senate Republicans. The House Republicans are far more fervent and far more united behind their neo-Reaganite agenda. By contrast, the Senate Republicans are more diverse, more prone to compromise—and more wary of radical experimentation.

More than half the Senate Republicans (30 of 53) but only one-fifth of House Republicans (45 of 230) were on Capitol Hill in 1981 for the first experiment in Reaganomics. Senate Republicans have a vivid memory of how the combination of tax cuts, spending increases and a deep recession exploded federal deficits and forced subsequent tax increases and efforts to apply spending caps. They learned a lesson in fiscal prudence they have not forgotten. Even if they favor tax cuts now, they want to be sure that the spending goes down first—and that the reductions are real, not phony.

Their leader, Sen. Bob Dole (R-Kan.), is a skeptic by nature, unwilling to buy anyone’s doctrine 100 percent. Everything he has said about the mix of policies to be enacted by Gingrich and his followers boils down to this: Cool your jets, kids; Rome wasn’t built in a year.

Where Gingrich has moved promptly to ensure that he will have ideological allies running almost every House committee, dumping seniority when necessary, Dole has said that “on the Senate side, the agenda’s going to be controlled by a consensus, by leadership working with committee chairmen.” Those chairmen include people who are much more moderate than the Senate GOP as a whole, let alone the House Republicans. Chairmen like Pete Domenici (Budget), Mark Hatfield (Appropriations), Bob Packwood (Finance), Nancy Landon Kassebaum (Labor and Human Resources) and John Chafee (Environment and Public Works) have their own views.

If Sen. Trent Lott (Miss.) wins his challenge to Sen. Alan Simpson (Wyo.) for the deputy leader’s job, under Dole, then Gingrich will have a close ally, from their days together in the House, in a strategic position in the Senate leadership. Especially if Dole goes off to campaign for the presidential nomination, Lott and others among the 15 Republican senators who served with Gingrich in the House could be a major force.

But under any plausible scenario, you can expect real tussles between Senate Republicans and House Republicans—just as we saw with the Democrats. And just as the Founders intended.
Robert J. Samuelson

Remember the League of Nations

You can liken next week's congressional vote on the Uruguay Round trade agreement to the debate decades ago on the League of Nations. In the end, this is less about trade than about how Americans see their role in the world and how other countries view our role. If Congress rejected the agreement, it would move America toward isolationism and handcuff presidents' ability to deal with other countries. It would be a foreign-policy calamity.

The analogy with the League of Nations must seem far-fetched to those who think the trade debate involves only export subsidies or the fear that global trade tribunals might gut U.S. health and safety regulations. After all, Congress's rejection of the league in 1920 was one of the pivotal events that, by largely withdrawing America from the world stage, ultimately led to World War II. But no one could then foresee the final consequences, just as no one can now. Disapproving the trade treaty would be a highly symbolic act. It would scare politicians of both parties from overseas commitments of all sorts.

At a minimum, American global leadership would be hamstrung. Foreign governments have long wondered whether they could trust the United States. Most international negotiations involve messy, unpopular compromises for everyone. Why make such deals with U.S. presidents if Congress later disowns the results? By second guessing, Congress deprives presidents of the flexibility to determine overriding U.S. interests, which are more, or less, important. (Indeed, Europeans are already furious because unilateral congressional action forced President Clinton to stop U.S. ships from enforcing the arms embargo against Bosnia.)

The trade agreement, in short, involves much more than trade. But even if it didn't, it would deserve approval. The economic gains, though speculative and often exaggerated, are still significant. A new study by Jeffrey Schott and Johanna Buurman of the Institute for International Economics in Washington estimates that U.S. gross domestic product would be about one percent higher in a decade under the agreement than without. This is a cautious estimate, but it implies nearly $70 billion in extra annual income — year in and year out — at today's prices.

Trade raises incomes because it enables a country to specialize in the products, technologies and industries where it is relatively most efficient. India's average tariff is overblown. Any trade agreement can internationalism after World War II and its aftermath, and to flourish, it requires self-restraint and mutual self-restraint.

Globd commerce cannot be wished away, and to flourish, it requires self-restraint and mutual self-restraint. Though imperfect, the new World Trade Organization (WTO). American textile and clothing companies would suffer. But these are poorly paying industries that have been retreating for decades before foreign competition. Between 1979 and 1993, the number of textile and clothing workers declined from 2.2 million to 1.6 million. Trade encourages a desirable shift from low-value to high-value industries. In 1995 clothing workers earned an average of only $7.10 an hour, nearly $4 below the average for all production workers.

As for lost sovereignty, the threat is overblown. Any trade agreement involves some surrender of sovereignty. By its nature, trade compromises national self-sufficiency. Consumer advocate Ralph Nader argues that WTO judges might find that some U.S. environment, health or safety regulations discriminate against imports and therefore violate the trade agreement. The United States would then have to modify the offending regulations or face trade penalties: say, higher tariffs on U.S. exports.

True. But the specter of the entire spectrum of U.S. regulations coming under siege is exaggerated. Most simply don't involve trade. More important, all advanced societies have similar regulations: If other nations attacked ours mercilessly, we could attack theirs. Mutual self-restraint seems likely. Nader rightly criticizes the secrecy of the WTO tribunals. The defect, though genuine, should not condemn the whole agreement. Global commerce cannot be wished away, and to flourish, it requires rules. Though imperfect, the new agreement advances those rules.

Every generation must come to terms with America's position in the world. This is now harder than at any time in the past half-century. American internationalism after World War II drew its strength from the Cold War, U.S. economic superiority and memories of failed isolationism. All these forces are now spent. The Cold War is over, the American economy (though still the world's largest) is no longer so dominant; and, except for the historians and retired diplomats — few Americans recall the isolationist interlude between the wars.

What remain are more ambiguous economic and security needs. The United States cannot disengage from world commerce nor wall itself off from global tides of technology, immigration and political forces. But the threats are less clear, and it's easier to indulge visions of self-sufficiency and isolationism. The visions are both beguiling and foolhardy. Congress should, by approving the treaty, reject them.
William Raspberry

It Doesn’t Work

The November elections were not a spasm of anti-incumbency fever, as whistleblapping the Republicans had me believing. They were a ringing repudiation of Democrats—of left-of-center politics in general and of President Clinton in particular. Were they also a ringing endorsement of conservatism as espoused by Newt Gingrich, the incoming speaker of the House? Maybe I’m a slow learner, but I don’t think so.

It has, after all, been just two years since disgruntled voters turned George Bush out of office in favor of Clinton and surely that wasn’t because they thought Clinton would be more conservative. They may well turn Clinton out of office two years hence, and it wouldn’t surprise me a lot if a fair number of the now-crowing Republicans were also shown the door.

So what were the voters saying on the eighth of November? From my vantage point, both inside the Beltway and in a scattering of towns across the South and West, it sounds very much like: it doesn’t work!

Government doesn’t work. It costs more (and becomes more intrusive) with every passing year, but hardly anywhere can it be said that it is performing better. The trash cans get bigger and the refuse-separation rules more onerous, but the streets and alleys aren’t any cleaner. Criminal justice costs keep going up—for police officers and judges and jail cells—but the neighborhoods aren’t safer. Schools become increasingly expensive and increasingly ineffective. Government doesn’t work.

It didn’t matter quite so much when there were external threats to keep us occupied. But with the leveling of the Berlin Wall and the dismantling of international communism, foreign policy seems to consist of a disconnected series of moral and military dilemmas. Somalia, Rwanda, Bouma, Ulster, Haiti, Cuba. All may be intensely interesting to argue about, but none makes much difference to what happens here at home.

The only foreign policy that does matter, in practical, life-affecting ways, is immigration. And here again, it doesn’t work. The federal government, speaking through the courts, says the states have to see to the education, healthcare and other needs of the illegal aliens within their borders. But although border security is a federal responsibility, the feds won’t help pay for the costs created by their own incompetence. California voters said overwhelmingly they think the government is wrong.

From environmental protection to affirmative action, from welfare to health care reform, a critical mass of Americans has decided that government can’t get it right—that it can’t do what it ought to do and can’t figure out what it shouldn’t even be trying to do. That, I believe, was the message to the beaten and bloody Democrats, and it was echoed by the Republicans: It doesn’t work.

And what is the message to the preening Republicans: Fix it.

I hope they can. I doubt they will. It’s so much easier to criticize what’s going wrong than to figure out how to make it right. When the people are unhappy with their government, almost any complaint against those in charge will win applause. But here’s the problem: Virtually everything the government does (apart from graft and corruption) has a sizable constituency. It follows that anything it stops doing will leave some electoral bloc desperately unhappy.

If the Republican Congress turns out to be as activist as early indications suggest, it should take only a few years for Democrats to cobble enough unhappy elements to return to power. Do they really imagine that a majority of Americans want to return to orphanages? That even a majority of Republicans want sectarian prayers in public schools? That it really is possible to cut taxes, increase spending and balance the budget? Which will solve nothing. The reason government doesn’t work is that the problems of America are mostly beyond government’s ability to fix. Crime and violence, welfare dependency, school failure, teen pregnancy—even the growing incivility of our dealings with one another—are not problems of inaccurately calibrated welfare payments or prison sentences or school reforms. They are in significant measure problems of attitude.

Newt Gingrich and company can’t fix that. They might make it a good deal worse.

For the Record

From a statement yesterday by Slobodan Pavlovic, Washington correspondent of the Bolsevika, a Belgrade independent daily, on behalf of the newspaper’s publishers and staff:

I wish to inform you about an unprecedented attack on the daily newspaper Borba from Belgrade by the [Slobodan] Milosevic regime with the purpose of strangling the leading independent newspaper in the rump Yugoslavia.

In July this year, the state of Yugoslavia via filed its first charges through the district court of Belgrade against Borba, charging that our newspaper had been illegally registered in September 1991 as a private company. That charge was contradictory in itself. First, because the legally prescribed time for eventual appeal against Borba’s registration had long expired, second, due to the fact that the state of Yugoslavia owned 17 percent of Borba’s shares and, third, a government representative participated in the work of all the 27 sessions held by Borba’s executive board during the last three years.

As it was evident that there is no case based on those charges, the Milosevic regime changed its tactic and, at the end of October 1994, requested the court to nationalize Borba with the explanation that it had never been registered as a private company with the court of Belgrade. The very same court that registered Borba D.D. as a stock company in the court register on Sept. 5, 1992, canceled that same registration on Nov. 8, 1994, at the request of the government, proclaiming void the contract of Borba’s privatization and reorganization as a stock company.

Borba’s executive board is going to appeal this decision, and in the last couple of days our newspaper has been contacted by over 30 attorneys prepared to defend the leading independent Yugoslav daily from the authoritarian regime of Milosevic.

WEDNESDAY, NOVEMBER 23, 1994 THE WASHINGTON POST
Some political participants and observers in the District apparently are rationalizing that the District is bound to win against substantial congressional action because: (a) reluctance of party leadership, no Congress wants the headache of municipal management; (b) regardless of party leadership, no Congress will allow the District to have control over a potential national and international embarrassment; and (c) the new Republican Congress will not risk a negative media campaign against federal intervention. They have calculated that Congress will not go back up on talk because of polarizing political images.

It is while it is certainly true home rule is mutually beneficial, at least in part, because Congress is relieved of the burden of local governance, it is important to remember that Congress has only absolutely minimal identity. The responsibility for the nation's capital remains with Congress. At least Congress does not have the authority to check everything. Congress must be sure responsibilities will be met.

Some members are already thinking about checking the record. I have long maintained that the District will need some $1 billion infusion of cash this year. It may not be possible that Congress will give the District more time and money without making corrections. The need for the District to demonstrate that level needs to be at least tripled. Yet the council still has not enacted the necessary changes. Given the federal time and money already invested in the District, it is foolishly for any local politician to believe Congress will take this approach the third time around.

Some District officials might consider a political strategy based on pressure from residents and the media to prevent Congress from further intervention. This would be an unfortunate diversion from what should be everyone's primary objective—preventing plutonium production apparatus—the reactors or reprocessing plant (the latter isn't named in the documents)—from ever being used. This could be 10 years from now—or never. As for a prohibiting plutonium production and reprocessing plant, the text is silent. These matters may be covered in a separate agreement, but if they are, why is that not public?

The agreement also is vague about cause—will or can the District facilitate the LWR transfer, the administration has agreed, "as necessary," to conclude with North Korea a bilateral agreement for cooperation in the field of peaceful uses of nuclear energy. How can that happen is unclear, for that is a specific type of agreement covered by the strict standards of the U.S. Atomic Energy Act. To be eligible, a nonmilitary state (which we hope North Korea still is) must allow the IAEA to inspect all of its nuclear activities. Yet, the Oct 21 agreement North Koreans will not have to allow IAEA inspectors back in the country. To let the International Atomic Energy Agency (IAEA) inspectors back in Korea is a separate and even more critical issue.

One thing is clear: We will be directly engaged with the North Koreans—perhaps during our lifetimes. If the United States tries to influence North Korean behavior by having our military or economic leverage behind the South Koreans and Japanese, who will be financing and building most of the LWR project. The Oct 21 agreement stipulates that the United States will "organize" and "lead" the reprocessing plant and supply the LWR project and "serve as the principal point of contact with North Korea for this purpose." All potential disputes about the project— including technical matters—will be political issues between the United States and the North Koreans. At best, this will involve full-time negotiation. When Bush comes to us to solicit the final concern: how would the agreement be enforced. What do we do if North Korea decides to keep its spent fuel rods, as the agreement stipulates, until the second LWR is built? If we break off the agreement, North Korea could keep building the second LWR and perhaps even finish building the two frozen reactors. To avoid this, we will be under tremendous pressure to keep building the second LWR.

Victor Gilinsky is a former U.S. Nuclear Regulatory commissioner. Henry Sokolski is executive director of the Nonproliferation Policy Education Center and served as staff assistant in the Carter administration.

Wednesday, November 23, 1994 The Washington Post • 689
The Gored Oxen

ONE OF THE most comical aspects of politics concerns how high principles about procedural fairness can evaporate when circumstances change. There could be much such comedy in the new Congress as Democrats and Republicans change roles.

In the House, Newt Gingrich's Republicans have assembled a series of reform measures that grew from their experience as frustrated members of what seemed a permanent opposition. They rightly criticized Democratic House leaders for closing off Republican amendments to important bills. Now Mr. Gingrich pledges to change that, even though doing so would let the now-minority Democrats challenge Gingrich would let the now-minority Democrats challenge the most unpopular of the Republican majority's proposals. Republicans have also long been in favor of the line-item veto, which would let the president excuse particular parts of spending bills he found offensive. Republicans liked this when the Democrats in Congress were responsible for writing the spending bills, since they presumed that Republican presidents would cut out what Republicans saw as "fool." Now the line-item veto would empower a Democratic president facing a Republican Congress.

In the Senate, the problem is different. Senate rules permit essentially unlimited debate. It takes 60 votes to shut the talking down. That means even an overwhelming majority. In the last Congress, the Democrats were critical of Republican senators can block a bill and frustrate the will of even an overwhelming majority. In the last Congress, the Democrats were critical of Republican abuse of the filibuster. But now the procedural shoe is on the other foot. It's the Democratic minority that is likely to want to block many Republican measures. Will Democrats keep saying the filibuster is a bad thing? To his credit, one Democrat, Sen. Tom Harkin of Iowa, has done so. He proposes that the two parties agree to new rules. Mr. Harkin would still let the minority slow down consideration of controversial measures, but he doesn't think the minority should ultimately frustrate the majority's will.

It is not even necessary to get to the question of whether the filibuster rule itself should be eliminated to believe that there has been too much abuse of the filibuster in the Senate. The same can be said of the closed rule in the House. We hope Mr. Gingrich sticks to his promise of opening up the House, even if that might sometimes inconvenience his party. Similarly in the Senate, we hope both parties can find a more reasonable accommodation between minority rights and majority rule. Going to the brink every time, on every issue, is not the way a democracy is supposed to work.

Obstacle in the Mideast Road

A NEW obstacle has been put in the road to Middle East peace by—you guessed it—Sen. Jesse Helms. It concerns the torturous quest for agreement between Israel and Syria. To bring along an apprehensive public, Israel's Labor government hopes for American participation in an eventual peace-keeping presence on the Golan Heights. But the Likud opposition seems now to have enlisted, or at least harassed, the expected new Republican chairman of the Senate Foreign Relations Committee in opposition to putting GIs on the Golan.

You don't have to be Likud to ask about putting American soldiers into a Golan that is quite different, in its physical features and in the quality of the neighborhood, from the Sinai, where American soldiers have quietly reinforced Israeli-Egyptian peace for 15 years. What are the risks of Americans being shot at? What would happen if Israel were attacked or itself felt driven to wage preemptive war?

You do have to be Likud, however, to want to use the GIs-in-Golan issue to pry Labor out of power. This is what is going on in Israel's contentious democracy now. Likud finds Syria an unreliable partner in peace; it rejects the peace-for-territory exchange that Labor is pursuing, preferring to hold the territory. Likud also takes the doctrine of self-reliance to a place that discounts American reliability as a protector as well.

Israel, engaged in issues touching the life and death of the nation, is torn. It is apparent, however, that while Labor has a risky plan for peace, Likud has no plan at all—only an instinct to be strong. The United States is a friend to Israel regardless of what party Israeli voters choose. But American friendship for Israel and the American interest in regional stability compel Washington to stay behind Labor, Israel's party of peace. An American politician should not be casually lending support to a tactic of Israel's party of confrontation.

In fact, peace talks drag on the crucial Israeli-Palestinian front. Palestinian terrorist attacks have slowed Israel's delivery on its Oslo pledges to redeploy troops, extend Palestinian self-rule and move to Palestinian elections. The resulting surge of FLO Chairman Yasser Arafat's extremist rivals has produced intra-Palestinian clashes that in turn demonstrate Mr. Arafat's good faith to Israel but increase his need for Israeli responses that will let him show that peace benefits Palestinians, too. This is the tricky terrain on which Sen. Helms incautiously treads.
Mr. Curry's Tax Message

ONLy DAYS after his election as the next county executive in Prince George's, Md., Wayne Curry has thrown more than a few taxpayers for a loop with his request for authority to raise property taxes. But before any rebels storm Upper Marlboro, it may help to know what led to such a seemingly suicidal political move—and why it happened so fast.

Mr. Curry is not saying—at this point, at least—that he is going to raise property taxes. What prompted his swift call was an unrealistic deadline imposed on him by the county's legislative delegation to the House of Delegates, headed by Del. Pauline H. Menes. Mr. Curry, elected on Nov. 8, was told that any legislative request he had for the session had to be submitted by Nov. 14—six days after his election.

If you're looking at a financial shortfall for the fiscal year after this one, you might well decide to keep all options open—no matter how unreasonable the deadline for deciding. And if you're just elected to a four-year term, you can at least talk about the worst options even if you never exercise them. Like counterparts in urban/suburban areas across the country, Mr. Curry is looking at a projected shortfall of tens of millions of dollars in the 1995-96 budget. He is also looking at an established ceiling on the property tax rate—TRIM (Tax Reform Initiative by Marylanders), originally a cap on the amount the county could collect in property taxes, was modified 10 years ago and now limits the tax rate to a maximum of $2.40 per $100 of assessed value. But now the county's assessable tax base is getting smaller as real estate prices flatten out or decline. At the same property tax rate, the county may collect less in taxes for fiscal 1996 than it anticipates collecting in the current fiscal year. Even though taxpayers have been fierce in their defense of TRIM, some possible adjustment merely to keep tax bills the same might deserve consideration.

But Mr. Curry is not yet advocating such a move. Nor should he until all necessary cuts in spending are made. If residents want to spend $10 million to hire 200 police officers as well as more money on public schools—two Curry campaign promises—what cuts should be made to offset the costs?

Those are the tough calls. As Mr. Curry has said, "My objective is to trim government and cut the fat out. But I was not elected to preside over the dismantling of the school system or the rampant spread of crime." There's the dilemma of elected executives throughout the region—not one of whom was ever elected on a pledge to raise taxes.

A Challenge to the Virginia GOP

THREE ENTERPRISING law students at the University of Virginia have filed a suit challenging the Republican Party's method of nominating candidates in that state. They have not been successful so far, but recently the U.S. Supreme Court indicated that the questions raised by the students are not frivolous. The justices have not yet agreed to hear an appeal, but they have asked the Justice Department to submit advisory opinions on whether the appeal has merit. That's an encouraging sign for the petitioners.

Virginia Republicans don't hold a primary to select candidates; they have a convention. A huge convention. The meeting is, in fact, open to anyone who signs a pledge to support the nominee chosen and pays a $45 fee to become a delegate. It is common practice for candidates vying for the nomination to promise reimbursement of the filing fee to any delegate who delivers his vote. As a result, the conventions are enormous, and candidates with deep pockets have an advantage when it comes to getting their own people to the meeting.

The three students, who sought to become delegates to the convention that nominated Oliver North, were stymied by the fee requirement and sued, alleging that the system violates the federal Voting Rights Act by exacting what is in effect a poll tax. They also said the convention procedure was invalid because the party did not clear this with the Department of Justice before it was adopted.

A three-judge district court in Charlottesville ruled that it did not have jurisdiction over some of the questions raised in the suit. But on the two most important, the judges found that pre-clearance was only required for changes involving elections, as opposed to conventions, and that private individuals have no standing to sue on the poll tax question. While there is some precedent to support these decisions, the Supreme Court has not yet ruled definitively on the specific matters raised here. The court should take this case to clarify the Voting Rights Act and alert Congress to possible problems that, without a voluntary change in the system, can only be fixed by legislation.

Parties are generally given wide latitude to devise a method for choosing their own candidates. But there must be a way to do so that does not deter poor people or place them in a position where they can be, in effect, purchased by the men and women seeking their support.
Cor Masters Barry, who is running her husband's inauguration, says the festivities will be alcohol-free. She said at an inaugural news conference this week, "We're not going to buy it, we're not going to serve it." Marion Barry admitted to a marijuana addiction in a cocaine case and subsequent jail sentence, on a cocaine charge. He says he is now drug- and alcohol-free.

For the first time since a gunman opened fire on the White House Oct. 29, President Clinton hit the streets for a jog early yesterday. Clinton, who usually walks three to five miles, ran only two near the Lincoln Memorial and then headed home for breakfast with Vice President Gore.

Sen. Ted Kennedy and his wife, Vicki, made a sad visit to Arlington National Cemetery yesterday to pay their respects at the grave of John F. Kennedy on the 31st anniversary of his assassination.

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STOCKS PLUNGED as worries intensified over a slowing economy and rising interest rates. The Dow Jones Industrial Average fell 91.52, or 2.4%, to 3767.89, bringing its two-day loss to 137.27 points. Among broader averages, Standard & Poor's 500-stock index skidded 8.21, or 1.79%, to 456.09. The Nasdaq Composite Index tumbled 16.53, or 2.2%, to 741.21. Bonds rose.

Tokyo stocks retreated, with the Nikkei index closing below the 19000 level for the first time since February. Hong Kong shares fell 3.8%.

Contingent Cablevision agreed to acquire Providence Journal Co.'s cable systems in a deal valued at $1.4 billion and plans to take the combined company public next year. The combined operation would be the nation's third-largest cable-TV operator.

Disney disclosed that it has spent nearly $1 billion since May to buy shares of its common stock. The board voted Monday to extend the program, authorizing the repurchase of another 90 million shares. Disney also reported record fourth-quarter earnings.

Casual-dining chain stocks skidded on news that Brinker International, an industry leader, expects profit to fall short of analysts' projections due to weak sales. Brinker's stock fell 17%. Stocks:

Union Bank of Switzerland, in close vote, won the support of shareholders against a move by dissidents to guide the way the bank is run.

Thrift regulators adopted rules to curb windfalls collected by, insiders when depositors-owned thrifts convert to stockholder-owned institutions.

The SEC's chief accountant, Walter P. Schuetze, will leave the agency within six months, a spokesman said. Markets:

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Bonds: Lehman Brothers Treasury index 4981.81, up 50.31. Commodities: Oil $17.82 a barrel, up 26. Dow Jones futures index 151.25, off 0.48; spot index 143.12, off 0.04. Dollar: 63.30 yen, off 0.08; 1.5530 marks, up 0.0025.

GDP LAWMAKERS pledged to give Republican governors a bigger policy role. Senate Republican leader Dole told a meeting of the governors that the first bill he introduces in the new Congress will be aimed at ending unfunded federal mandates on the states, and he pledged to try to balance the federal budget without shifting burdens to state officials. But the GOP congressional leaders also warned that new austerity policies will mean the loss of billions of dollars in federal funds for state programs. GOP leaders also warned that new austerity policies will mean the loss of billions of dollars in federal funds for state programs.

The world trade accord could collapse next Thursday in a Senate showdown vote when the lame-duck Congress returns. Yes­ terday, Byrd of West Virginia, the Senate's most senior Democrat, joined Republican conservatives in urging postponement of a congressional vote on GATT until next year.

Clinton rejected Sen. Dole's call to link GATT support to a cut in the capital-gains tax. But the president said he is encouraged by work with the senator on substantive issues surrounding the pact.

Sen. Helms stirred a furor by saying Clinton didn't have a "bodyguard" if he visits North Carolina. The remark by the conservative Republican, who is in line to head the Senate Foreign Relations Commit­tee, prompted a Secret Service inquiry and a rebuke from Clinton and other Democrats.

Labor Secretary Reich challenged Re­publicans to match their call for changes in welfare programs with an overhaul of business tax credits that he termed "the most important tax cut since the death rate welfare." President Clinton later told reporters he hadn't reviewed specifics of Reich's proposal, saying "Conceptually, it is an attractive idea."
CHANGING GUARD: Phillip D. Moseley will be the new chief of staff of the House Ways and Means Committee next year when the Republicans take over. Mr. Moseley, 45, has been the committee's minority chief of staff for the past six years. Janice Mays now is the committee's staff director.

GEORGIA is trying to give money away. Its revenue department says the post office sent back 1,156 tax-refund checks as "undeliverable." The checks range in size from $1 to $12,394.

TAXES REPRESENT the largest component of the typical family's budget, says the Tax Foundation in Washington. It says the total bite of all federal, state and local taxes is "even greater than expenditures for housing, food and clothing combined."

HOME-SALE LOSSES would be deductible if Rep. Archer gets his way. Suppose a family sells its first home this year for $25,000 less than it paid several years ago and moves into a rental. Under current law, the family can't deduct the loss. Unfair, say Republican lawmakers, including Rep. Archer. He plans to fight for legislation that would generally allow taxpayers who lose money on a principal residence to treat it as a capital loss.

Under current law, capital losses may be used to offset capital gains. If a taxpayer has no capital gains, or if losses exceed gains, those losses may be used to offset up to $3,000 of ordinary income each year. Any excess losses may be carried over into future years.

But Julian Block, a Larchmont, N.Y., lawyer, says questions remain, such as the effective date. Ways and Means staffers say this and other details are under study.

Andre Fogarasi of Arthur Andersen in Washington says this idea stands "a good chance" of passing as part of a capital-gains cut.

BRIEFS: Tax humor? Former Treasury tax official Edwin S. Cohen titles his 74-page autobiography: "A Lawyer's Life Deep in the Heart of Taxes." Congressional maverick: Rep. Archer says he prepares his own income-tax return. . . . John Young, former Hewlett-Packard chief executive, says he would like to do his own return but now totals over 50 pages and "got beyond my competence long ago."

—TOM HERMAN
GOP Budget Plans May Trim Funding To States, Leaders Say

Continued From Page A17
now control both houses of Congress and
governors who have expressed deep worries
about the proposed new balanced-budget amend­
ment, fretting that the easiest way to meet
its demands might be to shift costs out of
Washington and to the states.

Sen. Dole said that in a private meeting
between the congressional leaders and
GOP governors "we have gotten the mes­sage from the governors' on balanced­
budget worries.

And Rep. John Kasich of Ohio, who will
be chairman of the House Budget Commit­
te, also tried to reassure the governors,
insisting that budget cuts wouldn't have to be
as Draconian as some think and that they
could include cuts in the big federal
Medicare program, not just the social
security system.

"We can make a difference if we work

He warned that there is a potentially
big price to pay if Republicans, who will
Please Turn to Page A5, Column 3

GOP Leaders Say Governors' Demands For More Freedom May Come at a Price

By GERALD F. SEIB

WASHINGTON — Republican congres­
sional leaders pledged to give GOP gover­
nors and their states more freedom and a
bigger voice in government affairs, but
warned it will come at a price.

Speaking at a meeting of Republican
governors, Senate Republican leader Rob­
tert Dole of Kansas promised that the first
bill he introduces in the new Congress will
be designed to end unfunded federal mand­
dates on the states, and he pledged to try to
balance the federal budget without shifting
burdens to them.

The Republican governors, who picked
up 11 seats in this month's election, have
been clamoring at their meeting in Wil­
lburg, Va., this week for just such
assurances from Washington.

But other GOP congressional leaders
promptly poured cold water on any notion
that downsizing and austerity by the new
Republican majority in Congress will be
painless for the states. Sen. Bob Packwood
of Oregon, who will become head of the
Finance Committee when Republicans
take over the Senate in January, warned the
governors that balancing the budget could
mean lopping billions out of the
guaranteed federal grants states use to finance such items as
housing, education, highways and Medic­
aid health care for the poor.

Sen. Packwood agreed that Congress
can give states the freedom to
handle more programs on their own, with­
out federal strings. But he warned that
also will mean an end to federal funds that
sometimes finance those programs.

Indeed, Sen. Packwood said that if big
and popular entitlements such as Social
Security and Medicare are to escape the
balanced budget drive, "then the only way
we get there is to start reducing and then
eliminating the biggest grants we now give
to the states that are mandates."

And Sen. Pete Domenici of New Mex­
ico, who will run the Budget Committee,
flatly told the governors that the task of
balancing the budget over the next seven
years is so daunting that "we cannot do
this job alone. Impossible."

Still, despite the problems. Sen. Pack­
wood predicted that a balanced-budget
amendment would be passed by Congress
quickly next year and could be ratified by
the required two-thirds of the states not
long after that. And Rep. Newt Gingrich of
Georgia, who will be the next House
speaker, tried to paint a more optimistic
picture of the ripple effects of a balanced-
budget amendment, arguing that strict
discipline and significant changes in the
structure of programs such as Medicaid
can bring the budget into balance by the
target year of 2002.

Overall, the message the congressional
leaders tried to deliver, particularly Sen.
Dole and Rep. Gingrich, was that the new
Congress will work closely with governors
and allow them to assume more control of
their own fates. "We can't be here . . .
saying we won, now we're going to have
Republican micromanagement from
Washington to replace Democratic micro­
management," Rep. Gingrich told the gov­
ers.

"We can make a difference if we work
it together," Sen. Dole said.

Please Turn to Page A5, Column 3

Labor Department officials described
the speech, to the centrist Democratic
Leadership Council, as an effort by Mr.
Reich to draw a line in the sand between
the Republicans' plan for the states and the
Clinton administration hopes to protect parts of its investment program
such as worker retraining.

President Clinton told a briefing yester­
day that he finds "attractive" the council's concept of "further budget cuts, phasing
out various tax subsidies and then using
that money to finance a middle-class tax
cut as well as further investments in
education." But he said he has "made
absolutely no decision about any of the
specifics in Secretary Reich's proposal."
Banks Keep Easing Terms On Loans to Businesses

By A WALL STREET JOURNAL Staff Reporter

WASHINGTON — Banks have continued to ease terms and standards on loans to businesses in recent weeks as the demand for business credit has grown, according to a Federal Reserve survey.

A “significant number” of loan officers said they eased credit standards for business loans. About one-fifth reported easing for large firms, while slightly fewer said they eased for midsize and small firms. The survey covered loan officers at 57 domestic commercial banks and 24 U.S. branches of foreign banks.

The easing of terms for business lending was attributed, in part, to heightened competition for business customers among bank and nonbank lenders, as well as by “the improved economic outlook,” the survey said.

While standards were eased on business loans, standards for commercial real-estate loans stayed even, the survey found. The survey also showed that demand for home mortgages and consumer credit has slowed since August.

THE WALL STREET JOURNAL WEDNESDAY, NOVEMBER 21, 1990
U.S. Court Upholds Ban on Gays
In Military, Reversing '93 Ruling

By WADE LAMBERT
Staff Reporter of THE WALL STREET JOURNAL

The federal appeals court in Washington, D.C., in a closely watched case of Joseph Steffan, a U.S. Naval Academy honor student who was expelled in 1995 after acknowledging that he was gay, ruled in September that the government's policy of banning homosexuals from military service was constitutional. "We had seen steady progress in courts recognizing the right to serve in the military," said Kevin Cathcart, executive director of the Lambda Legal Defense and Education Fund. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct.

The court decision in the military case of Joseph Steffan, a U.S. Naval Academy honor student who was expelled in 1995 after acknowledging that he was gay, ruled in September that the government's policy of banning homosexuals from military service was constitutional. "We had seen steady progress in courts recognizing the right to serve in the military," said Kevin Cathcart, executive director of the Lambda Legal Defense and Education Fund. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct.

The latest ruling also is a strong boost toward the idea of using sexual orientation secrets. "The appropriate question, it seems to me, is whether banning those who admit to engaging in homosexual conduct," the court said. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

AZT Patent Ruling

In a ruling that could mean AIDS patients will have to pay licensed fees for AZT, a federal appeals court upheld most of a ruling that awarded Burroughs Wellcome Co. exclusive patents for the drug.

The U.S. Court of Appeals for the Federal Circuit in Washington, D.C., the country's most important patent court, ruled that Burroughs was the sole inventor for five of the six patents it holds simply because it conceived of the idea of using AZT on AIDS patients before learning the results of early tests. The same determination couldn't be made for the sixth patent, which covered the drug's use for treating cancer.

The court said it's "premature to assume that a member of a group rather than for any alleged conduct."

The decision also rejected the argument that Mr. Steffan was being punished for who he is rather than what he does. The military, Mr. Downey said, has a "hard line" policy on who can serve in the military. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

Disagreeing with its colleagues on the 10th Circuit Court of Appeals in San Francisco said it's "improper to assume that a member of a certain group, such as gays, cannot hold a position that sees gay service members who say they are gay can be presumed to be likely to engage in banned conduct." "The appropriate question, it seems to me, is whether banning those who admit to engaging in homosexual conduct," the court said. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

"We had seen steady progress in courts recognizing the right to serve in the military," said Kevin Cathcart, executive director of the Lambda Legal Defense and Education Fund. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

"It has, we believe, no place in our national traditions, which spring from a profound respect for the freedom to think and to say what one chooses and to announce it to the world," said Maj. Tom Schultz, a spokesman for the Department of Defense. "The DOD is without a doubt, according to the appeals court added that lawyers for the military haven't reviewed the ruling to determine what impact it might have beyond the Steffan case.

Steffan v. Pepper, Secretary of U.S. Court of Appeals for the District of Columbia Circuit, D.C., 95-1509.

Lawyers for Burroughs and company executives couldn't be reached for comment. Burroughs President Bruce Downey expressed disappointment and said the company would study the opinion before deciding what to do. Mr. Downey said he was "surprised the public's interest is being raised" in the issue and was "encouraged" by the court's ruling.

Information about the Whitewater affair is "pertinent" to the Whitewater investigation. "The prior restraint on speech that is prohibited," the court said, "is unprecedented in my personal experience."

"The problem is that the military's reason for discharging Mr. Steffan was being punished for who he is rather than what he does. The military, Mr. Downey said, has a "hard line" policy on who can serve in the military. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

More than a year has passed since Burroughs' unit of Wellcome PLC. was the exclusive patent holder. The two generic companies - Barr Laboratories Inc. and Novopharm Inc. - had argued that Burroughs should share its patent rights because tests by the National Institutes of Health demonstrated the drug's potential to the development of the drug. (N.H. authorized Barr to litigate its rights in the AZT patents in exchange for a portion of the drug's proceeds, but later revoked that decision.)

"We did not mean to suggest that banning those who admit to engaging in homosexual conduct," the court said. "The military may reason that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct."

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World Trade Pact Limps Toward a Showdown,
Brusied by Talk Radio, Sovereignty Issue, Politics

BY HELENT COOPER
AND JOHN HARWOOD
STAFF REPORTERS OF THE WALL STREET JOURNAL

WASHINGTON — In a tiny television studio off the halls of Union Station, conservative commentator Paul Weyrich is nestled before the camera, taking phone calls about the world trade pact.

The first caller, from Jackson, Wyo., wants to know, “Don’t these people in Washington read the 22,000-page trade pact, which critics maintain is rife with hidden threats to U.S. sovereignty? A caller from Flatwoods, Ky., notes that "Haiti will have the same vote as the U.S."" And from Los Angeles, a caller sounds more apocalyptic, "I witnessed the tail end of the British empire going under, and I want to see this country going the same way."

The massive world trade agreement, negotiated for some seven years under three U.S. administrations and by 117 countries, wasn’t expected to rouse such passionate opposition in the U.S. Yet the pact, negotiated under the aegis of the General Agreement on Tariffs and Trade, now could collapse next Thursday in a Senate showdown, after being subject to a lame-duck Congress's returns—and for reasons that no one would have predicted just a year ago.

Ironically, it is free-trade Republicans who are holding up GATT. The mammoth shake-up following the G.O.P.'s electoral victories has two potential GOP presidential candidates, Sens. Robert Dole of Kansas and Phil Gramm of Texas, jockeying with each other—and against President Clinton—to position themselves for 1996, with the highest of stakes captured in the past. Yesterday Mr. Clinton rejected Sen. Dole’s call to link GATT support to a cut in the capital-gains tax, but said he is encouraged by work with the senator on substantive issues surrounding the pact. Meanwhile, Democratic Sen. Robert Byrd of West Virginia, a GATT foe, joined some Republican critics in urging that a vote be put off until next year.

But GATT is in trouble for other reasons that border on the bizarre: Corporate America, long considered the influence machine when it comes to trade legislation, has become disarmingly ineffective in its ability to move the GATT agenda forward. And, perhaps most significantly, a high degree of support for the pact today stems from the conservative right to kill the pact has left many politicians scurrying away from any sign of overt support for GATT.

"The noise," concedes incoming House Majority Leader Richard Armey of Texas, "is on the side of the protectionists. Mr. Dole tells of receiving thousands of phone calls from people opposed to the pact. Mr. Weyrich fielded some 11,000 calls—most of them opposed to the GATT agreement—last month alone, his spokesman says. Indeed, GATT has been raging on talk radio" says Pat Choate, a trade analyst allied with textile chieftain Roger Milliken, who is opposed to the pact.

For both the U.S. economy and international trade, the stakes could be higher. Failure to achieve an agreement, many economists say, could bring anarchy to world commerce. Countries would retreat into regional trading blocs and the old trade restrictions would stay in place. Expected tariff reductions billed by the U.S. as "the world's biggest tax cut" wouldn’t take hold. And in President Clinton, Bush could be his last chance to salvage global leadership from the wreckage of this month's elections.

The trade pact apparently faces little trouble in the House, where departing Democratic Speaker Thomas Foley and incoming Republican Newt Gingrich have pledged to produce a bipartisan majority for GATT. But in the Senate, a mere majority isn’t enough; because of arcane budget rules, GATT won’t pass unless at least 60 senators say yes. And the battle is expected to be fierce because of the rivalry between Messrs. Dole and Gramm has given GATT a political resonance that goes far beyond free trade.

Mr. Dole’s financial base tilts heavily toward corporate interests, and he has always been regarded warily by the Republican right. He has withheld judgment on GATT as criticism from such disparate voices as Ross Perot, Phyllis Schlafly and Richard Viguerie has generated a barrage of some 2,000 phone calls to his offices every day. His rival, Mr. Gramm, who must excite grass-roots support to meet his goal of raising some $20 million over the next year, has also remained undecided despite a record of unqualified support for free trade.

The web of issues that has frozen them ranges beyond free trade to powerful themes of national independence and sovereignty. The bureaucratic blueprint for the World Trade Organization, created by the trade pact to settle disputes between member nations, remains unknown to the overwhelming majority of Americans. But it has become very well-known among the conservative activists who have launched a massive call-in campaign to link GATT support to a capital-gains tax cut. "That’s us," says a gleeful Bruce Warnick, the self-employed insurance salesman who is head of the Anti-GATT Coalition in Wisconsin. Kan. Mr. Warnick, who began tracking phone calls to his office last year after listening to Mr. Perot during the debate on the North American Free Trade Agreement says he organized 100 volunteers to take some 10,000 phone calls to Mr. Dole’s office since the summer. "We kept his phone lines busy," Mr. Warnick says, chuckling.

In contrast to such activists, "there’s been a certain apathy" among business supporters of GATT, White House Chief of Staff Leon Panetta told a gathering of Washington bureau chiefs, and "we’ve paid a price for that." This is happening even though most big businesses favor the pact. Some traditional opponents of trade legislation, such as the steel industry, have expressed support. Ditto for chemical companies and software manufacturers, even farmers.

Yet businesses themselves spent too much time quarreling among each other over the details of the legislation, at the expense of pushing the trade bill itself, some trade analysts say. "Obviously, we don’t control everything," says Robert McNell, executive vice chairman with the Emergency Committee for American Trade, a coalition of exporting companies. "If we did, the damn thing would have been passed a long time ago."

But for Messrs. Dole and Gramm there is a danger in appearing to pander to potential nominating constituencies in opposition to their own principles and the nation’s economic self-interest. political analysts say. What’s more, they say, Mr. Dole’s last-minute decision to link his support of GATT to a capital-gains tax cut may backfire. Last night, the Senate majority leader’s office appeared anxious to reach some resolution on its difference with Mr. Clinton before Mr. Dole travels to Europe this weekend.

"You can play politics on the small issues sometimes and get away with it, but not the big ones," says Mr. McNell. "It’s not just about saving the world trade pact, it’s about changing the rules of the world trade system. It would be the fundamentally wrong thing. The party would know it, and the country would know it."

—David Rogers contributed to this article.
Special Forces Play a Key Role in Haiti

As U.S. Halves Its Troop Strength There

By John J. Fialka

Washington, D.C., Fayetteville, N.C.

Compared to them, right now Haiti is pretty darned safe.

To understand why he says so, one only has to visit Belladere, a market town of 20,000 people near the Dominican Republic border. The Special Forces stay began here when helicopters dropped Chief Warrant Officer Danny Averitt and his 15-man team before its yellow, fortress-like Haitian army headquarters in mid-October. The 100 soldiers on duty promptly surrendered.

This gave the GIs instant popul arity, and for several nights townsmen serenaded them with songs. It was like magic from the sky," exclaims one happy villager. "They can do many miracles."

Belladere could use some miracles. Its power, water and telephone systems are in disrepair. The road from the capital was washed out five years ago. Mayor Stenio Francois, complains that Port-au-Prince is not safe enough for that to happen.

"Then we will have peace,'" he says. But if Belladere gains fair courts, honest police and a functioning economy, Mayor Francois hopes the attaches will go everywhere or even take legitimate jobs.

Then there is the matter of the thuggish attaches, believed to be hiding just across the border. "That's the way the system works; when they do something bad they go to the Dominican Republic. When the system goes back to normal, they will come back," says the mayor.

But if Belladere gains fair courts, honest police and a functioning economy, Mayor Francois hopes the attaches will go elsewhere or even take legitimate jobs.

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Thrift Regulators Adopt Rules to Curb Insider Profit in Ownership Conversions

By ALBERT R. KARR
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON - The government's thrift regulators adopted rules aimed at curbing windfalls collected by insiders when depositor-owned thrifts convert to stockholder-owned institutions.

The final rules are essentially the same as interim ones adopted by the Office of Thrift Supervision and the Federal Deposit Insurance Corp. this year. The agencies acted amid controversy regarding substantial stock profits collected by some thrift managers as their institutions switched to stockholder control. "They've knocked out the worst of the abuses," said Bert Ely, a banking consultant based in Alexandria, Va.

The only substantial changes from the interim rules involved the treatment of local depositors when conversions occur. The OTS regulations would let converting institutions decide whether to give local depositors a preference in buying stock. The OTS previously required such a preference to be given to local depositors.

The final rules include provisions that:

- Specify appraisal standards and procedures designed to prevent a thrift's insiders or others from realizing quick windfall profits by letting them buy the stock at an unrealistically low initial offering price.
- Bar "running proxies," which are obtained from depositors when they open accounts and are to be voted later in favor of proposed conversions.
- Give preference to depositors for purchase of the new stock. Institutions are free to decide whether to give additional preference to depositors in their own areas.
- Limit conversions that occur through mergers with other financial institutions or acquisition by holding companies. Such conversions in the past have led to numerous abuses, the agencies said. The OTS will allow merger conversions only for thrifts in financial trouble, while the FDIC said such proposed transactions will have to meet strict requirements.
- Require a business plan showing how capital acquired in a conversion will be used, and what earnings are expected after conversion.

The OTS regulates most federally and state-chartered thrifts, while the FDIC regulates certain other state-chartered thrifts.

U.S. Reserve Assets Rise to $78.17 Billion

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON - U.S. official reserve assets rose $1.64 billion in October to $78.17 billion, the Treasury said.

Holdings of foreign currencies increased from September to $44.69 billion, while the gold stock was down $1 million to $131.90 billion. U.S. holdings of special drawing rights at the International Monetary Fund rose $17 million to $16.09 billion, and the country's reserve position at the IMF - its ability to draw foreign currencies - rose $727 million to $12.31 billion.
Stocks Plunge 91.52 on Worries Over Rates

Tuesday's Markets

By DAVID KANSAS
Staff Reporter of The Wall Street Journal

The Dow Jones Industrial Average plummeted 91.52 points, driven by increasing worries about a slowing economy and rising interest rates. The bond market edged higher, and the dollar was lower.

The stock market came under widespread, with all major indexes suffering big losses. The industrial average fell 2.1%, to 3797.99, extending its two-day loss to 137.27 points. It was the industrial average's worst single-day loss in nine months. For the year, the average is down 76 points, or 2.1%.

The Standard & Poor's 500-stock index skidded 8.21, or 1.8%, to 450.67; the New York Stock Exchange Composite Index sank 1.7%, to 216.32; and traders paused only briefly before continuing their selling.

Yesterday's action was a repeat of Monday's stock market performance in which most of the heavy selling struck in the closing hour of trading. Yesterday, the industrial average was off less than 20 points at 2 p.m. EST. But then the Chicago options market began to unravel, just as they had on Monday.

Alvin Wilkinson, who trades S&P 500 options in the pits at the Chicago Board Options Exchange, expects a further shakeout this morning, but sees the market firming later in the day. He noted that selling in the S&P 500 options put heated up after the bond futures market closed, one hour before stocks close, suggesting to him that big mutual funds may be liquidating some of the stock portfolios in favor of bonds.

Meanwhile in New York, traders reported a fierce battle for control of the market as the industrial average moved lower toward 3750, the blue-chip indicator's average level for the past 200 trading days. With volume heavy, traders dug in, holding the line into the final hour of trading, even as futures contracts continued to sell. But in the last hour of trading, the support fell apart, sending the stock market into a ferocious selling frenzy. "We tried our best to hang in there," said Ned Collins, head of trading at Daiwa Securities. "But there's been a lot of damage in the market in the past two weeks, and maybe the Dow's just starting to catch up."

Selling in the stock market became so fierce in the final hour that traders in the Chicago pits said they felt behind their counterparts in New York.

Just 17 minutes before the close, the industrial average sank past the 50-point barrier that triggers the Big Board's circuit breakers, slowing certain program trading for the second straight session. Unlike the situation on Monday, though, traders paused only briefly before continuing their selling.

As the broad indexes slid, investors raced to traditional "haven" stocks such as big oil companies. But utilities, usually a solid defensive holding, fell. The Dow Jones Utility Average dropped 0.53 to 173.94, hitting a new six-year low.

The big difference (between yesterday and Monday) was that we saw some real selling," said David Shulman, chief market strategist for Salomon Brothers. "And I really think this market is going lower, possibly making new lows below 3550."

Several analysts said the decline in the large market averages may finally signal a capitulation by investors who have steadfastly supported large-capitalization issues. For most of the year, the industrial average and other broad measures have stubbornly resisted the rolling correction that has hammered so many stocks.

For weeks, analysts have complained that the poor breadth in the market couldn't support the continued strength among the major averages. Underscoring the market's weakness, market technician Joseph Granville reported that 897 New York Stock Exchange stocks were within one point of making 52-week lows.

"What we're seeing is a bursting of a bubble that occurred in a small group of big-cap stocks that have kept the bigger averages higher while the broad market suffered," said Joseph McAlinden, market strategist at Dillon Read. "And this is the kind of climactic capitulation, with higher volume, that will likely bring the big averages lower."

In the bond market, traders reported more buying activity as the stock market began to sell off. Some analysts believe that investor dollars have begun to actively seek out higher, safer yields in the bond market rather than risk the recent mood swings in the stock market.

World-wide, stock prices fell in dollar terms. The Dow Jones World Stock Index lost 4.44 to 712.96.

In major market action:

Stocks plunged. Volume totaled 383.3 million shares on the New York Stock Exchange, where 1,901 issues declined and 491 issues advanced.

Bond prices rose. The Treasury's benchmark 30-year bond gained about 1.25 points, or $11.25 for each $1,000 amount, to yield 8.02%.

The dollar was lower. In late New York trading the currency was quoted at 1.553 marks and 98.30 yen on Monday.

The Dow's Performance DJIA at 5-minute intervals yesterday

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Caterpillar Faces Complaint by NLRB
Over Threat to UAW Strikers’ Pensions

By ROBERT L. ROSE
Staff Reporter of THE WALL STREET JOURNAL

The National Labor Relations Board plans to issue an unfair-labor-practice complaint against Caterpillar Inc. for threatening to cut off pension credits of United Auto Workers union members for time spent on strike.

Caterpillar says 4,000 of 13,400 UAW members at struck facilities already have returned to work, but the union says the company is exaggerating.

Caterpillar, which has had more than 100 unfair-labor-practice complaints filed against it by the NLRB during its long-running dispute with the UAW, was told late last week of the order to file the latest complaint. Saying the decision lacked any legal basis, the company called it “a clear indication of the absolute bias of the current board in favor of labor at the expense of business.”

Caterpillar has allowed pension credits to accrue to UAW members during past strikes. Indeed, it asserts that many can now retire with 30 years of credited service even though they have actually worked for less than 29 years.

Caterpillar argues that the NLRB itself ruled in a case involving General Electric Co. in 1948 that companies don’t have to accrue pension benefits during a strike, and that the courts have upheld that position.

Mr. Zipp acknowledged that the current case revisits issues in the GE situation. “A lot has occurred since 1948, particularly the passage of Erisa,” or the Employee Retirement Income Security Act, he said.

The regional director rejected Caterpillar’s assertions of bias as “partisan comments,” adding: “These things are judged on their merits.”

The company says it told the UAW last August that it wanted to end the pension credits during the strike, and that the union offered no “reasonable alternative.” Earlier this month, Caterpillar said employees who retire after Dec. 1 won’t earn pension credits for any time on strike after Aug. 31.

A Caterpillar spokesman said the pending NLRB complaint won’t stop the company from proceeding with its plan to cut off pension credits of the UAW strikers.

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NAACP Receives Pledges, Donations, Boosting Finances

By DOROTHY J. GAITER
Staff Reporter of THE WALL STREET JOURNAL

The financial outlook for the beleaguered National Association for the Advancement of Colored People is improving, with sizable contributions coming in recent days from members, corporations and foundations.

Yesterday, a dozen church groups, including the largest black denominations, announced they will raise $5 million to support the nation’s oldest and largest civil-rights organization, which has a deficit of about $4 million.

Gil Jonas, the NAACP’s chief fundraiser, said half of a $250,000 grant from the Ford Foundation, a longtime contributor, arrived yesterday. The foundation had delayed the donation until it was assured that the NAACP was taking serious steps to straighten out its finances and management. The foundation also said the NAACP could use $350,000 previously set aside as a special reserve fund.

In recent days, Mr. Jonas said, the association has raised an additional $590,000, receiving about $350,000 from large corporations and $80,000 from members.

In announcing the $5 million pledge from the 12 religious organizations, Earl Shinhoster, the NAACP’s interim director, said the association is turning to its “natural constituency” — black Americans who have benefited from the NAACP’s advocacy for civil and human rights and have a personal and collective interest in its survival.

The association took several steps recently to put its financial house in order. It furloughed about 80 employees across the country, hired accounting firm Price Waterhouse and a Washington law firm to help with its financial and legal needs, and established a committee of “notable African Americans” to guide fiscal and policy changes.
OPEC Freezes Crude Output For Second Year
Former Nigerian Oil Envoy Is Appointed to Serve As Secretary-General

ECONOMY
By JAMES TANNER

DENPASAR, Indonesia — OPEC's oil ministers wrapped up a two-day meeting by appointing a secretary-general after freezing their crude oil production at current levels for another year.

Acting with surprising speed, the ministers named Rilwanu Lukman, a popular former oil minister of Nigeria, to fill the post vacant since June 30. That settled a deadlock over the position between two of the founding members of the Organization of Petroleum Exporting Countries — Venezuela and Iran — who withdrew their candidates.

The decision to freeze production is aimed at pushing up oil prices as demand next year exceeds output. The quick agreement on both the secretary-general and the production freeze is expected to send strong signals to the world oil market of restored discipline and new cohesion among the 12 often-fractious OPEC members, said several energy analysts who were here to observe developments.

"It's better than expected," said Morris Greenberg, a vice president of Lehman Brothers, New York. He now looks for the price of the U.S. benchmark crude to move from a recent $17 to $19 range to above $20 a barrel during the 1995 first quarter.

Gradual Tightening of Supplies

Although oil prices didn't rise sharply on the news, with crude oil for January delivery rising 26 cents to settle at $17.82 a barrel on the New York Mercantile Exchange, the intent of OPEC's new production agreement is to tighten supplies gradually over the next year. "We would like to see a firmer and higher price than what we have now," said a Saudi Arabian delegate.

OPEC has had an announced production ceiling of 24.5 million barrels a day since September 1993. Actual production has been around 25 million barrels a day. Demand for OPEC's oil is expected to exceed those volumes next year, with the biggest boost for prices likely coming late in the year during the fourth quarter's peak-use period.

Iran and Saudi Arabia, OPEC's two leading members who often are at odds over its production and pricing policies, were the catalysts for resolving both the secretary-general's selection and the duration of the production freeze.

Iran long has held that it deserved a turn at the secretary-general's post. It refused to give up that idea at the June meeting of OPEC even though Venezuela's candidate drew more votes.

A Surprise From Iran

Mr. Lukman had since been nominated by Nigeria as a compromise candidate. Still, Iran had been expected to continue its hard line. But yesterday afternoon, Gholamreza Aghazadeh, the Iranian minister, surprised the others by withdrawing Iran's candidate after Venezuelan officials with...
Studies Conclude Doctors’ Manner, Not Ability, Results in More Lawsuits

By Jerry E. Bishop
Staff Reporter of THE WALL STREET JOURNAL

The main difference between doctors who get sued a lot and those who don’t isn’t the quality of their medicine, it’s their manner of dealing with patients, conclude two studies of Florida obstetricians by researchers at Vanderbilt University in Nashville.

The researchers were trying to find out why only 6% of the nation’s obstetricians account for 85% of the payments made for malpractice and, conversely, why many doctors aren’t sued even though they might have had instances of medical negligence. They picked Florida doctors to study because malpractice claims are a matter of public record there.

The Vanderbilt researchers said they recently tracked down 906 women who had given birth in Florida in 1987, long enough ago so that the researchers couldn’t be accused of stirring up litigation. They asked the women to recall how satisfied they were with their obstetrician in 1987. Then they sorted the answers according to how often the women’s doctors had paid malpractice claims in years before 1987.

They found that the highest number of dissatisfied patients were those whose obstetricians had the highest number of malpractice claims, an average of five per year.

A third of the mothers attended by those doctors with a high frequency of claims said “they spent less than 10 minutes on average with their physicians during a visit.” Gerald B. Hickson and his colleagues reported in this week’s Journal of the American Medical Association.

As a result, they added, “more of these mothers indicated they felt rushed while obtaining prenatal services.”

“More than any other group (of mothers), they felt that they were ignored and that no one would tell them what was really happening,” the researchers said.

“They indicated they had been yelled at and that they believed their physicians had no concern for them.”

On the other hand, the women who were patients of doctors who hadn’t had any malpractice claims “were significantly more satisfied. Patients seeing these physicians were least likely to complain that their physicians wouldn’t talk or wouldn’t listen,” the researchers found.

They concluded that “many physicians who are sued frequently have problems communicating and establishing rapport with their patients.”

In a companion study, a Vanderbilt research team headed by obstetrician Stephen S. Entman found that the quality of medicine practiced by the obstetricians who had a high rate of malpractice claims was just as good as those with a low rate of claims.

About half of the women interviewed for the first study had agreed to release their medical records, which were reviewed by an expert panel of obstetricians and pediatricians. Of the 446 medical charts reviewed, 63 recorded “events that were judged to represent marginal or inadequate care,” the researchers said.

Such events included failure to gauge how long the patient had been pregnant, failure to provide information on potential complications of the pregnancy or delivery and failure to provide genetic counseling for those who might need it.

The experts judged the actual care to be “substandard for 15%, or 3%, of the women— including eight women who had ‘adverse outcomes’ such as stillbirths or preventable preterm delivery.

However, the incidence of inadequate or marginal care wasn’t any greater among the doctors who had a high rate of malpractice claims than among those who hadn’t any malpractice claims.

The researchers said “we were unable to find a relationship between prior claims experience and the technical quality of current practice.”

U.S. Sees Promise in New Whooping Cough Vaccine

By Laurie McGinley
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The government announced promising results from a large-scale study of a new vaccine designed to prevent pertussis without the side effects that sometimes result from the current vaccine.

The National Institute of Child Health and Human Development said that a clinical trial conducted by its researchers in Sweden showed that the vaccine prevented pertussis, or whooping cough, in 71% of the infants vaccinated.

The vaccine is manufactured by Amvax, a subsidiary of North American Vaccine Inc., of Beltville, Md.

Even more noteworthy, the institute said, was that none of the children in the study suffered “any severe adverse reactions” caused by the vaccination. And the rate of minor side effects was below that reported when babies receive the type of vaccine currently used in the U.S.

Yesterday, North American Vaccine’s stock closed down 1/16, or 27 cents, to $10 in American Stock Exchange composite trading; volume was 755,800 shares, compared with an average of 63,454. However, the market was weaker overall.

The current vaccine is known as a whole-cell vaccine because it is made up of whole pertussis bacteria, rendered inactive. It is the only vaccine that is licensed for children under 15 months old in the U.S., and has an effectiveness rate of about 80%. But it also has been associated with such minor side effects as swelling, tenderness and fussiness.

On occasion, it also has been blamed for severe reactions, including high fever, convulsions and, in rare cases, death. A larger study released in January by researches at the University of Washington School of Public Health in Seattle failed to find any evidence that the vaccine exposes children to increased risk of serious neurological illness.

The new vaccine is made up of a detoxified pertussis toxin, which is a protein made by the bacteria.

Researchers at the National Institute of Child Health and Human Development, which is part of the National Institutes of Health, developed the vaccine, and the NIH holds the patent. Amvax holds the license for manufacturing and marketing the vaccine. A spokeswoman for Amvax’s parent company said yesterday it expected to apply for Food and Drug Administration approval for the drug early next year and hoped to bring it to the market by the end of 1995. But it isn’t clear that the FDA will act that quickly.

In the U.S., the current pertussis vaccine is given in five doses as part of DPT shots, which include vaccinations against diphtheria and tetanus. Pertussis is a severe disease that causes intense coughing and serious complications. In the 1930s, before there were widespread immunizations in the U.S., there were 5,000 deaths a year from pertussis.
Bond Prices Surge as Equities Plunge in Sell-Off Fueled by Fear of Rising-Interest-Rates' Impact

BY JULIE CRESWELL
And XANDER MELLISH
Special to The Wall Street Journal

NEW YORK - Bond prices surged late yesterday as equities prices plunged in a broad sell-off.

The Dow Jones Industrial Average dove 91.52 points, or 2.43%, to 3677.99, primarily on worries that rising interest rates will erode corporate profitability. Analysts said the U.S. market remained healthy, benefited, as market players shifted funds into that arena, out of stocks.

The outlook of Treasurys likely was speculative, reflecting expectations that more money managers will reallocate assets from equities into Treasurys into early next year, said Edward Joe Liro. chief economist at Bear, Stearns & Co. Inc. "The way cyclical stocks were hit. it's like the opposite direction of prices. The 10-year recession in 1995," he noted.

In trading late yesterday, the price of the benchmark 30-year Treasury bond was up about 1 3/4 point, or $11.25 for a bond with a $1,000 face value, at 94.5/32. Its yield fell to 7.02% from 8.13% late Monday, reflecting up about 1% point, or $11.25 for a bond with 7.37%.

Much of the buying of Treasurys likely eroded corporate profitability. Analysts noted.

With equities nearing critical technical levels, some fear sharper losses may be in store for the stock market. "If we get a weak reaction under 3,700, that would be the first time the Dow would be under the 200-day moving average and suggests about 200 points downside risk," said Richard Suttmieier, market strategist for Smith Barney Inc. For the bond market, he said two-year maturities and under should see buying, as investors turn from stocks.

However, many investors aren't likely to jump immediately into long-term bonds, whose yields of 9% to 9.5% are likely to be relatively volatile, analysts noted.

Joe Litro, chief economist at S.G. Warburg Securities Inc., said fund managers first will move money into cash, senior this that the new year will provide a clearer picture of where interest rates and the economy are headed.

Earlier in yesterday's session, the government's sale of five-year notes drew a better-than-expected response.

Earlier in yesterday's session, the government's sale of five-year notes drew a better-than-expected response.

The Treasury Department awarded its $11 billion offering of five-year notes at an average yield of 7.31%. Traders said strong short-covering in the market pushed yields lower than anticipated ahead of the auction. In a short sale, a trader makes a bet that prices will fall by borrowing securities to be sold at a lower price and pocket the difference. Covering a short position means offsetting the sale with a purchase.

The bid-to-cover ratio, a measure of demand comparing the number of bids received to those accepted, was 2.99-to-1. That was slightly below the previous auction's level of 3.30-to-1. Noncompetitive bids, which typically reflect bidding from outside the Wall Street community, were at $790 million. That was higher than the five-year note auction in October when noncompetitive bids were at $692 million.

Municipal Bonds
California found ample demand for $490 million of general-obligation bonds yesterday - but primarily from investors who aren't everyday buyers of tax-exempt securities. Lead underwriter BA Securities Inc. said insurance companies, along with individual investors, were the most enthusiastic buyers of the G.O.s. Mutual funds that specialize in muni's weren't big customers for the issue, an official at BA Securities added.

Reoffering yields for the California bonds ranged from 4.60% in 1995 to 7.15% in 2021 - at least 0.65 percentage point below predictions. Still, the bonds sold briskly, with most of the 2017, 2020, and 2024 term bonds spoken for before BA Securities had even won the deal with a 6.7931% true-interest cost bid, the underwriters said.

Some attribute the strong investor appetite for the tax-exempt bonds. "We think (the insurers) are looking at us as a very good purchase," said Mike LaTorre, a vice president for underwriting at BA Securities.

Corporate & Junk Bonds

Selling in the corporate-bond market picked up yesterday, as investors readying for next year continued to clean up their portfolios. Still, several issuers sold debt.

Valassis Communications Inc., Livonia, Mich., sold $255 million of nine-year notes through Salomon Brothers Inc. as part of a refinancing designed to lengthen debt maturities. Valassis, which produces advertising inserts for newspapers, offered to buy back any of its $136 million of 8.4% coupon notes due 1997 and $120 million of 8.4% coupon notes due 1998.

By late yesterday, investors had sold back about 80% of both bond issues.

Separately, Societe Nationale des Chemins de fer Belges, the Belgian railroad company, said sold $200 million of 30-year bonds in the 144a private-placement market. The non-callable bonds were priced with an 8.5% coupon at 99.13 to yield 8.955%, a spread of 6.90 point above Treasurys.

In trading, junk-bond prices fell from two points. But Nextel Communications Inc. bonds were little changed after declines Monday by as much as two points. The declines had reflected concerns about the Rutherford, N.J., company's position in the wireless industry after the resignation of an executive who headed its specialized mobile-radio operations division.

Mortgage & Asset-Backed Securities

Mortgage-backed securities moved higher with Treasurys in another quiet session yesterday.

Despite a surge of activity in the Treasury market, mortgage desks remained quiet. The yield spread of current coupon securities to the Treasury's 10-year note widened slightly as mortgages trailed Treasury gains. Most of the move to higher levels reflected dealers marking positions, not real trading.

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YIELD COMPARISONS

Based on Merrill Lynch bond indexes, priced as of mid-afternoon Eastern time:

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<th>Maturity</th>
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YIELD CURVE

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Bribery Probe Reaches Berlusconi, Further Rattling Italian Coalition

Premier Vows to Keep Post; Setback Could Hamper Crucial Budget's Passage

By LISA BANNON
Staff Reporter of The Wall Street Journal

MILAN—Silvio Berlusconi's dream of a "New Italian Miracle" is turning into a political nightmare.

The embattled prime minister, whose six-month-old government has been wracked by controversy, yesterday suffered what may be a fatal blow when Milan antigraft magistrates informed him that he is under formal investigation for corruption.

Mr. Berlusconi, a billionaire media baron who rode to power last March on an anticorruption ticket, last night vowed in a televised address before the nation that he had committed no crime and that "I am not resigning and I will not resign."

But the investigation, just as the government's critical 1995 budget moves through Parliament and unions have called a second general strike for next week, is turning Italy's already tumultuous political landscape upside down.

News of the investigation brought stocks down in Milan trading, with the main Italian index falling 2.8%. Investors also pummeled the lira to historic lows against the German mark, with the lira hitting 1.057.35 to the mark from 1.026.71 in late trading on Monday. In New York, the lira closed at 1,611 to the dollar, compared with 1,597.27.

Mr. Berlusconi has been asked to appear before magistrates concerning bribes to tax officials that he allegedly authorized while he was chairman of Fininvest SpA. While the prime minister stepped down as chairman of the $7 billion media and retail group when he entered politics in January, he remains the controlling shareholder. The prime minister's younger brother, Paolo Berlusconi, and Fininvest tax director Salvatore Sciascia already had admitted paying the bribes in July, although they -- like other companies caught up in Italy's two-year inquiry into corruption -- have argued that payoffs were an institutionalized part of doing regular business.

Government allies, including Gianfranco Fini and the prime minister's chief coalition critic, Umberto Bossi, rallied around Mr. Berlusconi yesterday, mainly with the hope of staying off catastrophe long enough to get the tough austerity budget through Parliament. "Until the budget is approved also by the Senate, the government cannot fall," Mr. Bossi said. (The budget will go before the Senate in December.)

Even opposition leaders agreed that budget passage must remain the country's first priority, because a government collapse beforehand could hurt Italy's currency and bond rates. "Immediately after the budget is passed, Berlusconi must resign," said Massimo D'Alema, leader of the opposition Democratic Party of the Left. Opposition leaders and political commentators are discussing the possibility of forming a so-called institutional government after the budget is passed. That would entail enlarging or reshuffling the current three-party coalition and naming a caretaker prime minister. Elections then could be called for sometime next year.

But even if Mr. Berlusconi remains in office through the budget passage, financial analysts and political insiders say the consequences of the judicial inquiry will be far-reaching.

For one, the prime minister's controversial budget risks being seriously watered down in the Senate now that his political clout is diminished. "The price the opposition parties will ask for passage in the Senate, where the government has no majority, will be higher than before," said Carmen Nuzzo, an economist at Salomon Brothers in London.

The news added to an already confused political situation, coming two days after Mr. Berlusconi's Forza Italia party suffered its first defeat at the polls in a local election. But in his address to the nation, the prime minister said only a vote of no confidence from Parliament could force him to resign.

"We are not prepared to allow an abuse and manipulation of criminal justice to lead to the massacre of the first rule of democracy, which says that whoever has gotten the votes to govern must govern," the prime minister said in his address.

EU Approves Ericsson Venture

BRUSSELS – The European Union Commission cleared a joint venture between Sweden's Telefon AB L.M. Ericsson and Raychem Corp. of the U.S. that will manufacture and sell fiber optics used in telecommunications networks.
Ohio's Voinovich Drives Another GOP Revolution

WILLIAMSBURG, VA.

THIS IS THE WEEK Republicans had to stop flexing their new muscles for a moment and face a strategic choice: Are they going to change the way Washington is run, or change the way the country is run?

George Voinovich argues for changing the way the country is run. He's got a pretty good case to make.

Mr. Voinovich is the Republican governor of Ohio. If anybody can claim to have won a ringing mandate from the voters this month, he can. He won re-election in the country's seventh-largest state with a staggering 72% of the vote, crushing Democrat Robert Burch by 47 points. He so dominated the race that he was able to give away $3 million of his own campaign funds to help other Ohio Republicans.

Riding his coattails, Republicans won every statewide constitutional office in Ohio. His lieutenant governor, Alaka DeWine, became the first Republican elected to the U.S. Senate from Ohio since 1970. Republicans took control of the state House and kept control of the state Senate. The Toledo Blade summed it up in a headline: "Voinovich in win of the century."

All this leaves Mr. Voinovich, an almost painfully earnest former mayor of Cleveland, looking like one of those quarterbacks who's asked: "You've just won the Super Bowl. George Voinovich. What are you going to do next?"

WHAT MR. VOINOVICH did was come here to Virginia along with the other Republican governors—now numbering 30—and argue for a quiet revolution. He wants the Republicans now running Congress to turn power, money and freedom over to the states so they can create change. In fact, he has a 13-page blueprint for doing it. It asks the new Congress to relieve the states of the costs of federal environmental, health and immigration regulations; to give states far more control of welfare; and to give states more freedom to tinker with the joint federal-state Medicaid program for the poor.

The problems of this country are not going to be solved in Washington. Gov. Voinovich says bluntly as he sits in Virginia's autumn sunshine. "They are going to be solved at the state level."

This is asking a lot of congressional Republicans, who wandered the minority wilderness for four decades. Having finally won control of Congress, are they to start giving away its powers? Is the Republican Party going to strip away Washington's clout, or use it to change the nation's ideological course?

There's no avoiding this decision. The painful fact for House Republicans is that many of the ideas they have pushed hardest—congressional term limits, a line-item veto—would shift power from Congress and toward the (Democratic) president. Now, on top of that, come GOP governors wanting a piece of the action.

PHILOSOPHICALLY, AT LEAST, Speaker-to-be Newt Gingrich doesn't fink from this. In the introduction to a new book by Alvin and Heidi Toffler on "third wave" politics—now required reading for cutting-edge GOP politicos—Rep. Gingrich writes: "While I am a Republican leader in Congress, I do not believe Republicans or the Congress have a monopoly on solving problems and helping America make the transformation necessary to enter the Third Wave information revolution."

Gov. Voinovich, not a particularly philosophical man, has a simpler point. He says he has succeeded simply by offering voters common-sense management. He has shrunk government, but isn't against government activism. He likes Head Start, has increased spending on family programs and says industries are clamoring to get in on the state's job-retraining program. He's big on making business a partner. The private sector has given him some $14 million in management help and cooperated in revamping Ohio's workers' compensation program. Can he live without the federal money that goes with the strings? He offers a straight-forward analysis: "The federal government is bankrupt; so the money is drying up anyway.

The kind of success Gov. Voinovich has enjoyed raises the inevitable question: Will he be a contender for a spot on the 1996 presidential ticket? For now, he gives the inevitable answer: He's too busy to pursue that.

But there's somebody who's already deep into the 1996 hunt who shares this power-to-the-states philosophy. He's Lamar Alexander, the former governor of Tennessee. Not so coincidentally, Mr. Alexander also showed up here for the governors meeting. Classical pianist that he is, Mr. Alexander was playing in fine harmony with his old friends from the statehouses.
The Black Academic Environment

By Herb Pearson

When I was in the third grade an idea caught on among two of my fellow African-American classmates and me as we walked back and forth from our predominately white elementary school adjacent to the small black middle-class enclave in which we lived in Fort Wayne, Ind. The year was 1966, and it was characterized by the news accounts of a dynamic 25-year-old named Stokely Carmichael, a leader of the Student Nonviolent Coordinating Committee (SNCC), who was popularizing something called Black Power.

If you believed in Black Power and you were a male, you stopped cutting your hair close to the scalp. You started wearing sunglasses, even in the dark. You took a liking to black leather jackets and black turtleneck sweaters. And, most important, you put on a black leather glove and began balling your hand into a fist, then raising your fist above your head in a salute as you repeated the mantra, “Black Power!”

After the youthful activism, I concluded that as a result of their failure to gain power in Mississippi and Alabama the electoral avenues to power were closed off to blacks. berets, leather-jacketed military formations, and impressive drills. And hundreds of thousands of black youths became convinced that the society we were to enter as adults held no future for us.

Schoolwork, my two Black Power chanting elementary-school classmates and I decided, was for white people. Our take on Black Power meant not only that the electoral avenues to power were closed off to blacks but that the notion among black youths that there is a unique black language and way of thinking should, on the one hand, be adjudged. Yet on the other hand, like black accomplishment in professional basketball ball, rap delivers the skewed message to black youths that their hopes and dreams need only be applied in a few limited directions. It signals that diversity of ambition and industry is “a white thing that blacks wouldn’t understand.”

The magnitude of the problem suggests that turning such attitudes around could more than make up for any natural environmental improvement that will occur among other youths through the Flynn Effect. A concerted effort to do so could mean that within 15 years the 15-point gap in black and white IQ averages would be closed.

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Gingrich's Letter
Unfairly Maligned Me

In his Nov. 15 Letter to the Editor, Congressman Newt Gingrich grossly misrepresented the facts about a colleague in the House of Representatives. That colleague was me.

For the record, I have never been involved in a "sexual harassment lawsuit." Never. None.

Had either Congressman Gingrich or The Wall Street Journal checked the facts, they would have known that a campaign issue was made of a confidential settlement between an employee and my former employer involving discrimination. I was never named as a party in any lawsuit or settlement in this matter.

By purposely misrepresenting the facts, Congressman Gingrich maligns my reputation as well as his. More is expected from a Speaker of the U.S. House of Representatives.

Rep. Larry LaRocco (D., Idaho)
Washington

Antigay Measures Took a Bashing

Despite grandiose claims by the Christian Coalition and other conservative political groups, the Republican sweep in the midterm elections was not a mandate for the social agenda of the party's extreme right wing. Where voters spoke directly on the subject of equal rights for gay people, they sent a clear message that their vision of change does not include an agenda of intolerance. Antigay initiatives and extremist candidates were defeated in the midst of the Republican rout.

In conservative Idaho, where Republicans swept congressional and state elections, GOP voters provided the margin of victory over antigay Proposition 1. In Oregon, where the Christian Coalition dumped 650,000 "voter guides" directing people to approve Measure 13, voters rejected Pat Robertson's agenda and sent a clear signal that they oppose discrimination and support equal rights for all people.

In congressional elections, the gay community contributed to the defeat of Oliver North, contacting 135,000 moderate voters throughout the state—equivalent in size of Sen. Charles Robb's margin of victory. All 11 Senate incumbents who co-sponsored our top legislative priority—the Employment Non-Discrimination Act—were re-elected. Of 120 House co-sponsors, 110 were re-elected, and 11 new members have pledged to co-sponsor the bill.

These results confirm trends seen in a series of public opinion polls, which show broad public support for equal rights. A U.S. News & World Report poll found that two-thirds of voters support equal rights for lesbian and gay people, including majorities of Clinton, Bush and Perot voters. The respected Times Mirror Center for the People & the Press reported that the most important swing vote in the electorate—convinced one-fifth of all registered voters—is "highly tolerant of homosexuality."

Perhaps this is why none of the right's social issues are included in the Republicans' "Contract With America." Extremist antigay views do not attract mainstream voters.

Tim Mc Feeley
Executive Director
Human Rights Campaign Fund
Washington

Unfortunately, Reagan Got What He Wanted

One of the most persistent, and most erroneous, myths surrounding the Reagan presidency was that "throughout his presidency he was hampered by opposition control of the Congress," as you wrongly stated in your Nov. 10 lead editorial years after the fact.

The Republican Party controlled the U.S. Senate from 1981 to 1987 and performed totally at the behest of the Reagan White House, except when confronted with fiscally budgets unpalatable even to the most ardent Reaganites.

Further, large numbers of Democrats, sometimes majorities in both Houses, supported the centerpiece of the "Reagan Revolution"—tax cuts, domestic spending cuts, massive increases in spending programs for the military (which, mythologically, seemed not to be "government spending") and Gramm-Rudman-Hollings efforts to staunch the deficit from hemorrhaging, caused by the predictable failure of the supply-side theories underlying all the above.

The truth is, President Reagan got virtually everything he asked for, and we will be paying for it for a long time.

Gary Hart
Englewood, Colo.
To Amend, or Not to Amend?

Republicans are talking about introducing as many as five constitutional amendments in the new Congress. Getting an amendment passed is no easy task given the very high hurdles posed by Article V of the Constitution. Two-thirds majorities of both houses are needed just to propose one, and three-quarters of the states must then vote to ratify. Since 1913, more than 100 amendments have been introduced in Congress, but only 31 have been proposed to the states and just 25 have been ratified.

The president isn’t constitutionally required to be part of this change: that’s why two-thirds majorities have proposed an amendment.

Rule of Law

By Terry Eastland

ment, it doesn’t go to the president for his consideration (as ordinary legislation would) but directly to the states, and thus to the people. With no formal power to engage the amendment effort—a balanced budget act—President Clinton will find whatever influence he might have upon them a function of rhetoric, not his strong suit.

That Republicans are eager to propose so many constitutional amendments is contrary to what one might expect. As a group, the Republicans in the new Congress are the most conservative elected in decades, and conservatives historically have been least to amend the Constitution. But four or the five suggested amendments can be defended as steps toward a worthy and now popular goal limited government.

The original Constitution limited the reach and influence of the federal government. But at first glacially and then especially since the New Deal, Congress has rejected the old limitations, and the Supreme Court has not said no. The unlimited of government has invited more and more interest groups to feed at its trough, and legislators have made increasingly longer efforts out of distributing the feed, with chronically unbalanced budgets—a historically new phenomenon—a notable result. Because we as people are the “special interests,” we, too, are part of what Rep. Newt Gingrich and his colleagues have identified as the central political problem of our time—that of bigger, more intrusive, more expensive government.

Should we limit this government? A litigation strategy aimed at getting the necessary constitutional law is one idea. But the problem of excessive government isn’t merely or even mainly one of judicial activism. Even if it were, the futile effort to get a Supreme Court dominated by Reagan-Bush appointees to overrule Roe v. Wade suggests trying other strategies. The amendment process offers a most basic means of change that satisfies a constitutional requirement, centrally involves the people. To borrow a phrase, it puts people in harm’s way.

A terms limits amendment would definitively limit government in the sense of denying incumbents more than a fixed number of terms. Obviously, it would not limit the powers they exercise. Toward that end, a balanced budget amendment combined with third-fifths majorities in both houses to raise taxes or the debt ceiling or both might help.

Besides formally constituting the nation to the old fiscal morality that demanded balanced budgets except in times of war or clear emergency, such an amendment would check and balance the present government of nearly unlimited powers through the supermajorities needed to make very big fiscal decisions. By itself, however, a balanced budget amendment would not prevent Congress from forcing states and localities to pay for programs it legislates.

That is why any balanced budget must be supplemented by one that prohibits Congress from enacting unfunded mandates. While framing this amendment would not be easy—“unfunded mandates” can be a slippery concept—limiting the congressional propensity to pass the buck would help revitalize the founding principle of federalism.

A line-item veto amendment would enable the president to reduce or veto spending items, subject to the same override as the regular veto. The extent to which the president might veto legislative pork is a question; many items are not in bills presented to the president but in committee markup. In any event, what’s notable is that two or more amendments might be rolled into one—balanced budget/unfunded mandates/line-item veto amendment, for example.

It’s possible that two or more amendments might be rolled into one—balanced budget/unfunded mandates/line-item veto amendment, for example.

Mr. Gingrich put it in play last week to show good faith with cultural conservatives but also to reopen the question of the role of religion in public life. As currently worded, the amendment wouldn’t overturn the Supreme Court’s unpopular school prayer decisions of 1962 and 1963, nor significantly amend the court’s jurisprudence in this area. Ironically, when Mr. Gingrich raised this idea, Mr. Clinton listened receptively, causing angst among liberals in his party, even as leading religious conservatives wondered whether a school prayer amendment is at the moment a good idea. Such an amendment, if passed, is not directed at changing the sanitized, overspending government in Washington, the Republicans’ first order of business.

If it is too soon, of course, to predict what will happen to these amendments. It’s possible that in one or two cases (such as with the line-item veto or school prayer) Congress may try to achieve the same or a lesser goal through statutory means. It’s also possible that two or more amendments might be rolled into another, for example, a balanced budget/unfunded mandates/line-item veto amendment, for example.

If a White House still stunned by the election results is trying to figure out how it can effectively enter the new sweepstakes of change via constitutional amendment, Mr. Gingrich’s idea suggests trying other strategies, for the political will necessary to take on the middle and even upper-income elements that blight the budget. That awesome task remains for whoever is courageous enough to assume it.

Mr. Eastland is editor of Forbes Media-Critc and a fellow at the Ethics and Public Policy Center in Washington.
the verge of trading in its lackluster shares. The decade-old K-car, for a new generation (nice of just over $12 a share. It shares, about 11% of the total, for an average price of over $12 a share. Indeed, what Mr. Kerkorian wants sounds reasonable on the surface. Not only does Chrysler have a huge cash kitty; its $21 billion on Chrysler? Why shouldn't he, and others that the company is on the right track. Chrysler has been so heavily leveraged that it has barely survived each U.S. recession. The auto maker's boom-bust cycle has been so pronounced that "people have made a lot of money on Chrysler stock," a GM executive once uncharitably said, "as the company has bounced between disaster and mediocrity." Now Chrysler's management wants to break the cycle.

Mr. Robert Eaton says he wants to have at least $7.5 billion as an insurance policy to tide Chrysler through cyclical downturns. The idea is to enable the company to endure a recession without cutting its product development plans or, even worse, flouting bankruptcy yet again. If Chrysler can do this, P'ill Street should sit up and take notice, and eventually boost the price of the stock. Mr. Kerkorian has suggested that he might launch a proxy fight.

Immediately, the stock shot up more than 3% a share, and money managers with Chrysler stock warmly endorsed Mr. Kerkorian's ideas. "The signal you send to the market when you do a stock buyback is you are a strong company," said one.

Indeed, what Mr. Kerkorian wants sounds reasonable on the surface. Not only does Chrysler have a huge cash kitty; it's heading toward record earnings of more than $1 billion this year. But the stock market, refusing to recognize Chrysler's prospects, continues to be skeptical. Chrysler's price/earnings ratio of just five, compared with the average P/E ratio of 13.8 for the DJIA and P'ill Street's 500. So what if Mr. Kerkorian already has more than $1 billion on Chrysler? Why shouldn't he, and other Chrysler holders, be rewarded with more money, too?

But there's another side to this story. Chrysler's price/earnings ratio is so low because the automaker line of sedans, mostly derived from the Jeep Grand Cherokee, the LII midsize sedan, the full-size, four-door station wagon, the Dodge and Plymouth Neon and, perhaps, the Chrysler Cirrus. The compact cars just now hitting the market. The company has developed a repeatable system for turning out hits.

Even Mr. Kerkorian has applauded the performance of Chrysler's management under Mr. Eaton, its leading corporate governance theorist who advises boards to set their own agenda, hold regular executive sessions, and launch a massive share repurchase program.

As outside counsel to the GM directors, he orchestrated their boardroom revolt two years ago. He's a leading corporate governance theorist who advises boards to set their own agenda, hold regular executive sessions, and launch a massive share repurchase program.

This is a clear case of short-term shareholder value vs. the long-term health of the company," Mr. Millestein says, "the board has the right to stand up for the long-term health of the company." Indeed, Chrysler's board has the chance to show that boardroom activism means standing up for management when it's on the right track.
The Desolate Wilderness

By Jacques N. Brahacwi

[Historical passage discussing the Plymouth Colony and the departure of the Pilgrims]

Dole's GATT Gaffe

[Article discussing Senator Bob Dole's actions relating to the GATT]

The danger of overshooting should not be discounted, despite Rep. Newt Gingrich's assurance that Sen. Dole knows what he is doing. There is already powerful opposition to the accord from protectionists like the textile lobby, environmental groups, and unions; all of them profess fear of the GATT bureaucracy out of all proportion to its real powers. Sen. Dole, by making statements only encourage their push to torpedo the treaty.

But even if the accord sails through next week, Sen. Dole may still have done some damage. His attacks on GATT and his push to attach conditions to the global organization compromise the core principle of the treaty: the impartial settlement of trade disputes for all nations under the rule of law. How impartial can it be if the U.S. is seen as ready to pull out if it loses too many disputes?

Sen. Dole ignores is that the U.S., as the largest trading nation in the world—stands to be the biggest beneficiary from a WTO. Trade disputes have proliferated as the economy has become increasingly global. These disputes, in which the U.S. is as often defendant as plaintiff, cannot be settled by the law of the jungle. Our negotiators have therefore been wise in successfully pushing for the WTO, a powerful and binding dispute-settlement mechanism. To undermine this mechanism, even as GATT itself passes, would be a tragedy.

If Sen. Dole wants to exact a price for his support of the WTO, he's chosen the wrong one. He should instead follow the earlier example of Senate Republicans, when they successfully told the administration that they wouldn't grant fast-track authority to negotiate GATT unless the concerns of environmentalists and labor unions were delinked from the pact.

This would achieve a major concern again once the WTO is established: the administration is still beholden to green groups and unions and is likely to push their agendas at the WTO. Sen. Dole could usefully get the administration to agree to pursue these concerns in some other forum—say the United Nations Environmental Program or the International Labor Organization.

 Instead of seizing this opportunity to protect the WTO from ill-considered demands on the environmental and labor standards questions, Sen. Dole's actions have allied him with the very forces that push such agendas onto the present administration. The leading Republican is now in the company of such zealous anti-free traders as Ralph Nader and Lori Wallach. It is hard to imagine worse bedfellows and a more damaging alliance. Perhaps Sen. Dole should spend the Thanksgiving weekend reflecting on what he has almost wrought and what he might still accomplish instead.

Mr. Brahacwi is professor of economics at Columbia University.
Anyone whose labors take him into the reaches of the country, as ours lately have done, is bound to mark how the years have made the land grow fruitful.

This is indeed a big country, a rich country, and so by no array of figures can measure and so in a way past belief of those who have not seen it. Even those who journey through its North-eastern complex, into the Southern lands, across the central plains and to its Western slopes can only glimpse a measure of the bounty of America.

And a traveler cannot but he struck on every hand by the thought that this country, one day, can be even greater. America, though many know it not, is one of the great undeveloped countries of the world, what it reaches for exceeds by far what it has grasped.

So the visitor returns thankful for much of what he has seen, and, in spite of everything, an optimist about what the country might be. Yet the visitor, if he is to make an honest report, must also note the air of unease that hangs everywhere.

For the traveler, as travelers have been always, is as much questioned as questioning. And for all the abundance he sees, he finds the questions put to him ask where men may repair for succor from the troubles that beset them.

The traveler must remember that the richness of this country was not born in the resources of the earth, though they be plentiful, but in the men that took its measure. For the remainder is everywhere-in the cities, towns, farms, roads, factories, homes, hospitals, schools that spread everywhere over that wilderness.

We can remind ourselves that for all our social discord we yet remain the longest enduring society of free men governing themselves without benefit of kings or dictators. Being so, we are the marvel and mystery of the world, for that enduring liberty is no less a blessing than the abundance of the earth.

And we might remind ourselves also, that if those men setting out from Delftshaven had been daunted by the troubles they saw around them, then we could not this autumn be thankful for a fair land.

The plunge in stocks, more than 135 points on the Dow over the past two days, primarily means that the last round of Federal Reserve interest rate boosts is starting to bite. But it is also a warning about the coming year for both the Democratic Administration and the incoming Republican Congress.

On monetary policy, we both agree and disagree with recent Fed moves. We agree that there are inflationary dangers to fight, showing up in a declining dollar and robust commodity prices. If you wait for the price indexes you will always tighten too late and therefore too much.

We disagree with the emphasis on fighting inflation by trying to stamp out growth in the real economy, with talk of capacity utilization and the usual Phillips-curve buzzwords. If the Fed focused instead on commodity prices, it would have tightened sooner, and therefore too much. And we are suspicious of the whole procedure of targeting interest rates; to fight inflation the Fed should withdraw bank reserves and let interest rates follow.

We sympathize with the Fed, finally, over the hand it was dealt by fiscal policy. The Clinton economic strategy, curbing the deficit to lower interest rates, proved itself a conceptual failure as long rates rose to pre-inflationary heights. Meanwhile, the tax increases damped growth to produce an unsatisfactory recovery. By the time reasonable vigor developed, inflation signals were flashing, and the Fed felt it had to tighten.

Whatever market participants think about the ideas of the GOP, the political outlook is for two years of trench warfare between the legislative and executive branches. This was brought home this week with Senator Bob Dole pressing for some progress on a capital gains tax cut and White House chief Leon Panetta responding with the same old litany suggesting the purpose of taxation is to redistribute income.

We think that the market drop means Congress should immediately pass the GATT. That the Administration should turn at least as open-minded on the capital gains tax as it is on school prayer. And that both of them should start to think about what they would do if the market downturn is followed by an economic downturn. May we suggest cutting taxes, with a warning to both redistributionist Democrats and family-policy Republicans: What will boost the economy is reducing marginal tax rates. That is, you have to increase economic incentives by reducing the tax on the next dollar people earn.
Whooping cough vaccine made safer

By Anita Manning
USA TODAY

A new, safer vaccine for whooping cough has been tested in Sweden and could soon be available in the USA, say federal health officials.

The vaccine could mean the end of rare, severe side effects — including seizures and brain damage — associated with the vaccine now given to babies younger than 15 months.

Scientists say the new vaccine was 71% effective in a three-year study involving 3,335 babies, 1,692 of whom were inoculated at 3, 5 and 12 months of age. The others received a placebo.

Researchers at the National Institute of Child Health and Human Development created the vaccine; it was tested in Sweden where children have not been vaccinated against pertussis — or whooping cough — since 1979.

The important finding was how safe the vaccine seemed to be, "says NICHD spokesperson Michele Richardson. "It was free of side effects, both local and systemic."

It still needs FDA approval for use in this country.

As concern over side effects has grown, cases of pertussis in the USA have risen, says Rich­ardson. Last year, 6,000 cases were reported. "Some parents avoided or delayed getting the DPT (diptheria-pertussis-tetanus) series because of fear of the pertussis vaccine."

Labor Secretary Robert Reich says that welfare reform — a top issue for the new GOP-controlled Congress — should apply to corporations as well as the poor.

Reich Tuesday called for a national debate on how business could help foot the bill — possibly billions of dollars — to train people in dead-end jobs.

"Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well and use the savings to help all Americans get better work?" he asked the Demo­cratic Leadership Council.

A report done for the council, a group of moderate Demo­crats once led by President Clinton, says in five years the government could:

- Save $114 billion in sub­sidies to industry.
- Earn an extra $111 billion by dropping tax breaks. It points to dozens of sub­sidies and tax breaks for energy, mining, agriculture, transporta­tion, aerospace, high-tech and finance industries.
- But Alfred Parker, Universi­ty of New Mexico econom­ist, says there is "eco­nomic justification for some of those programs."

Natural-gas drillers, for exam­ple, get tax breaks for using equipment that increases produc­tion and holds down the price for consumers.

Republicans have talked about reducing welfare pay­ments to families and dropping health benefits except Medi­care to non-citizens, even those who are legal immigrants. But Reich challenges the GOP to "look at all the handouts (to industry) and ask if they are worthwhile."

Clinton calls Reich's theme "an attractive idea" but says he hasn't made any decisions on specifics.

Reich says ending various tax benefits would provide the money to finish overhauling the government's worker edu­cation and retraining pro­grams, an administration goal.

But he says business, too, must help rebuild the middle class, whose jobs have been bettered in corporate cutbacks.

"It won't happen unless com­panies invest heavily in training their workers to use new technologies and give them au­thority to make decisions."

- GOP’s welfare reform, 8A

Helms faces heat over Clinton flap

By Juan J. Walte and Judy Keen
USA TODAY

President Clinton is dismiss­ing Republican Sen. Jesse Helms' attacks on him as "un­wise and inappropriate."

Helms, of North Carolina, in line to chair the Foreign Rela­tions Committee, told the Raleigh, N.C., News & Observer, "Mr. Clinton better watch out if he comes down here to visit military bases. "He'd better have a bodyguard."

The Secret Service Tuesday asked to review a transcript of the interview. Helms, in a state­ment, called his remarks "a mistake" but didn't apologize.

Clinton "will of course be welcomed by me and other citi­zens of North Carolina and other states anytime he chooses to visit us," he said.

Helms has been on an anti­Clinton crusade: In a Nov. 18 CNN interview, he said he did not think Clinton is up to the job of commander in chief.

White House chief of staff Leon Panetta called Helms' re­marks "reckless, . . . dangerous and irresponsible."

He added, "They raise a very serious question as to whether or not he ought to re­sume" the panel chairmanship.

But incoming Majority Lead­er Sen. Bob Dole and others haven't questioned Helms' qualifica­tions to assume the post. "I think pretty much Jes­se must have said most of this probably in jest," said Dole.

But Helms should apologize, said Sen. Chris Dodd, D-Conn. "He doesn't seem to know what country he is living in. This is not a banana republic."

- Squirming over volley, 4A
Cover story

Food banks put leftovers to good use

By Anita Manning
USA TODAY

On the day President Bush was inaugurated, Robert Egger inaugurated D.C. Central Kitchen in the basement of a homeless shelter. He spent that night delivering leftovers from inaugural events to soup kitchens all over Washington.

"For four years, I probably attended every dinner George Bush attended," says Egger, whose kitchen collects perishable food from restaurants, cafeterias and catered affairs, and turns it into meals for the hungry.

"The next day, I'd tell people, 'You're eating the same thing the president ate last night.'"

At the USA's 150,000 soup kitchens, shelters and other anti-hunger charities, the heat is on as staff and volunteers prepare for Thanksgiving and the holiday rush.

Please see COVER STORY next page.

Reprocessed' donations go further

Continued from 1A

"All of a sudden, people remember there are hungry people," says Deb Baumgartner of Kansas City Harvest, which collects and distributes food to 100 agencies that feed the poor. She expects to pass out 800 Thanksgiving turkeys.

Unfortunately, stomachs growl. To help fill them, a huge national network has developed, involving food manufacturers, retailers, restaurants, foundations, non-profit agencies and volunteers.

One big link in this food chain is Foodchain, a network of 129 "food rescue" programs across the USA and Canada. They collect leftovers from corporate dining rooms. Chefs from the American Culinary Federation show those on the front lines how to prepare the sometimes odd assortments of donated foods.

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Last year, more than 83 million pounds of food were distributed to 4,000 agencies by Foodchain affiliates, food that "most likely would have been wasted," Martin says.

"About 20% of all the food produced in the U.S. is dumped, baled, donated or burned.

"It's waste that finally got to Egger, who runs a program that trains the homeless in kitchen skills.

"After years of working in restaurants, he hoped 'to open the world's greatest nightcub.' "But after volunteering to help the homeless, he couldn't stand the 'inefficiency I saw in how they were being fed.'"

The anti-hunger movement, he says, "grew out of the church base- ment, where people with big hearts just extrapolated home menus for things like chili or spaghetti."

That resulted in a "well-intentioned but limited use" of food. A better way would be to "reprocess" it, he says — combine ingredients and stretch meals to feed more mouths.

Big food companies donate food with crooked labels or processed food too close to the expiration date. All donated food is wholesome and for donors, Second Harvest offers a safe, socially conscious and cost-effective way to get rid of it.

"We want to make sure the food we're donating ends up on someone's plate, not on a store shelf for resale," says Deb Magness of Heinz, which last year gave Second Harvest 3.5 million pounds of food.

"Food banks represent the best in America, as far as volunteerism and generosity," says Vladimiroff. "The past two years have seen a drop-off in donated events, he says. "The pastry boys in upper management aren't excited about donating food in the name of the Republicans are back." But in fact, donations are harder to come by all around. Improvements in food processing are reducing labeling errors and overruns, and more savvy restaurant managers are cutting costs and waste.

Because D.C. Central Kitchen is outfitted like a restaurant, Egger says, "instead of feeding 150 a hunk of beef, we can feed 400 stroganoff."

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Egger sees his own program, an affiliate of Foodchain, as a model. In his large, modern kitchen, food is prepared, under a chefs direction, by 10 homeless men and women who take a 12-week class to learn safe, efficient food handling, hygiene and punctuality. From there, they can be hired by restaurants, hotels, or any company that prepares food.

"We feed about 25 million people," says Christine Vladimiroff, CEO of Chicago-based Second Harvest, but "statistics show there are 36 million people in poverty."
Dole, Gingrich tell governors change at hand
By Richard Benedetto
USA TODAY

WILLIAMSBURG, Va. - Rep. Newt Gingrich and Sen. Robert Dole, the leaders of the new Republican majority in Congress, told the nation's GOP governors here Tuesday three things they long have wanted to hear:

► The process of shrinking and decentralizing the federal government and moving power from Washington to states and localities has begun.
► A balanced federal budget by 2002 is a realistic goal that the Republican leadership is committed to reaching.
► A bill banning future unfunded mandates on the states will be the first measure introduced in the Senate come January.

At their first joint public appearance since the GOP's midterm election rout of the Democrats, Dole and Gingrich told the governors it was imperative for congressional Republicans to act swiftly on their economic initiatives and government reform, and enlisted their help.

"We're going to change the direction of America for the right reason — it needs to be changed," said Dole, soon-to-be Senate majority leader.

Dole and Gingrich, the House speaker-to-be, have had a sometimes stormy relationship. But on Tuesday they showed no signs of old tensions, appearing relaxed and friendly as they praised one another and vowing to work together.

The gathering clearly demonstrated the dramatic shift in the political landscape triggered by the GOP's victory of the first Republican congressional majority in 40 years engaging in dialogue with 30 Republican governors and governors-elect, the most since 1970.

"To put this into perspective, before Nov. 4 we weren't having these meetings with (congressional leaders) at all," said Michigan Gov. John Engler. "Now, the doors are open, we're sitting and working on the solutions to reverse failed programs of the last 30 years."

"I've been waiting for this day, never quite believing it would come," said California Gov. Pete Wilson.

Gingrich said he came to this historic colonial capital as a "student," looking for governors to teach national GOP leaders how to apply in Washington the innovative reforms they have begun in their states.

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GOP leaders promise power shift to states

Md.'s defiant losing candidate no party crusher

WILLIAMSBURG, Va. — Ellen Sauerbrey doesn't give up easily. She narrowly lost her Republican gubernatorial bid in Maryland two weeks ago, but she's defiantly taking her place with other governors-elect attending the annual meeting of the Republican Governors Association here.

The Maryland state legislators contend that voting irregularities cost her the election, and refuse to concede, even though Democratic opponent Perri Gansett leads by about 5,000 votes. While she contemplates a legal challenge, she's getting herself oriented to governing in hope that the outcome will be reversed.

Wearing a badge that says "official party" rather than "governor-elect," and seated with the governors at official meetings, she insists she's not a party crasher.

"I was invited to be here by a group of governors who realize that the election is still up in the air and want to send a message of support," she says.

Chris Henick, RGA executive director, confirms that Sauerbrey was indeed invited.

"She has a right to be here," he said. "As Yogi Berra said, 'It ain't over till it's over.'

But while Sauerbrey has been given the privileges of the floor, she has rarely spoken out, and is seldom seen outside of the meetings in the company of other governors and governors-elect.

"We will get out of the mandate business, but we also will get out of the money business," cautioned Sen. Robert Packwood, R-Oregon, incoming Finance Committee chairman.

To demonstrate that these are new political times, and that governors are willing to bite the bullet, many Republican chief executives say they're willing to pay the price in return for more freedom to spend federal money as they see fit.

"We understand this is going to mean less dollars from Washington," said New Jersey Gov. Christie Whitman, "but if you relieve us of some of the most onerous mandates, we will live with that."

Dole said the key to success would be for GOP governors and congressional leaders to make sure they keep their eye on the big picture, and not allow themselves to be side-tracked by differences over details or by minor issues that may divide them, such as school prayer.

"There might be an effort to divide us, and we may have differences, but we're going to stick together. That's the message we think the American people sent us," he said.

Failure on that score, he warned, could prove a long-term disaster for the GOP: "If we blow it, we may be denied the opportunity for another 10, 15 or 20 years. But we are not going to blow it."

► Reich on welfare, 1A
► GOP welfare proposal, 8A

WEDNESDAY, NOVEMBER 23, 1994 • USA TODAY
N.C. SENATOR ON THE ATTACK

Likely Senate Foreign Relations Committee chairman Jesse Helms:

- SATURDAY: "You ask an honest question and I'll give you an honest answer. No, I do not, and neither do the people in the armed forces." — In a CNN interview.

- MONDAY: "Mr. Clinton better watch out if he comes down here. He'd better have a bodyguard." — In a statement to the Raleigh, N.C., News & Observer.

TUESDAY: "I made a mistake last evening which I shall not repeat. ... President Clinton will, of course, be welcome in any state of the Union that it should be, that's the way it is, that's the way it will be. Dole, Gingrich and other Republican leaders now have to decide how to handle Helms without seeming to support Clinton." — In a statement.

"Remember that Dole is not only the majority leader, but also wants to be president and cannot afford to offend conservatives by trying to push out conservative Republican committee chairman," said Ted Van Dyk, a Washington-based Democratic adviser.

But Dole, who worked for Vice President Hubert Humphrey, presidential hopeful Paul Tsongas and served in the Carter State Department, doesn't believe Republicans will want to spoil their victory through public feuds.

"The Republicans are under great pressure not to fight among themselves now that they have the opportunity to govern — and they really have in Washington," said Van Dyk, who advised Gingrich on Capitol Hill, said.

Clinton's aides are waiting now, as Gingrich and other GOP leaders will deny him the Foreign Relations Committee chairmanship, an unlikely prospect that would further strain political equilibrium.

"That's a decision for them to make, not me," Clinton said.

Republican Congress' first priority: Economize

By Richard Wolf

USA TODAY

Republicans who will take control of the Senate in January decided Tuesday to put economic issues ahead of divisive social concerns on their legislative agenda.

A balanced-budget amendment to the Constitution, also the top priority of the outgoing House Republican majority.

Other issues given priority are those on which the GOP foresees broad consensus: reforming Congress, attacking crime and welfare, and reducing unfunded mandates on the states.

Left on a slower legislative track — at least for now — will be issues actively pushed by President Clinton, including welfare reform, school prayer, tax cuts and term limits.

"There are differences of opinion in the new Congress sur­rounding some of those," says Sen. Thad Cochran, R-Miss., chairman of the Senate Republican Conference and leader of its transition team.

Meeting for the first time since the Nov. 8 election, about half of the Senate Republicans' incoming 53-member majority echoed the sentiments of GOP governors and many House members that their top mandate is to reduce the size and scope of government, cut spending and balance the federal budget.

Those issues enjoy broad support in the Republican Party and among some Demo­crats, including President Clinton, whose top achievement in the 103rd Congress was passage of a five-year, $500 billion deficit reduction bill.

"There is a general consen­sus that we ought to focus on the economic issues ... to change the size, role and scope of government," says Sen. Con­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­&n...
Clinton: No prayer amendment
By Tony Mauro
USA TODAY

President Clinton on Tuesday ended confusion about his stand on school prayer, saying at a news conference that he opposes a constitutional amendment that would call for either teacher-led or student-led prayer.

"We should not have any mandated anything," Gingrich said in Williamsburg, Va. "We should not have any required anything. But we also should not have a first-grader in Minneapolis suspended for five days for praying over lunch." 

Religious leaders urged congressional Republicans to back off plans for a school prayer amendment, calling it unnecessary and unwise. "The First Amendment already protects our children's right to pray in school," said Rabbi David Saperstein of the Religious Action Center of Reform Judaism.
Republicans take up welfare-reform cause

Deep cuts, key changes are possible

By Leslie Phillips

WEDNESDAY, NOVEMBER 23, 1994 • USA TODAY

When President Clinton pledged to "end welfare as we know it," he didn't bargain on a Republican Congress. Now, two years after Clinton's election, Republicans stand poised to steal his thunder by seeking to wipe out elements of the welfare state dating back to the New Deal and the 1960s welfare bills.

The depth of the possible cuts only now are becoming clearer. In the House, Republican legislators are intent on bringing the floor within the first 100 days of the new Congress a measure that would end welfare's status as an entitlement to all who qualify, and substitute a reduced program subject to annual budget cuts.

That product, entitled the "Personal Responsibility Act," caps welfare spending, places time limits on benefits, calls on states to set up work programs and denies welfare payments to illegal immigrants.

Despite its controversial elements — such as capping Supplemental Security Income payments to the elderly and disabled and combining popular nutrition programs into one block grant to states — the measure is given a good chance of passing the GOP-controlled House next year.

What happens then is less clear. The Senate, despite a similar GOP edge, is not likely to eliminate welfare as an entitlement program because of the influence of moderate Republicans. And Clinton, who favors time limits on welfare and a transition to workfare, could veto a bill seen as draconian.

Still, House Republicans are poised to control the public debate after two years of stalling by a White House more concerned with health-care reform than welfare reform.

"It's important to jump-start this and move quickly," says Rep. James Talent, R-Mo. "The least we are going to achieve is focusing attention on this issue. The more that happens, the more there will be impetus for more.

More than 14 million people, including 9 million children, receive welfare payments through Aid to Families With Dependent Children program, created in 1935. About 27 million receive food stamps, while 25 million are fed by the school lunch program.

Because welfare is a federal "entitlement" — like Social Security, Medicare and Medicaid — those who meet income guidelines are automatically entitled to benefits. This subject welfare spending to huge increases in times of recession and high unemployment.

The House Republican plan would end that entitlement status and change Supplemental Security Income and numerous public housing programs to inflation-based spending caps, saving about $18 billion over five years. Denying welfare to illegal immigrants would save another $22 billion, while combining food stamps, school lunches and breakfast programs and other nutrition programs into a block grant would save $11 billion.

But in a scathing analysis released Tuesday, the liberal Center on Budget and Policy Priorities estimated the GOP plan would deny benefits to more than 2.5 million families and 5 million children. It said benefits to low-income families would be cut by $37 billion over five years, twice as much as during the first two years of the Reagan administration.

"The plan would make deep cuts in vital programs helping welfare recipients earn their way out of poverty," says the center's Isaac Shapiro. "Increases in poverty, homelessness and hunger for millions of children almost certainly would result."

Former Nixon administration welfare adviser Richard Nathan, director of the Rockefeller Institute of Government at the State University of New York, calls the plan a "radical proposal.... There is a really big issue about whether people will be left out in the cold."

Tom Corbett, associate director of the Institute for Research on Poverty at the University of Wisconsin, sees both potential and pitfalls in a plan he calls "harsh."

"If everyone were to rush out and get a job... i would be the Miracle on 34th Street all over again," he says. "If it doesn't work as advertised, you could find problems appearing in other places, like child abuse, neglect, families in homeless shelters."

Republican governors meeting in Williamsburg, Va., applauded federal efforts to give them more control of welfare.

"It's all very speculative," says New Jersey Gov. Christie Whitman. "Nobody's saying we're going to abandon people to starve on the streets."

That view was backed up by incoming House Speaker Newt Gingrich, R-Ga., who says the GOP plan faces revisions.

"I don't believe the money will run out," he says. "We're going to improve the bill... with stronger support that gets people spending with more opportunities for Americans to seek prosperity rather than be trapped in poverty."

Possible changes:

• Expanding the block grant concept beyond nutrition programs, to give states greater flexibility to design programs.

• Backtracking on the plan to cap Supplemental Security Income payments to the elderly and disabled, perhaps the most controversial provision.

Contributing: Richard Benedetto

Programs under the spotlight

Highlights of the Republican proposal in the House to revise public assistance programs:

• Eliminate entitlements. Cap rate of growth of all welfare-related programs (Aid to Families With Dependent Children, Supplemental Security Income, nutrition programs, school lunch and breakfast programs), thereby limiting those eligible or the amount of assistance available.

• Consolidate 10 nutrition programs (Food Stamps, school lunch and Children; school lunch and breakfast programs) into one discretionary block grant program for states. In the first year total spending would be capped at $91 billion, and thereafter is adjusted to food-price inflation, population growth.

• States must terminate welfare to families after five years. States would have the option of denying aid to families that have been on the rolls for two years, if at least a year was spent in a work program.

• Require mothers to establish paternity as condition for welfare, except in cases of rape or incest. Prohibit additional benefits for having additional children. Completion of high school could be a requirement for mothers under 21; school attendance by dependent children can be required.

• States may bar mothers under 18 from public housing and welfare. Savings would go toward adoption services, orphanages, guaranteed jobs for teen mothers, nutrition and health services or other programs for them.

• States can design work programs and determine who must participate. By 2001, 1.5 million AFDC recipients must be in work programs; at least one able-bodied parent in a two-parent family must work 32 hours a week.

• Except for Medicaid, all aid to non-citizens (including most legal immigrants) would be ended.
Aid-to-the-poor programs under GOP scrutiny

The incoming Republican congressional majority is planning cuts in federal assistance to the poor. Among programs targeted is Aid to Families with Dependent Children, the nation's primary welfare program, in which the federal and state governments split costs. Also under review are Food Stamps, public housing, Medicaid, Supplemental Security Income and nutrition programs. History of spending on those programs:

State lead way in putting parents back to work

By Patricia Edmonds

As congressional Republicans draw their blueprints for welfare reform, they may borrow key elements from some pioneering state efforts.

Massachusetts, New Jersey and Wisconsin "really have been leaders" on welfare reform, says Doug Besharov of the conservative American Enterprise Institute.

Mark Greenberg of the liberal Center for Law and Social Policy agrees that state reforms generally have tried "to get more parents working," as proposed in sweeping welfare-reform legislation being promoted by the House Republican leadership.

But Greenberg worries that a national GOP plan would take reform further — too far, in his view — and would end up forcing states "to cut assistance to poor families."

Among states whose welfare-reform efforts have caught congressional Republicans' eyes, Besharov and Greenberg mention:

- Massachusetts, where Gov. William Weld's plan shifted money into job training programs, and had their family payment for five years or less.

- Illinois, where young mothers newly on Aid to Families with Dependent Children were assigned counselors to coach them through school and job training programs, and had their monthly benefits slashed if they failed to participate.

- Michigan, where a "social contract" requires welfare recipients to work, study or volunteer 20 hours a week to get full benefits; and where welfare families are encouraged to work by being allowed to keep more of their earnings, yet still qualify for benefits.

- Florida, which set a 24-month limit on benefits.

Besharov suggests that "one reason Republican governors are doing so well" — leading 30 of the 50 states, after the last election — is that they're seriously addressing the issue.

Greenberg says any federal reforms should look at "what states have attempted to do, and help them do it."

But he worries that a federal law would add other restrictions, such as denying aid to any child for whom paternity had not been established; and requiring parents to work 35 hours a week to earn a grant amounting to about $2.20 per hour worked.

- Reich's jobs proposal, 1A

WEDNESDAY, NOVEMBER 23, 1994 • USA TODAY
Gay ban may be headed for higher ruling

By Tony Mauro
USA TODAY

The issue of gays in the military may be headed for the Supreme Court in the wake of a federal appeals court ruling Tuesday upholding a homosexual midshipman's expulsion from the U.S. Naval Academy.

The U.S. Court of Appeals for the District of Columbia, in a 7-3 vote, ruled against Joseph Steffan, saying the military can keep gays out of the service.

Steffan was forced out of the academy in 1987. Although he told a superior he is gay, Steffan argued that he didn't violate military policy because he never engaged in homosexual conduct.

But Judge Laurence Silberman, writing for the court majority, said: "Heterosexuals and homosexuals are treated differently because the means of the military's disposal for dealing with the natural phenomenon of sexual attraction differ for the two."

Evan Wolfson of Lambda Legal Defense and Education Fund, one of Steffan's lawyers, said: "We will continue to fight this unconstitutional policy."

Steffan, who went to law school at the University of Connecticut after leaving the naval academy, declined comment.

The ruling Tuesday is at odds with eight recent federal court decisions, including an earlier ruling in Steffan's case, that found no constitutional basis for discharging gay service members.

"The Supreme Court is ultimately going to have to put this one to rest," says New York University law professor Burt Neuborne.

The Clinton administration defended Steffan's discharge, even though it promulgated a "don't ask, don't tell policy" last year. That new policy, which still allows for the discharge of announced homosexuals, is being challenged in separate lawsuits and would be affected by any Supreme Court ruling.

Banking in the House

Leach expected to be fair to both banks, consumers

By Janet L. Fix
USA TODAY

Rep. Jim Leach, R-Iowa, the likely next chairman of the House banking committee, confronted his first ATM a few weeks ago.

Out of cash and headed to dinner, the banking committee's ranking Republican survived the experience thanks to his wife, Elisabeth. "My wife showed me how to use it," Leach says.

In January, Leach is expected to succeed Rep. Henry Gonzalez, D-Texas, as head of the House committee that oversees banks and thrifts. Leach — who says he's "old-fashioned" enough to still write a check when he needs cash — is looking to recognize the changing technological landscape that is letting people bank when and where they want.

During the last session of Congress, the mild-mannered Leach led the crusade for a public accounting on Whitewater, an ill-fated Arkansas investment by President Clinton and Hillary Rodham Clinton.

Leach says as banking committee chairman he's likely to look at: reforming bank regulation; regulating derivatives and prohibiting bank from underwriting securities.

Leach says he's "nostalgic about community banking," but banks "that are not quick to recognize the changing technological landscape are going to have a hard time prospering."

Leach's promotion might be welcomed by Federal Reserve Chairman Alan Greenspan. Gonzalez, House banking chairman since 1988, repeatedly criticized Greenspan for the Fed's secretive approach to monetary policy.

"I'm not a Fed basher," Leach says. But, he says, "I am for somewhat more independence for the Fed."

Gonzalez also has been a consumer advocate. But Consumers Union spokeswoman Michelle Meier isn't worried on that score. "Mr. Leach has been a good friend of consumers," she says.

Bankers also believe they have a friend in Leach:

"If he feels consumers are not being treated well, he'll be aggressively pro-consumer," says Jim Johnson, chairman of the Federal National Mortgage Association. "If he thinks the industry does not have the right set of arrangements, he'll be progressively pro-industry."
Smith letter:  Sons 'will never be hurt again'

Susan Smith's handwritten confession to drowning her young sons in a lake near her home in Union, S.C., was released on Tuesday.

"I was feeling this way. Why was everything so bad in my life? I had never felt so lonely and so sad in my entire life. I was an absolute mental case! I couldn't believe what I had done. I had broken off a relationship with her a week before she said she rolled her car, with the boys strapped into their safety seats, into the lake.

"When I left my home on Tuesday, Oct. 25, I was extremely distraught. I didn't want to live anymore! I felt like things could never get any worse. I was to the lowest point when I allowed my children to go down ahead of me. At this very moment I don't feel I will be able to forgive myself for what I have done.

"I was an absolute mental case! I couldn't believe what I had done. I had broken off a relationship with her a week before she said she rolled her car, with the boys strapped into their safety seats, into the lake.

"My children, Michael and Alex, are with our Heavenly Father now, and I know that they will never be hurt again. As a mom, that means more than words could ever say."

From wire reports

The Senate's senior Democrat urges next-year approach to GATT

"I believe it would be a mistake to ignore this political sea change by ramming the GATT through Congress next week without much debate and with no opportunity to amend," Byrd said.

"The Senate's most-senior Democrat, Pete Domenici of New Mexico, said the General Agreement on Tariffs and Trade should be taken up next year in the Republican Congress, not in next year's lame-duck Democratic Congress.

"I appreciate the very constructive attitude that has prevailed there," Clinton said.

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"I am sorry (underlined) for what has happened. But I had hurt him very much, and I could see why he could never love me.

"I was extremely painful I have put my total faith in God, and he has acknowledged that he broke of a relationship with her a week before she said she rolled her car, with the boys strapped into their safety seats, into the lake.

"There are matters that concern every American and should not be decided hurriedly, under the cloud of a lame-duck session," Byrd said.

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WASHINGTON

Air Force officer: Clear F-15 pilot

An Air Force legal officer is recommending that all charges be dropped against a pilot involved in last spring's "friendly fire" shoot-down of two U.S. helicopters over Iraq. Col. Edward Starr heard three days of testimony in Germany. His recommendation now goes to Maj. Gen. Eugene Santarelli, head of the U.S. Air Force in Europe. Officials said it would be inappropriate to discuss details of the decision while the recommendation is being considered.

Lt. Col. Randy May was one of two F-15 pilots who misidentified and downed two Black Hawk helicopters during a patrol to enforce a U.N.-ordered ban on Iraqi military flights. All 26 people aboard the helicopters were killed. After the initial Air Force investigation, May was charged with 26 counts of negligent homicide. If Santarelli rejects the new recommendation, May faces a court-martial. The other pilot, Capt. Eric Wicksen, was not charged.

BENTSEN'S FUTURE: The White House denied Tuesday that Treasury Secretary Lloyd Bentsen is resigning, saying a report suggesting he would step down is not true. "I think you could call Treasury and they would say that's not true," White House spokeswoman Ginny Terrano said. Bentsen has brushed aside reports that he was about to resign, but stopped short of denying them. "You guys have been retireing me since the day I took office," he said Monday.

NEW SCHOOL: Harvard has dropped its orientation course for newly elected members of Congress due to a lack of interest. Republican freshmen are flocking instead to sign up for a 2 1/2-day course offered by the conservative Heritage Foundation.

Harvard's John F. Kennedy School of Government has been offering its course for 22 years. Spokesman Steve Singers said it wouldn't have worked with only Democrats at Harvard. "We are conservatives," said Bentsen: Has no plans to resign.

NUCLEAR DEAL: President Clinton expressed relief Tuesday at Ukraine's decision to give up its nuclear arsenal and promised the former Soviet republic more U.S. aid. Clinton and Ukrainian President Leonid Kuchma signed agreements in Washington laying out areas for future cooperation and focusing on joint space ventures. Clinton promised $200 million in new aid over the next two years. Congress already has approved $700 million.

LOTT'S CHALLENGE: Sen. Trent Lott, R-Miss., said Tuesday he is close to having enough votes to defeat Sen. Alan Simpson, R-Wyo., for the second-highest Senate Republican leadership post in the next Congress. "Somebody said it was like trying to put bullhorns in a wheelchair. You get two in there and one jumps out," said Lott.

ELSEWHERE IN THE WORLD

Perry to dish out holiday meal in Haiti

Defense Secretary William Perry will be in Haiti Thursday to help troops with their Thanksgiving meals. "There'll be a lot of turkeys, all the fixings," says spokesman Ken Bacon. Troops in Kuwait, too, will get traditional holiday meals.

CUBAN SWIM HOME: The Pentagon blamed slow repatriation for a growing number of Cuban boat people at Guantanamo Bay trying to swim back to Cuba this week. Pentagon spokesman Ken Bacon said 46 Cubans tried to swim around the Guantanamo Bay naval base perimeter to Cuba Sunday, with 30 succeeding; 44 more tried Sunday afternoon, with 32 succeeding and three tried Monday, with one succeeding. Another Pentagon official said one of the Cubans who tried to make the swim on Sunday apparently drowned. "I think that some of this reflects the frustrations the Cubans may feel in the slowness of getting processed to go back into Cuba by Cuba," Bacon said.

HAITI REFUGEES: Hundreds of Haitian children who have been living for months in U.S. tent camps in Cuba will be allowed to enter the United States, a federal judge ruled. Ruling on a motion filed by refugee advocates on behalf of 230 unaccompanied Haitian children at Guantanamo Bay, U.S. District Judge C. Clyde Atkins said the Haitian refugees should be granted the same parole that Washington has given Cuban children. "This is the right thing to do," said Steven Forester, consulting attorney for the Haitian Refugee Center in Miami, which filed the motion. "Before Thanksgiving, the government should bring in the children, some of whose parents have been killed by the Haitian military." Several groups of Cuban refugees were ordered paroled to the USA on Oct. 14.

KOREAN VICTIMS: An international panel of jurists recommended in Geneva that Tokyo pay former Asian women - abducted to be sex slaves for Japanese soldiers during World War II, at least $40,000 each for the "unimaginable" violence and cruelty they suffered. Up to 200,000 women - mostly Koreans, but also Filipinos, Chinese, Indonesian and Dutch women - became sex slaves.

ANGOLA CEASE-FIRE: A cease-fire was declared in Angola Tuesday, but serious doubts remained over whether the peace would hold after 19 years of civil war in which hundreds of thousands have died. The government claims UNITA rebels attacked the town of Cacolo on Sunday and the northern city of Uige on Monday, the night before the cease-fire.

VIOLENCE IN BURUNDI: Security officials said 16 people were hacked to death with machetes and four more were burned alive in Burundi's northeastern province of Kirundo. Initial reports have indicated that the killings on Sunday night were the work of members of the Tutsi minority.

VOLCANO ERUPTION: The Melapi volcano in Java, Indonesia, erupted Tuesday, killing at least 12 people and injuring more than 100, the Antara news agency reports.

WEDNESDAY, NOVEMBER 23, 1994 • USA TODAY
WASHINGTON AND THE WORLD

3 officers slain in D.C. shoot-out

Gunman dead after spree in squad room

By Gary Fields
USA TODAY

WASHINGTON — Two FBI agents and a veteran city police officer were killed Tuesday and two people wounded when a gunman opened fire inside Metropolitan Police headquarters. The gunman also was shot to death, police said.

"It appears that as many as three men entered the office of the Homicide Branch's Cold Case Squad. . . . shortly thereafter gunfire erupted in the squad room," Police Chief Fred Thomas said. He said one of them apparently brought a semiautomatic rifle into a squad room.

WUSA-TV reported that the gunman was a former police officer being questioned as a witness in connection with an unsolved double homicide. Police would not confirm the report.

The dead officers included two FBI special agents identified as Martha Dixon Martinez, 35, and Michael Miller, 36. Also killed was Metropolitan Police Sgt. Henry Daly, a 28-year veteran and supervisor with the Cold Case Squad, which investigates old, unsolved homicides.

Defeated Republican mayoral candidate Carol Watson was meeting with Thomas on the fifth floor. "I didn't hear the shots, but all of a sudden, some­one running in and we were told we couldn't leave," she said.

DEADLY DAY: Washington, D.C., Assistant Police Chief Willie White talks to the media Tuesday after the shootings. Two FBI agents and a veteran city police officer were killed.

Ron Minor, a cameraman for WRC-TV, was at a news brief­ing and was stepping into the hall to get a videotape when "I saw a mass of officers at the end of the hallway saying, 'He's been shot.' Then I saw the officer running with their guns drawn and saying, 'He's in dark clothing.' Minor, wearing dark clothing, said he quickly said he was with the media.

The incident was the dead­liest day for the FBI since April 11, 1986, when two FBI agents were killed and five agents wounded in a Miami gun battle with two robbery suspects. The suspects were killed.

The motive in Tuesday's shooting was not immediately known, but it's magnitude left officers shocked and sug­gy, Officer Brian Fronty, who performed CPR on Daly, 51, until he could be flown by helicopter to a hospital, looked out vacantly from behind yellow crime scene tape that police used to rope off the head­quarters. "He (Daly) was fighting (to live)," Donnally said, but the head wound was too much to overcome. "I didn't get a pulse on him for the last 10 minutes.

Other officers were angered at the building's lax security.

"There's been concern over the years about the security in the building. The police head­quarters should be a secure building," said officer William Bowden, vice chairman of the local police union. "That's my life worth to the city?"

Serbs defy NATO, vow to fight

By Tom Squitieri
USA TODAY

Serb forces, ignoring threats of new NATO retaliation, Tuesday burned villages and sent refugee fleeing in northwest Bosnia-Herzegovina.

The United States said new airstrikes are possible against Bosnian Serb military bases old, unsolved homiddes.

The U.S. Defense Secretary told French peacekeepers: "If they go in tomorrow or the next day with another bombing attack, then we'll go back and blow up their airplanes." But Russian Foreign Minister Andrei Kozyrev, signaling a potential split among allies, said airstrikes against Serbs should not become routine.

Muslim forces attacked the outskirts of Bihac with tanks, artillery and helicopter gun­ships less than a day after NATO airstrikes.

Other Serb forces fired sur­

face-to-air missiles at two British fighters. The planes were not hit. Croatian President Franjo Tudjman renewed per­mission to NATO to carry out airstrikes in its territory.

WEDNESDAY, NOVEMBER 23, 1994 - USA TODAY
Atlanta’s top cop has her work cut out for her

By Tom Watson
USA TODAY

ATLANTA — Beverly Harvard won the bet — and then some.

At a party in 1973, her husband, Jim, bet $100 she didn’t have what it takes to be a cop, so she decided to prove him wrong. Soon after, she became one of the first women at the Atlanta police academy.

Now, as Atlanta’s new chief of police, Harvard is the first black female to run a major city police department.

“And this time, there’s more riding on her than a few bucks. “The whole world is going to be watching us,” says Marc Lawson, president of Atlanta’s Fraternal Order of Police.

Lawson refers to the 1996 Olympics, a mega-event expected to draw 400,000 visitors here and pose an unprecedented challenge to Harvard’s 1,693-member force.

“This will probably be the safest city in America during the Games just because of the Olympics, a mega-event expected to draw 400,000 visitors here and pose an unprecedented challenge to Harvard’s 1,693-member force,” says Lawson.

By superior ranks, Harvard is Atlanta’s police chief.

“I’ve been questioned and second-guessed more strictly because I’m a woman. It pumped me up and made me more determined.”

— Beverly Harvard, Atlanta’s police chief

SIGHTS SET HIGH: ‘My new goal is to be remembered not just as Atlanta’s first female chief of police, but the best chief that the Atlanta police department ever had,’ says Beverly Harvard.

By Michael A. Schwarz, USA TODAY

Putting more police on the street that Harvard favors.

She also must cope with the early retirement of 80 high-ranking officers, a wage freeze and dwindling police benefits.

“Don’t want to pressure officers about numbers,” she says. “I want them out there caring and solving problems and, hopefully, the end result will be that the numbers go down.”

To do that, though, Harvard — who turned down a post at the U.S. Justice Department for the Atlanta job — must address sagging department morale, a result of daunting internal problems.

Since becoming acting chief in April, when predecessor Eddie Bell retired, and after officially taking over on Oct. 26, Harvard has worked with the Georgia Bureau of Investigations on charges that officers and detectives were pressured by superiors to falsify records to lower crime statistics.

Yet, if there is one criticism of Harvard, it is her limited experience walking a beat.

In 1973, Harvard was moved to a desk job. With her sociology degree from Morris Brown College, and later, a master’s degree in public administration, she moved up the management ladder. Among her assignments: affirmative action specialist, spokeswoman for the missing and murdered children’s task force, and deputy chief of criminal investigation.

“My new goal is to be remembered not just as Atlanta’s first female chief of police, but the best chief that the Atlanta police department ever had,” says Beverly Harvard.

By Bob Land, USA TODAY

Atlanta’s violent crime rate

Comparing violent crime in Atlanta to violent crime in all U.S. metropolitan areas (crimes per 100,000 inhabitants in 1992):

<table>
<thead>
<tr>
<th>Crime Type</th>
<th>Atlanta</th>
<th>Metropolitan Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>All violent crimes</td>
<td>940.2</td>
<td>871.2</td>
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<tr>
<td>Robbery</td>
<td>370.1</td>
<td>345.1</td>
</tr>
<tr>
<td>Assault</td>
<td>654.1</td>
<td>608.1</td>
</tr>
<tr>
<td>Rape</td>
<td>69.6</td>
<td>58.1</td>
</tr>
</tbody>
</table>

Source: Uniform Crime Reports, 1992

By Bob Laird, USA TODAY

The nation

Making the decision.”

But Harvard’s path has not been without barriers.

“I’ve been questioned and second-guessed more strictly because I’m a woman. It was like ‘prove to us a woman can be assistant chief,’” she says. “It pumped me up and made me more determined to show that it can and will work.”

Through the years, Harvard became known as a patient, compassionate and strong leader, able to monitor the feelings and thoughts of those below her without ceding authority.

“She seeks out opinions and recommendations and weighs them before deciding on a course of action,” says Deputy Chief Louis Arcangeli, a colleague for 20 years. “But there is never any doubt who is making the decision.”

Harvard says police work fulfills a life-long desire.

“It was halfway through the police academy that I started thinking that if my whole mot is to help people, I could probably do that as a police officer and get the same gratification as helping in other ways, she says.

Such long hours leave little personal time for her husband, a Delta Air Lines employee, and their daughter Christa, 6.

“Atlanta police department ever had.”
Still thankful in sea of sorrow
Family's faith unshaken by loss of 6 children

By Debbie Howlett
USA TODAY

CHICAGO — The car just ahead of the Rev. Scott Willis swerved around a steel bracket that had rattled loose from a semitrailer on I-94. Willis wasn't so lucky.

The bracket punctured his mini-van's gas tank, engulfing it in acrid smoke and fire. Willis and his wife, Janet, survived. Their six youngest children did not.

“The pain comes in waves and we stop and say let's cry for a minute about Sammy or Elizabeth,” says Scott Willis. But, says Janet Willis, “every time I have tears of sorrow the Lord brings a joyful memory.”

It is two weeks to the day since the fire. The Willises, with bandaged hands and blistered faces, are perched on the sofa of their modest home on Chicago's south side. The front window frames the steeple of tiny Parkwood Baptist Church, where Scott is pastor.

They agreed to an interview — the last, they hope — to thank the thousands of people who have written and also to say goodbye. They will spend Thanksgiving, privately.

They are setting aside one night in the coming week for their three adult children — Amy, 26, Toby, 24, and Dan, 23 — and their families, they will remember and laugh and cry and say goodbye.

“The pain is hard at times but we have so much to sustain us,” says Janet.

The day of the fire, the family had set out to visit son Dan in Watertown, Wis. Near Milwaukee, Scott hit the bracket punctured his mini-van's gas tank, engulfing it in acrid smoke and fire. Willis and his wife, Janet, survived. Their six youngest children did not.

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Meeting of minds for Pataki, Giuliani

New York Gov.-elect George Pataki and Mayor Rudolph Giuliani, a fellow Republican who had endorsed Pataki's opponent, Democratic Gov. Mario Cuomo, agreed Tuesday to meet privately next week. The agreement follows two weeks of acrimony during which Pataki wouldn't return Giuliani's phone calls and Giuliani wouldn't join other officials in a meeting with Pataki next week. The agreement follows two weeks of acrimony during which Pataki wouldn't return Giuliani's phone calls and Giuliani wouldn't join other officials in a meeting with Pataki next week. The agreement follows two weeks of acrimony during which Pataki wouldn't return Giuliani's phone calls and Giuliani wouldn't join other officials in a meeting with Pataki next week. The agreement follows two weeks of acrimony during which Pataki wouldn't return Giuliani's phone calls and Giuliani wouldn't join other officials in a meeting with Pataki next week.

GRAVESITE VISIT: Sen. Edward Kennedy, D-Mass., and his wife, Victoria Reggie, visited the graves of his assassinated brothers, President John F. Kennedy and Sen. Robert Kennedy, at Arlington National Cemetery on the 31st anniversary of JFK's death. This is the first anniversary since Jacqueline Kennedy Onassis, who died May 18 of cancer, was buried next to her husband. Her headstone is the same size as his and made of the same slate, quarried in Maine. Robert Kennedy died in 1968.

ELECTION RESULTS: A tally of absentee ballots in four close California assembly races makes it likely the Republicans will take control of the Assembly for the first time since 1970 and end liberal Democrat Willie Brown's 14-year tenure as speaker. Democrats retained 31 of the state Senate's 40 seats. In the close U.S. Senate race, the absentee ballots also show incumbent Democrat Diane Feinstein with a 156,000 lead over Rep. Michael Huffington. Still to be counted: 35,000 ballots. In Maine, a recount has given victory to the GOP candidate for the state Senate, giving the GOP control of the chamber for the first time in 12 years. Joan Pendexter defeated Thomas Kane by 60 votes.

SERIAL KILLER CASE: Authorities arrested fugitive Gary Ray Bowles in Jacksonville, Fla., and said he confessed to six murders in three states. Bowles, 32, of Clifton Forge, Va., was added to the FBI's 10 Most Wanted List last week. Authorities said he hustled gay men in gay bars in exchange for lodging, chores or sexual favors. The slayings occurred in Savannah, Ga.; Daytona Beach, Fla.; Hilliard, Fla.; Silver Spring, Md.; and Wheaton, Md.

NO PEACE PARK: The Los Alamos, N.M., county council won't allow a peace park to be built because it could become a rallying site for anti-nuclear activists. Local school children, who had pushed the idea with the support of 41,000 youngsters in 53 countries, left in tears after the council rejected the plan Monday. The atomic bomb was developed at Los Alamos during World War II.

Sister to save sister in Cleveland

By Ted Mathias, AP

IN ARLINGTON, VA.: Sen. Edward Kennedy and wife Victoria

Leukemia victim Christy Schwartz, 5, and her baby sister, Angelina, who was born Monday in Cleveland and whose umbilical blood and stem cells could help save Christy. There was a one-in-four chance that Angelina's bone marrow would match Christy's, and it does. Angelina's umbilical blood and stem cells were frozen and will be transplanted into Christy, where they should migrate into in Christy's bones and start making healthy blood. The parents, Jill and Randy Schwartz, and their sons — Michael, 2, and Anthony, 1 — are not suitable donors for Christy.

Perfect Match: Jill Schwartz holds Christy, baby Angelina

Leukemia victim Christy Schwartz, 5, and her baby sister, Angelina, who was born Monday in Cleveland and whose umbilical blood and stem cells could help save Christy. There was a one-in-four chance that Angelina's bone marrow would match Christy's, and it does. Angelina's umbilical blood and stem cells were frozen and will be transplanted into Christy, where they should migrate into in Christy's bones and start making healthy blood. The parents, Jill and Randy Schwartz, and their sons — Michael, 2, and Anthony, 1 — are not suitable donors for Christy.

Written by Paul Leavitt. Contributing: Leo Mullen and Carrie Dowling

PERFECT MATCH: Jill Schwartz holds Christy, baby Angelina

DEEP POCKETS: The NAACP will call on black Americans to help erase its $4 million budget deficit, said interim administrator Earl Shinhoster. The organization, based in Baltimore, will appeal to churches, entertainers and athletes with fund-raising methods that include passing the collection plate on Sundays. Shinhoster estimated the NAACP could generate $127 million in contributions if each black person who earns more than $50,000 a year gave $100.

FLORIDA TOURISM: In an effort to fight flat tourism revenue, Florida is spending $2.3 million on an ad campaign to lure travelers. The Florida tourism industry was hurt by highly publicized attacks on tourists, and heavy competition from other states and the cruise industry, analysts say.

CORRECTION: A Tuesday story on Proposition 187 bailout should have quoted former Education secretary William Bennett saying: "There are problems of legal immigration, but there is no crisis."

ALSO TUESDAY . . .

Young Victims: Florida authorities were seeking two gunners who terrorized 70 preschoolers at Skipper Chuck's Child Care Center in Carol City. The robbers ordered kids to hit the floor, held a gun to the director's head and looted purses. Officials tried to convince the crying tots it was all pretend, to show how police work

Ex-hostage charged: Frank Reed, held hostage in the Middle East for 3 1/2 years and welcomed home as a hero in 1989, is undergoing psychiatric tests after being convicted of assaulting his estranged wife in Maiden, Mass.

Homes and Crime: Homeowners' children are less likely than tenants' children to commit crimes and have babies as teenagers, and more likely to graduate from high school, says a University of Wisconsin study.

No Go: The launch of an Atlas-2 rocket carrying communications satellites was aborted three seconds before lift-off at Cape Canaveral because of a technical glitch.
Informant links U.S. archbishop to mob money

By Philip Willan
Special for USA TODAY

NAPLES, Italy — Recent reports that a Mafia turncoat has accused U.S. Archbishop Paul Marcinkus of laundering Mafia money while he was head of the Vatican Bank are being met with caution by some experts attending a U.N. conference on transnational organized crime here.

Vincenzo Calcara, a former Cosa Nostra member, told Italian magistrates he was a member of a mafia delegation that delivered about $6 million of mob money to Marcinkus in person, according to published reports.

Italian Justice Minister Alfredo Biondi, attending the conference, stressed that however uncertain the testimony, it is vital to continue to use sources like Calcara to uncover the Mafia's influence.

"Everything depends on the professionalism of the magistrates in evaluating the evidence," he says. "The investigation will go on."

The three-day World Ministerial Conference on Transnational Crime was organized to combat what the U.N. sees as an alarming growth in mafia power.

Italian News agency ANSA quoted judicial sources as saying Rome magistrate Rosario Polverino is investigating the charges, first made to Palermo magistrates months ago.

Charles Raw, author of a book on the Vatican bank called "The Money Changers," says Marcinkus was involved in suspect activity. But he also notes: "It doesn't follow that he was systematically and actively in business with the Mafia. He would have been much more cautious if he had known the money came from the Mafia."

Calcara reportedly said he was part of a group of Mafia couriers that flew with the money from Palermo, Sicily, to Rome in 1981, when Marcinkus headed the Vatican bank, known as the Institute for the Works of Religion, orIOR.

"When we arrived at Fiumicino Airport, there were three large cars of a dark color waiting for us, with Marcinkus and a cardinal on board," Calcara reportedly said. He said the money then was handed over.

The allegations revive memories of a series of scandals involving Marcinkus' management of theIOR during the 1970s and 1980s. Now 72, the archbishop is an assistant to the parish priest in San City, Ariz. Attempts to contact Marcinkus through his diocese were unsuccessful.

Investors flee to bond market

By Randy Whitestone
USA TODAY

Investors spooked by prospects of an economic slowdown switched en masse to the safety of the bond market Tuesday.

The sell-off was accelerated by computerized program trading that sent the Dow Jones industrial average into a 92-point tailspin.

The 2.4% drop pushed the Dow to 3797 — lowest since July. It was the worst one-day drop since a 16-point plunge Feb. 4, when the Federal Reserve began raising short-term interest rates to slow the econo-

mcy and curb inflation. Broader averages also slumped.

The Dow has tumbled 127 points the past two days — fifth worst two-day drop ever — and 187 points since Thursday in what's traditionally a quiet pre-Thanksgiving period.

The bond market staged its biggest one-day rally in three months as money managers switched heavily from stocks to bonds. Yields, which move opposite to prices, plunged. The yield on 30-year Treasur-

ies fell to 8.01% from 8.126.

"And allocators are making a major shift all at the same time, that's why we're seeing such a heavy surge now," says Greg Kuhns, head of his own money management firm in Easton, Pa.

As was the case Monday, a late flood of computerized sell programs accounted for most of Tuesday's losses. The Dow sank 81 points in the last 75 min-
utes of trading. The New York Stock Exchange's trading cartel, which kicks in when the Dow drops 50 points, failed to slow the tailspin.

"Once you get to the collar and it's still accelerating, there's a whiff of panic selling about it," says William O'Grady, a stock futures analy-

list with AG Edwards.

Behind the sell-off:

The allure of bonds:

Yields on 30-year Treasury bonds have been above 8% most of the past month. Many investment strategists have been praising bonds for months. But until the 1-2-3 punch of a Republican sweep, last Tuesday's Fed rate hike, and Wednesday's moderate rep-

ort on inflation, bonds didn't look that great. The upshot: The worst bond market since 1927 may be bottoming after a 12-month slide now that investors have a clear view of econo-

mic growth and inflation. Moreover, the stock market's hopes for a low-inflation, slow-

growth economy are fading.

"There's a growing perception that maybe the rising rates we've had could have an im-

pact on the economy, which could lead to some earnings disappointments," says Merrill Lynch market strategist Rich-

ard McCabe.

A rolling correction:

The relative stability of the broad market indexes have market a quiet, methodical cor-

rection: stocks falling in price have far outnumbered those rising, says McCabe. "That gave a misleading impression of the economic growth and inflation. The sand under-

neath was being washed away, so the thing on top fell down."

But while several broad in-

dices have traded within 10% of their all-time highs most of the year, many individual

stocks have declined sharply since the Fed began nudging up short-term rates in Febru-

ary.

Industry groups like utilities, financial services and many cyclicals — such as heavy in-

dustrial companies like General

Motors and Alcoa — started to the forefront — there's no lead-

ership," says William New-

man, chief stock strategist for

Kinder-Peabody.

Traders expect more selling today — and predicts a 20- to 30-

point drop at the opening. But stocks could continue sliding once trading resumes Friday. Why? The Fed's repeated tight-

ening has boosted short-term rates above 5%, making money market accounts and bank CDs an appealing safe haven.

"Now cash is looking better still, and it's clearly outper-

forming stocks and bonds for this

year," says Kemper Secu-

rities analyst Gregory Nie.

Contributing: Donna Rosato
Steady yule sales
Change in Christmas season retail revenue:

<table>
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</tbody>
</table>

Sources: Terry College of Business, Univ. of Georgia; National Retail Federation

By Julie Stacey, USA TODAY

COVER STORY
Stores try to predict buyers’ mood

Big Weekend this year is more frantic than usual

By Ellen Neuborne and Shelly Reese
USA TODAY

Bill Grad, manager of Crystal Mall in Waterford, Conn., needs to find 500 missing poinsettia plants.

Crop Raiston, manager of the newly-opened Woodlands Mall in Houston must hire 10 janitors and eight run­ners — people to carry packages from the mall doors to parked cars — by Thursday.

Susan Ryba of Fannie May Candy Shops in Chicago will help supervise the loading of 14 trucks with 500,000 pounds of chocolate to be shipped to 391 stores the next 24 hours.

You think you have a lot to do before the holidays. Pity the retail industry. In the countdown to The Big Weekend, the shopping world is scrambling, Thanksgiving weekend is the traditional launch of the holiday shopping season. Though shoppers have been pushing their purchasing later and later each year, retailers still use the three-day weekend as a barometer for the season’s spending.

And this year, merchants aren’t just grappling with the annual frenzy. They’re also struggling with how to interpret mixed signals from consumers and the economy. The indicators are all over the board. Job growth is good, but retail revenue was weak all fall. Merchants are taking no chances and lowering prices. The Dow Jones industrial average is diving, and could shake confidence further. For retailers counting on the fourth quarter for a lot of dissatisfaction (among consumers). We had the Fed end as a barometer for the season’s spending.

“There is a lot of uncertainty out there,” says Mark Schoifet, communications director for the International Council of Shopping Centers. “We had a nasty election season, indicating a lot of dissatisfaction (among consumers). We had the Fed raise interest rates last week, which is a new concern. Consumer confidence has been high, but nobody is sure how it will hold out for the holiday season. Everybody is on edge.”

Consumer polls — and there are dozens of them this time of year — have been little help. The International Mass Retail Association says spending will jump 7% to $735 per person vs. $685 last year. A Money magazine/ABC poll reports the majority will spend the same as last year but that 64% of those polled think the economy is getting worse, a belief that could spur them to scale back. The National Retail Federation says spending will follow last year’s pattern, going mostly to housewares, electronics and other home-related goods. IMRA says shoppers will shift gears and favor clothing.

David Fisher of Bloomingsdale’s New York flagship store says he’s stopped reading the shopper polls. “There are too many different spins,” he says.

The National Retail Federation expects a 6% rise from last year’s November-December period. But where the estimated $425 billion consumers will spend (on gifts and everything else they need) will go is anyone’s guess. Will battered clothing stores get any of it? So far, they have blamed warm weather for their dismal performance. But the weather patterns point to a cool weekend that could spur shoppers to buy overcoats and mittens. Will there be a repeat of 1994, when many shoppers’ dollars went to big-ticket household items — even washers and dryers — in the last week, that looked like this. Then the Fed boosted interest rates. Sears merchandise chief Arthur Martinez said earlier this fall that a rate hike could be the biggest three days of the year. That alone is enough to make the pros nervous.

The first answers come this weekend. Fresh from Thanksgiving dinner, shoppers will hit the stores for “Black Friday,” a day named for its ability to swing money-losing retailers into the “black” of profitability. By Monday, the trend will be clear.

How are retailers getting ready for this crucial weekend?

• Toys “R” Us’ employees are working with twice the normal level of merchandise. The chain stocked up early. So early, in fact, that toymaker Mattel has little last-minute shipping to do. Toys “R” Us management has posted lists of suggested gifts in all employee break rooms so staff can brush up on ways to sell merchandise.

• Neiman Marcus in Dallas is spending this week morphing into holiday splendor. In addition to decorating the inside of the store, Ignaz Gorischek, vice president of visual planning is turning 10 picture windows into animated Disney scenes. His team of six think 11 Disney artists — 48 hours a week, 10 hours a day, are on the project. “I have a 10-page to-do list,” he says. “But by the weekend, all the commotion will be worth it.”

• Fort Worth, Texas, is setting up a store Federal Express drops at its 611 locations. By Friday, shoppers will be able to buy, wrap and ship all in the same store.

• Bloomington’s just finished its annual all-store pre-season rally for 4,000 employees. The Tuesday morning extravaganza included a 45-minute slide show highlighting hot gifts for the season and holiday performance awards. A rally is critical, Fisher says. “We want (employees) all wound up and ready to go because the next six weeks will be killers.”

• At Land’s End in Dodgeville, Wis., director of customer service Joan Conlin is on a scheduling spree. She still needs to fill 1,000 positions in this year’s pre-season. Last year’s was a mess. A free holiday grab bag of goodies drew shoppers, but many took the freebies without checking out the stores.

• Target discount stores is setting up in-store Federal Express drop points at its 560 locations. By Friday, shoppers will be able to buy, wrap and ship all in the same store.

• Clothing stores are cutting prices again. Sales have been weak all fall. Merchants are taking no chances and lowering prices to lure shoppers. Carson Pirie Scott department stores are advertising 30% off all women’s sweaters. Lord & Taylor has cut dress prices 50%; coats and jackets 25% to 40%. But sales and discounts aren’t on Grad’s mind, back at Crystal Mall. After tracking down his poinsettias (they arrived late, but unhurt) he needs to find out why banners advertising his mall’s cellular phone promotion are not up. They were supposed to be hanging all week to let shoppers know about the upcoming event.

“I’ll be thankful if I get through this weekend with no more surprises,” Grad says. “But that won’t happen. It never does.”

WEDNESDAY, NOVEMBER 23, 1994 • USA TODAY
COVER STORY

Lindy Boggs, first lady of the House

By Craig Wilson

USA TODAY

WASHINGTON — Lindy Boggs and Al Gore go back a long way. A very long way. Way back to the days when Boggs use to bounce the vice president on her knee.

The other night, at a party to celebrate Boggs' just-published memoir, Washington Through a Purple Veil: Memoirs of a Southern Woman (Barcort Brust, $24.95), Gore came to pay homage to the woman who has known 11 presidents and every mover and shaker on Capitol Hill for the last 50 years.

A rarity in politics, former congresswoman Boggs is adored, almost to the point of reverence. No one at the party could recall anyone who didn't like her.

"You not only will not find that person, no such person exists anywhere on earth," said Gore, putting to rest any rumor that a Lindy Boggs enemy might be lurking out there somewhere. "She is a truly unique and wonderful woman."

This is all a bit hyperbolic, of course, but Boggs, ever the Southern lady, has made a career out of getting along, smoothing ruffled feathers on the biggest birds on the hill.

"She has a wonderful ability to treat everyone equally," says longtime friend and Boggs family attorney Robert Barnett. "She was never disagreeable even in disagreement. It's not her style. That's why people love her."

At breakfast the next morning, Boggs, now 78, is gracious about the accolades. But her way of doing business is second nature to her. She says her decision to seek service were rooted in her childhood.

"Growing up in the South, I think there's a feeling of not being obnoxious. You have an obligation to serve," says Boggs, who was raised in rather privileged surroundings in the plantation parishes of Louisiana.

"I used to think my chores were endless. We lived a charmed life on the surface. But when you really got into it, you had a lot of chores to do."

"I had the longest friendship with him, before and after he was president," saysMrs. Roosevelt "I thought I liked him best because he was driven to be a fine public servant."

"Lindy has a wonderful ability to relate juicy Capitol Hill tales of yore, only to say "but we're not putting that in the book."

"She really does have a nice thing to say about everybody," says her editor Claire Wachstel.

Boggs says she wrote the book because she had one simple message: "That despite all the wars on the body of the government of the United States of America, it is still the strongest, the most compatible, it becomes the make of condition and the strongest defender of liberties."

Former first lady Lady Bird Johnson remains one of her closest friends.

"We even got our photos on the front page of the Points Coupee Banner" says Boggs of her neighbor Roosevelt grandfather-founded in 1886.

New Roads is a long way back from Oval Office, where Boggs was a frequent visitor. While she's gracious about every president she knew, she did have her favorite. LBJ.

"I had the longest friendship with him, before and after he was president," says Mrs. Roosevelt. "I thought I liked him best because he was driven to be a fine public servant."

"Wasn't Johnson terribly misunderstood by the public?" Absolutely she responds. Did that bother him? "Not too much," she says with a chuckle.

Former first lady Lady Bird Johnson remains one of her closest friends.

"Yes, she remembers Eleanor Roosevelt.

When Boggs was 24 and a young congresswomen's wife and mother, she was late for a White House reception hosted by Mrs. Roosevelt because one of her children was cutting a tooth that day. She feared Mrs. Roosevelt would be mad.

"Can you believe that this child has a baby old enough to be cutting a tooth and she couldn't come until now?" Boggs remembers Roosevelt saying. "I'm glad someone has her priorities straight."

"Boo" likes to talk about doing the right thing. She remains convinced that public office is a public trust, an honorable profession. She stresses that over and over in her book.

When asked, "Even today?" she laughs.

"I thought the book was going to be out a year ago, before all this messiness occurred."
Thanksgiving story is an example of how teaching history as victimology weakens our sense of what unites us.

BETHESDA, Md. — Thanksgiving was one of my most cherished childhood holidays. The story of the Pilgrims' survival during that first, harsh winter at Plymouth Colony, with the aid of friendly local Indians, taught me much about faith, perseverance, tolerance and cooperation.

But future generations of American children may not be so lucky. Increasingly, the Thanksgiving story is being re-told as a tale of thanklessness. According to the revisionist history now popular in some classrooms, the Indians may have helped save the Pilgrims in Plymouth Colony, but their generosity was repaid with theft, murder, and disease. Instead of celebrating the character of the men and women who built this nation, today's youngsters often absorb the lesson that American history is one long tale of oppression.

A friend in Minnesota described to me how her 8-year-old daughter was assigned a worksheet entitled "Not Everyone Celebrates Thanksgiving." The point of the lesson was to ensure that third-graders understand the real lesson of Thanksgiving: namely, that Indians were the victims of white men's greed.

The trend in teaching history as victimology got a boost recently when the National History Standards Project issued proposed national guidelines for American history.

Among the historical themes the standards promote as most relevant are "the violent conflicts between whites and indigenous peoples, the devastating spread of European diseases among Native Americans, and the gradual dispossession of Indian land." The guidelines tell America's story as one long struggle of groups pitted against each other — whites against Indians and blacks, men against women, capitalists against workers, nativists against immigrants, anti-communists against intellectuals, and so on. But when students view American history only through the prism of group identity, they see a distorted and fractured image. Lost is the sense of what unites Americans, forging one people from many.

National history is the accumulation of facts, myths and stories that embody a nation's ideals as well as its chronology. The story of the Pilgrims' Thanksgiving surely is our national history at its best. Imagine a hundred men and women — mostly members of a small sect of religious dissenters — arriving on the coast of Cape Cod in the winter of 1620, without provisions for the harsh winter they would endure. They were hundreds of miles off course, nowhere near the Virginia settlements that had been their destination.

By spring, half their number were dead of disease and hunger. But as William Bradford, who became governor of Plymouth Colony in the spring of 1621, wrote in his journal, the Pilgrims survived the next year with the help of an Indian. Squanto taught them how to plant corn, "showing them both the manner how to set it, and after how to dress and tend it. Also he told them, except they got fish and set with it in these old grounds it would come to nothing."

So successful were the Pilgrims in learning their guide's planting and fertilizing techniques that they were able to put away provisions for the next winter after their fall harvest. The Thanksgiving celebration that ensued — which lasted three days and included 90 local Indians as well as Pilgrims — was the first truly American holiday.

The story of the first Thanksgiving may not fit in well with the themes of the new national history standards, but it remains one of the best stories we tell about our founding. In the end, it says more about American character, aspirations and ideals — the very traits that shaped American history — than all the stories of conflict and failure ever could.

Economics puts adventure back into flying

More of us are on older, smaller planes, thanks to deregulation's pressures.

This week, 4 million of us — more than at any other time of the year — are climbing aboard aircraft to fly to Thanksgiving dinners with family and friends. While we've grown to expect high levels of safety, comfort and convenience from airlines, two trends point downward.

The first is the aging fleet. In 1975, the average U.S. airliner was 7.5 years old. To-day, at an average 12.7 years, the U.S. fleet is the oldest in the developed world.

It's driven by economics, and airline economics are grim. Since deregulation, the industry's annual net profit margin has collapsed to subzero levels; its debt has the status of financial "junk." If airlines were savings and loan institutions, many would be put into receivership and liquidated.

Old jets will hit the sound barrier in 1996, when the law requires that planes be quieter. But carriers submerged in red ink are hitting a financial barrier trying to replace them. Northwest Airlines, with a $4 billion debt, canceled $4 billion in new aircraft. It will install "hush kits" rather than replace 139 DC-9s, which average 22 years. USAir, with $2 billion in debt, will do the same to 24 DC-9s. In the short term, spending $6 million to fix up and muzzle an old plane is cheaper than $35 million for a new one, despite increased maintenance and fuel costs, and lower reliability.

Already, nearly a quarter of U.S. jets are more than 20 years old, and many major airlines have "hush kits" to keep them flying. Even sustaining just service from low-cost independent airlines, some megacarriers refuse to code-share with them, relegateing small cities to airline desert.

Despite increased maintenance and fuel costs, and lower reliability, older planes are still a bargain. The second disturbing trend is the herd instinct. The government has caved in to the megacarriers, which have led the Federal Aviation Administration to announce it will raise regulatory standards for some smaller planes. And as to comfort and convenience, being strapped in the seat of a noisy propeller-driven plane tossed about in a dentist's chair getting a root canal.

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So let us raise a Thanksgiving toast to those who deregulated the airlines, for they have restored adventure to flying.
Let troops finish the job

**OUR VIEW**

Critics seem irked because the mission has gone so well. Ignore them.

Speaking of good news, the unbelievable calm of Haiti and the success of President Clinton's risky gamble there have been almost overlooked.

Haiti's peace is not making headlines, but it is big news.

Vanquished is the terror that paralyzed Haiti during the three-year rule of its military coupsters. Back in business is the elected Haitian government with returned President Jean-Bertrand Aristide reaching out to enemies as well as allies.

And returning home, in a phased withdrawal, are U.S. troops sent to rescue Haiti.

And all without the loss of a single American life in combat — a result predicted by virtually no one.

Even if you didn't agree with Clinton's call for U.S. intervention, the speedy and relatively peaceful deliverance of Haiti from horror to hope is just short of miraculous.

That's still not enough for some die-hard critics, who seem almost to dislike the facts that things have gone so well. Senate Minority Leader Bob Dole and Sen. Jesse Helms continue their call for an immediate withdrawal of all U.S. troops.

Forget it. Haiti is peaceful now only because U.S. troops are keeping the peace. This U.S.-provided stability buys critical time for Aristide to put his government together, get reforms moving and create an urgently needed civilian police force to replace the repressive army militia.

By Christmas, the U.S. Justice Department plans to graduate 3,000 Haitian army troops from a one-week retraining program — teaching basics such as human rights — for an interim police force. Next year, they will be replaced by graduates of a civilian police academy, opening in January under Justice Department direction.

Abandonment is the last thing Haiti needs at this point in its precarious recovery. Withdrawing U.S. forces now would be no less disastrous than pulling out the bottom domino on a teetering mile-high pile. A pullout also undercuts the investment already made by these U.S. troops, who risked their lives to get Haiti's military rulers out and Aristide back in.

So far, Clinton's strategy in Haiti is producing results. Why mess with success?

Get troops out of Haiti

**OPPOSING VIEW**

Stop using GIs as Immigration and social service agents.

By Dan Warrensford

Thanks to clever foreign policy strategies, our troops in Haiti won't share turkey dinners with their loved ones this Thanksgiving. Of course, none of us — including the troops — should be surprised. Weren't the president's tactical talents as demonstrated toward Somalia, Bosnia and North Korea warning enough?

Cheer up. Our recent elections provided a solution.

The Republican majority can amend its Contract with America with at least one more agenda item: "We will extract our forces from Haiti forthwith."

If there are some folks in U.S. uniforms who aspire to be relief workers, perhaps we should grant them leaves of absence to render assistance to basket cases like Haiti, after which we can reinstate them for the balance of their tours of duty.

Our men and women in uniform are supposed to be warriors. Their mission is to protect the United States from enemies, foreign and domestic. But Clinton's Haitian gambit is risking the lives of GI Jane and Joe as extraterritorial operatives of the Immigration and Naturalization Service. (Restoring a fellow socialist to power is a convenient byproduct.) The administration's geniuses couldn't determine how to protect our borders from bobbing Haitians, so they "sent in the Marines" — and are leaving them there.

Let this be a lesson to people considering voluntary military service. Before joining, find out who's in charge — or who could be.

Dan Warrensford is a columnist for Florida Today, Melbourne, Fla.
Take a look: There's plenty to cheer this Thanksgiving

Americans don't feel good these days. Citing worries about crime, government and the economy, two-thirds of those questioned in a nationwide Harris poll released Tuesday rated the state of the nation as "only fair" or "poor." But look behind the polls and behind the headlines, and there's more than a little good news — and far more good than bad — to celebrate on Thanksgiving '94. Just a sampling:

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**Jobs. Jobs. Jobs.** Unemployment dropped from 6.4% to 5.6%, a rate economists say may be as close as we can get to full employment. By comparison, Britain is at 9%; France, 12.7%; Spain, 24%.

And more good economic news: Inflation fell below 1993 levels of 2.7%, despite a roaring economy. And real incomes show signs of leveling off after being almost flat in 1993.

And yet more: Ross Perot's giant sucking sound from south of the border did happen after passage of the North American Free Trade Agreement. But goods, not jobs, went south. In the first 10 months of 1994, U.S. exports to Mexico jumped 18%.

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**Peace, peace, peace.** Military confrontations with North Korea over nuclear weapons and with Iraq over Kuwait's borders were avoided — without a shot being fired. Meanwhile, Israel and Jordan ended almost 50 years of war. And hopes of peace have soared in Ireland after 25 years of violence, thanks to a cease-fire by the Irish Republican Army.

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**Less teen pregnancy.** A report by the Alan Guttmacher Institute finds today's teens say "no" more and practice safer sex. Pregnancy among sexually active teens fell 19% in two decades, largely due to better contraception. Two-thirds use birth control, usually condoms, the first time they have sex.

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**Sports scores.** Yeah, the baseball strike was a drag. And hockey fans don't like that sport's strike much either. But the U.S. successfully hosted its first World Cup soccer, where the U.S. team scored its first tournament win since 1950. And baseball fans found an alternative: Minor league attendance soared 11% over 1993.

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**Better health.** Good news abounded, particularly in genetics, as researchers found potential ways to diagnose and treat various diseases. For instance, after a four-year hunt, scientists identified a gene that causes inherited breast and ovarian cancer. This discovery will lead to a screening test. People can get the credit.

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**Safer roads.** Highway fatalities fell to just 1.8 per 100 million vehicle miles traveled — continuing a 26-year downward trend from 1967 when it was 5.5 fatalities. Improved safety restraints and more conscientious drivers get the credit.

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It's easy to get wrapped up in day-to-day stresses and strains and ignore the small triumphs that make life additionally satisfying. That's what this holiday is good for. It's a reprieve — a day of shelter. It's Thanksgiving. And thank goodness for that.

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Private charities can't bear whole burden

Speaker-of-the-House-to-be Newt Gingrich says government should slash its poverty programs and leave private charity to take care of the poor. Private charity is already stretched to the limits serving the nation's poor and newly poor. Cutsbacks in social programs since the early '90s dramatically increased the number of people turning to private charity for help. Catholic Charities agencies provided emergency services to fewer than 1 million people in 1981, when the Reagan budget cuts were made. But by 1993, they served 7 million. These demands forced staff cuts of 14% last year.

Many Americans also fail to understand that government already recognizes the efficiency of private charity. Federal, state and local governments across the land contract with Catholic Charities and other non-profits to provide services. Our 158,000 volunteers enable us to leverage meager resources to provide quality services. Catholic Charities agencies last year spent $1.8 billion helping people in need. It's absurd to imagine that we and organizations like us can absorb $40 billion in cuts in welfare and anti-hunger programs for poor families and children, plus billions more in social services reductions. People will go hungry. Children will have no place to sleep.

Even in the most robust economy, there will always be people who are too old or too young or too infirm to care for themselves. Private charity does what it can, but it is by definition voluntary. Government bears the final responsibility to provide for its people, and it cannot dump that responsibility to the private sector. To do so undermines private charity and slashes an already shredded safety net.

Fred Kammer, SJ., president Catholic Charities USA Alexandria, Va.
Clinton Rejects Linking GATT to Capital Gains Tax Cut (Washn)
By James Gerstenzang and John M. Broder=(c) 1994, Los Angeles Times=
WASHINGTON President Clinton, still battling to secure congressional approval of a new global trade agreement, declared one potential deal off-limits Tuesday, flatly rejecting a Republican effort to link the embattled GATT accord to a capital gains tax cut.

Addressing for the first time the capital gains horse trade suggested by incoming Senate Majority Leader Bob Dole, Clinton expressed optimism that he would be able to reconcile his differences with the Kansas Republican. But even if the two men come to terms, he said, the GOP-backed tax cut would not be part of the bargain.

"I disagree that there should be some deal cut regarding capital gains," Clinton said during a news conference held in the Old Executive Office Building adjacent to the White House. "I don't think that's the right thing to do."

The GATT accord, the president said, "is an important agreement on its own merits." By gradually reducing protectionist tariffs that limit commerce between nations, the expanded General Agreement on Tariffs and Trade will stimulate economic growth and job creation in America, he said.

"Everyone concedes it will lead to hundreds of thousands of jobs," Clinton said.

With visiting President Leonid Kuchma of Ukraine at his side, Clinton sought to delineate under what circumstances he would be willing to compromise with the new Republican leaders of the House and Senate, and under what circumstances he would resist.

He said he would fight any move to pass a constitutional amendment providing for school prayer. Similarly, he promised to resist moves to repeal the Brady bill restrictions on handgun purchases, the recently enacted ban on assault weapons and the new law requiring companies to provide unpaid family leave to employees.

Clinton considers all three measures centerpieces of the first two years of his presidency; all three face likely attack by the new Republican congressional majority.

The president expressed confidence that he and congressional Republicans would be able to cooperate on efforts to restrict lobbying practices, reform campaign finances, and give states more flexibility over the federal programs they administer.

Yet a compromise continued to elude Clinton on his most pressing legislative objective: approval of GATT legislation during a special lame-duck session of Congress set to begin next Tuesday. Unless the pact is endorsed by the 124-nation agreement could come unraveled.

Many of the signatory nations are awaiting the outcome of next week's congressional debate before taking final action on the accord.

While the House is widely expected to approve GATT, its prospects appear dicier in the Senate. A White House vote count taken Tuesday indicated that 26 senators, including Dole, remained undecided. Another 14 were said to be leaning against the trade pact.

On Sunday, Dole suggested he would be more likely to support the GATT legislation if the White House agreed to an accounting change that would make it easier for the Republicans to seek passage of a capital gains tax cut.

A longstanding GOP legislative objective, the capital gains measure would reduce the taxes paid by investors, landowners, entrepreneurs and businesses on profits from sales of stocks, bonds, real estate and other assets.

By introducing the tax measure into the trade debate, Dole put Clinton in a political bind. Yielding on capital
Democratic base, while providing only questionable support for the GATT accord. One would involve establishing a procedure for Congress to monitor the proposed World Trade Organization, the international agency that would referee the global trading system under the new accord.

Dole and a diverse group of GATT opponents ranging from conservative Patrick J. Buchanan to liberal Ralph Nader have expressed concern that the agency would be able to overrule U.S. laws that protect the environment, labor and public health and safety.

One trade official said Dole seemed close to accepting a plan under which a group of retired U.S. judges would determine whether the global trade body treats U.S. interests fairly. If the judges panel feels it is not, Congress presumably could vote to withdraw from the organization.

Yet even as they worked toward reconciliation with Dole, White House officials suffered a setback when Sen. Robert C. Byrd of West Virginia, the Senate's senior Democrat, said he would try to use parliamentary procedures to defeat GATT or at least delay it until it can get a more complete examination by the new Congress next year.

If ratified, the trade pact would reduce the tariffs charged on imported goods by an average of 40 percent.

Meanwhile, Clinton tried to clarify his view on school prayer, which he had muddied with remarks at a news conference last week in Indonesia. Saying he had been tired when he appeared to endorse a constitutional amendment legalizing prayer or a moment of silence in schools, Clinton said he opposed such an amendment as "inherently coercive."

"I have always supported a moment of silence when I was a governor," Clinton said. "I supported the moment of silence legislation. I do not believe that we should have a constitutional amendment to carve out and legalize teacher or student-led prayer in the classroom. ... I think that would be an error."

In a related development, a coalition of religious groups delivered a letter to Clinton opposing a prayer amendment.

The organizations, which include Christian, Jewish and Muslim groups, say the proposed constitutional change would weaken the separation of church and state while drawing unnecessary attention to children who refuse to take part in the prayer.

On other issues, Clinton said he is willing to collaborate with Republicans on political reform and on "downsizing" the government. "There are a lot of things we can work on," he said.

Helms Says 'Clinton Better Watch Out' Comment Was 'Mistake' (Washn)

By Melissa Healy

WASHINGTON Sen. Jesse Helms, R-N.C., set off a bipartisan tempest Tuesday by warning that President Clinton had "better watch out" if he travels to military bases in North Carolina, prompting the White House to suggest that Helms be denied a key Senate chairmanship. After GOP leaders delicately distanced themselves from Helms' provocative remarks and Democrats loudly demanded an apology, the fiercely combative lawmaker, who is in line to chair the Senate Foreign Relations Committee, conceded that his comments had been "a mistake."

But he stopped well short of a genuine apology. "Of course, I did not expect to be taken literally," he said in a prepared statement.

In an interview published Tuesday morning in the Raleigh, N.C., News and Observer, the 73-year-old conservative asserted that Clinton is extremely unpopular among armed forces personnel stationed at the six military bases in his home state.

"Mr. Clinton better watch out if he comes down here," the newspaper quoted Helms as saying. "He'd better have a bodyguard."

President Clinton, asked about Helms' remarks during a White House news conference, called them "unwise and inappropriate." While asserting his authority in matters of foreign affairs, he said it is up to Republicans to decide who will speak for them.

"The president oversees the foreign policy of the United States, and the Republicans will decide in whom they will repose their trust and confidence," Clinton said.

It was a vintage performance for Helms, a conservative ideologue who has built a career based on pugnacious rhetoric and flamboyant attacks. But his critique of Clinton prompted soul-searching among some Republicans who fear that Helms, by his intemperate remarks, will bolster Democratic charges that the GOP is a party of extremists.

"Jesse," said a former senior official in the President Bush's administration, "has been for most Republicans an embarrassment."

Helms' comments were published on the 31st anniversary of President Kennedy's assassination, adding to the embarrassment of Republican lawmakers. Most declined to comment directly, noting only that each of the Senate's 100 members speaks only for him or herself.

No such restraint was observed by Sen. Chris Dodd, D-Conn., who is locked in a race to lead the Senate's new minority Democrats. He called on Helms to issue a formal apology to the president and to members of the armed forces, whose loyalty and patriotism, Dodd said, were called into question by Helms.

"To suggest on this day of all days ... that an American president's life might be in jeopardy (if he) were to visit an American military base, would suggest that my colleague from North Carolina doesn't seem to know what country he's living in," Dodd said. "This is not a banana republic."

Helms' latest remarks came just four days after a television interview in which Helms questioned Clinton's fitness to serve as commander-in-chief of the armed forces. Those comments had drawn muted criticism from Republicans, and a vigorous denial from chairman of the Joint Chiefs of Staff, Gen. John M. Shalikashvili. On Tuesday, the Secret Service, which is responsible for the president's safety, confirmed it is seeking a transcript of Helms' interview with the News and Observer. But officials were quick to caution that they did not view

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visit," said Capt. Bruce Sprecher, public affairs officer from Helms' comments.

"The president is the commander-in-chief. He is welcome on any base in the military that he chooses to visit," said Capt. Bruce Sprecher, public affairs officer at Seymour-Johnson Air Force Base.

Responding to Helms' newspaper interview, the White House publicly questioned his suitability for the Foreign Relations chairmanship. White House Chief of Staff Leon Panetta urged incoming Senate Republican Leader Robert Dole, R-Kan., to ignore tradition and pass over Helms in choosing the next chairman.

"I think those comments are not only reckless, but they are dangerous and irresponsible," Panetta said.

"And I think they raise a very serious question as to whether (Helms) ought to assume the chairmanship of that committee. I think the Republican leadership needs to take a very hard look as to whether or not they want somebody with these kind of extreme views to chair one of the most important committees in the Congress of the United States."

Panetta said Helms' remarks, and Republican leaders' response to them, "will tell us an awful lot what kind of course we're going to take in the next Congress."

The reaction of Republican leaders generally fell short of the repudiation that Democrats are seeking. Neither Dole nor incoming House Speaker Newt Gingrich, R-Ga., asked about the flap at a National Governors' Conference in Williamsburg, Va., would criticize Helms directly.

"The president's welcome to come to any state," said Dole. "That's the way it should be, that's the way it is, that's the way it will be."

Some Republicans were more blunt in their criticism of Helms.

"I wish he hadn't said it," said Republican political consultant Lyn Nofziger. "If it did anything, it creates a little sympathy with the prez, and I'm not in favor of that. ... It gives people something to shoot at. And it expresses fear that such harsh treatment of 'friendly fire' mistakes would have a chilling effect on troops in the field."

In addition to May, five members of a U.S. Airborne Warning and Control System crew were charged with several counts of dereliction of duty, and three of them were given hearings at Tinker Air Force Base in Oklahoma last month. The judge in that case recommended that one officer be court-martialed and another crewman receive administrative punishment.

In presenting its charges against May, the Air Force said that he was directed by Wickson, the lead pilot, to confirm that the helicopters were friendly aircraft. They also expressed fear that such harsh treatment of "friendly fire" mistakes would have a chilling effect on troops in the field.

May's hearing began on Nov. 7 at the U.S. Air Force base at Sembach and was closed to the press. The Air Force announced the recommendation to dismiss charges in a two-paragraph bulletin and declined to comment further on the case until Santarelli makes his final determination.

In making his decision, Starr apparently focused on the minute or so in which the pilots whizzed past the helicopters, decided to attack and radioed the AWACS crew.

"Under what (Starr) considered to be the most likely scenario of events, Col. May did not do anything wrong," Martin said.

Such preliminary probes generally are carried out with the full knowledge of the general who must decide whether to convene a full court-martial, and officials in Washington said the recommendation was, in all likelihood, a strong indication of Santarelli's thinking.

The report may be released by U.S. officials after Santarelli makes his decision.

If May were to be convicted on all counts at a general court-martial, he could receive a year in prison for each of the 26 homicide charges and three months on each of the dereliction counts. He also could be dismissed from the Air Force and forfeit his pay.

Charges in Deadly 'Friendly Fire' Case May Be Dismissed (Bonn)

By Marjorie Miller

(c) 1994, Los Angeles Times

BONN, Germany An American military judge in Germany has recommended dismissal of all charges against Lt. Col. Randy W. May, the F-15 fighter pilot who mistakenly shot down a U.S. Army helicopter over Iraq last spring, the Air Force announced on Tuesday.

The recommendation by investigating officer Col. Edward M. Starr was given to May's commanding officer, Maj. Gen. Eugene D. Santarelli, who is expected to issue a decision by the end of the month. The judge in that case recommended that one, officer be court-martialed and another crewman receive administrative punishment.

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The 41-year-old May, a decorated pilot with almost 20 years of service in the Air Force, is charged with 26 counts of negligent homicide for his role in shooting down two U.S. helicopters while on patrol to enforce a U.N.-ordered ban on Iraqi military flights. He also faced two charges of dereliction of duty.

May and Capt. Eric A. Wickson, members of the 53rd Fighter Squadron based in Germany, shot down two Black Hawks that they said they mistook for Iraqi Hinds helicopters. Twenty-six people aboard the helicopters 15 U.S. citizens, five Kurds working for the United States and six military officials from Britain, France and Turkey were killed in the April 14 shooting.

The deaths provoked tremendous public outrage against the military, and the Pentagon vowed to bring those responsible to justice.

But criminal charges in a "friendly fire" case are extremely rare, and after May was charged last September many members of the military voiced suspicions that he was a scapegoat to the cause of public goodwill. They also expressed fear that such harsh treatment of "friendly fire" mistakes would have a chilling effect on troops in the field.

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Stocks Plunge in Biggest One-Day Drop in 10 Months
By James F. Peltz
(c) 1994, Los Angeles Times

Fears of lower corporate profits and an economic slowdown caused by higher interest rates sent stocks plunging Tuesday, with the Dow Jones industrial average plummeting 91.52 points for its biggest one-day drop in 10 months.

Many investors sold stocks in favor of earning an attractive and steady return on government-backed bonds and certificates of deposit a trend that, if continued, could be ominous for the stock market, analysts said.

"People are thinking this is a good time to be playing it safe," said James Solloway, research director at the investment firm Argus Research Corp. in New York.

The Dow Jones average of 30 industrial stocks plunged to 3,677.99 on Tuesday, giving the widely watched index a two-day decline of 137.27 points, or 3.6 percent, and pushing it to its lowest level since July 6. Many other market indexes also fell sharply.

The losses were the Dow average's worst single-day setback since it fell 96.24 points Feb. 4, the day the Federal Reserve began lifting short-term interest rates in an effort to brake the economy's growth and curb inflation.

"The central bank has raised lending rates five more times since then, most recently a week ago. Those actions, in turn, have led to rising savings rates as well as higher borrowing costs.

And those higher rates took most of the blame for the latest selling wave that shook Wall Street. The rates have made yields on government bonds, money-market funds, bank certificates of deposit and other fixed-income investments many of which are government insured and hence risk-free increasingly appealing relative to stocks.

"There's too much competition from the fixed-income market," said Peter Canelo, chief market strategist at NatWest Securities in New York.

That competition was evident in the bond market Tuesday, where investors sharply bid up the Treasury's bellwether 30-year bond by more than 1 point, or $10 for every $1,000 in face value. That dropped the bond's yield to 8.01 percent from 8.12 percent late Monday. The bond had yielded less than 6 percent in late 1993.

"You have to work hard to earn 9 percent on stocks each year, and along comes Uncle Sam with 8 percent for 30 years," Canelo said.

The climb in interest rates sparked heavy stock selling for another reason: There is a consensus building among investors that the higher rates spell trouble for the nation's economic growth and hence corporate earnings, analysts said.

Indeed, while stocks of all stripes were hammered Tuesday, those that are particularly sensitive to an economic downturn such as auto, paper and chemical stocks were among the hardest hit even though their most recent profits have been robust.

Companies such as Chrysler, Dow Chemical and International Paper all lost 1&1/2 points or more. A. Gary Schilling, who runs an investment firm bearing his name in Springfield, N.J., said other factors made stock investors skittish Tuesday including comments by Sen. Robert C. Byrd, D-W.Va., who joined Republican conservatives in urging postponement of a vote on a new federal trade accord.

Byrd said the pact, negotiated under the General Agreement on Tariffs and Trade, should be taken up next year by a Republican-controlled Congress rather than during next week's session of the lame-duck Congress still led by Democrats.

But Schilling said investors are mainly concerned that the Fed's interest-rate actions will halt the U.S. economy's expansion.

"We're seeing all the signs of an impending recession," he asserted, noting that some past Fed efforts to ratchet up rates ultimately stifled economic growth. But even if a recession is not on the horizon, "the market is sensing that (corporate) earnings aren't going to hold up," he said.

Which is all the more reason that investors are tempted by the yields they now see on government bonds and other fixed-income investments, analysts said.

(Additional end)

The stock market's session Tuesday mirrored Monday's activity in that much of the decline came in the final 90 minutes of trading, when high-volume computerized selling by Wall Street's big investment houses exacerbated the market's declines.

That arcane but influential practice, called "program trading," often is triggered when investment firms buy or sell stocks to take advantage of price differences between complex futures and options contracts and the actual stocks.

On both days, the computerized selling prompted the New York Stock Exchange to restrict program trading once the Dow Jones industrials had lost 50 points.

But whereas that "circuit breaker" helped halt the market's slide Monday, it could not keep stocks from tumbling further Tuesday. The Dow Jones industrials, for instance, plunged 35 points in the final 12 minutes alone.

New Welfare Plan Would Cut Aid to Poor by $57 Billion (Washn)
By Elizabeth Shogren
(c) 1994, Los Angeles Times

WASHINGTON The welfare reform plan drafted by House Republicans would reduce assistance to the poor by $57 billion over four years and deny benefits to half the families and children that receive aid under current law, according to a detailed analysis by a Washington-based advocacy group.

The report by the Center on Budget and Policy Priorities, which opposes the proposed GOP benefit cuts, said that the welfare plan endorsed by Republican House members would represent an unprecedented reduction in the social safety net established by Congress over several decades.

"The bill would make deep cuts in vital programs without helping welfare recipients earn their way out of poverty," said Isaac Shapiro, a senior analyst at the center, a respected liberal Washington institution.

"Increases in poverty, homelessness and hunger for millions of children most certainly would result and states would likely be saddled with significant added costs as they face the destitution created by these harsh policies."

The report represented the first major attack on the Republican plan to overhaul the welfare state, which is part of the House GOP's "contract with America." Its findings will be key ammunition for moderates and liberals as they fight to derail the initiative.

Given the huge chasm between the approaches to welfare reform favored by the president and the new Republican congressional leadership and the high priority both give it, the welfare debate is likely to be a defining issue for the upcoming congressional session.

Republicans criticized the report for exaggerating the impact of the bill and defended their proposal as a
This is not any cold-hearted policy, this is the way you make a work program effective. You raise the stakes," said a Republican congressional staff member familiar with the proposal. "Policy without consequences is the Democratic approach to welfare reform. Policy with consequences is the approach Republicans are going to take."

One example of how the Center's report is misleading, the GOP aide said, is that the report accurately states that 5 million children would lose benefits. But it leaves out, the aide said, that it would take eight years for that many to be cut off and, by that time, their families would have been given $60,000 in public assistance over five years.

Acknowledging that jettisoning so many children is "a risky" approach, the staff member stressed that no reform effort without serious consequences would inspire the dramatic behavioral changes that Republicans hope to accomplish.

Reich Challenges GOP Congress to Cut 'Corporate Welfare' (Washn)

By Elizabeth Shogren

WASHINGTON Labor Secretary Robert Reich challenged the new Republican Congress Tuesday to scale back business tax breaks and other forms of "corporate welfare" at the same time it tries to reduce assistance to the poor.

The provocative proposal caught the Clinton administration off guard and potentially won Reich some unlikely allies among conservative Republicans.

Reich said the federal government could increase its revenues significantly by doing away with various tax deductions, credits and other "incentives" that reduce the corporate income taxes paid by American businesses.

"Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well," Reich declared in a keynote economic speech to members of the centrist Democratic Leadership Council.

The speech reflected a desire on the part of some top administration officials to press GOP lawmakers to direct their budget-cutting at some beneficiaries of government largess that Republicans have traditionally protected.

"Everything should be on the table," Reich said in an interview later. He refused to specify specific particular programs or tax loopholes that should be eliminated.

President Clinton took a step back from his Labor Secretary's challenge to Congress to cut corporate and agricultural subsidies, saying he had made "absolutely no decision about any of the specifics in Secretary Reich's proposal."

Clinton said, however, a Democratic Leadership Council proposal with more specifics on eliminating corporate subsidies and tax breaks that Reich cited in his speech is "conceptually...an attractive idea." He said that he would take the proposal into consideration as he prepares the fiscal year 1996 budget for submission to Congress early next year.

Reich may have unusual allies for the campaign to strike special tax benefits for particular industries.

Sen. Phil Gramm, R-Texas, Monday indicated his willingness to go after what he called "corporate subsidies," including subsidized interest rates and direct loans from the Small Business Administration.

"We're not in this to pay for education and job training to foster a more solid middle class and lessen the growing gap between the affluent and the rest of society," Gramm suggested using it to fund a capital gains tax cut.

Larry Neal, Gramm's press spokesman, said there may be some room for cooperation with Reich, but they are withholding judgment, suspecting that Reich wants to increase taxes on industries and, while Gramm wants to reduce government spending.

Business lobbyists cautioned that striking benefits to industries in order to offer Americans better job training may be self-defeating.

"I would tell you for a lot of industries what he may consider a special break they consider essential for their survival," said John Satagaj, president of the Small Business Legislative Council, a coalition of 100 trade associations."It's fine to talk about worker-training programs, but if there are no jobs to place them in because you've destroyed the industries they would have worked in, what good have you done?"

Pro-business analysts and Republicans suggested that Reich should first consolidate and improve the scores of training programs funded by the federal government and prove their efficacy before asking for more of the taxpayers' money.

Reich cited a report by the Democratic Leadership Council's research arm, the Progressive Policy Institute, which pinpointed savings over five years of $225 billion in government subsidies and tax breaks, which help the energy, agriculture, transportation and high-tech industries, companies doing business in Puerto Rico and others.

Court Extends Ban on Enforcing Anti-Immigrant Law (Los Angeles)

By Paul Feldman and James Rainey

LOS ANGELES A federal judge Tuesday extended until mid-December a ban on enforcing most portions of a hotly debated statewide voter initiative that would restrict access by illegal immigrants to government services.

In setting a Dec. 14 hearing date on a request for a preliminary injunction, U.S. District Judge Mariana R. Pfaelzer made clear that the state cannot issue any regulations to

(c) 1994, Los Angeles Times

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enforce Proposition 187's cutoffs of public education, health and social welfare services for illegal immigrants prior to that session. "Remember, the most important thing of all: There shall be no regulations published or disseminated without the further order of the court," declared Pfeizter, following an hourlong hearing featuring legal jockeying by attorneys in four cases filed to thwart the state initiative.

Last week, U.S. District Judge W. Matthew Byrne Jr. issued a temporary restraining order, which Pfeizter extended until Dec. 14, halting implementation of all portions of the measure except its stiffened sanctions for the sale and use of fraudulent citizenship documents. Byrne said that some provisions may conflict with federal statutes and the U.S. Constitution.

The attorneys fighting the measure said after the hearing that they will resist any effort by the attorney general to move the case to the state court system.

Pfeizter, however, noted that the process could take months or years and that a swift decision on a preliminary injunction is proper on a voter-approved measure. Unlike a temporary restraining order, a preliminary injunction designed in this case to block the initiative until its legality is eventually determined can be appealed to higher courts. Pfeizter said she would prefer that the appellate process, if needed, be started quickly.

In recent interviews, Lungren has indicated that portions of Proposition 187 are vulnerable to legal challenge. State government agencies, at the direction of Wilson, who was a leading proponent of the initiative, would almost certainly seek to prepare regulations designed to overcome those legal questions, analysts say.

The attorneys fighting the measure said after the hearing that they will resist any effort by the attorney general's office to move the case to the state court system.

The attorneys also said they would fight any effort by the state to decide their cases based on forthcoming regulations even if they are drafted prior to the Dec. 14 hearing.

"The state cannot legally come up with regulations between now and then they cannot show there is an emergency need to cut off education for students or access to patients on dialysis," said attorney Peter Schey of the Los Angeles-based Center for Human Rights & Constitutional Law.

"If it weren't for Proposition 187, the first day he felt sick we would have taken him to the hospital," his father, Constantino, who has a different last name than his son and asked that it not be used because of his immigration status, said in Spanish. "This law, it won't give any medical attention, not even to kids, only if they are in a coma or something," he said.

Proposition 187 allows for emergency health care, but denies other health services to illegal immigrants, along with public education and other social services. It requires that health care workers report suspected illegal immigrants to the government.

Most provisions of the law have not been enforced under court order, but many illegal immigrants are unaware of that, Latino activists said.

Julio Cano fell ill early last week, complaining of a cough that sent pain shooting down his back. But his father said he and his wife were afraid to go to a hospital and postponed seeking help until they could raise the $60 to take Julio to a private doctor on Friday.

By Saturday morning, the boy was dead of unknown causes. Autopsy results are pending, and it was unknown Tuesday whether the boy's death could have been prevented if his family had sought free medical attention earlier at a government clinic.

But Latino activists say Julio's case highlights the extent of fear and misinformation swirling through the immigrant community. "For goodness sakes, this is a case that should never have happened," said Amin David, chairman of Los Amigos of Orange County, which focuses on Latino community issues. "The victims of Prop 187 are preponderantly children, and here it is."

At the family's one-bedroom apartment Tuesday, Julio's mother, Rosa, sobbed as she cradled her 1-month-old baby and welcomed a stream of visitors, including the boy's art teacher and the principal at his school.

Their son was a shy, bright boy who wanted to be a lawyer, picked up English quickly, and tutored other recent arrivals who spoke only Spanish, said principal Pat Savage.

Constantino and Rosa moved to Southern California from Acapulco four years ago. Julio and the couple's other older children, ages 13 and 11, were born in Mexico and only joined their parents here three years ago. They are all undocumented, Constantino said.

The couple's youngest children, ages 1 month and 1 year, were born in the United States.

Even before the passage of Proposition 187, the couple was unsure where to seek medical care, they said. The three eldest children carry Medi-Cal cards ensuring only emergency and pregnancy-related services.

Gingrich, Dole Vow to Work
With GOP Governors (Williamsburg, Va.)
By Robert Shogan=
(c) 1994, Los Angeles Times=
WILLIAMSBURG, Va. Republican congressional leaders pledged here Tuesday to work hand in glove with the new bumper crop of GOP governors to hammer out a new framework for fiscal policy that ultimately could lead to a wholesale transfer of responsibility for running social programs to the states.

This pledge from House Speaker-to-be Newt Gingrich of Georgia and future Senate Majority Leader Bob Dole of Kansas was what the Republican governors, assembled here

Latinos Cite First Casualty of Anti-Immigrant Measure (Anaheim)
By Lee Romney and Julie Marquis=
(c) 1994, Los Angeles Times=
ANAHEIM, Calif. Latino community leaders Tuesday cited the death of a 12-year-old Anaheim boy as the first casualty of Proposition 187.

Julio Cano, a seventh-grader, died after his illegal-immigrant parents delayed seeking medical treatment out of fear, the parents said, that a hospital would report them to immigration officials.

“I didn't want to go to the hospital,” his mother, Rosa, sobbed as she cradled her 1-month-old baby and welcomed a stream of visitors, including the boy’s art teacher and the principal at his school.

Their son was a shy, bright boy who wanted to be a lawyer, picked up English quickly, and tutored other recent arrivals who spoke only Spanish, said principal Pat Savage.

Constantino and Rosa moved to Southern California from Acapulco four years ago. Julio and the couple's other older children, ages 13 and 11, were born in Mexico and only joined their parents here three years ago. They are all undocumented, Constantino said.

The couple's youngest children, ages 1 month and 1 year, were born in the United States.

Even before the passage of Proposition 187, the couple was unsure where to seek medical care, they said. The three eldest children carry Medi-Cal cards ensuring only emergency and pregnancy-related services.
Independent Counsel Expands Ethics Probe of Espy (Washn)
By Alan C. Miller-

Washington Independent counsel Donald C. Smaltz said Tuesday he has expanded the scope of his probe of Agriculture Secretary Mike Espy in light of new allegations that arose after Smaltz's appointment by the federal courts in September.

Smaltz, a Los Angeles defense attorney and former prosecutor, said in an interview that he expects to hire as many as 35 staff members in an investigation that he estimated will now last a year. He said that he had previously anticipated that he would need only six months to determine whether Espy had violated any federal laws.

"I'm going to be here a year to complete this investigation," Smaltz said in an interview in his temporary office in Washington. "There's just too many allegations."

Faced with reports that he had improperly accepted sports tickets, travel and hotel accommodations from agricultural businesses and had abused government transportation perquisites, Espy announced Oct. 3 that he would resign, effective Dec. 31.

Despite the resignation, Smaltz said, "I have a duty to look into all allegations of misconduct involving Secretary Espy, especially any sort of bribe or gratuity or any other offenses he may have committed."

Smaltz said that he will consider information from news accounts that appeared shortly after his appointment including questions concerning Espy's use of taxpayer-funded vehicles as well as "other allegations that have never even reached the press." He declined to disclose the nature of that information.

The independent counsel expressed surprise that Espy has not offered to explain his side of the matters under review. While targets of federal inquiries traditionally are not compelled to testify before grand juries because of the constitutional prohibition against self-incrimination, they or their attorneys sometimes seek to meet with prosecutors to offer their view of events in question.

"I would have thought that by now I would have heard from him," Smaltz said of Reid H. Weingarten, Espy's lawyer.

And, Smaltz added pointedly, "The door is always open."

Weingarten, a former federal prosecutor, declined to comment on Smaltz's remarks.

Even though Smaltz has broadened his probe, Weingarten expressed confidence that his client will be exonerated.

"I think the allegations are insubstantial, are trivial," Weingarten said. "I think (Espy's) been severely punished by his resignation. I think there has to be a sense of proportionality here. I think it's extraordinary that he's under criminal investigation at this time."

Espy has been accused of accepting gifts from companies regulated by the Agriculture Department such as Tyson Foods Inc. and Quaker Oats. In addition, Smaltz has vowed to review allegations concerning other department employees. He also said that he intends to explore the legal issue of whether favors accepted by Patricia Dempsey, Espy's girlfriend, from lobbyists for agricultural concerns could be construed as indirect gifts to Espy.

(Independent add end)

Ethics laws prohibit senior federal officials from accepting all but small gifts from companies with interests before their agencies. In addition, a strict 1907 law bars agricultural officials with responsibility for regulating the meat and poultry industries from taking...
any gratuities from companies the department oversees.

Smaltz, who is a Republican appointed by Attorney

General Janet Reno, said he has completed the preliminary

phase of his probe and now has "a lot of documents we'll

have to look at and a fair amount of testimony that I

expect to take."

He said that his staff already includes five attorneys,

four FBI agents, an investigator from the Agriculture

Department's office of inspector general, a postal

inspector and three paralegals.

Smaltz plans to move the operation to an office

building in nearby Alexandria, Va., where it will take up

an entire floor.

Military's Ban on Gays Is

Upheld by Appeals Court (Washn)

By David G. Savage=

(c) 1994, Los Angeles Times=

WASHINGTON In a setback for gay rights activists, a

federal appeals court ruled Tuesday that the Constitution does

not bar the military from discharging a service member simply

because he says he is a homosexual.

In their legal challenges to the Pentagon's ban on gays in the ranks, gay-rights lawyers have contended the government

cannot punish persons solely because of their "status," or

sexual orientation.

But on a 7-3 vote, the judges of the U.S. Court for the

District of Columbia rejected that argument, and ruled that a service member's admission that he is gay is, for all practical purposes, the same as admitting he has engaged and will continue to engage in homosexual acts.

"The military may reasonably assume that when a (service)

member states that he is a homosexual, that member means

that he either engages or is likely to engage in homosexual

conduct," wrote Judge Lawrence H. Silberman.

The decision upholds the Navy's move to discharge

Joseph Steffan, a midshipman at Annapolis who had a stellar record but admitted in 1987 he was gay.

Since then, lawyers for gay-rights groups have fought his discharge as a test case challenging the Pentagon's policy.

Beatrice Dorhn, legal director for the Lambda Legal

Defense Fund in New York, said the new ruling in Steffan's case is "obviously disappointing" because it endorses a policy that "subjects gay and non-gay service members to completely different rules."

She said her organization has not decided whether to appeal to the Supreme Court.

If nothing else, Tuesday's ruling demonstrates again that gay-rights activists have an uphill fight in challenging as unconstitutional the military's ban on admitted gays.

None of the federal judges who have ruled on this issue have concluded that gays deserve special protection under the Constitution, similar to blacks, Latinos or women.

The judges have split, however, on whether it is "rational" to discharge gays based on the mere admission of their sexual orientation.

The generally liberal 9th U.S. Circuit Court of Appeals in San Francisco has taken the view that it is unfair and irrational to punish gays or lesbians who do nothing more than acknowledge their orientation. In August, a three-judge panel of the 9th Circuit upheld an order requiring the Navy to reinstate Volcker Keith Meinhold, a sailor who said he is gay on a TV show.

The military does not make "the assumption" that heterosexual members of military will engage in prohibited homosexual acts, said Judge Pamela Rymer.

The more conservative appeals court in Washington dismissed that view. "The government's presumption is certainly rational given that the human sexual drive is enormously powerful and that an open declaration that one is a homosexual is a rather reliable indication as to the direction of one's drive," wrote Silberman, an outspoken conservative and an appointee of President Ronald Reagan.

Last year, a panel of the same court ruled for Steffan in an opinion authored by then-Chief Judge Abner Mikva, now the White House counsel for President Clinton. The dissenters Tuesday were Judges Patricia Wald and Harry Edwards, both of whom were appointed by President Carter, and Judge Judith Rogers, a Clinton appointee.

Lawyers for the Clinton administration say they will not seek a Supreme Court test until a case emerges that directly challenges the new "don't ask, don't tell" policy that took effect last year.

Progressive California Republican

Thomas Kuchel Dead at 84

By Kenneth Reich=

(c) 1994, Los Angeles Times=

Thomas H. Kuchel, U.S. senator for 16 years and the last

major officeholder of the progressive Republican line in

California politics that ran back to Earl Warren and Hiram

Johnson, has died at the age of 84.

Kuchel died Monday night at his home in Beverly Hills,

Calif., of lung cancer, Dick Arnold, Kuchel's law partner and

friend, said Tuesday.

A friend and protege of Warren, Kuchel was appointed by

Warren as both state controller and U.S. senator before he

was elected to those posts in his own right.

Although he was the Republican whip in the Senate from

1962 to 1966 the second most powerful Senate leadership

post in his party

Kuchel refused to endorse four leading Republican

candidates for public office in those years: Richard M.

Nixon for governor of California in 1962; Barry Goldwater

for president and George Murphy for the U.S. Senate in

1964; and Ronald Reagan for governor in 1966.

Two years after the last of these refusal, Kuchel was

defeated in his bid for a third full term in the

Republican primary by the right-wing educator, Max

Rafferty who went on to lose in the general election to

Democrat: Alan Cranston.

Rafferty's defeat of Kuchel was the Republican

right-wing's revenge for Kuchel's recalcitrance toward

conservative candidates, and it spelled the end of the

proudly outspoken progressive era within California's

Republican party. Later on, when the essentially moderate

Pete Wilson was elected to the U.S. Senate as a

Republican, he was careful to come out in support of

Reagan and other candidates of the Republican right.

Kuchel never apologized for being out of step with the

rightward drift of the GOP that was particularly marked in

California.

In an interview long after his retirement, he extolled the virtues of progressivism, the essence of which he said had been defined in the 19th century by the British

statesman, Benjamin Disraeli, who remarked that the main

purpose of government was to "distribute the amenities of

life on an ever increasing scale to an ever increasing

number."

"Progressive Republicans brought to politics the philosophy of governing for the many," Kuchel declared.

"What comes particularly to my mind is Medicare. If it weren't for Medicare today, there would be tens of

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thousands of Americans living in the poorhouse, with no care. It was a baker's dozen progressive Republicans in the Senate who agreed we would vote for Medicare. ... I was their spokesman, and we provided the necessary margin for passage."

Kuchel also expressed particular pride in the progressives' support of civil rights bills for enfranchisement of blacks and desegregation of public facilities during the 1960s. By contrast, he said with characteristic disdain, the main feature of "right wing Republicans" as he understood them, "was militant anti-Communism. ... They seemed convinced we were about to be invaded by the Communists."

(U.S. Pushes Allies to Protect
Bosnian Town from Serbs (Washn)
By Art Pine (c) 1994, Los Angeles Times=
WASHINGTON The United States renewed consultations with key allies Tuesday over possible new air strikes to protect the Bosnian town of Bihac, as Serb nationalists closed in on the area after Monday's Western attack on a Serb-held airstrip.

Clinton administration officials said the United States is again pressing the United Nations to call in more NATO warplanes to prevent the fall of Bihac in the face of the intensified Serb onslaught.

At the same time, Washington was said to be renewing its push to get NATO to declare Bihac an "exclusion zone." The designation would prohibit the Serbs from using tanks and artillery in the area and would authorize air strikes against violators.

The Serb attacks on Bihac underscored the difficulty for the Clinton administration and its major European partners in the face of a continuing split among the allies and between the United Nations and NATO, over how to handle the situation in Bosnia.

Despite Monday's NATO air strike against a Serb-held airfield in Croatia, Serb forces continued to press in on Bihac, engaging in hand-to-hand combat with Bosnian government troops and setting villages on fire.

Bosnian Serb leader Radovan Karadzic, angrily denouncing NATO as "a criminal organization," threatened to retaliate against U.N. and NATO forces in a way that "will hurt every member" of NATO.

U.S. officials described the situation in Bihac as "growing more desperate by the minute," with Serb nationalists mounting a three-pronged pincer movement that has sent hundreds of refugees streaming out of the enclave and into the surrounding area.

They said that Bosnian President Alija Izetbegovic called in U.S. Ambassador Victor Jackovic in Sarajevo late Tuesday to express "very deep concern" about the possibility that Bihac might fall, providing a major setback for Western peace-making efforts.

The renewed Serb attacks appeared intended to call the West's hand following Monday's NATO air strike on the Serb-held airstrip at Udbina. Damage from the raid was modest.

The NATO armada of 30 warplanes blew five craters in the airstrip's main runways. But Western officials said it was designed to "send a signal" that the United Nations would not tolerate the Serb offensive.

Still, for all their obvious embarrassment in the face of the new Serb attacks, it was not immediately clear what the allies would do to prevent the fall of Bihac or to ward off any further Serb retaliation against U.N. forces.

The North Atlantic Council, NATO's major decision-making arm, is scheduled to meet Wednesday to consider a U.S. proposal to create a new "exclusion zone" around Bihac, but officials said that Britain and France still are reluctant to go along.

Key European allies have been opposed to increased use of NATO military power because they fear that the Serbs would retaliate and endanger U.N. peacekeeping forces, which comprise mainly French, British and Dutch soldiers.

The Europeans regard Washington suspiciously, partly because the United States has no ground forces in Bosnia and also because they regard it as overly aggressive in its efforts to punish the Serbs.

Even so, top U.S. officials renewed their push for the new plan. U.S. Secretary of State Warren Christopher had "extensive" telephone conversations on the issue with French Foreign Minister Alain Juppe and British Foreign Secretary Douglas Hurd.

The administration also pursued the issue in the United Nations, where U.S. Ambassador Madeleine Albright conferred in a series of meetings with her counterparts from the major Western countries and Russia, but apparently failed to win a consensus.

Defense Secretary William J. Perry warned that if the Serb nationalists launch additional air strikes against Bihac from the Croatian airfield, NATO warplanes will return and destroy the 15 or 20 Serb fighters that they intentionally did not attack Monday.

Yet time appeared to be running out. Some U.S. officials believe that, unless some action is taken soon, the fall of Bihac could be imminent.

(End optional trim)

Kuchel is survived by his wife, Betty, their daughter Karen Peterson, and two grandsons, Jason and Peter Smith.
Clinton Promises Ukraine
Additional $200M in Aid (Washn)
By Norman Kemper
(c) 1994, Los Angeles Times=
WASHINGTON Praising President Leonid Kuchma as a post-Soviet Franklin D. Roosevelt, President Clinton promised to add $200 million to the U.S. aid program for Ukraine on Tuesday to help pay for the dismantling of its nuclear arsenal and to prop up the republic's sagging economy.

If approved by the incoming Republican-dominated Congress, the additional money would increase total U.S. aid to Ukraine to about $900 million over two years, placing the France-sized country fourth on the list of aid recipients, behind Israel, Egypt and Russia. "We think it is so important to complete the work of denuclearization (and) we think your long-term economic development, your commitment to democracy and to an open economy is so important that we want to be there over the long run," Clinton told Kuchma during a joint news conference.

While Clinton and Kuchma were meeting in the White House, Israeli Prime Minister Yitzhak Rabin won assurances on Capitol Hill that the new Congress will spare Israel's $3 billion annual aid allocation from its budget-cutting fervor.

The coincident appearances of Kuchma and Rabin seemed to suggest that it will be extremely difficult for congressional Republicans, no matter how determined to slash foreign aid in the abstract, to put the ax to particular recipients.

There can be no doubt that Ukraine needs the money. With a population of 52 million, Ukraine is the second most populous republic carved out of the Soviet Union. It is also possibly the most economically depressed. Recent efforts to introduce private enterprise into the economy so far have only added to the distress of the population.

About $350 million of the Ukraine two-year aid package is intended to reimburse the Kiev government for the cost of dismantling the potent arsenal of nuclear weapons that Ukraine inherited from the collapsing Soviet Union. Most of the rest is designed to keep the economic reforms from collapsing.

After hesitating for more than two years, the Ukrainian Parliament agreed last week to renounce its right to possess nuclear arms. In exchange for Ukraine's ratification of the Nuclear Nonproliferation Treaty, the United States, Britain and Russia assured the Kiev government of their assistance should the republic be threatened by a nuclear power.

"Since his election just five months ago, President Kuchma has bravely and squarely confronted the two greatest challenges facing Ukraine -- economic reform and the nuclear question," Clinton said. "He has taken hard, practical steps required to secure a more peaceful and prosperous future for his people."

Earlier, during a welcoming ceremony, Clinton told Kuchma that he "reminds us of one of our greatest leaders, Franklin Roosevelt, who provided leadership in a time of great hardship in the United States. Like him, you inherited a nation in the throes of economic depression, and like him, you have lighted the darkness and created hope."

Kuchma said that, despite its current economic distress, Ukraine is not basically a poor country. Clinton and Kuchma signed agreements calling for future cooperation between the two countries and authorizing joint peacetime space programs. Lower-ranking officials signed other agreements to encourage private investment in Ukraine.

Rabin, who met Clinton Monday, spent Tuesday on Capitol Hill meeting with key lawmakers from both parties. Summing up his meetings, he said that he is "confident the United States will continue to assist Israel at the same level" in future years as it has in the past.

Kazakhstan Persuaded to Ship its Uranium to U.S. (Washn)
By Art Pine=(c) 1994, Los Angeles Times=
WASHINGTON The United States has brought more than half a ton of highly enriched uranium to this country from Kazakhstan that otherwise might have found its way to Third World countries for use in nuclear weapons, U.S. officials said Tuesday.

The move, which is expected to be announced Wednesday, was the result of months of negotiations between Clinton administration officials and Kazakhstan leaders, who have pledged to adhere to international standards in dealing with leftover nuclear stockpiles of the former Soviet Union.

Officials said that the uranium, which was flown to the United States in huge military C-5A cargo planes, will be reprocessed into commercial-grade material and used to help fuel nuclear power plants, both here and in other countries. The final shipment from Kazakhstan arrived earlier this week.

U.S. officials said that the weapons-grade material could have been used to manufacture up to 20 nuclear bombs. They said it was poorly protected and easily could have been smuggled or sold on the black market.

Officials said that it was the largest cache of uranium from a former Soviet-bloc country that has been brought to the United States in this fashion. Defense Secretary William J. Perry, Secretary of State Warren Christopher and Energy Secretary Hazel O'Leary are scheduled to disclose details of the operation Wednesday.

U.S. intelligence agencies confirmed last year that Iran had sent purchasing agents to Kazakhstan in an effort to buy weapons-grade uranium for the Iranian nuclear weapons program but U.S. officials said at the time that they did not believe it was able to buy any then.

Earlier this year, Kazakhstan's leaders approached the administration about how to dispose of the material that was shipped to this country. The uranium was contained in a huge cache at Ust-Kamenogosiki, in a remote section of the country.

In October, a 24-person team that included representatives of the Pentagon, the State Department and the Energy Department traveled to Kazakhstan to supervise the inventorying and packaging of the uranium. The transportation of the material to the United States began shortly after that.
both its actual weapons and the materials needed to manufacture them in the wake of the breakup of the Soviet Empire.

Early this year, the White House announced agreement on a tripartite treaty among the United States, Russia and Ukraine on the dismantling of former Soviet warheads then being kept in Ukraine. Since that time, Ukraine has sent some 600 warheads to Russia for dismantling.

Officials said that the negotiations with Kazakhstan kept secret until this week were carried on by the same interagency team that shepherded the tripartite accord. Monies for the effort are being provided under a program designed to help former Soviet republics dispose of their weapons.

U.S. officials said that the effort to persuade Kazakhstan to ship its uranium to the United States for reprocessing took on added urgency earlier this year when economic hardship there led to civil unrest and ultimately to a breakdown of law and order.

U.S. analysts had feared that, in an effort to obtain more cash, Kazakhstan's nuclear weapons teams might seek to sell weapons or uranium to Third World governments such as Iran or Iraq, which want to become nuclear powers.

The operation was given the code-name "Sapphire," officials here said Tuesday. A senior administration official described it as "a huge success story" for U.S. efforts to prevent the proliferation of nuclear weapons.

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**Judge Says Detained Haitian Children Should Enter U.S. (Miami)**

By Mike Clary

**Special to the Los Angeles Times**

MIA MSome 230 unaccompanied Haitian children being held in U.S. detention camps in Cuba should be allowed to enter the United States under the same humanitarian parole being granted Cuban refugees, a federal judge ruled Tuesday.

Furthermore, said U.S. District Judge C. Clyde Atkins, legal counsel must be provided to all refugees who request it in writing and the names of each of the 5,993 Haitians being held in the tent city at the U.S. naval base must be given to refugee advocates here.

Atkins' order was in response to a lawsuit filed by attorneys for the Haitians, who charged the Clinton administration with "blatant discrimination" in allowing Cuban children from Guantanamo into the United States while barring Haitian minors.

"It's a flagrant double standard," said Cheryl Little, one of the attorneys for the Haitians. She added: "We're delighted with the ruling. Innocent children should not become pawns in a political game."

The lawsuit on behalf of the Haitians at Guantanamo was filed after attorneys for some 23,000 Cubans held there sued for their release. After Atkins blocked the return of Cubans to Cuba and ordered that they be given access to lawyers, the U.S. Justice Department appealed to the 11th U.S. Circuit Court of Appeals in Atlanta. Oral arguments in that case are scheduled for Dec. 19.

But in the meantime, Guantanamo Cubans are being released from the camps. Over the last few weeks, more than 200 people, mostly young children, their immediate families, and elderly, have been paroled into the United States, contradicting the administration's Aug. 19 pledge that no refugees fleeing Cuba by raft would be permitted to enter the country without first returning to Cuba.

Moreover, the administration last week announced that about 8,000 more Guantanamo Cubans all in family groups would be permitted to come to this country soon. In addition to the 23,000 Cubans in tent cities in Guantanamo, another 9,000 rafters are held in camps in Panama.

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**Corruption Trial Targets Russian Military Brass (Moscow)**

By Carey Goldberg

(c) 1994, Los Angeles Times

MOSCOW In what the defendant complained was a show trial meant to squeal claims of unchecked corruption in the Russian military, a prominent air force general came before the Supreme Court on Tuesday facing charges of embezzlement and bribery.

Maj. Gen. Nikolai Seliverstov, 49, was the highest-ranking officer yet brought to trial for alleged involvement in the shady dealings that were reportedly widespread among the Western Group of Forces that served in Germany. The Russian troops completed their withdrawal this August.

Although the investigation began in 1992, Seliverstov's trial came at a time when the Russian military particularly needed to demonstrate that it can police its own.

"I have been picked as a scapegoat," Seliverstov said. "I categorically reject all the false charges and allegations against me." A Russian reporter, Dmitry Kholodov, who specialized in digging up dirt on the troops in Germany, was killed last month by an exploding briefcase. Russian President Boris N. Yeltsin, saying he needed to preserve the honor of the army, later dumped the former commander of the Western Group of Forces from his new post as Deputy Defense Minister.

Public attacks on the Russian military climaxed in Parliament last Friday, when beleaguered Defense Minister Pavel S. Grachev was forced to answer sometimes stutteringly lawmakers' pointed questions for hours. Seliverstov's trial could be beneficial for the army.

On Tuesday, Seliverstov offered an unusually sympathetic glimpse of the under-the-table life among the cash-strapped Russian officers in Germany.

He told the court that in 1991, the Defense Ministry had issued a directive saying that "we had to earn money to support ourselves not defend the motherland as a priority. ... If there had been no such order, there would have been no money made, and hence, there would be no court proceedings against me."

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Minister Silvio Berlusconi learned from a newspaper Tuesday police before he entered politics. Formal word came as the that he is under investigation for allegedly having bribed tax flights but an additional $13,000 in bribes for himself.

The relatively mealy sum itself fueled Seliverstov's complaints that he had been singled out for punishment. "Aren't there any instances of corruption in places other than (the Western Group of Forces)?" he demanded. "And on a far greater scale, too!"

No one would dispute that Seliverstov's alleged take was small, especially considering that he now faces up to 15 years in prison. The problem is that despite German descriptions of Russian under-the-table dealings and even an investigation by Russia's former top corruption fighter, little else has been pinned down.

Military prosecutors say that only nine Western Group soldiers have been convicted for theft and corruption since 1992, among them two colonels, a captain and a major, and only 46 guns were reported stolen from 1946 on. But the Russian press, partly to avenge Kholodov, has carried numerous allegations of army supplies sold illegally to dealers, of stolen weapons making their way to world markets, and of military money slipping into secret personal accounts abroad. A Finance Ministry audit found "gross violations" in how Western Group of Forces officers sold goods and services, often through dubious private firms and joint ventures that made the money trail hard to follow. Worse, it found that less than 15 percent of the money the Western Group earned was sent, as ordered, back to Russia to pay for housing for the homeless returning officers.

Italian Leader's Political Fortunes Suffer Another Blow (Naples)

By William D. Montalbano=

(c) 1994, Los Angeles Times=

NAPLES, Italy After months of rumors, Italian Prime Minister Silvio Berlusconi learned from a newspaper Tuesday that he is under investigation for allegedly having bribed tax police before he entered politics. Formal word came as the beleaguered billionaire presided over an international conference here on ways to combat organized crime.

The judicial notice does not imply guilt, but it does spell embarrassment. Whether the timing was contrived or simply ironic, it dealt a fresh blow to Berlusconi's sagging political fortunes and to public confidence in his government.

Left-wing opponents called for his resignation. Berlusconi said in a nationwide broadcast Tuesday night that he is innocent and will not quit. "I will not resign. This country needs stability a government that governs seriously," he said.

In the flux, the Italian stock market fell 2.8 percent Tuesday, while the lira eased against the dollar and slumped briefly to historic lows against the German mark. As 800 delegates from 136 nations at a seaside palace here debated how to clean up criminal money-laundering, Berlusconi, president of the U.N. crime conference, told reporters he is untroubled by the corruption inquiry in Milan. "I have never corrupted anyone. I have nothing to fear," he said in the taped broadcast. He called on magistrates to concern themselves "with justice, not politics."

Berlusconi aides were outraged that news of the probe had been apparently leaked from the magistrates' office to the Milan newspaper Corriere della Sera, whose exclusive Tuesday morning stole the thunder from conference deliberations. "Extremely grave," said Antonio Tajani, spokesman for Forza Italia, the political movement Berlusconi heads. Tajani called it an attempt to influence voters before the Dec. 4 second round of municipal elections in more than 200 cities.

Forza Italia, which stormed to national power last spring, faced poorly in first-round voting Sunday among Italians distressed by Berlusconi's austerity budget for 1995, which would trim pensions and health and social benefits.

What concerns the Milan magistrates are bribes paid to tax inspectors by two of the many companies within Berlusconi's vast Fininvest business empire, a network of publishing, advertising, real estate and insurance companies, supermarkets and three national television channels.

Berlusconi, who insists despite the cost to his popularity that government debt and deficit must be reduced, belittled the Milan probe as "a six-month-long affair."

Corriere said one payment of about $80,000 was made in 1991 to a general, a lieutenant colonel and a warrant officer in the Guardia di Finanza during inspection of company books at Arnoldo Mondadori Editore, the country's largest publishing house.

Berlusconi's brother Paolo and the head tax officer for Fininvest, Saltatore Sciascia, acknowledged making the payoff in testimony to the investigating magistrates last July. They claimed the issue was not corruption but extortion; payment was demanded under threat of disruption and possible economic paralysis of the company.

The second incident, in 1992, Corriere said, involved Paolo Berlusconi, Sciascia and two other Fininvest managers, who paid about $60,000 to two brigadiers, a lieutenant colonel and two warrant officers in return for their approval of accounts at the insurance company Mediolanum Vita. Once again the magistrates allege extortion by the tax police.

Berlusconi echoes their accusation. He says that the tax police took an extraordinary interest in Fininvest companies almost from the moment he declared himself a political candidate. One team of inspectors marched into the new Forza Italia headquarters in downtown Rome a few days before the election that brought Berlusconi to power.

Justice Asks Microsoft, Intuit for More About Merger (San Francisco)

By Martha Groves=

(c) 1994, Los Angeles Times=

SAN FRANCISCO The U.S. Justice Department has asked Microsoft Corp. and Intuit Inc. for more information about their proposed $1.5 billion merger, indicating that the deal is facing possible scrutiny for possible antitrust problems.

The request, issued last Friday, is the second from the Justice Department, which is trying to weigh the merger's implications for an industry that has not yet taken full flight
but is expected to soar: the market for on-line electronic transactions.

Among information being considered at Justice is a "white paper" from a Silicon Valley law firm, submitted last week at the agency's request. The paper, prepared by an antitrust specialist at Wilson, Sonsini, Goodrich & Rosati in Palo Alto, Calif., uses an economic theory known as "increasing returns" to argue that Microsoft's vast clout in the software world, combined with a strategic purchase of Intuit, would enable the company to seize unhealthy control of the networks that Americans will eventually be using to make purchases and do their banking.

"Intuit controls most of this market," said Gary Reback, the antitrust attorney. "Microsoft is the only potential competitor. ... (This deal) lets Microsoft seize another gateway that would otherwise take them five or six years to get."

Reback and his firm have represented most of Microsoft's competitors, including Novell, Borland International, Apple Computer and Sun Microsystems. He said the cost of preparing the white paper more than $150,000 was billed to appropriate clients that had informally voiced fears about the Microsoft-Intuit combination and wanted the Justice Department to understand the issues. Some executives of rival firms, he added, were wary of fully laying out their problems with the deal because of worries over possible retaliation by Microsoft.

Intuit, based in Menlo Park, Calif., makes the hugely popular Quicken program and controls an estimated 70 percent of the market for personal finance software. Microsoft, with headquarters in Redmond, Wash., is the dominant player in computer operating system software, and is rapidly gaining market share in many other pieces of the software industry. It agreed in October to buy Intuit for what was considered an extraordinarily high price.

In the hope of pre-empting any antitrust concerns, Microsoft agreed to sell its own personal finance product, Microsoft Money, to Novell. But competitors say the real reason for the deal because of worries over possible retaliation by Microsoft.

Last week, the company announced Microsoft Network, an on-line service that will be available to users of the Microsoft's upcoming Windows 95 operating system, due next year. By being integrated into Windows, the Microsoft Network could gain a major and possibly unfair advantage over rivals.

Although the Clinton administration has been perceived as being far tougher on mergers than the administrations of George Bush and Ronald Reagan, the Justice Department took heat earlier this year for its handling of a long-running investigation into Microsoft's marketing practices.

Some industry observers said Justice might be focusing more closely on the Intuit deal to assuage concerns that it was being soft on Microsoft.

"The problem is that Justice is starting to figure out that Microsoft, not necessarily by crook but certainly by hook, is gaining a lot of clout," said Mark Macgillivray, a Silicon Valley consultant.

WORLD REPORT: Rocket-Makers
Retool for Peace (Pinnow, Germany)
By Mary Williams Walsh=
(c) 1994, Los Angeles Times=

PINNOW, Germany

For nearly three centuries, the region that today is marked on the political map as the German state of Brandenburg has stood in constant readiness for war.

In the 18th century, these pine-covered flatlands were the parade ground of Prussian military might; during the Nazi rearmament of the 1930s, they became the command and control center for Hitler's Wehrmacht. During the Cold War, when 350,000 Soviet troops, advisers and their dependents occupied East Germany, a full 200,000 of them were stationed in present-day Brandenburg, setting up the state as a sure-fire nuclear ground zero if war broke out between the superpowers.

Today, the last Russian garrison troops are gone from eastern Germany, and Brandenburg has set about the immense task of undoing its war economy.

"It's really a break with the past," says Roland Vogt, the Brandenburg official in charge of defense conversion. He calls the state's vast, newly vacated military real estate "a sea of sadness" and an expense of decrepit barracks, ammunition-strewn training fields, tumbledown Soviet officers' quarters and empty tank ranges, all surrounded by tall barbed-wire-topped fences marked "mortal danger."

Vogt's job, as he puts it, is "to create some islands" in this sea.

One such island-in-the-making is Pinnow, population 900, a farming village near the German-Polish border. It was here, during the Cold War, that 1,600 specialists built the Konkurs, an advanced anti-tank missile, and maintained the radar guidance systems used in various other Warsaw Pact missiles and rockets.

Today, thanks to western German investment and the prodding of socially conscious bureaucrats, Pinnow's rocket workers are engaged in the useful task of dismantling all those same rockets, extracting the propellant and safely burning it off in a 2,200-degree incinerator. Pinnow's transformation from warmonger to peacemaker isn't complete yet, but when it is, the village may prove one of Brandenburg's defense-conversion success stories.

"They're doing a job which is really necessary," says Joern Broemmelhoerster, an economist with the Bonn International Center for Conversion. "We never had the facilities to destroy these weapons before."

What happened to Pinnow's elite rocket works is much like what happened to, say, Southern California's Lockheed Corp. or Hughes Aircraft Co., only more so. When the Cold War ended, not only did the factory's orders dry up, but the government that had nurtured the plant vanished.

To make matters worse, East Germany's central planners had sited the rocket works smack in the middle of nowhere.

"Pinnow is in one of the poorest regions in Germany," Broemmelhoerster notes. "Without the factory, there is nothing to do there except farm. When the Cold War ended, there were all of these highly trained people there, and nothing for them to do."

Meanwhile, far to the south, near Germany's border with Austria, a private company called Buck Inpar was having difficulties of its own with the end of the Cold War. Buck, a pyrotechnics concern, had busied itself throughout the Iron Curtain years making smoke grenades, flares and other
battlefield incendiary devices. Now it too suddenly found its engineers standing around with their hands in their pockets. "Buck was looking for opportunities," manager Werner Scherer says. "The only opportunity we could see was in the weapons-disposal business."

At first glance, Pinnow seemed a perfect acquisition target for Buck, for the treaty governing the Red Army pullout from Germany called for the government-financed dismantling of 300,000-odd tons of East German munitions. Pinnow had the site and the people to do the job; Buck had the private capital and know-how to refit the rocket plant, and the government, of course, would provide the raw materials the rockets. But in the end, it wasn't quite so simple. While Germany has nothing compared to President Clinton's Technology Reinvestment Program—the plan for shepherding America's defense contractors into peaceful manufacturing markets—it does have a powerful federal agency charged with privatizing East Germany's old industrial stock. This organization, the Treuhandanstalt, tries to see to it that investors preserve as many jobs and components of the eastern industrial stock as possible. And the Treuhandanstalt was not willing to let Buck take over the Pinnow rocket works unless it would put the whole, sprawling factory grounds to use, to guarantee at least 750 jobs through the end of 1995, and to invest at least 50 million marks, or about $35 million.

In the end, Buck decided that rocket-dismantling in Pinnow looked like a good enough business proposition to justify taking on a number of experimental, nonpyrotechnic sidelines. So today, in addition to dismantling the rockets, Buck is churning out prefabricated buildings, storm windows and hospital beds, as well as developing cleanup systems for polluted soil and water, and operating a nascent hazardous-waste transport concern. It has also become a partner in a hairdressing school.

Today, Buck employs not just the 750 villagers that it promised, but 1,400. The same technicians who used to put together rockets and radar systems have been retrained to hazardous-waste transport concern. It has also become a partner in a hairdressing school.

Today, Buck employs not just the 750 villagers that it promised, but 1,400. The same technicians who used to put together rockets and radar systems have been retrained to build molds, pour concrete and operate state-of-the-art computer design equipment. And the weapons-dismantling division, having just finished its share of the Warsaw Pact rockets, now receives orders from NATO to incinerate small-caliber ammunition.

(Optional add end)

The only problem in sight is that the profitable segments of the factory are still connected, in one way or another, to the military. Timmerman is an international security consultant and author. This article was adapted from a forthcoming study on the peace process for Los Angeles' Simon Wiesenthal Center.

Special to the Los Angeles Times

How easy is it for young men in the Gaza Strip to blow themselves up for a cause? That was one of the things the Simon Wiesenthal Center of Los Angeles wanted me to explore during a recent investigation into the motivations of radical Islamic groups who have vowed to smash the Middle East peace process through acts of suicidal terrorism. Among the religious and political leaders I interviewed in three Arab capitals, none was more disturbing than a quiet-spoken, 21-year-old student at the Islamic University in Gaza City named Hisham Ismail Hamad.

I was introduced to him during a semi-clandestine meeting with a group of activists who claimed allegiance to the Palestinian Islamic Jihad, arguably the deadliest terrorist movement now active in the Middle East. Six days after this meeting, on Nov. 11, young Hisham Ismail strapped explosives around his waist and drove his bicycle into an Israeli army checkpoint in Gaza, obliterating himself and three Israeli soldiers.

Did Hisham Ismail go calmly to his death? I can never know. But on the day we briefly met, death and revenge were certainly uppermost on his mind. I can only now wonder whether the street chants of "Allah o Akbar" (God is Great!) and the angry sermons vowing revenge against Israel for having allegedly killed one of their own were not part of a carefully orchestrated plan to prepare Hisham Ismail to meet his own death.

I met Hisham Ismail and a group of Islamic Jihad militants in Gaza, near the house of Palestinian journalist Hani Abed, who had been killed by a car bomb on Nov. 2. The Israelis had publicly blamed Abed for the drive-by shooting of two Israeli soldiers in Gaza in May. Whether the Israelis were actually behind his death will probably never be known. But Islamic Jihad certainly believed they were and vowed revenge.

The streets outside Hani Abed's mourning house were filled with graffiti and huge banners proclaiming revenge. "Yes to martyrdom," read a banner. The slaughter of the Jews is our choice to victory," read another. The children of Israel will be the sheep for the butchers of the Islamic Jihad," read a third.

I was taken to an abandoned parking garage just off the street, where men prepared Arabic coffee over a twig fire and passed around olives and pieces of flat bread. Cheap office chairs were arranged in a circle, and six people sat down to tell me about Islamic Jihad, their hatred of Israel and the plots of World Jewry to destroy Islam and Christianity.

One of them, about 40, identified himself as Omar Mohammad and was known to the others as "Khathib" prayer leader since he often spoke on Fridays at a Gaza mosque. Another, in his late 30s, called himself "Maher Mohammed" and was more of a political spokesman. A third, younger man frequently interrupted the others to utter inflammatory statements. He called himself "Mahnoud Ahmed." Despite his youth, the older men were almost deferential to him, making me suspect he was connected to the movement's military wing. Off in the far corner of our group sat Hisham Ismail Hamad, whose identity I only learned 10 days later, when my Palestinian contact phoned me in Washington with the news of his death. He stared at me intensely throughout our interview, his eyes glazed over, nodding his head in assent. The whole scene had the air of ritual to it that was clearly perceptible at the time. Although I did not know what Hisham Ismail was preparing to do, I could feel the throbs of anger and
blood-revenge in the room.

Khatib: "Today we have entered a new era, the era when Palestinian blood is no longer cheap. The Israeli side should understand that we are not going to avoid spilling our dear Arab blood. They should know that the revenge will come."

Mahmoud Ahmed: "Islamic Jihad considers that Israel, Nazi U.S., Britain, France and the others are a cancer that must be removed. This is one of our central ideas. We just want words."

A softer voice spoke then, and the others fell silent. It was Hisham Ismail: "Hani Abed, peace be upon him, is blessed today in heaven. He is not dead. No, he is happy. That is why the women are ululating: They are happy because he has given himself to Allah."

We then got to talking about Israel and what many in Hamas and Islamic Jihad believe is a plot by Jews to dominate the world. They said that the Jews had explained their devious intentions in "The Protocols of the Elders of Zion," an infamous forgery that first appeared in czarist Russia at the turn of the century and which has fueled anti-Semitic fires ever since. "Aaccording to the Torah," said Hisham Ismail, "the Jews say they are the leaders of nations. But in fact, Israel wants to destroy the world. They want to destroy American society, French society, British society. They want to destroy the whole world." Then he added: "But we believe Israel will be destroyed by Muslims. This is what the Koran says." When I suggested that the state of Israel was a reality, these men vigorously disagreed. "We Islamists can never accept such a state. We believe in Palestine from the river to the sea."

Said Hisham Ismail: "Our rejection of the Oslo agreement (between Israel and the PLO) is not just words. How else do you understand our blood? Our rejection is not just words."

They excused themselves then. It was time to preach more hatred and revenge to the crowd outside.

As I was putting together my notebook and cameras to join them, Hisham Ismail drew me aside. "If you want to learn more about the Jewish plot and the Protocols," he said quietly, "you should read a book called "Palestine" by Bayan Nouwayid Hout. He has written a series of books and articles."

"According to the Protocols," said Hisham Ismail, "the Jews say the leaders of nations. But in fact, Israel wants to destroy the world. They want to destroy American society, French society, British society. They want to destroy the whole world." Then he added: "But we believe Israel will be destroyed by Muslims. This is what the Koran says." When I suggested that the state of Israel was a reality, these men vigorously disagreed. "We Islamists can never accept such a state. We believe in Palestine from the river to the sea."

As terrorism experts such as Tel Aviv University's Michael Kramer have noted, suicide bombers are not a dime a dozen. Groups such as Islamic Jihad and Hezbollah must select them from a very small pool of potential candidates. The bombers are generally between 14 and 22, without children of their own and without a police record that would make them suspicious to the Israeli authorities. Once selected, they are indoctrinated into the ways of sacrifice. Or if you prefer, prepared like sacrificial lambs for the knife. To persuade young men like Hisham Ismail to blow themselves up, Islamic Jihad goes to great lengths to separate them from their families, sealing them off in a bubble of hate-filled rhetoric that makes their choice of death seem rational, even sublime.

How many more young men like Hisham Ismail are being prepared in Gaza? If the men I met are any measure, quite a few.

An IQ Furor? So What!

Christie, a columnist for Buzz magazine, also writes for Details magazine.

By Tom Christie=

Special to the Los Angeles Times=

Missing in the flurry of words responding to Charles Murray and Richard Herrnstein's new book, "The Bell Curve," in which they suggest a racial IQ hierarchy (Asians and whites at the top, followed by Latinos and blacks), are these two: "So what."

Although denunciations by everyone from Jesse Jackson to the social critic Mickey Kaus are understandable and perhaps necessary to fend off Murray's pernicious Darwinian social agenda (for which the book was written) there may be a more laissez-faire approach. I'm thinking of a comment by Bono, lead singer of the Irish rock band U2. "We Irish don't put people on the moon," he said, "but we've written some pretty good books." Ethnic pride, in other words, need not be based on rocket scientists or intelligence quotient alone.

A few years ago, a poll of the European Community found the Irish to be the happiest people in Europe. It didn't say who were the smartest. Nor do Murray and Herrnstein although they note in passing that European Ashkenazi Jews score highest on IQ tests. But I'd hazard a guess that, in addition to the Ashkenazis, a number of European ethnic groups would out-perform the Irish.

The Irish part of me can live with that, somehow, within the collective shadow thrown by the likes of William Butler Yeats, James Joyce, Samuel Beckett, George Bernard Shaw and Oscar Wilde. There's so much to Ireland: the magical beauty of the land; the charm and poetry of its people, and what I would call their common intelligence which seems to emanate from the intersection of simplicity and sophistication. (The result, of course, is profundity.) No statistically significant numbers of rocket scientists? So what.

Few of us, after all, have contributed anything notable to the modern technological world: not automobiles, PCs, televisions, fax machines, microchips, ATMs, VCRs or on-line services. Moreover, most of us don't have a clue as to how these things even work.

Yet we go on, blithely indifferent to most everything beyond what's for dinner. What Murray and Herrnstein are saying, though, in a book that might have been better titled "The Ultimate Revenge of the Nerds," is that the few who do know how these things work and especially those who create them are going to get richer and richer while the rest of us get poorer and poorer.

I can live with this, too. After all, I'm already living with the knowledge that baseball and basketball players are worth millions, that many CEOs are worth hundreds of millions and that a fellow named Snoopy Doggy Dog has the No. 1 record in the country. Hey, go figure, it's the marketplace!

And so what.

What is far more difficult to live with, however, are the dangers inherent to such divisive studies that one group lords it over and then uses it against another. If the authors know that Ashkenazi Jews score highest, do they also know how other European groups score, and aren't telling us? Imagine if someone compared European IQs by country or ethnic group. Imagine just how harmful this information would be to the community of nations now attempting to unify. The T-shirt joke (Heaven is when the police are British, the cooks Italian, the mechanics German, the
Perspective on School Prayer: Look at Vista, Calif., Mr. Speaker

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Special to the Los Angeles Times=

VISTA, Calif. Voters here prematurely ended their school board's conservative Christian majority in the Nov. 8 election. Ironically, this San Diego County community, which voted along conservative lines on every ballot measure, rejected its school board's right-wing convictions. It ardently opposed the board's imposition of subjects that are the province of one's home or religious beliefs. As a result, four of the five elective seats changed hands, reconstituting the board as liberal and centrist.

The board's former conservative Christian majority represented a legitimate political perspective that has a national following. The members raised issues that express genuine concern for our nation and its youth; for that alone they deserve credit. But the school board's recall was not a reaction to either religious or political titles. It centered on a concern far more significant, one that reflects a broad consensus: The voters in Vista want religion out of the public schools.

Ultimately, the debate was not about sex, God and values; it was about reading, writing and arithmetic. Like so many, the residents here want the public schools to teach their children the necessary essentials, allowing them to integrate the knowledge they acquire elsewhere so that they can make mature, informed decisions. The people here want to find new ways to build the public schools back up, ensuring that they are safe and wholesome environments for education. But most important, perhaps, they want parents to have the freedom to decide what is best for them and their children when confronted with issues that involve personal beliefs and values.

Some people have said that the electorate opted for the recall because the targeted board members had misled the voters of their true intentions before being elected. The honest answer is both. But if the school board's policies and political directives had been in agreement with the public, the recall would not have succeeded.

Not surprisingly, the political soul of Vista made it difficult for the school board to continue with its religiously oriented agenda. Conservatives, by definition, oppose government intervention. For them, the less control government has over our lives, the better. On Nov. 8, the voters made their preference known.

Wanting to teach creationism as an alternate approach to evolution is fine, but it does not belong in a public-school science classroom; neither does a sex-ed curriculum loaded with religious innuendo. The problem is, the pendulum swings in both directions, making the whole issue of public-school education even more complex.

On the opposite coast, and on the other side of the political spectrum, the public schools in New York City are teaching their children that homosexuality is entirely normal; that a two-parent family is defined as having either a mother and father or two mothers or two fathers.

The one thing we can learn from these two extremes is that imposing a value system, be it religious or secular, in the public schools is fraught with difficulties because it touches on so many sensitive areas of personal conviction.

Edmund Burke, whose writings influenced 19th century conservative political theory, held that "religion is the basis of civil society." He was right to a point. To ensure society's civility, religion must flourish, but it must remain separate from government. Religion the expression of faith is a private matter. No matter how lofty the religion, when it mixes with government, it becomes coercive.

House Speaker-in-waiting Newt Gingrich recently promised "dramatic bold changes" with the newly formed Republican Congress. One of those changes includes restoration of prayers in the public schools. Gingrich ought to take note of the election outcome in Vista, for what happened here is a paradigm for the rest of the nation when exclusively religious values are introduced into the public schools.

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On the opposite coast, and on the other side of the political spectrum, the public schools in New York City are teaching their children that homosexuality is entirely normal; that a two-parent family is defined as having either a mother and father or two mothers or two fathers.

The one thing we can learn from these two extremes is that imposing a value system, be it religious or secular, in the public schools is fraught with difficulties because it touches on so many sensitive areas of personal conviction.

Edmund Burke, whose writings influenced 19th century conservative political theory, held that "religion is the basis of civil society." He was right to a point. To ensure society's civility, religion must flourish, but it must remain separate from government. Religion the expression of faith is a private matter. No matter how lofty the religion, when it mixes with government, it becomes coercive.

House Speaker-in-waiting Newt Gingrich recently promised "dramatic bold changes" with the newly formed Republican Congress. One of those changes includes restoration of prayers in the public schools. Gingrich ought to take note of the election outcome in Vista, for what happened here is a paradigm for the rest of the nation when exclusively religious values are introduced into the public schools.
A new policy initiative of the magnitude of Clinton's health plan requires either a crisis or strong popular support if it is to pass. The plan must convince people that its benefits exceed its costs or that its costs will be paid by somebody else. The support of groups already delivering the service must be assured by making them part of the process and plan, or their opposition must be made ineffectual by isolating and demonizing them.

The Clinton health plan did not address some of these requirements and tried but failed to meet others. There was no popularly sensed "health-care crisis." There was popular concern over rising health-care costs, but little demand for changing the ways in which the health-care needs of uninsured people are being met. The public thought the president gave an effective health-care speech to Congress, but few believed they were the people he was talking about. Groups now delivering health care doctors, hospitals, insurance and pharmaceutical companies were largely frozen out of policy development. Many large corporations like the idea of the government taking over some of their post-retirement health costs, but they were outnumbered by the small firms that resisted taking on new costs. The public wouldn't mind seeing uninsured people receive care and their own coverage guaranteed, but they will only support these things if someone else pays.

Clinton tried to persuade them that the "someone else" were greedy insurance and pharmaceutical companies and wasteful paper-shufflers, but his effort to demonize these groups failed.

Had the United States a parliamentary system, everything would have been different. In all likelihood, we would have long since had a single-payer system like Canada's or some version of the German plan. But the U.S. Constitution does not permit us to move decisively in such directions without a crisis; it permits us, at best, to modify the existing system, correct the worst and most widely recognized problems and devise new ways of having public-private partnerships that take into account diverse local realities. So stop complaining about Harry and Louise ads, PAC spending and congressional gridlock.

Crime is a different story. There was, and is, in the public mind a genuine crisis, so some action is politically imperative. The problem is that neither the Constitution nor public opinion permits the federal government to do much except make symbolic gestures (the federal death penalty) and ship money to the states (to pay part of the costs of a few police officers, build some prisons and try some untested programs). And even to do these things, Washington must promise to help every congressional district and not just those with a severe crime problem. The recently announced allocation of federally subsidized police officers to the cities illustrates what this means: such crime hot spots as Stanislaus, Calif., St. Albans, Vt., and Rock Springs, Wyo., will get some "tree" cops.

In a parliamentary regime with political authority centralized in a national government, things would have been different. There would long since have been a national police force (or, as in England, a nationally funded and directed set of local police forces) enforcing a national criminal code. If the death penalty existed, it would probably still be a Bill of Rights and a Bill of Rights that is, systematically planned, carefully coordinated and centrally directed. Unless they want to scrap the U.S. Constitution, they should forget it. And a good thing, too; however messy, localistic and "irrational" our policies in these areas, they are likely to permit far greater levels of innovation and to be more easily subject to corrections in the light of experience than the "rational" policies abroad.

Would such a nationalized criminal-justice system produce less crime? Not if the recent experience of England, Germany and Sweden is any guide.

National elites influenced our crime bill as well, though not nearly to the same degree as would be the case abroad. The price of a largely meaningless expansion of the federal death penalty and even more meaningless federal "three strikes" law was the insertion of several billion dollars for untested social spending. Critics called this "pork," as if that were a serious criticism.

But buying off potential coalition members with spending programs they favor is exactly what the Founders not only expected, but practiced. In 1790, Alexander Hamilton got his economic plan adopted in exchange for locating the capital district on the banks of the Potomac, as Thomas Jefferson wanted. Washington, D.C., was built on "pork." What is significant about pork today is that it is less savoy or more common, but that it has changed. Once pork meant tangible benefits to particular districts (such as a grant for Lamar College in the Texas congressional district of Rep. Jack Brooks); today, it increasingly means general rules and programs to satisfy nationally organized constituencies (such as programs that somebody believes prevent crime).

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In a parliamentary regime with political authority centralized in a national government, things would have been different. There would long since have been a national police force (or, as in England, a nationally funded and directed set of local police forces) enforcing a national criminal code. If the death penalty existed, it would be based on national law applicable to all offenders. There would probably still be a Bill of Rights of some sort, but there would be no strong, independent judiciary to enforce it against the legislative branch.

Because parliamentary systems are more responsive to national elites than to local interests, penal policy would reflect, in large measure, the views of these elites (in much of Europe of late, those views have favored rehabilitation). Would such a nationalized criminal-justice system produce less crime? Not if the recent experience of England, Germany and Sweden is any guide.
Proposition 187: One Is More Than Enough

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The following editorial appeared in Tuesday's Los Angeles Times:

One of the election's biggest winners Gov. Pete Wilson now sees an opportunity to push Congress toward a federal version of California's controversial Proposition 187, which would deny all benefits except emergency medical care to illegal immigrants. For several reasons, we hope that no one takes the advice.

Meanwhile, a fellow who stands to be one of the election's biggest losers (although he still refuses to admit defeat) is also still greatly concerned about illegal immigrants. Republican Rep. Mike Huffington says he won't concede the Senate race to incumbent Dianne Feinstein until an investigation has determined "that Mrs. Feinstein has received a majority of legal votes."

Huffington also said, "I have become very concerned about whether massive voting irregularities (by non-citizens) played a critical part in affecting this election outcome" and that he has received "substantial, credible evidence" of "large numbers of non-citizens voting as a result of a mobilization effort against Proposition 187."

By this, we suppose he is referring to the army of illegal voters who turned out to send Proposition 187 and its supporters, such as fellow Republicans Gov. Wilson and Attorney General Dan Lungren, down to resounding Election Day defeats. Yes, this is heavy sarcasm.

We haven't a clue as to what Huffington and others who see vote fraud are referring to, since Proposition 187 won 59 percent to 41 percent, Wilson won re-election 55 percent to 41 percent and Lungren won 54 percent to 39 percent. At last count, Huffington was losing by about 152,000 votes with only 180,000 left to consider. His statement about massive vote fraud now threatens to lower California politics to new depths on the sour-grapes scale. Last week, a Los Angeles Superior Court judge rejected a legal challenge by Republicans who alleged that illegal immigrants and children had cast absentee ballots.

Wilson's post-election buoyancy is understandable, but his push to elevate Proposition 187 to the national stage is unfortunate. The governor even says he would work with states interested in passing laws similar to Proposition 187, in addition to his lobbying of Congress.

Such an effort on Capitol Hill would be wholly premature, and a waste of precious time. First, most of 187's provisions have been temporarily blocked by a federal judge pending further review by the courts on constitutional and other legal grounds. Also, illegal immigrants are already ineligible for welfare and food stamps. Congress has required states to provide emergency medical care to illegal immigrants, but Proposition 187 leaves this undisturbed.

And any effort to remove illegal immigrants from schools nationwide faces the same hurdle that Proposition 187 has not cleared: the 1982 Supreme Court ruling requiring states to educate illegal aliens. There is also the question of whether it violates the federal Family Education Rights and Privacy Act.

Rep. Lamar Smith, R-Texas, likely to be the next chairman of the House judiciary subcommittee on immigration, says that "most of us are more interested in passing a bill than in posturing, and that means producing a bill that has bipartisan support in Congress." Any provision cutting off educational benefits for children, Smith said, "would make it difficult" to attract such broad support.

Former GOP Cabinet secretaries Jack Kemp and William J. Bennett on Monday continued to downplay Proposition 187, saying it was not a formula for solving illegal immigration. Bennett said

Wilson's posture on 187 is "scapegoating" and called the measure only "superficially attractive."

It's at least clear that it would be rash to duplicate Proposition 187 at a time when its legal standing is so very much in doubt.
Gunfire kills 4 at police headquarters

Unexplained assault leaves 3 law officers attacker dead

By Brian Reilly

The Washington Times

Investigators say they do not know why a gunman on March 3 opened fire in an office at police headquarters yesterday afternoon, wounding two FBI agents and a police sergeant.

When emergency response teams arrived on the scene of the third-floor office of Metropolitan Police headquarters, Lawson, 25, had been shot dead. Authorities could not say last night whether he shot himself or was killed by one of the law enforcement officials. All armed, who were in the room.

When it was over, homicide Sgt. Henry Joseph Daly, a 25-year veteran, was dead, as were FBI agents agents, 35, and Michael John Miller, 36.

Agent John Kuchta, 31, was in surgery with a gunshot wound to the leg.

"In my 26 years on the force I've never heard of anyone walking into a police office and starting shooting,'" said DC Stamp, president of the D.C. police union.

A police technician, who collected evidence in the "cold case," said it was a blood bath. "It was unbelievable," the technician said. "It looked like Freddy Krueger was there."

"Everybody had a gunshot wound to the leg."

According to court records, Lawson was arrested in September 1990 on charges of violating the National Firearms Act after police caught him with a cache of weapons. They found a safedepot box, a military-style bulletproof vest, three pagers, an Armatex Ar-18 semiautomatic rifle, a Mossberg 12-gauge shotgun, an AR-15 rifle, a revolver, and a Mauser-Werks .380-caliber semiautomatic pistol.

The afternoon mayhem at the Municipal Building, across the street from the city's One Judiciary Square Office, was apparently the first siege of a government building in the city since March 9, 1977, when 12 armed Hanafi Muslims took over three buildings, including the District Building.

That siege began about noon March 9 when a group of six Muslims, including seven Hanafi Muslims shot there were D.C. police Lt. Mike Daly, showed up at headquarters a few minutes after the shooting. More than a hundred officers, detectives and officials gathered at police headquarters, stunned by the unprecedented death toll of law enforcement officers.

Police Chief Fred Thomas huddled with U.S. Attorney Eric Holder, Anthony Dolvin, the FBI Washington field office director, and Mayor Sharon Pratt Kelly in the parking lot outside the County police headquarters, grabbed an officer's gun and began shooting. Two officers were killed.

Johnson, who was 15 at the time, was convicted of manslaughter in the death of Officer Albert "Rusty" Claggert, 26, and found guilty by reason of temporary insanity in the death of Officer James Brian Swart, 15.

When the shooting began, police and FBI agents at the hallway.

Police stationed themselves outside the closed door and called the emergency response team of snipers and hostage negotiators. The heavily armed officers scuttled throughout the hallways, checking various open offices along the way.

Officals also learned as many as two agents and two more officers were unaccounted for and they feared, or feared, gunfire. They spoke briefly with one of the men inside the office, apparently the unhurt witness, about 4:05 p.m. Less than 25 minutes later, they stormed inside.

Two FBI agents were found wounded. Mrs. Martinez was rushed to the hospital, where she was pronounced dead. She had been shot in the chest, stomach and neck, sources said.

The recently married agent may have been pregnant, sources said.

Sgt. Daly, 51, was pronounced dead on arrival at the MedStar unit.

One homicide detective described Sgt. Daly as a likable father of two who had 28 years on the police force. He was one of the founding members of the cold case unit.

Dr. J. Duncan Harvel, trauma director at MedStar, said Mr. Kuchta, 51, was undergoing extensive surgery. He was suffering from wounds to the head and face. He shot one of the two men from the elevator in the leg, while the second man emerged into another office, turned a desk over and took cover.

The police said those three men were just inside the door of the office. They would not say last night where the other victims were in the room or whether any victim returned fire.

Investigators reported hearing a long series of shots, and officers in the building ran inside and shot off their guns. The third location was the District Building, now the John A. Wilson Building, at 14th Street and Pennsylvania Avenue NW, where the Hanafis took 15 hostages.

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Maurice Williams, 24, a reporter for radio station WHUR-FM, was killed at the District Building. Shot there were D.C. Council member Marion Barry, who was elected mayor the next year; Robert P. Pierce, 51, a retired state Department worker; Dr. Mark W. Cantrell, 45, a building guard.

The Hanafi Muslims demanded that authorities turn over to Hanafi leader Hamza Abdul Kassas those convicted of murdering seven members of his family in January 1973.

Kristen Metzler, Greg Seigle, Jerry Seper, Gretchen Lachartie, Ted Gotsch, Matthew Hutchison and Art Kramer contributed to this report.
Clinton calls prayer amendment 'an error'

President Clinton yesterday pledged to fight for "ordinary Americans" and to work with the Republican Congress on almost everything but a school prayer amendment.

"I think that would be an error," Mr. Clinton said of the plan by House Republicans to approve a constitutional amendment allowing voluntary prayer in schools.

Mr. Clinton's remarks, at a joint news conference with Ukrainian President Leonid Kuchma to herald the emerging relationship between the two countries, were at variance with earlier statements that seemed to support a prayer amendment.

In Jakarta, Indonesia, last week, Mr. Clinton spoke favorably of the amendment. But yesterday he said weary reporters accompanying him may have misread his comments.

"My position on the prayer issue is I have always supported a moment of silence when I was a governor... I do not believe that we should have a constitutional amendment to carve out and legalize teacher- or student-led prayer in the classroom. I think that is inherently coercive in a nation with the amount of religious diversity we have in this country."

But Mr. Clinton indicated he's open to talking about it with Republicans, saying, "We ought to at least listen, and we ought to look for ways to work together."

During a 30-minute news conference dominated by domestic political woes, Mr. Clinton also said that:

• Sen. Jesse Helms' comments suggesting that the president isn't up to the job of commander in chief were "unwise and inappropriate." Mr. Helms, North Carolina Republican, is slated to head the Senate Foreign Relations Committee.

• He would oppose any deal to lift a cut in the capital gains tax with passage this month of the General Agreement on Tariffs and Trade pact.

• He was unaware of a speech earlier in the day in which Labor Secretary Robert Reich said the administration was considering governmental reform where their Agenda Overlaps with Mine."

Mr. Clinton's news conference in the auditorium of the Old Executive Office Building followed a long day of meetings between Mr. Clinton and the Ukrainian president. They approved several agreements that will push the U.S. aid total to $900 million, expand joint space exploration and provide the Ukrainians with $30 million to $50 million in U.S. taxpayer money to house former Red Army nuclear missile troops.

Neither leader addressed the contentious housing issue, but Allen F. "Gunner" Kent, commander of the Veterans of Foreign Wars, took sharp issue with the proposal, also extended to the three Baltic nations.

Mr. Kent demanded that for every dollar sent to aid Russian or Ukrainian soldiers, an equal amount be added to the Veterans Affairs budget to be spent serving that special segment of our society that has paid the price for our freedom."

Last night the president held a state dinner for Mr. Kuchma. Guests dined on smoked breast of pheasant, goat cheese, "autumn twigs and leaves," and three kinds of wine.

In a sign of political outreach, Mr. Clinton invited four Republican lawmakers to the dinner. Other guests included actress Kathleen Turner and actor Jack Palance.

Mr. Clinton said at his news conference that on many issues he will try to work with the new Republican Congress. "I will do my best to resist exploding the government deficit, linking the economic recovery or repealing the gains that working people made in the last session of Congress."

"There are a lot of areas where we can work together with the Republicans."

He cited political and lobbying reform, the line-item veto, and cuts in bureaucracy.

Since the Nov. 8 elections, Mr. Clinton has received advice to move right and left and even to step aside and not run for re-election. "I can only tell you that my job is to stand up for the interests of ordinary Americans," Mr. Clinton said of such advice. "That's what I will do."
GOP senators, Clinton balk at Dole's GATT deal

Linking tax cut, trade pact unpopular

By Patrice Hill

The Kansas Republican on Sunday suggested linking Republican support for the trade pact, which comes up for a critical Senate vote next week, with a White House commitment to back the Republican tax-cut proposal.

But yesterday Republican Sens. Phil Gramm of Texas and Arlen Specter of Pennsylvania threw cold water on the idea. Both men are likely rivals of Mr. Dole if he seeks the GOP presidential nomination in 1996.

"It's not a good pairing," said Mr. Gramm, though he endorsed Mr. Dole's efforts to clarify other issues raised by the trade pact.

"Capital gains are very important, but I don't think you can have a quid pro quo" between the tax issue and GATT, Mr. Specter said. "I think there are some problems with GATT, and I think we need to hit those head on."

Their comments came as Mr. Dole appeared to distance himself from the proposal, declining to revive it at the Republican Governors Association meeting in Williamsburg yesterday. The resolution of a dispute over ensuring U.S. sovereignty under the agreement is the key to securing Senate approval, he said.

At issue is whether the United States can opt out of the World Trade Organization, which would be set up under the treaty to arbitrate trade disputes. Critics worry that the WTO would give other nations too much control over U.S. laws.

Administration officials hope that if they resolve the problems raised by Mr. Dole, other Republicans will join him in voting for the agreement. The Senate is scheduled to vote on the pact in a special session Dec. 1, two days after the House vote.

Some Republicans worried to Mr. Dole's proposal on capital gains taxes, though they stopped short of wholeheartedly endorsing it.

The GATT treaty would lower tariffs on a wide variety of goods, thus reducing revenue to the U.S. government and requiring a waiver of Senate budget rules.

If those budget rules are waived for GATT, said Sen. Don Nickles, Oklahoma Republican, they also should be waived when the Senate considers a capital gains cut.

"We ought to be consistent. If we're going to waive it on one, we ought to waive it on the other," he said.

Sen. Connie Mack, Florida Republican, agreed with Mr. Dole's tactical approach in comparing the budget and economic issues raised by the trade treaty and the tax-cut proposal. "I like what he's doing on this," he said.

But the capital gains issue appeared to fade yesterday as Mr. Dole and administration negotiators moved toward compromise on what he called the "sticky" issues of maintaining U.S. sovereignty in trade disputes.

"If we have a resolution, it will pass. If we don't have a resolution, it will pass the House but will be very questionable in the Senate," Mr. Dole said at a briefing.

A proposed solution would make it easier for the United States to withdraw from the World Trade Organization if it rules against the United States too often. A panel of three retired U.S. judges would be set up to review the organization's decisions. If it found that the organization improperly ruled against this nation three times, Congress could vote to quit the organization.

Republicans are not the only ones who find fault with the proposed World Trade Organization.

Sen. Robert C. Byrd, the outgoing chairman of the Senate Appropriations Committee, yesterday said the WTO would encroach on U.S. power. He called for Mr. Clinton to withdraw the "misguided" treaty and resubmit it next year.

"I heard the message from the voters two weeks ago, and they want their federal government to change the way business is conducted in Washington. I believe it would be a mistake to ignore this political sea change by ramming the GATT through Congress next week without much debate and with no opportunity to amend," the West Virginia Democrat said.

Ralph Nader, an outspoken opponent of the treaty, said the proposed compromise to "have three wise men safeguard against any abuses" is "window dressing" and "would have no legal effect whatsoever" on the authority given to the world trade group.

"Why Dole would want to let any two dictatorships belonging to the organization overrule us in return for a tax cut for the wealthy is something only he can answer. He certainly didn't fight for that in World War II," Mr. Nader said.

Commerce Secretary Ron Brown called the sovereignty issue a "red herring." U.S. negotiators who forged the trade pact pushed to give the world trade group some clout because other countries in the past have failed to comply with trade rulings, administration officials said.

"Those people who want to do damage to the agreement continue to raise the issue. It is a non-issue," Mr. Brown said at a briefing yesterday.
Right jabs at HUD policy miss mark, Cisneros says

By Michael Hedges

Henry Cisneros, secretary of the Department of Housing and Urban Development, yesterday morning received a taste of the oversea public relations campaign he has engineered to distance HUD from Republican goals of decentralizing public housing and moving people into homeownership.

"We're not that far apart," Mr. Cisneros said. "I believe there was an error in the reading of the law," Mr. Cisneros said. "The (HUD) lawyers incorrectly judged the activity that the Berkeley Three were involved in as crossing the line," he said. In that and several other cases, the department's authority to mount investigations and issue subpoenas for testimony about private citizens was abused, he said.

"What offended me particularly about it is, I know what the heavy hand of government zealously trying to influence an arena every day. For that or downgraded for that, but it's a good thing, people ought to have," Mr. Cisneros said. "There is a difference between expressing a preference and then trying to influence an organization to do what we want," Mr. Cisneros said. "People ought not be graded for that."

"Conservatives" think we're recent arrivals from an alien planet on some of these questions, but we think we can agree on a lot," Mr. Cisneros told a group of editors and reporters at The Washington Times. "If you were in our shoes and had to make some of the same decisions, you'd probably come out in some of the same places." He conceded, however, that the "alien planet" perception of HUD's leadership persists, in part because of some "high-profile errors of judgment by agency officials.

Isolated cases blamed for 'radical' tag

"We have to create some competitors to the public housing authorities in the form of nonprofit organizations, more decentralized, smaller-scale," Mr. Cisneros said. "We have to break the monopolies of public housing authorities." But he doesn't think HUD should be reduced in size or shift its resources to state agencies. "I don't think it follows that because we want to get some solutions to the local level that we can take apart the resources that we need at the local level. What would follow that, we would spend less directly ourselves, regulate less, dictate less, and get nonprofits and neighborhood groups and others to take on more of the load."

Decentralization is part of the American spirit today, the fact that it can be done better at the local level.

Mr. Cisneros said he was preparing an initiative, which President Clinton may announce in his State of the Union address, that will seek to raise private homeownership to 66 percent, a level never before obtained, "by the end of the decade, the end of the century."

Until now, the highest percentage, 65.4 percent, was achieved in the 1960s, but it has since slipped to around 64 percent. "That is not a dramatic decline, but we are going in the wrong direction," Mr. Cisneros said. "It is within our reach to pass 66 percent."

That would mean several million people — minorities and recent immigrants mostly — would become homeowners.

The goal would be achieved not through another costly government initiative, Mr. Cisneros said, but through the work of "40 private-sector organizations, the home builders, the Realtors, the mortgage bankers, mortgage insurance companies."

We have to create some competitors to the public housing authorities in the form of nonprofit organizations, more decentralized, smaller-scale. We have to break the monopolies of public housing authorities."
Here's a by-the-numbers look at the city's fiscal problem.

D.C. budget officials yesterday laid out how severe the problem is.

**NEARING COLLAPSE**

- $50 million — Department of Corrections
- $50 million — Department of Human Services
- $30 million — General Hospital
- $10 million — Metropolitan Police, primarily in overtime
- $11 million — Fire Department, primarily in overtime
- $11 million — Department of Public Works
- $10 million — Department of Administrative Services
- $10 million — Department of Employment Services
- $2 million — Financial Management Department

Among the largest offenders in overspending are the following agencies:

- $40 million — overspending by agencies
- $10 million — revenue shortfall
- $100 million — cash shortage

The Washington Times

BARRY From page A1

BARRY’s transition budget task force and his former city administrator, Mr. Rogers, estimated that if the District fails to curtail spending, and does not get at least a $100 million cash infusion, it will be out of cash as soon as the end of December.

The task force’s recommended furloughs, particularly the one on Friday, are not an option, said City Administrator Robert Malliet.

The city cannot furlough workers without bargaining with its employee unions. Furloughs in 1993 spawned a lawsuit, he said, with a final ruling that allowed furloughs only with bargaining, and only after congressional approval.

There isn’t time for all those things to occur, he said, plus Congress could not meet on the subject until January.

“We are not planning to do a furlough,” Mr. Malliet said.

Mr. Malliet also said the city won’t have layoffs between now and Christmas. “But we certainly anticipate having to do some” in 1995, he said.

The least expensive way to cut payroll costs, the largest D.C. expenditure, is buyouts with early retirement and other severance packages. Those are being offered workers through January, Mr. Malliet said. Yesterday 1,597 workers have opted for them. More than two-thirds of that total, he said, already opted for them.

Last week, D.C. Delegate Eleanor Holmes Norton urged employees to take the buyouts, saying if they didn’t they were “playing with fire.”

The city has used every accounting trick to show a balanced budget and stave off the cash crisis this month. It borrowed $189 million from pension funds and more than $63 million in escrow for 1995 debt payments. It put off putting $83 million in escrow for 1996 debt payments. It added a question to the 1993 property tax year to show $173 million more in revenues. It stalled more than $70 million in payments to vendors.

The GAO warned in June that city accounting methods were “gimmicky” and disguised the financial quicksand the city was standing on.

Mr. Barry’s transition team presented a grim list of options for the new mayor to consider when he takes office Jan. 2.

“Employees will be insufficient. Cutting planned pay raises, ordering furloughs, and slicing employee benefits and merit pay must be considered,” Mr. Rogers said.
Clinton: Helms slap ‘unwise’
Senator says ‘bodyguard’ remark was not meant literally

By Paul Bedard
and J. Jennings Moss

President Clinton yesterday sternly rebuked Sen. Jesse Helms, the North Carolina Republican slated to head the Senate Foreign Relations Committee, for suggesting he is so unpopular with the military that he should take a bodyguard with him to North Carolina military bases.

He said Republicans should consider whether someone else should head the committee.

“I think the remarks were unwise and inappropriate,” Mr. Clinton said.

“The president overssees the foreign policy of the United States, and the Republicans will decide in whom they will repose their trust and confidence. That’s a decision for them to make, not for me.”

White House Chief of Staff Leon Panetta expressed a similar view.

“I think the Republican leadership needs to take a very hard look at whether or not they want somebody with these kind of extreme views to chair one of the most important committees in the Congress of the United States,” Mr. Panetta said.

Mr. Clinton made his comments at a joint news conference with visiting Ukrainian President Leonid Kuchma.

In an interview published yesterday in the News and Observer in Raleigh, N.C., Mr. Helms said: “Mr. Clinton better watch out if he comes down here. He’d better have a bodyguard.”

Clinton: Helms slap ‘unwise’

Senator says ‘bodyguard’ remark was not meant literally

“Of course, I did not expect to be taken literally, when, to emphasize the constant concerns I am hearing, I too casually suggested that the president might need a bodyguard, or words to that effect. . . .

“And let me say that President Clinton will of course be welcomed by me and other citizens of North Carolina and other states any time he chooses to visit us.”

Mr. Clinton responded yesterday: “I think the remarks were unwise and inappropriate. The president oversees the foreign policy of the United States, and the Republicans will decide in whom they will repose their trust and confidence. That’s a decision for them to make, not for me.”

The Washington Times
GOP senators focus on priorities

Harkin goes public with campaign against filibuster

By J. Jennings Moss

The Washington Times

Senate Republicans yesterday said they had reached a consensus on the first issues they want to bring to the Senate floor next year, items that focus on the economy, crime and Congress itself.

Also yesterday, Senate Republican leader Bob Dole named Howard O. Greene Jr. to be sergeant at arms, and Democratic Sen. Tom Harkin of Iowa proposed limiting filibusters.

In their first postelection meeting, 22 Republican senators and the four senators-elect agreed they would pursue a balanced-budget amendment, a bill prohibiting unfunded mandates to the states, a reorganization of Senate committees and a measure to limit death-row appeals.

A bigger turnout is expected next week, after the Thanksgiving holiday, to discuss the GATT world trade treaty. GOP senators will meet every week between now and Christmas to craft their legislative agenda.

"I think what this meeting showed is that this is not going to be a business-as-usual Senate," said Sen. Judd Gregg of New Hampshire, one of three Republicans from the elections two weeks ago who added that the mandate for Republicans from the elections two weeks ago was for economic change. "Both parties sense that the social issues are very divisive. That doesn't mean they shouldn't be pursued."

Mr. Mack will be a key player in the discussion of how Senate committees will look in the next Congress. He and Sen. Pete V. Domenici of New Mexico are co-chairmen of a task force to reorganize the committee structure.

Sen. Robert F. Bennett, Utah Republican, said the conversation at yesterday's meeting "was more talk about being responsible than about... payback or retribution."

There weren't any frivolous suggestions. There wasn't any handwringing or glee about 'Look what we can do now. We're in charge and we can do whatever we want.' It was much more sober," Mr. Bennett said.

While Republicans were talking about their agenda, some Democrats were talking about the rules by which those legislative priorities would be debated. Mr. Harkin unveiled a proposal that he said would cut back the number of efforts to kill legislation with procedural tactics.

"So, for things to change as the people of this country want them to change, the Senate must change, and the most important thing it must change is what I call a vestigial remains of an earlier dinosaur called filibuster," Mr. Harkin said.

Both parties have used the filibuster. Republicans used the tactic effectively in the 103rd Congress to prevent final action on such issues as lobby and campaign finance reform. Mr. Harkin's proposal would set up a structure where fewer votes would ultimately be needed to stop a filibuster.

Miller tells Gingrich 'no' on CBO post

By Major Garrett

James C. Miller III said yesterday he does not want to become director of the Congressional Budget Office.

Mr. Miller said he wants to devote himself to a political career in Virginia, where he unsuccessfully sought the Republican nomination for the U.S. Senate this year. Oliver L. North won the GOP nomination but lost to freshman Sen. Charles S. Robb.

Mr. Miller had been mentioned by likely House Speaker-to-be Newt Gingrich of Georgia as a possible replacement for current CBO Director Robert Reischauer. With majorities in the House and Senate, Republicans are now in position to appoint their own head of the budget office.

Mr. Miller sent letters yesterday to Mr. Gingrich and Senate Minority Leader Bob Dole of Kansas asking them to "consider other individuals for this important position."

In a statement released by his office, Mr. Miller said many grassroots Republicans are urging him to run for statewide office in Virginia. Mr. Miller's statement said he could "best serve the people of the Commonwealth of Virginia in another role."

Mr. Miller served as director of the Office of Management and Budget from 1985 to 1988. Other candidates being reviewed by Republicans include John Taylor of Stanford University, John Cogan of the Hoover Institute, David Bradford of Princeton University and David Crippen of the DuBosestein Group.
**GOP pledges to act on budget**

Amendment sure, governors are told

By Ralph Z. Hallow

**WILLIAMSBURG** — A balanced-budget amendment with provisions to limit tax increases and reduce federal mandates will be a part of the Constitution as early as August, Republicans predicted yesterday.

"On the balanced-budget amendment, we got the message from the governors. We're going to do our best to work out language" to bar unfunded mandates, incoming Senate Majority Leader Bob Dole of Kansas told the closing session of the Republican Governors Association.

Governors have long complained that Congress passes legislation and regulations that force states to provide new services without providing funds for those services.

Sen. Bob Packwood of Oregon, incoming chairman of the Senate Finance Committee, said the balanced-budget amendment will be so popular that "by mid-April" it will get the two-thirds votes needed for passage in each chamber of Congress.

Mr. Packwood and the governors said voters in the states then will be looking to their legislatures to ratify it "within three or four months" after Congress approves it.

Mr. Packwood participated in a public-policy forum that Republican National Committee Chairman Haley Barbour arranged with the governors and several top GOP lawmakers.

Incoming House Speaker Newt Gingrich of Georgia told the governors he and other Republicans in Congress would seek the governors' advice on the budget amendment and other items that might affect the states.

Mr. Gingrich suggested the amendment should cite 2002 as the year for the first 100 days of the 104th Congress—or by mid-April.

Mr. Gingrich, Mr. Dole, Mr. Packwood, Rep. John R. Kasich of Ohio and Sen. Pete V. Domenici of New Mexico pledged to restore the 105th Amendment to its original plan of compromises.

The amendment reserves for the states all powers not specifically given to the federal government.

But Mr. Packwood told the governors that the price for less federal meddling in their affairs would be less federal money for their states. The governors indicated it would be a fair deal.

"We will get out of the mandate business, but we will also get out of the money business," Mr. Packwood said.

If you relieve us of some of the most onerous mandates, we will be able to live with that," said New Jersey Gov. Christine Todd Whitman.

"We can do it in seven years," said Mr. Gingrich. "Absolutely, we will start changing now. Absolutely, you are going to change entitlements.

"There was some disagreement over what entitlements, if any, would be subject to the budget knife to reach a balanced budget.

Mr. Kasich, who likely will head the House Budget Committee, and Mr. Packwood said every federal program, including Social Security, would have to be considered to balance the budget.

However, Mr. Domenici, the incoming chairman of the Senate banking committee, said, "Social Security, inasmuch as it is solvent, is not part of this solution." We're not looking at it.

Mr. Gingrich said in an interview after the conference that any reductions in Social Security benefits would not be considered for the foreseeable future. Republicans in Congress have in the past by older voters for attempting to make minor, one-time-only adjustments in benefits.

**Embassy Row**

Within 48 hours of the signing of a cease-fire between the Angolan government and UNITA rebels, Luanda's envoy to the United States and the rebels' spokesman in Washington had each accused the other side of violating it.

Ambassador Jose Patricia on Monday charged the rebels with attacking the provincial capital of Uige. UNITA spokesman Carlos Jardas Muokala said yesterday that the government was responsible for the attack.

Mr. Patricia "denounced" the "grave situation" in Uige and accused the rebels of launching a "large-scale assault" to recapture the city.

He also said his government refuses to release a statement in Angola announcing the cease-fire unless UNITA releases a similar statement at the same time.

Mr. Muokala said, "We call on the government to stop its military actions to make peace viable.

**A united embassy**

French and English Canadians may speak different languages, but when it comes to diplomacy they "speak with one coherent voice."

That was the message Ambassador Raymond Chrétien delivered when he addressed a recent Washington conference of U.S. academics who study the French-speaking province of Quebec, which is ruled by a separatist government.

"I can assure you that the interests of Quebecers are fully represented in our relations with the U.S.A," he told the American Council for Quebec Studies.

"We have been diligent promoters of Quebec's rich cultural heritage. We have highlighted Quebecers' very prominent influence on Canada."

Mr. Chrétien — himself a French Canadian like his uncle, Prime Minister Jean Chrétien — said the relationship works because "we speak with one coherent voice and are thus heard and understood."

French Canadian separatists, meanwhile, fear that their sovereignty movement could fail victim to apathy.

Jacques Brassard, environment minister in the Parti Quebecois provincial government, said last week that he hopes a debate over a proposed separatist referendum will revive interest in an independent Quebec.

"It doesn't elicit emotion and passion, I have to ask where we're going," he said.

**No mortgage, please**

A Russian diplomat's cocktail party conversation might help explain why his country is so broke.

The diplomat, complaining about hemorrhaging of cash from Russia, told an Embassy Row envoy a tale of an official from Moscow who recently bought an $800,000 house in Georgetown.

A bank officer offered to arrange a 15-year mortgage, but the Russian rejected the loan.

"I'll pay cash," he said, opening a briefcase stuffed with dollars.

**Advice to Democrats**

Former Ambassador Jean Kirkpatrick had this advice for Democrats:

"Hiberate. Listen carefully. Thank it over.

"Mrs. Kirkpatrick, former President Reagan's ambassador to the United Nations, was discussing the congressional elections on last weekend's edition of "Think Tank," a public affairs television show hosted by Ben Wattenberg.

She said the election was "all about the relationship between government and society." After endorsing an activist government for decades, the voters decided they had had enough, she said.

"What we really want is a government that will reflect society and respond to it, not a government that will use power to try to force change," she said.

"And I don't think that in our lifetimes, frankly, there will be a swing back to support for a really activist government to transform society."

**New OAS ambassador**

Ambassador Beatriz Ramacotto this week presented her credentials as Peru's new representative to the Organization of American States and immediately asked the alliance to provide observers for general elections in April.

She succeeds Ambassador Alejandro Leon, who has been appointed Peru's envoy to Paraguay.

- If you have a tip, suggestion or question, call Embassy Row at 202/636-3297.
Serbs appear unfazed by new air strikes

By Michael Hedges

Serbs appear unfazed by new air strikes

The question of whether HUD Secretary Henry Cisneros misled the FBI during a raid on his home in July 1991 seems to be at the center of the debate over whether the federal government under House Banking Committee

Chairman James Leach and Senate Banking Committee Chairman Phil Gramm "takes the FBI seriously." However, it appears that the FBI may have been more interested in the investigation of Cisneros's possible involvement in a so-called "Vineyard" scandal, related to the sale of HUD properties in California and Oregon, rather than in the charges against Cisneros himself.

Cisneros's former secretary, Mrs. Medlar, has been subpoenaed by the FBI to testify about her knowledge of the affair. Medlar has said that she was not aware of any illegal activity at the time of the raid, but that she later learned of the investigation.

The FBI's investigation is likely to focus on Cisneros's role in the sale of HUD properties in California and Oregon. The investigation is expected to be completed by the end of the year, and will be submitted to the Justice Department for review.

In the meantime, Cisneros continues to deny any wrongdoing and has expressed confidence in his ability to clear his name. He has stated that he will cooperate fully with the investigation and will not seek re-election to the House of Representatives.

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Feast toasts Ukraine, freedom

White House fare ‘transcontinental’

By Ann Geracimos

WASHINGTON TIMES

"Your freedom and our freedom are bound together," President Clinton told Ukraine’s President Leonid Kuchma in a toast at last night’s state dinner in the White House.

"In our bilateral relations we are reaching a qualitatively new state," Mr. Kuchma responded.

Mr. Clinton praised his guest as someone who formerly ran "the largest aerospace corporation in the world."

Kuchma quoted George Washington: "If you hold dear your reputation, then deal only with worthy people. For it's better to be alone than in unworthy company. . . . I'm confident Ukrainian and American people can be worthy partners."

The dinner may have been House Speaker Thomas S. Foley’s and Pennsylvania Sen. Harris Wofford’s last hurrah — both were defeated in the midterm elections. And, it was the last state dinner, served by the White House, three Senate Republicans — Richard Lugar, Mitch McConnell and Ted Stevens — had invited since.

But attention centered mainly on actors Kathleen Turner, whose smoky, sexy voice seemed to merge with her demure ankle-length black Puritan-style dress; Jack Palance, wearing black running shoes; and the shy Ukrainian-born Olympic skating star Oksana Baiul in very high heels with her blonde hair loose on her shoulders.

Singer Michael Bolton and radio’s Garrison Keillor also turned a few heads, and former first lady Hillary Clinton was on the guest list.

Media, who seem always to have more than one guest slot at these affairs, were represented by the editors of the Los Angeles Times, the New York Times and the Cleveland Plain Dealer.

The menu included tarragon rillette and leafy greens, CD’s she said the first couple owns. The menu included tarragon rillette and leafy greens, and an orange and chocolate turbot with fresh Nantucket scallops.

In a toast last night as the Ukrainian first couple arrive for the State Dinner.

Guest list for the state dinner

President Clinton and his wife, Hillary Clinton, Vice President Al Gore and his wife, Tipper, Russian President Leonid Kuchma and his wife, Lyudmyla, Ukrainian Prime Minister Anatoly Katsimrishchyn and his wife, Anna, Sen. Richard Lugar, Sen. Harris Wofford, Sen. John B. Breaux, Secretary of State Warren Christopher and his wife, Carol, Paul Martin, Ukrainian Prime Minister Anatoly Katsimrishchyn and his wife, Anna, John Negroponte, deputy secretary of state, and James A. Fallows, deputy director of the Atlantic Council of America, and his wife, Kirsten.

Photo by Kenneth Lambert/The Washington Times

President and Mrs. Clinton greet Lyudmyla and Leonid Kuchma last night as the Ukrainian first couple arrive for the State Dinner.
Espy eyes former IG nominee for prime post

By Ruth Larson

Agriculture Secretary Mike Espy, in his final days at the department, is considering a low-level staff lawyer to head a powerful agricultural appeals division, USDA sources say.

The National Appeals Division, created under the departmental reorganization that began Oct. 20, would have the final word on appeals brought by four agencies: the Agricultural Stabilization and Conservation Service, the Farmers Home Administration, the Federal Crop Insurance Corp., and the Soil Conservation Service.

Appeals are now handled by the appeals division of each of the four agencies.

Agriculture sources say Mr. Espy is lobbying for Jinhee K. Wilde, a GS-14 lawyer in the Office of General Counsel, to head the new appeals division.

"I've heard those rumors, too," Mrs. Wilde said. "But I'm absolutely not being considered. I think I would know if I were."

Her name surfaced earlier this year when she was nominated, but later withdrawn, for the post of inspector general (IG).

Mrs. Wilde denied that her uncle, Jhoon Rhee, who founded the Kwon Do Institute of Georgetown, had any influence on her consideration for high-level posts. She said she would apply for the appointment, saying he wanted her to do for the department what she had done for Mrs. Moseley-Braun in Chicago.

Later, after conversations with Mr. Espy, Mrs. Wilde's name surfaced again for the IG position, saying he wanted her to do for the department what she had done for Mrs. Moseley-Braun in Chicago. "My mouth just dropped to the floor," Mrs. Wilde recalled.

Mrs. Wilde attended sensitive, high-level meetings in the IG's office while awaiting Senate confirmation and undergoing FBI background checks, as reported Feb. 1 by The Washington Times.

Her nomination was quietly withdrawn later that month after agriculture groups questioned her lack of experience and her impartiality. Mrs. Wilde said the White House asked Mr. Espy to withdraw her nomination.

Now she is said to be under consideration for yet another high-level post at the new National Appeals Division under the secretary.

Farmer groups and other agricultural agencies have complained the new appeals division "shall be headed by a director, appointed by the secretary from among persons who have substantial experience in practicing administrative law."

Mrs. Wilde's administrative law experience is limited, at best. Agriculture sources say, and she has had little experience conducting hearings. Mrs. Wilde's job involves handling ethics and equal employment opportunity issues. Freedom of Information Act requests and general legal questions from agricultural agencies. Her office also handles claims arising from charges of wrongful acts by Agriculture employees.

According to congressional language creating the post, the new appeals division "shall be headed by a director, appointed by the secretary from among persons who have substantial experience in practicing administrative law."

Mrs. Wilde maintains she would be well-qualified to serve as appeals director.

Secretary of agriculture

Deputy secretary

Deputy general counsel

Inspector general

Executive operations

Associate general counsel

Legislation, litigation, research and operations

Associate general counsel

Research and operations

Associate general counsel

Ligation

Deputy assistant general counsel

Assistant general counsel

Assistant general counsel

Assistant general counsel

Assistant general counsel

Associate general counsel

Deputy assistant general counsel

Assistant general counsel

Assistant general counsel

Assistant general counsel

Assistant general counsel

Trailer attorney

Jinhee K. Wilde

The Washington Times

WEDNESDAY, NOVEMBER 23, 1994

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ALBANY TIMES UNION


Mr. Solomon is assured of the chairmanship of the House Rules Committee now that Rep. Newt Gingrich, likely the next speaker, said he would put aside past differ­ences with Mr. Solomon and endorsed him for the powerful post.

Mr. Solomon, who represents a mainly rural eastern New York district, had challenged Mr. Gingrich nearly a year ago in a contest for House minority leader, and some thought the Georgia fire­brand would hold this against him.

As the ranking Republican on the Rules Committee, Mr. Solomon has been described as "lead attack dog," routinely complaining that Democrats use House rules to cir­cumvent the minority.

Because the Rules Committee sets the ground rules for debates and the amendment process, there was speculation that the outspoken Mr. Solomon would exact re­venge on the Democrats. During his five years on the committee, he has often asserted that Democrats did not treat Republicans fairly.

Dan Amon, Mr. Solomon's press aide, said the congressman was not bent on revenge.

"He's thinking more in terms of things like freeing bills that have been blocked repeatedly, like the line-item veto and the balanced-budget amendment," Mr. Amon said. "He's more interested in that than a tit-for-tat."

Mr. Amon was citing clauses in the House Republicans' "Contract With America," a legislative agenda that GOP House candi­dates promised during the camp­aign to bring to a floor vote within the first 100 days of the 104th Con­gress.

During the recent campaign, Mr. Solomon talked of the pos­sibility of controlling the health care debate. But Amy Schenkenberg, a research associate with the Amer­ican Enterprise Institute, said that while the Rules Committee played a large role in the health care debate this year, things may be dif­ferent in 1995.

"There's a lot of talk about re­arranging and reforming the com­mittees," she said. "That could change who really controls health care."

Miss Schenkenberg, who stud­ies Congress for the conservative think tank, said Mr. Solomon him­self will largely determine how much cooperation he will extend to the Democrats on the Rules Committee. "But if Gingrich is holding a strong hand on him, (Mr. Solomon) may be toned down more," she said.

Some Democrats found it inter­esting that Mr. Gingrich said the Rules Committee in the new Con­gress would consist of nine Repub­licans and four Democrats, a mir­ror image of the panel during four decades of Democratic rule.

"After years of them banging on us, saying the numbers were un­fair, they made it the same," said George Crawford, staff director for Rep. Joe Moakley, the Boston Democrat who has headed the committee since 1989.

Mr. Crawford said the Demo­crats expect hard battles on amendment rules but do not fear petty revenge such as cutting staffing or parking. Indeed, he noted that Democrats "get along very well with Mr. Solomon on the items on which we agree. On the ones we don't, we fight about them."

The aide said if the GOP lives up to its rhetoric, a more open rules process will develop. But he ex­pects every bill now to have a strong GOP flavor. After all, he said, the Rules Committee "is the agenda-setting committee for the majority party."
Lawmaker seeks study of cellular phone risk

By Doug Abrams

A new government report says no scientific link has been established between cellular phones and cancer, but a congressman is asking the Clinton administration to put more research muscle into finding out for certain.

The General Accounting Office, Congress' watchdog agency, said in a report released Monday that there is insufficient evidence about any health danger to warrant changes in federal rules on cellular telephones.

Some research, for example, showed that rats had difficulty learning after being exposed to cellularlike radiation, but other studies found no harm, the GAO said.

The GAO report concludes that available scientific evidence is insufficient to determine whether radio-frequency radiation from portable cellular phones presents risks to human health," said Rep. Edward Markey, Massachusetts Democrat, in a letter he sent late Monday to the White House.

"It's particularly disturbing because more than 16 million persons in the United States now use cellular phones.

Mr. Markey, outgoing chairman of the House subcommittee on telecommunications, before the joint commitees to coordinate efforts by the three agencies that govern communications and health issues.

The Cellular Telecommunications Industries Association (CTIA) immediately took issue with Mr. Markey's interpretation. No evidence links cellular phones and brain cancer, and studies already are under way, said Thomas Wheeler, president of the industry association.

Mr. Wheeler said the recent biological and behavioral laboratory studies have provided information on the potential health effects caused by low-level exposure to radio-frequency radiation, although none has examined radiation exposure specifically for cellular telephones.

"He said in a letter to Mr. Markey.

The issue was raised in early 1993 when a Pennsylvania woman told CNN's "Larry King Live" and asserted that his wife's brain cancer was caused by cellular phones. Other studies have repeated the claim while quoting cellular industry officials who say phones are safe.

The CTIA is funding a large study, "The Food and Drug Administration has said it is unlikely that radio waves from the phones cause cancer, but the agency has said people should not spend hours at a time on a cellular phone.

The GAO report cited studies that showed rats had trouble learning after 45 minutes of exposure to cellularlike signals, that the body's immune system was temporarily weakened to battle tumor cells after four hours of cellular radiation; and low-power radio frequencies could facilitate cancer in the presence of other carcinogens.

Other studies showed no harmful effects caused by cellularlike technology, the GAO reported. One exposed cancer-laden rats to cellular signals for five days a week, but no change in tumor development was detected.

Last year, the FDA staff met with cellular-phone makers to talk about ways to reduce exposure to electromagnetic waves, the agency said. One possibility is redesigning the phones to move the antenna away from users' heads.

Military's gay ban constitutional, appeals court says

Midshipman ousted in '87 loses

By Rowan Scarborough

A federal appeals court yesterday backed the military's constitutional right to bar homosexuals, upholding the Navy's 1987 decision to discharge Midshipman Joseph Steffan for acknowledging he is gay.

The 7-3 opinion from the U.S. Court of Appeals for the D.C. Circuit was not the first time an appeals court endorsed the longtime ban. And the ruling was not a surprise, because the court is dominated by conservatives appointed by Presidents Reagan and Bush.

But the decision supports the military's position on the issue.

"The decision is a victory because there is now a consensus among judges on the constitutional right of the military to exclude homosexuals from the service," said Robert Maginnis, a retired Army colonel and analyst at the Family Research Council.

The opinion reversed a decision by a panel of three liberal judges appointed by President Carter, including Chief Judge Abner Mikva, who resigned Oct. 1 to become White House counsel.

The Clinton administration had decided not to challenge the three judges' opinion striking down the ban, arguing that it dealt with a regulation no longer in effect.

But the court's conservative members overruled the administration, deciding the full court should hear the case.

The regulations replaced a 50-year-old ban under which Mr. Steffan was discharged. But because both policies call for the discharge of personnel who disclose they are homosexual, pro-ban activists applauded yesterday's decision.

"It looks as if the more conservative circuit is endorsing the past decision that there is a rational reason for keeping gays out of the military. That's very encouraging," said Robert Maginnis, a retired Army colonel and analyst at the Family Research Council.
Police facility here is far less secure than in other cities

By Kristian Metzler
THE WASHINGTON TIMES

Security at Metropolitan Police Department headquarters pales in comparison with that of similar facilities across the country.

The entrance to police headquarters in New York City, Baltimore, Atlanta and Chicago are all equipped with metal detectors. The same is true at the Drug Enforcement Administration building in Washington, D.C.

But the entrance to Metropolitan Police headquarters at 300 Indiana Ave. NW offers free access to anyone. The entrance to the building, which also houses offices for the Department of Finance and a motor vehicle office, is secured only by D.C. Protective Services officers, who sit at a desk against a side wall.

All the guards do is "point out where rooms are," said one police officer.

"Security is a joke," said a 7th District officer who asked not to be identified. "It's not a secure building."

"We've got a police headquarters with no type of security," echoed a 4th District officer, who also requested anonymity. "They don't have any metal detectors, and anybody and their grandmother can walk up there with a gun."

But others said they believed until yesterday that it was unnecessary to have tight security at headquarters.

"You would think no one would be so stupid to walk into a building and start firing when everyone else in there has a gun," said one officer.

A police spokeswoman last night noted Metropolitan Police officers were not responsible for patrolling the building.

"The security guards have authority in guard inside buildings. We are charged with policing public streets," said Officer Haydee Pineda.

While police headquarters does not have metal detectors, the D.C. Superior Court building next door is fully equipped with detectors and staffed by security around the clock. Security guards there recovered a gun just yesterday from someone entering the building.

"When you go to court or the District Building, you have to go through metal detectors," said Lloyd Logan, an investigator with D.C. public schools. "Why not have them at the police department?"

The District's administration offices at One Judiciary Square also have metal detectors in the lobby.

New York Police Department headquarters in lower Manhattan security has a 24-member security unit that includes a lieutenant, several sergeants and officers. Metal detectors were installed there in 1983.

"There is a lot of security here. We have foot posts that walk the interior and exterior of the building and people assigned to metal detectors when you enter the door," said a New York police spokeswoman, Officer Merri Pearsall.

Visitors to NYPD headquarters also receive color-coded passes that allow access only to certain floors.

"We've never had any injuries, assaults or robberies in the headquarters," Officer Pearsall said.

Chicago police spokesman Patrick Camden said the metal detectors there were installed to screen people entering the building.

Several D.C. police officers standing outside headquarters last night said they have been concerned for years about the lack of security there.

"It makes it that much more difficult for us to patrol the streets, if these guys know they can come into our turf with guns," said one officer.

Greg Seigle and Brian Reilly contributed to this report.

The stations scramble for reports on slaughter

By Josef Adalian
ST. PAUL, Minn. — A federal jury has awarded a former Honeywell executive $765,000 after finding he was the victim of sex and age discrimination by his younger, female boss.

A U.S. District Court jury awarded George Reiter, 59, of Blaine, Minn., $315,000 for back pay, $300,000 for damage to his reputation and $150,000 because he was the victim of intentional infliction of emotional distress.

The verdict was reached Monday after a three-week trial before U.S. Magistrate Franklin Noel.

Mr. Reiter's attorney, Robert Bernstein, said his ex-boss, Donna Neff, of professionally belittling him and other long-time male employees in their 30s.

"In 99 percent of these suits, it's a woman fighting against sex and age discrimination," Mr. Reiter said.

Mr. Reiter, who now sells building air purifiers, said the jury verdict "shows that a little guy can still go to the courts and win against a big corporation." The decision comes against a law that gave 18- to 20-year-old workers the right to collectively bargain.

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Minneapolis-based Honeywell said it would appeal the decision.

Mr. Reiter filed his suit in 1992, soon after he quit his job at Honeywell's Coon Rapids commercial aircraft plant after 35 years with the firm. He said that during the last three years and four months of his employment, he was discriminated against by Miss Neff, a supervisor who was in her early 30s.

Honeywell's Coon Rapids commercial aircraft systems plant manufactures about 600 guidance systems for commercial airliners and private jets. Mr. Reiter was a senior lead master scheduler whose job was to schedule when the plant would build the devices.

"We have a lot of information," WRC-TV (Channel 4) anchor Donald Greer told viewers shortly after 6 p.m. "But very little of it confirmed."

That statement has been the understatement of the day.

The saturation coverage started just after 3 p.m. All three network affiliates dumping their regularly scheduled programming for nearly 21/2 hours of continuous updates on the constantly changing situation.

Reporters on the scene at first had few facts about what was happening. Shots had been fired, the gunman was likely holding hostages and at least one law enforcement official was down.

Each network affiliate had at least three reporters covering the situation. Reporters sometimes interviewed each other.

The news soon turned into a torrent of bloody details, not all of them accurate.

For example, the number of the victims varied minute by minute, ranging from three to seven, depending on which station a viewer was watching. The official casualty count, revealed at a 7:15 p.m. news conference carried by WRC-TV, WILA-TV (Channel 7) and cable's Newschannel 8, was worse than expected: Four dead, two wounded.

"One of the darkest days in D.C. law enforcement history," noted a somber WRC-TV reporter at the scene of the press conference.

The profile of the suspect — and later suspects — also shifted dramatically as day turned into night.

All three network affiliates passed along unsubstantiated reports that one gunman was a disgruntled ex-police officer. One station even gave the name of a gunman, but just moments later retracted the information.

WUSA-TV received phone calls from an inspector and Kevin Olson, spokesman for the U.S. Attorney's Office. The officials corrected false statements the station had aired, and admonished producers for broadcasting unsubstantiated reports from inside sources.

Man proves discrimination by female boss

By Steve Alexander
THE WASHINGTON TIMES

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The verdict was reached Monday after a three-week trial before U.S. Magistrate Franklin Noel. Mr. Reiter's attorney, Robert Bernstein, said his ex-boss, Donna Neff, of professionally belittling him and other long-time male employees in their 30s.

"In 99 percent of these suits, it's a woman fighting against sex and age discrimination," Mr. Reiter said.

Mr. Reiter, who now sells building air purifiers, said the jury verdict "shows that a little guy can still go to the courts and win against a big corporation." The decision comes against a law that gave 18- to 20-year-old workers the right to collectively bargain.

Minneapolis-based Honeywell said it would appeal the decision.

Mr. Reiter filed his suit in 1992, soon after he quit his job at Honeywell's Coon Rapids commercial aircraft plant after 35 years with the firm. He said that during the last three years and four months of his employment, he was discriminated against by Miss Neff, a supervisor who was in her early 30s.

Honeywell's Coon Rapids commercial aircraft systems plant manufactures about 600 guidance systems for commercial airliners and private jets. Mr. Reiter was a senior lead master scheduler whose job was to schedule when the plant would build the devices.
Neither Clinton nor GOP supports cut in aid to Israel

By Martin Sieff
THE WASHINGTON TIMES

President Clinton and top Republicans in Congress have assured Israeli Prime Minister Yitzhak Rabin that aid to Israel will not be cut.

Following the Nov. 8 elections, some Israeli diplomat and American Jewish sources had expressed concern that congressional support for the Middle East peace process could be weakened by the victory of key committees in House and Senate.

But despite those concerns, congressional and Israeli lobby sources both say support for aid to Israel, running at more than $3 billion a year, is stronger than ever.

The aid package has the backing of both conservative Sen. Jesse Helms of North Carolina and Rep. Benjamin Gilman of New York, one of the more liberal-leaning Republicans in the House. The Republicans will chair the Senate Foreign Relations and House Foreign Affairs committees, respectively.

Rep. Newt Gingrich of Georgia, expected to be the next speaker of the House, also supports aid to Israel. So does Bob Dole of Kansas, the likely Senate majority leader who has at times been a forceful critic of Israeli policies.

"I would hope, and I would guess, that at this time of great tension in the Middle East, where we are trying to achieve peace, there wouldn't be any effort to reduce the level of aid," Mr. Dole said at a meeting Monday with Mr. Rabin.

The Clinton administration and the new class of House freshmen appear likely to challenge its leaders on the issue. Incoming Republicans have tended to support Israel, especially those involved with Christian conservatives.

The Clinton administration hopes to salvage part of its foreign policy agenda from a Republican Congress by building bipartisan support for programs supporting the Palestinians in Gaza, a senior State Department official said yesterday.

Other parts of the administration agenda — like maintaining good relations with China and resisting a plan by Sen. Jesse Helms, North Carolina Republican, to grant diplomatic recognition to Taiwan — will be preserved by clinging to established executive powers.

"We will need to forge coalitions on an issue-by-issue basis," James B. Steinberg, director of the State Department policy planning staff, said at a luncheon yesterday for diplomatic reporters.

But deep spending cuts are likely on long-range global issues the administration believes will determine the future of the planet — the environment, population and Third World development — Mr. Steinberg said.

"We're concerned there will be a lot of shortsighted decisions and our long-term goals will be set back. People say it won't affect us for five or 10 years," he said.

The official said the long-term impact of each dollar spent on population control is enormous. A market economy and a democratic transition in Central Europe.

In case of conflicts with Congress, "and there will be some," the president has prerogatives and the president will use them," Mr. Steinberg said.

For example, although Congress would not have voted to send troops to Haiti, the president decided that intervention was in the national interest and that he had the authority to send them.

Regarding Republican complaints NATO is not doing enough to halt Serbian attacks in Bosnia, Mr. Steinberg said U.S. policy remains to "seek a political settlement" through efforts to isolate and pressure the Bosnian Serbs.

And while he said he does not believe Republicans will be able to end U.S. involvement in peacekeeping missions in the Balkans, "it is hard to say" when countries are at war or unable to feed their own people, he said.

The Clinton administration also expects opposition on issues of Congress who lack foreign policy experience to the Middle East peace process and the democratic transition in Central Europe.

State Dept. seeks backing on trade, aid

By Ben Barber
THE WASHINGTON TIMES

The Clinton administration seeks backing part of its foreign policy agenda from a Republican Congress by building bipartisan support on issues such as trade aid, a senior State Department official said yesterday.

Regarding Republican complaints NATO is not doing enough to halt Serbian attacks in Bosnia, Mr. Steinberg said U.S. policy remains to "seek a political settlement" through efforts to isolate and pressure the Bosnian Serbs.

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The Clinton administration also expects opposition on issues of Congress who lack foreign policy experience to the Middle East peace process and the democratic transition in Central Europe.
Coalition opposes ‘trivializing’ prayer

Protestant, Jewish, humanist leaders unite against proposed amendment

By Larry Wilmar

A coalition of Protestant, Jewish and humanist leaders yesterday opposed a plan by some lawmakers to include the right to pray in public schools.

“This prayer amendment would politicize prayer, governmentalize prayer and trivialize prayer,” said J. Brent Walker, legal council for the Bapstist Joint Committee on Public Affairs in Washington.

At a news conference on the steps of the Supreme Court, he and 17 other speakers said students should be left alone to pray privately in school, either in class, at recess or over lunch.

“Prayer is an individual matter,” Mr. Walker said. “We are split on whether there is a moment of silence. It’s legally acceptable. We are split on the ‘optional prayer’ because we are split on non-statutory recess or over lunch.

The federal law allows religious clubs, like any club, to meet at school outside class time. Supporters of a constitutional amendment say it is the only guarantee for student-initiated and student-led prayer because even some legal experts have said it can be challenged by lawsuits, school administrators and judges.

“We want the Constitution to state a right, clearly and unequivocally,” said James Smith, director of governmental affairs of the Christian Life Commission of the Southern Baptist Convention.

For several years polls have shown that more than 70 percent of Americans support at least a moment of silence for voluntary prayer.

Richard Bolton of the American Jewish Committee said such major moral views can be wrong. “The Constitution is not a majoritarian document,” he said.

Hilary Sheltton of the United Methodist Church’s social policy office said the prayer initiative is “misplaced fervor” at a time when Congress should be creating jobs and addressing issues such as health care and poverty.

“In 1994, it is causing division,” agreed Kay S. Dowhower, governmental affairs director for the Evangelical Lutheran Church in America.

Some speakers said no kind of organized protest for prayer at school could be truly voluntary because students attend under compulsion and adult supervision.

“We do not need any government entity in charge of our spiritual lives,” said Elena Giddings Ivory, head of the Washington office of the Presbyterian Church (U.S.A).

The Rev. James M. Bell, director of Interfaith Impact, a social action coalition, agreed with several others that prayer is a private real when it is very specific, such as being said in Hebrew or in the name of Christ. “Prayer in public settings is innocuous,” Mr. Bell said.

Supporters of group prayer time, however, said it can be student-led and voluntary and play an important role in American life because of self-reflection, values and world religion.

A last chance for something that helped us in the past,” Cardinal-designate William Keeler of Baltimore, chair of the Catholic Bishops, said last week. He said he supports a return to some form of school prayer.

Pat’s back?

Held not still a candidate and there is no campaign, but speculation became reality last week that Pat Buchanan has begun the process to take over as the next president.

“The Buchanan phenomenon” is an off-the record analysis of the campaign. It was a fund-raiser for the American Cause,” Mr. Jeffrey, executive director of the Buchanan McLean home, said when we inquired of an exploratory committee,” spokesman Tterence P Jeffrey told us what we were hearing.

“Mr. Buchanan has given [social] and formed a committee to begin exploring the possibility of running for president,” Mr. Jeffrey said, confirming when we inquired of an exploratory committee,” “The guest list is private. But we may have a group of 202/267-3883.

Pat Buchanan is testing the waters for a 1996 presidential bid.

It’s said the president hastened his jaunt (less than two miles — to the Lincoln Memorial and back) so as to keep a breakfast meeting with Vice President Al Gore.

White meat or dark?

Lead paragraph of a news release from the Human Society of the United States, issued one day before the Thanksgiving dinner, states that the White House chefs will sit down to Thanksgiving dinner:

“During this holiday season, it’s important that people recognize the animals that they are eating.”

Can’t keep AI waiting?

“The military is asking its personnel to leave the White House and the Hill behind bars, President Clinton re­jected his jogging routine yester­day, April 5, 1994, in order to run around the streets of Washington. New York.

It’s said the president hastened his jaunt (less than two miles — to the Lincoln Memorial and back) so as to keep a breakfast meeting with Vice President Al Gore.

Sick leave

Bumber sticker spotted in Fairfax: “Who Is Ira Magaziner?”

Military diplomacy

At a recent seminar on the need for diplomacy, an unidentified senior Navy officer stirred former diplomat Warren Zimmer­mann to an undiplomatic per­fected.

The officer announced that career military officers retire young and said he wanted to be a diplomat when he had served in the uniform. He then asked Mr. Zimmer­mann what he would do when he retired.

Mr. Zimmermann — who al­ready had said he would run from the State Department in protest of policy on Bosnia — didn’t miss a beat when he replied: "I thought I’d take charge of the 6th Fleet."

Weighing the options

During the 1992 presidential campaign, it was believed that Al Gore’s service in Vietnam would counterbalance resentment over Bill Clinton’s efforts to avoid military service — even though Mr. Gore’s duty was writing news articles.

This week previously un­published letters Mr. Gore sent his parents from Harvard sur­faced, in one of which he cited the U.S. Army as one example of fascism, totalitarianism and totalitarianism: "We do have invertebrate anti­pathy for commies. Accept par­noia as I like to put it,” Mr. Gore wrote. Feelings he now dismisses as "a college kid’s silly language.” "My own belief is that this form of psychological ailment — in this case, a campaign of me­dusa or madness — leads the victim to actually create the thing which is feared most,” Mr. Gore wrote. "It strikes me that this is precisely what the U.S. has been doing. Creating — and if not a show of force, at least supporting — fascist, totalitarian regimes in the name of fighting totalitarianism."

The Vietnam War would con­tinue, and Mr. Gore now admits he considered fleeing to Canada to avoid the draft, despite his fa­ther being a sitting U.S. senator. Then there was a drastic change of heart.

According to official military records, Mr. Gore enlisted in the U.S. Army on Aug. 7, 1969, reporting to Fort Dix, N.J. He was based at Fort Rucker, Ala., working as an information specialist. For a rea­son neither he nor the military can explain, Mr. Gore would re­main at Fort Rucker for a lengthy period awaiting orders.

When they finally came, he would spend less than five months in Vietnam, arriving on Jan. 8, 1971, to write newspaper and magazine articles. He was discharged on May 24, 1971.

"People try to make something out of the fact that I was there for 191 days,” Mr. Gore once told a reporter: "Well, (ex­plicative). That just infuriates me. I wanted to go."

Last chance

Residents of Georgetown, Al­exandria and other communities around the Potomac River welcomed and confusing flight paths have until 5 p.m. today to comment on a proposed new air traffic pattern that will sit down to Thanksgiving dinner.

"During this holiday season, it’s important that people recognize the animals that they are eating."
**Gore pushes**

Al Gore, considered by some to be the mightiest vice president since Harry S. Truman, has his work cut out for him. It’s not just the latest GATT report

**GATT report**

The Philadelphia Inquirer quotes a senior White House aide on the General Agreement on Tariffs and Trade accord: “It’s really up to the Senate [GOP leader] Bob Dole. More than anyone else, he’s going to be the determinative factor in whether the trade agreement goes up or down.”

**The Clinton failure**

“As Democratic polster Stan Greenberg’s new poll for the Democratic Leadership Council shows, President Clinton asso- ciated himself with the discredited old style of governing that made a career out of keeping the White House fat and happy.”

**Retrocession urged**

The New Republic editorially calls for the abolition of the District. Declaring home rule a “disaster,” the magazine’s editor tells the House and Senate, “It’s time to offer amendments. No more teeth-grinding as some freshman Democrat presides over sessions of the House while even the most venerable Republican can’t so much as sit in the speaker’s chair.”

**Who’s that?**

The New York Times says the GOP was in an awkward spot as Maryland’s Ellen Sauerbrey “insisted on appearing at the meeting of the Republican Governors Association with her new colleagues — although it seems highly unlikely that they are her colleagues.”

**Rusty’s bills**

Rep. Dan Rostenkowski, 66, swept out of office two weeks ago, has climbed into Chicago’s Sun-Times and says he has more than $500,000 in unpaid legal bills and is looking for work. Of that, $230,000 is for staff members, and $300,000 to $400,000 is for his own battle against a federal indictment.

**Cabinet rumors**

The New York Post notes the circulation of rumors that Treasury Secretary Lloyd Bentsen is going back to Texas and that defeated Gov. Ann Richards is departing for Washington. She reportedly is in line for agricultural secretary as Mike Espy steps down from an ethics probe into allegations he took favors from firms his department regulates.

**Last words**


**Inside Politics**

Compiled by Alan McConchie

**Doormats no longer**

After 40 years of being the beaten minority in the closest offices with the least parking space, House Republicans admit to having a little trouble looking past slights, the Los Angeles Times reports.

“Gone are the days when Hill officials would never deign to offer amendments. No more teeth-grinding as some freshman Democrat presides over sessions of the House while even the most venerable Republican can’t so much as sit in the speaker’s chair,” the Times said.

“I am still waking up every morning thinking it’s a dream,” rep. Robert K. Dornan, California Republican, who used to sit in the speaker’s chair when the House was dark just to see what it felt like.

“The Times added, ‘So thrilled be about this shift of power that Dornan will not necessarily honor his vow to make his ninth term his last’.”

**Newtered**

John Podhoretz, writing on the editorial page of the Wall Street Journal, convex his weariness with the rash of puns set loose by the rash of puns set loose by an election that has introduced a “whole new game of sport in the American lexicon.”

“Little did one know how enthusiastic a nation could be taken up by the nation’s copy editor — those hardly folk who labor in obscurity writing headlines and photo captions for the nation’s newspapers.

Contemplating such possibilities as the “Gingrich Who Stole Christmas” and “No Newt taxes,” Mr. Podhoretz observes that it is all getting tedious and the mere sight of the word “Newt” is enough to induce reader collapse.

**Dump Clinton’**

On the front page of the New York Post, liberal columnist Jack Newfield urges Democrats to jet out Al Gore, saying that the election was a “disaster of sea-change proportions” and that “Clinton is a lead weight around the ankles of Democrats.”

“Voters have made a negative judgment about his character. He has not told us the truth about evading the draft, womanizing, Whitewater and pot-smoking. Even [New York Gov.-elect George] Pataki and Gingrich admit they inhaled,” he says.

“Clinton doesn’t know who he is. He has no principles he will fight for to the end. It’s time for Sens. Bill Bradley, Bob Kerrey and John Kerry, and Rep. Richard Gephardt to step up and fill the void... Al Gore... would make sure a more attractive nominee.”

**Late impact**

Writing about the vote for smaller government, U.S. News & World Report columnist Michael Barone says: “The constituency for more government doesn’t go much beyond black Americans and public-sector unions...”

“Indeed, there has been little demand for bigger government anywhere since the 1970s, when bracket creep produced high taxes on the middle class and liberal politicians sent the money to social workers and others who often seemed hostile to the values of ordinary Americans.”
Nation's media illiterates may be left playing games

Kids’ advocates seek education on information

By Rod Dreher
THE WASHINGTON TIMES

W ill American children enter the next century as the functional equivalent of dull-witted plowboys? It could happen, say children’s advocates and others, if kids aren’t taught how to use and interpret the burgeoning media environment instead of remaining passive consumers of information.

They are wary of how the incoming Republican Congress will affect the relationship between children and the media, particularly in the area of children’s television. No one can predict whether a GOP-controlled Congress will strengthen laws mandating that broadcasters air a minimal amount of educational programming or will consider such moves excessively regulatory.

“The question is: Are the Republican-controlled marketplace oriented, or are they concerned about making sure that television standards are family values?” said Jeffrey Chester, director of the Center for Media Education.

Speaking at a panel on children and the media yesterday at the Freedom Forum in Arlington, Robert Clampitt, creator of the pioneering news service Children’s Education, said there are living in “an extraordinarily important time” for children and the media.

“And it’s accompanied by a tremendous public concern about children in our culture,” he said.

That concern in the media has typically been expressed over one channel of information: television. But Larry McGill, the Freedom Forum’s director of research, cites Nielsen ratings showing that children are watching 20 percent less television today than 10 years ago—although that doesn’t mean they are spending less time in front of the television.

“If playing video games and watching videos were a network, it would be the No. 1 network for kids from ages 2 to 11,” he said.

As information media proliferate and converge in hybrid forms, children and adults will be spending increasing amounts of time consuming and even producing information. Elizabeth Thoman, director of the Center for Media Literacy, said that her schoolchildren will spend nearly all their lives in a century dominated by information media.

Just as having the ability to read has for centuries been crucial to functioning in society, literacy in electronic forms of communication is becoming indispensable to life in the information age.

“If kids can’t interact with it and critique it and be able to analyze it, they’ll walk through life passively,” she said. “They’ll be just as ignorant as illiterate peasants of the 14th century.”

Speaking by telephone yesterday, Renee Hobbs, director of the Harvard Institute on Media Education, described media literacy as “driver’s training for the information superhighway.” The most important thing Congress can do is sponsor initiatives to train teachers in the techniques of acquiring media literacy.

“That’s the only way kids are going to learn these superhighway skills,” she said. “Teachers won’t change unless they feel comfortable with the change.”

Though the idea of media literacy is receiving increasing attention in education circles, it is not a movement that will change the way schools and homes throughout the country, media-literacy advocates say.

“If we’re putting in these machines and on-line connections in these ways where they bypass huge chunks of the population, it means we’re going to be cordoning off from the national conversation and resources a huge number of people,” said Jan Hawkins of the Center for Children and Technology.

“My attitude is that social alienation and division will almost certainly escalate.”

Families have a role to play as well. Parents can’t afford to be intimidated by computer technology, even if it means swallowing their pride and asking their children to show them how computers and on-line services work.

“Don’t freak out,” Miss Hawkins tells parents. “You don’t need to know all the technical stuff. But you do need to know how your kids are using it.”

Reports of child-accessible on-line pornography, as well as the growing presence of child molestors on line, obligate parents to get involved, experts say.

Those media watchers who focus on children’s television are waiting to see what the Federal Communications Commission says Jan. 10, when the agency is expected to issue guidelines for more stringent enforcement of 1990’s Children’s Television Act.

The watchdog group Center for Media Education (CME) found in 1992 that the FCC’s lax enforcement of the broadly written act resulted in broadcasters paying lip service to the law, which was supposed to ensure more educational programming on television.

After the center publicized cases of stations claiming that such programs as “Leave It to Beaver” and “The Jetsons” were educational, broadcasters began cleaning up their act, and under President Clinton the FCC began taking a more critical look at industry compliance with the law.

Nevertheless, the CME, in conjunction with the National Education Association and others, is calling on the FCC to strengthen rules implementing the Children’s Television Act. Those who follow the issue aren’t sure how the new Republican Congress will react.

CME Director Jeffrey Chester said his office has not been able to contact Sen. Larry Pressler of South Dakota and Rep. Jack Fields of Texas, the Republicans who are set to take over the congressional committees with oversight of communications, to find out where they stand on the issue.

Contacted by The Washington Times yesterday, Mr. Fields’ spokesman said he didn’t know where the congressman stood and that his boss had returned to his Texas district for Thanksgiving.

Presler spokesman Kristi Stewart said her boss “prefers that they stay away from government regulation.”

“Attitude is tantamount to throwing up your hands and saying we give up,” said Vicky Rideout of the Los Angeles-based Children and the Media Project.
The call for school prayer

There are two ways of looking at the call for a school-prayer amendment to the Constitution:

1. The radical religious right, angry at the modern world and contemptuous of the Constitution, is trying to subvert church-state separation and take over the public schools. This is the conventional view of the American Civil Liberties Union and its easily alarmed ally, People for the American Way.

2. It is a predictable, explosive reaction to the vast hostility toward religion that has steadily permeated the schools since the Supreme Court struck down school prayer in 1962. Egged on by the ACLU, with its "customary crabbed view of religious speech" (Nat Hentoff's memorable phrase), the school establishment has refused to make any reasonable and constitutional accommodation to the feelings of religious parents.

My vote is for Explanation No. 2.

The establishment clause does not require government, or public schools, to become adversaries of religion. But the need to avoid any endorsement of religion has mutated the issue into an unmistakable endorsement of religion has mutated the schools since the Supreme Court struck down school prayer in 1962. Egged on by the ACLU, with its "customary crabbed view of religious speech" (Nat Hentoff's memorable phrase), the school establishment has refused to make any reasonable and constitutional accommodation to the feelings of religious parents.

The almost obsessive attempt to stamp out any religious utterance in or around any public schools is now routine. Principals try to make an alarming case for atheists and agnostics who dispute religion with one another on their lunch hours, students who gather at the flagpole for voluntary pre-class prayer, and children's drawings or show-and-tell items that contain religious references.

A suit against a St. Louis public school alleged that a fourth-grader was ridiculed and placed in three-day detention for bowing his head and whispering a private prayer before lunch in the school cafeteria. Another suit charged that school officials ordered an 11-year-old Oklahoma girl not to use her recess time to pray and discuss religion with classmates.

The senior class president at a Douglasville, Ga., high school was ordered not to give the traditional farewell address to classmates because he could not be relied on to leave religion out of his speech. He presumably could have turned the occasion into a rally for Jeffrey Dahmer or called for the violent overthrow of the state of Georgia without attracting any censors, but suspected reference to God was enough to shut him up. Where is the ACLU when you need it? Answer: in its usual place, on the wrong side. Ultimately, sanity prevailed and he was allowed to give his speech.

Fearing ACLU litigation, even soft secularists in the school bureaucracy have been converted into grim zealots determined to root out anything that looks faintly religious. They have done everything but arrest kindergartners for bringing in coins saying "In God We Trust". Christmas trees, an ancient pre-Christian Ibutonic custom, are being banned in some schools, and so is Santa Claus, who is approximately as religious as Frosty and Ralph and just as apt to intrude on church-state separation.

A clear indicator of the pointless hostility is the long, shambling battle to prohibit students from forming after-class religious discussion groups. As columnist Jeff Greenfield writes, "It took years of litigation and political pressure before young Christians were given the same legal rights as the 4-H Club, the glee club, the stamp collectors club and the gay youth of America."

The campaign against a moment of silence is even more debased. So far the ACLU is the best-known organization willing to insist that 60 seconds of silence establishes a religion, perhaps its most tortured reading of the Constitution. Behind it, of course, is the fear that not all students will use the quiet minute for praiseworthy secular thought or salacious musings. Some may actually pray!

Though the growing hostility to religion in schools is clear, the need for a school-prayer amendment is not. Official school prayer would dishonor our tradition of church-state separation. As a practical matter, it would tie up energies for many years that are desperately needed on other fronts. And even success would look bleak; a watered-down generic set of prayers that would be litigated over for a decade and have little impact on the social and moral decline they are supposed to arrest.

A better goal would be to push for a moment of silence and reflection before the school day begins, as has always been believed in the moral, character-forming aspect of schooling. Nobody outside the ACLU should feel threatened that students are invited to take stock of their lives and think about where they are going, even if this results in some ethical or (gasp!) religious thoughts not shared by all.

And we should note that the school-prayer issue is surely a symbolic struggle as well as a literal one. A lot of parents have lost confidence in the school system and the new values that have overthrown the public schools. My vote is for Explanation No. 2.
Whitewater appointment ununtarnished

Congress chose not to purge Special Division appointments of political influence. That choice may have been imprudent, but it is no excuse for traducing Judge Sentelle.

with irresistible reasoning. Special Division judges, he explained, exercise “appointment” authority under Article II, section 2 of the Constitution, and are disqualified from participating in any judicial proceeding concerning an appointee’s work. That appointment power, characteristically exercised by executive officers, was upheld by the U.S. States Supreme Court in Morrison vs. Olson (1988). Mr. Edwards continued: “Common sense dictates and history confirms that prudent exercise of the appointment power... necessitates consultation by those making appointments. Because I am aware of no constitutional or ethical precept that prohibits the president, judges, or heads of departments from consulting with other persons when acting under Article II, and because there is nothing in any statute governing the appointment work of the Special Division that so limits its members, the challenged conduct of [Judge Sentelle is uncensurable].”

Appointments are seldom made either in ivory tower isolation or in a public fishbowl. Miss Reno professed to a purge Special Division appointments of political influence. That choice may have been imprudent, but it is no excuse for traducing Judge Sentelle.

Bruce Fein is a lawyer and freelance writer specializing in legal issues.

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I'm a new world, as the White House Chief of Staff, a post that I now hold and that I was5, a position that I had held before. Over the weekend, I discov­ered that Senate GOP Leader Bob Dole, the fellow who is running the wheel of a brand new one.

Mr. Dole stunned the White House leadership when he told them he could not promise the votes for the General Agreement on Tariffs and Trade in next week's lame­duck session unless they cut a deal on capital gains. If the White House agrees, it will waive the budget rules on revenue losses next year, in the CT-210 plan. I agreed with the Dole position.

I would like to discuss with you the prospects for a comprehensive capital gains tax proposal. As you know, capital gains have strong support. Developing a capital gains program will help free up existing capital for new investment, economic growth and entrepreneurship. The contentious debates of the past, over revenue estimates, are overshadowed by the need to address domestic capital costs, job creation, price savings and investment. Developing a credible proposal would show investors, businesses, large and small, entre­preneurs, farmers and many others that we believe in their efforts.

I would urge you to include a capital gains proposal in the presiden­tial budget for the upcoming fiscal year. Better yet, perhaps we could outline principles prior to the budget release. Mr. Dole is prepared to work with the administration to develop a proposal that covers a broad spectrum of entrepreneurial activity. We should reward long­term investment without favoring one sector over another.

Capital gains should not be a partisan issue. I know that we can agree on the basic principles. There have been many proposals discussed in the past, including rate reduction, indexing and exclusion.

I am hopeful that having had those debates, we have aired the issues and could develop a set of principles for a legislative proposal early in the coming session. We have an opportunity to create broad bipartisan support on international issues such as GATT and the North American Free Trade Agreement.

The real problem at the White House with the Dole initiative is that it is yet another reminder that the Republicans control Congress. The White House Chief of Staff Leon Panetta, who knows along with everyone else inside the Beltway, that capital gains is the defining issue on the economy for the GOP — the one issue that binds the party together — had been planning to use it as his main bargaining chip with House Speaker Newt Gingrich and his "Contract With America." In other words, the Dole was in trouble with Republicans prior to the Dole initiative, its problems would be even worse in this session carry over into the new Congress.

The hope in the new Congress, the most racially and ideologically diverse Congress in House and Senate. Can you imag­ine, Jesse Helms on Saturday's "Evening News" saying that he did not think Bill Clinton was "up to the job" as commander in chief? Thank goodness for Sen. Dole, who told Mr. Brinkley that while he once agreed with Jesse, in "inde­EE PO-B sco, the president is now "up to the job" and "getting better all the time."

All the same, the Democrats could make fun of Jesse Helms and ignore him and all those other Republicans who make all those right-wing noises. Nobody ever invited them on the talk shows. Now, not only will they get invited, but all the bureaucrats in Washing­ton will have to tune in to find out if they will have jobs in the morning. Mr. Helms Saturday evening showed as how he might shut off most foreign aid and close down the Agency for International Develop­ment, which, by the way, most recently encouraged President Jean-Bertrand Aristide of Haiti to raise taxes on the rich. And Holy Smokes! The Dole initiative on GATT and capital gains will be the bright­est light of the day in The Washington Times on Saturday, Egads! Every bureaucrat in Washington will have to subscribe to the conserva­tive Times if they want to be first on their list to find out what's going on in Congress, the first to hear Newt Gingrich on the phone.

Can the Dole initiative be blocked? Now that the cat is out of the bag, it is not possible. If the president shifts the kind and gentle Bob Dole, the only friend he may have in the New World Order, how far will Newt Gingrich get in sell­ing GATT to the House Republi­cans? Mr. Dole himself could reverse himself and say he made a mistake, that he would like all Republicans to forget about capital gains until sometime next year, and meanwhile hold their noses and vote for the pork-laden GATT leg­islation anyway. After all, Bill Clin­ton is commander in chief, how­ever, a Dole reversal does not seem likely. He's at the wheel of the sup­ply-side bus, bringing home the bacon.

Jude Wanniski is president of Poly­conomics, Inc., a New Jersey polit­ical and economics consulting firm.
surrender?

On Nov. 8, this nation brutally stripped the Clintonites of power, and gave Republicans the chance to rule. And what is the GOP's first official act? They are troopng back to Washington, to a lame-duck session of Congress dominated by defeated Democrats. The media call them lobbyists by spring — to approve Mr. Clinton's giant GATT trade treaty. As with the North American Free Trade Agreement, Republicans are going to reach down, give Mr. Clinton a hand up, and make him again the Comeback Kid.

WASHINGTON Post

The men who write the big checks do not care a fig how you vote on abortion or school prayer, so long as you deliver on the bottom line. All of us believe in free trade among the 50 states. Most of us believe in free trade among economically comparables: America, Canada, Britain, etc. But, forcing American workers earning $7.50 an hour into dog-eat-dog competition for jobs with Asians earning 25 cents an hour is wrong; it is a formula for Asia's rise and America's fall.

It is our country that is at stake in this GATT treaty.

Last week, the United States reported an October trade deficit of $10 billion. The 1994 trade deficit may set an all-time record. But, if GATT passes, that record will not stand long.

Can Republicans see no linkage between the deficits and the jobs lost in 1993 and 1994? The deficit is 20 percent of our economy. The Jobs of 10 million Americans are at stake. How can Republicans in Congress vote for a trade treaty that will cost us 10 million American jobs? And how can they support a trade treaty that costs 10 million American jobs and does not even have the power to decide America's destiny?

Republicans ran against Big Government. GATT creates world government, a 123-member World Trade Organization where America can be over-ridden on any two-to-one dictatorships.

Republicans call for "defending the Left." Hidden inside GATT is a $200 million special FCC fee reduction that GATT is supposed to pay. Republicans said never again should U.S. troops be put under UN. command. But they're terrified that if they put the GATT "behind us," because they don't want power, or the responsibility that goes with it. They want to get GATT "behind us," because they are terrified of the New Year — just one month! — the GATT deal could unravel. And the big money men would blame them.

But if a Republican Congress were to reject GATT, why is the GOP collaborating with lame-duck Democrats to ram it through? Democrats want to get NAFTA on the books before they're sworn in. At what? But they cannot claim they did not get a hearing. Debate was full, fair, open and robust. On GATT, however, the media censors have worked off debate. But GATT is too important not to let the American people know where it is they are led.

GATT is the Magna Carta of the Multinationals. It subdivides American workers earning $7.50 an hour social stability, to GATT. GATT empowers transnational companies to shut down U.S. plants, move factories, without firing a single worker. They can embrace it from Geneva.

Even before they're sworn in, the Republicans will control every chairmanship and committee in both Houses? — the GATT deal could be lobbyists by spring — to approve Mr. Clinton's giant GATT trade treaty. As with the North American Free Trade Agreement, Republicans are going to reach down, give Mr. Clinton a hand up, and make him again the Comeback Kid.

...Is there anything Republicans will not grab off the shelf, if it can be fitted into a container labeled "free trade"?

...United States have been falling for the 50 years. In real dollars, they are 20 percent of what they were in 1972 — down to levels we knew in the 50's. Beyond our suburban mall residents, few people are aware of the real deficit. We are living beyond our means.

Since GATT does not even have the power to decide America's destiny.

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Racist label for every occasion?

A 10-year-old boy was being 10 years before the Supreme Court authorized her execution to believe that blacks would be black hardly reflected a disposition to assure that congressional "cuts" are not just less increasing; mandates two 50-cent sales taxes to raise taxes, as New Gingrich himself was the first to propose a new monetary unit of account. Obviously, the dollar is here to stay. Yet the dollar's reproachful meaning is respected everywhere but in Washington, there, the dollar's reproachful meaning is $3,000,000,000,000,000,000,000 — that's 10 million. Hence a modest proposal: reformist Republicans mandate a small "TP+" be displayed on every authorization and appropriation measure before either chamber of Congress. A dollar in the right hand corner would read TP+ and then the number of separate taxes paid, plus the total number of federal taxes for one year to pay for this single program. Say the average American taxpayer ($TP+ must pay $4,000 in federal taxes this year. (That's, if anything, low.) And say Congress everybody has a sign reading TP+12 informs anyone easily that 12 New Americans who no doubt teaches evidence. Would any constituent senator to gather a dozen New York cab drivers plan to pay for his $150,000. That's small compared to the TP+950, for a 1992 Department of Veterans Affairs program in Philadelphia, Pa., "to complete a pedestrian bridge" ($6 million). All this might be funny if it weren't so serious. Real Americans spend real money for taxes that go for such phony federal programs. American fury over taxes has been restrained, because the "dead voters" that were in the original 13 states aren't voting anymore. In China, for instance, citizens died 13 tax-agents when they came collecting a few years back. Two centuries ago, French villages assaulted a Bordeaux tax collector, chopped off his right arm (the arm was held up for tax collectors' memory's sake) and paraded the pathetic man around a local fair, and finished him off — for the fair's festivities (if not adding to them). American fury over taxes has been restrained, because the "dead voters" that were in the original 13 states aren't voting anymore. In China, for instance, citizens died 13 tax-agents when they came collecting a few years back. Two centuries ago, French villagers behaved more civilly when they merely caged tax collectors in pig sty. Their system of government agreed to leave fast and for ever. Throughout history, being a tax collector, and collecting their government's revenues, much worse than being a soldier," expert Charles W. Adams said. The turn to violence can be stemmed if our system's abuses are themselves stemmed. That takes fundamental reforms. The easiest, and likely most effective, would be to make federal funds real. Those tiny TP+ boxes on spending bills would lead to big changes.
Life in the land of the utopian visionaries

Richard Grenier

Some took deep within the eyes of Vice President Al Gore and see a burning belief in a smokeless world, with our ozone layer magnificently intact, our globe blissfully cooling, our tropical rain forests blooming, nary a species endangered no matter how humble, and the earth’s human population growth under firm state control.

I, by contrast, see an impassioned revivalist preacher — secularized of course but filled with the same limitless fervor for otherworldly perfection. A hundred years or so ago, the Rev. Gore would have been leading us all “up the river to be baptized in Jesus’ name. Now he’s leading us toward another period of religious ferment: the War of Independence, or the War of the American Revolution.

Richard Hofstadter (best known for his “Paranoid Style in American Politics”) is that behind every major American political change lay a period of religious ferment: the War of Independence, the Civil War, the Prohibition era, the New Deal, the Cold War, the U.S. space program, and perhaps even greater energy of defeated Japan.

My friend Charles Krauthammer has concluded that we’re living through a period marked by “a kind of postpartum depression,” but also, simultaneously, by “a profound, if subliminal sense of national and international security” — which security allows voters to take “leaps in the dark.”

I’ll not quarrel with him as to which elections, in which Western countries, succumbed to the “epidemic collapse” of Cold War parties and the “obvious worldwide” phenomenon of this leap in the dark. (French Socialists, cut to pieces in last year’s elections, played only a subsidiary role during the gravest years of the Cold War.)

Essentially, I agree and wrote in a column three years ago, after the Gulf War, that once the immediate election has subsided, victory does not lead to a stable sense of euphoria, just the other way around. Whether Newt Gingrich will be able to provide his restive compatriots with a utopian vision more in keeping with their national character remains to be seen. He certainly going to give it one hell of a try.

A central theme of a great liberal historian, Richard Hofstadter is that behind every major American political change lay a period of religious ferment.

The British people didn’t think of their Labour Party’s socialism as a ‘leap in the dark.’ Quite the contrary. They hated Britain’s “class system” and equality was what they thought they were fighting for.

Britain and the United States, “divided by a common language,” as Churchill said, are after all really different countries, and with different utopias. America’s Democratic Party, under McGovernite leadership for over two decades now, went into the recent elections still standing for a big-government “nanny state” that would pass out condoms to pre-teen-agers and prevent crime by sedating potential criminals into a productive, law-abiding life by giving them midnight basketball and federally funded classes in arts, crafts and dance.

So you see what a fancy, out-of-date European education can give you. These high-SAT people in the White House were still offering Americans a nanny state that every European country with one is now desperately trying to get rid of. Americans, obviously, weren’t buying. Whether Newt Gingrich will be able to provide his restive compatriots with a utopian vision more in keeping with their national character remains to be seen. He certainly going to give it one hell of a try.
Editor's note: This memorandum is the first in a series on re-limiting American government from the New Republic, whose chairman is John P. Walters.

For many Americans, the "Clinton Crime Bill" exemplified governmental bankruptcy of big-government liberalism. But the policy confusion of violent crime and illegal drugs was met with "thoroughly" posturing and a serious assault on the welfare spending. The American people were not fooled; they were disgusted.

The new Congress has an opportunity to halt crime now, and in a manner that will establish a model for principled, conservative policy reform. It should take meaningful measures to reinforce the authority and local law enforcement in fighting street crime and drug dealing. Violence should be eliminated the social welfare spending contained in the Clinton Crime Bill. Federal funds should be returned to the people and the states, and federal spending and federal programs should be replaced by local responsibility. This new block grant should be designed to restore the responsibility that is ending after three years. In this way, states and localities will spend funds with an eye to what will work and with the knowledge that they have three years to consider which programs merit long-term support.

In addition, the new Congress should end the harmful intrusion of federal courts into state and local law enforcement. In a recent Wall Street Journal Op-Ed, Princeton University criminologist John DiDilullo pointed to one of the most costly cases of judicial meddling: the inmate cap imposed by District Court Judge Norma Shapiro on Philadelphia's prisons. This cap made thousands of Philadelphia residents unnecessary victims of crime. Sixty-seven percent of defendants released by the cap have failed to appear in court. From April 1993 to October 1994, 9,732 arrestees released by Judge Shapiro's order were re-arrested, and charged with thousands of crimes, including 79 murders, 90 rapes, and 2,215 drug offenses. Philadelphia is not unique. A study of 1991 state and local spending on anti-drug activities, found — that when spending their own funds, states and localities gave 79 percent to criminal justice and 1 percent to education and rehabilitation.

Stopping violent street crime, retail drug dealing, drug treatment and prevention and state and local responsibilities. This new block grant should be designed to restore that responsibility by ending after three years. In this way, states and localities will spend funds with an eye to what will work and with the knowledge that they have three years to consider which programs merit long-term support.

At the same time, the Congress should end the harmful intrusion of federal courts into state and local law enforcement. In a recent Wall Street Journal Op-Ed, Princeton University criminologist John DiDilullo pointed to one of the most costly cases of judicial meddling: the inmate cap imposed by District Court Judge Norma Shapiro on Philadelphia's prisons. This cap made thousands of Philadelphia residents unnecessary victims of crime. Sixty-seven percent of defendants released by the cap have failed to appear in court. From April 1993 to October 1994, 9,732 arrestees released by Judge Shapiro's order were re-arrested, and charged with thousands of crimes, including 79 murders, 90 rapes, and 2,215 drug offenses. Philadelphia is not unique. In 1990, 509 municipalities and more than 1,200 state prisons operated under similar confinement orders or constraints.

States and localities are building more prison space, often at a rapid rate. But it will take time before all the needed space is completed. In the interim, if a choice is to be made between maintaining less-than-briefly-reimbursable circumstances for local incarceration or returning criminals to the streets, local authorities should make it. Victimization statistics would no longer be given a federal priority over the real victimization of crime.

Surprisingly, the Crime Bill passed this year did contain a provision to curb the ability of the federal courts to set prison caps. Judges can no longer base rulings of overcrowding on statistics, individual inmates now must prove that crowding inflicts cruel and unusual punishment. And where cruel and unusual punishment is found, thousands of prisoners will no longer be released. Only the circumstances for particular prisoners must be improved. In short, the new legislation limits the authority of the federal courts to impose broad requirements on the building and management of state and local prisons and jails.

Following this example, the new Congress should remove the authority under which federal courts have involved themselves in decisions on everything from air traffic flow to reducing violent crime in prisons and jails. And the new Congress should enact other measures that have been blocked by liberals for years. The decade-long appeal process in death penalty cases should be ended. So should provisions allowing inmates to generate proceeds from video-sharing and from appeals to disrupt legitimate prison management. Finally, the new Congress should close the long-standing legislation that would allow individual inmates to sue federal law enforcement personnel acting in good faith. This so-called good-faith provision would allow inmates to sue local police for constitutionally invalid searches and seizures. It would also make it harder for inmates to sue for damages.

Law enforcement will always remain essentially a local and state responsibility. Effective action against crime is being taken every day in neighborhoods, towns and states. should be ended. So should provisions allowing inmates to generate proceeds from video-sharing and from appeals to disrupt legitimate prison management. Finally, the new Congress should close the long-standing legislation that would allow individual inmates to sue federal law enforcement personnel acting in good faith. This so-called good-faith provision would allow inmates to sue local police for constitutionally invalid searches and seizures. It would also make it harder for inmates to sue for damages.
By Gerald B. Solomon

Nothing symbolized the pro-

gress that the Re-

Republican

Committee.

Intriguingly, during the tenures of Democrat

speakers Jim Wright and Tom Foley, we Republicans

fought countless battles to open up floor debates to all

points of view in the form of amendments.

In the past, Jewish voters have

been held in line by a cultural

antipathy to a party dominated by

liberal Democrats who look for

every opportunity to abuse the

power of their own party. They

will be on the side of the Demo-

crats, who are more belatedly

seen as having embraced liberal

Democrats who look for every

opportunity to abuse the power

of their own party.

The bottom line is that the Demo-

cratic Leadership Council—who, until recently, was chair-

ed by Oklahoma's now ex-Rep.

Dave McCurdy—still have far less

visibility and clout than the Con-

gressional Black Caucus or the

American Legislative Exchange

Council. As its name implies, the

Congressional Black Caucus is

made up of representatives imaginably to Washington and the

national scene, and there were the more moderate

Democrats from the South or from rural and suburban

areas where partisan realignment has been progressing rapidly.

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The opposition has always come

from the purists within the party and

has been beaten back by a party

establishment that not only includes congressional leaders,

governors and local officials with

ties through the national party to

the White House. But many of those

power centers are gone. Many of the governors, state legisla-

tors and local leaders and even

the Democratic Party as Bill Clinton

and his advisors begin analyzing

the new political reality in which

they will have to contend. Cooper-

ations with Newt Gingrich and his

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servative coalition in the House of Representatives under Democrat

control like the Rules Committee.
Target: Jesse Helms

out Democratic Washington, D.C., which
includes most of the press corps, is in ecstasies
of righteous indignation over the incoming
chairman of the Senate Foreign Relations Commit-
tee.

First, over the weekend, Sen. Jesse Helms had the
territory to the president's performance as
commander in chief, and to suggest that some mem-
bers of the armed forces felt the same way. No less
a military figure than Chairman of the Joint Chiefs
John Shalikashvili concurred with Mr. Clinton's defence.
Even Bob Dole refused to join his Republican col-
league's attack on the man who forced the military
to accept gays, who presided over a massacre of U.S.
troops in Somalia, cut the defense budget to the point
where even his own Defense secretary admits mil-
itary preparedness has been adversely affected, and
used U.S. military personnel as cocktail waiters at
White House parties.

Criticizing that performance was bad enough.
But what really brought the full weight of Beltway
displeasure upon Mr. Helms was the statement —
made in an interview with the Greenville, S.C.,
newspaper — that Mr. Clinton is so unpopular among
military men in the state that he "better watch out if
he comes down here. He'd better have a bodyguard."


Kennedy School blues

"However close we sometimes seem to that dark
and final outcome, let no man of peace and freedom
despair. For he does not stand alone. If we all can
perservere..."

—John F. Kennedy

ough recommended by the late president,
 perseverance is not exactly the order of the day
at the Harvard institution carrying his name,
the Kennedy School of Government.

For two decades the Kennedy School's Institute
of Politics had held training seminars for freshmen con-
gressmen. Long known for its capital-L Liberal pro-
ject, happy to say, has been devalued. Could it be
that the Kennedy School is simply admitting its own
irrelevance?

Perhaps Harvard is just husbanding its resources
for the more daunting task to come: finding teach-
ing positions and fellowships for the raft of ship-
wrecked Democratic politicians looking for work.

Word has it that the Kennedy School — as is its tra-
dition — is offering asylum to a number of Democ-
Ratic refugees, including Tennessee Senator Albert
Ellwood and Mary Jo Bane, the geniuses who put
founding "Morning in Cambodia,"

Two years ago, the Kennedy School was crowing
its ascendency, having been home to such Clinton
administration luminaries as Robert Reich, Henry
Cisneros and Steven Kelman. And don't forget David
Ellwood and Mary Jo Bane, the geniuses who put
their hands to the "Morning in Cambodia,"

Even if the school could get a few congressional
pupils to turn out, what exactly would its crew have
to teach them? "A significant part of the faculty only
understands government in terms of Democratic
politics," says Daniel Caes, policy director of the
Project for the Republican Future, and a 1989
Kennedy School graduate. "And now that Demo-
Ratic power is disappearing, they have nothing to con-
tribute."

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Even if the school could get a few congressional
pupils to turn out, what exactly would its crew have
to teach them? "A significant part of the faculty only
wherever he goes," a spokesman said.

As for Senator Helms, he is no stranger to con-
troversy. And he is clearly not about to let this latest
controversy dampen his spirit. In response to the
furore, he issued a statement saying "I made a mis-
take last evening which I shall not repeat... I did
not expect to say so, but it was not something I could
leave on the table, especially as the constant concerns I am hearing, I far too casu-

Pat chance, you say? You're right. And perhaps
that's as much explanation as we need for the
Kennedy School's new irrelevance.
Times focuses on little green men and misses out on Social Security

In response to your Nov. 9 editorial, "UFOS and Social Security" it is indeed very unfortunate that more young workers believe in higher forces of little green people from outer space than in reliable reports of the current financial status of the Social Security program and in the bipartisan commitment to keep the system financially solvent for generations to come. But their cynicism and skepticism are understandable given that they are constantly barraged with misleading information. I would like to add factual information and reasoned logic to the discussion of Social Security's future.

Let's start with some simple, factually valid facts. Even if no changes are made to the program, Social Security will receive enough money in taxes and investment income over the next four decades to pay benefits through 2029 — not 2033 as stated in your editorial. That means everyone 30 or older today can count on Social Security's being there for their retirement.

Beyond that point, we have ample time to rationally examine the issues and make the reasonable adjustments to the Social Security system solvent for generations to come. I encourage all of us to participate in this national discussion of the future of Social Security and to learn the facts about how the program currently works.

1) If given the opportunity, most people would invest their money wisely, avoid disability or early death and realize a greater investment than they will get from Social Security. But then again, many people would be placed on taxpayers' money in taxes and investment income over the next four decades to pay benefits through 2029 — not 2033 as stated in your editorial. That means everyone 30 or older today can count on Social Security's being there for their retirement.

2) Private retirement plans, such as individual retirement accounts or IRAs, provide individual workers with retirement income relative to the success of their investments. Even relatively safe investments, such as mutual funds, are subject to potentially significant risk for an individual investor. Also, the worker could die or become disabled before the investment had a chance to grow. Social Security taxes are pooled, rather than credited to individual accounts, and workers and their families are guaranteed the retirement, disability or survivors' benefits to which the law entitles them.

Social Security is not an investment program. It is a "social insurance" program. In other words the word "funds" in Social Security means something. It means that, unlike private retirement plans, it has social objectives — such as raising the standard of living for low-income workers and offering financial security to the families of all workers — as an integral part of its makeup.

3) Social Security is more than retirement benefits. A worker's Social Security taxes also pay for potentially valuable disability benefits as well as benefits for family members if the worker should die, And Social Security taxes also pay for Medicare. But then again, many people would be placed on taxpayers' money in taxes and investment income over the next four decades to pay benefits through 2029 — not 2033 as stated in your editorial. That means everyone 30 or older today can count on Social Security's being there for their retirement.

4) Social Security was never intended to be a person's sole source of income. The program is not an alternative to personal responsibility for retirement planning. It is a very valuable part of such planning. In other words, people should be making plans to supplement Social Security, not replace Social Security, which is the main event that lies ahead for the city budget is a leaner operation.

5) Many private plans do not include protection against cost-of-living increases. Social Security does.

6) Social Security was never meant to be a person's sole source of income. The program is not an alternative to personal responsibility for retirement planning. It is a very valuable part of such planning. In other words, people should be making plans to supplement Social Security, not replace Social Security, which is the main event that lies ahead for the city budget is a leaner operation.

The Brightest familiar face is that of Carol Thompson. She has taken a vow of silence. Okay: If their silence is exacting how long has Ms. Francis been of the mistaken impression that the United States is located on the European continent? STEVEN J. STAUFFER Great Mills, Md.

The Barry transition team

It is eerily apropos that Mayor-elect Marion Barry selected a boxing promoter to head the transition team. In the boxing world as in Rock Nemer- man's symbolism to this incoming administration is not lost. Mr. Newman is a scrapper and long-time city booster who knows a little something about the power of the underdog. (He promoted former heavyweight champion Riddick Bowe, who lost to underdog Jesse Ferguson in a fight at the Armory last year that was heavily touted but sparsely attended.) But whether or not Barry can make his ringside business translate into winning blows for the city depends on whether those on the team are up for the tough game ahead.

One of the theme Mr. Barry has established for the upcoming administration. He says that he wants to "make truly radical change..." to "be the bruiser of the century."

The transition team members are familiar figures in and around Mr. Barry's previous administrations. The brightest familiar face is that of Carol Thompson Cole, who as city administrator admirably ran the District government during Mr. Barry's last term, while he was incapacitated by a criminal trial. Carolyn Smith, who once headed the city's Department of Finance and revenue, reappears and Arrington D. Dixon, former D.C. Council chairman and former husband of Mayor Sharon Pratt Kelly, has been pressed into service.

It is uncertain what this will mean down the line, but don't count on the team members to share their strategies with the public just yet. They apparently have taken a vow of silence. Okay: If their silence means that they are getting a grip on the important issues, it is a good sign for the District government, then so be it. By all accounts, the main event that lies ahead for the city budget is going to be the bruiser of the century.
A LIBERAL'S LIST OF THANKSGIVING
By Donald Kaul

It is the season of Thanksgiving, when all patriotic Americans are dutybound to sit down and think real hard about the things we're grateful for.

Not an easy task for liberals, these days. Every time we pause to contemplate contemporary life in these United States, we burst into tears. Like General Custer, we are everywhere surrounded by enemies — except that ours are meaner than his were. (Say what you want of Sitting Bull, he at least had respect for the commander-in-chief, which is more than you can say for Jesse Helms.)

Still, there's no sense being poor sports about it. I'm sure that being governed by crypto-fascists isn't as bad as it seems at first; you get used to it.

And it's not as though we of the ideological minority don't have the Constitution to defend us — for now. You have to look on the bright side. As a matter of fact, as a patriotic American I feel I must look on the bright side. What is an American without optimism? A Frenchman with bad food.

So, I'm sitting down this week to consider the things I'm thankful for. I'm going to write them down on this legal pad with this No. 2 pencil. Here goes:

Many, many ...

I wonder what Hubert Humphrey would be grateful for, if he were alive today. Probably, he'd be grateful for being alive.

Wait! I've got it.

In this Thanksgiving season, this year above all years, I'm thankful Newt Gingrich isn't twins.

I love it when President Clinton talks about trying to find bipartisan solutions to the nation's problems. If the nation wanted bipartisan solutions, they wouldn't have made Gingrich speaker of the House of Representatives. Gingrich is to bipartisanship what Jeffrey Dahmer is to vegetarianism.

Thank goodness there's only one of him.

I am also thankful that the nation's military readiness is in a state of disrepair. (Here comes the flood.) That's the latest word from the Pentagon, that at least three of the Army's 12 divisions aren't ready to fight at the rattle of a saber, and a couple of our rapid deployment units are in slo-mo. Things are so bad, they say, that the nation would not be able to fight two land wars at once.

That's the part I'm grateful about. Who wants to fight two land wars at once? It's been my reading of history that nations that can fight two wars at once do. Nations that can't make do with fighting one.

That's plenty good enough for me.

I'm also grateful for Rush Limbaugh. If I didn't write about that cackling yahoo from time to time, I'd hardly get any intelligent mail at all. As it is, every time I mention him his fans assail me with all the intellectual vigor at their command. For example:

"What's the matter? Jealous because you don't get it? You wouldn't get it if the instruction was on your fat head. Don't listen, because we don't need liberals (Communists) anyway. You're as dumb as you are ugly."

To which I can only say: Touche, Dittohead, touche. And thanks a lot.

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Down with the filibuster

Harkin is right. Democrats shouldn't do what the Republicans did.

One of the mandates voters gave to Republicans on Nov. 8 was to reform the way Congress operates. There's no better place to begin than with the Senate filibuster.

The filibuster allows a minority to block passage of any bill unless a supermajority of 60 votes in the 100-member Senate can be mustered to overcome it. Republicans used the filibuster literally in the last few years to tie the majority Democrats in knots.

Next year, with Republicans in the majority, Democrats will be in a position to return the favor. Nevertheless, Iowa Democratic Senator Tom Harkin is right in saying that the Democrats should resist the temptation to "do unto the Republicans what they did unto us."

Instead, Harkin is urging that the filibuster be tempered. Reform-minded members of both parties should join Harkin's effort. There may have been some justification for the filibuster as the quaint original form, but the modern version of the filibuster has become nothing more than a cast-off device that lets a willful minority thwart the will of the majority, or hold legislation hostage to extort concessions.

The filibuster evolved from the Senate's tradition of unlimited debate. To carry out a filibuster, opponents of a bill had to talk, literally, to talk it to death. Those engaged in a filibuster had to be prepared to keep talking around the clock. It required determination and stamina, and the filibustering senators risked arousing the public's anger at their obstructionism. As a result, filibusters were rare.

In recent years, the Senate adopted rules intended to curb filibusters. They ended up having precisely the opposite effect. Filibusters became an everyday tactic. By one count, there were twice as many filibusters in the last two years of Congress than during the entire 19th century.

The new rules established a "two-track" procedure that allows the Senate to continue with other business while a filibuster is under way. All action does not grind to a halt, as it did previously.

The two-track rule made filibusters much easier to use. Stamina is no longer required. Now, all the minority need do is declare its intention to filibuster, and the Senate switches to other businesses. In most cases, the mere threat of a filibuster does the trick. The bill is side-tracked until the majority finds 60 votes.

The modern filibuster gives the minority an absolute veto. It is, quite simply, undemocratic.

Defenders of the filibuster have argued that it is useful in preventing precipitous action. Harkin's proposal addresses that argument by allowing filibusters to delay action, but not stop it completely. Under his plan, the number of votes required to end a filibuster would gradually decline over a period of weeks until, eventually, only 61 votes would be needed.

A truer reform would be to abolish the undemocratic anachronism outright. Harkin's proposal is quite modest. There should be no reasonable objection to it.

Fractured Balkan peace effort

Dissension among allies adds to the general turmoil.

The timid air strike that the United Nations and NATO launched Monday on a Serb base in Croatia rallied the wrong party.

The aroused Serbs retaliated Tuesday by stepping up their attacks on Bihac, a U.N. "safe area" that they had hit with napalm and cluster bombs last week. They also fired surface-to-air missiles at British jets on peacekeeping patrols and threatened further retaliation against U.N. troops. The attack could even lead Bosnian and Croatian Serbs to forge a formal union, which would inflame their 25-year battle against Bosnian Muslims and Croats.

The United States, Russia and Western Europe, meanwhile, remain divided on Balkan policy.

Scattershooting at Serb bases — and at each other — won't help outside nations bring peace to the region.

Although Monday's air strike, which put craters in two runways, was a collaborative effort of NATO and the United Nations, the United States and Russia still disagree on its scope. The Clinton administration wanted to disable Serb aircraft as well as runways; the U.N. commander, in the former Yugoslavia, General Bertrand de Lepesque, disagreed.

More worrisome is dissension on bigger issues. The United States broke ranks recently when it decided to stop participating in NATO's naval enforcement of the arms embargo against the Muslim-led government in Bosnia. That was unsettling to Russia, whose sympathies lie with the Serbs, and gave European allies reason to wonder whether the Clinton administration is wavering in its support for the Bosnian peace plan.

The plan, approved last May, calls for restoring Croatia's prewar territorial integrity with substantial autonomy for the Serb minority, and giving 51 percent of the Bosnian republic to a Muslim-Croat federation and 49 percent to the Bosnian Serbs. Serbs now hold about 70 percent of the republic.

The NATO air strike was a sign of a unified approach. But it wasn't a persuasive sign. The Western powers need to reaffirm their commitment to implementing the Bosnian peace plan — or they need to devise a plan that they can all stand behind.

Foreign ministers of the Western powers and Russia will return to the table Dec. 2 in Brussels. They must leave the talks as a solid, unyielding force.

Fractured alliances can't mend fractured countries.
Remarks by Helms highlight deteriorating relationship between Clinton, GOP
By David M. Shribman / Boston Globe
WASHINGTON The struggle between the Clinton administration and the ascendant Republicans escalated Tuesday, with the White House suggesting that Sen. Jesse Helms may not be fit to serve as chairman of the Senate Foreign Relations Committee.

The administration response came after Helms, who is in line to head the committee, said President Clinton was so unpopular on military bases that he had "better have a bodyguard" if he visited installations in North Carolina.

Helms later described his remarks as "a mistake," but not before White House chief of staff Leon Panetta said the Helms comments "raise serious questions about whether he ought to assume the leadership of that committee."

Answering a question at a news conference Tuesday, President Clinton termed the Helms comments "unwise and inappropriate" and asserted that "the president oversees the foreign policy of the United States." He said that it was up to the Republicans to "decide in whom they will repose their trust and confidence."

In an indication that the administration has begun a campaign to counter the Republican offensive of recent days, Panetta also attempted, during a luncheon with Washington bureau chiefs and columnists in the bureau of The Boston Globe, to turn up the pressure on the Republicans, saying that next week's congressional showdown over an international trade agreement was an "important first test" of the Republican leadership on Capitol Hill.

And Labor Secretary Robert Reich warned the new Republican leadership that the Clinton administration was prepared to take on what he called "corporate welfare" even as both the administration and the Republican Congress seek to overhaul welfare benefits aimed at the poor.

The contretemps over the Helms remarks came only days after the North Carolina conservative raised questions about the president's fitness to serve as commander-in-chief of the armed forces. Gen. John Shalikashvili, chairman of the Joint Chiefs of Staffs, rushed to the president's defense, and many Republicans awkwardly asserted that the office of the presidency demanded respect regardless of its occupant.

The dispute flared again Tuesday after Helms told The News & Observer of Raleigh that "Mr. Clinton better watch out if he comes down here," adding, "He'd better have a bodyguard." Helms said that troops disliked Clinton because he had avoided service, supports homosexuals in the military and has cut defense spending.

The bodyguard remark angered Democratic lawmakers, with Sen. Tom Harkin of Iowa describing it as "almost like a veiled threat." Sen. Christopher Dodd of Connecticut said Helms should apologize, adding, "To suggest on this day of assassination (of President Kennedy's assassination) that an American president's life might be in jeopardy with a visit to an American military base would suggest that my colleague from North Carolina doesn't seem to know what country he is living in. This is not a banana republic."

Helms later issued a statement, dismissing his comment as "an offhand remark in an attempt to emphasize how strong the American people feel about the nation's declining defense capability and other issues in which the president has been involved and for which he is responsible."

The senator said he "didn't expect to be taken literally" in the interview with the Raleigh newspaper, adding that the president "will, of course, be welcomed by me and other citizens of North Carolina and other states any time he chooses to visit us."

In the luncheon interview, Panetta said that Helms held "extreme views," said the Republican lawmaker has "gotten out of control" and added, "These comments are not only reckless but are dangerous and irresponsible."

The White House chief of staff called upon the new Republican leadership of the Senate to consider whether Helms should hold the chairmanship of the committee.

"They have to seriously weigh whether or not, in light of these comments, they want him to assume that chairmanship," Panetta said. "If a Democrat had said something along those lines with a Republican president, there would have been a bigger reaction."

Republican responses were conciliatory toward the president but did not generally criticize Helms directly. Sen. Robert Dole of Kansas, who is in line to become the next majority leader, said the president was "welcome to come to any state." Rep. Newt Gingrich of Georgia, in line to be the new speaker, said that "all Americans respect and honor their president."

Panetta said the Helms remarks Tuesday and over the weekend were the sort of personal attacks that "really do weaken this nation."

The chief of staff's remarks appeared part of a broader White House effort to shoulder itself back into the debate in the capital. One of the prongs of that offensive was Labor Secretary Reich's assault on what he called "a formidable list of special tax benefits for particular industries."

In a speech to the Democratic Leadership Council here, the secretary challenged the Republicans: "Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well, and use the savings to help all Americans get better work?"

The new aggressiveness from the Clinton administration came as important votes near on the General Agreement on Tariffs and Trade.

While negotiations between the White House and Republicans continued, Panetta said that the Republicans "now have the responsibility that goes with the election" to help govern the nation. "The people are going to be watching to see if the new leadership is big enough to take on the responsibility," he said.

Dole has described in recent days as the principal obstacle to approval of the GATT legislation. Although Republicans generally back efforts in the direction of free trade, many elements of the GOP constituency have worried that the World Trade Organization, which would be established as part of the GATT agreement, would constrict American sovereignty in trade matters.

The president said he was "encouraged by the progress we have made" in negotiations with Dole and pointedly cited the senator's "very constructive attitude." Dole, asked in Williamsburg, Va., about the GATT negotiations, said there were "a few little differences" with the White House remaining to be worked out.

Dole has sought to use his position at the fulcrum of the trade dispute to win administration approval for a reduction in the taxes on capital gains, which has long been a Republican goal in Washington.

But Sen. Phil Gramm of Texas, like Dole a possible Republican presidential candidate, said Tuesday that the two issues should not be linked.

Panetta said the two issues were separate and unrelated. "We made clear to him we could not make a commitment" to reducing the capital gains tax, Panetta said. "It's not only not related to GATT, but it's an issue we've expressed our opposition to."

The final agreement is likely to include a mechanism to permit the United States to withdraw from the organization if it perceives it is being treated unfairly.

The House convenes in a lame-duck session next Tuesday and the Senate meets on Wednesday to consider legislation implementing the trade agreement.
Lack of unity in NATO means Serb attacks won’t end soon
By Elizabeth Neuffer Boston Globe

LONDON On Monday, NATO warplanes delivered the most powerful airstrike in the alliance’s history in the hopes of halting a rebel Serb attack on a UN “safe area” in Bosnia.

Now what?
That is the question NATO and UN authorities asked themselves Tuesday, as it became increasingly clear that the NATO airstrike against a Serb airfield in Croatia had not deterred fighting that continued to rage around the “safe area” of Bihac.

Worse, artillery and soldiers from Serb-held Croatia joined the battle on the side of the Bosnian Serbs Tuesday taunting NATO’s authority and marking the first time the two rebel forces had fought side by side.

That the airstrike failed to stop the Bosnian Serbs should come as no surprise. Monday’s foray which destroyed some missile installations and cratered a runway was more of the same. NATO and UN officials admitted as much: They wanted to deliver a warning and no more.

What is surprising is that diplomats here, in Washington or in other European capitals are surprised that the airstrike proved so ineffective. But that’s because Western leaders simply don’t want to admit what is becoming the obvious truth: that they can’t find a solution on which they can all agree to stop the fighting in Bosnia.

“I don’t think anybody has a solution,” one Western diplomat said Tuesday. “I don’t think anyone has been able to find the magic button to press.”

There are efforts to make it seem like the West is united in its approach. Some diplomats Tuesday talked of another, more serious NATO airstrike to come; others were quick to point out that the peace process ostensibly is still ongoing. Indeed, foreign ministers from the “contact group” on former Yugoslavia the United States, Britain, France, Germany and Russia are scheduled to meet in Brussels next week to decide how to push that process along.

But the rebel Serbs and the Muslim-led Bosnian government, despite what they may say, have long since given up on diplomatic solutions, and the current peace plan that redraws the borders of Bosnia to no one’s liking.

Bosnian Serbs, of course, have repeatedly refused to sign the plan. The Bosnian government, which once supported the peace plan, has in recent weeks launched repeated military offensives to regain territory taken by the Serbs rather than wait for the peace plan to return it to them.

With diplomatic solutions all but dead, the Allies have few choices that do not involve a certain risk. But Europe and the United States have been unable to agree on which risks they are willing to take together.

In the case of Bihac, some analysts say the only real way the Allies may be able to stop the fighting is to deploy enough air power to destroy depots and heavy weapons. The United States, particularly with Republicans taking charge on Capitol Hill, favors this approach.

But Britain and France are strongly opposed, fearful that their ground troops in the UN mission would become combatants. Britain remembers how its troops were essentially taken hostage by the Serbs during the battle for Gorazde last spring.

“You cannot bomb the Serbs into signing that peace plan,” a British diplomatic source said.

Until the United States puts its troops on the ground in Bosnia, making the risks equal to its allies, or the Europeans decide to risk casualties, a strong show of force is unlikely.

“As far as Americans are concerned, air strikes are intended to punish the Serbs,” said Jonathan Eyall of the Royal United Institute of London. “But as far as Europeans are concerned, air strikes are intended to be a deterrent.”

For now, the fighting around Bihac is likely to continue. Only if the safe area is directly attacked will the UN request NATO’s help in warding off the rebel Serbs; that is all the UN mandate will allow. The NATO mandate to bomb in Croatia expires on Friday.

There may well be another airstrike, but it is unlikely to bring fighting to a halt.

What is more likely to halt the fighting is the onset of winter and heavy snow. Then, Europe and the United States will have a few months until spring to decide if they will stand together or alone in Bosnia.
WASHINGTON President Clinton put pressure on GOP senators yesterday to punish Sen. Jesse Helms for suggesting that U.S. soldiers want to harm the President. "I think the remarks were unwise and inappropriate," said Clinton at a White House press conference.

Helms (R-N.C.), who last week called Clinton unfit to be commander-in-chief, told a newspaper late Monday: "Mr. Clinton better watch out if he comes down here (North Carolina). He'd better have a bodyguard."

Asked whether Senate Republicans should keep Helms from taking over the Foreign Relations Committee, Clinton reproachfully said: "The Republicans will decide in whom they will repose their trust and confidence. That's a decision for them to make, not for me."

Even before the President spoke, Helms issued a statement though not an apology saying, "I made a mistake last evening which I shall not repeat. ... I did not expect to be taken literally (in emphasizing) the concerns I am hearing."

And the 73-year-old senator, known for his hard conservative rhetoric, charged that Clinton still has "serious problems" with the military over his avoidance of the Vietnam draft, backing of gays in the military and his defense budget cuts.

And the two leading congressional Republicans incoming Majority Leader Bob Dole (R-Kan.) and House Speaker-to-be Newt Gingrich (R-Ga.) also refused yesterday to apologize for Helms' remarks or criticize him.

"The President is welcome to come to any state," Dole said. "That's the way it should be."

And Gingrich added: "The President of the United States is welcome in Georgia. All Americans respect and honor the presidency."

GOP sources said Dole had no plans to give control of the committee to a more junior Republican senator. As longest-serving Republican on the committee, Helms is expected to assume the chairmanship next year since Dole plans to fill chairmanships by seniority.

Democrats wasted no time in castingig Helms.

"To suggest on this day of all days, November 22d, that an American President's life might be in jeopardy with a visit to an American military base would suggest that my colleague from North Carolina doesn't seem to know what country he is living in," said Sen. Christopher Dodd (D-Conn.). Tuesday was the 31st anniversary of the assassination of President John F. Kennedy.

And senior Clinton aides openly called on Republicans to question the North Carolinian's fitness to head the sensitive committee.

"I think the Republican leadership needs to take a very hard look at whether or not they want somebody with this kind of extreme views to chair one of the most important committees in the Congress of the United States," said White House Chief of Staff Leon Panetta.

But the recent controversy surrounding Helms goes beyond his personal attacks on the President to such issues as:

Calling the Mideast peace process "a fraud.

Demanding the immediate withdrawal of U.S. troops from Haiti.

"I think he's gone off the deep end," Rep. Chuck Schumer (D-N.Y.) said. "He's popping off at the rate of one embarrassing statement a day. Heaven knows what he's going to do when he goes to a foreign country."

But such criticism rarely bothers Helms, who once said, "I never lost a minute's sleep over criticism, and I never shall."
Capital gains, welfare reform at opposite ends


BY RANDY LILLESTON

WASHINGTON — On one hand, you have Republicans clamoring to reform welfare. On the other hand, you have the Democratic labor secretary suggesting it is time for corporate America to undertake a little welfare reform of its own through the elimination of tax breaks.

Don't bet on either coming to pass.

Labor Secretary Robert Reich on Tuesday backed the notion of eliminating more than $100 billion in tax breaks for American businesses.

"Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well and use the savings to help all Americans get better work?" Reich asked in a speech to the Democratic Leadership Council.

The Progressive Policy Institute, a think tank associated with the Democratic Leadership Council, prepared a list of $111 billion in tax breaks the group would like to see eliminated.

There are, however, a few problems with the proposal.

For one thing, there is an army of lobbyists in Washington whose job it is to make sure such tax breaks aren't eliminated.

Then, there's the matter of the incoming Republican Congress, whose members are expected to look kindly on the wishes of American business. Their argument is that tax breaks create jobs and encourage investment.

In fact, many Republicans are pushing for a reduction in the capital gains tax, a loser in public opinion surveys but a longtime favorite of GOP members. Again, the argument is that a cut would create investment and thus create jobs.

The elimination of corporate tax breaks is almost certainly dead on arrival in the 104th Congress. But by offering such a proposal, Democrats could create a nice bit of political theater.

Congressional Democrats relish the idea of Republicans protecting their richest constituents while threatening to cut welfare. That could open the door for a populist 1996 campaign.

Council officials insisted Tuesday that a 1996 political weapon is not the goal of the proposal. After all, the council has its own welfare reform proposal, which incorporates job training and limits on benefits.

The question is where President Clinton stands.

Commerce Secretary Ron Brown said Tuesday he didn't even know Reich was going to back the proposal. Cabinet officers aren't supposed to make speeches suggesting sweeping changes without at least the tacit approval of the White House.

Clinton was careful in his comments Tuesday. "Conceptually, it's an attractive idea," he said. "I have to have time to review the details in the context of the budget."

Washington journal
A revealing game of 'What if?'

In an article in the November issue of *American Spectator* in which he complains that the liberal media have been too easy on the Bill Clinton administration (a premise with which I do not necessarily agree), columnist Ben Stein plays what he calls a game of "what if."

What would the liberal media have done, he asks, if a Republican surgeon general had recommended legalization of narcotics and then it had been discovered that at the same time her son was a drug dealer?

What if a Republican commerce secretary had a business partner connected with someone who had been actively looting S&Ls?

What if a Republican attorney general had closed down narcotic-trafficking prosecutions?

What if a Republican first lady had openly flouted a federal court order to open hearings of a commission she was chairing with congressional approval?

What if George Bush or Ronald Reagan had been accused in sworn court statements of sexual harassment?

What if Richard Nixon had been business partners with and the recipient of large personal loans and gifts from a man who was then indicted for looting an S&L and pleaded not guilty by reason of insanity?

What if Gerald Ford had been accused by his police guards of using them to procure women on a regular basis when he was infamy leader?

And finally, Stein asks, "What does it tell us that the media basically treat all of this as if it were not happening?"

Master of the art

P.J. O'Rourke demonstrates his mastery of the art in an article titled "Kleagle Clinton" in the November issue of *American Spectator*.

Some samples of his work:

- "In Clinton's Caribbean policy, we get a glimpse of the president's true nature, a look at the Inner Bill, a peek at the scum beneath the flab."

- "The president and his sanctimonious twit of a wife...."

- "We've been nice to the liberals for too long. They're thugs. Their liberal dream is to control people, to oppress and exploit them for some 'higher' goal."

- "Liberals have the same morals as Fascists, Communists, Craps and Bloods. The worship of collective power always ends in some kind of drive-by shooting. Pearl Harbor, for example."

- "Pain cannot, no matter what the uncouth crewp of the White House says, be shared. Only individuals suffer."

No retirement here

J.F. Zucca of Harrison says (Voices, Nov. 9) that I denounce any and all political aspects (whatever that means) that do not meet with my approval as if lie had discovered some fundamental truth.

Indeed, I do what Zucca says I do. So does every other columnist who is published on this page, and the one opposite, and everyone, including Zucca, who writes letters to Voices.

Zucca is a regular Voices correspondent who apparently has nothing meaningful to say and spends his allotted monthly space suggesting that I retire.

I have no intention of retiring as long as people are reading, and there was no indication in the Democrat-Gazette's last readership poll that my readership has fallen off.

Besides, if I quit, what would folks like Zucca and others whose raison d'être seems to be writing a monthly letter about me do?

Zucca's letters get increasingly incoherent. Witness the following paragraph, which I quote verbatim: "Starr and his usual critical comments of President Clinton" — does he mean comments critical of Clinton? — "are a common occurrence and will continue along with other adverse remarks of — does he mean about? — "leaders in the Democratic Party, including Jim Guy Tucker's inability to govern his affairs as governor of Arkansas." (How about inability to govern Arkansas? I don't care how he governs his personal affairs.)

J.R. Starr is the former managing editor of the Arkansas Democrat-Gazette. His column appears every day.
Clinton chides Helms on comment on safety

By Kathy Lewis

WASHINGTON President Clinton criticized Republican Sen. Jesse Helms on Tuesday for saying the president was so unpopular on North Carolina military bases that he had better have a bodyguard: "I should be visited.

"I think the remarks were untrue and inappropriate," Clinton said at a news conference.

He would not say whether he was comfortable with the idea that Helms is likely to become chairman of the Senate Foreign Relations Committee, but he asserted that the president sets U.S. foreign policy.

"The president oversees the foreign policy of the United States, and the Republicans will decide in whom they will repose their trust and confidence," Clinton said. "That's a decision for them to make, not me.

Earlier, Helms issued a written statement calling his comment "a mistake" that "I shall not repeat." He did not specifically apologize for his comment or refrain from criticizing Clinton as commander-in-chief.

In an interview published in the News & Observer of Raleigh, N.C., Helms was quoted as saying the president is extremely unpopular on military bases of North Carolina.

"Mr. Clinton better watch out if he comes down here. He'd better have a bodyguard," Helms said.

The president's response to Helms' latest remarks came during a joint news conference with Ukrainian President Leonid Kuchma in which Clinton also tried to clarify his position on school prayer.

The president said he opposes a constitutional amendment that would "carve out and legalize teacher-or student-led prayer" in the classroom.

"I think that that is inherently coercive in a nation with the amount of religious diversity we have in this country," he said. "I think that would be an error. ... I think the very nature of the circumstances means that for large numbers of our children, it could not be truly voluntary, and I would oppose it."

Clinton said that his comments on school prayer during a recent trip to Indonesia "may have been overdread" and that his "generalized commitment" to review and listen to any Republican proposal did not represent a change in position.

"I have always supported a moment of silence," he said.

During the news conference, Clinton also:

- Congratulated Congress to repeal "the things that benefit ordinary Americans." He specifically cited the Family Leave Act and the Brady law, which provides a waiting period on the purchase of handguns and a ban on semi-automatic assault-style weapons.
- Praised Ukraine's decision to give up nuclear weapons and promised $200 million in additional aid over two years.

The hot political issue of the day, however, was Helms' criticism of the president by Helms, who last weekend questioned Clinton's capabilities as commander-in-chief.

Rep. Charlie Rose, D-N.C., said of the comments about the president's safety, "They are inappropriate, but then Senator Helms has not always stayed away from inappropriate comments."

Sen. Christopher J. Dodd, D-Conn., urged the Republican leadership to denounce the statement and urged Helms to apologize.

Senate Minority Leader Bob Dole, R-Kan., who is in line to be the new majority leader, did not directly criticize Helms, saying he had seen only excerpts of the interview. But he said: "The president is welcome to come to any state. That's the way it should be."

Rep. Newt Gingrich, the Georgia Republican who is expected to be the next speaker of the House, also declined to denounce Helms. He said Clinton is welcome in his state.

"All Americans welcome and honor the presidency," he said.

Sen. Arlen Specter, R-Pa., said, "We have a Constitution, and President Clinton is the commander-in-chief for the next two years. I am sorry to hear talk about bodyguards and personal security."

The former Republican National Committee chairman, Richard N. Bond, said that if Republican leaders cannot "tone down" Helms, such comments could cost him his chairman's position.

Defense Department spokesman Kenneth Bacon said Clinton had traveled widely in the last few months among U.S. troops, where "he's been received with warmth and courtesy and enthusiasm."

(EDITORS: STORY CAN END HERE)

In his written statement, Helms said he made "an offhand remark" in an attempt to emphasize how "strongly the American people feel about the nation's declining defense capability and other issues in which the president has been involved and for which he is responsible."

"Of course," he added, "I didn't expect to be taken literally when, to emphasize the cost and concerns I am hearing, I far too casually suggested that the president might need a bodyguard or words to that effect."

Helms said Clinton would, "of course, be welcomed by me and other citizens of North Carolina and other states any time he chooses to visit."

Helms said he had tried to be candid.

"The president has serious problems with his records of draft avoidance, with his stand on homosexuals in the military and the declining defense capability of America's armed forces," he said.

Helms said his "informal quote" should not have been taken literally, although he said he blamed himself, not the reporter.

The News & Observer issued a statement in which Executive Editor Frank Daniels III said: "The story accurately sets out Sen. Helms' position about President Clinton's fitness to be commander in chief. We stand by the story."

He said the Secret Service had not asked for a transcript of the interview. "If the request is made, we will consider it," Daniels said.

Last weekend, Helms said in an interview on Cable News Network that he didn't believe that Clinton was up to the task of being commander-in-chief. "Well, you know, you ask an honest question," he said. "I'll give you an honest answer: No, I do not. And neither do the people in the armed forces."

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EDITORIALS

SERB BOMBING

Airstrike provides long-overdue warning

NATO warplanes finally have delivered the only message that nationalist Serb forces seem to understand — a retaliatory airstrike for repeated violations of the no-flight zone in Bosnia.

The precision bombing raid on a Serbian-controlled air base in Croatia upped the ante of the United Nations and North Atlantic Treaty Organisation in the continuing struggle to find a settlement to the Bosnian conflict.

While the raid was limited to destroying the air strip and taking out anti-aircraft weapons, the significance of this latest military action cannot be overstated.

NATO officials and U.N. peacekeeping forces have been at odds for months about the prospect of escalating the response to the Serbs' zone violations. The bombing raid increased the risks for U.N. ground forces in Croatia, who are vulnerable to a Serbian counterattack. There also is a strong possibility the Serb nationalist forces will widen the war by sending rockets against Zagreb, the capital of Croatia.

The only appropriate response to those threats is to let Serb leaders know that any retaliation will be met with equally strong force. Should Serb forces decide to take out their hostilities on U.N. troops, NATO should make it clear that Monday's airstrike will just a forerunner of things to come.

The Clinton administration should be pleased that NATO and the U.N. Security Council finally responded to repeated calls for bombing attacks to halt Serbian intrusions into the no-flight zone.

British and French officers in the peacekeeping force have been critical that the United States sought to escalate the response without committing U.S. soldiers to the ground forces.

Despite these differences over military strategy, the bombing of the Serb-controlled air strip in Croatia was wholly justified. Serbian nationalist fighter planes have used the field to rain down napalm on the Muslim town of Bijeljina and other areas of northwest Bosnia. There no longer can be a political rationalisation of the death and destruction caused by these Serb raids.

This may not be the last time NATO commanders will have to move swiftly and firmly to convince the nationalist Serbs they mean business. But Monday's action serves notice that if the Serbs continue to raise the stakes in this troubled conflict, it is they who will pay a greater price.

Sen. Jesse Helms needs to stifle himself, as TV's Edith Bunker used to warn the bigoted blowhard Archie Bunker of All in the Family. The cranky 72-year-old senator, who had complained last week that President Clinton is unfit to serve as commander in chief, told a North Carolina newspaper this week that President Clinton would "need a bodyguard" if he visited the state.

Sen. Helms tried to justify the remarks by saying that members of the armed services in the state distrust Mr. Clinton because he did not serve in the military, has supported the rights of homosexuals in the military and has authorised defense cutbacks.

Certainly, the nation's chief of staff should not be considered above criticism. Certainly, the readiness and morale of the United States military is a valid object of concern. But personal attacks that verge on threats are inappropriate and dangerous if they inflame a mood of violent reprisals.

Sen. Helms' remarks are inexcusable to the many members of the military whose loyalty to this country is such that they would never dream of using force against the commander in chief, no matter how much they individually might disagree with his policies. His remarks were reckless, injudicious and unbecoming of a man soon to serve in the prestigious position as chairman of the Senate Foreign Relations Committee.

Senate Republicans should urge their irascible colleague to put a lid on the inflammatory rhetoric, which could cost them newly won and precious credibility.
Reich proposes cutting 'corporate welfare'
By Timothy J. McNulty Chicago Tribune

WASHINGTON Facing the political appeal of a Republican agenda to cut welfare for the poor, a top Clinton administration official Tuesday proposed extending the cuts to "corporate welfare" and ending at least $225 billion in business subsidies and tax benefits.

In the most forceful return of fire since the Nov. 8 election, Labor Secretary Robert Reich argued that corporations should be stripped of billions of dollars in tax breaks and that money should be used to help train anxious American workers for new jobs.

"Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well and use the savings to help all Americans get better work?" Reich asked.

Democrats see the Republican social agenda as a thrust against the poor, so Reich parried by targeting the nation's wealthiest institutions and offered to end their government subsidies to benefit the middle class.

Ending corporate welfare as we know it is a worthy goal, made all the worthier if it frees funds for investments in workers," he said in a speech to the Democratic Leadership Council.

The council, organized in the aftermath of the 1984 Republican presidential landslide, aims to move the Democratic Party toward the political center and was once led by then-Arkansas Gov. Bill Clinton.

Other administration officials refused to pick up Reich's "corporate welfare" baton. Commerce Secretary Ron Brown appeared eager to distance the White House from such talk; and President Clinton, a close friend and former Rhodes scholar along with Reich, seemed less than committed.

"Conceptually, it's an attractive idea," Clinton said later Tuesday during a press conference, but he added quickly, "I have made absolutely no decisions on any of the specifics in Secretary Reich's proposal."

While a Labor Department spokesman said, "We are not endorsing any specific cuts," Reich appeared to be recasting the president to one of the more successful themes of the last presidential election.

Reich cited a report by the DLC's research arm, the Progressive Policy Institute, earlier this year that included a list of tax breaks totaling more than $111 billion over five years from such sectors as oil and gas, timber, advertising, and companies doing business in Puerto Rico.

The Institute identified more than $114 billion in additional spending subsidies in its report titled, "Cut and Invest."

In a speech that DLC Chairman Al From described as a challenge to the Republican "Contract with America," Reich called on conservative think tanks such as the Heritage Foundation and the Cato Institute to create their own list of "corporate subsidies and tax benefits that don't make sense."

Despite that coy attempt to include Republican thinking, it is likely that Reich understands that his proposal and the Institute's report represents some harsh judgments about specific government spending, and likely would cause political problems for anyone in office, Republican or Democrat.

Corporations were targeted in Clinton's original budget plan in 1993, but that failed on Capitol Hill. Whether his proposal stops at pharmaceutical companies in eastern states like New York and New Jersey, or Western mining and grazing interests in Wyoming and Montana, they were defeated by congressmen whose corporate constituents were outraged.

If the administration's suggestions on cutting corporate subsidies did not pass when the Democrats were in control of Congress, they are less likely since Nov. 8, when Republicans won control.

Reich has been a persistent voice pleading for more investment. He does not ask for government spending cuts, however, believing that it isn't that the government is spending too much, but that it is spending on the wrong things.

Economists also say that cutting back on many of the subsidies, either special spending programs or tax preferences, could cause prices to increase in industries that rely on them. In some cases, industries might have to discontinue services. An example: Slashing the Amtrak subsidy in half, or by $1.3 billion, over five years.

These subsidies also preserve jobs. If they are cut back or eliminated, jobs would be reduced, too. Down the road, there might be an employment increase from greater economic efficiency, but in the meantime job uncertainty would be increased.

The Institute urged elimination of the space station, reducing the subsidy to airlines to serve small cities, and limiting the mortgage interest deduction ceiling from $1 million to $300,000, so that it no longer helps the top 4 percent of homeowners.

The mortgage interest deduction is primarily an individual, not a corporate, tax preference. Many middle-class Americans fear scaling it back even for wealthier people, saying it would be the "foot-in-the-door" that could lead to its ultimate elimination.

The Institute also urged putting a $125,000 cap on the capital gains tax exclusion for sale of a private home, another middle-class tax break.

While Republicans have already talked about their own spending and tax-cut agenda, including reducing the capital-gains tax and providing tax relief to middle-income families with children, Reich raised his proposal in the context of America's new "anxious class."

He has used that term as a description of middle-class Americans worried about losing jobs, their companies "downsizing" and their lack of real growth in earnings.

"We are on our way to becoming a two-tiered society composed of a few winners (and) a larger group left behind, whose anger and disillusionment is easily manipulated. Once unbottled, mass resentment can poison the moral integrity of a nation, replacing ambition with envy, tolerance with hate."

"Today the targets of rage are immigrants, welfare recipients, government officials, gays, and an ill-defined "counter-culture," he said in a tacit rebuke to GOP campaign rhetoric.

Many current corporate practices undermine the traditional support of business interests among Americans, he said.

"Business betrays the bargain every time it fires an older worker in order to hire a younger one at a lower cost," said Reich, "provides gold-plated health insurance to top executives while it cuts or denies its workers health coverage, labels employees independent contractors for the purpose of avoiding paying them full-time wages and benefits, or discards its workers rather than invest in them, particularly when profits are booming."

Tribune Senior Writer William Neikirk contributed to this report.
Power and patience in Bosnia

The dilemma in Bosnia continues to defy resolution, and NATO's painfully measured attack Monday on a Serbian-controlled air base didn't help much. Far from being frightened by the show of military power by the West, Bosnian Serbs responded by stepping up their pressure against U.N. and Bosnian government positions.

Here in the United States, Sen. Robert Dole complained that the United Nations was being far too timid in its response to Serbian aggression, a sentiment echoed by his counterpart in the House, Newt Gingrich. "If we want to break the Serbians, then there should be a major campaign to break the Serbians," said Gingrich, who suggested that stronger leadership from the United States might have given NATO and the United Nations some much-needed backbone in dealing with the Serbs.

From a tactical point of view, such statements are correct. A stronger military response is probably necessary if NATO means to influence Serb behavior. However, American officials, including Gingrich and Dole, have little credibility in lecturing the U.N. on that point.

Ineffective though it has been, the United Nations has nonetheless put 40,000 troops from 36 countries in the line of fire in the former Yugoslavia, most of them from our allies in France and Britain. Almost 130 have been killed in action, and at the moment, U.N. authorities are worried deeply about the fate of 1,200 Bangladeshi soldiers who have been cut off by Serbian troops and are rapidly running out of food. Nobody knows how to rescue them.

However, because U.S. officials have wisely refused to commit ground troops to Yugoslavia, none of those 40,000 peacekeepers is American. None of our people is at risk. So it's hard for President Clinton to exert leadership over those nations that have made a commitment that we will not make.

And it's also a little much for American officials to sit safely on this side of the Atlantic and moan about the lack of willpower among our allies.

That's particularly true of Gingrich and Dole, both of whom have been highly critical of U.S. intervention in Haiti, where not a single American life has been lost and where the potential danger, while real, doesn't begin to compare with that confronted by our allies and friends in Bosnia.

Western policy toward Bosnia continues to be plagued by a fundamental contradiction in its goals: We are trying to keep bloodshed to a minimum while at the same time hoping that the warring parties will get so tired of bloodshed that they'll agree to peace.

Such a delicate approach can work, but it takes time and patience. It has already achieved the withdrawal of the Serbian government from the conflict, leaving Bosnian Serb guerrillas to carry the battle.

If our NATO allies and the United Nations are willing to stick to that philosophy, even at the risk of their own troops, then the United States, given its position, has little choice but to go along.
Trade, Proposition 187 expected to top Clinton-Zedillo agenda  

By Kevin G. Hall  
Journal of Commerce

MEXICO CITY  
Mexican President-elect Ernesto Zedillo Ponce de Leon meets President Clinton on Wednesday in a get-acquainted session at the White House, eight days before taking office.

Zedillo, who already has taken a swing through Central America to meet elected leaders, will lunch with Clinton and Cabinet members and meet with World Bank officials.

Aides to the president-elect expected conversation between Zedillo and Clinton to concentrate on bilateral trade, which has grown nearly 20 percent since the implementation of the North American Free Trade Agreement. The two men are expected to talk about some NAFTA-specific issues.

Also expected to be on the agenda is California's Proposition 187, a ballot measure approved this month by voters that would deny some government services to illegal aliens, including education for their children and nonessential health services.

President Carlos Salinas de Gortari's office issued a statement after the ballot measure passed, vowing to help Mexican immigrants fight the measure in U.S. courts and noting that it was a state and not a federal initiative.

Zedillo has been more vocal about Proposition 187, calling it an affront. He is expected to discuss with Clinton ways to prevent it from being the basis of a nationwide campaign platform plank in 1996.

The two men also are expected to discuss drug trafficking and ways to continue cracking down on drug lords along the border. Fifty to 70 percent of the cocaine on U.S. streets is believed to have come through Mexico, and drug trafficking has emerged as the leading national security issue in Mexico.

Drug lords and their possible allies in government are rumored to be behind the recent assassinations of a Roman Catholic cardinal and two figures in the ruling party, its presidential candidate and its No. 2 leader.

The Journal of Commerce Editorial:  
There He Goes Again  

The Journal of Commerce  
Knight-Ridder/Tribune Business News

Nov. 23- BOB DOLE continues to play dangerous games with GATT. The incoming Senate majority leader is now threatening to oppose the new trade accord next week unless President Clinton supports a capital gains tax cut in 1995. There are, in fact, some good economic reasons for reducing the bite on capital gains. But linking a proposal that controversial to GATT with the trade debate and endanger the GATT accord. If the Senate's incoming majority leader is really interested in reducing taxes, he should support GATT, whose capital gains tax cut would help or hurt the federal budget, since so much depends on how investors react. There are no such doubts about GATT, however.

Mr. Dole has every right to pitch for a capital gains tax cut next year, but it makes no sense to drag it into the trade debate and endanger the GATT accord. If the Senate's incoming majority leader is really interested in reducing taxes, he should support GATT, whose capital gains tax cut would help or hurt the federal budget, since so much depends on how investors react. There are no such doubts about GATT, however.

Yet his objections are not valid. The new World Trade Organization will not hurt U.S. sovereignty because Congress retains final authority under the Constitution to regulate trade with other countries. Nor is it necessary to include the quick-escape clause from the WTO that Mr. Dole seeks, since the United States already can withdraw on six months' notice. Finally, linking a capital gains tax cut to GATT makes the least sense of all.

Many economists believe a lower capital gains rate is, in fact, a good idea. The United States taxes capital gains at a higher rate than most other countries. Moreover, returns on capital already are subject to multiple taxes, and since capital gains are not indexed for inflation, taxes are often paid on illusory profits. (See adjoining article by Gary Galles.) Yet by holding GATT hostage to the capital gains issue now, Mr. Dole suggests the tax cut can't stand on its own in a fair debate. Republicans should be prepared to make their arguments next year, when the tax cut can be decided on the merits.

Mr. Dole, nonetheless, sees good reason to link GATT and a capital gains tax cut. He points out, for example, that Mr. Clinton believes the trade agreement will spur enough economic activity to offset lost tariff revenue. That is essentially the same argument Republicans use to support a capital gains tax cut: By easing the burden on taxpayers, it will produce more, not less revenue for the government.

Yet Mr. Dole is wrong to think the two are the same. There is nearly unanimous agreement that GATT will boost the world economy. The best study to date on the subject, by GATT officials in Geneva, puts the annual gain to the United States alone at $122 billion a year. Yet there is no such consensus on what a capital gains tax cut would mean to the federal budget. A 1990 Treasury Department analysis estimated that a 30 percent cut in the capital gains rate would boost tax revenue by $12.5 billion. Yet the congressional Joint Committee on Taxation said the same proposal actually would reduce tax revenue by $11.4 billion. The truth is, no one knows for sure if a capital gains tax cut would help or hurt the federal budget, since so much depends on how investors react. There are no such doubts about GATT, however.

Mr. Dole has every right to pitch for a capital gains tax cut next year, but it makes no sense to drag it into the trade debate and endanger the GATT accord. If the Senate's incoming majority leader is really interested in reducing taxes, he should support GATT, whose capital gains tax cut will save Americans far more money than any reduction in capital gains rates.

END/A27JC-EDIT-DOLE
Conference issue a call for women's equality throughout the hemisphere

By Margo Harakas

Fort Lauderdale Sun-Sentinel

MIAMI Delegates to the Women's Hemispheric Conference issued a preliminary draft on Tuesday calling for leaders of the Western Hemisphere to "intensify their efforts" to integrate women fully in the social, economic and democratic life of their countries.

The document, the culmination of two days of meetings in Miami, will be presented to heads of state at the Summit of the Americas in Miami next month.

Saying social and economic inequality weaken a democracy, the women wrote: "We ..., as agents of development, want to contribute our leadership potential ... to improve the quality of life of our peoples through equal participation. For that, we require equal opportunity."

While the majority of the nations have ratified national and international agreements for the advancement of women, their actions have failed to fulfill those promises, the delegates said.

They recommend:

- Incorporating women in government decision-making.
- Strengthening government institutions dedicated to the advancement of women.
- Adopting actions to strengthen the presence of women in public positions and elected offices.
- Intensifying efforts to integrate women into mainstream sustainable development.
- Sensitizing decision-makers to the importance of gender equality.
- Integrating women into economic development and broadening their access to financial resources.

The conference, a sanctioned pre-summit to the Dec. 9-11 summit, drew 47 delegates from 34 nations.

Among them were a former president, two vice presidents, two attorneys general, a former presidential candidate, three senators, two members of Congress, and various other high dignitaries. All female.

Missing were representative of the majority class of women throughout the hemisphere, the poor and the powerless.

"In my country," said Laura Novoa Vasquez of Chile, "there are 4 million poor out of (a population of) 13 million." Women, particularly heads of households, make up a disproportionate part of that figure, as they do throughout the hemisphere.

In Haiti, the problems are massive.

"We have a long history of struggle," said Lise Maria Dejean, the country's first minister of women's affairs.

"Women make up 47 percent of the working population, but they work mostly in assembly factories, in harsh conditions. They are low-paying jobs, exploitive jobs."

As Marilou McPhedran, one of the architects of Canada's Equal Rights Amendment, told her fellow panelists, "We are advantaged beyond the status generally assigned to the vast majority of women in this hemisphere." She urged participants to keep in their "hearts and minds" that awareness during a workshop devoted to empowering the poor and powerless.

"Improving women's physical, mental and social well-being is the legal duty of a democratic state," she said.

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Speeders rule road — crackdown looms

Two of every three speeding tickets statewide go to motorists zooming at 80 mph or above.

But fewer headline drivers — with lowest number — have been getting *big* tickets in recent years.

That means that about 36,000 -- or less than 1% — of all speeding fines involving motorists who were ticketed last year were for speeding quarter million ticket a year, but in the past year for speeding $125,000.

Therefore, they're going faster than ever before — but not of every three speeding tickets expensive enough for $50 in fines.

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Therefore, they're going faster than ever before — but not of every three speeding tickets expensive enough for $50 in fines.

Florida newspapers have been having a tough time of late: The Miami Herald has had to lay off staff members and the Tampa Tribune has been struggling financially.
Helms retracts remark
Bodyguard quote called a mistake

By MICHAEL E. RUANE

WASHINGTON Sen. Jesse Helms, R-N.C., was forced to apologize Tuesday for his suggestion that President Clinton was so despised by the military that he might need a bodyguard to visit bases in Helms' home state.

"I made a mistake," Helms said in a public statement about the controversy over the second interview in five days in which he hinted that the president lacked the support of the military.

"I didn't expect to be taken literally," he said.

Clinton rebuked Helms during a news conference Tuesday for "unwise and inappropriate" remarks and stood on his authority as president, saying: "The president oversees the foreign policy of the United States." As for the likelihood that Helms will lead the Senate Foreign Relations Committee in the new Congress, Clinton added: "The Republicans will decide in whom they will repose their trust and confidence. That's a decision for them to make, not for me."

The possibility that Helms' comments might damage the office of the presidency helped fuel a wave of criticism.

"The particular statement is ridiculous," said Sen. Joseph Lieberman, D-Conn., reacting to Helms. "It's an insult to our soldiers, who obviously are loyal and devoted to the commander-in-chief."

The conservative Republican had to beat a verbal retreat after a newspaper on Tuesday published a story quoting him as saying the president was so unpopular among the military in North Carolina that he "better have a bodyguard" if he visits the state.

Helms told The News and Observer of Raleigh, N.C.: "Mr. Clinton better watch out if comes down here."

The Secret Service is examining the comments, said spokesman Jaime Cagigas, who added that Helms is not the target of a probe.

The comments, coming just before Tuesday's 31st anniversary of the assassination of John F. Kennedy, prompted complaints among Democrats.

"To suggest on this day of all days, Nov. 22, that an American president's life might be in jeopardy with a visit to an American military base would suggest that my colleague from North Carolina doesn't seem to know what country he is living in," said Sen. Christopher J. Dodd, D-Conn. "This is not a banana republic."

On Friday, Helms was asked on the Cable News Network if he believed the president was up to the job of commander-in-chief. "No, I do not," Helms responded.

"And neither do the people in the armed forces." He added that "just about every military man who writes me" agrees.

The next day, Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, made unsolicited phone calls to news organizations to rebut Helms' contentions. It was an unusual gesture that the general said he made without prompting by the White House.

Helms, 73, served as a Navy recruiter during World War II.

In response to questions, Republican leader Bob Dole declined to directly criticize Helms but added: "The president is welcome to come to any state."

Rep. Newt Gingrich of Georgia, in line to be the next speaker of the House, also sidestepped, saying: "The president of the United States is welcome in Georgia."

Helms' comments have raised a furor, in part, because they appear to question a fundamental tenet of U.S. democracy: the role of a civilian president as commander-in-chief of the armed forces.

Even the faintest suggestion that the military was questioning the ability of the commander-in-chief goes strongly against the grain of American tradition.

"There may be policy disagreements, occasionally," Lieberman said. "But the men and women who wear the uniforms of the United States are absolutely loyal to their commander-in-chief."
A new school board may foreshadow reforms in other large counties.

The trouble with Gaza

Last weekend's bloodshed in Gaza, the result of a series of clashes between Hamas gunmen and policemen under Yasser Arafat's Palestinian National Authority, underscores just some of the perils facing Palestinian self-rule in Jericho and the Gaza Strip.

Mr. Arafat had no choice but to take action against the Islamic radicals of Hamas, who are responsible for most of the recent spates of attacks on Israelis in recent months. The Israeli government has rightly pressured him into cracking down on Hamas and Islamic Jihad, two groups that reject Mr. Arafat's authority and the whole idea of limited self-rule.

There is no simple way out of the morass that Mr. Arafat has inherited in the West Bank and Gaza. But the route that he has picked is especially disingenuous: This week he pleaded for faster delivery of the $700 million in economic aid that foreign governments pledged to the territories under his control.

The plda seeks to shift blame away from Mr. Arafat's woeful performance as chief of the Palestinian authority and to lay doorstep of the blame on Mr. Arafat until he has a system for keeping track of his authority's expenses. He is known to be a profligate administrator, according some claims.

Meanwhile, though, Israel can and should help stabilize the territories by allowing more Palestinian workers to return to their jobs in Israel. There's little doubt that increased economic opportunity will contribute to a lessening of tensions. Ultimately, though, Mr. Arafat is in charge. If he can't rule, he ought not expect infusions of foreign aid to bail him out.

Women's unfair burden

Among our hemisphere's lingering problems, one that still goes largely unnoticed despite its huge significance, is the wide disparity in the status of women. Women represent 50 percent of the region's population and more than a third of its work force. But these percentages should not conceal women's acute underrepresentation in virtually every aspect of cultures that, even in 1994, remain largely male-centered.

To highlight these issues, 50 female representatives of 34 democratic countries in the hemisphere met in Miami for the first three days to discuss women's status. Participants included two vice presidents, 13 Cabinet members, two presidential candidates, and a former president. Their main objective was both ambitious and urgent: to promote equality and opportunity for women across the hemisphere.

For this timely meeting, credit the Wolfson Campus of Miami-Dade Community College and the Summit of the Americas Host Committee, plus the United Nations.

Gender-based bias

Miami conference on women draws attention to discrimination against them in our hemisphere.

The class of 1996

The Dade School Board will be reconstituted in 1996. U.S. District Judge Lenore C. Nesbitt's Monday decree settled all of the questions raised by a costly Voting Rights Act lawsuit — except for one: Who's next?

That question will recur, even as the Dade School Board changes from seven members who run countywide to nine members who run in districts tailored to give minorities a fair chance to elect members of their choosing.

The reconstituted School Board be better or worse than the current one? Nobody can say for sure because it will depend on who's elected. Thoughtful critics of district elections foresee parochialism and polarization.

Yet one thing seems certain: The new board will be more democratic — in the sense of being more truly representative of Dade's diverse populace. Under the current system, Hispanics and blacks historically have been underrepresented. Another plus for the reformed board: Each of its nine members will be elected from a district with only about 230,000 residents instead of the current seven members each answerable to more than two million people. Thus those served by the nation's fourth-largest school system should find it easier to reach their elected officials and hold them accountable.

So, who's next? If this is a good idea in principle, how will the district board (and the Metro Commission before it), shouldn't it be extended to other offices? A fair question. Yet some advocates of reform are looking in the wrong direction by targeting, for instance, judicial elections. Picking judges by districts could cause more problems than it solves; trial court judges play a societal role quite different from that played by those policy-making officials who operate in the political arena.

So a better answer to "Who's next?" is "the county commissions and school boards in Florida's other large counties... such as Broward." If those officials are wise, they'll take a look at reforms of their own — before they refuse.

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Gender-based bias

Miami conference on women draws attention to discrimination against them in our hemisphere.
Unfit for the job

Sen. Jesse Helms hasn't formally taken over as chairman of the Senate Foreign Relations Committee, and he already has shown that he is unfit for the job. Incoming Senate Majority Leader Bob Dole and his Republican colleagues ought to do the country and their party a favor and deny Helms the post.

It was bad enough last week when the North Carolina Republican said President Clinton isn't up to the job of commander in chief and hinted that some members of the Joint Chiefs of Staff share this harsh view. Helms went over the edge this week when he declared that Clinton is so unpopular on military bases in North Carolina that he "better watch out if he comes down here. He'd better have a bodyguard."

Helms hasn't retracted his first statement, but he beat a hasty retreat from the second without issuing an apology.

"I made a mistake last evening which I shall not repeat," Helms said in a statement released Tuesday. "President Clinton will of course be welcomed by me and other citizens of North Carolina ... anytime he chooses to visit us."

If Helms won't apologize to Clinton, he at least should apologize to the members of the armed forces.

The president does have bodyguards, and they are making inquiries about Helms' comment. The Secret Service isn't investigating Helms but is "always concerned about comments" about the president's safety, a spokesman said.

Republicans have been out of power in Congress for so long that they aren't used to people paying much attention to what they say. That may be why Helms tried to explain away his outrageous remark by saying they were part of an "informal conversation" and should "not have been taken literally."

Maybe Helms should start carrying around a buzzer to warn people when he's just joking. The foreign governments that dissect every word an American foreign policy leader says need something to go by. Imagine: Jesse Helms, foreign policy leader. At least the Cold War is over.

Helms always has wielded words as a blunt instrument to wound anyone who disagrees with him. That's what he did 20 years ago as a radio and television commentator, and he hasn't changed a bit.

While subtlety is the currency of foreign affairs, it is a word that has been stripped from the Helms lexicon. Consider his recent ham-handed attempt to strong-arm Clinton into delaying a vote on GATT. He said a delay would ensure that the president's foreign policy agenda "will be considered fairly and fully" by Helms' committee.

That Helms has proven to be an embarrassment should not come as a surprise to anyone who has paid even casual attention to his musings over the years. Yet Dole not only plans to give Helms this crucial job, he has not found the will to rebuke him for his affront to the presidency.

Dole did say he thinks Clinton is indeed "up to the job now" of commander in chief, especially after his successes in Haiti and the Middle East. He also offered that the president is welcome in any state, Newt Gingrich, the House Speaker-in-waiting, said the president would always be welcome in Georgia.

Both comments state the obvious and don't go far enough. Clinton, on the other hand, offered a measured response while raising an appropriate question.

"I think the remarks were unwise and inappropriate," the president said. "The president oversees the foreign policy of the United States and the Republicans will decide in whom they will repose their trust and confidence."

Dole ought to ask himself if he wants his party represented by an extremist such as Helms, especially at such a critical time for the GOP. Helms is in line to chair the Foreign Relations Committee not because he is qualified but because he has stuck around longer than any other Republican on the committee. It's called the seniority system. Dole ought to follow the example set by Newt Gingrich and ignore seniority when filling important chairmanships.

The obvious alternative to Helms for the foreign relations chairmanship is the respected Sen. Richard Lugar of Indiana, who served as chairman of the committee in 1985-86, the last time Republicans held a Senate majority.

Helms is no longer just an embarrassment. He is a reckless ideologue who seems bent on damaging the presidency and U. S. foreign policy. Until Republicans figure out what to do with him, they should keep Jesse Helms locked in the barn.
Dole, Gingrich tell GOP governors their Congress will trim mandates to states
By David Lerman
Newport News Daily Press
WILLIAMSBURG, Va. Republican governors learned Tuesday they are likely to get some long-sought freedom from federal regulations, but at a price.

Sen. Bob Dole and Rep. Newt Gingrich, leaders of the new Republican-controlled Congress, Tuesday made their first joint public appearance since the midterm elections that brought them to power, coming to Williamsburg to tell GOP governors what they wanted to hear: that the days of Congress telling states how to spend their money are over.

"We can't have Republican micromanagement of government to replace Democrat micromanagement," said Gingrich, who in January is expected to be the first Republican speaker of the House in 40 years. "We can't suggest the social engineering of the right will be more clever than the social engineering of the left." Dole, the soon-to-be Senate majority leader, promised that the first bill taken up by the new GOP Senate will outlaw so-called unfunded mandates, which are federal programs requiring state or local funding.

State officials, particularly Republicans, have long complained that taxpayers foot a heavy bill because of dictates coming out of Washington that suck up scarce state revenues.

So the promise of impending relief, which capped a three-day conference of the Republican Governors Association, came as sweet news for the largest group of GOP governors in a quarter-century.

"I'm very pleased," said Virginia Gov. George Allen, who played host for the nation's 30 Republican governors and governors-elect in Colonial Williamsburg. "I think we've taken a very important step forward to protect the rights and prerogatives of the people of our states."

But Dole and Gingrich left to their lieutenants the task of explaining the trade-off: States may have to give up some federal money in exchange for more freedom. That means money flowing to states for everything from education to transportation could be cut, they said, to help balance the federal budget and enable Republicans to make good on their pledge to adopt a balanced budget amendment to the Constitution.

"The only way we can get there is to eliminate the biggest grants we give to the states," warned Sen. Bob Packwood of Oregon, who is in line to become chairman of the powerful Senate Finance Committee.

Governors said they are mostly willing to pay that price if it means they will have the freedom to design their own programs in health care, welfare and education, among other things.

"Governors are willing to recognize that in the long term we may be dealing with fewer dollars," said Utah Gov. Mike Leavitt, the newly elected chairman of the Republican Governors Association. "All we're asking is to have the flexibility to use whatever dollars we do have."

To hear the governors tell it, this month's nationwide reveling in the huge gains Republicans made across the country. Come January, they will control both chambers of Congress and, for the first time since 1970, a majority of governorships. In a sure sign of trouble for Clinton and a boost for any 1996 Republican challenger for president seven of the eight largest states will have Republican governors.

Dole, a likely presidential contender, looked around the conference room of the Williamsburg Lodge stuffed with GOP governors and made clear how thrilled he was by his party's election victories and takeover of Congress.

"It's not happened in my lifetime," he said. "And I've been waiting and waiting and waiting for a meeting like this."

said, because they are funded mostly by a gas tax earmarked for transportation.

(EDITORS: STORY CAN END HERE)

If actually enacted, the plans outlined in Williamsburg could mark a major shift in power from the federal government to the states, a move supporters say could streamline programs and save taxpayers money.

"I think historians will say this is the meeting that crystallized getting power out of Washington and back to the people of the United States," Gingrich told reporters at a Williamsburg news conference.

But no one is willing to bet that such a massive power shift will occur, much less overnight. Allen expressed concern that with President Clinton in the White House, states may see their federal money cut with federal mandates still in place. "There still is that executive branch and entrenched bureaucracy," he said.

Most of the three-day conference has been spent revealing in the huge gains Republicans made across the country. But even Allen, a staunch critic of federal largesse, said he was concerned about possible federal cuts to road projects. Those should be off limits to budget cutters, he
Economic Aid for Mideast Peace Coming Up Short (Washn)
By Mark Matthews=
(c) 1994, The Baltimore Sun=
WASHINGTON Fourteen months ago when the world was cheering the Israeli-Palestinian peace accord, the Clinton administration corralled 46 rich governments and international donors who pledged to pump $2 billion over five years into the West Bank and Gaza.

Now, less than half the first-year's pledge of $700 million has been committed, a number of projects are only just starting to get under way, and the area run by the new Palestinian Authority is descending into the sort of violence and anarchy that scarred Beirut in an earlier generation.

Hopes that Palestinians in Gaza and Jericho but especially the settler, densely populated Gaza Strip would be won over by a large number of jobs and visible rewards of peace have been dashed.

The delays have brought loud complaints from Palestinians, whose continued high unemployment feeds support for extremist opponents of peace with Israel.

“At this time last year everyone was almost euphoric,” said Hashem Sharabi, who heads a Washington think tank on Palestinian affairs. Now, because of mounting frustration with the peace process and continued economic hardship, “the situation on the ground is very explosive, very volatile.”

The blame lies in many places. Mideast politics intervened, Palestinians have been slow to create a government capable of receiving money and accounting for it properly; donors, in response, have tightened their fists, and the United States' aid agency had to scramble to beef up its staff.

Perhaps more important, no one is clearly in charge of the variegated effort, with the result that even the World Bank, in its role as a key coordinator for much of the aid, gets incomplete information.

The Palestinian complaints also highlight the way a big chunk of Washington's foreign aid dollar is distributed: not directly into job-creating bricks and mortar projects but into an array of different types of “technical assistance” using both nonprofit agencies and profit-making companies as middlemen.

The Palestinian experience is bound to draw scrutiny as a GOP-controlled Congress looks for ways to trim further a U.S. foreign-aid program that has already been squeezed in recent years.

Opening the donors' conference at the State Department last October 1, Vice President Al Gore said the United States' $500 million, five-year pledge would “fund a range of activities on which we can begin quickly, and in some cases we will start almost immediately. These include school reconstruction, hospital renovation and housing.”

“We're not alone,” he added.

Of the donors' first-year pledge, $200 million to $250 million has been delivered, including about $77 million from the U.S. Agency for International Development. The Overseas Private Investment Corp. has started to fund five projects totaling $90 million.

The first problem was the delay in setting up any sort of Palestinian entity to receive the money. Palestine Liberation Organization Chairman Yasser Arafat didn't arrive until mid-July, and most of the people hired early on were policemen.

Most international donors wanted to subsidize actual projects, while the Palestinians' immediate need was for government start-up money. The need to create a special trust fund for this purpose created additional delays.

Disputes between donors and Arafat erupted early on over how to account for the money, with the donors refusing to subsidize the leader's longtime practice of keeping huge sums in his own hands and doling it out as patronage.

Donors became annoyed by the fact that taxes collected from Palestinians and reimbursements from Israel of sales taxes and income taxes collected from Palestinian workers have fallen far short of projections.

Although the Palestinians created an Economic Council to disburse money to their own agencies, they have yet to contract with a consulting firm to help manage it.

The United States, which in the past aided only small projects administered by private agencies in the West Bank and Gaza, suddenly had to transfer staff temporarily from other Middle Eastern countries to offices in Tel Aviv and trailers in West Jerusalem.

Officials estimate American aid so far has created 5,000 Palestinian jobs, primarily in construction and cleanup of the Gaza Strip.

Several visible projects have resulted: Ground was broken in July for a 192-unit housing project in Gaza; existing housing units have been renovated and repairs made to clinics, schools, playgrounds and a nursing school. Forty "farm to market roads," some of them formerly paths, have been paved.

In addition, the Overseas Private Investment Corp. has provided $50 million for five actual construction and manufacturing projects estimated to create 1,800 temporary and permanent jobs.

But contracts and agreements for many of the U.S.-funded projects were only signed in September, following the detailed bureaucratic approval process required by Congress.

And the big infrastructure projects schools, major roads, waste water and sanitation projects are being handled through the World Bank. These weren't even approved before May, and an agreement was only signed with Palestinian authorities in September allowing work to start on streets and schools.

This agreement covers only projects in the Gaza Strip. West Bank projects outside of the city of Jericho require Israeli approval, which hasn't been given.

One reason the aid already committed hasn't made a noticeable difference in the Palestinian territories is that much of it is aimed at training Palestinians to develop democratic institutions and build a private economy.

This is being done both by nonprofit groups, such as Amideast, which has been working in the Palestinian territories for decades, but also by private firms that competitively bid for U.S. government contracts and are allowed up to 10 percent profit.

For instance, a Bethesda, Md.-based company, Development Alternatives Inc., has been hired by the Agency for International Development for $6 million over three years to help raise management skills and production capabilities of small businesses.

At the time of the donors' conference last year, there was a "frenzy" among consultants to get in on Palestinian development, says Amideast spokesman Sherif Gamal.

The idea of aid money being siphoned off by American contractors has angered Palestinians and their supporters here.

“They needed jobs. They didn't need consultancies and training programs,” said James Zagby, who heads the Arab-American Institute and is one of the leaders of Builders for Peace, which promotes private investment in the territories.
LOOKING TO THE GOP GOVERNORS

By Jack W. Germond and Jules Witcover

WILLIAMSBURG, Va. GOP National Chairman Haley Barbour, addressing the new class of 30 Republican governors at their annual conference just concluded here, called them "our best and brightest, the people who are proving that Republican ideas work." The net gain of 11 Republican governors on Nov. 8, he said, resulted "because you proposed and carried out policies and programs that are both good policy and good politics. ... You have practiced the politics of performance."

Barbour went on: "Governors govern, so you have been able to put the principles of smaller government into action and to demonstrate policies based on our principles work. You cut taxes. You cut spending. You hold down regulations. You innovatively reform education and welfare. You emphasize criminal control as the answer to crime. ... Washington can benefit tremendously by learning from you."

The party chairman was saying only what governors of both parties have long believed that they are on the real firing line of the nation's most pressing domestic problems, and they know how best to address them. And believing that, it can be expected that some of the veteran Republican governors are already thinking that rather than pass their know-how to Washington, why not go there and do it themselves as president in 1997?

Considering the beckoning opportunity for the GOP to recapture the White House in the wake of the devastating setback to the Democratic Party on Nov. 8, there was very little open talk about 1996 presidential prospects at this conference. The gathered Republicans were still basking in their election success, and in their hopes for cooperation with the new GOP congressional leadership.

Only two likely presidential candidates visited the governors and one of them, Senate Majority Leader-to-Be Bob Dole, was on the speaking program. His only references to 1996 were typical Dole wisecracks. Referring to House Speaker-to-Be Newt Gingrich, Dole remarked that "he's in line to be president. I don't know what I'm in line for."

And referring to President Clinton in that colorful shirt in Jakarta, he said: "If you have to wear those kinds of shirts, I'm not sure I want to run."

The other 1996 prospect present, former Tennessee Gov. Lamar Alexander, quietly worked the corridors expressing, among other things, doubts that Dole or just-re-elected Gov. Pete Wilson of California would run. Wilson, he noted, has a Democratic lieutenant governor who would officially be acting governor whenever Wilson was out of the state on the presidential campaign trail.

But the fact that there will be more GOP governors next year than there have been in 24 years, and that a number have indeed put party theories into practice in their states to the approval of the voters there, inevitably projects some of them into the early 1996 presidential speculation.

Wilson is foremost among them, regardless of the complication mentioned by Alexander. Beyond representing the largest state that would give him a huge delegate base for the nomination, Wilson has proved to be a most durable politician and somewhat of a hero, albeit a controversial one, among conservatives for his tough stand against continued state services to illegal immigrants and their families.

Others who are being mentioned as possibilities for the 1996 ticket are Govs. Tommy Thompson of Wisconsin, John Engler of Michigan, Bill Weld of Massachusetts and, as a vice presidential prospect, Christine Whitman of New Jersey. All have achieved tax and spending cuts that fit snugly into the national party model of responsive government as embraced by the voters two weeks ago.

When it was suggested to Engler that two of the last three governors elected to the presidency have been disappointments Jimmy Carter and Clinton, Engler smiled and replied: "The one who was a success more than made up for the other two" Republican Ronald Reagan. "Democrats may now have second thoughts about the wisdom of dipping into the gubernatorial pool, but Republican politicians don't. Reagan remains an icon to most of them."

Alexander argues that the Nov. 8 results indicate voters two years hence will want a candidate from outside Washington. His own early campaign has been sharply anti-Washington, with his catchy slogan, "Cut their pay and send them home." If he's right about the appeal of an outsider, there will be no shortage of others who also fill the bill.