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[White House News Reports - November 28 1994]
AP Daybook.................................................................i

8:00 a.m. The Atlantic Monthly hosts a forum with U.S. Trade Rep. Mickey Kantor on "The

8:30 a.m. The National Association of Realtors makes available its home resale report for
October. Embargoed for 8:45 a.m. NAR, 700 11th St., NW.

9:00 a.m. Sen. John Breaux (D-La.) speaks at a National Press Club morning newsmaker

9:45 a.m. Secretary Babbitt and Clara Humes, leader of the Crow Tribe of Montana, sign an
agreement providing compensation to the tribe for land lost as a result of a
century-old survey error. Room 6156, Interior Department.

10:00 a.m. Hillary Rodham Clinton will place the first ornament on the National Christmas
Tree. The Ellipse.

10:55 a.m. The President and the Vice President address GATT supporters. East Room.

11:00 a.m. Sen. Hank Brown (R-Colo.) takes Ralph Nader's oral exam on the GATT. Nader
issued the challenge to all members of Congress, saying he believes they are
"poorly informed" about the GATT. 419 DSOB.

11:30 a.m. The Freedom Forum releases a guide to help public schools deal with religious
issues. 1101 Wilson Blvd., Arlington.

12:00 noon The Heritage Foundation holds a panel discussion on the importance of the GATT
with former Commerce Secretary Barbara Franklin and others. Lehrman auditorium,
214 Massachusetts Ave., NE.

12:30 p.m. A briefing to release a KPMG Peat Marwick study for the Working Group on Research
and Development that concludes a permanent research and development tax credit
would greatly increase private sector research and stimulate economic growth.
National Press Club.

2:00 p.m. House Republican transition team daily briefing with Rep. Nussle (R-Iowa). Live
on C-SPAN.

2:00 p.m. Auction of Treasury bills.

9:00 p.m. CNN's Larry King Live with Michael and Arianna Huffington.
ABC WORLD NEWS SUNDAY
1. UN and NATO can do little to stop Bosnian Serbs.
2. US unwilling to commit ground troops to war in Bosnia.
3. Islamic militants fire on car in West Bank, kill Rabbi.
4. Congress to consider GATT this week.
5. R.J. Reynolds develops nearly smoke-free "Eclipse" cigarette.
7. Death penalty popular with taxpayers -- until bill arrives.
8. Washington state legislators see personal side of welfare.
9. Sports wrap-up: Dan Marino scores; Arkansas beats Georgetown.
10. Collectors: the hunt for something new becomes an obsession.

CBS EVENING NEWS
1. U.N. and NATO powerless to stop Serb attacks in Bosnia.
2. U.S. scrambles for a new policy on Bosnia.
3. Bob Dole will support vote for GATT.
4. Term limits proposal has many supporters.
5. Powerful winter storms hit the western United States.
6. R.J. Reynolds may put low smoke cigarette on market.
7. Freight train derails near Rutherford County, NC.
8. Sunday Cover: Elderly depend on Meals on Wheels for food.
9. "Hanoi Hilton" POW camp is destroyed to build hotel.
10. World AIDS crisis gets worse, not better.
12. Five tornadoes tear through Memphis, Tennessee.
13. Memorial service held for victims of Estonia ferry disaster.

(NBC was preempted by football.)
Hourly News Summary
Around the World, Around the Clock...with United Press International.
-0-
U.S. Defense Secretary William Perry says any attempt to reverse Serb victories on the ground in Bosnia would take hundreds of thousands of troops and he says that air strikes alone would not be enough.

Perry conceded on NBC'S "Meet the Press" that Bosnia Serb control of 70 percent of the country cannot be won back by Bosnian Muslims but that critics who don't like the outcome should consider the alternative, massive troop deployments.

He says says the U.S. national interest is mainly to keep the war from spreading.
-0-
An O.J. Simpson defense lawyer could be forced to sit-out the upcoming hearings to admit or disallow DNA evidence in the case.

Peter Neufeld, an expert in litigation involving DNA testing, says a Manhattan judge may force him to withdraw from the case.
-0-
The push for GATT continues this week. Treasury Secretary Lloyd Bentsen says he thinks the trade agreement will pass even though some Senators are still holding out.

He warns that failure to pass GATT could have global ramifications. Bentsen was on CBS's "Face the Nation."
-0-
The election in Uruguay is still too close to call. Exit polls show a virtual three-way tie among the top presidential candidates.
-0-
Iran wants Armenia to remove its troops from some disputed territory in Azerbaijan. An Iranian minister made the demand at a meeting with visiting vice-president of Armenia.
-0-
A daily newspaper in South Korea says today that a U.S. attempt to bar South Korea from unilaterally developing medium-and long-range missiles is causing friction between the two nations.

The United States has told South Korea that a ban against developing certain missiles also applies to the civilian sector.
-0-
Military officials say nine Philippine soldiers are missing and presumed dead after a fierce gun battle with Muslim rebels. The clash came just one day before peace talks resumed between the government and the largest Muslim rebel force.
-0-
By Shirley Smith (UPI)
-0-
BC-YUGOSLAVIA-CONTACT URGENT

Contact group appeals for Bosnia cease-fire
PARIS (Reuter) - The five major powers seeking a peace settlement in former Yugoslavia demanded Monday an immediate cease-fire in the Muslim enclave of Bihac, besieged by Serb forces.

A statement issued after talks in Paris involving the United States, Russia, France, Britain and Germany said: "The Contact Group is united in its demand for an immediate cease-fire in Bihac and the cessation of hostilities throughout Bosnia-Herzegovina in pursuit of the territorial settlement proposed by the Contact Group."
CONGRESS RETURNS TO SELECT LEADERS FOR THE NEW TERM

WILL VOTE ON TRADE PACT

Contests for the Top Positions Focus More on Differences in Style than Ideology

BY ADAM CLYMER

WASHINGTON, Nov. 27 — With Republicans eager to take charge in the first Congress they have controlled in 40 years, senators and representatives come back to town this week to choose the leaders who will set the legislative tone for the next two years.

Ideology is only minimally involved in the leadership fights. The competition is more over styles, conciliatory versus combative. But the legislative record of the 104th Congress may depend more on such mechanics than on the substance of any campaign promises.

Formally, it is the outgoing 103d Congress that will convene this week, to vote on an international trade agreement that it did not want to scare voters with before the election. But the 104th Congress, with 11 new senators and 87 new representatives, will be holding a series of organizational meetings. For House Republicans, who have the most problems to face because they gave up power in 1988, those sessions will last well into next week.

Senate Republicans will leave committee matters until January. But Senator Bob Dole of Kansas, the minority leader who expects to be elected majority leader on Friday, said: "Senator Helms will be the chairman of the Foreign Relations Committee. If you're going to start knocking down seniority, then it's a whole, you know, there's going to be an avalanche out there because a lot of chairmen have been talked about who might be endangered. I don't think any of them are endangered. We have a seniority system. We think it works."

If an effort were made among Republicans to deny Mr. Helms the chairmanship, conservatives would almost surely counterattack against moderates, like Senator John H. Chafee of Rhode Island, in line to become chairman of the Committee on Environment and Public Works, who do not always vote with the party.

Mr. Helms has been denounced for saying that the military does not support President Clinton and that the President would "need a bodyguard" if he visited North Carolina. Mr. Dole said that he had talked with Mr. Helms about the impact of such statements from a chairman of a congressional committee and that in the future, "I think you're going to see Jesse perform very responsibly."

There seems to be little suspense over the vote to implement the international trade agreement, which took over seven years to negotiate among more than 100 countries. The pact expands the General Agreement on Tariffs and Trade, or GATT, to cover farming, and lowers most tariffs by an average of one-third.

Passage appeared assured once Senator Dole agreed last Wednesday to support the accord in return for an expedited mechanism for United States withdrawal if decisions by the World Trade Organization, which will set rules and judge disputes about international trade, went against Washington.

The House is expected to vote on the trade legislation on Wednesday and the Senate plans to vote on Thursday.

With no other business scheduled to be considered in either chamber, more attention is focused on contests for leadership positions, especially the job of Mr. Dole's assistant leader, a close race between Senators Alan K. Simpson of Wyoming and Trent Lott of Mississippi.

Each is quite conservative. But Mr. Simpson, who has held the job for 10 years, has stronger connections both to party moderates and Senate Democrats, while Mr. Lott boasts of his ties to Representative Newt Gingrich, Republican of Georgia, the Speaker-in-waiting.

Mr. Simpson said in an interview that he was the candidate who best understood the need to overcome what he called Republicans' unfortunate "innate calling, an atavistic desire to clobber themselves, when they begin to give each other the saliva test of purity."

Mr. Lott said his candidacy reflected the need for a "more aggressive, activist approach." He said he saw the alternatives as, "Do it quickly, or do we kind of want to just go along and do the same things we have been doing, business as usual?"

The result of that race seems likely to influence strongly the approach the new Republican majority in the Senate will take, especially if Mr. Dole decides to run for President. And it overshadows a close contest between Senators Tom Daschle of South Dakota and Christopher J. Dodd of Connecticut to be Senate minority leader, and challenges to several House Democratic leaders.

Representatives Richard A. Gephardt of Missouri, now the majority leader and running for minority leader, and David E. Bonior of Michigan, now majority whip running for minority whip, have been challenged by representatives who contend that under the former leadership, House Democrats were too close to President Clinton and too liberal.

Mr. Gephardt is opposed by Representative Charlie Rose of North Carolina, now chairman of the House Administration Committee. Mr. Bonior's opponent is Representative Charles W. Stenholm of Texas, perhaps the most persistent budget cutter among House Democrats.

Representative Vic Fazio of California, now vice chairman of the House Democratic Caucus, faces a less ideological challenge as he seeks the chairmanship of the caucus. Representative Kweisi Mfume of Maryland, chairman of the Con-
gressional Black Caucus, has said he is seeking the job to give the party's 36 blacks, out of 204 members, elected representation in the leadership. Mr. Gephardt, Mr. Bonior and Mr. Fazio are expected to win.

House Democrats will vote on Wednesday. Both parties in the Senate will vote on Friday. House Republicans, whose agenda also includes realigning committee jurisdiction and selecting committee members, will start voting on Monday, Dec. 5.

House Republicans will install the unopposed Mr. Gingrich as their candidate for Speaker. The actual election for that position will take place on Jan. 4, when the 104th Congress formally convenes. House Republicans will also choose Representative Dick Armey of Texas as their majority leader before voting on their one serious contest.

There are three candidates for majority whip, the third-ranking leadership position in the House. Representative Robert S. Walker of Pennsylvania, an intense parliamen¬tary battler, is a close friend of Mr. Gingrich. Representative Tom De¬Lay of Texas is now secretary of the House Republican Caucus. Repre¬sentative Bill McCollum of Florida, a conservative like his rivals, is vice chairman of the caucus.

But the Republican contest between Senators Lott and Simpson matters more.

There is little difference between the two candidates' politics, except that Mr. Simpson's conservatism has a libertarian streak that supports abortion rights, while Mr. Lott's does not. The American Con¬servative Union gave Mr. Lott a 100 percent rating this year; it rated Mr. Simpson 88.

Mr. Lott said that he was as aware as anyone, including Mr. Simpson, of the need to give party moderates some slack. "The most important vote is not the last vote," Mr. Lott said, "it's the next vote." He also said that as Republican whip in the House in the 1980's, he enjoyed good relations with party moderates.

Still, moderates see him as less tolerant than Mr. Simpson. And their fears are underlined by the strenuous support of his candidacy by Senator Phil Gramm of Texas, a critic of moderate Republicans.

Mr. Gramm argues that Mr. Dole is going to run for President and that Mr. Lott would make a stronger leader than Mr. Simpson. But some allies of Mr. Dole worry that this means that Mr. Lott would be setting his own course and undercutting Mr. Dole from the start.

Mr. Simpson said Mr. Lott told him earlier this year that he would not run. "I was a bit lulled, as we call it in the trade," he said. But he has bridled at challenges to his conser¬vative faith and said, "If you're go¬ing to roll this old cowboy in the dust, by God, be ready."

Mr. Lott said that his interest in the job deepened with the Republi¬cans' capture of the House and that he had a "more extensive and more personal" relationship with House Republican leaders than either Mr. Dole or Mr. Simpson. He said he could help in "maybe tempering their actions sometimes," and has already urged Mr. Gingrich and oth¬ers "to cool their jets a bit."

IN THE RUNNING
Congressional Leadership Races

Here are contested races for leadership positions in the 104th Congress. Republicans are expected to elect Bob Dole as Senate majority leader and Newt Gingrich as House Speaker.

SENATE REPUBLICANS
Majority Whip
Trent Lott, Mississippi
Alan K. Simpson, Wyoming

SENATE DEMOCRATS
Minority Leader
Christopher J. Dodd, Connecticut
Tom Daschle, South Dakota

HOUSE REPUBLICANS

Minority Whip (3 candidates)
Richard A. Gephardt, Missouri
David E. Bonior, Michigan
Charles W. Stenholm, Texas

The New York Times
For home delivery call 1-800-631-2500

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994
A Balanced Budget: What One Looked Like

By DAVID E. ROSENAUH
Special to The New York Times
WASHINGTON, Nov. 27 - In mid-January, the House of Representatives will vote on a constitutional amendment that would require the federal government to balance its budget by 1995. The amendment, if passed, will have far-reaching implications for the nation's economy and for the role of the federal government in the economy.

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Military Town
Opening Doors
As Base Closes

By EDWARD A. GARAGAN
Special to The New York Times

ALEXANDRIA, La., Nov. 26 — It was New Year's Eve, 1959, and vandals had overturned tarmacadam and boarded-up buildings at an abandoned military base elsewhere that galvanized James L. Meyer, an economics professor at Louisiana State University, told the city's business and civic leaders: "If you don't do anything, you're going to face a 25-year period of economic disaster."

"I remember walking around there and it was so sad," said Mr. Meyer, now president of a military base in Lake Charles, La. No one was sure that the base in Alexandria would indeed be shuttered. But "I said, 'We have to make a decision here or we're doomed.' " Mr. Meyer recalled.

Mr. Meyer, a economics professor at Louisiana State University, told the city's business and civic leaders: "If you don't do anything, you're going to face a 25-year period of economic disaster."

"I remember walking around there and it was so sad," said Mr. Meyer, now president of a military base in Lake Charles, La. No one was sure that the base in Alexandria would indeed be shuttered. But "I said, 'We have to make a decision here or we're doomed.' " Mr. Meyer recalled. (From The New York Times on November 26, 1991)

England Air Force Base sprawled across 2,282 acres, and came with 901 buildings, including hangars, a hospital, a school and an officer's club. There were houses and apartments for about 3,000 people here who had thought of as little more than an oyster-and-grits backwater.

Alexandria is one of many bases across the country are scheduled to close this decade, and the success here has become a model for cities and towns facing base closings elsewhere. Many of them have sent representatives here to see what has taken place in the past six years. Some 3,000 people in the pine country of central Louisiana. Last month, a delegation from Löcknitz in eastern Germany, which was selected as the site for the last Air Force base this year, stopped by.

Today, there are 13 tenants at the former England Air Force Base, including a truck-driver training center, a company that tests airplane instruments, an aircraft inspection company, a new local magnet school in instruments, an aircraft inspection company, a new local magnet school, and a lock of the school. There were houses and apartments for about 3,000 residents, a golf course, a railroad engine and a pocket nature reserve, Le Tig Bayou Wildlife Center.

So the goal was to get new jobs and to be able to tell a tenant as a la carte, table by table. It's important to have new residents moving here for cheap rent. And we hope to have more than just the public bodies.

Dealing with the Air Force has not been easy. In 1983, W. Grafton, the executive director of the England Economic and Industrial Development Corporation, gathered some local businesses leaders and, after the tenants move in, the air force will turn the base into an economic development zone.

And everyone has to pay rent here, even the public bodies.

Under Louisiana law, the England authority is chartered like a municipality, which gives it the right to issue bonds. Earlier this year, a sale of $25 million in property on the base, everything from X-ray equipment in the hospital, to television sets to the fire and rescue trucks. "Personal property was fought over chair by chair by the people on the table. It's important to be able to tell a tenant as a la carte that you've got tables and chairs and so on," Mr. Grafton said.

Sales tax revenues to the city are up 9 percent, housing demand has accelerated and unemployment remains at about 6 percent.

Alexandria's mayor, Ned Randolph, who was elected to his third term last year, said that although he had looked at the closing of the base with "fear and trembling," in the end, the community benefited. "It will bring diversification to our economy," Mr. Randolph said. "Look what can happen when you have one employer in a community. Now we're growing."
Hard-Fought Ground

In a Corner of the Former Yugoslavia, Reminders of a Lasting Serbian Vision

BY ROGER COHEN

ZAGREB, Croatia, Nov 27 — The control over the Muslim enclave of Bihac has demonstrated the enduring unity of Serbian purpose in establishing a single, contiguous home-land stretching from the Belgrade through western Bosnia to the southern heartland of Croatia.

The battle for this small town in northern Bosnia has also shown that despite endless resolutions and conferences, the United Nations and NATO have found no effective means and no acceptable peace plan to contain this Serbian nationalism that lies at the heart of the current Balkan war.

It was in this area of Croatia just over the border from the Bihac enclave that the Yugoslav conflict began to take form in 1990. Serbs living in and around the town of Knin, alarmed by the looming possibility of a Croatian secession from Yugoslavia under a nationalist politician named Franjo Tudjman, started to organize a rebellion.

Nobody took much notice. These Serbs were country folk in a provincial Yugoslav town known mainly, if at all, as a railway junction. Their complaints — about Croatian nationalist symbols that recalled the massacre of Serbs in World War II and the loss of their status as a constituent people of Croatia — were abstruse and seemingly unimportant.

Four years later, the same Croatian Serbs under the same recalcitrant politicians have come roaring back. This month, they surged over what is supposedly an international border to give decisive help to their hard-pressed Serbian brothers in Bosnia with the reconstitution of Yugoslavia in Bihac.

Michael Williams, a spokesman for the United Nations peacekeeping force here, said today that the village of Vedor Polje, which had just fallen to a Croatian Serb unit, Mr. Williams added that heavy tank and artillery fire against the town of Velika Kladusa in the north of the Bihac enclave was coming from the Croatian Serbs.

"The involvement of Serbs from Croatia in the attack on Bihac has been outrageous," he said.

This huge intervention in Bosnia of the Serbs of Krajina — the large swath of Croatia that they occupy — has revealed some disconcerting facts at a time when it had become popular among Western politicians to try to deal with Serbia, the Serbs of Bosnia and the Serbs of Croatia as distinct political problems.

Most fundamentally, it has shown that when necessary, the Bosnian Serb commander, Gen. Ratko Mladic, can lead a mixed force of Serbs from Bosnia and Croatia in pursuit of his recently expressed conviction that "borders are drawn with blood," with his own army, stretched, this was crucial in Bihac.

The offensive has also suggested that President Slobodan Milosevic of Serbia — or at the very least his army — may not be as absent from the continued pursuit of the Serbian nationalist vision as he has suggested since he broke with the Bosnian Serbs this summer over their refusal to accept an international peace plan dividing Bosnia roughly in half.

Milan Markovic, a former provincial policeman who is the leader of the Krajina Serbs, visits Belgrade at the bench and call of Mr. Milosevic. He was there on Wednesday. There is no evidence that Serbia's President tried to hold him back from the Bihac assault.

Moreover, Western military analysts said that among the impressive array of Serbian surface-to-air missile systems that surround the Bihac pocket on Croatian territory, there is a modernized SAM-3 system whose sophisticated dual can be expected to be major problem for Western forces there is important to the dream of a Greater Serbia. A vital but largely unusable railway line connecting Kain to Banja Luka and Belgrade runs through Bihac. If the Bosnian Government does not control Bihac, Western Serbian lands are conspired and rendered more economically viable.

Beyond this long-term strategic consideration, it seems clear that the Bihac assault has served the immediate purposes of Mr. Milosevic. He has been under increasing American pressure to accept a settlement with Croatia that would oblige him to hand back the oil-rich and fertile Serbian-occupied part of Croatia around the town of Vukovar. This proposed Croatian settlement, conceded by Washington as attainable even as the Bosnian war continues, has been obliterated by the Bihac attack, which has infuriated Croatia.

President Milosevic, who of course controls the enclave, revealed the enduring strength of the United Nations to control the Yugoslav conflict. It thus seems clear that the balance of forces on the ground will continue to dictate its course.

It also appears that an American-backed international peace plan, of giving 51 percent of Bosnia to the Muslim-Croat federation and 49 percent to the Serbs, may be dead because the Serbs have shown again — this time in Bihac — that they can dictate policy through force.

Under the truce that ended the Croatian war in late 1991, the Croatian Serbs were supposed to be disarmed by the United Nations. The meager extent of that disarmament is now as apparent as the absurdity of the United Nations' designation of a town like Bihac "a safe area," a place that the United Nations is technically bound to protect.

If the unity of Serbian goals has been demonstrated by the Bihac crisis, it too, has, the weakness and disorientation of the Bosnian Government. It ordered the Bihac-based V Corps into an extensive patrol month against the Serbs, despite the obvious potential vulnerability of an isolated unit far from Sarajevo, and thus brought a disaster on its people.

These people, generally, are weary of a 21-month-old war and those from the Bihac enclave have distinctly mixed feelings about the Government of President Alija Izetbegovic. Many of those Muslims loyal to the Government resist the fact that Mr. Izetbegovic has not visited them since the war began — a visit that might have been perilous but would have preserved their allegiance.

Many others are in open rebellion against the Bosnian President, having defected to a businessman named Fikret Abdic and joined forces with the Krass and Bosnian Muslims.

Until recently, one military leader of these rebel Muslims was a 36-year-old former Yugoslav Army officer, Col. Nezvet Deric. In 1992, Colonel Deric fled Bosnian Serb forces who burned his home in the western Bosnian town of Kljuc. He went to Bihac and fought heroically in the V Corps of the Bosnian Army, before becoming disillusioned with the war and defecting to Mr. Abdic's side. In August, Colonel Deric — a Muslim — was killed by the Muslim forces of the V Corps.

Controlling the Bihac enclave is vital to the dream of Greater Serbia.

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994

Control of the Bihac enclave is vital to the dream of Greater Serbia.
Women in Their 50's Follow Many Paths Into Workplace

By LOUIS UCHITELLE

They were members of the last generation to come of age before the women's movement reached full flower in the 1960's. Marrying early and in huge numbers, they had expected not to work. But living has played out much differently.

Women now in their 50's have piled into the work force in great numbers during the last decade and a half. Today the college-educated among them are as likely to hold jobs as any group of younger women.

The women's movement made work a widely accepted alternative to a life centered on the home. But in many cases, the move into the workplace was not the low-pressure choice that these women would have preferred. While financial pressures have always pushed some women into the labor force, many college-educated women now in their 50's took to work as a response to circumstances largely new to their generation: after divorce left them without enough income, or because a husband could no longer support the family alone.

Whatever the reasons, holding jobs has been strikingly beneficial for many women now in their 50's, to hear them tell it. Betty Friedan, author of "The Feminine Mystique," the 1963 book that helped begin the women's movement, agrees. "It used to be that a woman's health, having peaked in her 20's, declined drastically after age 40," she said. "But today the mental health of women in their 50's is as good as, or better than, that of younger college-educated women."

A Generation Transformed

A special report.

While raising two children, she had trained for the work force, they said, to think they have a chance of getting," said Cynthia Epstein, a sociologist at the City University of Women's Policy Research in Washington.

Affirmative-action programs begun in the late 1960's also helped these women. But in the case of Mrs. Smith, motherhood has always pushed some women into the labor force.

Linda Fisher Smith From Volunteer To Breadwinner

For Linda Smith, as for many women her age, the experience she had accumulated as a volunteer and part-time entrepreneur during years of marriage and child-rearing is paying off in a full-time career. She is not the lawyer she once thought of becoming. But her job as director of development for Historic Deerfield in Deerfield, Mass., helps keep alive a prominent museum of New England art and history. She raises millions of dollars each year.

Not that Mrs. Smith planned it this way. When her oldest child was born in 1968, "I did not have a career path," she said, although she had worked in advertising and in public relations for more than five years. "We as a couple decided that not only did we want to have children, but I wanted to be home with them."

In the case of Mrs. Smith, motherhood included writing newsletters for a fee for the Board of Education in Pleasantville, N.Y., in Westchester County. She was also president of the P.T.A., president of the board of deacons at her church. "Some people seem to feel 'volunteer' has a negative connotation; it is very positive job experience," Mrs. Smith said.

Today, when she was 42, Mrs. Smith and two friends had set up Golden Apple Tours, which coordinated corporate conventions held in Westchester, among other activities. "We did not make pots of money," Mrs. Smith said, "but the process of becoming incorporated, developing a marketing plan and pitching ourselves to business was important."

And then Mrs. Smith made the transition into a full-time career. Her husband, Hub­bard Smith, an executive at Time Inc., left the company and the family moved to Am­herst, Mass., where he became a member of the P.T.A., president of the board of deacons and the alumni office at Amherst College, his alma mater, at lower pay. Two years ago, after a heart attack, he cut back to three days a week.

Mrs. Smith soon found herself on the payroll at nearby Smith College, her alma mater (class of 1969), helping to raise funds. A friend put her in touch with Historic Deerfield, and she took her present job, with a jump in pay to more than $44,000, more now than her husband makes, from $33,900. "I want to see if I can do this job successfully," she said, dismissing retirement as way off in the future. "I am drawing on all my accumulated experience and schooling, and I am challenged. I had a lot on my plate, and I find it exciting."

OVERVIEW

Women at Work

Percentage of women from 50 through 58 years old who are in the labor force.
Nancy Broadway
Staying Flexible
After a Divorce

Flexibility became a means of survival for Nancy Broadway. At 15, she has experienced many of the ups and downs of women in her age group: divorce, rearing a child alone, a layoff from a good job. Now she is struggling to get back to work, unwilling to give up on regaining her career as a well-paid hospital administrator — but ready, she says, to take a lesser job, if she is forced to do so.

Divorced at age 30, Ms. Broadway supported herself with a full-time job while rearing a child. Her salary rose through a series of administrative positions to $51,000 a year as associate director of Bellevue Hospital’s AIDS program. But she lost that job in February in a management reorganization, her first layoff in nearly 30 years of constant employment. Like so many college-trained women in their 50’s, she acted quickly to prepare herself for the next job.

Ms. Broadway enrolled for a master’s degree in public administration, training herself to become essential in her quest for a new job as a hospital or clinic manager. “I am just kicking myself for not listening to my friends, who told me for years, ‘Go back and get your master’s,’” Ms. Broadway said.

After earning a B.A. in English in 1961 at Cornell College in Iowa, she migrated to New York, where she married an actor, Robert Broadway. They divorced in 1969, when their daughter was 3. Supporting herself and her small family kept her at work, first in low-paying theater jobs. “When you are worried about a child and making a living and there is not much affordable child care, that is hard,” she said.

She joined Bellevue in 1977, at age 38, running various clinics and programs. By then, Ms. Broadway had remarried, and her new husband, who now earns $22,000 a year as a receptionist, helped her raise her child, “taking some of that pressure off,” she said.

Having come out of college with a Peace Corps mentality, Ms. Broadway puts it, she tried to help others even as she hunts for a job for herself. She is the unheralded vice president of Forty Plus Inc., a support group mostly for men over 40 who are out of work.

As for herself, contingency plans are beginning to form. “I love supervising and working with staff,” she said. But if such a job does not materialize, she would take a lesser one. “I cannot imagine myself out of the work force.”

Nancy Noeske
Choosing a Career
Over Marriage

A small number of women in their 50’s climbed almost to the top of corporations. But in most cases, experts in the field say, they felt they had to make a choice between marriage and career. Nancy Noeske, 57, said she made this choice, devoting her energy to a career. Even so, she was in her 40’s when she finally began her corporate climb.

When she graduated in 1959 with a bachelor’s degree in chemistry and a minor in education from Marquette University, Ms. Noeske tried to land a job as an industrial chemist. But like so many women her age, the job she got was as a teacher.

But Ms. Noeske advanced quickly, soon becoming the head of a junior high school science department and also a science teacher on educational television. By 1976, she had taken charge of most special education programs in the Milwaukee system, at $130,000 a year as associate director of Bellevue Hospital’s AIDS program. But she lost that job in February in a management reorganization, her first layoff in nearly 30 years of constant employment. Like so many college-trained women in their 50’s, she acted quickly to prepare herself for the next job.

Ms. Noeske enrolled for a master’s degree in public administration, training herself to become essential in her quest for a new job as a hospital or clinic manager. “I am just kicking myself for not listening to my friends, who told me for years, ‘Go back and get your master’s,’” Ms. Broadway said.

After earning a B.A. in English in 1961 at Cornell College in Iowa, she migrated to New York, where she married an actor, Robert Broadway. They divorced in 1969, when their daughter was 3. Supporting herself and her small family kept her at work, first in low-paying theater jobs. “When you are worried about a child and making a living and there is not much affordable child care, that is hard,” she said.

She joined Bellevue in 1977, at age 38, running various clinics and programs. By then, Ms. Broadway had remarried, and her new husband, who now earns $22,000 a year as a receptionist, helped her raise her child, “taking some of that pressure off,” she said.

Having come out of college with a Peace Corps mentality, Ms. Broadway puts it, she tried to help others even as she hunts for a job for herself. She is the unheralded vice president of Forty Plus Inc., a support group mostly for men over 40 who are out of work.

As for herself, contingency plans are beginning to form. “I love supervising and working with staff,” she said. But if such a job does not materialize, she would take a lesser one. “I cannot imagine myself out of the work force.”

BY THE NUMBERS
A Decade With a Difference

Only women in their 50’s with college degrees earn more than younger women. These were the median hourly wages of women in the early 1990’s, broken down by age and education levels. Figures are in 1992 dollars.

Using $20 an hour as a point of reference, a worker currently in that group do, said Gregory Duncan, a Michigan labor economist. A small number of women in their 50’s climbed almost to the top of corporations. But in most cases, experts in the field say, they felt they had to make a choice between marriage and career. Nancy Noeske, 57, said she made this choice, devoting her energy to a career. Even so, she was in her 40’s when she finally began her corporate climb.

When she graduated in 1959 with a bachelor’s degree in chemistry and a minor in education from Marquette University, Ms. Noeske tried to land a job as an industrial chemist. But like so many women her age, the job she got was as a teacher.

But Ms. Noeske advanced quickly, soon becoming the head of a junior high school science department and also a science teacher on educational television. By 1976, she had taken charge of most special education programs in the Milwaukee system, and along the way, she picked up a Ph.D. in physics and another in education.

“Every three years I got a new job, and each time I had a personal decision whether to take the job or get married,” Ms. Noeske said. “I thought that if I got married, that would be my career. It was not that I did not want to marry — it was just that the decisions came just when better jobs came along. And in those days, you did not try to juggle both.”

In 1978, Charles McNeer, chairman of the Wisconsin Electric Power Company, hired her at $35,000 as an assistant vice president. He was seeking a woman executive with a science background. Her job was to improve customer relations at a time when rates were rising and customers were angry. She succeeded and by the mid-1980’s she had risen to vice president, one of only 10 among 5,000 employees. Her salary reached $130,000.

Then, in 1991, Mr. McNeer retired, and early this year Ms. Noeske also did, after clashing, she said, with the new chief executive. “My glass ceiling was that I did not get to be a senior vice president or president of the company,” Ms. Noeske said. The electric company gave her a $73,000 annual pension. But unwilling to leave the work world, Ms. Noeske soon became a consultant to the Milwaukee School Board, at $80,000 a year.

Wage Gains
After College

The median weekly wage of working women in their 50’s, whatever their education, is about $415. That is not as high as the median earnings for women in their late 30’s and 40’s, which reaches $490 in some cases. And no group of women matches the $560 median weekly wage of men in their 50’s, the Labor Department reports.

But college-educated women in their 50’s apparently earn more than any group of younger women, says a study by the University of Michigan’s Survey Research Center. It found that the older women, if they worked at least half-time, earned a median hourly wage of $11.80, adjusted for inflation, compared with $17.61 for college-trained women in their 40’s. Still younger women, whatever their education, earned less.

But the college-educated women in their 40’s earned more, in dollars adjusted for inflation, than the older women did when they were in their 40’s, a decade ago. The implication is clear. With promotions and raises still ahead, the college-trained women in their 40’s undoubtedly will earn more when they reach their 50’s than women currently in that group do, said Gregory Duncan, a Michigan labor economist.
Carolyn Johnson
A Late Degree Changes a Life

Low-level jobs were the lot of many women now in their 50's who had skipped college. So in midlife some got bachelor's degrees. Carolyn Johnson, 52, was one. And, she says, college gave her entree to a career at a living wage.

She had come to hate the typing and clerical jobs she held after graduating from Prospect High School in Brooklyn in 1961. Then a break came. She rose a notch to become an interviewer of job applicants in a hospital personnel department.

"I was let go for lack of experience, and that hurt — that was a trauma," Ms. Johnson said. Still, she had glimpsed work that pleased her, and soon she was interviewing applicants at a small temporary-help agency that friends had set up. But the agency failed, and Ms. Johnson fell back into another typing job.

"That is when I came to realize that I was at a dead end and I needed that piece of paper — a college degree — and I also realized that I would have to work for the rest of my life to support myself," Ms. Johnson said. A single mother, she had a son to support.

So she enrolled in college in 1976, when she was 34, first at a community college and two years later at Hunter College in Manhattan. She went to school full time, working as a waitress on the side, not trusting herself to hold an all-day job and take courses at night. "I did not have enough drive for that," she said.

With her degree in hand, at age 38, she became a counselor at a Bronx drug rehabilitation center, then at an organization that counsels women, many of them addicts. There were long hours and the pay, $14,000 a year, was not much more than she had made as a typist. But Ms. Johnson was in her chosen field, and in 1983, at age 41, she got an $18,000-a-year job as a counselor at a Y.W.C.A., where her salary rose to $33,000 before she left this year.

That is what she earns today as senior counselor for the Women's Center for Education and Career Advancement, a not-for-profit operation in Manhattan.

Arlene Leibowitz
Pioneer Juggler Of Two Worlds

A few women in their 50's, pioneers really, behaved as younger women now do as a matter of practice — juggling marriage, jobs and children. Ruth Bader Ginsberg, the Supreme Court justice who is now 61, was in this mold. So was Arlene Leibowitz, a labor economist at the Rand Corporation in Los Angeles.

Mrs. Leibowitz, 52, was married in 1965, at age 23, while earning a Ph.D. in economics at Columbia University. "It was amazing that my husband and I found each other and that we have stayed married," she said.

"But I was not slowed down by kids early." Her first job, as a Ph.D., was as a researcher and assistant professor at Brown University, where her husband, Robert Leibowitz, had become a biology professor. Their first child, a daughter, came in 1972, and Mrs. Leibowitz, then 30, returned to work six weeks after the birth.

"I got a lot of comments from older relatives, like 'Why would you want to have a baby and then leave her?'" Mrs. Leibowitz said. "It was seen as aberrant behavior, and now it is seen as normal behavior; but now it is putting too much of a burden on women to return to work so soon."

Mrs. Leibowitz did give ground to her husband's decision to become a doctor and give up teaching. He entered medical school at the University of Miami, where Mrs. Leibowitz — having given up her career track at Brown — secured a full-time appointment as a visiting professor and researcher. Only after the birth in 1977 of their second child, also a daughter, did she cut back for five years to 20 hours a week.

That year, the family moved to Los Angeles, where Dr. Leibowitz practiced medicine and Mrs. Leibowitz joined Rand, first as a part-time researcher and since 1982 as a full-time staff economist, now earning more than $50,000 a year — enough over $50,000, she says, to be comparable to what male economists in her field are paid. The family no longer needed the income by the time Mrs. Leibowitz returned to work part-time, but Mrs. Leibowitz, having acquired so much education and experience, could not bring herself to focus "on diapers and mundane things."

Still, she had to depart from the norm for her generation. "It was clear in my mind that I would search for good, full-time child care until I found it," Mrs. Leibowitz said. "Women do not feel as guilty about that today, and they can't, knowing they will have to be in the labor force most of their lives."
New York Starts Spinning Its Dross into Gold

By JO THOMAS

New York state's Office of Recycling Market Development, the first of its kind in the country, has attracted $21 million in state financing to attract $253 million in private capital for 21 new ventures making metal, glass, and plastic waste into usable products. These have created 889 jobs. Utility Plastics was one of these new companies.

William Ferretti, director of that office, is also co-chairman of a national consortium of the Port Authority Recycling Coalition, the Federal Environmental Protection Agency and Clean Washington Center for the recycling of recyclables at the Chicago Board of Trade by next summer.

"Buyers and sellers will have greater certainty about the availability, quality and true value of those materials," Mr. Ferretti said.

"Right now, it's very difficult for buyers to sell their waste or for recycling companies to sell it," he said.

New York state's Office of Recycling Market Development, the first in the country, is the outgrowth of a small idea: the recycling of 600 tons of plastic, glass and metal the city recycles every day, but they are a visible sign that the city's recycling program is the envy of millions of residential and commercial castaways.

In the Hunts Point section of the Bronx, 15 million clear plastic recyclables, which usually end up in plastic lumber, will be used to build a 607-ton fishing pier, complete with gazebos and benches, at Tiffany Street on the East River. The old wooden pier is being dismantled.

The nomenclature of the effort and may someday underwrite its cost, now $77 million a year to pick up and process newspapers, glass, clear plastic two-liter soft drink bottles, recycled into clear shrink wrap, which can be made into videotape cartridges, and aluminum cans and字段。
containers at workstations throughout the building. Charles J. Maikish, director of the World Trade Center, said the building recycles 38 percent of its trash and saves $500,000 a year in trash collection costs.

In addition to the paper, it recycles 1,000 tons of plastic, glass, and metals, and another 600,000 aluminum cans a year. Barbara Iannacone-Ramos, who coordinates the program, said recycling sales now bring in $150,000 a year, and the highest bids for a new contract for 1995 average $800,000 a year.

"We would like to expand this to other buildings," said Thomas Rigney, director of research and development for the Grand Central Partnership. Some workers have gone to better-paying jobs. Others found a place to live.

Blondell Welles said she was homeless when she started work last year, and she now lives in an apartment in the South Bronx. It takes her anywhere from 15 minutes to an hour to sort each giant bin, depending on how many kinds of paper she encounters. "I love it," she said.

"What's happening here," said Mr. Maikish, "is recovering the valuables," and he was talking about more than just the paper.

The Alternative

Tours of Largest Man-Made Object?

What isn't recovered, whether it is paper, food scraps, cardboard boxes or discarded appliances, has only one place to go: the Fresh Kills landfill on Staten Island. Because New Yorkers do not pay directly for residential garbage pickup and because the city owns what has been seen to be a free landfill, Fresh Kills has grown to 25 times the size of the Great Pyramid of Khufu in Egypt and rivals the Great Wall of China as the largest man-made object in the world.

The garbage arrives by barge, day and night, and when it is dark, the compactors work by floodlight. From 4 P.M. Saturday to midnight Sunday there is a 32-hour pause, but "we never really end," said John J. Doherty, the Sanitation Commissioner, who lived on Staten Island as a child and has watched the landfill expand.

The items that make up this colossus are nothing extraordinary: paper plates, a baby blanket, a pink flowerpot, a white laundry basket, a Roy Rogers french fry carton. Across the expressway is a mall with the usual theaters and shops, selling the very items that end up in the landfill.

Fresh Kills has 90 million tons of air space, Mr. Doherty observed. "We're bringing 13,000 tons a day. It could probably last 22 years at that rate. The question is, will we be able to recycle more? We could last long-er."
Vista, Calif., Ousts Religious Faction

BY SETH MYDANS
Special to The New York Times

VISTA, Calif., Nov. 22 — In 1992 the religious right established a beachhead in this small Southern California city, winning control of the local school board after a rough-and-tumble campaign that included many of the issues that now top the national agenda.

The usual work of a school board then took a back seat as its 3-to-2 conservative majority fought to limit sex education, promote the teaching of creationism, curtail breakfast programs financed by the government and reintroduce prayer to the school system.

But in a sharp reversal this month, even as much of the rest of the country was swinging in the opposite direction, the election of Vista, voters in this generally conservative city of 78,000 turned against the religious right, retaining two of the new board members in a recall vote and defeating all five conservative candidates who ran for the board's three vacant seats.

Opponents of the religious right trumpeted the election results as an object lesson in the unpopularity of its agenda. In Vista, they said, come an anomaly in a year when like-minded candidates swept into office in record numbers throughout the country.

Another interpretation came from Dindra Holliday, a conservative board member who decided not to run for re-election and was replaced by a moderate: Vista, she said, was simply trying to escape the scrutiny the debate had brought the board and voting for "peace at any price."

"People were going, 'Whoa, what's happened to our town?,'" Mrs. Holliday said. Whatever analysis is correct, it was clear in Vista that the election of Christian conservatives to a local school board two years ago was not the end but the beginning of the battle. School board meetings that in the past had attracted 30 or so spectators now draw as many as 600 hollering, clapping partisans, as well as reporters and editors from throughout the country.

The lesson in Vista, said Arthur J. Kropp, president of People for the American Way, is not these candidates' ability to win but the public's reaction to their policies once they are in office.

"Where the rubber hits the road and these candidates become public officials and go about the business of enacting an agenda, there is almost always a backlash," he said. "Our public opinion research shows us that as long as these groups can talk about these things in vague terms, it works, but get them talking on specifics and the public moves away."

Tom Conry, president of the Vista Teachers Association, whose members have strongly opposed the Christian right, said the election made a statement at a time of renewed discussion about prayer in the schools. "This election sends a very clear message," he said, "not only to our community but also, I think, to our state and our nation, and that is, keep politics out of education; keep religion out of education."

Not so, said Ralph Reed, who is head of the Christian Coalition, the political organization of the television evangelist Pat Robertson and the nation's most powerful electoral engine for the religious right.

"I don't think you can draw conclusions about the most significant and consequential by-election in the postwar period from a single school board election," he said. "I could give you the names of liberal candidates who were elected to school boards, people found out what they stood for and threw them off." He added, "I would argue that what happened in Vista was an aberration and that throughout the country, religious conservatives are running, winning and governing effectively."

Mr. Reed said his organization's survey of 1,250 candidates running for low office, which was not yet completed, was showing them winning 60 percent of their races, a figure very close to Mr. Kropp's.

Both sides in the debate agreed that each race had its own dynamics and that generalizations had to be made carefully.

Mr. Conry said the case of the Vista school board closely mirrored that of Lake County, Fla., which also elected a majority of Christian conservatives in 1992, then returned the board to a moderate majority this year.

In the last two years, the Lake County board elected an agenda similar to that of the Vista board, battling over sex education and censorship, suspending the Head Start program as anti-family and enacting an "America first" policy that required teachers to tell their students that American culture was superior to all others.

This week, the newly constituted board voted to repeal the cultural policy, which had never made it into classrooms because of the public furor it aroused.

But in a third closely watched race, Christian conservatives gained control of the State Board of Education in Texas, where in the coming years the teaching of creationism is likely to be an issue as new science textbooks come up for approval.

In Vista, the ouster of conservative school board members was all the more dramatic because in other ways voters here were in the forefront of the Republican tide that swept the nation, voting for other conservative candidates and conservative ballot measures.

Indeed, Mrs. Holliday argued that the school board election was far from a repudiation of the board's policies.

"I believed and still believe that the conservative majority represented the voters here," she said. "I think that people voted for peace at any price. I think that they just weren't prepared for all the national media attention and the intense scrutiny that the whole city was put under."

A City Pulls Its School Board Back Toward the Center

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994

Corrections

The main front-page article on Nov. 10 about the Republicans' sweep in the elections referred incorrectly to the experience of Congress members under the House Rules in 1855. One member, Representative Sidney R. Yates, Democrat of Illinois, indeed served at that time, though his service has not been continuous.

The Evening Hours column in the Styles pages yesterday omitted a picture credit line. The photographs are attributed to Bingham of The New York Times.
The current situation for the left-oriented advocacy groups is one of struggle for resources. The liberal groups have turned out to be accomplices of their adversaries, according to Ira Glasser, the executive director of the American Civil Liberties Union. This has been especially challenging for groups like the American Civil Liberties Union, Ralph Nader's Public Citizen, and assorted environmental and consumer advocacy groups.

Groups like the American Civil Liberties Union, Ralph Nader's Public Citizen, and assorted environmental lobbies, which now hope that the Republican ascendancy in Congress will serve to stimulate contributions, have turned out to be accomplices of their adversaries, according to Ira Glasser, the executive director of the American Civil Liberties Union.

The rising expectations by liberal groups also highlight how much of the center of attention has shifted away from Mr. Clinton to Mr. Gingrich. Ira Glasser, the executive director of the civil liberties union in New York, said that he had told his constituents that even though there was a Democrat in the White House they could not count on him to wage the fight for civil liberties causes. That is because, Mr. Glasser said, Mr. Clinton has proven unreliable. "He seems unwilling to stake out a principled position and defend it," Mr. Glasser said.

"We're telling people we have to defend our principles ourselves, because the people who are supposed to be our political friends in office have turned out to be accomplices of our adversaries," Mr. Glasser said. Several leaders of liberal groups said they hoped to experience a surge in donations in the next few weeks. Much like the retail world, advocacy organizations, both right and left, regard December as a pivotal month because that is when they do their most intense fund-raising.

Interest groups are anticipating a surge in donations as a result of the shift in Congress that will give the Republicans majorities in both chambers for the first time since the 1950's. The liberal groups expect increases in their membership as well. It may be a profound paradox, say the group's leaders, but one that is wholly understandable.

"The mood of the liberal groups is hardly ghostly right now," said Michael Pertschuk, the director of the Advocacy Institute, which trains and mentors liberal interest groups. "But the silver lining in this disaster is that the ability to alarm and motivate contributors has grown enormously," Mr. Pertschuk said.

Mr. Gingrich, in line to be the Speaker of the House, is an ideal fund-raising tool. Meanwhile, conservative groups have also been hampered by the loss of some of their brightest and most energetic staff members, who left to take jobs in the Government. (Much the same happened with conservative groups after the election of Mr. Reagan in 1980.)

Moreover, since groups that lobby on public policy thrive on their ability to oppose the Government, that role becomes uncomfortable when allies are in senior policy positions. "When the power structure seems to be on your side, it's more difficult," said Ms. Claybrook, who headed the National Highway Traffic Safety Administration in the Carter Administration.

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Mr. Nader said that Mr. Gingrich would be "like James Watt on steroids" in terms of serving the fund-raising efforts of the Speaker-in-waiting's opponents. Mr. Pertschuk said that because Mr. Gingrich's agenda seemed so broad, he would serve as "an all-purpose villain" for a variety of interest groups. Since the 1992 Presidential election, liberal groups have also been hampered by the loss of some of their brightest and most energetic staff members, who left to take jobs in the Government. (Much the same happened with conservative groups after the election of Mr. Reagan in 1980.)

Moreover, since groups that lobby on public policy thrive on their ability to oppose the Government, that role becomes uncomfortable when allies are in senior policy positions. "When the power structure seems to be on your side, it's more difficult," said Ms. Claybrook, who headed the National Highway Traffic Safety Administration in the Carter Administration.

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Enola Gay Moves as Debate Goes On

WASHINGTON, Nov. 24 — After a 10-day delay, the 60-foot-long section of the Enola Gay, the B-29 that dropped the atomic bomb on Hiroshima, is moving early Wednesday morning from a warehouse in suburban Maryland to the Smithsonian Air and Space Museum.

The 60-foot-long section of the plane was the quietest step thus far in the preparation of an exhibition, "The Last Act: The Atomic Bomb and the End of World War II," a look at the decision to drop two atom bombs on Japan in August 1945.

Ever since the museum released a draft of the text that is to accompany the exhibit when it opens in May, the museum has been caught in a crossfire between veterans and historians over the present in world history.

The veterans groups, notably the American Legion, fired first. They feared the display would be too sympathetic to the Japanese. The most divisive issue was discussion of the number of casualties that an invasion of Japan would have wrought, long argued as the decisive element in American war strategy. The museum's draft cited a military estimate that American casualties in the first 30 days of an invasion of Japan would have amounted to 10,000 to 20,000.

The veterans groups cited figures closer to one million casualties. Many members of the groups saw for themselves the growing numbers of dead and wounded in 1945 in the invasions of Iwo Jima and Okinawa. They were also upset that the museum planned to include in the text a section on the postwar nuclear race but only one paragraph about Pearl Harbor.

Then, after the Air and Space Museum revised the text to say that casualties could have numbered up to one million, the historians plunged into the dispute.

A group of scholars sent a letter to the secretary of the Smithsonian, I. Michael Heyman, calling for changes "intellectual corruption" and "a historical cleansing." While the museum had the first responsibility to care for the Enola Gay, as they said, the restoration "stands in extraordinary contrast to the disregard of historical documents and the scholarly literature on the atomic bombings."

The historians said the effects of the war on Japan before the bombings had been even greater. Union into the war and diplomatic efforts could have ended the war in the Pacific without the use of atomic weapons.

"In the present version, there is no clear statement that there is controversy surrounding the bombing of Hiroshima and Nagasaki, and that leaves Americans impoverished intellectually," said Barton Bernstein, a professor at Bard College and a member of a group that met with Air and Space Museum officials to discuss their objections.

Mike Fettner, an Air and Space Museum spokesman who was the meeting of historians and museum officials earlier this month, said that much of the criticism was "exacting. "Things that are easy for historians are not so easy for us," Mr. Fettner said. "We recognize that it's highly unlikely that we'll satisfy everyone completely, and we're comfortable where we are now."

Mr. Fettner said the script would be significantly changed before the show's opening.

As a prosecutor, Giulian could do much as he liked. But not as Mayor.

The historians involved say the revisions made after the complaints of veterans groups raised an issue about the decisions on the display were made.

Professor Bernstein said in the meeting he "challenged the intellectual authority of veterans groups, when their reasoning for changing the exhibit came from being veterans, from being there." He added: "They have no particular access to the decisions they were made in Washington. This is the highest form of naive." Martin Sherwin, a professor of history and a member, with Professor Bernstein, of an academic advisory panel that worked on the exhibit with the museum last year, said the revised text "has nothing to do with the history as it is known by serious historians."

Professor Sherwin said: "The plan of the Air and Space Museum is to interpret history, not to give into political pressure. The whole presentation of history in the United States is in danger. It's a precedent for political intervention in historical correctness."

 METRO MATTERS

Joyce Purnick

New York Civics Lesson. No Mayor Stands Alone

Mayor Rudolph W. Giuliani has been an involuntary enrollee in that most basic of civic courses, the one that teaches mayors that they cannot go it alone. They either get along with the government, legislative leaders and the City Council Speaker or, after riding high in the headlines and the polls for while, they get into trouble.

A Federal prosecutor all those years, Mr. Giuliani could do pretty much as he liked. Add his strong will and temper to his curriculum vitae and the result is a mayor at odds with many whose cooperation he needs, from the Governor-elect to the latest Giuliani combatant, City Council Speaker Peter F. Vallone.

The flap with Mr. Vallone over a mere tenth of the latest budget cut is particularly instructive because a compromise could probably have stopped it. Absent an agreement, the Speaker had the Council approve its own budget cuts, the Mayor rejected them, the Council threatens an override, and the dispute is headed to court.

The Mayor may well win the legal battle over the Council's powers to reshape his midseason budget. But he loses the political one anyway, because he will have to take lone responsibility for painful budget cuts instead of sharing that dubious honor with the Council.

The Mayor's frustration with the Council is understandable: he accepted a few of its proposals, but rejected most because they are fiscally weak. This dispute is not about numbers, though, it's about power.

The City Charter enhanced the Speaker's authority in 1990, but by how much is up to interpretation. It was only a matter of time — and the right provocation — before the Speaker put the Charter to a test.

Mr. Giuliani handed him that provocation: his budget changes cut the Council's own budget, and included some of the самых Council rejected last June.

There is an old rule in politics — that the man who first tells all the truth may not have three first years in office, when they can flux components. Mr. Giuliani just precisely that in his early months and won several rounds against the Board of Education, the municipal unions, and when he supported President Clinton's crime bill, his own party. But there is also a corollary to the old rule: go too far and that first-year honeymoon can end early. Maybe in the 11th month.

Money? What Money?

Underlying some of the Mayor's budget cuts is the idea that the private sector can cushion the blow. That's what City Hall said when it set out to cut money for soup kitchens, a plan it just canceled. Maybe the administration heard from foun-
Pataki Ally Carves a Niche
In New Republican Order

Bruno Is Conciliatory but Firm on City Aid

By IAN FISHER

In Joseph L. Bruno, in line to be­come the new majority leader of the State Senate, voters will hear a more conservative voice in state government than they are used to, from a man who says he will question ever­thing from welfare to environ­mental regulations in the name of cutting spending and taxes.

But in an interview yesterday, he sought to send messages of both conciliation to New York City, con­cerned that it might bear the brunt of spending cuts, and determination to carry out what he sees as the fiscal mandate of his fellow Republi­can, Governor-elect George E. Pa­taki, a colleague in the Senate.

"One of the things we have been doing wrong is smothering business, overregulating business, treating business as if they were the enemy and as if it were some kind of sin to show a profit," said Mr. Bruno, 65, of Rensselaer County, who founded a profitable telecommunications busi­ness. "We have to change the atti­tude of government toward busi­ness."

Two days after a coup that elevat­ed him to his new post, he said he spoke yesterday to Mayor Rudolph W. Giuliani and assured him that New York City would not be short­changed in state aid. Yet in the next breath he complained that the city sucks up a disproportionate share of Medicaid and mass transit money.

"I heard him say New York City is the capital of the world," he said of Mr. Giuliani, with whom he said he plans to meet soon. "I agree, and together we have an obligation to be as helpful and supportive as we can to support New York City.

"But there are limits to every­thing you do — you have to act within reason." Mr. Bruno, who has served in the State Senate for 18 years, said he planned to carve out an independent role for himself and the house's 35 other Republicans, even though he was the choice of Mr. Pataki to suc­ceed Ralph J. Marino, the Oyster Bay Republican who had tried to block Mr. Pataki's run for Governor.

He said he and Mr. Pataki agreed on some issues — though Mr. Bruno opposes abortion rights — but said he would advance his own ideas when he sees fit. For example, he said he might favor greater cuts in business taxes if that would stimu­late the economy more than the full plan advanced by Mr. Pataki to cut personal income taxes 25 percent.

"Generally I'd say philosophically we are in about the same place on most issues, but we may be taking entirely different approaches in terms of how you get to the end result," he said. "Believe me, we will be independent. I don't say it's going to be a defiant way, but we're not going to rubber-stamp for anybody."

In some ways, Mr. Bruno will hold less power than Mr. Marino did: He is likely to be overshadowed by the new Republican Governor, whereas Mr. Marino held virtual veto power against a Democratic Governor and the Democratic-controlled Assem­bly.

Mr. Bruno said he expected to work well with Sheldon Silver, the Assembly Speaker, whose role in Al­bany has grown as the governorship switched parties. Mr. Bruno said the two had worked cooperatively on legislation involving insurance sev­eral years ago, and said he hoped to continue that relationship.

"He has a real sense of obligation to do what's right for the most peo­ple and I respect that," he said. "We'll have some serious differ­ences, but I like him."

On the issues, Mr. Bruno seems likely to challenge many of the spending assumptions of a govern­ment controlled for 20 years by Democrats. He said his first priority would be to include tax cuts in next year's budget, despite the projected $4 billion shortfall. To prevent local property taxes from rising as the state makes cuts, he said he wants to ease up on services that the state requires localities to provide, espe­cially in Medicaid, welfare services and education. He said he could not yet provide specifics.

He said he wants to jolt New York's economy to new life and is looking to lift regulations on busi­nesses, particularly in the area of envi­ronmental conservation, though he could face difficult battles with environmental lobbyists. "All of us are conscious of the fact that you've got to protect the environment for future generations," he said. "But a lot of us are also conscious that we have to work and eat today. There has to be some balance and some logic. The pendulum has swung too far."

On crime, he said he supports the death penalty and wants harsher sentences for repeat violent felons. But he also said the state must look deeper into prevention and alterna­tive programs for prisoners who are nonviolent or addicted to drugs.

"Building more prisons is not the answer," he said, adding that dou­bling the state's prison capacity in the last 12 years had not made a real dent in crime.

Mr. Bruno said voters had sent a message to Albany for change that he and his colleagues would follow, especially as it relates to cutting taxes.

"They are wanting that," he said. "So those of us who don't relate to the message the people are sending, I don't think they will be in government very long."
Some fear a voucher system could shift a delicate balance.

The voucher legislation also includes a provision for so-called charter schools, an innovation that has been tried in several states. Governor Whitman wants to allow teachers, parents or other groups to create such schools, which would receive government funds but operate independently of local school districts.

Chris Felder is one of only 285 students at tiny St. Anthony. Its predominantly black and Hispanic student body is drawn from some of the poorest neighborhoods in Jersey City and Newark, and the staff deals with the full crush of urban problems, says the acting principal, Sister Mary Barszczewski. On this day a student came to school worn out because the mother who lives with has been arrested and he does not know where his younger siblings are.

"Sometimes I feel like we're a M.A.S.H. unit," she said.

For many of these students, St. Anthony is a haven from their chaotic lives. The school is so small that somebody — teacher, principal, counselor — keeps watch over the progress of every child. Walking the halls between classes, Sister Barszczewski greeted each student she knew by name. Students crowded into the playground office of Ms. Michelle Graves, a counselor who boasts that for the past two years every senior has gone on to college.

There are parents who worry that if St. Anthony grows too large, then the voucher program will lose these things that make it special.

"In Catholic school they focus more on you more," said Gerald Alvarez, a senior. "I don't want to downgrade the public schools, but there are teachers treat you like you are a student. Here, you're Gerald." Many St. Anthony students are refugees from public schools.

Doubts are raised about public school students in private schools.

Continued from Page B2

he said.

Mr. Dalton fears government regulation could undermine the mission of Catholic schools. He wonders if the Catholic schools would be required to take on more than they can handle effectively, like the physically and mentally disabled children who need expensive special services and programs.

Gov. Christine Todd Whitman's proposed pilot program would give vouchers to first graders. But at least one voucher sponsor, Edward J. Schneider, who conceived the plan, has suggested $900 a year; others have proposed as much as $1,300.

Of the 34 state-monitored private schools in Jersey City,ieves the legislature, 26 are Catholic, according to Mr. Torrez's office. The schools enroll about 10,000 students from the city and surrounding communities.

These students are the sons and daughters of immigrants of white Catholics from Bayonne, and the children of black families from Jersey City. More than a third of the students in Catholic schools are Hispanic or Asian. Some are the children of immigrants from India, Vietnam or the Philippines.

Many of their parents have worked long hours or taken two jobs, sacrificed vacations or given up a second car to pay the Catholic schools tuition. "I wanted to give my daughter Raylene attends St. Anthony High School, said he would welcome the "financial relief a voucher voucher proponents have lobbied the program's first year. But both graders and ninth-grade students who need expensive special services programs like Head Start and by factoring in efforts to strengthen parental involvement, he said. The main problem is the breakdown of the family," Mr. Dalton said. "I choose to send my kids to Catholic schools, but if my child were in public school, I'd make sure they were learning just like I make sure now.

"It could be good because the government is helping them," said Senator John Stone, a Republican from Lyndhurst who strongly opposes the Governor's voucher plan, said fear of creeping government regulation into areas such as discipline and curriculum only worried many Catholic school parents. For example, he said, private school students are required to take exams.

"The private schools right now, if you don't behave — you're out," he said. "They don't put up with it, and that's how they maintain their discipline and curriculum." Senator Stone said he feared that Catholic schools would become dependent on the voucher money and be trapped.

"What will happen 10 years from now, when the government has given the school this money and the school has become used to it, and the government suddenly decides that you must teach what you feel you should teach?" he said. "How can a parochial school give a health class and talk about condoms or abortion?"

Annie Felder's, whose son Chris is a senior at St. Anthony, said she worried the parochial schools in Jersey City would be unable to handle more students if new voucher plans were to come with a voucher plan.

"I'm sure there are a lot of parochial schools that would welcome the new students," she said. "I'm sure there are a lot of unanswered questions."

The students were less worried than their parents about the impact of vouchers and more idealistic about the ways that vouchers would improve Catholic schools on the struggling young. They said every child in Jersey City and Newark is a haven from their chaotic lives. The school is so small that somebody — teacher, principal, counselor — keeps watch over the progress of every child. Walking the halls between classes, Sister Barszczewski greeted each student she knew by name. Students crowded into the playground office of Ms. Michelle Graves, a counselor who boasts that for the past two years every senior has gone on to college.

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Stores See Good Start For Season

But Caution Is Word On Holiday Results

By STEPHANIE STROM

Heavy advertising and promotion-al campaigns helped draw shoppers into stores over the weekend, and several retailers reported that their sales in the first two days of the holiday shopping season were slightly better than expected.

But most executives were circumspect about business, and one survey of foot traffic in 33 malls around the country found fewer shoppers this year than last year for the first weekend of holiday shopping.

Retail sales have been weak throughout the fall, and while the pace began picking up last week, most retailers are reluctant to forecast a holiday sales boom. Many shoppers interviewed over the weekend said they were holding off, to make purchases closer to Christmas.

"So far, so good," said Clark A. Johnson, chairman and chief executive of Pier 1 Imports, based in Dallas. "We've started off strong and we'll just have to see how the momentum flows."

No doubt he had last year in mind, when Pier 1's sales jumped during the first two weeks after Thanksgiving only to come to a screeching halt in the last three weeks of the holiday season without any clear-cut explanation.

Most retailing analysts are predicting sales gains during the holiday season of 5 to 6.5 percent. Many retailers make the bulk of their sales in the last three weeks of the holiday season, and because consumers have increased their use of credit cards and because consumers have increased their use of credit cards that give them rebates.

"It's shaping up as a very home-oriented Christmas that's an interesting combination of high tech and high touch," said John H. Costello, senior vice president of Sears. "Craftsmen tool sets are selling very well, but so are little luxuries like fragrance and intimate apparel. He described Sears's business as "brisk."

"Jewelry also did well. The survey of Friday's sales by the International Council of Shopping Centers showed that jewelry sales increased 17 percent from last year.

Big-screen televisions were in high demand, said Sears and the Lowe's Companies, which sells building and home decorating supplies and consumer electronics.

The big demand for jewelry and giant television sets is illustrative of what some retailers see as a potential trend. "There seems to be a lot of 'investment shopping' going on," Mr. Johnson of Pier 1 said. "If we have a selection of good, better and best merchandise in a category, it's the best item, meaning the most expensive and highest quality, that people are picking in many cases."

That helps explain why Lowe's has sold out of all its digital satellite dishes made by RCA. The least expensive one costs $697, and customers are putting their names on a waiting list to buy them.

Ron Rupe, assistant store manager of the J.C. Penney store in the Springfield Mall just outside Washington, said he was surprised when he went to open the doors on Friday morning. "There was more traffic waiting at our mall entrances at 7:30 A.M. than I've seen in four years," he said.

Mr. Rupe attributed his customers' eagerness to a heavy television advertising campaign on Thursday to make shoppers aware of its 10 percent discount on sales before 11 A.M. on Sunday. "There were 23 circulars in The Post on Thursday," he said, referring to advertising inserts in The Washington Post. "People were going to look through all of those, but if they were watching ball games and movies on TV, they couldn't miss us."

John Jones, assistant store manager at the Penney store in Overland Park, Kan., said his store posted higher sales gains on the Friday after Thanksgiving than it had in the three previous years. His store opened at 7 A.M. on Friday to match the competition, and in addition to giving customers a 10 percent discount on purchases until 11 A.M., it handed out Christmas ornaments containing $5 gift certificates. A few ornaments had bonus gift certificates of $25, $50 or $100.

"It's a reason to get up from the breakfast table and come in and shop," Mr. Jones said.

Most retailers are pushing holiday sales with promotions. Sears has mounted its largest holiday advertising campaign ever and has extended credit lines on its credit cards. Over the weekend, clerks in Toys "R" Us, the country's largest toy store, were handing out boxes of coupons. And newspapers are stuffed with circulars and ads featuring discounts on selected merchandise.

But executives say their promotional efforts are no more aggressive than they were a year ago. "If anything, we have a little more restraint," said Myron E. Ullman 3d, the chairman and chief executive of R. H. Macy & Company. "Customers really expect it to be promotional, and you can't disappoint them, but there are no desperation markdowns."

He said sales at Macy's and Block-ock's stores climbed 7 percent last week, aided by strong sales of men's sportswear, jewelry and housewares.

He said that falling temperatures

Continued From First Business Page

Analysts are predicting a gain of 5% to 6.5% for holiday sales.

Continued on Page D8

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994
New Ailments: Bane of Insurers

Disability Claims Up, Creating Big Losses

By MICHAEL QUINT

Companies that sell disability insurance to individuals are reporting a sharp rise in claims for certain ailments that were little known 10 years ago, leaving the insurers with losses of hundreds of millions of dollars. The companies are also reporting a big increase in claims by doctors, once among the most prized of the insurance industry's clients.

In response, insurers are adopting new strategies, from offering less generous benefits to pulling out of the business. Three million people, many of them self-employed, are covered by individual disability policies that generate annual revenues for insurers of $3.5 billion. Group disability policies offered through employers cover 48 million more people, and offer more limited benefits.

The ailments with by far the biggest increases in claims in the last five years, according to the UNUM Corporation of Portland, Me., are carpal tunnel syndrome, a nerve disorder that often arises from prolonged use of computer keyboards, and Epstein-Barr virus syndrome, which produces symptoms of fatigue among otherwise healthy people. The number of claims has also doubled for back and disk pain, psychiatric problems and AIDS.

Among some doctors, like emergency room physicians and anesthesiologists, disability claims have grown to more than twice the expected rates. Unlike claims involving heart attacks, cancer or accidents, where the disability is clear, "we are now seeing more and more claims for nervous- or mental-type disorders or muscle and soft-tissue disorders that are very hard to evaluate," like back pain, said Stephen B. Center, executive vice president of UNUM, the fourth-largest disability insurer for individuals. "There are a lot of claims from physicians that fall into a gray area."

Insurance executives say that as with any group, some of the claims by doctors amount to fraud. But they see other reasons as accounting for most of the increase. They note that many doctors today are more likely to want to stop practicing when faced with ailments they used to work through.

"Too many white-collar workers have learned to use their disability insurance as a substitute for unemployment compensation" or as a retirement plan, said Eric N. Berg, an insurance analyst at Bear, Stearns & Company. "In an age of myriad new diseases, the product simply no longer works."

Last week, the Provident Life and Accident Insurance Company of America — the second largest in the business with a 17 percent share of the individual disability insurance market — presented its sales force the outlines of its new policies. The new approach, which is expected to take effect early next year, calls for benefits to be reduced when a disabled person earns money from a new job. In addition, those filing claims would be required to join a rehabilitation program. Currently, the company said, some disabled individuals have increased their income by finding new jobs in other fields while continuing to collect their disability benefits in full. Others have made no effort at rehabilitation.

On existing policies, companies have little choice but to lick their wounds. A typical middle-aged doc-
New Ailments Are the Bane of Disability Insurers

"It used to be that we treated physicians more liberally than any other profession because doctors were highly motivated people who would die at age 72 after delivering a baby that morning," said Charles E. Soule, chairman of Paul Revere, which holds more than 18 percent of the market.

As doctors see a shrinking in their autonomy, and perhaps in their earnings, "the temptation is there" to file a disability insurance claim, said Dr. Joyce A. Majure, a general surgeon in Lewiston, Idaho. "It's a societal attitude that is creeping into the medical profession."

The leading disability insurers are approaching the problem of rising claims in different ways. One of them, the Equitable Company, last year transferred the administration of its individual disability business to Paul Revere.

Provident was the hardest hit of all the providers. The company has also reduced prices in states with extensive losses, such as California and Arizona.

In the future, Paul Revere expects to introduce policies that allow insurance companies to adjust premiums for rehabilitation and have adjustable rates. The company will also offer incentives for rehabilitation and have adjustable rates. In addition, UNUM plans to combine disability policies with long-term-care policies that promise to pay nursing-home expenses for the elderly.

Despite all the problems, insurance companies are still attracted to the disability business. With the life insurance market saturated, disability insurance still offers the potential for growth because only two in five workers are covered.

Insurers want to lure more executives and small-business owners to take out disability policies. Only 25 percent of the nation's 3.4 million small businesses have any kind of disability insurance, while just one in five top executives owns an individual policy. By contrast, 78 percent of all physicians are covered, as well as 68 percent of lawyers and 80 percent of dentists.
As Envoy, Crowe, the Old Sailor, Navigates Rough Sea

BY JOHN DARNTON
Special to The New York Times

LONDON, Nov. 27 — For someone who has logged 47 years in the military and become Chairman of the Joint Chiefs of Staff through a combination of intelligence and shrewdness, William J. Crowe Jr., the Ambassador to Britain, would seem to be the right man in the right place at the right time.

Ambassador Crowe took up his first diplomatic post six months ago, a time when differences over the war in Bosnia and Herzegovina began to strain American-British relations and raise fundamental questions about the performance and purpose of NATO, which was deploying forces outside its treaty area for the first time.

If anything, those strains have worsened now that the Clinton Administration, fulfilling a commitment made to Congress, has stopped enforcing the arms embargo against the Muslim-led Bosnian Government forces in their war with the Bosnian Serbs. Recent NATO air strikes against Serbian targets in Bosnia and Croatia have shown that the alliance can function operationally but have not removed the underlying complexities of the United States alliance and that we would be better off — the Bosnian Serbs are the aggressors, that the Bosnian Serbs are the aggressors, that we have countries here, no matter how fledgling they are, that have been recognized and are working to upset those boundaries and have committed a lot of atrocities.

The difference in views between the French and British on one side and the United States on the other comes in part because the European countries have troops on the ground in Bosnia as part of the United Nations peacekeeping force. If they are seen as partisan, they would come down on the controversy while we seek for time and solutions.

I am not so sure I know what to do about Bosnia," he said in an interview in his office overlooking the falling leaves of Grosvenor Square. "There are no blinding insights. If there were, they would have come up by now and we wouldn't have all the arguments. What we are really talking about is a damage-limitation exercise as to what is the best answer to keep the killing down and the controversy down while we seek for time and solutions."

By JOHN DARNTON
Special to The New York Times

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"I have an obligation," Ambassador Crowe said, "to try to explain what I think the American perception of Bosnia is — essentially that it is a European problem and also that the Bosnian Serbs are the aggressors, that we have countries here, no matter how fledgling they are, that have been recognized and are working to upset those boundaries and have committed a lot of atrocities.

He continued: "Whether it is right or wrong, many Americans believe that the embargo unduly helps the United States aggressor against the aggrieved, and that we would be better off — though it would not be a perfect answer — if we lifted the embargo and, in the trite phrase, made the playing field level."

Ambassador met with Foreign Secretary Douglas Hurd but was not able to explain in detail a journalist and anchor on Channel Four news. The Ambassador said he didn't know what to do about Bosnia because we looked at Bosnia as just a discrete problem, and then discover that our decisions have a much wider impact which we didn't like or desire. And that's a possibility."

The job of go-between is not an easy one for the Ambassador to the Court of St. James's. Sometimes, British diplomats have suggested privately, Mr. Crowe is left hanging by his own Administration without enough timely information to explain a policy and damp down concerns over newspaper headlines.

Two weeks ago, for example, when the report leaked in Washington that the United States would no longer allow its ships to intercept arms shipments bound for Bosnia under the NATO operation, the American
Europe Awaiting U.S. Moves on Trade Pact

BY RICHARD W. STEVENSON
Special to The New York Times

LONDON, Nov. 27 - The likelihood that Congress will ratify the new world trade agreement next week should encourage approval of the pact by important trading partners like France in coming weeks. But lingering questions about whether the United States is seeking special treatment could complicate the process, diplomats and trade officials in Europe said.

Most European legislators have been waiting to see if the United States would ratify the accord before taking up the issue themselves, and several trade officials now say they are optimistic that all of the biggest signers to the agreement, in Europe and around the world, would approve it by the end of the year.

"I believe that one can now look with considerable confidence not merely to the outcome of the United States vote, which is essential, but at the ratification process on a worldwide basis," Peter Sutherland, the director general of the General Agreement on Tariffs and Trade, the global rule-making body for trade, said in a telephone interview today.

So far, 33 of the 124 nations that agreed to the pact to lower tariffs and trade barriers last year after seven years of negotiations have ratified it. The largest of the 33 are Britain and Germany, and the most recent is Chile, which ratified the pact on Wednesday, August 31. But lingering questions about whether to seek withdrawal.

"Insofar as the Dole-Clinton pact makes ratification more likely, we welcome it," said a spokesman for Sir Leon Brittan, the European Union's trade negotiator. But, he added, "it would be unhelpful if that encouraged other GATT signatories to say they want something similar."

So far there have been no public signs of any ratification problem in France or any other major trading power. But French officials, who are already concerned about Franco-American cooperation because of disagreements over policy toward the war in Bosnia, said they had lingering doubts about American commitment to free trade and to the international resolution of trade disputes.

"The U.S. signs agreements, but we are left wondering if they will be respected," said one senior French Government official.

Another French official said the Ministry of Industry and Foreign Trade noted "with satisfaction" the move toward ratification from the United States Congress.

"At the same time, we will look closely at the U.S. legislation that accompanies the ratification," he said.

American action a precursor to votes being taken around the world.

The political maneuvering in Washington in recent weeks surrounding the trade issue has been watched particularly intently in Europe. Until the Republican leader, Senator Bob Dole, threw his support behind the pact on Wednesday, apparently providing the votes necessary for ratification in the lame-duck session of Congress this week, there was deep concern in many European capitals that the United States might reject the agreement, effectively doom it.

Disputes between the United States and Europe over farm trade, the international sale of movies and television shows and other issues were sticking points and strained the relationship between the United States and France in particular.

Trade officials at the European Union in Brussels and within several of the national governments in Europe said they welcomed the move toward ratification by Congress. But they said they had concerns about the deal between President Clinton and Senator Dole, which permits Congress to establish a panel of federal appellate judges to review rulings by the World Trade Organization against the United States and to determine whether they were fair.

If the panel finds three unreasonable rulings, Congress would be able to begin the process of withdrawing from the World Trade Organization. The worldwide trade agreement permits nations to withdraw on six months' notice, but does not specify how they should determine whether to do so. Trade negotiators had previously assumed that in the United States the President would decide whether to seek withdrawal.

Most diplomats and trade officials in Europe said that they viewed the mechanism as purely a domestic matter for the United States, and that the Dole-Clinton deal did not seek to change the terms of the overall trade pact.

But they said they were concerned that French legislators might seize on the deal as evidence of a lack of commitment on the part of the United States to abide by world trade rules. Reopening the issue in France, they said, could lead to calls for a withdrawal mechanism for the French and delay or, in a worst case, scuttle ratification in that country.

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Current Interest Rates
Bosnia Accepts U.N. Plan For Truce in the Northwest

Serbs Renew Attacks on Bihac 'Safe Area'

By CHUCK SUDETIC
Special to The New York Times

SARAJEVO, Herzegovina, Nov. 27 - Bosnia tonight ac-
cepted a United Nations plan for a cease-fire in the
western town of Bihac, which has been under
attack by Serbs for more than a week.

The Serbs, from Bosnia and Cro-
aenia, renewed heavy artillery and in-
fantry attacks today around Bihac, which was a
designated safe area by the United Nations. The Serbs
were attacked on both sides, and other units
just beyond the northwestern edge of
the Bihac safe area, United Na-
tions officials said.

The plan for the Bihac enclave
calls for a local cease-fire and for the
stationing of United Nations peace-
keepers between the Bosnian Army
and Serb forces there, United Na-
tions officials said.

The United Nations said in Saraje-
vo today that Serbian troops had also
seized 165 Dutch and British peace-
keepers from four United Nations
military resupply convoys that were
passing through territory held by
ethnic Serbs on Saturday.

The Bosnian Government called on
the United Nations tonight to or-
der Serb air strikes against the
Serbs attacking Bihac if their leaders
did not accept a cease-fire plan by
midnight Monday.

Leaders of the Serbs have said
repeatedly that they would accept a cease-fire
for Bihac only if the Bosnian Gov-
ernment accepted what would appear
reasonably to be an end to the war, leaving the
Serbs in control of 70 percent of the country.

The Government's acceptance
of a cease-fire plan is seen here as one more effort to put additional pres-
sure on the United Nations to call on
the North Atlantic Treaty Organiza-
tion to launch air strikes against the
Serbs attacking Bihac.

"We accept the demand of the
President of the Security Council
and the plan of the commander of
the United Nations military force in
Bosnia and Herzegovina for the demili-
arization of the Bihac safe area," the
Bosnian Government statement
said.

The Bosnian Army's defenses
around Bihac are collapsing, by
nearly all accounts. Bosnian troops
at Bihac blew up their own head-
quarters building, on the southwestern edge of
the town, said a United Nations mili-
tary official today.

"Big advances were made," the
report said, "up to and into the safe area around Bihac."

The Serbs appeared to be trying
to cut the last escape route from the
town of Bihac, a road running north
to the town of Coracici, according to
the report. It said that the area east of
the road was the battle site of the
village of Donja Gata and Gata Ilidza, which
was largely deserted and that if Serbs were able to break through the Bos-

nian Defense line there, they
could link up with Serbian units ad-
vancing northward across the Una River.

"All villages to the south of the
city have been overrun, and the ma-

jority burned in an effort to
insure that the population will not return," the
report said. "Casualty figures are not yet available, but the hospital

presently has over 2,000 patients."

On Friday, Lieut. Gen. Sir Michael Rose, commander of the United Na-
tions forces in Bosnia, allowed Uni-

ted Nations military convoys to re-
sume traveling through Serb-held
territory, even though the Serbs
were already holding about 300
peacekeepers, said a United Nations official who spoke on
condition of anonymity.

"General Rose basically reversed the order and put these people in

derisk," said the United Nations of-

icial, who said he had been present
when General Rose gave the

military orders.

"This is a dem-

onstration of his defiance of reality," he
said. "He is living in a fictional world, a
world where everything is fine.

I am infuriated by a very rea-

sonable order to keep these people
out of Serb-controlled territory, and

doubt that they are under a U.S. military
right now. I think he's losing it."

Lieut. Col. Jan-Dirk von Merveldt, a

spokesman for General Rose, said the

convoys had been sent into Serbi-

an-held territory as a first step to

restoring normalcy.

"The convoys had all received
clearance by the Bosnian Serbs," Col-

onel von Merveldt said, adding that

the United Nations was working to

negotiate the peacekeepers' re-

lease.

"Somebody's got to take a first

step," he said. "One should not have

a fortress mentality."

Serbs' Gains Irreversible, Perry Asserts

Defense Chief Says NATO Cannot Help

By MICHAEL R. GORDON
Special to The New York Times

WASHINGTON, Nov. 27 - De-

fense Secretary William J. Perry
said today that the Serbian Serbs

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the Muslims' winning that back."

Mr. Perry's statements, made on

the NBC News program "Meet the

Press," reflect the Pentagon's deep-

seated fears about being drawn into

the Bosnian war.

They also come as Clinton Admin-

istration officials are beginning to

rethink their Bosnia policy after fail-

ures in Washington in the past two weeks.

The Administration has supported a

peace plan, accepted a United Na-
tions plan for a cease-fire and a

cease-fire around the northwestern

Serbs advanced on Bihac during the

last 10 days, the Administration

prepared to expand the U.S. role

power to defend the town, including

the adoption of a weapons exclusion

zone that would allow attacks on ammun-

ition and supply depots outside the

immediate vicinity of Bihac.

But Washington was rebuffed by

Western European nations, who are

against United Nations peacekeep-

ers in Bosnia and appear to be calcu-

ating that additional compromises

by the Muslims are the best way to

end the the two-and-a-half-year-old war.

With the Western European coun-

cies blocking expanded air strikes and

the Pentagon wary of deeper U.S. involve-

ment, Mr. Perry sought to dampen Congressional pressure for unilaterally lifting the

embargo and for NATO warplanes to come to the aid of the Serbs.

Instead of talking about military

pressure that the allies could apply if

the Serbs continued their attacks, Mr. Perry made the case against significant military inter-

vention.

"NATO is prepared to respond
with air strikes if the United Nations

asks them," Mr. Perry said. "The

United Nations has not been asking for

air strikes, and therefore we are
toally without the power to conduct air

strikes to influence that situation."

"I think we have a complete
downbreakdown of NATO," Senator Bob

Dole, the Kansas Republican and

prospective Senate majority leader,
said today. "We have U.N. vetoes of

targets — driven by the British and

the French."

Senator Dole added: "Let's lift the

air embargoes. And let's at least let the

Bosnians defend themselves."
Bitter Feud Is Dividing Sandinistas

Chief's Trade Barbs As Party Splinters

MASAYA, Nicaragua, Nov. 26 — Benaziah the single, flickering bulb in his medical examination room, Dr. Rommel Martinez Cabeza spoke, over the din from the street a few feet away. "After all the deaths we suffered and we caused, and after all we thought we had achieved, I find myself again in the business of subversion," he said.

For Dr. Martinez it is the most painful sort of subversion. He is working to undermine an organization he says he used to believe was necessary as the medical profession: the Sandinista National Liberation Front. For nearly a generation, the movement of intellectuals, Marxists and the poor, along with many of the country's middle class and wealthy, has been Nicaragua's most important political, social and even cultural force.

But today the Sandinista Front is riven by deep differences over basic policies and humbled by the bitter accusations that its most prominent leaders make against one another. As it begins to split apart, the front, by far Nicaragua's largest political organization, reflects and at the same time contributes to the continued splintering of a society still recovering from a decade of civil war. Those in charge of the party apparatus are the most hardline efforts to overthrow the dictator Anastasio Somoza Debayle, most objects to the wealth many Sandinista leaders have accumulated, to provoke a revolution to make all Nicaraguans equal, but it turned out that the leaders made themselves rich, and the people have been forgotten," he said.

After leading the movement that overthrew General Somoza in 1979, the Sandinistas took charge of the Government. For the next decade they clashed with the United States over their increasingly socialist policies and closed political system. The United States armed and trained thousands of rebels — the "contras" — who tried to oust the Sandinistas by force. The effort failed, but in 1990 the Sandinistas were voted out of office, and now say they support democracy and free-market economics.

While in office, top Sandinistas took over properties and businesses that many ordinary Sandinistas say allow leaders to live well, while the rest continue to live in the misery that they expected the revolution to end.

The most notable defector is Sergio Ramirez Mercado, who served as Vice President in the Sandinista Government. He said the front was controlled by extremists whose unwillingness to compromise with other political parties precluded winning elections. (The next national elections are expected in 1995.)

"The most radicalized members are the ones in the important positions," he said. "They are the ones who will decide on the candidates, and I'm sure those candidates will not be acceptable to the rest of society.

Those in charge of the Sandinista Front respond that their critics simply no longer wish to continue the fight to help Nicaragua's poor, and are too quick to give in to political pressure on matters like agrarian reform and privatization of nationalized companies.

Vice-Hugo Tinoco, a Deputy Foreign Minister in the Sandinista Government, and other leaders of the orthodox wing dismissed the dissenters by saying they were never true Sandinistas.

Leading Dissident Writer in Iran Dies After 8 Months in Detention

Special to The New York Times

TEHERAN, Iran, Nov. 27 — The leading dissident writer in Iran today in detention, eight months after being charged with drug abuse and espionage, Iranian authorities said today that the cause was a heart attack.

The author, Ali Akbar Saidi Sirjani, 63, was arrested last March and was not allowed to have a defense attorney or a trial. He was the author of more than 15 books on Iranian history and legend, many of them best-sellers, in which he analyzed the differences between Iran's distinct heritage and Islamic cultures. His contention that Iranians had a pre-Islamic tradition of respect for individual rights and of fighting tyranny led to the banning of his books in 1980.

He is the fourth political prisoner to die in custody since the 1979 Iranian revolution.

Earlier this month, Brig. Gen. Amir Rahimi, the 75-year-old former head of Iran's military police after the revolution, was arrested after leading use of political prisoners. His 50-year-old son was arrested last week after objecting to his father's imprisonment.

Saeed Sirjani, the author's 26-year-old daughter, said today that her father had no history of heart ailments. The Sirjani family had repeatedly denied allegations that he was addicted to drugs.

"The allegations against Sirjani were not at all convincing," said a Tehran University history professor who spoke on condition of anonymity. "First they arrested him on drug charges, then they made political accusations like espionage. The regime has chosen to depict Iranian intellectuals as revolutionaries instead of engaging in a logical dialogue."

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THE NEW YORK TIMES

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IN OTHER MOTHERLANDS

SPECIAL TO THE NEW YORK TIMES

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THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994
Timorese Worry World Will Now Forget Them

By Andrew Pollack
Special to The New York Times

DILI, East Timor, Nov. 22 — This seems to be a turning point for a region that the Asian economic miracle has left behind. Goats and pigs wander along the roads. Vendors in the open-air markets stack their potatoes and peppers in neat piles on the ground and snatch naps in the shade. Children and adults alike greet the relatively rare Western visitor with "Hello, Mister," which seems to be as much English as people know.

To the normal visitor who spends a couple of days here, it is not obvious that there's something going on," a resident said. "But if you stay a little longer, you see there is this resentment.

The resentment is to the repressive rule of East Timor by Indonesia, which invaded the former Portuguese colony in 1975 and annexed it the next year. Last week, that resentment erupted into protests and rioting that coincided with the visit to Jakarta of President Clinton and his Indonesian counterpart, caused international concern.

The protests were egged on by journalists, government officials said, and there were more demonstrations later in the week. In the capital, Dili, there were only 47 paved roads, all in the west, and a 12-year rule, when the Portuguese left, of only about 200,000 people, mostly Timorese and non-Timorese, or byun, or upland Timorese, as they are known.

Achieving independence in the short term at least, seems a long shot. While there is international pressure on Indonesia to improve its human rights record in East Timor, there is less pressure to make the region independent.

A guerrilla movement for independence has dissipated to 189 people, according to the American embassy in Jakarta, representing a real opportunity to bring their plight to the world's attention.

"At least they got the message that something happened here," said Arminda Maia, vice rector of the University of East Timor. "It's not as the Indonesians have been painting. There's something wrong here."

But the sense that an uneasy calm is settling back in East Timor, there is a concern that outsiders will again forge alliances as dozens of foreign reporters who have visited here in the last two weeks leave, people are worried that protesters see redistribution from the police and military.

Still, those concerned with human rights say the abuses have become more frequent and that some recent actions are among the worst.

Cases of people suddenly disappearing have become rare. The Internation Committee of the Red Cross has access to prisoners to check on their treatment.

For example, Col. Kiki Syahputra, the military commander, is accessible and reasonable. Since September 1992, the number of troops here has been reduced by about 1,300, according to Colonel Kiki, as he is usually called. There is one army battalion with 800 troops, and seven civil battalions, with about 4,500 soldiers, that are ostensibly engaged in public works projects.

The commander said in an interview that reports of human rights abuses were exaggerated. "Human rights here are not perfect," he said. "But it's been reported now is a big lie."

He and other Indonesian officials maintain that the anti-Indonesian protesters are few. He also said the protests were pegged on by journalists, for a story.

"Daily life is 95 percent back to normal," the commander said.

But the riot is not. A row of stores remained boarded up near where East Timorese had burned and vandalized businesses belonging to non-Timorese. The university, which had been closed after the protests, was reopened Monday but was then shut for three more days.

East Timor, with a population of about 800,000, occupies half of an island that is about the size of the Nether lands. It is closer to northwest Australia than it is to Jakarta, which is about 1,300 miles to the west, and its climate is drier than the lush tropics of Bali.

Portuguese explorers in search of spices first came to this part of the world in the early 1500's and took over. But in 1975, after a military coup in Portugal, Portugal abruptly abandoned East Timor.

Various political parties formed in East Timor, and a civil war broke out, with an avowedly Marxist party seizing control again the upper hand. On Dec. 7, 1975, Indonesia invaded East Timor, saying it was necessary to restore order and to avoid having a Communist movement on its borders.

According to human rights groups, thousands of people have been killed since Indonesia took over. The main reason, said Bishop Belo, who is usually called Kiki, is that the Indonesian army has been so effective in controlling the area.

But what's been reported now is a resurgence of public sentiment was a massacre in November 1991, when Indonesian troops opened fire on protesters, killing at least 50 and possibly more than 200 people.

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The next year, Indonesia made East Timor its 27th province. According to Indonesia, the annexation was in response to a request by East Timorese themselves, as expressed by an assembly established by the provisional government that took charge after the invasion. But pro-independence people say this expression of public sentiment was a sham.

Australia and some Southeast Asian nations now recognize East Timor as part of Indonesia. But in Indonesia, the United Nations still recognizes Portugal as having jurisdiction. The United States does not contest the integration of East Timor into Indonesia, but maintains that there was no act of self-determination before the annexation.

Indonesia, which has 190 million people and stretches more than 3,000 miles from end to end, is made up of about 4,000 islands. The largest is Java, which is about the size of the Netherlands.

But those who argue for East Timorese independence maintain that there's something going on, something that could destabilize the entire country.

The riots last week were set off by the killing of a student named Jesus Gomes, who was killed by a tradie from another island after a quarrel in the marketplace.

East Timor is the smallest and poorest of 37 provincial, or byun, or upland, of Indonesia. Per capita income is only $120 a year, compared with more than $600 in Jakarta and more than $1,500 in Flores. Renato Sarmento, former director of the East Timor Association for Development and Progress, says Indonesia says the poor economy is the result of a lack of investment in East Timor than in any other area. All agree that Indonesia has done more economically than the Portuguese, for whom East Timor was a net loser of investment, especially for its rich coffee plantations.

Last week, the military and police, under orders from Indonesia, which is predominantly Muslim, dragged from their homes and beat many other independence protesters.

"When there are 15 places in one government office, they receive 3 to 4 tons of sugar, " Bishop Belo said.

But those who argue for East Timorese independence say such concerns are secondary to the primary problem. "Is it a social problem, a religious problem?" said Mr. Maia, the university vice rector. "No, it's a political problem."
Israeli Tourists Get New View of Promised Land

By JOEL GREENBERG
Special to The New York Times

AQABA, Jordan, Nov. 22 — For years, during stints of reserve duty in the Israeli Army, Jacob Geva and other Israeli soldiers watched Jews cross the frontier between Israel and Jordan, riding along a frontier blocked by fences and an electronic fence.

This week, Mr. Geva rode across the oneforeboding boundary with one of the first groups of Israeli tourists to come here, and found himself looking at Israel from Jordan for the first time.

"It's very strange," he said after crossing the road passing down into a minifield in the Arava valley. "I must have passed by here hundreds of times, day and night, looking over at this side for so long. It's unbelievable."

For Israelis like Mr. Geva, the signing of the Jordanian-Israeli peace treaty last month has suddenly opened their country to the east. Israeli road signs now show the way to Jordan. Weather maps in Israeli newspapers provide the temperature in Amman, and advertisements invite visitors to visit the site where - Israel began coming here after the Jordanian authorities permitted entry to travelers carrying Israeli passports this month.

For now, only 550 Israelis are allowed in each day, in buses and cars. But within three months, Israeli officials say, individuals will be able to go, even in their own cars. And the main Israeli bus company is planning regular service to Jordanian cities.

The first group of Jordanian visitors is expected in Israel next month, and tours to Israel have already been advertised in Jordanian newspapers.

For many in the first Israeli wave, the trip to Jordan has a dreamlike quality. They come on a journey to a place unknown but somehow familiar, unreachable for decades but at the same time close by. The scenery and towns remind them of home.

At the port of Aqaba, a group of Israelis crossed the Red Sea at the neighboring Israeli resort of Elilat, mesmerized by a sight that was once an impossible dream.

At Mount Nebo, the place from which the Bible says Moses saw the Promised Land, the tourists looked over the horizon of times, day and night, looking over at their country, seeing it for the first time through the eyes of their neighbors.

In Petra, an ancient complex of massive tombs hewn out of a canyon of red rock, they gazed at what had been an unattainable magnet for generations of Israelis, reached by only an

Israel and Jordan Establish Ties

JERUSALEM, Nov. 27 (AP) - Israeli and Jordanian diplomats said today that ambassadors would be exchanged on Dec. 10.

A simultaneous announcement broadcast on state-run radio in Amman said Jordan’s Cabinet had approved the ties.

The announcement came as part of a flurry of diplomatic activity this week in the Middle East.

Uzi Savor, the director general of the ministry, told Israeli Radio that ambassadors would be exchanged at the end of the year.

The announcement came as part of a flurry of diplomatic activity this week in the Middle East.

The Israeli Ministry of Foreign Affairs said today that Israel had invited Jordan to open a diplomatic mission in Jerusalem, and Jordan had accepted.

"This is a great honor for me to greet you in Jordan," he told the group as their bus rolled toward Aqaba. "You are welcome. Salom, salam, peace. Let's give peace a chance."

For Mr. Shanir, a Palestinian born in Jaffa, a town now in Israel, the encounter seemed to reopen a chapter of his life that closed decades ago. Now, he said, he wants to visit Israel and see its place of birth.

There were other moments of contact that seemed surrealistic after years of isolation: a Jordanian police officer practicing his first Hebrew or identifying himself as Jewish in a hotel lobby and in a guest book, even a wake-up call in Hebrew from a Jordanian hotel receptionist.

At Petra, souvenir sellers greeted the Israelis in Hebrew as "cousins." In one cavernous tomb, the visitors lined up and sang a haunting song commemorating their compatriots who died trying to reach the site decades ago, killed by Jordanian soldiers and Bedouin tribesmen after they had crossed the hostile frontier.

"This is something we could only imagine, something we've heard about for years," said Claude Haykin of Petah Tikva. "It's a dream come true."

Although the Israelis were warmly greeted wherever they went, there were signs that not all Jordanians welcomed their presence. A newspaper published a picture of the first Israeli arrivals under the headline, "The Entry of the Conquerors!"

Warning that Muslim militants might attack Israelis, as they have in Egypt, are taken seriously. A Jordanian policeman sat on the group's bus, and the Israelis were not let off the vehicle as it passed through downtown Amman. Several sites they visited were secured by police officers, and they were told to keep a low profile: not to speak loudly in Hebrew or identify themselves as Israelis, to avoid political conversations with local people and to stay in a group.

"Both of us feel safe now," said Samia Khoury as she watched the group browse through the archeological museum in Amman where she works. "They are human beings, just like us."

Aqaba gives Israeli tourists an unaccustomed perspective of their homeland across the Red Sea.

Adventurous few who stole across the frontier.

"I can't believe I'm here," said Rachel Shamir of Tel Aviv as a Jordanian border policeman stamped the group's Israeli passports at the Arava crossing. In a move unthinkable months ago, an officer checked the Israeli documents — once banned here — for the Jordanian permit.

"It's a change for the better," he said. "We've had enough wars."

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Rabbi in West Bank
Killed by Militants

BEIT HAGAI, West Bank, Nov. 27 (AP) — A rabbi was shot to death and an Israeli policeman was wounded when their car was fired on today as they drove toward a Jewish settlement. Members of the Islamic militant group Hamas claimed responsibility.

The shooting hours before the Jewish holiday of Hanukkah began at sundown, occurred three miles from Hebron, where tensions have been high since the massacre of 29 Muslim worshippers by a Jewish settler at a shrine on Feb. 25.

Jewish settlers blamed Government peace policies for encouraging Islamic militants, but members of Prime Minister Yitzhak Rabin's cabinet pledged to continue talks with the P.L.O.

The victim was Rabbi Ami Olami, 35, the spiritual leader of Otniel, a nearby settlement with about 50 families. He was returning home from another Jewish settlement.
Michael Rose's repugnance at "war-making" when U.N. heavens become war zones symbolizes Britain's least fine hour.

Both France and Britain pretend that America has no standing in stopping the slaughter in Bosnia because we are unwilling to commit myriads of ground troops to battle. Unless you're willing to bleed and bleed, they say, you have no right to anger the Serbs who could take our lives. Nonsense; the choice between doing nothing to stop the Serbs and force to stop the Serbs is a false choice. The real choice is between doing nothing — with U.N. peacekeeper-hostages continuing to fail to deter the Serbs — and putting into action NATO's strategy to change the course of a war that will be long and bloody and matter what we do.

The peacekeepers have no place to keep; they cannot stop the Serbs or force them to surrender. If they are fearful of becoming war-makers, then get them out of the line of fire.

At that point, France and Britain will have no excuse to avoid helping Muslims by lifting the arms embargo or to hurt Serbs from the air.

Give serious bombing a chance. None of this middle-of-the-night warring-around by a few NATO pilots, jerked in aid out of action by a discredited U.N. commander. Let's see what sustained destruction of bridges and roads, ammunition dumps, oil supplies and barracks, political gatherings and small factories can do to send the Serbs a message.

This approach is derided by the same horde of military experts who said that Iraq would never be conquered by air, as if such a pounding did not greatly soften the resistance of Saddam's forces. Ah, but Bosnia is mountainous, says the experts, as if modern air, with its ability to detect metal and heat or the movement of tanks in snow, the counter-attack is that the far weaker Bosnian Serbs are subdued by "incoming" rockets and bombs. Our defeatist Defense Secretary opted at airpower's decisive role only yesterday. But combined with arming and training the Muslim fighters who want to occupy their own country, sustained NATO tactical and strategic bombing of Serbian positions would help level the field of fire.

"Yes, it would temporarily raise the level of ferocity. But a rain of fire will not only be a powerful inducement to Serbs to end the war on terms already accepted by Muslims. And that would save hundreds of thousands of lives. It would save NATO, too.

Give bombing a chance.

Robust or Bust

WASHINGTON

Sir Michael Rose, the former Prime Minister of Australia, has just admitted that his U.S. force of 20,000 Europeans is unable to deter Bosnian Serbs from destroying cities the Security Council has established as safe havens.

That is tantamount to surrender. A ragtag splinter group of Serbs, with no power but the weaponed willingness to kill civilians, has rendered the poseurs and pontificators of the United Nations helpless and contemptible.

This proves that as a vehicle for concerted military response to an aggressor or violator of human rights, the U.N. is worthless.

Worse, its abuse of NATO's military power — calling for pinpricks responses, taking out an unmanne tank or bombing an airstrip but sparing planes — makes a mockery of the Atlantic alliance's ability to deter by threat of harsh retaliation.

The demonstration of U.N. impotence is a plus; we can now stop kidding ourselves about a world police force, and reduce our financial support of the world body to a more equitable 10 percent of its budget.

But the willingness of Britain and France to let NATO be dithered by U.N. handwringers is a big minus. The chasm opened within the alliance could sharply reduce America's involvement in European defense.

"This is precisely what France wants. "The conflict in Bosnia," says Foreign Minister Alain Juppé, "has shown the necessity to move beyond the threat of harsh retaliation. This is precisely what France wants. The demonstration of U.N. impotence is a plus; we can now stop kidding ourselves about a world police force, and reduce our financial support of the world body to a more equitable 10 percent of its budget."

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994
Thirty-one years ago, the shopped marble, travertine and granite columns, caryatids, gods and eagles of the New York Life Insurance Company were installed after the monuments of ancient Rome by McKim, Mead and White and built for eternity in 1910 — were carted off to the Secaucus meadows, giving New Jersey undisputed title to the world's most elegant dump. Of the eagles that crowned the station's walls, a few were remodeled in front of the new Madison Square Garden, making the contrast between the old Penn Station terminal and the terminal that now occupies the two full blocks between Ninth and Eighth Avenues. It was built in two segments, the east terminal for Amtrak, New Jersey Transit and the Long Island Railroad to be co-ordinated for what must surely be the most redundant colonnade in architectural history. This competent addition for what must surely be the monumental double block.

In addition to vastly improved and expanded services, each rail unit will be given a "face-lift" — something Stanford White and his partners knew a thing or two about. And since what goes around comes around in curious ways, the new Penn Station will be created in another classical building by McKim, Mead and White: the James A. Farley Post Office building, a designated New York City landmark just behind the present station, which has been declared obsolete by the Post Office and semi-suspect property by the Federal Government.

Central to the project is the creation of a large new concourse, reminiscent of the scale of the builded terminal. Because the rail yards will be supportive rather than primary, the present post office building, the conversion is practical. But it is just as much about lost glory as future needs.

The Post Office is a gargantuan box of die-stamped classicism that occupies the two full blocks bounded by 31st and 33rd Streets and Eighth and Ninth Avenues. It was built in two massive halves in 1913 during the final years of the Panama-Pacific International Exposition. The railroad designated its terminal a halt only a half block from the Post Office. It is the buzz of all the voices of travel. The Post Office, a symbol of the early, public use we make of them, the better use we make of them, the better

The architectural history of the present stair will do. The Post Office is a symbol of the early, public use we make of them, the better use we make of them, the better

The cost is budgeted at an optimistic $300 million, of which one-third to be Federal, one-third city and state and one-third to be supplied by Amtrak. Under the terms of the Federal commitment, $50 million, had been appropriated before the Republican upheaval that will replace the Post Office as head of the Finance Committee in January, with Federal funding halfway home and agreements signed by the city and state, the odds still look good.

The present stair will be kept the arcade along Eighth Avenue, where 7,000 people a day come through bronze doors under an arched ceiling decorated with the seals of the countries belonging to the postal union. One hopes that the nicely browned WPA murals of the city at the north and south ends will remain.

The plans for the new station, which will incorporate the redesigned present facility, have been under study since the 1980's by an alliance of railroad, postal service, real estate, construction and Government interests, led by Amtrak and the Thisman Urban Development Corporation. The architects are Hellmuth, Obata and Kassabaum, a large firm experienced in the kinds of major undertakings with which such consortiums feel comfortable, working with a consultant on historic architecture, Jan Poymer.

For years, the Washington's Union Station name has been a misnomer from its magnificent barrel-vaulted ceiling ringed with stained-glass windows and the seals of the countries belonging to the postal union. Today this is one of the country's most successful indoor malls, but the trains are still out back.

Real change came in the 1970's, when Government action to save the railroads brought grants and subsidies for operation and terminal upgrading. As ridership increased, station renovations put the trains up front again. Concourse were no longer treated as real estate opportunities. And while retail has become an important source of revenue, it is now supportive rather than primary. After a spectacular century of highs and lows, the great railroad station is right on track. These are some of the best and most beautiful social spaces anywhere, and the more use we make of them, the better.

Penn Station and Grand Central are coming back.

On the Right Track


The Post Office will keep the arcade along Eighth Avenue, where 7,000 people a day come through bronze doors under an arched ceiling decorated with the seals of the countries belonging to the postal union. One hopes that the nicely browned WPA murals of the city at the north and south ends will remain.

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The cost is budgeted at an optimistic $300 million, of which one-third to be Federal, one-third city and state and one-third to be supplied by Amtrak. Under the terms of the Federal commitment, $50 million, had been appropriated before the Republican upheaval that will replace the Post Office as head of the Finance Committee in January, with Federal funding halfway home and agreements signed by the city and state, the odds still look good.

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I.

The Democratic
Limited
Warranty
With America.

2. We remain staunch defenders of the Social Security System, and we are committed to bringing the military up to full force without the reduc­
ting entitlements for anybody. How do we do it? By drafting the military, many of whom already have uniforms and might find the dry air
over in Kuwait the equal of anything in Phoenix — and
without the crowds.
3. We promise to balance the budget the old-fashioned way: two sets of books. In fact we've combed over the figures and we're pretty much got it cooled already.
4. Suddenly, term limits seem like a great idea, in fact, they have never sounded better. What about using temps? We have always been opposed to professional politicians, which is why so many of ours are leaving the profession.
5. We stand ready to embrace the Christian left, the middle middle, in fact, any part of the Christian
that's not being embraced. To pre­
sure the delicate balance of church and state we'd like to keep it in public schools and a secular moment of silence in parochial schools.
6. Sorry about the little mix-up over health care. While we're oper­
ating on the plan, rest assured you won't soon be receiving by mail the health care credit card, which can be used to slip the locks on closed clinic
doors. We are con­
fident our new ap­
proach to wellness will give you the next best thing to health), “stay warm and
drink plenty of flu­
ds.” will receive bipartisan sup­
port, and that it may not be neces­
sary, after all, to marry a Canadi­
an.
7. What say we disinvent govern­
ment? After Tennessee, we think Al
Gore’s the man to do it.
8. We've never been tougher on crime, and like the sound of “two strikes and you're out” (or maybe one swing and a foul tip), and sup­
port a tougher death penalty should one come along.

Undemocratic Vistas

The Sinister Vogue
Of Leo Strauss

Hitler’s book-burning Brownshirts. The book offers the vantage point of the Philosopher King, staring down his nose at the commoners.

Its commercial success helped to beget the political correctness hysteria and a stream of tracts best characterized by William A. Henry’s “In Defense of Elitism.” Elitism hardly needs a champion. With poverty deepening, middle-class income stagnant and college tuition spiraling out of reach, class barriers are doing just fine on their own.

Strauss appealed to the conservative elite because he viewed the status quo as an expression of divine will. He appealed to conservative professors because he cast them romantically, as front-line warriors battling barbarism. He appealed to political ideologues because he provided “wedge issues” that pit the electorate against itself, specifically the privileged against the poor.

Conservative think tanks flocked to the party. Their
enthusiasm has paid off. The precepts of the Enlight­
enment that Strauss so heartily despised are under daily
assault. The notion of a permanent “underclass” that is
derived from the principle of Independence, the Enlightenment’s most profound
declaration of the rights of man, is being so thoroughly rejected and surrounded by innuendo that it even seems as if it has been fighting
against a capital gains tax since 1928.

This dark view of human potential is poised to become a central feature of this country's social policy. One
andodous fresh and subversive version of the anachronistic idea of Independence, the Enlightenment’s most profound document, the place where by a privileged elite was
drafted is as evasive as the power this new elite has amassed. Like the Far East-born Lev Davidovitch, who was as a matter of national principle. In

THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994

We Feel Your Gain

By Michael Feldman

MADISON, Wis.
THE NEW YORK TIMES, MONDAY, NOVEMBER 28, 1994

It’s ironic that the Democrats had a big idea for “Contract With America” first, but made the mistake of calling it “10 Holiday Tips” and run­ning it in Good Housekeeping.

This points out the need for the party to go the full nine yards and come up with a visionary yet cheap public-relations ploy that will cap­
ture the public lack of imagination, skirt the right issues and hold its own feet to the fire.

In short:
1. For some time now we've been meaning to condemn George Mc­
Govern and the counterculture, al­
though there's no indication George ever joined. George was a nice guy,
but he wanted to give everybody cash handouts, not just the rich, who
have all the overhead. It was short­sighted. As for the counterculture,
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Half a Policy on Iraq

There are two ways to contain Iraq. One, as the Clinton Administration recently demonstrated, is to deter war. The other, which it has neglected, is to encourage moves toward peace. Yet Washington resembles the Iraqis' program on arms control — a serious and potentially dangerous mistake. It may be good domestic politics, but it poorly serves America's international interests. Refusing to recognize positive steps Iraq moves discourages further cooperation and drives a wedge between America and other members of the U.N. Security Council.

Baghdad seriously damaged its credibility last month by staging menacing military maneuvers near Kuwait. After that play backfired, Iraq reversed course and recognized Kuwait's sovereignty and borders. But its earlier threats devalued that concession; Iraq must now firm up its assurances that it will never again engage in such provocateur conduct toward its neighbors by agreeing to restrict its troop movements, give advance notice of future exercises and admit outside observers.

Still, three and a half years after the end of the Persian Gulf war, it is time to acknowledge that Washington is not about to overthrow Saddam Hussein. Better, no better successor is in sight. If Iraq is to be influenced, the U.S. needs to talk to the present regime.

Instead, the Clinton Administration labels Iraq a "rogue state," responsive only to brute force. Iraq is surely an aggressor state; but it can also respond rationally to diplomatic incentives. For two years it has cooperated with U.N. arms inspectors, and its motive for this cooperation is clear. The resolution ends the 1990-91 war and leaves Saddam Hussein the task of making peace with its neighbors and reforming its regime. Washington, though it never says so directly, has made it plain that it will not consider relief so long as Saddam Hussein remains in power. That is no way to encourage Iraqi cooperation on arms control, or to encourage allies to maintain sanctions.

This is an awkward moment for the Clinton Administration to reconsider its hard line on Iraq. But if it does not, the U.S. may face even more awkward problems from Iraq down the road and a breakdown of the allied unity on which containment of Baghdad ultimately depends.

Britain's Civil Liberties Backslide

Britain, sometimes romanticized as the mother of some American liberties, is dismantling its own safeguards against compelled self-incrimination — at a time when "Miranda rights" seem to enjoy new respect in the United States.

For years British police have been warning arrested suspects: "You have the right to remain silent; anything you say may be given in evidence." That seems fair enough, though not as informative as the U.S. version.

But Parliament has just changed the rules, prescribing a warning that seems certain to confuse and coerce suspects into forfeiting whatever right to silence they have. The new warning: "You do not have to say anything unless you wish to do so, but what you say may be given in evidence." That seems fair enough, though not as informative as the U.S. version.

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Thus if an arrested person exercises the right to silence, he may suffer for it at trial. It could cost him the chance to offer a credible alibi in his own defense; the judge or jury would be free to discount the defense because it was originally withheld. That defies not only the safeguards against self-incrimination, but worse, the entire criminal justice tradition of demanding that government prove the case against a defendant presumed innocent.

Alas, the British have nothing to teach their former colonies on this subject. Nearly 30 years ago — one year before the famous confession case of Miranda v. Arizona — the Supreme Court reversed the defendant's failure to testify. That kind of comment, the high court's 1966 ruling compel police to tell suspect: "You have the right to remain silent and refuse to answer questions. Anything you do say may be used against you in a court of law. You have the right to consult an attorney before answering any questions; and if you do not have an attorney available, you have the right to remain silent until you have had an opportunity to consult with one.

Senator Orrin Hatch of Utah, who is expected to head the Senate Judiciary Committee, has said that he sees no need to legislate in this area because the Miranda safeguards have worked. That is broadly true, thanks to the American constitutional order with its written charter of liberties, enforced by an independent judiciary. That enforcement has not been uniform, but law enforcement officers have responded well to Miranda's restraints because they are clear and fair.
Rallying Against Regula

By Al Kamen
Washington Post Staff Writer

Some conservative western activists are mounting a last-ditch fax attack against the naming of Rep. Ralph Regula (R-Ohio) as chairman of the House Appropriations subcommittee on Interior.

Incoming House speaker Newt Gingrich (R-Ga.) has said he would name Regula, and Rep. Bob Livingston (R-La.), the pick to head the full Appropriations Committee, has written Regula to record his support.

But all the committee assignments must be approved by the GOP conference vote next week, and Regula, according to the Land Rights Network, is a “super liberal who supports big government” and who “must be stopped.”

Regula’s ascension to the chairmanship “would be a disaster for all who believe in private property, grazing, mining, forestry, recreation and multiple-use,” the group said, urging calls to members of Congress.

“This is an all-out call to action. You have no more powerful enemy in Congress than Ralph Regula. He’s been killing you for years,” the group said in a statement.

That tiny bit of overstatement aside, the activists’ focus on the Appropriations subcommittee and the moderate Regula makes eminent sense. With Rep. Don Young (R-Alaska) set to take over a reconstituted House Natural Resources Committee and Sen. Frank H. Murkowski (R-Alaska) running the Senate Energy and Natural Resources Committee, environmentalists see Regula as their last hope to stave off a wholesale reversal of environmental legislation.

Given some Republican insistence that the “Contract With America” is not anti-environmentalist, the environmentalists figure that rather than kill legislation outright, Republicans may want to starve certain programs. That makes the appropriators key.

Not that Regula is seen by the enviros as an environmental champion. The pro-environmental League of Conservation Voters ranked him only in the 14 to 44 percent range in recent years. But compared to Murkowski (0 to 30 percent) and Young (0 to 8 percent), Regula looks like a raving tree hugger.

Backing Off a Taxing Situation

The National Taxpayers Union was into a mea culpa mode last week. It seems NTU Foundation executive director Paul F. Hewitt sent out a letter last Monday to GOP senators noting that by its count, Sen. Alan K. Simpson (R-Wyo.) was the seventh most fiscally conservative member of the Senate and Sen. Trent Lott (R-Miss.) was the 35th most fiscally conservative.

Hewitt, in providing the tally, said it might be useful information in the contest the two Republicans are waging for the majority whip job.

Backing away faster than an all-pro cornerback, NTU lobbyist Al Cors Jr. sent a quick note to Lott, saying Hewitt’s letter was “one individual’s misguided effort to gain publicity” for the NTU’s rating system and “was not sanctioned and is not condoned” by the organization.

Besides, Cors said, the tally, “while a useful tool, is far too limited to be used as an overall yardstick of fiscal conservatism. For example, you have a distinguished record as an effective leader against tax increases and for responsible budget process reform legislation,” he wrote Lott, but “these important areas are not measured.”

Another Assignment for Hattoy?

Gay rights and AIDS activist and much-quoted federal employee Bob Hattoy may be on the move again. Hattoy first worked at the White House personnel office and then, some say, was moved to the Department of Interior because of his outspoken support of gay rights and AIDS issues.

Hattoy has yet again ruffled the feathers of the powers that be, especially chief of staff Tom Collier. He’s still at Interior with the same title of White House liaison, but with his duties being handled by deputy chief of staff B.J. Thornberry. Hattoy is in a small office in the water and science section, which includes the Bureau of Mines, taking care of issues such as helium plants in Amarillo, Tex., and mining matters.

We expect to hear from him even from those depths.

Out of Energy

John G. “Jack” Keliher, former staff director of the House intelligence committee and more recently director of the office of intelligence and national security at the Department of Energy, is retiring. His top deputy, Kenneth Baker, is taking over.

The official explanation is that Keliher has reached retirement age. True, but sources say Keliher also was not happy that Energy Secretary Hazel R. O’Leary and Undersecretary Charles Curtis seemed to favor Kenneth Lozano, former nonproliferation guru at the Union of Concerned Scientists and now in charge of plutonium disposition, over the Cold War warrior Keliher.

In other energy matters, Guy P. Caputo, deputy director of the Secret Service, has moved over to become director of the office of investigations at the Nuclear Regulatory Commission.

Finding a Home at FDA

Another refugee from the Hill has found a home. William B. Schultz, former counsel to the House Energy and Commerce subcommittee on health and the environment, chaired by Rep. Henry A. Waxman (D-Calif.), and point man for Food and Drug Administration matters, is consulting these days at the FDA. Schultz is in line to become deputy commissioner for policy, a move in the works before the recent elections.

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
Bihac Truce Accepted By Muslims
Serbs Press Attack; Dole Calls on U.N. To Leave Bosnia

By John Pomfret
Washington Post Foreign Service

ZAGREB, Croatia, Nov. 27—The Bosnian government today accepted a U.N.-proposed cease-fire around the embattled enclave of Bihac, but attacking Serb forces pressed forward as NATO refrained from new airstrikes.

By agreeing to the cease-fire, the mostly Muslim government appeared to be acknowledging that it was in a desperate position, a senior U.N. official said.

Although the United States had pushed for a more robust response to Serb forces last week, Defense Secretary William J. Perry said today that NATO airstrikes would be ineffective at this point.

Perry said the Serbs were in control and could stamp Bihac "if they decide to do that." Air strikes "cannot determine the outcome of the ground combat," he said on NBC-TV's "Meet the Press."

Incoming Senate majority leader, Robert J. Dole (R-Kan.) called for the 23,000 U.N. peacekeepers to leave Bosnia and for the United States to begin supplying arms to Bosnia's Muslims in violation of an international arms embargo on Yugoslavia and its former republics.

"They're not doing their job, and they're making it worse," Dole said on the same program. "Let's lift the arms embargo. And let's at least let the Bosnians defend themselves."

Serb forces in eastern Bosnia detained 150 more U.N. soldiers today, mostly British and Dutch troops, to bring their hostage total to about 400. U.N. officials said.

BOSNIA, From Al

Lt. Gen. Michael Rose, the U.N. commander, said the peacekeeping troops in Bosnia may withdraw if the military situation deteriorates further.

"If the situation gets much worse militarily, we then suspect the peacekeeping mission would find it very difficult to continue," he said.

The cease-fire proposal would force Serb troops to abandon the U.N.-declared "safe area" for other, more dangerous parts of the Bihac pocket, where Serb assaults could resume, in exchange for a commitment by U.N. forces to protect the safe zone and the 70,000 mostly Muslim civilians trapped inside. For their part, the Serbs, who have not yet re-

sponded to the plan, would be forced to withdraw from the safe area, although they have captured one-third of it.

Under the cease-fire, the Bosnian Serbs would effectively obtain what their leader, Radovan Karadzic, has said he wants: the neutralization of the United Nation's 5th Corps as a fighting force.

However, the Serbs would not gain control of a rail link that runs through the town of Bihac and that connects the Serb-held city of Banja Luka in Bosnia with Wien, the headquarters of the Austrian Serbs. U.N. officials have said one reason why the Serbs pressed their offensive into the safe area was to grab the railway, which would put them on their way to unifying Serb-held parts of Bosnia with Serb-controlled areas of Croatia.

Serb assaults on the Bihac pocket continued to squeeze the beleaguered Muslims. U.N. chief spokesinan Michal Williams said that instead of blasting the Bihac safe area, Serb forces hammered the northern town of Velika Kladusa with tank and artillery fire along with a ground assault. Williams said that despite Croa-

tian Serb denials, there was, not less, that the two rebel Serb forces were closely coordinating the assault on Bihac.

The U.N. Protection Force in the former Yugoslavia rejected a NATO request to destroy Serb antiaircraft missile sites around the Bihac safe area on Saturday in what one military official described as "the last NATO bid for an airstrike in Bihac and possibly Bosnia as well."

Western military officials said the U.N. mission in Zagreb rebuffed the NATO request to hit approximately six surface-to-air missile (SAM) sites in both northwest Bosnia and Serb-held territory in neighboring Croatia.

"We won't be able to do anything to protect the people in Bihac unless we remove that problem," one Western official said. "But we can't get approval."

The airstrike would have been the most militarily significant NATO action in the 32-month Bosnian war and would have come at a time of growing differences between members of NATO—specifically the United States on one side and Britain and France on the other—about what to do in Bosnia. U.N. sources said the NATO request was rejected because of fears that the Bosnian and Croatian Serbs, who have launched a concerted and coordinated assault on the Bihac enclave, would respond by killing peacekeepers.

Under the terms of an agreement made between NATO and the U.N. peacekeeping command in October, each side can request airstrikes in Bosnia, but only the U.N. command in Zagreb can approve them. That agreement was worked out when one of NATO's missions was ignoring Serb violations of two weapons exclusion zones, around Sarajevo and Gorazde, and of U.N. Security Council resolutions, in the interest of appeasing the Serbs so that their heavily armed forces would not hurt U.N. soldiers.

On paper, the agreement also vowed that NATO would be launching stronger strikes against possibly more than one Serb target. But so far, that has not been the case. In the two NATO strikes that followed the agreement, NATO planes last week bombed an airlift in Serb-held territo-

ry in Croatia but left the planes intact, and attacked two Serb radar sites in Serb-controlled parts of Bos-

nia and Croatia but not the missile systems themselves.

On Friday night, NATO planes roamed the skies above Bihac waiting for U.N. forward air controllers to give them targets following a Serb violation of an earlier cease-fire agreement announced by the United Na-

tions. No targets were provided to NATO warplanes. On Saturday, Western military officials said NATO asked to obliterate the SAM sites but that request was denied.

"NATO aircraft can't be of much help for anybody on the ground if those SAM missiles are there," a Western military official said.

"But they're mobile so we thought it was a better idea to take them out when we knew where they were but wait around for them to move. The U.N. didn't agree."

Faced with this limitation on NATO's ability to act in the skies over Bosnia, one Western official said it was not surprising that Perry declared today that NATO was "powerless" to change the situation around Bihac.

"NATO is prepared to respond with airstrikes if the United Nations asks them," Perry said. But, he added, "the United Nations has not been asking for airstrikes, and therefore we are really powerless to conduct air-strikes to influence that situation."

The senior U.N. official said he found Perry's comments "pretty astonishing" and predicted that they meant the "end of any U.S. involvement in the Bosnian war."

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ishing" and predicted that they meant the "end of any U.S. involve-

ment and any independent NATO in-

volved in the bleakest conflict in Europe since World War II."

In the interview, Dole cited Haris Silajdzic, the prime minister of Bos-

nia, as saying Russian-made antiair-

craft systems had been moved around Bihac.

"At the very time there's an em-

bargo on the Bosnians, there still may be military equipment coming in to aid the Serbs," Dole said.

U.N. officials have said the Serbs have deployed SAM-2s, -3s, and -6s, and that at least one of the SAM-2 anti-

craft missile systems appears to *
Capital Gains Issue Poses Test of Faith

Believers, Forecasters Spar Over a Tax Cut

By Albert B. Crenshaw

Capital Gains

Cutting taxes on capital gains would:
A. Stimulate economic activity, boost federal revenue, increase savings and make capital cheaper for American industry.
B. Send the deficit through the roof, provide a windfall for the rich, stimulate consumption instead of savings, and restart the tax-shelter industry.
C. Nobody knows.

Whoever you prefer, there are plenty of studies to prove it. In fact, the question of how to tax capital gains boils down to something much closer to religion than economics—it’s a matter of faith.

“If you know what you believe, then you’ve got all the answers in the data,” said C. Clinton Stretch, tax principal with the accounting firm Deloitte & Touche who had been legislative counsel at the congressional Joint Committee on Taxation.

The newly dominant congressional Republicans have made cutting taxes on capital gains—profits on the sale of stock, bonds, real estate and other assets—a priority for the new Congress, and had even threatened to hold up the General Agreement on Tariffs and Trade pact unless President Clinton agreed to go along. These Republicans—and some Democrats as well—believe that cutting capital gains taxes would be good for the economy.

Treasury Secretary Lloyd Bentsen, interviewed yesterday on CBS’s “Face the Nation,” said the administration was willing to consider a request by Senate Republican leader Robert J. Dole (Kan.) to cut the capital gains tax. Bentsen said, however, that it was necessary to find a way of compensating for lost federal revenue if the capital gains tax were reduced.

Democrats are not likely to give up without a struggle. When President George Bush proposed a capital gains cut in 1990, Democrats blocked it in the Senate, arguing that it would produce a bigger revenue loss and unfairly benefit the well-to-do.

Those same two issues—fairness and revenue—are likely to be the focus of debate on the current Republican plan. House Democratic leader Richard A. Gephardt (Mo.) already has called capital gains cuts “nothing more than a giveaway for rich investors.”

With Republicans voicing a desire to balance the budget by 2002, a key question is whether cutting capital gains taxes would raise or lower revenue for the federal government.

Proponents note, however, that if the numbers of money involved. For example, in 1986 capital gains tax revenue was $326 billion, but by 1988 it had fallen back to $144 billion.

However, in subsequent years sales of assets have been as high or higher than most of the years in the early 1980s, when tax rates were lower. To opponents, that is evidence that such decisions are governed primarily by political considerations and not taxes. But proponents, looking at the same data, conclude that realization rates aren’t as high as they should be given the stock market’s strong performance in the late 1980s.

Aside from the questions of accounting, Democrats also assail the capital gains tax cut proposals on the political grounds of fairness. In 1990 the Joint Committee on Taxation concluded that about two-thirds of all the tax savings generated by Bush’s plan would have gone to taxpayers with incomes of more than $200,000 a year.

Proponents note, however, that if the number of individual gains—as opposed to their dollar amounts—continues to measure, the bulk go to middle- and moderate-income taxpayers.

But the Treasury Department had figured it would raise $13.2 billion.

The difference between the estimates is less than it may seem, said John G. Wilkins, a longtime Treasury official who now is at the accounting firm Coopers & Lybrand. “It’s very misleading to simply look at the bottom line,” he said. “The underlying estimates were very, very close to each other given the magnitude of the amounts of money involved.

It’s wide support past changes doesn’t provide much guidance, either, other than to show that taxpayers will wait to sell assets if they see a tax cut coming or hurry up and sell in the face of an increase.

When Congress acted in 1986 to boost the maximum rate to 28 percent from 20 percent, an increase that took effect in 1987, sales of assets skyrocketed to $326 billion in 1986 from $173 billion in 1985, and then fell back to $144 billion in 1987.

However, in subsequent years sales of assets have been as high or higher than most of the years in the early 1980s, when tax rates were lower. To opponents, that is evidence that such decisions are governed primarily by market considerations and not taxes. But proponents, looking at the same data, conclude that realization rates aren’t as high as they should be given the stock market’s strong performance in the late 1980s.
Not since the birth of the United Nations in 1945 and a half-century ago has the country faced a decision quite like the one that brings Congress back to Washington this week in a rare post-election session to consider U.S. membership in a new World Trade Organization.

The WTO, approved as part of an expanded General Agreement on Tariffs and Trade by the United States and 122 other nations, would take its place Jan. 1 alongside the United Nations as a powerful international body, equipped to bring down barriers to trade, investment and economic growth worldwide.

World leaders will be anxiously watching the outcome of this week's vote, scheduled for tomorrow in the House and Thursday in the Senate. A defeat would doom the WTO and an option permitting a U.S. exit from the plan permitting a U.S. exit from the WTO to oversee them. A critical change was the elimination of a veto power that permitted any GATT member to block a ruling it didn't like. Now, WTO rulings will be binding except in the unlikely event that WTO members agree to overturn the decision.

The change was sought by President Ronald Reagan's negotiators and endorsed by Congress in a major 1988 trade bill, out of frustration with France's use of its veto to block a ruling that favored U.S. farmers. Conservative critics now fear loss of veto power for the United States. The change "puts America's trade under United Nations control forever," Buchanan said in anti-WTO radio spots.

The relative secrecy of GATT and the WTO's rules-making, closed to nongovernmental observers with only a confidential accounting given to the public, is more fuel for the opposition. In response, the Clinton administration is promised to promptly publish its submission to WTO panels and the "nonconfidential" arguments of other nations. The administration contends the rules are still a far cry from U.S. standards of openness.

A nation that believed the United States was violating WTO rules could bring a challenge to a three-member panel of trade experts appointed by the WTO's administrators. Past disputes have included France's use of subsidies to shore up its farm sector, a U.S. decision to ban Mexican tuna imports because the U.S. can fishing practices threatened dolphins, and a complaint by the European Union against U.S. automobile fuel economy standards whose penalties fall most heavily on big imported European cars.

If the WTO's complex rules nations can set environmental or product safety standards as high as they want if the standards are scientifically and legally sound, a WTO critic, Ralph Nader. "We can't just thumb our nose," he contended. The United States will be under pressure to weaken its laws as a result of challenges," said Michael McCloseky, chairman of the Sierra Club.

The United States will be "cured of its addiction to tariffs and a WTO supporter.

Prospects for approval of the WTO are good in the Senate. Support for GATT now looks robust. The breakthrough was last week's agreement by Senate Republican leader Robert J. Dole (Kan.) to support the pact after the Clinton administration accepted his plan permitting a U.S. exit from the WTO if it ruled consistently against the United States. Creation of the WTO would become "a symbol of the inexorable forces uniting the world together," said Maria Elena Hurtado, policy director of the International Organization of Consumers Unions. That is not, however, how it looks to opponents. An unlikely coalition of America First conservatives and liberal critics of Big Business have combined to oppose the WTO. To them, it amounts to a surrender of the nation's economic destiny to a potentially hostile instrument of world government, able to challenge U.S. laws protecting workers, consumers and the environment.

GATT, From A1

Even the name—World Trade Organization—has a scary ring to many Americans, suggesting unseen agendas of powerful worldwide business and political elites, said Sen. Bob Packwood (Ore.), the top-ranking Republican on the Senate Finance Committee and WTO supporter.

The critics have not exaggerated the role of the biggest U.S. corporations in shaping the new trade agreement—their lobbyists and lawyers worked with U.S. negotiators under three presidents and the congressional trade committees to set the U.S. goal.

As President Clinton sees it, new rules expanding trade opportunities for the strongest U.S. industries should be the cause for celebration. "Since the United States has the most productive and competitive economy in the world, that is good news for our workers and our future," he said last week. There is now turning back for an economy that depends on trade for nearly one-quarter of its output, the president argued.

But Clinton has not persuaded workers who blame import competition for their unemployment and stagnant wage gains, nor conservatives fearful of international linkages, WTO critics said. "People think this is being done for the multinationals at the expense of the average working men," contended conservative commentator Patrick J. Buchanan, a leading WTO opponent.

Despite the vehemence of the WTO attack, it was an issue in few congressional votes, scheduled for tomorrow in the House and Thursday in the Senate. A defeat would doom the WTO and an expansion of GATT's rules expanding trade opportunities for their biggest U.S. industries is an appeal with the WTO's critics on the right.

The legislation before the House and Senate this week states that Congress will not recognize any WTO ruling that is inconsistent with any law of the United States.

"There is no GATT police force," said Jeffrey M. Lan, formerly the chief counsel of the Senate Finance Committee. If it chose to, Congress could fix the problem by changing a law that broke WTO rules. It could negotiate a settlement with the complaining nation, or it could decide to ignore the ruling. In that case, the winner in the dispute could retaliate by raising tariffs on U.S. imports.

Critics argue that U.S. officials would bend in the face of GATT's "obey or pay" mandate, said consumer activist Ralph Nader. "We can't just thumb our nose," he contended. The common interests of multinational corporations and WTO's bureaucrats will easily trump objections of environmentalists and labor organizers, he said.

The United States will be "acting under pressure to weaken its laws as a result of challenges," said Michael McCloseky, chairman of the Sierra Club.

The United States will be "cured of its addiction to tariffs and a WTO supporter. But to a new appellate body whose makeup is likely to reflect the power of major trading nations, said Lang. Retailers—the ultimate wedge in such disputes—is "a good threat by a lossy remedy," Lang said. Smaller countries that buy little from the United States hope to sell their products here have much more to lose than gain by picking a fight with the United States.

Industrial countries and the fast-growing nations of Asia and Latin America would be more likely to seek a settlement than risk a trade war that could deny them access to U.S. products and components their consumers need.

The final recourse for the United States would be to quit the WTO, which any nation can do on six months' notice. This option was underscored last week by the Clinton-Dole agreement. Under Dole's escape-clause plan, Congress could vote to leave the WTO if the United States wound up on the losing side of three WTO decisions in a five-year period and a review panel of federal judges found that U.S. rights under the WTO agreement had been violated.

With that deal in hand, Dole announced his support for the WTO. However, if the ad hoc vote-counters are right, Dole's backing is enough to secure a victory this week. But it will not end the argument.
Each weekday morning, thousands of substitute teachers walk into Washington area schools to teach subjects they may not know about or to students they've never met. They often are poorly paid and inadequately trained for this task. Some have only a high school education themselves and are motivated to do little more than babysit.

The result, educators acknowledge, is significant disruption of the learning process.

"It's one of those dirty little secrets about education," said Bob Moore, of the Maryland State Teachers Association. "You've got 40 kids in there, and you need an adult in there, and it's five minutes 'til opening. What are you going to do?"

The problem is growing worse as age and increased stress lead to more absenteeism among full-time teachers, forcing public school systems to rely more than ever on substitutes. The situation, which costs systems millions of dollars each year, is ruled by supply and demand, and demand far exceeds the supply of those willing to work for wages that may be as low as $35 a day.

Given the already pressing shortage of acceptable applicants, administrators say, there is no way to raise minimal academic standards to ensure that a substitute teacher actually takes the place. Most Washington area systems require substitutes to have only two years of college; three ask for no college experience at all.

Yet the demands of the job are daunting: Substitutes frequently get little respect from students, who see their appearance in class as a chance to goof off, and little help from the absent teachers, who may leave behind no lesson plans.

"It's probably the worst job in the school system," said Principal Ralph Neal, of Eastern High School in Southeast Washington.

That's true even for the more qualified substitutes, people such as Dan Buchanan, 34. The Great Falls minister has a degree in education and a doctorate in theology and is called for planning and personal leave. That works out to about 7 percent of the time.

In Prince George's County, the typical teacher missed class 11.1 days in the 1992-93 school year, officials say. The next year, the figure rose to 12.6 teaching days, or 7 percent. At the District's Eastern High, Neal estimates that his teacher absentee rate averages about 10 percent.

Such numbers exceed those for other white-collar workers— including in professional, technical, sales, administrative support and service occupations. They generally are absent 4 percent to 6 percent of the time, according to the U.S. Bureau of Labor Statistics.

The local absentee numbers also are higher than figures reported by the National Center for Education Statistics, which says that U.S. public school teachers are sick or on leave just over 4 percent of the time. Urban schools usually log worse rates and private schools better ones, according to the center.

Educators say teachers are exposed to a variety of illnesses. They note that the average age of teachers is rising and that the stress of the job on all teachers leads to absences as well.

The losses in productive classroom time and the costs of replacing regular teachers are great. Across the Washington region, schools spend about $30 million annually for substitutes, who typically are paid about a third as much as regular teachers. Fairfax County alone spends nearly $1 million a month on substitutes.

Requiring all substitutes to have college degrees—whether in education or another subject, as only Arlington and Montgomery counties do locally—likely would mean paying them more. Even if tight budgets would allow that, administrators aren't convinced it would mean an adequate supply of temporary instructors.

Instead, most public school systems have gone the other direction; in Loudoun, Prince George's and Prince William, a high school graduate can be a substitute teacher.

William Boucher, state superintendent of Virginia's public schools, insists that "not a day should be foregone. If it becomes a day-are day, then we've grossly overpaid for it."

In the trenches, however, many administrators say they only are trying to meet the sometimes overwhelming needs. "They've called me at 7:30 in the morning, saying, 'Please. We need a warm body,'" said Clarence Seldom-Fedge, 63, a retired biology teacher who lives and substitutes in Arlington.

In Anne Arundel County, the shortage of qualified and willing substitutes is so severe that officials are running ads on cable television and in school newspapers, and some principals are holding teas to recruit prospects. In the District during last winter's flu season, principal Neal recounted, a few city schools called in resident volunteers to monitor students.

Several area systems report nearly a 50 percent annual turnover in their substitute pools, primarily because people move or find other work.

In recent years, schools have been so pressed to find substitutes that people sometimes have been put in the classroom without adequate background checks. Two years ago, Fairfax officials discovered that one regular substitute was a convicted murderer who had escaped from a prison van in Baltimore. That incident prompted several Northern Virginia teachers to insist—as Maryland and the District already did—that substitute candidates be fingerprinted and that the FBI do a nationwide search for any criminal history.

Administrators say they rarely encounter such problems with applicants, though they occasionally discover that some have lied about their work backgrounds.

Considering all the challenges, administrators say, it should be no surprise that a substitute whose IQ, well...
COMPARING WASHINGTON
AREA SUBSTITUTE TEACHERS

Some basic comparisons of substitute teachers in the region:

<table>
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<tr>
<th>JURISDICTION</th>
<th>ANNUAL BUDGET</th>
<th>BASE PAY*</th>
<th>MINIMUM ACADEMIC REQUIREMENT</th>
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<tr>
<td>VIRGINIA</td>
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<tr>
<td>Arlington Co.</td>
<td>$1.1 million</td>
<td>$60/day</td>
<td>College degree</td>
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<tr>
<td>Alexandria</td>
<td>$0.77 million</td>
<td>$61/day</td>
<td>Two years of college</td>
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<tr>
<td>Fairfax Co.</td>
<td>$8 million</td>
<td>$56/day</td>
<td>Two years of college</td>
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<td>Loudoun Co.</td>
<td>$0.72 million</td>
<td>$60/day</td>
<td>High school diploma</td>
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<tr>
<td>Prince William Co.</td>
<td>$1.8 million</td>
<td>$45/day</td>
<td>High school diploma</td>
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<td>MARYLAND</td>
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<td>A. Arundel Co.</td>
<td>$2.7 million</td>
<td>$35/day</td>
<td>Two years of college</td>
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<td>Howard Co.</td>
<td>$1.7 million</td>
<td>$47/day</td>
<td>Two years of college</td>
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<td>Montgomery Co.</td>
<td>$5.2 million</td>
<td>$81/day</td>
<td>College degree</td>
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<tr>
<td>Md. George Co.</td>
<td>$5 million</td>
<td>$50/day</td>
<td>High school diploma</td>
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*Some school systems pay more for higher degrees or long-term assignments

SOURCE: Area school systems

edge of Spanish extends no further than a Mexican restaurant menu might be sent into a junior high Spanish class, for example. Or that Christine Smith, who has a degree in nutrition, recently was given a day’s worth of Algebra II classes at Park View High in Loudoun.

For the 30-year-old Smith, who hoped to so impress school officials that they would hire her as a permanent teacher in biology or life sciences, the assignment was a double challenge: She hadn’t worked with that level of math for a decade.

But she had no choice. Even as she and fellow substitute Buchanan, the moonlighting minister, hustled to their second-floor homerooms that Monday morning, Assistant Principal Jerry Black continued dialing phone numbers frantically. Another teacher had just called in sick, the seventh on the school’s 90-teacher staff who would be absent that day, and already, Black was fielding new requests for fill-ins later in the week. Thursday was shaping up to be a nightmare.

“You don’t realize how dependent you become on these subs,” he lamented.

In Buchanan’s first class, students were restless and talkative. “We should be doing math,” he boomed. Some students were struggling to understand their assignment from the previous Friday—when another substitute handled the class. Other students had completed the assignment and clearly were bored.

As the day wore on, notes circulated. Some students chewed gum. At one point a girl walked boldly into the room to visit a friend, but Buchanan banished her.

For their seven hours of effort, Smith and Buchanan were paid $60 each. Smith expected to take home $45 of that and, after paying her own children’s day care, maybe clear $20. Buchanan missed lunch.

Both said that the system leaves much to be desired, but they feel they owe it to the children to make the best of each day.

Said Moore, of the Maryland teachers association, “It’s like being a new teacher on the first day of school—every day.”
Shared Liver Transplant Bridges Cultural Gap Between Families

By Steve Bates
Washington Post Staff Writer

It was nearly midnight when surgeon Stephen Dunn got the call. A young woman was dead, but luck had saved her liver from being discarded. "We all bleed red," Dunn could remove part of the liver, and all eight of his recipients are alive, and determination in the eyes of the "I wanted to see him again." Dunn said. Because so few split-liver operations have been done, there isn't enough data to predict their life spans, he noted. It was nearly midnight when surgeon Stephen Dunn got the call. A young woman was dead, but luck had saved her liver from being discarded. "We all bleed red," Dunn could remove part of the liver, and all eight of his recipients are alive, and determination in the eyes of the "I wanted to see him again." Dunn said. Because so few split-liver operations have been done, there isn't enough data to predict their life spans, he noted. It was nearly midnight when surgeon Stephen Dunn got the call. A young woman was dead, but luck had saved her liver from being discarded. "We all bleed red," Dunn could remove part of the liver, and all eight of his recipients are alive, and determination in the eyes of the "I wanted to see him again." Dunn said. Because so few split-liver operations have been done, there isn't enough data to predict their life spans, he noted.

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As the boys recovered from the transplants, Waldo's thoughts often turned to Steven. "Every day he asks me, 'Can I go see Steven now?'" said Leslie Garcia.

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Grieving Mom May Face Prison
For Allowing a Drunk to Drive
Ex-Husband Took Daughters on Fatal Ride

By Sue Anne Pressley  
Washington Post Staff Writer

WIMBERLEY, Tex.—The last time Shirley Draper saw her ex-husband, Gregory Cook, and their two daughters alive was on a Sunday morning in late September as the trio climbed into Cook's 1992 automobile. They were headed to a restaurant in nearby San Marcos for breakfast.

The vehicle was a testament to Cook's chronic drinking and driving problems. Outfitted with a court-ordered system to measure blood-alcohol levels, the ignition would not start until Cook—or someone who was sober and willing to assist—breathed into the machine. On that Sunday, Sept. 25, Cook would not have been capable of starting the car; tests later showed he had a blood-alcohol reading of 0.22, more than twice the legal limit for intoxication.

It would be three days before the car and its occupants were seen again, submerged in a pond at the bottom of a steep incline a few miles from Draper's home. Cook had plowed over the hill at high speed and into the 10-foot water. By then, Draper allegedly had told authorities she knew her ex-husband had been drinking heavily when he left her driveway with the children. Authorities say she also acknowledged she knew one of the young girls would have had to breathe into the machine for Cook to operate the car.

Now, in an unusual case that has divided this friendly central Texas community and is becoming a touchstone for the national movement against drunk driving, 34-year-old Gregory Cook, a bail bond officer, remains free on bond in Tarrant County Criminal Court No. 2. The district attorney's office recommends Cook be given a remarkably lenient sentence—three concurrent probation terms and a fine of $500 to $700 in each case. Mitchell also ordered the ignition-lock device be fitted in Cook's vehicle until July 1996.

“I know the woman is suffering, but you don’t put your children in dangerous situations.”

—Jon Posey, president, Heart of Texas chapter, Mothers Against Drunk Driving

The case has the poignant elements of a tragedy that might have been averted, throwing open a win-
dow on the dark side of family relations and the most sophisticated devices for thwarting drunk drivers are only as good as the driver’s personal commitment. Cook, a 34-year-old bail bond officer, admitted his daughters and had spent much time with them since divorcing their mother in 1987, had been arrested three times since December 1992 for driving while intoxicated in his home town of Fort Worth. In July, the ignition-lock device was installed in his car. In late August, a criminal court judge ordered Cook into a four-month treatment program, but the waiting list at the 120-bed Mansfield facility was so long that the earliest possible entry date, Dec. 15, was two months away. Instead, Cook remained free to drive.

Here in this little town, 25 miles southwest of Austin, with Cypress Creek winding prettily through it and Christmas lights lining the boulevard, the water is deep and emotional. Although the family was not well known here—Draper, her daughters and her husband, Harry, had moved to Wimberley from Fort Worth in June—almost everyone seems to feel strongly about the tragedy and deeply sympathetic for Draper as a grieving mother already faced with a double loss.

“People are pretty much torn up about it,” said Hays County District Attorney Marcos Hernandez. “It boils down to whether or not you think this individual has suffered enough, whether or not you think she should be left alone.”

If there is sympathy for Draper, however, there are also many who view her as guilty of horrifying negligence. Grief-stricken or not, they argue, she must now face the legal consequences of her actions.

“It is bizarre, I have never heard of anything like it, to have a woman hand her keys to a drunk driver with three past DWIs, knowing his car is not going to start unless one of the children blows into the instrument,” said Jon Posey, president of the Heart of Texas chapter of Mothers Against Drunk Driving.

MADD now is making a national push to classify as child abuse the transportation of children by intoxicated parents.

“I know the woman is suffering,” he said, “but you don’t put your children in dangerous situations. You don’t leave them in a burning house. You don’t throw them in the middle of the ocean. You don’t put them in the car with a drunk driver.”

It was no secret Gregory Cook had a problem. In April, during his third arrest for drunken driving, Cook, a bail bond agent, begged a Fort Worth police officer for leniency. “I’m almost home, I’m almost home,” he was quoted as saying in police records. “Let me go home.”

When Cook appeared July 7 before Judge Mike Mitchell in Tarrant County Criminal Court No. 2, the district attorney’s office recommended Cook be given a remarkably light sentence—three concurrent probation terms and a fine of $500 to $700 in each case. Mitchell also ordered the ignition-lock device be fitted in Cook’s vehicle until July 1996.

It was barely a month, however, before Cook was in trouble again. On Aug. 9, at his first visit to his probation officer, a required urinalysis test showed traces of marijuana and cocaine, and on Aug. 18 authorities learned from the company that monitors the breath-analyzing device that someone other than Cook had been blowing into the unit. Twelve days later, Mitchell ordered Cook into treatment.

“I remember him as being compli-

cant,” Mitchell said. “He understood the seriousness of his situation. He admitted to me he had a problem, and he wanted the help we had to give him. A lot of people don’t do that. I was encouraged. But I told him, any slip-up anywhere and he would go to jail until that bed became available.”

Until Cook’s death, no other infractions were detected.

In the past decade, the campaign against drunk driving nationwide and in Texas has made great strides, but nearly 18,000 people still lost their lives on American roads in alcohol-related accidents in 1992, including 1,200 Texas deaths. The campaign has employed a variety of measures, including better education programs, more sobriety checkpoints, easier provisions for revoking driver’s licenses, tougher criminal penalties and devices such as the ignition lock that Cook apparently was able to circumvent.

The device requires 1,500 felony DWI probationers in Texas—as Cook was—and thousands in other states to breathe into a tube before being able to start their engines. Should alcohol be detected, the vehi-

cle is not supposed to start, and as an apparent added safeguard against substitute breathers, the device re-
tests again at random intervals dur-

ing the drive. California became the first state to require the interlock devices in 1986, and 29 other states quickly have followed.

Given Cook’s history, however, some people ask why he was allowed behind the wheel of a car at all? Hern-

andez, the district attorney, said an acceptable rationale is that in Texas, “It is almost impossible to get along” without a motor vehicle. But Posey of MADD said that if Cook had lost his license, he might not have lost his life.

When Shirley Draper still thought her ex-husband and two daughters were only missing, she discounted any suggestion from police that Cook had kidnapped the children. “The two girls were his life,” she said in an interview with the Fort Worth Star-Telegram. “He was a very loving dad.”

Draper and Cook had remained friendly despite their divorce and her remarriage, Hernandez said. In fact, when visiting his daughters, Cook would spend the weekend in the Draper home. Hernandez, how-

ever, would not comment on a pub-

lished report that Draper told police she and Cook had been drinking vodka together for two days before the accident.

Even so, townswomen here are re-
luctant to judge. “As a mother, there is no way they can punish her more than she has already been punished,” said Mary T. Salman, a shop owner. “I think we have to be a little com-

passionate. I’m not sure what will be accomplished by putting her in jail.”

There are some people here who will not talk about the accident be-

cause they still get choked up—

whether angry or sad, it is hard to tell. And there are many who will not stand at the edge of the pond at dusk, watching as the two small bodies were pulled from the water.

It was the obituaries of the chil-

dren that made everyone remember what really had been lost. In her few weeks at Wimberley’s Bowen Mid-

dle School, Shauna already had been selected by teachers as “Student of the Week.” Marissa, it seems, was an honor student and an all-star soft-

ball player. She also wanted to be an actress.

Staff researcher Barbara J. Saffir in Washington contributed to this report.

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
The ‘Martyr’ Who Killed
Militant Islamic Cousins Took Different Paths

By Barton Gellman
Washington Post Foreign Service

KALKILYA, West Bank—For many years they marched in step, two cousins born the very same day in this smoldering Palestinian town. Israel’s army had arrived just ahead of them. It was the summer of 1967, the summer that changed everything in the West Bank.

They hardened together in the intifada, the uprising against Israeli occupation. Wajih Abatli and Salah Souwi were fellow combatants in each skirmish of stones, fellow prisoners in Israel’s harsh detention cells. Both, as people put it here, “became organized” in the hard-core resistance, subjecting themselves to the command of men who did not hesitate to kill.

But as the two grew older, they parted ways. Abatli married, had children and began looking for ways to feed them. He often sneaked into Israel, not to slay his enemies but to build their houses in illegal construction jobs. Souwi, the son of Abatli’s mother’s brother, left his home and neighborhood and disappeared into a shadowy underworld.

Souwi surfaced on Oct. 19 in Tel Aviv’s Dizengoff Square. He had already recorded an eerie videotape, according to one official who has been briefed on it, cites obvious factors. “They’re young and zealous and probably had some member of the family killed” by Israeli forces, the official said. “But what brings them to the next step, to deciding to become a suicide attacker? Who knows?”

Around the corner from Souwi’s old home, in Kalkilya’s crumbling Najar neighborhood, Abatli spent two hours recently trying to explain. In blue jeans and denim jacket, he stood in a jam of pitted concrete homes and spoke of the life he led with Souwi in his youth.

“What do you expect from Salah?” he demanded finally, grown weary with the tale. “His brother was killed, he was detained five times, he was tortured, he had nothing to do with his life. What do you expect from him?”

“I would also rather die for a good cause than live in this [expletive] that we are living in. I wish I would be a martyr.”

Abatli tried to make it sound obvious, but Abatli has not chosen to blow himself up, and he was strict with him. “I was strict with him.”

Souwi’s father is a large man, with enormous hands and thick, calloused feet, and he would be imposing if not for a beaten-down look. He, said, has dealt him many catastrophes; the loss of his oldest son was not the first. He feeds his extended family, 13 people now, on what work he can find repairing local roads. He earns 23 shekels a day—about $7.80.

“Everybody in the mosque respected him,” one bearded man said. “I would say he was a beloved person. He had good manners. He never harmed anybody.”

“Never? Not in Tel Aviv?”

The bearded man stiffened. He did not like the question. He had only one thing more to say.

“We lost a good man,” he replied, then walked away.

Another man cut in, a bit younger, excited.

“We are very happy for him because he was one of the first to be a martyr,” the younger man said. “He preceded us to be a martyr. For sure, he will be an image for many others. Write it down that we are all Hamas.”

Everyone knew, the young men said, that Souwi had joined Hamas, an acronym in Arabic for Islamic Resistance Movement. They also knew he had joined the movement’s quasi-military wing, the Issadin Kassem Brigades.

“The brigades are different,” a third man said. “When he became a member it was obvious that he would carry out an operation. At that point I began to feel very proud of him.”

The Shin Bet had some inkling about Souwi. For four days in April, it sent soldiers to his door. On the fourth day, according to Jamal Abatli, another cousin, they left a note signed by a “Captain Ghazi”—such names are normally assumed—inviting Souwi to turn up for interrogation.

“Many people were surprised,” the soldiers told Abdel Rahim Souwi.

It was too late. The old man’s first-born child had gone to ground.

Souwi’s father is a large man, with enormous hands and thick, calloused feet, and he would be imposing if not for a beaten-down look. He, said, has dealt him many catastrophes; the loss of his oldest son was not the first. He feeds his extended family, 13 people now, on what work he can find repairing local roads. He earns 23 shekels a day—about $7.80.

“I trained him to be religious,” the father said. “For example, beginning when he was 7, I trained him in Ramadan to fast one day and eat the next, so he would be prepared for his obligations. I was strict with him.”

Of Souwi’s childhood, his friends and family produce only ordinary tales. One neighbor recalled how the 9-year-old Souwi ran errands for old women who lived nearby, fetch-
ing oil or bread from the store. With Abatli, he used to play soccer and a game with marbles called bananir.

As a teenager, Souwi learned to farm. He learned from Jews, in Israel, as a seasonal laborer outside Netanya.

He moved in and out of his father’s now-destroyed house, where he shared a single room with all his siblings. In planting season he borrowed money and bought seeds for cucumbers and tomatoes. He built greenhouses of plastic sheeting and slept in them with his plants. He tilled the earth, sowed and reaped, and sold his crop to the wholesalers in Kalkilya’s market square.

When the intifada began in 1987, Souwi and Abatli were not yet 20. They joined in the roving bands of youths who ebbed and flowed into clashes with Israel’s army, throwing rocks and bottles of flaming gasoline.

That same year a new fundamentalist mosque, the Taymiya, was erected in Souwi’s neighborhood. He went to hear the imam there, and he spent long hours in the library, according to friends. He learned a radical reading of Islam and a political program that said the Jews must be driven from all Palestine, “from the river to the sea.”

Printed records obtained from the cousin Jamal Abatli, who is a local lawyer, show that Souwi was first arrested on Sept. 13, 1988. He was held until Sept. 30 and released without charge. The Shin Bet, as is its habit, said only that he had committed “security violations.”

Souwi never said much to friends or relatives of what happened to him in those 17 days.

“He never tried to make me worry,” his father said. “He said he was okay, or he would manage. But we know for sure, interrogation is not a coffee shop. He didn’t need to tell us.”

Wajh Abatli, who went through the same detention cells as Souwi some time later, said he and Souwi were held in solitary cells, blindfolded and bound, and left without food or drink for two days. They soiled themselves, having no choice, sometime on the first day. On other days, they were beaten, he said.

Human rights organizations, although not aware of Souwi’s case in particular, said Abatli’s account fits a common Israeli interrogation scheme. The Shin Bet does not grant interviews. Through an army spokesman it declined to discuss Souwi’s case but said strict standards forbid any torture in its detention facilities.

The year after his first arrest, two blocks from the home where he grew up, Salah Souwi joined his brother Hussein in another confrontation with the army. According to Riyadh Abu Samara, who took part in the clash, Hussein was trying to throw a bottle when a soldier shot him in the head.

Salah helped carry Hussein to his mother, dead. “She had to see him before they buried him,” Abu Samara said.

From that day, Abatli said, Souwi’s “blood was boiling. I had the feeling that he lost his meaning for life.”

Just once after that, Abatli said, Souwi alluded to what would come.

“I wish I would be a martyr,” he said.

Abatli did not know whether to believe him.

Souwi was detained again for nearly a year, beginning in the summer of 1990. In detention, he and Abatli chose to “become organized.” They studied their choices deliberately, reading pamphlets and programs and talking to leaders inside.

Abatli chose the Red Eagles, the fighting arm of the leftist Popular Front for the Liberation of Palestine. Souwi, far more religious, chose Hamas.

“They talked about death in God’s name, and I can imagine how this would appeal to Salah,” Abatli said.

In the next four years, Souwi was in and out of detention. Even when free, he grew mysterious. He went home less often, told nearly nothing to his parents of what he did. But he made time to go to Abatli’s wedding, and he doted on Abatli’s children when they were born. The oldest daughter, Alia, became his favorite. He used to toss her in the air and bring her small honeyed confections. He had a nickname for her. He called her Allu-ah, and the diminutive made her laugh.

“When we told her that he died, I explained to her that he did an operation in Tel Aviv, and he killed many Jews, and I told her that it was a good thing that he did,” Abatli said. “I explained to her that they took our lands, and she asked why, and I said I don’t know, they just took it.”

Alia was too shy to talk to a visitor, skipping down the stony street with pigtails and a ribbon in her hair.

What did she think, the visitor asked, of the story of what her uncle had done?

“She said she doesn’t like the Jews,” he said.

“But she loved Salah.”

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
Personal Staffs on Hill May Escape GOP Cuts

‘Contract With America’ Focuses on Committees

By Walter Pincus
Washington Post Staff Writer

The congressional Republican "Contract With America," which calls for reducing the number of House committees and cutting committee staffs by one-third, has focused attention on the growth in the size and cost of Congress. But while House speaker-to-be Newt Gingrich (R-Ga.) and his colleagues have talked about restructuring committees and streamlining the way things run on Capitol Hill, little has been said about the most personal staff members whose numbers grew most sharply during the Kennedy-Johnson years of the 1960s as members of Congress began to change the way they ran their offices.

The numbers tell the tale. House office staffs that totaled 2,600 in 1960 more than doubled to 6,000 in 1971. Increases continued at a slower pace in the 1980s, reaching a high of 7,800 in 1985 before leveling off.

Under House rules, each member receives an allowance of roughly $558,000 to employ up to 18 full-time staffers. He or she is also allowed to hire four part-timers. The Joint Committee on Reorganization estimated that members on average had 16 full- and part-time staffers, who often work with one or more of the legislative service organizations or caucuses that have sprouted all over the Hill.

On the Senate side, staff funds are allocated according to state populations and run from $1 million to $2 million. In addition, each senator is allowed another $300,000 for legislative assistance. According to the joint committee, a senator's office had roughly 40 staff members on average.

Although the numbers of members' personal staffs have stabilized in the past 10 years, the cost has ballooned as salaries have increased. Ten years ago, the cost of House members' staffs was $144 million. This year, it is $225 million.

Another costly trend that has developed on Capitol Hill is tied to constituent services. Members have increased the number of offices they have in their home states or districts. Where it used to be that, in most cases, members had more than one office, today House members often have more than two. Those new offices, intended to improve constituent services, have required increased expenditures for office equipment and communications technology.

In addition to the growth of staff salaries and office expenses, the growth of a career work force on Capitol Hill, a sort of legislative civil service with specialized skills and expertise, has boosted pay and increased pressure for members of Congress to uphold the same work laws they require of other employers.

In the past, members often hired their staffs from their home districts. Frequently, these staffers had some longtime personal relationship with the lawmaker.

As time went on and staffs grew bigger, the long and irregular hours required by members resulted in high turnover and required aides more skilled than those in the member's district or pool of personal supporters. In addition, as constituent services came to dominate members' offices, individuals with experience in handling specific problems, such as constituent difficulties with Social Security, for example, came into demand, no matter where they were from or whom they had worked for previously.

Locality to the member, once a prerequisite for a job, faded as Hill professionals moved from one member to another, sometimes ignoring party or political positions. This, in turn, has led to concerns about equal pay, excessive hours and favoritism.

Gingrich and his colleagues in their "Contract With America" play on the notion that Hill employees now are like those everywhere and say they will see that all work laws that "apply to the rest of the country also apply equally to Congress."
Among the reforms called for by incoming House speaker Newt Gingrich and the Republican "Contract With America" to be passed on the first day of the 104th Congress is to "cut the number of House committees, and cut committee staff by one-third."

A look at where and when staff growth occurred, in both the House and the Senate:

**HOUSE**


- Growth in the overall size of House of Representatives staff took place in the 1960s, exploded in the 1970s and then leveled off. Growth in the size of personal staffs for members accounts for much of the increase.

**SENATE**

- As in the House, overall staffing has increased sixfold over the past half-century. Senate staffs began to surge in the 1960s and then doubled by the mid-1970s. Staff sizes have leveled off over the past decade.

**1993 SNAPSHOT**

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<th>OVERALL LEGISLATIVE BRANCH STAFFING</th>
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<tr>
<td><strong>House</strong></td>
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<td><strong>Senate</strong></td>
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**TOTAL STAFFING**

- General Accounting Office: 5,166
- Government Printing Office: 4,854
- Library of Congress: 4,126
- Architect of Capitol: 2,374
- Congressional Research Service: 811
- Congressional Budget Office: 233
- Office of Technology Assessment: 214
- Botanic Garden: 53
- Copyright Royalty Tribunal: 9

**TOTAL LEGISLATIVE BRANCH STAFF**: 19,510
HIGH COURT TO HEAR TERM-LIMITS DISPUTE

State Curbs on Federal Lawmakers at Issue

By Joan Biskupic
Washington Post Staff Writer

Voters in 22 states have approved limits on the number of terms members of the House and Senate may serve. The House Republicans have put term limits atop their agenda. A proposal like this one, floated by James Madison, John Adams and Thomas Jefferson.

"Is there any way the people who founded the country and wrote the Constitution want limits on congressional terms of office? That question and others surrounding the constitutionality of term limits are coming before the Supreme Court, which is charged with discerning the founders' inten tions."

An Arkansas provision adopted in 1992 as an amendment to the state constitution is the first term-limit measure to reach the Supreme Court, which will hear oral arguments Tuesday.

A ruling in the case will determine whether the states may dictate how much time their federal lawmakers would spend in Washington. It also will resolve whether an amendment to the U.S. Constitution is the only resort for supporters of limits. A constitutional amendment requires two-thirds majorities of both chambers of Congress and support by three-quarters of the states.

If the court rules that state-imposed term limits are constitutional, it could substantially change the political dynamic of congressional elections. Incumbents would be kept off the ballot after serving a set number of terms.

"The Founding Fathers envisioned that elected officials would serve in the image of the Roman he ro Cincinnatus, who left his plow to raise an army, defended Rome, and one day returned to his farm," says Arkansas Attorney General J. Winston Bryant, defending Arkansas' term limits and that Arkansas' term limits couldn't be upheld under the Constitution. But "there was no recorded debate on the vote, "I wish the founders had said more," said Mark P. Petracca, a professor of political science at the University of California, Irvine. Petracca, who can voice arguments for both sides, ultimately lines up with supports of term limits.

His explanation for why the founders did not write such limits into the Constitution relates to an episode at the Continental Congress involving two Rhode Island delegates who refused to go home after their terms expired. "It caused a row," Petracca said. "But, he added, the other delegates were afraid that enforcement of the term limits would interfere with business. Rhode Island apparently was not interested in sending re placements either."

"Term limits 'had been a thorn in the side of the Continental Congress, not because the principle was bad, but because it was hard to enforce," Petracca said. They decided to leave out term limits for political expediency, he said.

Through much of the country's history, politicians, who typically could count on a vote or two of the people on their own. It was only in recent decades that people became career oriented, and state lawmakers were regularly returned to office.

In the 1980s, states began looking at term limits--motivated by a desire to stem the tide of reports of abuse and a general belief that incumbency meant ineptitude.

"If there is one watchword for representation of the various states in Congress, it is uniformity," the high court ruled. "The uniformity in qualifications mandated in Article I provides the tenor and the fabric for the presentation in the Congress. Piecemeal restrictions by state would fly in the face of that order."
Public Opinion Strategies asked voters in a post-election survey whether they would vote to reelect Clinton in 1996 or wanted someone new. Of those surveyed, 39 percent said they would reelect Clinton, while 53 percent preferred a new person. Among key subgroups, Clinton's problems appear even greater: 69 percent of Perot voters said they wanted someone new, as did 55 percent of independents; 33 percent of independent voters said they would support Clinton.

Even in states Clinton carried in 1992, just 41 percent of voters, according to the survey, would vote to reelect him, while 52 percent are looking for someone new.

Based on this survey, Clinton may want to move to accommodate the Republicans. Half of those surveyed said they wanted a change of direction in the government's programs, while 45 percent said they wanted to continue Clinton's programs and policies to give them a chance to work.

Once again, white men were the most hostile to Clinton, with 51 percent saying they believed the government was too intrusive. Women were split evenly at 47 percent.

In his study for the DNC, Goeas also found public attitudes toward the Democratic Party sharply negative, with 31 percent rating the party favorably and 41 percent unfavorably. Two years ago in the wake of Clinton's victory, 46 percent said they had a favorable impression of the party, while 29 percent said it was unfavorable.

What's His Label? Who's Asking?

• Ask to show that pollsters can prove anything. Just take the responses to similar questions about whether Clinton is a New Democrat or a traditional Democrat, and the results will vary.

• And to show that pollsters can prove anything, ask what's his label? Who's asking? The results will vary.

Go figure.

Dole Backs Helms For Chairmanship; Perry Issues Rebuke

By Associated Press

Incoming Senate majority leader Robert J. Dole (R-Kan.) said yesterday that Sen. Jesse Helms (R-N.C.) looked set to take over in January as chairman of the Senate Foreign Relations Committee, despite remarks he made last week about President Clinton.

Senator Helms has said it was a mistake to say some of the things he did, but he has not apologized.
1995 Job Outlook Improves

By Fred Barbash
Washington Post Foreign Service

LONDON, Nov. 27—Prime Minis- ter John Major and his Conserva- tive government Monday night con- fronted a major-break parliamentary vote that is certain, whichever way it turns out, to inflict a serious wound on an already badly scarred ruling party.

If Major stumbles, his government will collapse. If he brings the vote off, which is likely, he will prove that nothing succeeds like failure.

The issue confronting the parlia- ment is approval of the country's largest temporary services compa-

Troubled Major Faces Critical Vote Over EU Funds

By R. Michael Lipka

With the Conservatives holding a slim majority of 14 in the 651-member House of Commons, the defec- tions could sink it.

Hoping to have won a decisive battle in 1993 over another matter concerning European integration— the Maastricht Treaty—only after a humiliating internal battle, Major de- termined that he now had to make a show of force.

He announced that he and his cabi- net would treat the vote on the con- tribution as a "vote of confidence." If it went down, he said, he would call for a dissolution of Parliament and a new election. To show that he was not bluffing, his entire cabinet agreed to what is being called a "suicide pact," stating that they would all resign if Monday's vote is no.

If Major and his Conservative Par- ty were popular in Britain, his ene- mies within the party would have liked nothing better than to see a new election and a new prime minis- ter. In fact, according to all polls for the past two years, they command at least 25 percent electoral support. Tories consider themselves fortunate that no election is required until 1997.

An election now likely would pro- duce a Conservative debacle worse than that suffered by the U.S. Dem- ocratic Party earlier this month. Huge numbers of them, including the Euro-skeptics, would be out of work.

Massive disfavor in the country at large was thus the linchpin of Ma- jor's threat. That—coupled with some bludgeoning by party whips— appears to have badly eroded the numbers of members of Parliament willing to oppose the EU contribu- tion. Vote counters on both sides now predict he will win.

Reports this morning, however, suggested that his victory will not bolster his position in the party. In- deed, Conservatives angered by the tactic Major chose reportedly are preparing to challenge his leadership of the party.

While their chances of success are slim, the entire episode has delight- ed Labor's new leader, Tony Blair, who declared in the House of Com- mons last week that the government has only proven itself "an ill-disci- plined rabble incapable of governing this country."
An Inner Circle's Different Shape

**Glendening Advisers Are a Diverse Bunch**

By Michael Abramowitzi

Washington Post Staff Writer

On the most important night of his political career, Parris N. Glendening was closeted in the University-Park home of his former top aide, J. D. H. P., watching returns from the closest Maryland governor's race in 60 years. Clustered around the TV on the night of Nov. 8 were his wife, Frances Anne Glendening; Lance W. Billingsley, a buddy; from his early days in Prince George's County politics; and a few insiders who had been by his side since he was first elected county executive in 1982.

To celebrate the victory, the entourage trotted over to the University of Maryland, where they were joined by another group of Glendening's inner circle: Mayor P. B. Riddick Jr., who ran the day-to-day affairs of Prince George's while the county executive pursued his gubernatorial aspirations; and John T. Willis, a political wizard who crisscrossed the state in the campaign and joined by newer members of Glendening's cabinet. The governor-elect has promised to move to Annapolis, including labor committee chair Eve together.

Several of Glendening's other top advisers are likely to follow him to the statehouse, including labor committee chair Eve together.

In matters of governance and policy, there is no closer Glendening confidant than Riddick, the 44-year-old chief administrative officer of Prince George's government, who has served as a budget analyst, Riddick rose through the county bureaucracy, directing the housing department and budget office before being tapped to run the day-to-day affairs of county government. Riddick took over the county's second highest staff position immediately after Davey vacated it to go to the White House. Riddick has long expressed an interest in taking a post in the private sector, but a source said he has turned down several lucrative job offers in recent months, possibly indicating he will take a major post in the Glendening administration, perhaps as his chief of staff.

Glendening, 54, is one of Glendening's oldest confidants and also may go into state government with him. A recent addition to the group was a former vice chairman of Maryland's Greater Washington Board of Trade, who is a member of Glendening's oldest political adversaires.

Davey, 42, is considered by several insiders to be the man to whom the govenor-elect turns when he has a difficult task to accomplish. It was Davey, for example, whom Glendening tapped to represent the county in pulling together a proposal for keeping the Bullets basketball team and Capitals hockey team at the USAir Arena in Landover. After helping Glendening mount his 1982 county executive campaign, Davey served first as his chief of staff and then as his chief of administrative officer before joining the Nynex & Gilmore law firm.

"If" is the key word when it comes to thinking of a new team for the county to go through the recession without slashing vital county services. Davey has said he is interested in taking a post in the private sector, but a source said he has turned down several lucrative job offers in recent months, possibly indicating that he will take a major post in the Glendening administration, perhaps as his chief of staff.
World to U.S.: GATT’s a Done Deal
Countries That Rely on Pact Say It Is Too Late to Turn Back

By Anne Swardson
Washington Post Foreign Service

TORONTO—When Congress votes on a new world trade agreement this week, the outcome will be watched avidly abroad, where nations such as France, Japan, Canada and Italy are waiting for the U.S. vote before ratifying the agreement themselves.

"It’s in the interests of everybody in the world for Congress to pass this bill," said Yoshio Nakamura, director of the international economic affairs department at Keidanren, Japan’s leading big-business organization. "A free and open multilateral trading system has promoted and facilitated world economic growth."

But there is another agenda behind the vote on the General Agreement on Tariffs and Trade (GATT): In order to reach accord on lowering trade barriers, many nations had to give up popular—but costly—protections for politically powerful industries.

Japan, for instance, agreed to open its long-protected rice market to some imports. Canada had to give up quotas on imports of dairy products, and France and other European Union countries agreed to cut back on subsidies to farmers.

It was a painful process, but leaders are trying to sell the reforms as necessary trade-offs in order for their own exports to increase. In that sense, they can blame the requirements of international trade for reforms they needed to make anyway because old policies were too expensive or outmoded.

"It helps to have the excuse of ‘We’re just trying to align ourselves with the rules of other nations,’” said Paula Stem, senior fellow at the Institute for International Economics, developing nations would benefit the most from the accord, because with less economic clout they need the protections of a multilateral system.

"The big countries can survive in a mercantilist world," Schott said. "The developing countries need a rules-based system. (Without GATT) it would be like a playground with no teachers or rules of play—the bullies could do anything they wanted.”

Not everyone thinks the new GATT is crucial to world prosperity. A recent survey published by the European Business Monitor found that 71 percent of European companies responding felt that failure to ratify the treaty "would make no different to business," while 26 percent felt trade would be harmed.

Countries That Rely on Pact Say It Is Too Late to Turn Back

China’s trade minister, Wu Yi, met with U.S. Trade Representative Mickey Kantor during the recent summit of Pacific Rim nations in Jakarta, Indonesia, and told Chinese reporters afterward that China hopes to win GATT entry before the end of the year. U.S. officials say however, that they doubt that outstanding issues can be resolved by then.

"Current members of GATT fear that if Congress does not approve the trade agreement, nations would not just revert to the current set of trade rules—they would impose more trade protections than they have now.

"Countries are all looking at one another like boxers sizing each other up," said Dieter Fahrenhorst, spokesman for the German Wholesale and Foreign Trade Association.

"GATT is the only legal framework for international trade, and we must stick to this framework," According to Jeffrey Schott, a senior fellow at the Institute for International Economics, developing nations would benefit the most from the accord, because with less economic clout they need the protections of a multilateral system.

"We insist that the Americans keep their word and ratify the treaty in time," said Yoshio Nakamura, director of the international economic affairs department at Keidanren, Japan’s leading big-business organization. "A free and open multilateral trading system has promoted and facilitated world economic growth."

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Correspondents Rick Atkinson in Berlin, Fred Barbash in London, Paul Blustein in Tokyo, William Drozdiak in Paris and Steven Mufson in Beijing contributed to this report.

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
Perry Indicates U.S. Disarmament Of Aristide Opponents Is Unlikely

By Daniel Williams
Washington Post Staff Writer

Defense Secretary William J. Perry yesterday all but rejected a call by Haitian President Jean-Bertrand Aristide for U.S. troops to disarm oppositions of his newly reinstalled government.
Perry compared the problems of taking weapons from Haitian thugs and army units of questionable loyalty to the difficulties that would be involved in disarming all of the state of Maryland. "This is no small task that is being requested," he said.

Aristide made his call publicly last week in an interview with The Washington Post. Even before his return to power in September, Aristide and his supporters pressed the Clinton administration for a pledge to carry out an aggressive disarmament campaign. They fear that remnants of the military regime and its supporters will try to recover power when the United Nations peacekeeping force, which is to replace U.S. troops, leaves the country, probably in early 1996.

The U.S. troops, which went into Haiti in September after a deal was cut with the then-military leaders, paved the way for the Oct. 15 restoration of Aristide as president.

In the Friday interview, Aristide said the United States has "to continue disarming the terrorists, those who are killing people and still have weapons, waiting for the moment to come out and make trouble."

Aristide, in the first public note of discord between his government and Washington since his return, said: "It is not enough to just disarm some of them. We should be moving fast. This is the cry of the Haitian people. It is the will of the Haitian people, and I welcome this cry and I share it."

U.S. officials, who harbor memories of the messy effort to disarm militias in Somalia during a tumultuous peacekeeping mission there in 1992-93, are reluctant to get involved in a gun hunt that might mean casualties.

Perry placed the burden on the future Haitian police force, much of which is currently in training. He said that several thousand police would be needed in the coming year. "Now that's the key," he said during an appearance on NBC's "Meet the Press."

U.S. troops have rounded up 14,000 weapons during searches and gun purchase offers, Perry said. Noting that a recent spot check of cars on the road produced only one weapon, he concluded, "It's not clear that there are a lot of loose weapons around here."

The dispatch of troops to Haiti in September went against public and congressional opinion. Republicans in particular appear ready to pounce on any misstep, and violence and casualties could sink the entire occupation, which has become a source of pride for administration foreign policymakers.

Republicans take control of the House and Senate in January, and the administration is likely to be even more wary of deeper involvement.

Yesterday, on the same "Meet the Press" show, the future Senate majority leader, Robert J. Dole (R-Kan.), repeated his demand for an immediate withdrawal of U.S. troops. Any disarmning ought to be done by the Haitian police, Dole said.

Most U.S. troops, except for 3,000 that will join the U.N. peacekeeping force, should be out of Haiti early next year.

Dole said that "there may come a time" when Congress would cut off funds for the Haiti mission. Perry estimated the cost in the hundreds of millions of dollars. Dole said it has cost $1.5 billion.

Israeli Rabbi Shot Dead in West Bank

Islamic Militants Claim Responsibility in Drive-By Attack

By Gwen Ackerman
Associated Press

BEIT HAGAI, West Bank, Nov. 27—A rabbi was shot to death and an Israeli policeman wounded in a hail of bullets fired at their car today as they drove toward a Jewish settlement. Islamic militants claimed responsibility.

The shooting, on the eve of the Jewish holiday of Hanukkah, occurred three miles from Hebron, where tensions have been high since the massacre of 29 Muslim worshipers by a Jewish settler at a mosque Feb. 25.

It came a day before Israeli Foreign Minister Shimon Peres was to meet with Palestine Liberation Organization leader Yasser Arafat in Brussels, and as the cycle of violence in the West Bank and Gaza Strip is pushing negotiators to speed up the peace process.

An anonymous caller who said he was from the radical Muslim group Hamas called Israeli radio and claimed responsibility for the shooting. Hamas carried out a suicide bombing that killed 23 people in Tel Aviv last month.

"We will continue the attacks," the caller said. The man said the shooting marked the anniversary of the killing of a Hamas activist by Israeli forces last year.

Israeli sources said the gunfire came from a passing car carrying at least two men. The rabbi's car drove off the road and flipped over.

The victim was Rabbi Ami Olami, 35, the spiritual leader of Otniel, a nearby settlement with about 50 families. A policeman riding with him was shot in the back of the head but managed to get out of the car and fire at the attackers, settlers said. He was in hospitalized in fair condition.

Noam Arnon, a spokesman for the Jewish settlement in the nearby city of Hebron, blamed Rabin's peace accord for the attack. "They are responsible and will be responsible for every dead victim and all that is going on here," he said. "They will not get away with it. The people will find justice."

The West Bank Settlers' Council, which speaks for many of the 120,000 settlers, said the attack was encouraged by government promises to expand autonomy in the West Bank and withdraw troops. Palestinians now exercise limited self-rule in the Gaza Strip and Jericho in the West Bank.

Israeli radio said Lt. Gen. Ehud Barak, the army chief of staff, told the cabinet that more terrorist attacks could be expected.

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
GIs in Haiti Avoid Mediating Local Feuds, but Regional Bosses Make It Hard

By Douglas Farah
Washington Post Foreign Service

VERRETTES, Haiti—Dorzius Benice said he spent 12 hours trekking through the handgun-filled bush just for a chance to see a U.S. soldier. For a moment, he imagined the soldier was a public official, or even God himself.

"The Americans never come here, and the people still suffer a lot," Benice said as he sat on a wooden bench outside the Catholic church in the small town of Verrettes. "They say God is everywhere, but here they only see the U.S. military."

The residents here are trying to get out of the blistering midday sun. "The section chiefs still steal all our money. Nothing has changed since the Americans came. Nothing has changed since President [Jean-Bertrand] Aristide came back."

U.S. troops—and the government of Aristide that they helped restore—face their biggest challenges in the dirt-poor, isolated hamlets and towns of rural Haiti, where more than 70 percent of this island country's population lives. As part of that training, the U.S. occupation has provided the local army with the training, replacement, and supplies it needs to patrol its area.

But, after years of abuse at the hands of the army, people are reluctant to deal with Haitian soldiers, even when the troops are under the supervision of the American army. "When people come to us, we tell them first to go to the Haitian soldiers," said Sgt. Robert Lambert of the Special Forces, stationed five miles down the rutted dirt road in the nearby town of Deschappelles.

"We want people to realize that when they deal with us, they are also dealing with the Haitian army. The Haitian soldiers take them to the local judge, who decides what to do. Then the Haitian soldiers execute the warrant. The Haitian army is these people's resource. We won't be here forever."

Chief Warrant Officer Joe Turman said that most of the Haitian soldiers who stayed behind—one in Deschappelles and seven in Verrettes—were being taught to show "genuine respect and concern" for the civilian population. As part of that training, the Haitian soldiers were sent to a six-day course in the capital to train those Haitian employees who will form an interim police force here.

The handful of U.S. troops patrol the region on foot and in vehicles, and also use helicopters to fly over the most remote areas to make their presence felt. But villagers are still afraid. "All of those people are bad," said human rights activist Marie Adelia Nomul, referring to Haitian law enforcement authorities. "No one has any confidence in them. The judges are corrupt, and the soldiers are bad people. The Americans need to stay with us, live with us."

Illustrating the ongoing problems and their complexity, both Lambert and Nomul separately told the story of a man here who killed his uncle two weeks ago by hitting him in the head with a stone after arguing over land.

U.S. soldiers arrested the man and put him in the local prison, in the custody of Haitian soldiers. But when angry family members showed up, the soldiers looked on while the man was taken from his cell. The crowd used machetes and clubs to try to kill him. U.S. troops returned and took the prisoner, who suffered severe gashes on the neck and abdomen, to a nearby hospital.

"When he is better, we will send him back to prison for the murder," Lambert said. "We had to have a very tough talk with the Haitian soldiers, and told them that would never be allowed to happen again."

Bence said U.S. troops had not been able visit his hamlet, where he said the section chief continued to extort money from villagers and had burned some people's houses. He had come with his paper listing the dates of the alleged abuses and names of the victims to try to persuade the local judge to issue an arrest warrant for the section chief. No decision had yet been made, and he said he would later speak to American troops about visiting the town.

In cases where abuses are alleged, Lambert said, U.S. troops try to go. He said his troops had carried out an unsuccessful search for a notorious section chief known as Ondieu Perignon, a former member of the Haitian military, who reportedly is terrorizing hamlets in the rugged mountain region east of here.

"There are credible reports of him doing things like cutting off the fingers of children and burning houses," Lambert said. "... We went in once, and we couldn't find him. We will be going back to see if we can find him, hear his side of the story and see what needs to be done. But we can't do everything."

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Byline: The Washington Post

Monday, November 28, 1994

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Byline: The Washington Post

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World Bank to Emphasize AIDS as Economic Threat
Loan Campaign Supports Prevention, Treatment

By David Brown
Washington Post Staff Writer

The World Bank will emphasize the importance of AIDS as a threat to economic development in a new and larger campaign of lending to countries wracked by the epidemic disease.

The effect of AIDS on income and work force skills is not widely appreciated, either inside the governments of the worst affected countries or among the agencies trying to help them, a bank official said recently.

"The countries are struggling with so many other problems simultaneously that it is difficult for them to make the linkage between economic development and AIDS," said David de Ferranti, director of the population, health and nutrition department at the World Bank.

The disease appears to be a major reason for the slowing in the growth of per capita income in a group of 10 nations of sub-Saharan Africa. The rate of increase has been about 1 percent a year, but will fall to about 0.4 percent in coming years, according to projections made by bank economists.

Some countries with high infection rates, such as Malawi and Zambia, have falling per capita incomes, although it is impossible to say precisely how much AIDS has contributed to this trend.

The bank will lend about $150 million this year to help support AIDS prevention and treatment programs. Since 1986, it has lent about $600 million to 40 countries, de Ferranti said. Many of the loans are interest-free and have a 40-year payback term, making them about an 80 percent equivalent of an outright grant, he said.

Examples of AIDS's effect on local economies include:

- The death, stemming from the disease, of about 10 percent of the Cape Verdean teachers by 2010, and 27,000 by 2020. By the latter date, the epidemic may reduce the number of primary school-aged children by 14 percent from the enrollments predicted if AIDS did not exist.
- An average cost of $80 for the hospital treatment of a child with AIDS in Kinshasa, Zaire. This is three times the average monthly income of a family.
- An average of 17 episodes of illness for an adult with AIDS in the developing world, and 6.5 episodes for children, before death. The cost of this medical care often depletes household savings.
- An expected increase in the number of children who leave school to work because of the death of income-earning adults in their families. The epidemic also may shift agricultural activities in some countries away from cash crops to subsistence crops, or from labor-intensive food crops to those that require less work but, in some cases, are less nutritious.

A senior public health specialist at the World Bank, Jean-Louis Lamboray, cited Brazil as an example where the fight against AIDS has been successfully framed as a worthwhile investment. But Brazilian officials at first had to be persuaded to take a World Bank loan to help support prevention of sexually transmitted diseases through education, counseling and testing. The disease appears to be a major problem, still not well understood by the public.

"Some countries have an AIDS problem that is already going to affect the growth rate in real terms," Lamboray said.

For the Gentleman, a Free Spiedel Watch!
Sen. Hank Brown (R-Ohio) has stepped up and accepted Ralph Nader's challenge to take a quiz this morning to prove his knowledge of the General Agreement on Tariffs and Trade. Nader, who opposes GATT, has said he believes that no one has read the entire 20,000-plus pages of the accord (most of which are details of tariff cuts). Congress is expected to vote on the pact this week.

"To prove his point, Nader has challenged members of Congress to take his quiz. The first member of Congress to answer 10 questions on the text of GATT correctly will get $10,000 donated to the charity of his choice.

The quiz, for all you GATT supporters, opponents and game-show fans, will take place at 11 a.m. in room 419 of the Dirksen Senate Office Building.

The quiz will be open to all members of Congress to take his quiz. The first member of Congress to answer 10 questions on the text of GATT correctly will get $10,000 donated to the charity of his choice.

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To hear the Republicans tell it, however, they're nursing a rash of grievances that won't go away. "Nied information and just plain dissed, they're from the yoke of Democratic oppression. Abused and battered people only recently freed take over for the first time since 1954, as an lingering sense of themselves, as they prepare to career in Congress snuffed out by the 1994 mid-run into the majority. Yet McCollum's unhappy anec-

I'm going to exercise the power have the power. I'm going to exercise the power some Democratic members of our committee.

As Dorothy Parker said, revenge is a dish best served cold. "I imagine

To behave, in other words, like a

"I'm surprised to see," says Ill s Henry J. Hyde, chair-dem state of the Judiciary Committee, that there is a mood of nobleless oblige that I thought was not part of the conser

The Decline of Civility

Can these good-hearted folks really be counted on to keep the other

"I wouldn't be surprised if revenge revenge from time to time," says prof-

"I'm surprised to see," says Ill s Henry J. Hyde, chair-dem state of the Judiciary Committee, that there is a mood of nobleless oblige that I thought was not part of the conser

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This is just a partial listing of some of the many cited and referenced works in the document. For a comprehensive understanding, it is recommended to read the full text of the original source.
against Republican Rick McIntyre sparked ballot disputes, voter fraud investigations and, ultimately, criminal convictions. Initially, McIntyre had been certified the winner.

The wounds from that contretemps are out. "I think that Congress has frequently been stretched so thin that sometimes three hearings at once," the chairman says. Republican staff members ruled to come to the floor—thus making it "very apoplectic" to learn that their jobs. In all as many as 2,000 Democratic staff jobs are on the chopping block. In short, blood will soon run in the streets of the nation's capital.

"A few of these staffers, who never spoke to me before, have been polite and almost solicitous since the election," say staffer David Dye, who is in line to come the majority counsel. "When you're vulnerable and exposed there's a genuine humanity that comes out. Even people who have been ugly and rude, you get grabbed in the pit of your stomach."

**Arrogance Lessons**

But empathy goes only so far, given the sheer gravity of the GOP grievances.

"No doubt about it," says California's Dana Rohrabacher, "everything was smashed against the Republicans so they did not have one chance in a million of getting anything through Congress that the leadership didn't want them to get through Congress."

"It made for some very tense and unenjoyable periods," says Pennsylvania's Bill Goodling, incoming chair of the Education and Labor Committee. "There were numerous occasions for the Democrats to treat members of the minority as second-class citizens."

"There are no Republican members who do not feel resentful," says Iowa's Jim Leach.

"There is some resentment out there," Rohrabacher agrees. "I think if there are people who have abused other human beings, they know who they are."

Speaker Jim Wright and the late Wayne Owens,两者 were members of the Majority Leadership—about 3 to 1, a little more generous than in the House as a whole—allows 18 Republican staffers and 54 Democrats. Under the new Republican regime, Dye says, overall staff will be slashed by a third, and while the ratio may be less steep, more like 2 to 1, some 40 Democratic staffers the Democrats still can expect to lose their jobs. In all as many as 2,000 Democratic staff jobs are on the chopping block. In short, blood will soon run in the streets of the nation's capital.

Throughout the House Administration Committee, which was often used by the Democratic leadership to pass legislation without GOP interference, Florida's Porter Goss witnessed one frustration after another. He recalls "they were trying to jam through some bill, some of the explanations given to us—like it's because of the press of business—were totally incoherent."

Frequently, Goss says, in order to get a bill through with as little debate as possible, the Democrats would simply prevent Republican witnesses from testifying.

Occasionally the Democrats would simply prevent Republican witnesses from testifying. "It was as though we were scullery maids to some 18th-century gran­dee," Dye says. "As long as you're quiet and virtually invisible they just pretend you don't exist. But if you as­sert yourself in any way, you're re­buffed with haughty arrogance."

The Democratic-dominated staff ra­tio on the Natural Resources Commit­tee—about 3 to 1, a little more

"The Meek Shall Inherit . . ."

And how have the Republicans been treated?

"Like hammered dog [expletive]," says staffer David Dye, who has spent four years as the majority counsel on the House Natural Resources Committee, chaired with the take-no-pris­oners delicacy of California Democrat George Miller.

"When I first came here," Dye re­counts, "there was a very contentious investigation going on concerning the Alaska pipeline service company—people were being very hostile about the whole thing—and I just took it up on myself, in my naive way, to walk into the majority staff director's of­fice. I said, 'Look, I think we can work this.'" And he just looked at me and said, 'We're not going to work with you'—because we don't have to.

According to GOP members and staffs, their Democratic counter­parts routinely withheld information about the fine print of controversial bills and about when they were sched­uled to come to the floor—that was mak­ing it hard to concoct an opposition strategy. Republican staff members were frequently stretched so thin that they were required to attend two and sometimes three hearings at once. Occasionally the Democrats would simply prevent Republican witnesses from testifying.

"It was as though we were scullery maids to some 18th-century gran­dee," Dye says. "As long as you're quiet and virtually invisible they just pretend you don't exist. But if you as­sert yourself in any way, you're re­buffed with haughty arrogance."

The Democratic-dominated staff ra­tio on the Natural Resources Commit­tee—about 3 to 1, a little more
**Tobacco Industry Gains Breathing Room**

ep. Thomas J. Biley Jr. (R-Va.) is a former funeral director who has helped deliver giant tobacco companies from a near-death political experience.

With Biley slated to head the House Energy and Commerce Committee, tobacco Gillespains are promised a safe haven from new regulations, taxes and investigations that appear to have taken an 11th-hour on the Republican "Contract With America": Capitol Hill will be Marlboro Country. A Biley spokesman says the Republicans did not win a "new majority status to beat up on business."

Tobacco has proved to be a deserving target. Only last summer, Democrats on the health subcommittee were uncovering a paper trail proving that the industry knowingly mailed the public and Congress about the health risks of tobacco and that it had conducted research on how to keep smokers hooked.

Biley, who is the top recipient of tobacco political action committee money, compared last summer's watershed hearings to then-Sen. Joseph McCarthy's anti-communist witch hunts.

But as Federal Drug Administration Commissioner David A. Kessler put it at the time: "These findings lay to rest any notion that there is no manipulation and control of nicotine undertaken in the tobacco industry." He added that the documents "are relevant to the determination of whether nicotine-containing cigarettes are drugs."

The "determination" is in the heart of a decision Kessler is poised to make in the near future: Should the FDA assert jurisdiction over cigarettes? The move is opposed strongly by tobacco executives, who still deny cigarettes are addictive. A decision by Kessler to take jurisdiction would leave cigarette-makers feeling burned—and not even Biley could block it.

Last February, the agency announced an investigation into whether nicotine is addictive and should be regulated as a drug. While a prohibition on cigarettes was ruled out, Kessler could use that jurisdiction to gradually reduce the nicotine levels in cigarettes, make it harder for minors to get cigarettes and issue new rules covering advertising.

"There's nothing you can do that's not going to lead to a nuclear war," one FDA official explained earlier this year. "Everyone knows the companies are going to sue. If we don't assert jurisdiction, everyone knows the [anti-smoking] coalition will come in with a lawsuit on the other side."

Kessler privately had considered taking jurisdiction of cigarettes this fall after the congressional stalemate to minimize the political repercussions. He is said to be entering the endgame of this tobacco battle, as most of the scientific and legal questions have been answered.

The Republican landslide apparently has depressed but not deterred Kessler, who was appointed by President George Bush and once served as a health aide to Sen. Orrin G. Hatch (R-Utah).

"These findings lay to rest any notion that there is no manipulation and control of nicotine undertaken in the tobacco industry." He added that the documents "are relevant to the determination of whether nicotine-containing cigarettes are drugs."

**THE FEDERAL DIARY**

**Bureaucratic Plots**

By Mike Causey

*Washington Post Staff Writer*

When Hollywood comes, Washington nearly always gets a black eye—deserved or not!

An entire generation has grown up on movies or prime-time TV shows featuring rogue CIA agents destabilizing freedom-loving governments or attempting to kill bugs in bedrooms. Or feisty government scientists trying to pollute the globe or cover up for cartels whose drugs produce three-headed babies.

The message, more often than not, is that all politicians are crooks, all bureaucrats bumbling and all federal cops have a secret agenda that has nothing to do with justice. Astronauts really didn't go to the Moon. (They faked it all in a TV studio in New Jersey.) Or the FBI killed—fill in the blanks with your favorite dead hero—whomever. And General Custer was (or wanted to) in drag at Little Big Horn. These are among the coverups uncovered by Hollywood.

"Another movie could have Sylvester Stallone playing the role of a compassionate senator Agriculture Department missions down on a new farm subsidies program though he's personally against such subsidies and believes the money should be spent on school lunches for poor kids. There could be various shots of Stallone engaging in exciting, action-filled management exercises like expertly administering a budget, or directing subordinates and working with bosses. The movie's at a stage where it shows a frustrated Stallone taking 'early retirement' and a buyout due to numerous scandals beyond his control."

"Far-fetched plots, you ask? Maybe. Or maybe they're just too realistic a view of what government is really about—managing difficult problems that cannot be handled anywhere else. The ultimate plot may be showing the contradictions of Hollywood's leading figures who advocate government intervention to cure all societal ills while their movies show government as inherently evil and incompetent."

"Regrettably, as long as Hollywood's current slew of anti-government movies keep garnering millions of dollars for their creators, they will still be made, thus helping contribute to the increased cynicism and suspicion many Americans now feel toward their government."

—Steve Stacy, Arlington
Jessica Mathews

GATT: False Claims, Red Herrings

On the merits, the decision whether to ratify the GATT Uruguay Round accord is laughably easy. The economic benefits of this agreement to the United States are enormous, the political costs of torpedoing it equally so.

An agreement that dismantles trade barriers, especially in U.S.-led areas such as agriculture and services, is one that disproportionately benefits the world's most open market, the one whose barriers are already the lowest. By the same token, an agreement that makes the arbitration of trade disputes more expeditious and blocks unilateral vetoes of dispute rulings of everybody is the one that most of the world's most frequent complainant, again, the United States.

That a collection of false claims and red herrings was making the decision a close call after seven years of hard negotiating under both Republican and Democratic leadership achieved the great bulk of the United States' original, congressional mandates, goals therefore, suggests that something else is going on. In effect, the GATT vote has become the occasion for a small national identity crisis.

The chief criticism of the treaty, that it is multinational and U.S.-dominated, simply doesn't hold up. No U.S. law or regulation can be changed by the agreement or by the World Trade Organization (GATT) it creates. Nothing can be imposed on us that we do not accept. If a ruling goes against us, we can no longer block it, but we need change nothing. We simply accept trade retaliation, just as we may now and just as we would do vastly more often in a GATT-less world.

What claims of lost sovereignty reflect is not so much the substance of the Uruguay Round negotiations for the world as the United States enjoyed nearly complete freedom of international action. "If we are the world's remaining superpower," goes the subtlety, "why shouldn't we behave just as we wish and dictate to others like we used to?" And so you hear from the far right thundering cries of "national sovereignty" from the far left exaggerated claims of threats to U.S. health, safety, labor and environmental laws.

Those old days are gone good. Our economy will never again lower so far over the rest of the world's that the United States can do whatever it wants simply by paying for it. We are less independent, too, because trade is now a major piece—not a vanishingly small fraction—of the U.S. economy. Like all ailing national economies, we are constrained by the global environment, controlling technologies of mass destruction, and many others that require broad and sustained international cooperation. Money, people, pollution, and crime are crossing borders as never before. Like it or not, the entwining web of international commerce needs that kind of governance on the globe, even the most powerful, will continue to thicken.

At one level, Americans accept all this. But politically, we are still uncomfortable with the change from being the world's dominant power to merely its greatest economic power. The Secretary of State, Mr. Shultz, was pilloried last year for saying what everyone knows to be true: that our foreign policy ambitions should reflect relatively reduced circumstances. Our discomfort with the idea of multinational peacekeeping, even while we wish to reduce our financial burden for maintaining the international order, is another manifestation of the same ambivalence.

Closely related to the sovereignty argument is criticism of the new WTO's "undemocratic," "authoritarian" nature, its lack of any one vote structure. Since there hasn't been a vote in GATT for 35 years, and since the new agreement codifies the custom of operating by consensus, this is hardly a pressing concern. The United States is trying to do.

The United States will continue to exercise an effective veto as it has for decades. Nor does extending the Uruguay Round create a precedent that will shape a new era. The just-created Global Environmental Facility, for example, is the opposite direction, requiring a large majority of nations and financial interests.

At the other end of the spectrum are complaints that the Uruguay Round failed to achieve. The accord does not, as the United States would, ban trade in products made with child labor. That is a disappointment, and a goal that the United States must work toward in the WTO, but it is no reason to reject the treaty. The only result of doing so would be to achieve a better deal at a cost of slowly rising health, safety, environmental and labor standards that only a global framework can support. The only result of rejecting this agreement and starting over is postuerus.

In GATT lingo, child labor standards are a PPM, a process or production method that affects how an item is made. PPMs are at the heart of the most difficult trade disputes, with social and political as well. A GATT dispute panel has ruled, for example, that the United States cannot ban tuna caught with dolphin-killing nets.

There is a long, crucial battle ahead to resolve the PPM debates and establish the legitimacy of using trade measures to achieve certain environmental and social goals without undermining the trade rules that have fostered so much economic growth. The standing WTO is a far better mechanism for doing so than GATT's intermittent negotiation rounds.

The United States is no longer in a position to reject an agreement that serves only one, but not every one, of its interests. Setting aside an unattainable desire for a more freewheeling past, the GATT accord easily passes that threshold.

The writer is a senior fellow at the Council on Foreign Relations.

LETTERS TO THE EDITOR

'Monster of the Himalayas'

The article "Monster of the Himalayas" [Outlook, Nov. 6] about Nepal's Arun III hydropower project was an inaccurate portrayal of the World Bank's environmental, energy and external-affairs operations.

World Bank economists do not assert that the people of Nepal would be willing to pay $35.7 cents for a kilowatt-hour of electricity. The figure on which projections have been based is about 10.4 cents in today's prices. The World Bank is not lending $740 million for the project, as implied. It is proposing a $140 million credit (no repayment for 10 years and no interest for the next 30). This is in addition to an earlier credit of $3.5 million. The bank is one of nine financial participants in the project, and it is Nepal's project, not the World Bank's.

The project would promote economic growth and increase government revenue. This means that it would increase—does not decrease—Nepal's capacity to spend money on health and education. At the moment, Nepal has a per capita annual income of $180, and just 10 percent of the people have electricity.

The proposed project (which does not require damming the Arun River) has been extensively assessed for environmental impact. The "pristine valley" the article said would be harmed by the project is being degraded right now by the inhabitants who have been living on the land for generations. The project is explicitly designed to create income-generating opportunities that will give local people alternatives that are more environmentally sustainable.

The bank is not ignoring its own resettlement policies. The resettlement officer actually found that more people are resettled in the bank (which is involved in fewer than 3 percent of resettlement cases) does a much better job of cushioning the impact on people than countries do without the bank.

The bank's energy loans do comply with its own stringent guidelines. The conditions that issued the bank's energy policy also ask countries to meet 10 percent of energy demand with non-fossil fuels. The bank's environmental, energy and external-affairs operations are directed specifically to long-term, no-interest assistance to the poorest countries.

The process of development, of helping poor countries to raise their living standards, is complex and difficult. None of us knows all the answers, or we would have eradicated poverty. Aid is not free money. The Bank's task for us all is not to try to block change but to help it and manage it; not to deny poor people a chance to improve their lives, but to help them do so in a way that is sustainable in every sense. That is what the World Bank, in partnership with the United States and hundreds of other organizations, is trying to do.

JOSEPH WOOD
Vice President, South Asia
World Bank
Washington

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST

51
Meg Greenfield

Strategists Without a Clue

Too many Democrats still can't figure out what happened.

To the proverbial short list of things that no one should watch being made—i.e., sausage and legislation—we can now add a third, Democratic political strategy. It is a perfectly ghastly sight. I don't mean just the blaming part of it, in which the self-designated “centrists” are laying about them at the self-designated “liberals” (and vice versa), each accusing the other of dragging the president's apparently infinitely portable mind off in the wrong direction. No, at least this squabble over whose fault it is acknowledges that something indisputably dire has been said by the voters to the Democrats. The problem lies in the difficulty they are having deciding what it was that was said and what they should do about it.

Unsurprisingly in this administration, talkative aides, who appear not to care how terrible their accounts of their own sagacious advice may make the president look, have been telling endless stories of strategy debates about makeover plans for Clinton. These sound like something you get at an Elizabeth Arden beauty salon, and in a sense they are: cosmetic efforts, attempts at appearance improvement. Thus the aides tell us, in a gush of reports, that what is being discussed is how to get a whole new image for Clinton; invariably they go on to say either that he must or must not move to a more “centrist” or rightish place on the political spectrum, and in my judgment, allowed it to be understood that unashamed, freely expressed patriotism, concern for the safety of the citizen who is preyed upon by crime, empathy with certain of the economic anxieties of middle-class/middle-income Americans and devotion to all those laudable old-fashioned virtues that used to be stitched onto samplers—self-reliance, piety, personal rectitude and the rest—do not belong to them, but to the other group. These are seen, in short, as values they somehow need to move rightward to get near, values that (as the burning aides insist on telling us) they themselves must be reminded and/or politically shoved to embrace. My question is this: Are these Democrats crazy or what?

I know, I know: This isn’t true of all Democrats or all liberals. But it surely is the case with a third of them, including some who have become the public voice of the party. When criticized for ceding so much to the right, they will indignantly claim that the critic has questioned their patriotism or virtue, or sought to smear them by association with criminals who are committing heinous acts of violence. But I don't charge or believe any such thing about them. I think that over the years some of these Democrats just became so suspicious of the jingoism and moralistic posturing of their more extreme adversaries that they adopted an almost reflexively oppositionist role on a whole range of important issues. Then came a self-destructive second step: Large numbers of voters who supported the other side’s positions were written off by these Democrats as having been duped or sweet-talked or appealed to in their basest instincts, or were seen as being plain mean and retrograde. It was not considered that they could have a decent point. This is the worst affliction of the strategizing Democrats: an inability to imagine the basis of legitimate, morally worthy opposition to themselves. The unfelt, academic, theoretical quality of so much of their discussion so far concerning both what went wrong and what should be done about it is evidence of this inability to project themselves into those voters’ minds or, I fear, to take seriously those voters’ instincts. Too many of them, including some who have been worthly opposition to themselves.

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Behind Sauerbrey's Defeat

Robert D. Novak

The circumstances behind Republican candidate Ellen Sauerbrey's refusal to concede defeat for governor of Maryland three weeks after the balloting tell as much about the historic election of 1994 as the many GOP victories.

Sauerbrey has been stigmatized by Democrats, the news media and many fellow Republicans as a poor loser for contesting Democrat Parris Glendenning's apparent victory. She has challenged every vote tabulating in black precincts of Baltimore that kept her from riding this year's anti-Democratic tide to victory in one of the last bastions for riding this year's anti-Democratic tide to victory in one of the last bastions.

But what happened in Maryland, largely ignored across the country, reflects the national power balance between the two parties. State Minority Leader Sauerbrey, underfunded and disdained by her own party's leaders, defied the odds to win the nomination and make a credible race as an anti-tax candidate. She was counted out Election Night by Democratic control of the African American vote. That political equation might spell victory for Democrats in Maryland this year but does not bode well for the party elsewhere.

Sauerbrey late on Nov. 8 seemed headed for an improbable upset. As reported by Baltimore Channel 11, she had a 4,630-vote lead at 11:54 p.m. with 98 percent of the vote in. For the next 19 minutes, not a single additional vote was announced.

Then, at 12:13 a.m., a rush of Baltimore inner-city tallies gave Glendenning a 4,779-vote lead with 99 percent counted. The apparent winning margin came from Baltimore precincts controlled by Larry Gibson, Mayor Kurt Schmoke's political organizer, strategist and patronage dispenser. Turnout in Gibson's precincts ranged between 48 percent and 60 percent, while it was 27 percent to 36 percent in nearby black precincts.

When Sauerbrey's lawyers requested access to Baltimore voting records, Circuit Judge Andre Davis—who eyes a governor's appointment to the State Court of Appeals—said no. Seated prominently in the courtroom was Larry Gibson. The decision cost Republicans a higher voter turnout than other black areas because they are more affluent. In any event, holding back precincts is an old, though disreputable, American tradition that facilitated the careers of Lyndon B. Johnson and John F. Kennedy.

But the need for that hoary device is remarkable in what has become virtually a one-party Democratic state. Maryland's only consistent Republican winners—former senator Charles Mathias and Rep. Connie Morella—seem to be crypto-Democrats. In the face of bright Republican possibilities nationwide, the state's hidebound GOP establishment anointed two sure losers: Rep. Helen Delich Bentley for governor and former senator (from Tennessee) William Brock for the Senate.

Brock was indeed nominated and then defeated Nov. 8. But Sauerbrey upset Bentley in the Republican primary and caught up with the heavily favored Glendenning when she disdained her staff's advice to concentrate on the crime issue. That would have failed to exploit Glendenning's record as a typical Maryland Democrat in three terms as suburban Prince George's County executive—big government, high spending, high taxes.

Instead, Sauerbrey headed the counsel of her longtime ally, Jack Kemp, that she follow the pattern of New Jersey Gov. Christine Todd Whitman and call for tax cuts. Washington consultant David Smick, Kemp's former chief of staff, who lost to Bentley for Congress in 1984, became Sauerbrey's informal strategist pressing for tax cuts.

But victory may have slipped away when another piece of Kemp advice was rejected. The former housing secretary was scheduled to campaign with Sauerbrey in Baltimore's inner city, accompanied by two of the city's black heroes: former Baltimore Colts and Hall of Famers John Mackey and Lenzy Moore.

But Sauerbrey's staff canceled the date, fearful that it could alienate white voters. She won no more than 7 percent of the black vote, making possible Larry Gibson's midnight coup.

The lessons of Maryland are multiple. The tax issue, well below crime in public opinion polls, is supreme at the ballot box. If Republicans concede over 90 percent of the African American vote, winning states like Maryland will always be difficult. And the Democratic future in bleak if the party fights tax-cutters and relies on late-reporting black precincts for narrow victories.

Biased Estimates of the Reagan Tax Cuts

The Post's Nov. 16 editorial "A Rubber-Stamp CBO" asserted that the "tax cuts of 1981 were supposed to pay for themselves and didn't." In fact, President Reagan's first budget submission in March 1981 showed that his proposed tax cuts would reduce (ed) federal revenue by $689 billion over five years. While supply-siders argued the Reagan tax cuts would not lose as much revenue as the "static" estimates projected, Congress relied on "static" estimates when it passed the 1981 tax cuts.

The Post also said that the Joint Committee on Taxation and the Congressional Budget Office take into account "the extent to which lower taxes are likely to alter economic behavior." What The Post failed to point out is that they do not take into account the extent to which individual behavior can alter the economy. In fact, their estimates are constrained by the assumption that changes in behavior cannot affect the overall size of the economy.

The central tenet of supply-side economics is that taxes affect the incentive to work, save and invest and thereby affect economic growth. While The Post may dub them "non-partisan," by ignoring the effect of taxes on economic growth, the committee's and the CBO's estimates are inherently biased against supply-side policies.

STEVE ROBINSON
Assistant Director for Policy
Republican Study Committee
Washington

MONDAY, NOVEMBER 28, 1994 THE WASHINGTON POST
Lally Weymouth

Turkey's Confident Leader

ISTANBUL—In a country where a radical Islamist party is growing in strength, and increasingly women are seen on the streets of major cities wearing the chador, the prime minister is a decidedly modern woman who has surprised the experts with her staying power. From the day 48-year-old Tansu Ciller came to power little over a year ago, analysts have been predicting the fall of her coalition. So far, however, she has managed to prove them wrong.

It remains true, however, that virtually every move Ciller makes is controversial. Some Turks criticize her as a disorganized novice; she's an academic-turned-prime minister. Others say she has failed to deal with Turkey's economic problems. This year is running at 116 percent, and the growth rate is negative.

Yet the prime minister appears cool and unfappable as she steps out of a helicopter in Istanbul and enters her palace to talk about Turkey's problems.

For one thing, Turkey's relationship with Washington has deteriorated in the post-Cold War era. Meanwhile, Ciller's party wouldn't fare well in these elections, since the majority of seats at stake are located in southeast Turkey, where the fundamentalist "Welfare Party" is strong.

Ciller, however, says confidently, "We are the majority party in the parliament...and I think we'll increase that majority. We're going to do much better than ANAP [the other right-of-center party]." She is secular and democratic and progressive and this is what people want.

The central threat to Ciller's party and to all mainstream Turkish parties is the radical Islamist "Welfare Party." The prime minister nevertheless plays down the fundamentalist threat, claiming that the fundamentalists have only 15 or 16 percent of the vote. Indeed, she argues that their core vote is even smaller than that; she believes that Welfare attracts a considerable number of protest voters who are reacting to Turkey's economic problems.

Shouldn't her party (the True Path) merge with the other right-of-center party (the Motherland Party)—to offer voters a united front against the fundamentalists? Ciller, who has acquired a populist touch, strikes out at the Motherland Party, calling it elitist, "the product of the military coup. They had contacts [only] with the upper class," says Ciller, claiming that her True Path Party "represents the peasants and small businessmen, the artisans and free traders—the private sector." In the next elections, she predicts, Turkish voters will opt for one party, and "very likely it's going to be me and my party they will choose."

As Ciller sees it, she's faced with two major problems: an economic crisis and a terror threat. In the economic realm, she's trying to privatize the state sector: "I'm for a free market economy...but we've had problems in the economy because the government sector was so big. The government is in finance, in banking, in manufacture—everywhere."

As for terrorism, when Ciller became prime minister, the Syrian-sponsored PKK terrorists controlled large areas of southeast Turkey. Although she and other Turkish officials have not noticed any dropoff in Syrian support for the terror group, Ciller says she has used her army to regain control over much of the southeast. The prime minister says confidently that factories and schools are open again after having been closed for six years. "Life is going back to normal...and I did it in one year," she said. "We still have problems, but it's a big step in the right direction."

Her government has been criticized for the harsh methods used by the army in fighting the PKK, but Ciller claims she had no choice: "The fight was not against people living in the southeast [but] against the PKK who were killing the Kurdish and Turkish people without discrimination."

Turning to foreign affairs, Ciller notes that Turkey was a faithful U.S. ally during the Cold War, and cooperated with the United States and its allies in prosecuting the gulf war, "shutting down an oil pipeline from Iraq that had produced large revenues for Turkey, thus causing economic hardship."

Recently, when Saddam marched toward Kuwait, Ciller said she told President Clinton that "we back the U.S. 100 percent and that I would provide any help the president would ask."

Yet she hesitates when it comes to the question of renewing "Operation Provide Comfort"—the program started by the United States and the international community to aid the Kurds in northern Iraq. "My people have hesitations about Provide Comfort because they feel it might help separate northern Iraq from the rest of the country," she said. "We feel the territorial integrity of Iraq should be maintained."

Ciller has endeavored to warn Washington about Russia's aggressive posture. "We know what is going on there...and we cannot close our eyes to the fact...that there are forces within Russia who want to go back to the old empire, to the old ways...Aggression should be stopped—be it in Bosnia, in Azerbaijan or Kuwait."

Tansu Ciller is looking to the future. She plans to guide Turkey into the Customs Union of the European Union. Then, she wants Turkey to play some role in the Middle East peace process. Moreover, she wants to aid the Turkic Republics of the former Soviet Union emerge into independence.

But, says the prime minister, "we need help." She does; she also deserves it.
Ghost of an Issue

Bycountries in the more politically potent Middle East and Eastern Europe. What’s left is shared by the world’s hungriest and most desperately poor are surviving despite unrelenting attacks from the isolationist wings in both parties. That is because the basic argument for bipartisan aid support is as sound today as it was when the effort was launched almost 50 years ago by President Truman. Americans are going to continue to function in the future as they have in the past.

No one can know, of course, which view is right, the rosy or the pessimistic. But given the record of those 30 years, surely the pessimistic side is the right one on which to err. The president and Congress may have had enough of health care for a while, but you can bet the issue will be back.

Foreign Aid and the New Congress

Those are all the problems the president summoned the nation to address more than a year ago, when he proposed his health care plan. Unfortunately, the plan wasn’t equal to the summons; nor did any other emerge. Though it may have done some long-term good by forcing the national debate, in the short run and from a political standpoint the effort was a failure. That’s part of the reason the issue seems dead just now. But the problems persist.

Some people say not even that much is true. They believe the related problems of cost and access to care are on their way to being solved by market forces, if only the government, instead of playing a larger role, will step aside. They point in particular to the rise in the private economy of managed care companies and other large health care buyers with the ability to drive prices down. That’s what ultimately will work, they say, and it’s one of the reasons that spending is already moderating.

But others say that this, too, is just a temporary phenomenon and a shift—that the engines that have driven health care costs from a sixteenth to a seventh of gross domestic product in the past 30 years are still in place and can be expected to continue to function in the future as they have in the past.

No one can know, of course, which view is right, the rosy or the pessimistic. But given the record of those 30 years, surely the pessimistic side is the right one on which to err. The president and Congress may have had enough of health care for a while, but you can bet the issue will be back.

Monday, November 28, 1994 The Washington Post
Deficit Politics

PRESIDENT CLINTON must now decide whether his coming budget will keep pushing the deficit down. A fierce debate is underway within the White House. Some of his staff urge a budget that merely holds the present line—under which, after the substantial deficit reductions of the past several years, the deficit would remain constant or rise slightly. The idea would be to take a holiday from the painful work of deficit cutting and let the initiative fall to the new Republican majority in Congress. But other presidential advisers believe that it’s essential for the president to continue to exercise leadership in squeezing the deficit down. And that would be the right decision for the country.

A steady decline in the deficit is crucial to two of Mr. Clinton’s major economic goals. Take interest rates first. Like every president, Mr. Clinton would prefer to see them lower rather than higher. The recent rises have been pretty moderate in view of the speed with which the economy is expanding, and one large reason for that moderation is the past three years’ drops in the budget deficit. If that progress stalled and the deficit began to move upward again, the impact on interest rates would be substantial.

The reason has little to do with the Federal Reserve Board. It’s the deficit’s impact on an inadequate supply of financing. The country’s pool of investment capital can come only from savings, and Americans save very little. Last year net savings by Americans—net, that is, of depreciation—was $334 billion, of which nearly three-fourths was preempted by the federal government to finance its deficit. A rising deficit sharpens the competition for capital between the government and private borrowers, and the result is higher interest rates—just as a declining deficit tends to ease the rates.

That leads to Mr. Clinton’s second great stake in deficit reduction. Because Americans’ savings are insufficient to finance both a big federal deficit and normal growth of the private economy, the country has to attract a heavy flow of investment from abroad. When a country imports capital, as this one is now doing, its trade deficit must equal, dollar for dollar, that inflow of investment. That’s the connection between the trade and budget deficits. If Mr. Clinton wants to get the first one down, as he does, he’s got to work on the other.

Stable interest rates and a lower trade deficit will both contribute to improving the American standard of living.

Singapore Clamps Down

CHRISTOPHER LINGLE was wise, as it turns out, to have got out of Singapore. He’s an American academic who, while teaching at the National University there, wrote an article on the political intolerance of the governments in the region. Among other things he observed that they used a “compliant judiciary” to harass, opponents and discourage dissent. Subsequent events have provided an excellent example of the abuse of which he was speaking.

He left Singapore after the second occasion on which police interrogated him about the article. Now he has been charged in absentia with contempt of court—along with the International Herald Tribune, which published the article, and the Singapore company that prints its edition there. (Please note that The Washington Post is one of the owners of the IHT.) Contempt of court? The explanation is that the rules of Singapore’s courts forbid any criticism of the judiciary.

Singapore’s purpose seems to go beyond a mere defense of the sensibilities of a small state and its authoritarian one-party regime. Singapore evidently sees itself winning stature as the model of the new Asia, orderly, disciplined and prosperous—in contrast to the turbulence and violence of life in, specifically, the United States. The Singapore model has a certain appeal even for some Americans, as they showed last spring when a court there sentenced a young American to caning for vandalism. But it’s important to notice that the courts that have power to sentence adolescents to whipping also have the power to hold adults in contempt of court for political criticism.

In Singapore’s behalf, you can point out that its record in human rights is not atrocious. It does not employ torture, or repress its ethnic minorities. The regime’s opponents do not mysteriously vanish. But Singapore’s restrictions on free speech—of which the Lingle case is only the most recent example—are not trivial, nor are they harmless to Singapore itself. It may not be easy, for instance, to recruit a well-qualified replacement for Mr. Lingle. For that matter, first-class universities do not exist in countries that discourage free speech. Many Singaporeans might argue that their high standard of living justifies the limits on their freedom. But all of the countries richer than theirs are genuine democracies that protect free and open discussion. Does any one really think that’s accidental?
Names & Faces

Clinton, Back to Business

President Clinton returned to the White House from Camp David yesterday after spending Thanksgiving weekend at the snow-dusted Maryland retreat. Clinton, dressed casually in a brown blazer, appeared in good spirits as he sprang off Marine One wearing a broad smile. Accompanying him were wife Hillary, daughter Chelsea, stepfather Dick Kelley and mother-in-law Dorothy Rodham.

In preparation for a week in which he's facing a deepening crisis in Bosnia and crucial votes on the GATT accord in the House and Senate, Clinton spent a relaxing weekend horseback riding, golfing, watching football, reading and walking in the mountains.

'Santa' Cleans Up

Looks like Christmas arrived early for Walt Disney Pictures, makers of "The Santa Clause." The heartwarming Tim Allen comedy led the Thanksgiving weekend box office, according to industry sources, with a whopping $27.5 million take. The flick had already raked in $40.6 million since its Nov. 11 opening.

Left eating "Santa's" dust was "Junior," the much-hyped Arnold Schwarzenegger-Emma Thompson-Danny DeVito comedy, which came in at No. 4 with an estimated $14 million in receipts, a relatively weak opening for the five-day holiday weekend.

Rounding out the Top 5 were "Star Trek Generations" (No. 2, an estimated $20.6 million), "Interview With the Vampire" (No. 3, $17 million) and "A Low Down Dirty Shame" (No. 5, $11.4 million).

End Notes

The record that was apparently the first Beatles tune ever to be played over the airwaves brought $17,200 at auction over the weekend, according to Bonham's of London. The price set a record for a commercially produced disc. A Bonham's spokeswoman said the version of "Love Me Do" was played by Radio Luxembourg in 1963.

Monaco's Prince Rainier was doing well over the weekend after undergoing heart bypass surgery Friday, according to a statement from the palace.

Rainier, 71, was visited by his family and read newspapers, the statement added, and was in "excellent" spirits. In the if-it's-not-one-thing-it's-another category: Pope John Paul II, who's had a series of injuries in the past couple of years, smashed his right pinkie in a car door yesterday and was forced to wear a little white bandage while saying Mass from a Vatican balcony. Explained a solemn official statement: "This morning, getting out of the car which was driving him to the Vatican basilica for the celebration of the Holy Mass, the Holy Father's finger was injured as the door was closed."

—Compiled from staff and wire reports by Mary Alma Welch

By G.B. Trudeau

DOONESBURY

The holiday's over: President Clinton, with his stepfather, Richard Kelley (left photo), arrives back at the White House yesterday along with wife Hillary and daughter Chelsea.
Retailers opened the Christmas season with strong sales as many posted better-than-expected gains over the long holiday weekend. In an encouraging sign for retailers, sales of clothing and electronic toys were brisk, and many shoppers indicated optimism about the economy.

(Article on Page A3)

Saudi Arabia's continuing cash shortage has begun to influence its petroleum policy. It is seeking to boost oil prices by holding output steady as rising consumption tightens supplies.

(Article on Page A2)

Gene Phillips, former chairman of 'now-defunct Southmark, said he agreed to pay the U.S. $20 million to settle litigation related to the collapse of the real estate and thrift concern.

(Article on Page A3)

Aoki Corp. agreed to sell Westin Hotels & Resorts to Starwood Capital Group and Goldman Sachs for $561 million plus the assumption of debt, capping a long effort by the Japanese company to sell the hotel chain.

(Article on Page A2)

A major National Gypsum shareholder, Lafarge Ceppro of France, refused to join or cooperate with an investor group that is seeking to take over Gypsum for $840 million.

(Article on Page A4)

Mayflower Group said it is in talks to sell its moving and transportation services unit to Unigroup, the closely held parent of United Van Lines.

(Article on Page A5)

R.J. Reynolds Tobacco is testing a new version of the "smokeless cigarette." The new product, called Eclipse, is designed to address health and social concerns about cigarettes by reducing secondhand smoke.

(Article on Page A4)

Sonny's chairman and founder, Akh Moritsa, resigned for health reasons. The move isn't expected to have a direct impact on Sonny's management.

(Article on Page A4)

General Motors will slow production in mid-January at its main Cadillac plant in response to an expected slowdown in luxury-car sales. The plant has been running at overtime levels for much of the fall and inventories at dealers have been swelling.

(Article on Page A4)

Movie theaters had near-record ticket sales over the holiday weekend, led by Disney's "The Santa Clause."

(Article on Page B2)

Foreign investment by American firms changed little overall last year, but investment rose in developing economies such as India and Mexico, a survey by Ernst & Young found.

(Article on Page A2)

Machine-tool orders fell 29% in October from an unusually high level in September, but year-to-date orders continued to outpace 1983 orders.

(Article on Page A4)

Silicon Valley Group, one of the last U.S. makers of lithography equipment used in producing semiconductors, called off a technology partnership with Japan's Canon that had been scrutinized by the U.S. government.

(Article on Page B5)

Markets:

- Stocks: Volume 113,820,500 shares. Dow Jones industrials 768.37, up 36.84; transportation 1,025.18, up 6.99; utilities 179.61, up 2.1.
- Bonds: Lehman Brothers Treasury index 503.46, up 5.53.
- Commodities: Oil $17.16 a barrel, up 1 cent. Dow Jones futures index 150.74, up 0.11; spot index 144.60, up 0.06.
- Dollar: 98.15 yen, up 0.30; 1.5598 marks, up 0.0033.

World-Wide

NATO officials admitted they were powerless to halt a Serb advance.

(Article on Page A4)

Israel announced the establishment of its first peacekeeping mission.

(Article on Page A2)

Japan and Russia signed four economic agreements in Tokyo for a resolution of their longstanding territorial dispute over a group of islands off Russia.

(Article on Page A10)

Authorities in Zaire expelled 37 Rwandan Hutu refugees, handing them over to soldiers of the Tutsi-dominated Rwandan government.

(Article on Page A3)

U.S., which is set to remove all its troops from Haiti by early next year, reacted coolly to Aristide's appeal.

(Article on Page A1)

Northern Russia may face "an ecological catastrophe" if the Sarov nuclear waste spill near Usinsk isn't completed before spring thaws push more oil into rivers and streams, a government commission said.

(Article on Page A5)

Because of the slow pace of the cleanup, it is unlikely the work will be finished by April 1 as planned, the panel said.

(Article on Page A14)
The Outlook

Latest Immigrants Face Tough Job Problems

LOS ANGELES

America’s third great wave of immigration — its largest yet in sheer numbers — has brought more than 10 million legal and illegal entrants since 1980. It also has brought doubts about whether the influx is a boon or a burden.

A taste of the public’s growing anti-immigration sentiment emerged with California’s vote to eliminate education and basic health care for illegal residents. Although the measure faces constitutional challenges, the social and economic forces behind it are raising doubts about whether that will continue. “You have to wonder why they get here,” Mr. Smith, in a forthcoming study of Mexican immigrants, concludes that, in past, migrants’ children and grandchildren have climbed close to national averages in education. But he questions whether that will continue. “You have to look at the school system then and now,” he says. “That seems to be a major problem.”

George Borjas, an economist at the University of California at San Diego, contends that skill levels of new Americans thus are heading in the wrong direction. “If someone comes in as an adult earning 4% less than native-born counterparts in 1970. By 1990, the two groups had roughly equal income, on average. By 1990, the immigrants’ income was 9% higher.

Attainment differences between old and new arrivals often are cast as awkward questions about whether motivations have changed between old and new immigrant groups. But experts say the gap is much more easily explained: Most of us don’t make fundamental changes in our skills after reaching adulthood, wherever we are born. Although most immigrants make big adjustments, including learning a new language, underlying education and job skills aren’t likely to change.

“If someone comes in as an adult earning 30% less than native wages, they’re likely to leave the labor market 30% behind,” says James Smith, who has studied immigrant patterns for Rand Corp., the Santa Monica, Calif., think tank.

In the long run, education plays a vital role in any advanced economy. If immigrants are arriving with less training, can their children and succeeding generations reverse the trend?” That depends not just on who comes but on the educational system they find when they get here. Mr. Smith, in a forthcoming study of Mexican immigrants, concludes that, in past, migrants’ children and grandchildren have climbed close to national averages in education. But he questions whether that will continue. “You have to look at the school system then and now,” he says. “That seems to be a major problem.”

Even so, worries about immigrant education have been raised before, and solutions have been found, says Francine Blau, a labor economist and expert on early immigrant patterns at Cornell University. Identical concerns were raised in the early 1900s: poorly educated people arrived from Eastern and Southern Europe. “and they did pretty well, didn’t they?” she says.

“FREDERICK ROSTERS"
How Newt Gingrich Helps Raise Millions For Liberal Causes

NOW and Some Other Groups
Use Republican Victory
To Attract Lots of Cash

BY SCOTT MCCARTNEY
Staff Reporter of THE WALL STREET JOURNAL

After the Republican avalanche in the Nov. 8 election, the National Organization for Women began stirring a bubbling cauldron worthy of Macbeth: eye of Newt, tongue of Dole.

In a Nov. 16 mailing, NOW warned that the new Republican leaders of Congress would likely be hostile to women's interests. Since the election, NOW has collected five times the usual level of gifts over $500, and 10,000 new members have joined, boosting ranks by more than 5%.

The group has GOP leaders Newt Gingrich and Bob Dole to thank. "There's a visceral response out there," says Kim Gandy, NOW's executive vice president. "There will be an increase in membership and contributions, and we will need every penny. This will be a long fight."

Bad News, Big Money

In the world of special interest groups, there is a curious paradox—what's bad for the agenda is actually good for the budget. Liberal groups fell on hard times financially after President Clinton's election, while right-wing groups enjoyed a boon.

The Sierra Club laid off workers after the environment-friendly administration took office, while the Christian Coalition claimed its membership doubled thanks to the Clintons.

Now liberal groups are the ones sounding off as fundraising alarms over conservative Republican control of Congress—and several groups say they expect donations and membership to increase 15% to 20% over the next year.

Calls to Americans United for Separation of Church and State have tripled in the past two weeks, and money and memberships are starting to roll in. The group, which opposes prayer in schools, credits one man it usually abhors: Mr. Gingrich, who wants to return prayer to classrooms. "Newt Gingrich has pushed a lot of envelope, he's good for us." communications director Bob Boston says. "In a twisted way, he's good for us."

'Not a Gimmick'

Planned Parenthood, which supports abortion rights, says donors who let contributions lapse in recent years have already started mailing in checks. "People say, 'I really thought this issue was over with,'" says Ann Lewis, a veteran Democratic strategist and now a senior Planned Parenthood official. December fund-raising letters have been rewritten to reflect the election returns.

Ms. Foundation President Marie Wilson is about to send out a year-end appeal focusing on the election, and on what it means to social services. It's a strategy that has worked in the past: "It's not a gimmick; it's a real thing," she says. "People understand the need to give money."

With government cutbacks coming, the Ms. Foundation expects to see huge increases in demand for the shelters, clinics and small-business incubators it funds. Ms. Wilson predicts that applications for funds will quadruple. To compensate, the group hopes to reach new donors who voted for the Republican stance of less government, but who still want to help the less fortunate. "The not-for-profit sector becomes like a government in exile in times like this," she says.

In fact, because Republicans have outlined some early issues for the next session of Congress, liberal groups have ample fodder for their fund raising. The Ameri-
**Clients Are Spending Less**

As a result, Drake Beam employees are bracing for layoffs, part of a pending corporate realignment designed to make the company more nimble. Drake Beam officials say some jobs will go, but the number won't be significant. An announcement is expected this Friday — the day of the week when firing can cause the most psychological damage, outplacement experts say.

**Price Wars**

The industry pricing war already has depressed the pay of many drop-in coun-

**Turned Tables**

The Layoff Industry

Leads That the Ax Can Be a Real Grind

Clients Are Spending Less

On Those They Shed: Competition Is Stifening

McOutplacement Gets Lean

By JOAN S. LUBLIN

Staff Reporter of The Wall Street Journal

Earnings have declined. The company is the nation's leading outplacement consultant. Drake Beam Morin, Inc. After a decade of growing

for our existence as an industry," says Beam Morin, Inc. After a decade of grow-

related to productivity. And as always, top management is try-

ing — a bit in vain — to sound reassuring. Ironically, the company is the nation's leading outplacement consultant. Drake Beam Morin, Inc. After a decade of growing

Problems are pervasive. The industry chairman warns the industry is "heading for a skiout. Employees fear a pending round of layoffs if costs continue to drift up, and as always, top management is try-

ing — a bit in vain — to sound reassuring. Ironically, the company is the nation’s leading outplacement consultant. Drake Beam Morin, Inc. After a decade of growing.

several hundred discharged workers, at about $6,000 each. Five years ago, a shoot-

asking 14 concerns for proposals to counsel

The field also suffers from a broader

on those they shed: competition is stiffening.

Layoff Industry

Leads That the Ax Can Be a Real Grind

Clients Are Spending Less

On Those They Shed: Competition Is Stiffening

McOutplacement Gets Lean

By JOAN S. LUBLIN

Staff Reporter of The Wall Street Journal

Earnings have declined. The company is the nation’s leading outplacement consultant. Drake Beam Morin, Inc. After a decade of growing, the sense of guilt they

usually cuts profit margins.

Drake Beam "is a fantastically effi-

cient operation," says Stanley Tilton, former president and chief executive of Right Management Consultants Inc., the second biggest outplacement firm.

The pressure is on. Even in firms that stay afloat, competition is fierce. And in some firms, the cost-cutting mentality has crept into areas that had been

pressed. Depressed Earnings

Other Right officials say price cuts have hurt their earnings. In July, Right Management's income this year will probably be

$500,000 contract with a bank preparing to

lay people off. "I was fired on a Monday

morning," he gripes.

Looking With Sympathy

His output has excited him to a draft, tiny office that he is allowed to use while he seeks work. Now that the shoe is on the other foot, this executive considers his former employer's services well-nigh use-

Less. But "everyone is being real nice," he says as he shoves papers into a black computer bag on his way to a job interview. "There's a true sense of, 'There, but for the
grace of God, go me.'"

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Al Prendergast, an outplaced senior vice president of MasterCard International, started shopping for an outplacement firm in March. He says Lee Hecht and three boutiques volunteered to trim the fees charged his employer, plus supply him office space in New York and suburban Connecticut, where he lives. Several firms said they would install a sophisticated $600 word processing package in their offices—to match his home computer's software. One even offered to buy a dictating machine for his use.

In the crush to entice these clients, the industry also hears talk of kickbacks. The dismissed $100,000-a-year vice president of a big West Coast manufacturer recently insisted on a $5,000 kickback in exchange for his employer's $15,000 assignment, says Rudolph Dew, head of a small outplacement firm in Torrance, Calif. Mr. Dew spurned the business—but says a rival among the top three outplacement firms agreed to the fee. Drake Beam, Right and Lee Hecht all deny paying kickbacks.

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Professional services firms often go for a price equal to their annual revenues, but Right paid less than half of that, notes Mr. Lord, the newsletter editor. He says the low price reflects the problems of an industry whose profitability has been beaten down by competition.
Even With New GOP Majorities in Both Houses, Term Limits Face Likely Doom in Next Congress

BY JACKIE CALMEN
Staff Reporter of The WALL STREET JOURNAL
WASHINGTON — It was for good reason that Newt Gingrich, the House speaker now seeking re-election as "Contract With America" on the upcoming mid-term ballot, opted to leave a term limits measure on the table.

"It will have to come some other time," Mr. Gingrich said. "In the event of the voters' choice, I will not be able to promise term limits in the upcoming election."

Yet, the House speaker's decision to leave term limits off his contract with the electorate has not gone unchallenged. Questions of the new Republican leadership's commitment to term limits have been raised by some critics, who argue that the new GOP majorities in both houses will be more inclined to bow to the pressures of political incumbents than to push for term limits.

"It's a key issue for many Americans," said Sen. Phil Gramm, R-Texas, who is a member of the Senate term limits committee. "We want to make sure that the people have a say in how long their representatives can serve."

But other Republicans, like Rep. Bob Inglis, R-S.C., are skeptical of the idea. "We need to be careful not to overpromise and underdeliver," Mr. Inglis said. "Term limits are a good idea in theory, but in practice they can be difficult to implement."
A Primer on GATT: Sure, It's Tedious, But the Important Things Often Are

BY BOB DAVIS
Staff Reporter of The Wall Street Journal

A: During the drafting of the U.S. GATT legislation, lobbyists managed to insert a number of provisions that could be tossed out by WTO panels. One big GATT case alleging that other countries “dump” steel in the U.S. at below-market prices, the steel industry used the GATT bill to change parts of the U.S. antidumping law. WTO panels might find those changes improper.

Q: If the U.S. doesn’t like WTO decisions, can it get out?
A: Yes. Any country can withdraw from the WTO after giving six months’ notice. In a bid to win support from Senate Republican Leader Robert Dole, the Clinton administration also agreed to allow a section of judges to review WTO panel rulings. After three WTO decisions that the judges ruled were improper, Congress could start proceedings to withdraw. Other countries will probably do the same thing. In short, there are checks on checks on checks. The real question, many proponents say, is whether the WTO will have any real power, not whether it will have too much.

Q: Arbitration panels seem to be a pretty narrow reason to oppose a broad trade deal.
A: That may be, but there are broader issues involved that are hard to articulate and on which it is even harder to build a political campaign. Apart from GATT’s particular provisions, the panel is a metaphor for the growth of the global economy. Domestic barriers fall, global investment increases, foreign competition intensifies. For those with education, money and a sense of adventure, the world is their oyster. But for many others, the world is a sea full of sharks. GATT will affect domestic protection, including job protection. Even those with skills feel more vulnerable.

Q: Will GATT pass?
A: Almost certainly in the House, where Newt Gingrich, the speaker-in-waiting, is trying to roll up a big vote. The outcome is less certain in the Senate, where 60 votes are needed because of budget rules that are arcane even by GATT standards. Given that almost all of corporate America backs GATT, that Sen. Dole has finally signed on, that critics haven’t roused broad-based opposition, and that Americans tend to look at the future optimistically, GATT is probably a go.

Q: Last year, there was the North American Free Trade Agreement; this year GATT. Are we finally done with trade issues?
A: No. Next year, Congress will debate the U.S. plans to extend NAFTA to Chile, for starters. Expect a bruising fight; trade disputes always are.

Q: Finally, some questions from the kids. My nine-year-old son asks whether anyone really reads the GATT legislation, which consists of two bound volumes, each 2,000 pages long. And my six-year-old daughter asks whether GATT will ever be fun.
A: Judging from the phone calls that come in to trade reporters, some people apparently do read the GATT bill in its entirety. Ralph Nader even boasts about reading it. But GATT will never be fun.

Continued From Page A3 whether to give the administration authority to negotiate even more trade deals. The U.S. plans to extend NAFTA to Chile, for starters. Expect a bruising fight; trade disputes always are.

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Solutions Inc., Farmington Hills, Mich., is getting ready to take on hundreds of new computer programmers who will be sent into large corporations to customize their computer systems for new tasks.

Such companies not only are putting the notion of the jobsless economic recovery to rest, but also are giving the employment landscape a new dimension. Unlike the 1980s hiring surge, when companies padded their middle-management ranks, job additions this time are more targeted, often in business fields and occupations that didn’t exist a dozen years ago.

Manpower Inc.’s quarterly roundup of 15,000 employers shows companies plan to add workers in the first quarter of 1995 at a faster rate than in any January-March period since 1989. A separate survey by Coopers & Lybrand, the accounting and consulting firm, found that three-fourths of the nation’s 425 fastest-growing small companies plan additions to staff in the next 12 months.

The job-formation process is neither slowing down nor cooling off, says Manpower’s chief executive officer, Mitchell Fromstein. The temporary-help firm’s latest survey shows 12% of companies planning to increase hiring in the first quarter, while 12% expect a decrease. A year ago, 18% expected an increase, while 13% planned decreases.

David Birch, president of Cognetics Inc., an economic consulting firm in Cambridge, Mass., notes that companies providing high-technology services are growing rapidly, even as some large computer companies have been downsizing. He likens the current era to that of the Industrial Revolution of the 1800s, when “growth switched from the makers of steam engines to the users of them.” Thus, he says, “a lot of the job growth is in mature sectors applying technology rather than hotshot sectors creating it.”

The motion-picture industry, where employment has expanded a huge 22%, or 91,000 jobs, in the past 12 months, according to the Labor Department, is an example of an old industry that is attractive for direct marketers such as catalog companies and TV infomercial makers.

Some pressure points are already showing up. “There seems to be an underlying labor shortage in the making, particularly at lower wage levels,” says Mr. Fromstein. The Coopers survey also found that 41% of the CEOs were concerned about the future availability of skilled, trained workers.

Hiring Is Likely to Maintain Fast Pace With High-Tech Services Leading Way

**ECONOMY**

**By FRED R. BLEAKLEY**

Staff Reporter of THE WALL STREET JOURNAL

After hiring nearly three million workers in the past 12 months, will companies keep adding jobs at a fast clip? The answer appears to be yes, but with a twist.

Increasingly, many will be nontraditional jobs in companies that help older businesses perform more efficiently by managing their personnel, providing a niche service or applying new technology to modernize outdated production processes. For example, Complete Business Staffing Inc., of Worthington, Ohio, expects to hire as many as 15 more technical and sales personnel, bringing its staff as high as 145 in 1995. The fast-growing company processes credit-card charges for direct marketers such as catalog companies and TV infomercial makers.

Dun & Bradstreet Industries Inc., based in Neenah, Wis., is finding room to increase its revenue 46% a year in a basic, old-line industry — printing. A niche player, Dun & Bradstreet giant paper rolls to smaller lots for thousands of small printers that used to do it themselves. It’s looking for skilled machine operators to start a new factory in Chicopee, Mass.

Indeed, more and more companies are ordering out for services so they can keep their own payrolls leaner and focus more sharply on their own core businesses.

Temporary-help agencies such as Manpower are benefitting the most. Revenue at Manpower, which bills itself as the world’s largest temp agency, will jump to $2.5 billion this year from $1.9 billion last year, predicts Mr. Fromstein. He foresees another $500 million in revenue growth next year as well. Temp firms listed as ‘’Temporary Supply Services’’ by the Labor Department, added 296,000 workers, a 20% gain, in the past 12 months.

Other industries with big labor-force additions in the past 12 months include eating and drinking establishments, which added 277,000 workers, up 4%; construction, which added 275,000 workers, up 5%; and auto dealers and service stations, which added 136,000, up 6%.

The outlook for manufacturing jobs is less clear. Even though the sector added nearly 200,000 jobs in the past 12 months, the growth rate was a moderate 1.1%.
Dollar Is Expected to Remain Steady, Unaffected by GATT Action, Jobs Data

By LAURA COHN

NEW YORK — The dollar this week likely will remain in its recent trading range, although it may show a tendency to move slightly higher, analysts say.

While Congress likely will pass the world trade agreement, known as the General Agreement on Tariffs and Trade, and the November U.S. employment report will be released, neither event is expected to pull the dollar much in any direction, the analysts say.

In fact, it would take a major surprise, such as rejection of the trade pact by Congress, to send the dollar far from its recent levels, they assert.

As the year draws to a close, more and more currency market participants will start to retreat from the market, taking profits and squaring their books.

That will leave the dollar trading in its current range, perhaps rising slightly to 1.5600 marks this week, traders and analysts say. Through the end of the year, some analysts expect the dollar only to rise to 1.5650 marks.

The dollar late Friday in New York rose slightly to 1.5668 marks from 1.5665 marks late Wednesday in New York, and climbed to 98.78 yen from 98.48 yen Wednesday. Around noon Monday in Tokyo, the dollar was trading at 98.77 yen and 1.5646 marks.

Despite the importance of the Labor Department’s U.S. nonfarm payroll gains for November to the bond market, analysts and economists say it will draw less attention than usual. They say the reason is many participants in the markets have decided that the Federal Reserve isn’t likely to tighten credit conditions any more than usual.

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New EEOC Chief Plans to Issue Set of Guidelines on Disabilities Act

BY JUNDA WOO
Staff Reporter of The WALL STREET JOURNAL

One of the first communiques to employees from the new head of the Equal Employment Opportunity Commission will be a set of guidelines on the Americans With Disabilities Act.

Gilbert F. Casellas, a presidential appointee who has been on the job seven weeks, said agency lawyers will "very soon" provide detailed advice to employers on complying with the federal discrimination law.

"We're now two years into the American With Disabilities Act, and this agency has not issued guidance on what is a disability," he said. Mr. Casellas succeeded Tony E. Gallegos, acting chairman since April 1993.

Ambiguities in the disability discrimination law have been a source of frustration for many companies and employment lawyers. Mr. Casellas said the agency might even re-write some of the more perplexing guidelines that previously were published, such as rules for conducting job interviews.

Mr. Casellas, most recently general counsel of the U.S. Air Force, stressed that his agency is not a "cleaning house. The EEOC is beset by internal woes ranging from a backlog of more than 95,000 complaints with 180 days, it will give a worker

Another goal of that campaign is to urge employers to take steps on their own to combat age, sex and race discrimination at their companies. Well-publicized suits about odd uses of the ADA may make employers focus on unusual forms of discrimination, but such claims account for only a small number of job-bias cases, Mr. Casellas said.

"People are facing blatant sexism, racism, discrimination in the workplace," he said. "You would be shocked. I was surprised at the overtness of some of these cases that come to us."

Mr. Casellas said complaints by employees should be turned over to the courts even if they are filed with the EEOC before filing suit against their employers. If the EEOC investigates and finds an employee has a strong case, it will try to negotiate a settlement. That falls, the EEOC can sue the employer.

The Big Three auto makers - Ford Motor Co., General Motors Corp. and Chrysler Corp. - usually look to data compiled by the Association for Manufacturing Technology, an industry trade group in McLean, Va. Export demand, which has been sluggish throughout the year, is a key indicator of future economic activity because the tools are shipped nine to 18 months after they are ordered.

Domestic orders for machine tools fell 29% to $338.6 million in October from $462.6 million in September, according to compared with 36% to $338.6 million in October from $462.6 million in September, according to data compiled by the Association for Manufacturing Technology, an industry trade group in McLean, Va.

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Shoppers Splurge, Making Retailers Very Merry

Sales Surge

<table>
<thead>
<tr>
<th>Sales</th>
<th>U.S. retail transactions</th>
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<tr>
<td>Source</td>
<td>1987</td>
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<tr>
<td>All retail merchants</td>
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<td>Mail/Phone orders</td>
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<tr>
<td>All other retail</td>
<td>740</td>
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</table>

MANY RETAILERS rang up better-than-expected sales over the long Thanksgiving weekend, and clothing made a dramatic comeback to the top of shoppers' lists.

"If apparel can lead the season, it's going to be a good Christmas," said Edward Carroll Jr., executive vice president at Milwaukee-based department store chain Carson Pirie Scott & Co., where total sales rose about 5% and clothing sales soared by double digits on Friday and Saturday compared with a year ago. Last year's hot home goods, such as bread makers and espresso machines, were less popular, he said.

While sales gains a year ago were respectable, many shoppers this year indicated they felt better about the economy and their own finances despite the recent interest-rate increase and political uncertainty following midterm elections. Retail experts had predicted that pent-up demand would make itself known after a lackluster year, when cautious consumers bought practical goods for the home.

"It's a very upbeat atmosphere out there," said Bruce A. Meyer, president of upscale gift retailer Geary's Beverly Hills in Los Angeles, where shoppers bought $3,000 sterling and china sets, boosting sales 12%. Added a spokesman for Lowe's Cos., the North Wilkesboro, N.C., home-improvement chain, where customers bought "massive quantities" of lights and trimmings: "I think people are saying, 'Time to celebrate.'"

Slugging bags of Limited Too clothing into her car in the parking lot of a suburban Chicago mall, shopper Beth Bonda cited "better job security" as the reason behind her plans to spend more this year and a festive mood among her friends. "People are just more comfortable," she said.

In Bentonville, Ark., a spokesperson for No. 1 retailer Wal-Mart Stores Inc. said, "Sales are fantastic, much stronger than our strong numbers last year and much stronger than year-to-year increases of 46% and 79%, respectively, in sales for the Christmas season will show gains. Sales for the Christmas season will show gains.

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"If apparel can lead the season, it's going to be a good Christmas," said Saks' chairman and chief executive officer, Philip B. Miller.

At Los Angeles' upscale Century City mall, tenants Bullock's and the Broadway saw clothing drive their sales "ahead of plan," a mall spokeswoman says. R.H. Macy & Co.'s sales rose a healthy 5%. "I think people are saying, 'Time to celebrate.'"

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Justice Department Aides Take Crash Course on Nasdaq

BY JEFFREY TAYLOR
Staff Reporter of The Wall Street Journal

Wall Street firms that act as dealers on the Nasdaq Stock Market can expect to receive subpoenas in the next few weeks as the Justice Department pushes ahead with its much-publicized investigation of possible wrongdoing on the screen-based trading system.

These subpoenas, people close to the investigation say, will demand information about how the firms price Nasdaq stock issues, whether they quickly report stock trades so investors will have access to the latest prices, and whether they sometimes decline to honor the prices they quote to avoid losing money.

But more importantly, the scope of the subpoenas, when they are issued, will reveal much about what the Justice Department’s investigators, led by veteran antitrust lawyer Kent Brown, know and what interested in once you receive a subpoena.

In the wake of the Securities and Exchange Commission’s investigation of possible wrongdoing on the screen-based trading system, the Justice Department’s antitrust office in Chicago, led by Mr. Brown, now is pushing ahead with an investigation of the Nasdaq stock market, which may overlap substantially with the SEC’s inquiry.

“In the past two months, we’ve seen about Nasdaq in the press, if not covered by these government subpoenas, probably have been rejected by the department’s investigators, led by veteran antitrust lawyer Kent Brown, know and what interested in once you receive a subpoena.

“Until a few months ago, Mr. Brown was doing battle with the likes of price-rigging roofers and kitchen contractors as chief of the department’s antitrust office in Chicago. Now he’s running an investigation that focuses on such market arenas as whether Nasdaq dealers cheat investors by colluding to keep stock-price “spreads” artificially wide—and their own profits artificially high. Spreads result from a difference between quoted buying and selling prices.

Mr. Brown heads a team of three lawyers and two economists who are doing the grunt leg work to determine whether Nasdaq market makers rig prices on the computerized trading network. The team spent much of the past two months phoning and traveling to meet people familiar with the Nasdaq system, including academics and traders. They also gathered hundreds of documents and other evidence, including tapes traders have made of conversations with Nasdaq market makers.

The learning curve has been steep. Harvey Houtkin, a veteran trader, recalls that when Mr. Brown first visited him to quiz him for two days about the Nasdaq stock market’s problems, the lawyer seemed earnest and principled, but not especially knowledgeable about stocks.

“He wouldn’t so much as take a cup of coffee,” Mr. Houtkin says. “We went to lunch and he paid. Basically, he just listened and he asked me about the inner workings of the Nasdaq market.”

Getting an Education

Mr. Houtkin, chief executive of a firm called All-Tech Investment Group Inc. that is cooperating with the investigation, says Mr. Brown has educated himself about the Nasdaq market since their first two-day meeting in September.

Adds Linda Lerner, All-Tech’s general counsel: “These people are working very hard to learn an awful lot about a complicated subject... a market that is huge and fragmented. It isn’t like the roofing industry. There are a lot of rocks to look under.”

To Sheldon Mascher, another trader cooperating with the investigation, Mr. Brown and his team seemed “strong-minded, intelligent and prepared” when they visited his firm on Oct. 19.

Mr. Brown, members of his team and his supervisors at the Justice Department all declined through a spokeswoman to be interviewed because of their continuing investigation.

Described variously as “meticulous” and “plodding” by lawyers who know him, the bespectacled Mr. Brown has spent 16 years doing antitrust work for the Justice Department. Notwithstanding his bland manner, he is said to resemble Clark Kent, the mild mannered comic-book newspaper reporter with the superhuman alter ego.

But when it comes time for the department to press any antitrust case it might build against Nasdaq dealers in court, most of the legal heroics probably will be left to Mr. Brown’s flashier superiors, lawyers say.

Mr. Schechter, the anti-trust division’s deputy director of operations, Mr. Schechter was the driving force behind the anti-trust case to which the department’s Nasdaq probe is most often compared: a three-year Justice investigation of the nation’s major airlines, which led to the department’s finding earlier this year that eight of them used a computer-pricing system to fix ticket prices.

Wins High Marks

Lawyers who have opposed Mr. Schechter in court and in out-of-court negotiations give him high marks for his keen intellect and his dedication to his job. They grouse, however, that he often takes an overly broad view of the federal anti-trust law and the social goals he thinks it is supposed to serve.

“He’s like a social engineer, pursuing a social agenda,” one antitrust lawyer says, adding that Mr. Schechter seems to be “motivated not by the pure law or the economics, but rather by a populist agenda of how the world ought to look.”

Meanwhile, the Securities and Exchange Commission has launched its own investigation of the Nasdaq stock market, which may overlap substantially with the Justice Department’s probe. And some securities authorities openly question whether antitrust laws can be made to apply to a stock market. Says Mary Schapiro, chairwoman of the Commodity Futures Trading Commission: “I think Justice’s case will be really hard to prove.”

Continued From Page C1

Yale-educated lawyer and economist who joined the division last year as a deputy assistant attorney general and has since been involved in many of its high-profile cases. For instance, Mr. Litan repeatedly went toe-to-toe with Microsoft Corp.’s chief executive officer and chairman, Bill Gates, and his lawyers during the division’s recent investigation of Microsoft’s software-licensing practices.

Formerly of the Washington-based Brookings Institution, Mr. Litan also presided over a Justice Department case against Electronic Payment Services Inc. intended to bring more competition to the automatic-teller business, and helped devise a consent decree allowing AT&T Corp. to complete its recent acquisition of McCaw Cellular Communications Inc.

Mr. Litan’s immediate superior is Anne Bingaman, the assistant attorney general credited with instigating a wave of new antitrust investigations since her appointment in 1993 by President Clinton.

The Justice Department’s Nasdaq team faces formidable opposition, including some of the best securities and antitrust lawyers in the business. These attorneys are expected to argue last year as a deputy assistant attorney general and has since been involved in many of its high-profile cases. For instance, Mr. Litan repeatedly went toe-to-toe with Microsoft Corp.’s chief executive officer and chairman, Bill Gates, and his lawyers during the division’s recent investigation of Microsoft’s software-licensing practices.

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GM's Main Cadillac Plant to Cut Output
In January as Sales Are Expected to Slow

BY GABRIELLA STERN

© The Wall Street Journal

DETROIT—General Motors Corp. said it will slow production in mid-January at its main Cadillac plant, in Hamtramck, Mich., in response to an expected slowdown in luxury-car sales.

GM officials and workers at the plant say temporary workers, who were hired for a two-week vacation period, will be let go. The decision to slow production comes even as the Hamtramck plant has been running at overtime levels for much of the last year, as GM looks to balance high costs of making luxury vehicles and low demand. GM has reported a slight pickup in sales this year and initially expected that pace to continue into next year. "But it doesn't look like it's going to happen," said a GM spokesman.

The plant, which has about 4,100 workers, makes the Cadillac Eldorado, Seville, DeVille and Concours—high-end sedans that sell for more than $35,000 each. The luxury-car market, as consumers continue to focus on truck purchases, is expected to fall and as inventories at Cadillac dealers rise. "The expectation is we'll go through a high point in the luxury market before the end of 2001," said Donaldson, Lufkin & Jenrette. said that the usual winter sales doldrums and the decline in sales and initially expected that pace to continue into next year. "But it doesn't look like it's going to happen," he said.

GM says it will slow the production line at the Cadillac plant in Hamtramck by about 6% to 7%. Currently, the plant makes about 600 vehicles a day, operating on a two-shift basis. The expectation is we'll go through the usual winter sales doldrums and the forecast is that luxury-car sales are going to remain flat in 1995, the Cadillac spokesman said. "Additionally, we are planning to take 5,600 daily rental units out of planned sales volumes next year."

In early 1991, for instance, Cadillac sold 56,500 vehicles to daily rental fleets. Next year, the plan is to sell between 12,000 and 15,000 to fleets. "We've been able to make 25% to 30% of our rental sales," the Cadillac spokesman said. "Overall sales volumes have been off only one or two percentage point each year over the last two years.

Separately, the ten domestic auto makers said they planned to build 158,154 cars and trucks last week, down 35.7% from a year earlier. Government tightening of consumer credit requirements and increased competition from imports, particularly from the Far East, have been major factors in the drop. Earlier this year, analysts said that the profits recovery is due to the expected increase in sales and the reduction in inventories at dealers. But that expectation has been dashed by the slow sales pace and increased competition.

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RJR Is Testing a 'Smokeless Cigarette'
After Attempt Failed Five Years Ago

BY SVEIN L. HWANG
AND ALIX M. FREEDMAN
Staff Reporters of THE WALL STREET JOURNAL

Five years after the costly failure of its Premier brand, R.J. Reynolds Tobacco Co. is testing a new and significantly different version of a "smokeless cigarette."

The latest low-smoke product, called Eclipse, is designed to address growing health and social concerns about cigarettes by reducing secondhand smoke by 85% to 90%, according to Reynolds's estimates. By using a special charcoal tip, Eclipse doesn't burn tobacco at all. That not only eliminates the annoying smoke, Reynolds said, but also reduces the amount of tar and carcinogenic compounds ingested by the smoker.

Reynolds officials say the company is positioning Eclipse not as a safer cigarette but rather as an alternative for smokers concerned about secondhand smoke. In the aftermath of the $300 million Premier debacle, company officials also stress privately that Eclipse is just one of a number of products that dogged Premier but aren't to have the same response. "We think this is just the beginning," said a Reynolds spokeswoman. "It's a much different product." Reynolds officials say the company is positioning Eclipse not as a safer cigarette but rather as an alternative for smokers concerned about secondhand smoke.

Reynolds says prototypes of the product contain 0.1 to 0.2 milligrams of nicotine, the addictive ingredient in cigarettes, compared with 0.1 to 0.5 milligrams in ultralow-tar products. Eclipse contains one to three milligrams of tar; ultralights contain one to six milligrams. The RJR Nabisco Holdings Corp. unit, based in Winston-Salem, N.C., said it doesn't yet have data for Eclipse on another deadly component of cigarette smoke, carbon monoxide.

"Eclipse reduces one of the toxins, tar, but that doesn't make it safe," said Jack Henningfield, chief of the clinical pharmacology branch at the government's National Institute on Drug Abuse. "More smokers die of heart disease than lung cancer, and tar doesn't cause heart attacks; carbon monoxide and the high dose of nicotine you get from cigarettes do." Perhaps the biggest question surrounding Eclipse is one that dogged Premier but was never resolved: Will the Food and Drug Administration consider Eclipse a conventional cigarette or view it as a sophisticated nicotine delivery device — in other words, as a drug?

FDA officials say they haven't yet seen the product. Jim O'Hara, an FDA spokesman, said: "The scientific data need to be looked at, and we would be happy to meet with the company."

But a Reynolds spokeswoman stresses the company has no plans to go to the FDA. "It's a cigarette like any other, and the FDA doesn't have jurisdiction over cigarettes currently," she said. "It's tobacco rolled in paper, lit and smoked for smoking enjoyment, so it's a cigarette."

Others disagree. Michael Cummings, director of the antismoking program at Roswell Park Cancer Center in Buffalo, N.Y., says he has examined an Eclipse sample obtained from a member of a focus testing group for Reynolds. Dr. Cummings views Eclipse more as a pharmaceutical product, like the nicotine patch or gum, than as a traditional smoke. "This is a product where RJR is really lining up to compete with the pharmaceutical companies," Dr. Cummings contends. "However, it isn't a level playing field because the pharmaceutical companies have to go to the FDA to demonstrate that their products are safe and effective and have all kinds of warnings and contraindications." Adds Mr. Henningfield of the National Institute on Drug Abuse: "They are producing a high-tech drug-delivery system that doesn't even burn like a cigarette. It's nothing like a cigarette, except they dress it up to look like a cigarette."

Although Eclipse, following a report yesterday in the New York Times, was quickly dubbed "Son of Premier," the new cigarette is substantially different from its predecessor. Premier, which was withdrawn in 1989 after it was test-marketed for five months, relied on an aluminum cylinder embedded in the cigarette, which held glycerine beads containing nicotine.

When the carbon tip was lighted, requiring a special kind of butane lighter, the heated air was drawn through the cylinder. Although Premier's cylinder was wrapped in tobacco, that was viewed as an optional item mostly to lend aroma and make it look like a cigarette.

By contrast, Eclipse contains tobacco and reconstituted tobacco, just like ordinary cigarettes. Its main innovation is a charcoal tip that, when lighted, allows glycerine added to the cigarette to evaporate. The glycerine makes a smokelike medium that emits tobacco flavors but doesn't burn the tobacco.

Premier and Eclipse share certain similarities, however. Chief among them is that the cigarettes never burn down, retaining their original length. A former Reynolds executive points out that, in the case of Premier, this attribute was a liability because smokers had a difficult time determining when they had finished the product. Premier was also particularly tough to draw on, forcing smokers to suck hard to get flavor out of it.

Reynolds doesn't deny that prototypes of Eclipse may suffer from these problems, too. The company does say that the product, which is being tested in such cities as Buffalo, Atlanta and Chicago, is harder to light. "Any time you're lighting carbon, it's different from dry leaf," the spokesman woman says. She adds that Reynolds won't roll out Eclipse unless it proves successful in consumer testing.

THE WALL STREET JOURNAL MONDAY, NOVEMBER 28, 1994
Saudi Arabia Shifts Oil Policy To Boost Prices

Drive to Freeze Production At Current Level Shows Nation's Need for Cash

By James Tanner and Bhushan Barhee

Saudi Arabia's continuing cash shortage has begun to influence its petroleum policy, with higher world oil prices the likely result.

Saudi officials, who were forced to cut the kingdom's budget by 19% this year to conserve cash, were recently looking at a strategy of raising production or resisting output reductions despite slack demand. The Saudi goal was to use production increases to lock in a bigger share of world oil markets.

Now, say people familiar with the kingdom's oil policy, the Saudi plan is to boost prices by holding output steady at an expected rise in world oil consumption, tightening supplies. "We are not rigid on market share," confirms a Saudi official close to developments.

The shift in direction by the leading member of the Organization of Petroleum Exporting Countries altered the expected outcome of OPEC's meeting last week on the Indonesian island of Bali. At the meeting, oil ministers decided to freeze daily production at current levels for another half-year. Until the Saudi oil minister proposed a 12-month freeze, it had been widely assumed — even among some of the staff of the Saudi petroleum ministry — that the kingdom supported a six-month extension of OPEC's current production ceiling, as did a majority of the other members.

Economic Impact

The Saudi strategy shift can have an impact beyond the world oil markets. If the Saudis are successful with the new strategy, oil prices will rise, contributing to higher profits in the oil industry and adding to the costs of operation in other sectors of the world's economies. If they fail, they may be forced into action that will tighten supplies and lead to a rise in oil prices.

With one-fourth of the world's proven oil reserves, Saudi Arabia traditionally has taken a different approach toward oil markets than most other producers. Expecting to sell petroleum through the next century, Saudi Arabia had championed relatively low prices for oil to encourage its use and discourage substitutes.

In recent years, Saudi officials have been saying they wanted higher oil prices, but they did little to push them higher. Only a year ago, the Saudis refused to cut their output of eight million barrels a day, despite a clamor from the oil markets that they were producing too much. Prices then dropped to five-year lows.

"Mood Change"

As the Saudis have continued to be strapped for cash following their heavy spending during the Gulf War, indications of a new strategy began emerging some weeks ago. Economists at a European consulting firm with ties to the kingdom noticed what one describes as "a mood change" on oil policy. The company described the long-term view for short-term fire-fighting," said one official of the firm.

Also, as reported, Saudi Arabia informed buyers of its oil several weeks before the Bali meeting that they shouldn't expect an increase in the volume of Saudi oil through 1995, despite the anticipated further growth in world oil demand.

Then on Bali, Saudi Oil Minister Hisham Nazer called on colleagues to hold output flat for all of 1995, not just for the first half. Under a 12-month extension of the ceiling, Saudi Arabia would be limited to eight million barrels a day for the entire year, even if second-half oil demand surged as expected. Except for Iraq, still banned by the United Nations from exporting oil, Saudi Arabia is the only producer with significant spare capacity.

The Saudi proposal to freeze production for a year brought a speedy conclusion to the two-day meeting. At the very least, it may prevent a sharp decline in prices in the second quarter when there is a usual seasonal slackening of demand. The reason is that oil companies will continue to buy oil to rebuild their inventories in the second quarter if a tightening of supplies is likely in the peak demand period of the second half.

Mr. Nazer suggested that oil markets...

Saudi Arabia Shifts Oil Policy as Shortage Continues

Continued from Page A3

should have a much firmer tone by next year's fourth quarter but didn't say how much he expects prices to rise. Still, Saudi Arabia "wouldn't be displeased" if the price of Brent, the North Sea benchmark crude, rose to $20 a barrel from its current level of around $17, says Mehdi Varzi, director for energy research at Kleinwort Benson Securities Ltd. in London. Every $1-a-barrel jump would add $3 billion to annual Saudi revenues.

There is debate among the oil experts over next year's price outlook. Most forecast West Texas Intermediate, the U.S. benchmark crude, in a range of $17 to $20 a barrel next year, slightly higher than the current level.

But Leo Drolas, chief economist for the London-based Centre for Global Energy Studies, expects the Saudis to bring a sharp escalation in prices next year. He predicts West Texas Intermediate could reach $27 a barrel by year-end if OPEC holds production at 25 million barrels a day. Iraq doesn't return to world oil markets in 1995 and the oil companies maintain as much oil in inventories as they had in previous years.
Russia's Economic News: It's Not All Bad

Yeltsin Seeks to Drum Up Favor for More Reform, Saying Crisis Has Passed

By STEVE LIESMAN
Staff Reporter of THE WALL STREET JOURNAL

MOHOS - Russia's stormy transition to a market economy is a story of fired ministers, a plunging ruble, soaring inflation and even violence. The cabinet has been reshuffled three times in the last month, and a parliament has been dissolved by military force.

Despite the fears of hyperinflation and an end to economic liberalization that were expressed after each government shakeup, the reforms have shown surprising resilience. Indeed, the economy-albeit still precarious - has been having its best year since reforms began in 1990. Inflation, which broke with its socialist past by freeing prices.

After three years of decline following the collapse of the Soviet Union, Russia's potentially vast economy started growing again in October. Prices are expected to rise a relatively modest 15% this year, compared with 46% in 1993. Outside investment has begun to flow in, with estimates that foreigners this year pumped $2.5 billion to $3 billion into a stock market that barely existed in 1993.

"The abyss has receded," says Lawrence Summers, the undersecretary of the Treasury Department in charge of international affairs.

On Saturday, President Boris Yeltsin gathered the heads of legislative, regional and industrial leaders in the Kremlin, to drum up enthusiasm for the economy and continued reform. "Until now, the Russian economy has remained in crisis. Now, we are close to overcoming that stage," Mr. Yeltsin said. "In 1995, we'll start an offensive. We will complete financial stabilization and move on to creating conditions for economic revival and growth."

Second Stage of Reform

Attention is now focused on a second stage of reform, despite immediate problems such as continuing opposition in Parliament to market policies and a country increasingly divided between haves and have-nots. After the ruble's plunge in October, President Yeltsin sacked the leaders of his economic team. Mr. Yeltsin also hobbled Prime Minister Viktor Chernomyrdin, who favors a slower approach to reform, by naming the prime minister's chief of staff, Vladimir Kasyov.

Mr. Yeltsin's crucial move, to the joy of reform advocates, was his promotion of former privatization czar Anatoly Chubais to the job of first deputy prime minister. Mr. Chubais, the top radical reformer left in government, has been handled the entire economic portfolio. His call for a breakthrough in economic reforms, including liberalization in 1995 has become the new cabinet's rallying cry.

Mr. Chubais's "extraordinary political will" could be the force that gets Russia over the top, says former economic adviser to the Russian government Anders Aslund, now a senior associate at the Carnegie Endowment for International Peace.

But Soviet bureaucracy dies hard, and Mr. Chubais will need more than persistence. Though the government has made progress in reducing the budget and privatizing the economy, other aspects of economic reform have lagged.

Inflation remains stubbornly high, driven by non-tariff barriers and civil codes. The government keeps promising to reduce inflation to between 1% and 1.5% monthly. It was 11.8% in October.

Thumbs Down on Budget

Not surprisingly, Parliament on Friday gave the budget plan a thumbs down, failing to form a Parliament-cabinet committee to draft a new proposal. If a proposal similar to the current one passes, taking institutions such as the World Bank and the International Monetary Fund ready to inject as much as $13 billion into Russian, covering half the projected budget deficit of 7.8% of gross domestic product - the total value of goods and services produced. An additional $6 billion more could come from the IMF to support the ruble in a plan to peg it to the dollar.

At the Saturday conference, Prime Minister Chernomyrdin defended the budget, insisting there would be no concessions on its main points. He said it was tough but crucial to curb spending and bring down inflation.

Meanwhile, gross domestic product, fueled by growth in the finance and service sectors, rose 4% in October, the first increase since 1992. Russians have continued their buying binge, mostly of imported goods, with real consumption up 15% in October from a year ago.

But reforms have progressed unevenly. In the blooming, wet snows of November, older women stand in a makeshift line outside a subway stop. One offers a sage for sale, another hawks a pair of travel in chauffeur-driven Mercedes to the dozens of casinos now open in Moscow, driving dollars as if they were rubles.

What is clear to international economists and, apparently, to Mr. Yeltsin, is that such uneven progress is too costly. While the government will come close to meeting its annual target for inflation and the budget deficit this year, it essentially bought the good numbers using international reserves to pay for borrowing.

"We are now at a crossroads where we either decide to continue pressing down on inflation," says Ernesto Hernandez-Catala, lead negotiator with Russia for the IMF. "Or you degenerate into something more unpleasant."

Russia and the reformers don't have much time. Parliamentary elections are scheduled for late 1995, and the presidential election six months later. Yuri Levada, director of the Russian Center for Public Opinion Research, said most people see reforms as irreversible, but don't necessarily support them. His research has found about 30% favor reform, 30% oppose it and 40% hold no opinion.

"People are exhausted," said Kolia Khairetdinov, a 62-year-old Moscow city employee, supports neither reformers nor ultranationalists such as Vladimir Zhirinovsky. Mr. Khairetdinov spent 25 years as a lumberman in the Russian Far North. He saved $17,000 rubles on which to retire. That was enough a few years ago to buy two new cars. Today, it's worth about $5.50.

"I'm telling you things which come from real life," says Mr. Khairetdinov. "People don't believe in anything."

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October figure is estimate

Source: Ministry Report, Russian Economic Times

[Graph and table data]

[External chart or image]
U.S. Fund Moves Cautiously in Russia, Leaving Most of Its $340 Million Idle

By John J. Fialka
Staff Reporter of The Wall Street Journal

Last year the U.S. Congress created a special investment fund to bankroll small private businesses across Russia, where Marxism hangs on tenaciously.

But 15 months into its three-year mandate, the Russian American Enterprise Fund, armed with $340 million in U.S. tax dollars, has committed only 2.4% of its assets. Its first boss, A. Robert Towbin, a former managing director of Lehman Brothers, the Wall Street investment firm, and an expert on risky start-up ventures.

"They aren't visible," says Sergei Sapershikov, a Moscow business analyst. "They are studying the market but not making investments in the market." Andrei Volgin, a Russian who manages the Derzhava Investment Fund, also calls it too passive. "In this environment, managers should be more active," he says.

Money Isn't Cheap

Yet the fund is supposed to be innovative, and not just another cautious merchant bank, to help establish a market economy in Russia. Across the former Soviet bloc, businessmen too often can borrow only at extortionist rates when they can borrow at all. For example, the former Russian air force pilot who owns the small skirt factory that got the fund's first loan, for $270,000, previously had to pay Russian bank interest of 222%. Mr. Towbin's fund replaced that ruble financing with a three-year dollar loan at 14%.

But finding sound businesses is hard in Russia, where the notion of private enterprise is, well, different. In 1992 a similar fund in Hungary invested $4 million in EurAmerica, an investment services company that paid more than $300,000 to two of its officers and left such a murky audit trail that its entire administrative staff resigned. Meanwhile, a Polish fund lost most of a $3 million investment in a newspaper modeled after USA Today. It folded before publishing a single copy, the U.S. General Accounting Office says.

Thus Mr. Towbin takes a cautious approach toward borrowers. "If you don't do it right, you're going to fail and end up with newspaper articles about how stupid you are," he says. "We're going to make some terrible mistakes, but we're going to try and learn from our mistakes."

Last spring, the House majority and minority leaders called the fund's record part of the "yawning gap between America's good intentions and the actual performance" of aid programs. The fund's charter says it must return any capital not on loan after three years, and Congress, with skeptical Republicans now in charge, might not vote new money if the agency's impact is questionable.

Of 800 applications received so far, Mr. Towbin has rejected 500, many for not having coherent business plans or a sufficient grasp of business fundamentals. He says the fund might lend $50 million over the next eight months, but then hesitates. "The more I work at this every day, the less sure I am of projections," he says.

Caution has its defenders. E. Gerald Corrigan, the fund chairman and former president of the Federal Reserve Bank of New York, says "I don't accept the hypothesis that there is a problem." He notes, "Every simple straightforward task that might take a couple of hours (in New York) would take a couple of days over there."

Only Two Others, So Far

But the biggest drags are due-diligence checks of borrowers. Aside from the skirt factory, the fund has made just two other loans: a $55,000 purchase of deep-fat fryers to make pirogis, Russia's meat-filled pastries; and a $1 million piece of a larger deal prepared by the European Bank for Reconstruction & Development for a wood mill in St. Petersburg. It has committed, but not paid out yet, $7 million more.

Mr. Towbin says he hopes to speed business along by persuading Russia's 2,000 private banks to participate in his loans. He tells them that small entrepreneurs are destined to become Russia's economic "backbone" and offers to split interest payments and risk. Yet only eight have signed on.

This tortoise pace makes some of his 13 American and 10 Russian directors suspect some assets will never be lent. "There's no hope of disbursing $340 million in three years," says one director. "If we had $100 million out on the street by that time, the board would be ecstatic."
EU Recovery Appears to Accelerate
As Industry and Spending Rebound

By Terence Roth

Brussels -- An industrial rebound and a rise in consumer spending is accelerating and broadening Europe's export-led recovery, the European Commission reported in its latest economic survey.

The commission revised upward its growth forecast for the European Union's gross domestic product to 2.6% in 1994 from a 1.9% forecast in March. In addition, the 1995 growth projection was revised upward to 2.9% from 2.5%, after which the EU economy is expected to grow by 2.2% in 1996, according to the report.

"We are seeing a rather vigorous and sustained recovery," Economics Commissioner Henning Christophersen said as he presented the commission's autumn outlook Wednesday. He said that the economic upswing of the 1990s might prove even better than the 1980s boom. "The reason for that is that the recovery is very balanced," he said.

Mr. Christophersen said a rise in short-term interest rates was unlikely until late 1995 or early 1996, while long-term interest rates are expected to decline.

Structural Problems

But he warned that a faster-than-expected recovery doesn't mean that the EU's deeply rooted structural problems will solve themselves. Stubbornly high unemployment and fiscal discrepancies within the EU could put a damper on next month's EU summit.

The economics commissioner said he will press member states to guard against a possible pickup in inflation later as manufacturing-capacity usage rises. The commission report foresaw "a gentle reappearance" of inflationary pressures in 1996 unless governments cut spending.

Fueling this domestic economic strength is expected to be increasing inventory stocking as industry and consumers increase spending. Average EU industrial spending is expected to rise by 7.2% in 1995 and 7.8% in 1996 after expanding by only 1.8% this year and contracting by 0.1% in 1993. By 1995, the commission sees European consumers increasing outlays by 2% followed by a 2.5% rise in spending in 1996.

Imports are also seen picking up as domestic economies gain strength. After contracting by 4.2% in 1993, EU imports are seen rising 5.8% this year, 6.6% in 1995 and 6.9% in 1996.

Turning to policy issues, Mr. Christophersen urged governments to adopt commission proposals to liberalize labor markets to help create more jobs. EU unemployment is expected to fall to 8.8% in 1996, after three full years of economic expansion. That would be only a marginal improvement from projected jobless rates of 10.4% in 1995 and 10.9% this year.

He also said average government deficits as a percentage of gross domestic product are likely to remain large unless policies are changed to clear away such structural drains on budgets as subsidies and entitlement programs. Although the average deficit is expected to fall to 4.7% of GDP in 1992 from 5.6% in 1994, and then to 3.9% in 1996, the measure is still above the 3% limit set by the Maastricht treaty.

In 1996, the EU will have 16 member states, assuming that Norway this week joins Austria, Finland and Sweden in voting in favor of joining the group in January. Of those 16, only five countries -- Denmark, Germany, Ireland, Luxembourg and Norway -- are expected to meet the deficit criteria in 1995.

"Unless something is done we are facing the same risks as in the late 1980s," Mr. Christophersen said. "A 3.9% deficit in the union after three years of growth is too much. It is clear that we have a structural component in the deficits."
As Europe's Candidate for WTO Chief, Italy's Ruggiero Sees Regional Realities

By BRUSHAN BAIREE
Geneva, Swiss Representative of THE WALL STREET JOURNAL
Geneva - The World Trade Organization could be headed by the man who says he first conceived of it: Renato Ruggiero.

Mr. Ruggiero, a former trade minister of Italy, and an adviser to the boards of a number of companies including Fiat SpA, reveals in his reputation as a hard fighter (the British press dubbed him "Rocky"). He recalls, then laughs heartily before adding that this was because he fought as hard as Italy's representative to the European Commission in Brussels.

Now, Mr. Ruggiero is the European Union's candidate for the position of director-general of the WTO.

"It is not a fantastic job," said Mr. Ruggiero. Instead, he describes the top trade position as a "very hard job" because it comes with so little institutional power. Nevertheless, he wants it because he said it is important to peace and prosperity in the world. "Only through free trade can we encourage growth in both developing and developed countries, and eliminate nationalistic tension. And it is one of the best security policies that we can imagine," he said.

Likely Winner

And he may yet get the job. After a meeting Tuesday to discuss the contest for the director-general of the WTO, European trade officials said they expect Mr. Ruggiero to eventually win the consensus needed in the General Agreement on Tariffs and Trade to defeat the other two candidates, Mexican President Carlos Salinas de Gortari and South Korean Trade Minister Kim Chul Su. Trade officials from some other countries, who are supporting either Mr. Salinas or Mr. Kim, agreed that consensus-building processes seems to favor Mr. Ruggiero.

Mr. Ruggiero has the support of about half of the 123 nations in GATT, the organization that is slated to be superseded by the WTO.

It may take time and effort, though, because the U.S. is still backing Mr. Salinas and Japan is supporting Mr. Kim.

The WTO is expected to start Jan. 1, providing the U.S. Congress ratifies it this week and the EU and Japan follow suit. Peter Sutherland, GATT's director-general, has said he doesn't want the WTO position, but has indicated that he would stay on for a while if there is a delay in choosing a new director-general.

Mr. Ruggiero is concerned that the postwar Atlantic alliance is fraying. Until the fall of the Berlin Wall, Mr. Ruggiero said, the alliance linking Europe with the U.S. was the "heart of all political and security decisions of the world.

Now he sees the alliance appearing "more and more empty as Europe is looking toward the East and the U.S. toward the South and West."
U.S. Firms Show Investment Interest In Mexico, India

By Lucinda Harper
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — American companies showed new interest in developing economies last year — notably India and Mexico — but their overall level of foreign investment was little changed, according to a survey by Ernst & Young, an accounting and consulting firm.

Although the number of new factories, joint ventures and other business investments begun by U.S. companies remained unchanged from 709 in 1992, the figure for India rose sharply to 34, up from 15 a year earlier. This increased activity raised India to fifth on the national list, tying it with Germany in terms of U.S. business interest.

Meantime, apparently inspired by passage of the North American Free Trade Agreement, U.S. companies accelerated their investing in Mexico, following a sharp drop when NAFTA's fate was uncertain. During 1993, they began 38 new investment projects there, up from 31 a year earlier. That earlier level of American business activity may not resume soon, despite NAFTA's approval, an Ernst & Young official said. That's because potential U.S. investors find it difficult to obtain reliable financial information about companies there.

The renewed interest in India stems from an improved political and business climate there, according to Brian Miller, national director of corporate finance for Ernst & Young. "India is just a fantastic market. It has 80 million middle income consumers," he said. "The trend to India in terms of investment has continued in a big way in 1994."

The Ernst & Young data on U.S. factory investment abroad, which the firm has compiled annually for the past three years, relies heavily on announcements by publicly traded companies. The tally includes acquisitions, joint ventures, new plant construction and major expansions of existing plants. During 1993, it found that acquisitions were the most popular form of new investment worldwide, although joint ventures were the leading method in the vibrant Asia-Pacific region, the firm said.

Although investment in Mexico has revived, U.S. companies seem to be losing interest in NAFTA's other member, Canada. The number of new ventures there in 1993 tumbled 45% to 32, from 57 a year earlier. Mr. Miller said many companies, once hesitant about setting up in Europe because of recession there, are interested again and that has pulled investment from Canada. "Europe has always been the primary interest for outbound investment," Mr. Miller said.

Indeed, nearly a third of all new foreign projects were in the United Kingdom (136) and France (71), making them the most popular destinations, according to the Ernst & Young analysis. Then came Canada, Mexico, Germany and India (tied), China, Ireland, Japan and Italy.

However, Europe's developing economies plus those expected to join the European Union soon — despite attracting fewer new U.S. investments — showed high percentage gains. Among them were Norway, Finland, Sweden, Austria and Poland.

The survey doesn't include overall estimates about the value of new investments as many companies won't reveal such information. However, data on 40% of them suggests the overall spending total may have increased slightly, even though the total of new ventures remained static at 709. Those involving investments of $50 million to $100 million rose 34% to 37, while those of less than $20 million declined 23%.

There were also 10 new projects worth $500 million or more, up from nine a year earlier.

Chemical and food companies remain the two U.S. industry sectors entering the most new overseas projects, the report found. And with the notable exceptions of the food and tobacco industries, most investments abroad were in high-wage countries. This suggests that labor costs are not the most important factor driving U.S. investment decisions.

The most active American companies during 1993 were Coca-Cola Co. (25 new foreign ventures), Philip Morris Cos. (19), PepsiCo Inc. (17), AT&T Corp. and Procter & Gamble Co. (10 each), plus Motorola Inc., General Motors Corp. and Sara Lee Corp. (nine each).
South Korean Banks, Given Free Rein, Clean Up Books and Prepare to Compete

By Steve Glain

Staff Reporter of The Wall Street Journal

SEOUL, South Korea - South Korea is coming to grips with the weakest link in its economy: an overregulated banking sector burdened with too many unpaid corporate loans.

The government - which once ordained which companies would get loans, how much they would get and at what interest rate - is now leaving those decisions to the commercial banks. It is also allowing banks to borrow enough funds to retire their nonperforming debt, which the government says averages nearly 11% of banks' total assets.

All of this is happening in an environment of increased competition, from foreign as well as local banks.

"The message from the government now is that ... things will be run by the private sector," says the assistant minister of finance, Lim Chang Yuel.

Mr. Lim says the government's enthusiasm for liberalization is fueled largely by what happened during neighboring Japan's recent recession, which was intensified by a meltdown in property prices that eroded the value of collateral held by Japanese banks. Most corporate loans in Korea are also backed by real estate, a legacy of lending policies heavily influenced by those in Japan.

Shares Nearly Double

The government has received a crucial assist from the local stock market, where shares have nearly doubled in value in the past two years. Many banks hold considerable numbers of shares in listed companies, and funds raised by selling off some of those valuable shares are being used to help cover nonperforming loans.

Such relief comes as bankers are wringing their hands over the prospect of foreign competition, an inevitable by-product of South Korea's financial liberalization drive. U.S. institutions such as Chase Manhattan Corp., Citibank, a unit of Citigroup, and First National Bank of Chicago have a foothold, though South Korean law limits their operations largely to trade finance and treasury services.

Foreign bankers, meanwhile, say they are feeling the heat from growing competition between local banks; trade-finance business, once the exclusive domain of overseas institutions, is being aggressively pursued by their domestic rivals.

"Local banks always ... left international business, like offshore syndicated loans, to the foreigners," says Michael S. Brown, vice president and general manager of First National Bank of Chicago in Seoul. "But now they're going after that business, too."

The more-competitive mood follows a generation of rigid central planning. Throughout Korea's dash for industrialization, finance officials targeted industries for development and ordered commercial banks to allocate cheap funding to selected companies. Defaults or late payments were shouldered by the banks.

The shipbuilding unit of the Daewoo business group, for example, is only now beginning to pay back the huge bail-out loans it received in 1986. Petrochemical companies, recovering from a five-year slump in global demand, have yet to repay loans they got before the downturn to finance new capacity.

Because Korean banks have so much money locked up as nonperforming debt, they are reluctant to extend new loans. That has kept local interest rates, and thus manufacturing costs, stubbornly high. Lending rates, at between 17% and 18%, are among the dearest in Asia.

Larger companies can raise money overseas through share issues or convertible bonds. Smaller companies have no choice but to borrow locally, if they have enough real estate to qualify for credit.

Under Korean banking law, 14% of any major loan must be backed by collateral.

Bankruptcies Increase

Few small to mid-sized companies own large tracts of land, and many are going bankrupt in a year when the economy is forecast to grow by more than 5%. Nearly 5,000 small businesses went bust in the first half, reports Korea's central bank, 17% more than in the same period in 1993.

In most cases, the companies went under because they couldn't repay loans.

Korea's flourishing stock market is helping troubled banks deal with such defaults. Chohung Bank, for example, will realize an estimated $414 million in capital gains on its equity investments this year, according to the local branch of James Capel & Co. That alone will pare the bank's nonperforming debt burden by more than half, to about 6% of total assets.

Korea has already come close to having a major bank collapse. In April, a construction company called Hanyang Corp. defaulted on about $1 billion of loans and almost dragged its main lender, Commercial Bank of Korea, down with it. Commercial Bank had to sell subsidiaries, write off about $30 million in bad debt and reduce staff. Hanyang survived too, albeit also in slimmer form.

The episode was noteworthy for the government's restraint during negotiations between Commercial Bank and Hanyang. Bankers welcome the new era of noninterference, but say it's too early to know if officials will continue to stay their hands. The government has ostensibly deregulated interest rates, they point out, but it still controls money supply, in part by pressuring bankers.

"The Bank of Korea will call the head of our liabilities department and tell him to keep loans to a certain level for a certain number of days," says the manager of one commercial bank. "The government says it will reduce its role, but I don't believe things will change."

Full Steam Ahead for Korean Banks

As Bank Loans Have Risen...

In trillions of South Korean won

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Stocks Have Soared

Monthly closing value of the South Korea Composite stock index

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Source: Bacrca de Zeva World Securities Ltd., Tradeline International
For Republicans Too Now, the World Intrudes

Senator Jesse Helms is being scolded by other Republicans for calling Bill Clinton an unfit commander in chief. Senator Nancy Kassebaum told CNN that if as prospective chairman of the Senate Foreign Relations Committee, the North Carolinian must realize that his words now will be "weighed and talked about" around the world. In short, sober up, Jesse.

The lady from Kansas has a point. The world still hasn't figured out what to make of the Republican seizure of Congress. It is not just getting much help from the information media, which seldom resist opportunities to paint Republicans as Visigoths bent on sacking the new Rome. Senator Helms will, be "weighed and talked about" around the world. In short, sober up, Newt Gingrich and his colleagues saved Mr. Clinton's NAFTA treaty in the House from protectors in Mr. Clinton's own party. It now seems likely that Republicans will help save the Uruguay Round GATT agreement this week in a special session of Congress that Mr. Gingrich was instrumental in organizing. If so, Republicans will have collaborated on two of Mr. Clinton's biggest foreign policy achievements.

On other issues, the Republicans will oppose the White House's energy proposals and now try to sound like leaders rather than gadflies. Republican Senators, including Mr. Helms, should think about that for a moment. Since the most advanced technologies for these former Soviet satellites over whether Russia will continue to develop its nuclear weapons, the failure of the U.S. to erect some signs of which already have appeared.

As strange as it may seem to Americans in their absorption with domestic problems, much of the world still looks to Washington for leadership. The task may sometimes seem thankless, but as the saying goes, somebody has to do it. The Republicans will not fund the aid program. Considering that its main effect would be to prop up a failing totalitarian regime, this Republican position sounds like calm reason.

The Republican "Contract With America," signed last summer by 386 of the party's congressmen, is better than halfway through its first session of Congress that Mr. Gingrich was instrumental in organizing. If so, Republicans will have collaborated on two of Mr. Clinton's biggest foreign policy achievements. As strange as it may seem to Americans in their absorption with domestic problems, much of the world still looks to Washington for leadership.

NATO peacekeepers in a total U.S. opera- tion involving some 35,000 troops. But the U.S. is participating in a NATO air opera- tion over Bosnia that is coming into greater use as the Bosnian Serbs grow de- fensive. Some 2,000 U.S. Marines are being dispatched to U.S. ships in the Adriatic as the situation in Bosnia grows more tense. The threat to the British and French forces in Bosnia has created the danger of a NATO split over Bosnia. The U.S. wants former action in support of the Bosnians, its allies are concerned about retaliation against their troops by the Serbs.

One thing the Republicans clearly want to do is strengthen NATO. Explicitly, they want to extend it eastward to include Poland, Hungary, the Czech Republic and Slovakia as full members. Given the concerns of these former Soviet satellites over whether Russia will continue to develop its nuclear weapons, the failure of the U.S. to erect some signs of which already have appeared.

Finally, there is the question of missile defense for the U.S. The Republicans want it, and sooner rather than later. Given the potential for rogue nations to obtain missiles, the failure of the U.S. to erect some signs of which already have appeared.

As strange as it may seem to Americans in their absorption with domestic problems, much of the world still looks to Washington for leadership.
Both parties, but especially the new Republican majority on Capitol Hill, would be wise to listen to one of the strong messages voters were sending on Nov. 8: Congress, cleanse thyself.

Leaders-in-waiting Gingrich and Dole should not allow themselves to be viewed, as were their Democratic predecessors, as protectors of business as usual in Washington. Nor should they believe that term limits alone will change the public's intensely skeptical view of Congress. Instead they should continue to pursue a broad range of reform measures that will make Congress more efficient, accountable, ethical, and above all, more in touch with the average American. And my former colleagues on the Democratic side of the aisle would be wise not to stand in the way; otherwise they will only extend their stay in the political wilderness.

A blueprint awaits Messrs. Gingrich and Dole in the form of the recommendations of the Joint Committee on the Organization of Congress (JCOC), which I chaired. This bipartisan panel composed of House and Senate members worked for a year to compile a proposal to reform the inner workings of Capitol Hill. In the Senate, reformers were forced to present the recommendations in a situation requiring three-layer budget process. If budgeting and appropriating were done every other year, the odd years could be devoted to investigations of the Joint Committee on the Organization of Congress (JCOC). If budgeting limits alone will change the public's perception that members of Congress and their staffs are for sale to the highest bidder. Again, several Republicans were leaders in an unsuccessful bipartisan effort to stop this abuse last year. They should show their resolve by redoubling their efforts this year.

Let us hope that the new majority will not ignore the message the voters are sending. It is true the electorate handed Democrats heavy losses while leaving Republicans largely unscathed. However, more and more voters now consider them- selves to be independents rather than aligned with either major party. It is in the interest of Democrats and Republicans to move forward on these much-needed measures, or next time the voters may aim their anger at both parties.

Mr. Boren, just retired as a Democratic senator from Oklahoma, is now president of the University of Oklahoma.
The Real Danger in Eastern Europe

By ANNE APPLEGARTH

In the fall of Bret and spring of 1994, Western politicians and journalists were caught off guard by a series of political changes in Central Europe. In Poland, parties led by former communists and their rural allies won a majority of parliamentary seats; in Hungary, the former Communist Party was womaned out of power; in Slovakia, former communists calling themselves Social Democrats replaced the former Communist Party officials who usually did little more than forbid former communists. The returns of former communists. The return of former communist parties that rely on a semi-egalitarian model-corrupt regimes led by former secret police. The return of totalitarianism is not a threat. For that reason, it is not the center-left that needs Western diplomatic and intellectual encouragement in Central Europe, but the center-right.

The rule of small, secretive elites has a range of negative economic effects. If not broken up by politicians, former secret police networks convert easily into semi-corrupt business structures; ex-communist parties can use their excellent organizational bases to suppress the growth of other parties.

Fact: No such conversation between Mr. Gingrich and the reporter ever took place. The editor did say to the reporter the next day that he did not think Mr. Gingrich really said it, and the reporter should have a chance to make up their own minds . . . rather than be fed inaccuracies.

Mr. Gingrich's letter says, "Your readers deserve the facts, and they deserve to have a chance to make up their own minds . . . rather than be fed inaccuracies.

The Real Danger in Eastern Europe

By ANNE APPLEGARTH

In the fall of Bret and spring of 1994, Western politicians and journalists were caught off guard by a series of political changes in Central Europe. Poland and East, observers had assumed that the former Communists would be exhausted and defeated and would remain nothing more than a marginal political force. Most believed that the potential for trouble in Central Europe lay elsewhere—in the resurgence of 1968-style nationalist parties.

A Big Mistake

Perhaps, particularly American, diplomats in Central Europe went out of their way to encourage politicians whom they considered ideological and discredited. "Decommunization," programs which were often favored by politicians whom they perceived as nationalist. This was undoubtedly an error. Even though decommunization efforts usually did little more than forbid former communist parties, the former Communist Party officials from holding office under the new regime.

It is now clear that the intense Western fear of nationalism in Central Europe misidentifed the problem and that the attempt to thwart the progress of so-called nationalist parties was a mistake. Nowhere in the region has there been a resurgence of 1968-style nationalism. (Although tragic and shocking, the former juvenile delinquent has remained intact, creating a ruling class that holds power in several spheres, with little room for real economic reforms; in Hungary, power is now held almost exclusively by a small elite of former communists and center-left ex-communists—not necessarily an evil elite, but a class-oriented power structure.) In Poland, there is evidence of ruling parties demanding nomic monopolies that will take years to loosen; until they do, politics will not become "normal" in any Western sense. In Central Europe or elsewhere in the former Communist bloc, the growth of nationalist movements has led to a revival of interest in history and national culture. While this change can lead, as in the former Yugoslavia, to territorial disputes and ethnic cleansing, it also serves to lead nationalism into an arena of constructive discussions of once-taboo issues. The best example is the debate about the history of the Communist Party in Poland. Since the late 1980s, public debate about the history of the Communist Party in Poland has grown beyond measure. The tone of the discussion may not always appeal to outsiders, and the debate itself may be mistaken for anti-Semitism, but the fact that it is happening means that a younger generation of Poles will understand the issues beyond the elders.

Rational Nationalism

Democracy itself may in the end depend upon the patriotic spirit in another way. Formerly defined rational nationalism is as important to developed democracies as the moment "a man under the influence of his country's patriotic spirit in another way. Formerly defined rational nationalism is as important to developed democracies as the moment "a man under the influence of his country's patriotic spirit in another way. Formerly defined rational nationalism may have a potential for trouble in Central Europe. The rule of small, secretive elites has a range of negative economic effects. If not broken up by politicians, former secret police networks convert easily into semi-corrupt business structures; ex-communist parties can use their excellent organizational bases to suppress the growth of other parties.

For that reason, it is not the center-left that needs Western diplomatic and intellectual encouragement in Central Europe, but the center-right.
A Regulatory Wreck

If Congressional Republicans are casting around for areas in which they can usefully hold oversight hearings come January, we suggest they take a g glob at Federico Pena's Transportation Department. Secretary Pena, fresh off his success in erecting a white-elephant airport as Mayor of Denver, has now created a regulatory furball by recklessly ramming the nation's largest consumer-goods company, General Motors.

The collision occurred on Oct. 17 in a Washington press conference at which Mr. Pena signaled his intention to seek a recall of GM's C/K pickup truck, nine million of which were built between 1972-1987. The Secretary claimed his decision was justified because "approximately 150 people have died as a result of side-impact fires in these trucks, in crashes that were otherwise survivable." Mr. Pena then dropped some more fuel on the fire: "GM management ... appears to have made a decision favoring sales over safety."

It's a fine sound bite, but Mr. Pena appears to have made a decision to put political posturing over the facts. The reality is that the C/K pickup passed with flying colors all federal safety standards when it was built—and still meets all the standards. In fact, career employees of the National Highway Traffic Safety Administration (NHTSA) were ready to conclude an exhaustive probe of the C/K last year with a finding that the truck did not pose an "unreasonable risk."

Yet rather than accept this conclusion Mr. Pena closeted himself with political aides—all with no engineering expertise—and concluded just a month before the midterm election that the C/K was "unsafe." "We were essentially cut out," a top NHTSA official told the Detroit News.

Mr. Pena's justification, from both a safety and a legal standpoint, is shaky. Accident reports show that the C/K pickup is roughly as safe as other vehicles in its class—and a good deal safer than most vehicles on the road. Notwithstanding a lethal Thanksgiving night crash near Chicago, the C/K stands up well even to side-impacts, as the chart above shows.

The only category in which the C/K lags behind competitors—though a head of most vehicles—is in fatalities resulting from fires after a side-impact at 50 mph or higher. But this says nothing about the vehicle's overall safety record, which is excellent. As Automotive News put it: "If you slice data fine enough, every vehicle is somewhat worse in some aspect (frontal crashes, offset crashes, rear crashes, side crashes, rollovers) than some other vehicle. By Secretary Pena's reasoning, every company chooses 'sales over safety,' and every vehicle is defective."

Not only is Mr. Pena's action unjustified, it's also probably illegal. Under the 1966 National Traffic and Motor Vehicle Safety Act, the Secretary cannot order a recall for vehicle performance that meets government standards. The C/K has met every official standard; yet Mr. Pena still contemplates a recall based on private standards of his own devising. This led the CEOs of the Big Three automakers to issue a rare joint protest that the C/K ruling "threatens the entire automotive industry by creating needless, unreasonable regulatory confusion."

What on earth could lead Mr. Pena to act in this manner? Well, we don't presume to divine his motives, but it is instructive to note that after his Oct. 17 press conference, Joe McCray, a noted plaintiff's attorney, sent Mr. Pena a bouquet of flowers and a note thanking the Secretary for "standing up." (For the record, a Pena spokesman tells us the flowers were donated to charity and "there is no connection between the Secretary and trial lawyers.")

The trial lawyers, it seems, are salivating after fat fees. Sixty to seventy lawsuits involving C/K trucks remain in the courts, the biggest being Moseley v. General Motors. In this case, a Georgia jury awarded $105 million last year to the parents of a teenager killed in a C/K crash, but an appeals court overturned the verdict and a second trial is scheduled. Having a pronouncement from the Transportation Secretary that the C/K is unsafe would be quite a boon to plaintiffs.

Faced with this offensive from regulators and attorneys—backed by Naderite groups and the press—GM is not backing down. Rather than accede to a billion-dollar recall, officials at the automaker tell us they are eager for a court test of Mr. Pena's actions. Accordingly, GM filed suit against the government Nov. 17. The automaker is also mulling how to deal with a kangaroo-court public hearing on the C/K that Mr. Pena has scheduled Dec. 6.

But while the court case steams along. Hill Republicans should feel free to jump into the fray. The purpose here is not to make life miserable for the Clintonites but to educate the public about the consequences of regulation run amok—and to show the urgent need for tort reform. Regulatory wrecks like this are no accident, and the only way they can be prevented is by taking away the lawyers' incentives to needlessly tar companies.
China Bashes Socialism

What follows is a taste of the intellectual debate that is likely to preoccupy policymakers as we head into the next century. At the moment, you can't tell the players without a scorecard.

In Hong Kong's waning days under British rule, we're suddenly seeing one of history's more inventive backflips. Communist China is putting itself forward as the true protector of Hong Kong's entrepreneurial "way of life" as threatened by British-inspired "Eurosocialism."

In his first speech ever in English, China's Zhou Nan warned on Wednesday against introducing any "costly Eurosocialist, pay-as-you-go" welfare programs before 1997. Mr. Zhou, who heads the local Xinhua office and is Beijing's official mouthpiece in the colony, made clear he wasn't complaining just about the government's proposed old-age scheme, but about a wider outbreak of free-lunchism and "political positioning" since Governor Chris Patten's democratic reforms.

Mr. Zhou is right, of course. Donald Tsang, the colony's treasury secretary, had been making virtually the same speech all over town until the Governor suggested he give it a rest. Hong Kong is not quite Sweden yet. But the colony has already enacted 10 weeks of paid maternity leave. Next it plans to set up an Equal Opportunities Commission, modeled on America's, to police the workplace for sexual discrimination.

Popular, ultraliberal legislators like Anna Wu and Christine Loh want to go even farther. Ms. Loh is calling for paid paternity leave, citing without irony such "advanced thinkers" as Sweden, Finland and the European Union.

Mr. Zhou strongly implied that one reason for Beijing's determination to dismantle the colony's democratic structures and start over was to preserve its reputation for fiscal sobriety and personal enterprise. The idea that voting is synonymous with profligacy, a la the West, would no doubt go down well as cocktail chatter at any Asian summit. It's also a serious misreading.

Even the West's showpiece welfare mess, Sweden, hasn't spent itself out of the First World. And no society where voters are in charge ever undertook anything as hare-brained and destructive as the Great Leap Forward or the Cultural Revolution. Singapore's critique of the West is but a tiny echo of what Western conservatives have been saying for decades, which suggests that democracies can solve problems as well as create them. The U.S. just rejected socialized medicine, and it's clear in other ways that Western publics have assimilated the lessons of 50 years of failed welfare experimentation.

For if democracy is associated with profligacy, it's even more strongly associated with wealth and political stability, thanks to its ability to correct its excesses. We can sympathize with Mr. Zhou's worries about some of the Hong Kong democrats' wilder proposals for improving the colony's "way of life." But plenty of voices are being raised on the other side, and Hong Kong's voters have the West's mistakes to guide them.

So, while we appreciate Mr. Zhou joining our side in the welfare debate, the real danger to Hong Kong remains Beijing's threat to wreck its new democratic institutions.

Asides

**Conceptual Wonder**

State governors want to be free of federal mandates, and progress on that front will pay dividends. But many costs are bred by states' own policies, such as those that extend Medicaid coverage to infertility services. The logic of such a program, at a time when policy makers are looking to restrain welfare pregnancies, is hard to follow.
Serbs close to victory

Good economy helps donors open wallets
By Anita Manning
USA TODAY

Charitable donations were up 4% last year, enough to beat inflation, but short of what fund-raisers had hoped, says The Chronicle of Philanthropy. A better economy and tax breaks raised hopes for higher donations, says a report on the 400 largest charities.

Some hopes were justified: Museum gifts were up an average 47%; donations to community foundations rose 22%.

Other increases: youth groups, 10%; public TV, 7%; human services, 5%; colleges and universities, hospitals and international relief groups, 4%.

Reporting no growth: health charities other than hospitals, environmental, public advocacy and religious groups.

Hit hardest: the United Ways, down 6%, and performing arts groups, down 5%. Jewish charities were down 4%, says the report, because of fewer gifts to help relocate Jews from the former Soviet Union.

Top three charities:
- Salvation Army, $862.9 million.
- American Red Cross, $393.7 million.
- Second Harvest, $430.6 million (mostly food).
- Spirit of giving, 1D

Travelers get ‘taste of winter’
By Steve Marshall
USA TODAY

Winter has arrived for much of the USA as vicious storms Sunday spawned tornados, rain and heavy snow, snarling post-Thanksgiving travel.

Thousands of air passengers were delayed in several cities.

We got “a little taste of winter,” says meteorologist Michael Henry of Weather Services Corp.

The storm is expected to lose its punch today, though heavy rains are predicted along the East Coast.

Among cities with travel delays: Atlanta, Chicago, St. Paul, Minneapolis, Washington, D.C.

Amtrak trains were on schedule along the rain-soaked Northeast corridor.

Sid resorts in the Sierra Nevada reported up to 3 feet of new snow. “On a scale of one to 10, it’s an 11,” says Chris Ceschel at Heavenly Valley Ski Resort, Nev. “We’ve got some serious snow up here.”

The snowfall was also serious in northern Wisconsin, where it was piling up at the rate of an inch an hour.

The La Crosse (Wis.) County sheriff’s dispatcher Sue Whitley’s assessment of the situation: “Horrible.” It was horrid elsewhere:
- A tornadoes killed at least two.
- In Nebraska, a storm brought a snow-rain mixture.
- In northern Iowa, the season’s first winter storm brought lightning, thunder and snow.
- The Mackinac Bridge in upper Michigan was closed Sunday due to high winds.
- In Clinton, Ark., high winds damaged up to eight houses, businesses and 12 airplanes.
- In Sharp County, a posse of U.S. soldiers tossed the animals into trees.

Dole calls Bosnian war ‘classic failure’ for NATO
By Tom Squitieri
USA TODAY

Bosnian Serbs put a chokehold on the Bihac “safe area” as U.S. and U.N. officials admitted for the first time the Serbs may have won the war.

U.S. Defense Secretary William Perry says the Serbs — who again rejected a cease-fire in Bihac — hold such a commanding position around the town that there is no point in further NATO air strikes.

The town is one of six U.N.-designated safe areas.

“It seems clear they could occupy it if they decided to do that,” Perry said Sunday on NBC’s Meet The Press.

The Serbs’ success in Bihac also has started talk in the West to declare defeat in the Bosnian-Herzegovina civil war.

“If you want a classic failure, this is a classic failure,” said incoming Senate Majority Leader Robert Dole said, referring to NATO’s posture in the former Yugoslav republic.

The Serbs, he said, “certainly are close” to winning.

Perry agreed: “There’s no prospect, as I see it, of the Muslims winning” back the more than 70% of Bosnia controlled by the Serbs.

More than 210,000 are dead or missing since fighting began in April 1992. Also Sunday:

Serbs unleashed another attack on Bihac with howitzers, mortars and tanks just 1,000 yards from the town’s overcrowded hospital.

“It’s a terrified town of people,” said U.N. spokeswoman Monique Tuffelli.

Bosnians continued to gain territory in central Bosnia.

The United Nations said another 164 peacekeepers were taken hostage by Serbs over the weekend. That means 400 are now in Serb hands.

Fears of retaliation is one reason U.N. commanders haven’t called for more NATO air strikes around Bihac.

More than 2,000 U.S. Marines will stand by in the Adriatic Sea, ready to help evacuate about 1,200 trapped U.N. peacekeepers. Perry said they won’t go into combat.

2

The collapse, 10A
Editorial, 16A

USA SNAPSHOTs
A look at statistics that shape the nation

Debt not government’s alone

People have nearly kept pace with the government in the amount of money borrowed to make purchases:

Federal, state and local government
$4.4

Households
$4.2

Corporate businesses
$2.5

Non-corporation businesses
$1.3

Source: Tax Foundation

By Cindy Hall and Marcos Staimer, USA TODAY

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4
GATT on the line as Congress returns

By Judy Keen
USA TODAY

The lame-duck Congress returns to town anxious to cash in on a political momentum. The House is expected to vote Tuesday on the General Agreement on Tariffs and Trade that will be voted on in the Senate on Tuesday and in the Senate on Thursday.

**Key parts of trade pact**

**Key provisions of the General Agreement on Tariffs and Trade that will be voted on in the House on Tuesday and in the Senate on Thursday.**

**Tariffs:** Border taxes putting imports at a competitive disadvantage are reduced worldwide by an average 38%.

**Duty Free:** In some cases, tariffs are eliminated entirely. The portion of products entering the USA duty free will increase from 10% to 49%. For industrialized countries, the percentage rises from 20% to 44%. Products that become duty-free include beer, tobacco, and toy products.

**World Trade Organization:** It has power to enforce rulings in trade disputes, primarily through the elimination of the current one-country veto.

**New Areas:** The rules of world trade are expanded to cover agriculture, services such as banking and insurance, and the protection of intellectual property rights.

If Republicans back it, "it's a vote for party suicide," says conservative commentator Pat Buchanan. "It divides our coalition, makes Clinton 'The Comeback Kid' and means there'll be a third party." GATT opponent Ross Perot has said he'll create a third political party if it passes. "I hope he would not," Dole said Sunday on NBC's Meet the Press.

The 124-nation agreement lowers tariffs and establishes the World Trade Organization to resolve trade disputes. Foes like consumer advocate Ralph Nader say it would undermine U.S. sovereignty. "GATT means foreign regulation of America." Nader says. "It means secret tribunals can rule against our laws.

Clinton and other supporters say the WTO will mean more U.S. victories in battles to open overseas markets.

To win Dole's support, the administration endorsed creation of a panel of five U.S. judges who could recommend U.S. withdrawal from the WTO if the United States loses three cases in five years.

GATT advocates and opponents have sponsored TV ads to make their case. Today, Clinton hosts current and former government officials at the White House. He'll also phone undecided senators. GATT foes are lobbying them, too.

"Neither side has the votes to win," Nader says. "It means the United States risks losing its trade advantage by being locked into a rules-based trading system. It means foreign courts can settle disputes that once were settled by U.S. courts. It means foreign tribunals can impose sanctions on the United States." Buchanan says there's "still a chance" it can be defeated.

Attempts to phone Cuba tie up lines

Thousands, perhaps even tens of thousands of people, have tried in vain to call Cuba directly from the USA since direct-dial service — the first in more than three decades — began Friday.

For most, however, lines were jammed and callers heard only recordings when five U.S. long-distance telephone companies and communications firms began service to Cuba. The situation hasn't improved late Sunday.

"There's been a lot of pent-up demand. We had tens of thousands of people trying to get through," within 30 minutes of the service beginning, said Patricia Robinson, Public relations manager for AT&T Global Communications Services. "How many actually made it through we can't tell at this point. There would obviously be some busy signals. People have to understand it's probably going to be a little crazy for a while because of all the calls trying to get through." Other companies reportedly had similar problems.

The U.S. trade embargo against Cuba prevented U.S. companies from upgrading phone lines to the island to assist in direct dialing. The restrictions have been eased during the last two years.

More than 80 million U.S. calls are placed to Cuba annually, with less than 1% being completed, according to a Federal Communications Commission report.

Until now, all U.S. calls to Cuba were routed through a special AT&T Cuba operator. But callers had to sign up with the operator and wait up to 72 hours for their calls to be completed.

Now to reach a number in Cuba, a caller must dial the international access code (011), then the country code for Cuba (53), then a city code (7 for Havana, for example), then the local phone number.

In addition to AT&T, the other U.S. phone companies involved in the deal with Cuba's state phone company Emotels Cuba are MCI Communications, Sprint Corp., IBB Communications Group, and LDDS Communications.
'Route for change' cuts through Constitution

Debate is focusing on amendments

By Tony Mauro
USA TODAY

Only 17 times in the past 200 years has the nation deemed it necessary to tinker with its founding document, the U.S. Constitution.

In the wake of the Nov. 8 election, talk is in the air of tinkering again, adding not just one but three new clauses to the Constitution: school prayer, term limits for members of Congress, and a balanced federal budget.

On Tuesday, the Supreme Court takes up a case that will frame the constitutional debate over term limits.

Meanwhile, newly empowered Republicans are laying plans for a congressional vote on a balanced budget amendment by the end of January, and a school prayer amendment by the Fourth of July.

Ultimately, some or all of the proposed constitutional amendments may die as post-election gimmicks run into practical politics or drafting difficulties. The school prayer drive already has lost some momentum as major church leaders and President Clinton announced a truce.

But already the debate is triggering the most skepticism about the structure of national governance and rights in decades, possibly even since the post-Civil War era, when three constitutional amendments were passed rapid-fire to abolish slavery and guarantee the equal protection of laws.

The three proposed amendments may have the best prospects for passage, but also the most difficult, which might perpetuate...
Constitutional changes face uphill climb

By Richard Wolf
USA TODAY

When it comes to amending the Constitution, even the tough-talking, Republican-controlled Congress is expected to exert caution.

With three potential amendments slated to come before the 104th Congress, the betting inside both parties is for one win, one loss and one draw:

► An amendment calling for a balanced federal budget is expected to pass after years of near-misses. The GOP takeover in the House and Senate should provide the necessary two-thirds majorities.

► An amendment limiting the terms of members of Congress faces considerable opposition. Even leading House Republicans, who have pledged a vote by April, doubt it will pass this year.

► An amendment restoring prayer in public schools faces the toughest prospects of all. The states may be where the issue ultimately is decided. Unlike term limits, which have been pushed at the state level, a balanced budget amendment has more support in Congress. States may be left in dire fiscal straits if Congress is forced to balance its budget by 2002.

The states may be where the issue ultimately is decided. Unlike term limits, which have been pushed at the state level, a balanced budget amendment has more support in Congress. States may be left in dire fiscal straits if Congress is forced to balance its budget by 2002.

In the Senate — where the GOP picked up nine seats — it lost by four votes.

Gingrich plans a House showdown Jan. 19, and incoming Senate majority leader Robert Dole, R-Kan., says the Senate will act soon after.

An early vote — before Democrats can cast doubts on Congress' ability to follow through with actual budget cuts — is the GOP's best shot.

Says Rep. Robert Walker, R-Pa., a top House GOP floor strategist: "I do think we have the votes to get it out of the House and the Senate."

But already, Democrats — led by the Clinton administration — are calling for action on spending cuts first. "They ought to tell the American people ... how they're going to balance that budget over the next five to seven years, and that should be voted on before you vote on the balanced budget amendment," said Treasury Secretary Lloyd Bentsen Sunday on CBS's Face the Nation.

The states may be where the issue ultimately is decided. Unlike term limits, which have been pushed at the state level, a balanced budget amendment has more support in Congress. States may be left in dire fiscal straits if Congress is forced to balance its budget by 2002.

► Term limits: Despite pressure from the states and a House GOP promise to vote on the issue in the first 100 days, prospects are dim.

First, two versions divide sponsors: One limits House and Senate members to 12 years in office; the other limits House members to six years.

Neither measure has gathered more than 25% of the House as co-sponsors in the past. The incoming House Judiciary Committee chairman, Rep. Henry Hyde, R-Ill., is opposed. Even Gingrich predicts the measure may fail this year.

"I think the term limits bill has trouble getting out of the Congress," says Walker. "Finding enough votes in both houses is going to be very difficult. There are enough questions being raised about it even amongst Republicans."

And prospects are even dimmer in the Senate, where no vote has been scheduled or even promised. Says Sen. John McCain, R-Ariz.: "I don't think, frankly, you're going to see the Congress of the United States voting themselves term limits."

► School prayer: Gingrich wants a vote this summer, but many House Republicans believe the issue can best be handled with legislation, rather than tampering with the First Amendment.

It's not included in the House GOP's Contract With America. Senate Republicans have not embraced it. And liberal Democrats are scornful of it.

"Historically, this has been a responsibility of parents and churches," says Sen. Christopher Dodd, D-Conn., who is running for minority leader.

Dole's muted prognosis, issued Sunday on NBC's Meet the Press: "If it comes over from the House, there will be a long debate in the Senate for (the) prayer amendment."

""I don't think, frankly, you're going to see the Congress of the United States voting themselves term limits."

**Bosnian Serbs strengthen grip**

Bosnian Serbs control much of the U.N. protected area of Bihac and more than 70% of the country. Who controls Bosnia-Herzegovina and the situation at the protected areas:

- **Bosnian Serb control**
- **Srebrenica**
  - Serbs capture 62 U.N. troops
  - Massacre
  - Serbs control
  - Catholic church
  - Muslim council

**Bosnia's fate may be sealed**

In the mountainous central Bosnia-Herzegovina, a revitalized, Muslim-led Bosnian army has steadily made progress in recapturing areas lost to ethnic Serbs in a bitter civil war. But these troops have not heard much about the setbacks being suffered by their mostly Muslim comrades in Bihac.

President Clinton has decided not to make that commitment President Bush is not prepared to make that commitment President Bush did not make that commitment President Bush will not make that commitment President Bush won't make that commitment President Bush won't accept a peace plan, could make that commitment President Bush United States won't increase its commitment and... I am not prepared to rec...
Survey: Job market looks best in years

By Beth Belton
USA TODAY

Job hunters can expect the best first quarter in six years, a key employment survey shows. This upbeat assessment comes from a quarterly hiring plans survey of 15,000 U.S. businesses by Milwaukee-based Manpower, the world's largest temporary help agency. Survey details:

- 22% plan to hire workers; only 12% expect to cut jobs; 63% plan no change. The last time employers were so optimistic about first-quarter plans was at the end of 1988.

USA SNAPSHOTS®
A look at statistics that shape your finances

Budget deficit shrinks

The deficit in tax revenue and a 2.1% drop in discretionary spending was down 29% last month compared with Oct. '93. The government's fiscal year began Oct. 1. First month's deficit:

$24.4 billion

Source: Treasury Department

By Gary Visagie, USA TODAY

WASHINGTON

Left or right, Dems must decide—Rangel

House Democrats should postpone choosing new leaders until the party has more time to get together on what direction it wants to take, Rep. Charles Rangel, D-N.Y., said Sunday.

"Since the Republicans haven't elected the leaders of their caucus, it seems the members of the Democratic Caucus should have the opportunity to meet together and with the president and see where the party is going before we have elections," Rangel said in a letter to House Majority Leader Richard Gephardt and other Democrats.

House Democrats face contested elections in all the major leadership positions as they move to minority status. Rangel said he was Gephardt after speaking with President Clinton on Thanksgiving Day. He gave no hint of the substance of the talk with Clinton.

"It is not clear to me whether the Democrats in Congress will be moving left or right or whether we will be working together toward a common agenda," Rangel said.

Rangel said he spoke with members of the Congressional Black Caucus, the Hispanic Caucus and the Women's Caucus before writing fellow Democrats. "While these groups together will represent nearly 50% of the Democratic Caucus, most are concerned that they have not been part of the discussions about the party's future," he said.

ELECTION COVERAGE HIT: Voters were not pleased with media coverage of this year's congressional and state elections, a new poll shows. The poll of 20,000 voters, released by the Times Mirror Center For the People & Press, found most respondents giving the media a C, or an average grade. Of 12 states surveyed, only a majority of voters in Massachusetts expressed satisfaction with media coverage of the campaigns there. Overall, two-thirds of voters still said they learned enough from the campaign to make an informed choice among candidates. The poll found Republicans less satisfied with the press than Democrats.

OVERTIME INVESTIGATION: Bureau of Land Management criminal investigators got up to $1.3 million in unjustified overtime pay during a two-year period, the Interior Department's inspector general says. Auditors said 38 of the bureau's 63 field special agents got the maximum amount of "administratively uncontrollable overtime" allowed by law, "even though their extra duty hours did not qualify for a bonus.

The overtime, which agents can boost an agent's pay by up to 25%, is supposed to be allowed only for "irregular, unscheduled and critical" duties. But agents claimed it for routine tasks such as paperwork, attending meetings or training a police dog, auditors said.

<p>Source: Treasury Department</p>
Troops, Dole said, "The president is going to make that decision."

But he added that "there may come a time" when Congress could act "to cut off funding."

Dole estimated the cost of the Haiti operation at $1.5 billion. Perry put the cost at "hundreds of millions" and said that by Jan. 1, there'd be several thousand Haitian police officers trained by U.S. and U.N. forces.

Meanwhile:

- Dole questioned the Clinton administration's agreement to provide North Korea with $4 billion in aid in exchange for promises to dismantle its nuclear program.
- "North Korea is known not to keep its promises," Dole warned. "I think they got a lot, but I'm not certain what we've got."
- Treasury Secretary Lloyd Bentsen distanced himself from Labor Secretary Robert Reich's attack on business tax credits as a form of "corporate welfare."
- Less than a week after Clinton called reducing tax breaks for business "an attractive idea," Bentsen said on CBS's Face The Nation that the administration hasn't endorsed the proposal. "I didn't find myself very excited" about the idea, Bentsen said.

Bentsen called a GOP proposal to cut the capital gains taxes "something that is quite attractive." But he warned: "What you want to make sure is that you pay for all these things and you don't cook the books."

The House GOP also has called for tax breaks for families, prompting the White House to renew talk of a middle-class tax cut.

Dole endorsed the idea, with reservations: "I'm for a middle-class tax cut, but we have to pay for it. Maybe we don't get it all the first year. Maybe you have to phase it in over two years."

- Dole said Sen. Jesse Helms, R-N.C., should become Foreign Relations Committee chairman despite furor over his remark that Clinton "better have a bodyguard" if visiting military bases in North Carolina.
- "We have a seniority system," Dole said. "We think it works."

But he added: "When you have the chairmanship, there's probably certain things you shouldn't say even in jest."
Pilots challenge ‘Age 60 Rule’ in Chicago court

By Paul Hoverson
USA TODAY

A 34-year-old federal law that bars pilots over the age of 60 from flying large commercial aircraft gets challenged today in a Chicago appeals court. Lawyers for the 800-member Professional Pilots Federation, which filed the suit, say the Federal Aviation Administration is using public safety for forcing retirement on otherwise qualified pilots who reach age 60.

"Piloting a plane is not an athletic event. It requires maturity, seasoned decision-making," says Michael Pangia, who represents the Chicago-based pilots group. "The public is being deprived of very experienced pilots who are forced to retire early," he says. "There is no justification for this rule."

The lawsuit, to be filed today in the 7th U.S. Circuit Court of Appeals, seeks to either overturn the 1960 rule or compel the FAA to provide medical data to justify its position.

The pilots' lawyers point out that the "Age 60 Rule" does not apply to the Airline Pilots Association, which in some cases is far more dangerous," says Pangia. "Nothing has been shown to warrant this rule for pilots."

The Montreal-based International Civil Aviation Organization, which sets international aviation standards, backs the Age 60 Rule for captains but not for co-pilots. Some countries, including Britain, Israel and Iceland, have changed the pilot rule to age 65.

On Sept. 22, 1993, the FAA in a September 1993 public hearing to consider changing the rule, received more than 1,000 comments. "The bottom line is, we're still studying it," says Liz Neb- latt, FAA spokeswoman. "We are looking into the possibility of changing the rule...It's not a closed issue."

The National Transportation Safety Board's publication of a 1981 congressional

ordered study by the National Institutes of Health.

The NHTSA found a "substantially higher accident rate" in commercial pilots past the age of 60, but the study had only a limited sample number, says Neblatt. The Airline Pilots Association, which initially fought the FAA since 1992 has simply filed petitions for exemption and then failed to act upon which the FAA since 1992 has simply filed petitions for exemption and then failed to act.

The FAA, in a September 1993 public hearing to consider changing the rule, received more than 1,000 comments. "The bottom line is, we're still studying it," says Liz Neblatt, FAA spokeswoman. "We are looking into the possibility of changing the rule...It's not a closed issue."

"The FAA is playing this bat- ter of time and that's not right," says Pangia. "By the time these cases come around, these guys have either found another job or they're on the golf course. We're tired of this stalemate."

\[MondY, November 28, 1994 | USA TODAY\]
NYC squatters take a stand

Claiming legal ‘dominion’ over block of abandoned buildings

By John Ritter
USA TODAY

NEW YORK — Here on a tough block of Manhattan’s Lower East Side, an American frontier tradition is playing out.

Squatters who took over five squalid, burned-out buildings are battling for ownership as legal home­steaders.

But to the bureaucrats who administer these and thousands of other abandoned buildings across the city, the East 13th Street squatters are little more than trespassers.

The squatters say they’ve saved Civil War-era structures from the wrecking ball and helped stabilize a crime-ridden street. City officials call them ren­dodgers who’ve leased unfairly over 250,000 others waiting for affordable housing.

"You put so much into it you feel a part of it," says Pablo Semiglioa, 36, who has been living on the East 13th block for six years. "What we have, we’ve made ourselves. It’s part of me."

Judge Elliott Wilk, who toured the buildings, will hold a hearing on the dispute Dec. 14.

While not unique to New York, squatting rarely is this persistent or organized. The East 13th Street squatters brought their buildings largely up to code, with $100,000 in improvements. They pay utilities.

Typically, he says, squatters make rudimentary improvements — putting plastic over windows and clearing rubble. Neighbors think they reduce the fire risk in abandoned buildings and often let them tap into utilities with hoses and extension cords.

"They’d rather see a building occupied than a haven for drug use," Shea says. "But East 13th Street is different. Squatters argue they have legal ownership, not to mention equity from improvements they’ve made. They say they’ll finish renovations far less than the $3.9 million the city plans to borrow to make over the buildings into 41 low-income units.

"Our position is we have dominion," says David Boyle, 36, in a group that moved into the East 13th Street shell 11 years ago. "We took action. They are just coming around."

"Sure, the situation has changed, but can you say that because the situation changed our action then was wrong?"

Squatters argue they have legal ownership and have made improvements. They pay utilities.

The city’s stockpile of abandoned buildings has dwindled, Neville says: About 47,000 units have been turned into affordable housing since 1984.

"At one time we could just over­look the problem because five blocks away there were three vacant buildings we could work on first," she says. "We can’t say that anymore."

The city, Neville says, never held land for 10 years, it’s yours.

"They showed initiative and fixed up these buildings," Bukowski says. "They didn’t sit quietly waiting for a government handout."

At the least, Bukowski will argue that squatters can’t be evicted without due process.

Low-income housing advocates and developers in the ethnically mixed, economically depressed Lower East Side say squatters take housing away from the truly needy.

"It’s an emerging trend," says Roberto Caballero of Pueblo Nuevo Housing and Development Corp., a non-profit, low-income developer, says: "Squatters impede low-income and moderate-income housing. I look at it as criminal trespass."

Legalities aside, squatting undeni­ably has changed this small slice of East 13th Street.

Squatter Bill Stark, 33, runs a "bike culture" that recycles discarded parts, teaches kids how to build bikes and tries to steer them away from drugs. Squatters clean up streets, and they try to keep drug dealers away.

"They wouldn’t park on this end," Semiglioa says. "They wouldn’t park on this end. Now you can’t find a spot. It’s a nice block now."

MONDAY, NOVEMBER 28, 1994 • USA TODAY
Philadelphia probes unheeded 911 call

Hearings could begin as early as today into how 911 operators handled frantic calls asking Philadelphia police to break up a teen-age brawl that turned fatal.

POLEC: Beaten with baseball bats

Five Abington teens — ages 16 to 18 — are charged with murder in the Nov. 11 beating death of Edward Polec, 16. He was beaten with baseball bats and left to die on the steps of St. Cecilia's Church, where he had been an altar boy. The three juveniles arrested face hearings this week to decide whether they should be tried as adults.

WOLF PLAN: The first gray wolves destined for Yellowstone National Park and central Idaho are scheduled to be captured this week in British Columbia, but farm groups believe the plan is a bad idea. They are asking a federal judge to block the U.S. Fish and Wildlife Service wolf plan. A hearing is scheduled today on the suit by the American Farm Bureau and others, who say relocating Canadian wolves to an area where they are non-native violates the Endangered Species Act and other laws. Ranchers say the predators will kill livestock and transmit diseases.

LOTTERY FEVER: Wednesday's jackpot in the multistate Powerball lottery is estimated at $80 million. There have been only four U.S. lotteries with a bigger jackpot. If there's only one winning ticket, the jackpot would be the second largest ever to a single winner. Odds of winning one is 1 in 54.9 million, the number of combinations. Powerball tickets are sold in 16 states and the District of Columbia.

SONS KILLED: Susan Smith, the Union, S.C., mother whose false carjacking report sparked a search for her missing sons, had accused her stepfather of molesting her when she was 16, The State in Columbia reported Saturday. The investigation was dropped because she didn't want to press charges, said ex-sheriff William Jolly. Ker's stepfather, who is on trial for murdering her sons, had accused her stepfather of molesting her.

IMMIGRANT HEALTH CARE: Although Proposition 187, a measure passed by voters Nov. 8, would deny public education and medical care to illegal immigrants, and urges state workers to report people who likely are illegal in the USA, the court in California has ordered that the measure be put on hold pending a judge's ruling.

PRIEST ARRESTED: The Rev. Jean Leal Eliscard, a Roman Catholic priest arrested at New York's Kennedy airport, waived extradition to Trenton, N.J., to face charges he molested a 13-year-old female parishioner in Hamilton County. Eliscard, 26, was fleeing to his native Haiti after learning he was a suspect, police said. He was a visiting priest at St. Francis Church in Trenton and specialized in ministering to Haitians who speak Creole and French.

CHILD ABUSE CASE: Sasha Gibbons, 4, died of asphyxiation Sunday, four days after she was found wrapped in a blanket and stuffed under a waterbed as punishment for cursing at her mother's boyfriend, police in Fort Lauderdale, Fla., said. Arrested: Carlos Thomas Schenk, 24. Her mother Rebekka Gibbons, 22, wasn't home at the time.

New leader for agriculture group

Corey Flournoy of Chicago is the first national president of FFA to come from a big city, and the first black president of the agricultural youth group. And he doesn't even want to be a farmer, which is fine with FFA since it changed its name from Future Farmers of America because it wanted to reflect the broader scope of modern agriculture.

Flournoy, 20, is a sophomore at the University of Illinois College of Agriculture in Champaign. He was selected from among 39 candidates at the FFA national convention Nov. 12 in Kansas City. He is studying agricultural economics but would like to own a motivational company.

What motivated him to join FFA was that membership was a requirement at the Chicago High School for Agricultural Sciences, the only magnet school that accepted his application. "I figured if I had to pay $7.50 for dues, I might as well be active," he said.

Written by Paul Leavitt. Contributing: Gary Fields

MONDAY, NOVEMBER 28, 1994 • USA TODAY
Weighing yule's economic impact
Scrooges ready to pounce

If you think it's hard to make sense of what happens in the bond market, where bad news is good news and good news is bad news, then you're really going to be frustrated by the holiday shopping season. Suppose this is a merry season for retailers, as most experts expect. Want to know if that's good news or bad news for the economy? Then you'll have to decide whether:

A burnout's ahead. Maybe holiday shoppers are going just a little too wild this year, many economists will surely say. So when they see the bills start arriving in January and February, they'll be back on spending even more than usual. And the economy will slump.

What will qualify as 'too wild?' Who knows? But probably anything that makes it appear consumers are spending more than economists expect. Right now, many new appear consumers are spending more than economists expect. Right now, most experts predict retail revenue (spending on holiday gifts and everything else consumers need) in November, as most economists will be up 6% from the same months last year. That would be a healthy gain, especially coming on top of increases that topped 7.5% each of the past two seasons.

A boom is coming. On the other hand, many experts will also say a strong holiday season is a sign consumers feel so good that they'll keep right on spending into 1995. Especially since job growth remains healthy, giving many new workers an opportunity to spend some money for the first time in a while — or the first time ever.

That's basically what happened after the '93 holidays. While economic growth couldn't keep pace with the torrid fourth-quarter '93, when gross domestic product expanded at a 6.3% annual rate, it remained very strong. The economy grew at a 3.9% rate, easily outpacing the 2.5% to 3% rate most economists expected for that quarter heading into the year.

Which analysis should you believe? The last two years, it's been wiser to go with the optimistic economist. Economic growth has consistently been stronger than expected, and consumers have consistently been more willing to spend more than expected.

So enjoy the holidays and any good news about spending they generate. And say a hearty "bah, Scrooges ready to pounce." to the gloom-and-doomers.

Expectations may shift:
Last week, that mythical beast known as Wall Street apparently decided the economy is a lot weaker than it previously thought, or soon will be dragging. That's one reason stocks plunged Monday and Tuesday.

This week, if all goes as expected, it's going to be hard to make the case that the economy's in trouble or headed for it. All the economic indicators — including the past four months. This week's report should confirm that third-quarter growth was healthy, economists now say. They expect Commerce will estimate GDP grew at a 3.5% annual rate. And most economists expect the pace will be much the same this quarter — around 3%, or perhaps a bit higher.

Thursday, the National Association of Purchasing Management will likely say its index of manufacturing's strength remained very high in November, economists say. That would be another sign the factory sector is strong thanks to solid gains in orders and production.

MONDAY, NOVEMBER 28, 1994 • USA TODAY
 Capital gains tax cut; it's for you, not just the rich

Slashing rate would help many as well as spur economic growth, competition and reduce the deficit.

WASHINGTON — Sometime soon, Congress will debate the stupidest provision in the federal revenue code — the tax on capital gains.

John Kennedy understood the idiocy of the levy when he recommended slashing it in 1963: "Our economy is check-reined today by a war-born tax system at a time when it is far more in need of the spur than the bit," he wrote to legislators on Capitol Hill. "(High taxes) reduce the incentive for risk, investment and effort." Kennedy believed that America would experience "more growth and prosperity if the government just stopped punishing the industrious workers. Unfortunately, the modern-day Democratic party lacks Kennedy's belief in American exceptionalism and has devoted itself instead to the worship of suspicion and envy. The Democratic establishment opposes JFK-like reforms on grounds that a cut in the capital gains rate would help only the rich. That claim is a lie. Consider the benefits of cutting the tax.

- Economic growth. Most new jobs come from small companies, many of which get their funding from a bold investor or two. Professor William Wetzel of the University of New Hampshire's Center for Venture reports that a capital gains tax cut can do more than any other conceivable legal change to put money in the hands of start-up firms. The reduction would let risk-taking financiers — including those who back minority-owned businesses — reap reasonable rewards.

- Figures compiled by Venture Economics back Wetzel's theory. When the Reagan administration cut the capital gains rate in 1983, venture capitalists went wild. They threw their money behind 121 brand-new publicly traded firms, as compared to 27 the year before, and committed more than $3 billion in capital, an increase of more than 500% over the previous year's $540 million. In contrast, the 1986 increase in the tax proved a disaster for capital-hungry business ventures. The number of new firms backed by risk-taking investors fell from 86 in 1986 to 42 in 1987, and commitments from venture funds tumbled from more than $4 billion in 1987 to $1.3 billion in 1991.

- Fairness. The vast majority of people who declare capital gains are not rich, as fans of the present federal rate of 28% coupled with other tax breaks in the tax code would testify. The Treasury Department showed in 1986 that 1.3% of all cap-gains filers owe more than $100,000. Another 0.06% of all cap-gains filers pay more than $200,000. Nobody stands to benefit more from a rate cut than working folks.

- Since the law does not adjust capital gains for inflation, most people who sell homes or cash in valuable possessions get slammed by the tax man for "profits" attributable entirely to changes in the value of the dollar. It's not unusual for families who have owned homes for 30 or more years to pay several times more in capital gains penalties than they paid for their properties. The result: Uncle Sam not only steals their nest egg. He also tries to impoverish them.

- Lower deficits. The opportunity for change thus goes to Republicans, who chickened out last week when Sen. Robert Dole recommended trimming the capital gains tax. Democrats have decided to stick with the approach that has made them a minority — the politics of malaise, class warfare and government control. They want to punish Americans who save or invest wisely, but don't want to reform a Congress that blithely wastes working people's earnings.

- Estimating how much a rate cut would save folks who have earned money the old-fashioned way, and not on the basis of Capitol Hill connections. The U.S. imposes the most onerous en

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<th>Capital gains by the numbers</th>
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<td><strong>Who files</strong></td>
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<td>It's not always the rich who report capital gains. Here's a look — by income category — at those who report capital gains:</td>
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<td><strong>Earnings</strong></td>
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<td>More than $100,000</td>
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<td>Source: 1- Internal Revenue Service; 2- Gary and Aldona Robbins/Rascal Associates and Congressional Budget Office</td>
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- Estimates 1992

- By Marcia Steinher, USA TODAY

Earth, Japan and Germany tax capital gains very lightly or not at all. A cut in the rate will help level the playing field for American entrepreneurs who want to compete in the global marketplace of products and ideas. There's general consensus among economists that the present federal rate of 28%, coupled with other breaks in the tax code, has "locked up" $5 trillion to $7 trillion worth of wealth that people would sell if only they could avoid the tax hit. A cap-gains cut would "unlock" some of that equity, and a flood of "only" $1 trillion would do a lot more for the economy than any program cooked up by Democrats or Republicans.

- The debate about capital gains boils down to a simple question: Who should control the economy, working Americans or power-brokers in Washington?

- Democrats have decided to stick with the approach that has made them a minority — the politics of malaise, class warfare and government control. They want to punish Americans who save or invest wisely, but don't want to reform a Congress that blithely wastes working people's earnings.

- The opportunity for change thus goes to Republicans, who chickened out last week when Sen. Robert Dole recommended trimming the capital gains tax.
Quitting blaming blacks for Democrats' defeat

And now the plot thickens.

Three weeks ago, the conservative-led Republican Party won control of both houses of Congress. It did so by convincing a majority of white voters that, ideologically speaking, it — and not the Democrats — is the linear successor to Bull Connor and Ross Barnett.

In the wake of this victory, its black allies weigh in.

They argue black liberals are to blame for the thrashing voters gave the Democrats on Election Day. Why? Because their successful push for the creation of black-majority districts angered whites and watered down the voting strength of Democrats in other congressional races, the black conservatives argue. That's a pretty weak analysis.

What happened on Election Day was much more deeply rooted. It was, in part, the end product of a political evolution that grew out of passage of the 1964 Civil Rights Act — and the resulting efforts of Republican conservatives to turn the once-solid Democratic South into a GOP stronghold.

It had far less to do with the recent redrawing of congressional districts than the fact that white voters — angered by three decades of Democratic support for civil rights legislation and affirmative action have deserted the party in droves.

And it had far more to do with the disfranchisement of many core Democrats with President Clinton than it did with creating a handful of majority-black congressional districts.

What's my proof? In national elections, the shift of white voters to the GOP began long before the sharp rise in black districts occurred. It was crossover white Democrats who helped Republicans Richard Nixon, Ronald Reagan and George Bush in the White House. In the '60s and early '70s, we called them "white-flight" Democrats. In the '80s, they were known as "Reagan Democrats."

But in truth, many of them simply are anti-civil rights Democrats. The more Democratic candidates for the presidency and Congress — were identified with black causes, the more these people voted for Republicans.

According to The Center for Voting and Democracy, two-thirds of the 94 seats Republicans picked up in the Nov. 8 election were won with fewer votes than the losing GOP candidates got in those same districts two years ago.

And The New York Times reported the number of Democratic voting for Republican congressional candidates this year was up just 1% over 1992. In other words, there was no tidal wave of voter support for the GOP. No violent lurch to the political right. What happened is that Republican candidates got their voters to the polls. Democrats did not.

The Democratic vote was lulled to sleep by Clinton's lack of an ideological core. There's a widely held perception among Democrats that the president holds nothing sacred when he finds himself in a political pinch. True or not, that disfranchisement with the president helped sink Democrats this year.

Blacks stayed home in great numbers on Election Day because of Clinton's unwillingness to publicly tout what he's done for them out of fear that even more whites will bolt the Democratic party.

Many of the Democrats who lost House seats this year were "congressional Boll Weevils" who helped Reagan gut social programs during the 1980s. Given the choice between right-leaning Democrats and Republican conservatives, voters simply chose the real thing. Blaming liberal blacks for this outcome makes no sense. But urging Clinton and other Democrats to return to their real base, does.

Indian gaming is no panacea for Indian needs

A handful are winners, but most Indians are still struggling in poverty.

Media coverage of certain Indian gaming operations would have us believe Indians have struck gold and are not only rising out of their long history of impoverishment but getting rich quick. Nothing could be further from the truth.

Yes, a few tribes in highly populated areas have developed casinos that are run away successes. But most reservations are in remote areas. And of the 550 federally recognized Indian nations in the United States, only 16.5% are involved in high-stakes gaming, and far fewer are doing as well as Connecticut's famed Mashantucket Pequots with their Foxwoods Casino or the Shakopee Mdewakanton of Minnesota, who operate Mystic Lake Casino.

Even more unsettling than these misperceptions is the reaction to the limited gains some have been able to achieve through gaming. It seems that whenever Indians find a hope of prosperity — whether it's a natural resource on their land, like coal, or a viable market for gaming — mainstream society is ready to move in and deny them their right to that success.

Many tribes have opted to set up gaming operations because they see it as the only way to free themselves from federal assistance programs and the bureaucracy and dependency that tend to come with them. It can be an important springboard for developing other economic opportunities on reservations, and provide funds to improve living and social conditions.

However, where they exist, gaming revenues are hardly satisfying the enormity of needs on most reservations. In most cases, gaming proceeds are still slight and are just beginning to build a modest economic base where previously there was none.

I am often asked why tribes with highly successful casinos have not shared their wealth with other Indians. Many people mistakenly think of Indians as monolithic, not as individual nations with distinct cultures, histories, socio-economic needs and goals. It's as unrealistic to expect one tribe to support another as it would be to ask New York to share its lottery earnings with Hawaii.

I cheer the fortunes of the Mashantucket Pequots, the Shakopee Mdewakanton and others; they are, when they feel it appropriate, supporting Indian projects throughout the country. But the sad truth is that the first Americans are still the poorest. Basic needs that most Americans take for granted are still unmet on reservations.

Indian communities desperately need more and better housing, good health care, schools and community colleges, job-training programs and cultural institutions.

For those who have supported Indian causes and charitable organizations in the past, your support is still essential. Gaming, and other economic opportunities that may come in its wake, will help Indian tribes gain self-sufficiency and strengthen their communities. But they still have many years of struggle ahead of them.

Ben Nighthorse Campbell is the only Native American in Congress and a trustee of the American Indian College Fund.
Another Bosnia bumble; will we ever get it right?

Defense Secretary William Perry got it right Sunday. The Serbs are running the show in Bosnia.

Rebel Serbs now control 70% of Bosnia and Bosnian Muslims have "no prospect" of winning back that land, Perry said on NBC's Meet the Press. As he spoke, the Serbs bombarded civilians in Bihac — a U.N.-designated "safe haven" for Muslims in northwestern Bosnia. Adding insult to injury, the rebels took more than 100 Dutch and British U.N. soldiers hostage.

And just what response to the Serbs' outrageous behavior do the U.S. and its European allies plan? Apparently the slow sucking of thumbs, one more time.

The Serbs were asked, pretty please, to stop shooting. Then British General Sir Michael Rose, head of the United Nations Protection Force in Bosnia, gave them the perfect reason not to stop. He predicted that 70% of Serb forces might soon be forced to leave Bosnia if the war continues.

The U.S. warned the Serbs to back off and made a show of dispatching U.S. sailors and Marines on three ships to the Adriatic. But then Perry said their only mission will be rescue missions.

Sound nonsensical? Well, it is. Throughout this 3-month bloodbath, the only consistent commitment of the U.S., the U.N. and NATO has been to indecision. Their bickering has led to a set of Alice-in-Wonderland policies that would make sense only to the Mad Hatter.

They sent in U.N. peacekeepers before there was any peace to keep. They set up safe havens for Muslims driven from their homes by Serbian aggression and atrocities, then didn't make them safe. They promised to retaliate against the Serbs if they attacked safe havens or U.N. peacekeepers, then dallied and dallied so long after Serbs defied them that the punishment lost its punch — militarily and politically.

The Bosnian policy of the U.S., the U.N., and NATO is as conflicted as Bosnia itself. It's time for someone to grab the reins of this runaway nag.

Sign stop calling them safe havens if you're not willing to protect them. Don't threaten the Serbs if you don't mean it. Pull out the U.N. peacekeepers if their only accomplishment is inhibiting NATO air strikes.

Define objectives and success — at thisstage in the war — and then provide the muscle and resolve to accomplish it. As the first post-Cold War crisis in Europe, Bosnia is too important to botch.

If we and our allies continue to fumble and bumble and employ policies that amount to little more than a dangerous fraud, Bosnia's crisis will continue. And that's no solution at all.

Beware 'middle class' cuts

Cutting taxes helps all things with money: spend it (and create jobs); save it (and provide funds for banks to lend); invest it (and create new jobs); give it to charities (which will put it to better use than government); or leave it to their heirs (about half is taken in taxes).

The nation can't afford to re-enact the giveaway of 1981. Then, Congress and the Reagan administration outbidding each other on tax cuts. The result: The tax burden on the rich was slashed nearly a third; the burden on the middle class fell slightly but then increased; and the federal debt ballooned by $3 trillion in 12 years.

Many of this year's cut proposals look like another giveaway to the rich — unless everybody is middle class.

The primary GOP proposal for a $500 tax credit per child, for example, extends its $22 billion in yearly largesse to families with incomes up to $200,000. Fewer than 1% of taxpayers make that much.

Meanwhile, 72% of the benefits from a proposed capital gains tax cut would go to the top 1% of income earners. Those earners get a big break now as the top tax rate is 39% while that for capital gains is only 28%.

Repealing last year's tax increase on Social Security earnings likewise would mainly benefit the well-to-do as it affects only about a fifth of all elderly taxpayers.

A proposal to eliminate the so-called marriage penalty (the extra taxes two-income couples pay above that of two single earners) would go to the top 6% of all taxpayers. And the top 1% would get the biggest break from evening the score.

Such lack of focus means the total tax-cut bill could run to more than $40 billion a year. To pay for tax breaks for the rich, billions will have to be shifted from programs for the poor and middle class or added to the debt future taxpayers must pay.

That's not what the middle class needs. Any tax cut should help them make ends meet, not make the rich richer.

Soaking the rich is not an answer to the deficit problem; focus instead on creating wealth.

By George Marotta

The '94 election was the U.S. equivalent to tearing down the Berlin Wall. The message is loud and clear: "We want less government, and we want fewer taxes, NOW." Our taxes are too high, too complex, and discourage saving and investments.

The working class is fed up with government entitlement and pork programs. The middle class is suffering from compassion fatigue and is demanding that the agenda be radically changed.

Tax-the-rich schemes won't fix the deficit problem. The top 1% are now so soaked pretty heavily: They pay 25% of all individual income taxes. When taxes were higher in 1981, the rich paid less — 18% of all taxes. And the world outside the Beltway knows that higher tax rates merely force capital to seek tax shelters.

Soaking the rich presumes that government will put the monies to better purposes. However, the rich can do only a few
Serbs Advance Toward Victory in Bihac and Bosnia (Washn)  
By Stanley Meisler and Carol J. Williams  
(c) 1994, Los Angeles Times=  
WASHINGTON In a pessimistic assessment of the Bosnian
civil war, Defense Secretary William J. Perry said Sunday that
heavily armed Serbian rebels advancing on the teetering city of
Bihac are unstoppable and further NATO air strikes would be
useless.

Perry's comments came as Serbian gunmen continued to
shell and burn their way across the 32-square-mile "safe area"
of Bihac, prompting beleaguered U.N. troops to begin moves
toward withdrawal from Bosnia-Herzegovina.

Three bombing raids by the North Atlantic Treaty
Organization against the determined rebels and a succession of
U.N. Security Council orders for an end to attacks on the
U.N.-protected area have failed to halt or even slow the
Serbian thrust against Bihac.

Signaling a sea change in the Clinton administration's
previous support for the Muslim-led Bosnian government,
Perry said he sees "no prospect" of its recovering the 70
percent of Bosnian territory lost to the Serbian nationalists
during the 32-month-old rebellion.

"The Serbs have demonstrated military superiority on
the ground," Perry said on NBC's "Meet the Press,"
conceding that the rebels could overrun the city of Bihac
whenever they want.

"Air strikes cannot determine the outcome of the
ground combat," the defense secretary said. "They can
punish the Serbs, but they cannot determine the outcome of
the ground combat."

The United Nations has generally declined to ask for
air strikes by NATO bombers for fear that the Serbs would
seek revenge against the 23,000 U.N. peacekeeping troops
in Bosnia. Perry said he too opposes more strikes because
it "would ... drive the ... U.N. forces out of Bosnia; it
would lead to a widening of the war; it would lead to more
violence."

Perry said it would take "several hundred thousand
troops with heavy weapons ... involving significant
casualties" to turn the course of the battling around and
defeat the Serbian rebels.

He said the 2,000 Marines headed toward the Adriatic
Sea coast are being positioned only for possible help in
rescuing U.N. forces or downed NATO pilots and would not
set foot on Balkan soil as peacekeeping troops.

(Begin optional trim)

Senate Republican Leader Bob Dole of Kansas, also
appearing on "Meet the Press," denounced the U.N.
Protection Force in Bosnia as a "classic failure" and
called for the peacekeeping mission's withdrawal.

"It may be time to get the United Nations Protection
Force out of there," Dole said. "They're not doing their
job, and they're in harm's way. ... Let's get them out of
the way. Let's lift the arms embargo (on Bosnia). And
let's at least let the Bosnians defend themselves."

(End optional trim)

Officials at U.N. mission headquarters in Zagreb,
Croatia, said

a "reconfiguration" of troops is already under way to
concentrate them in better-defended compounds for
potential evacuation.

"People have been asked to gather at military and
command posts, to facilitate safety in the first place," said
mission spokesman Michael Williams, adding that the
consolidation could also be "preliminary" to evacuation.

There were also indications that some U.N. troops in
vulnerable areas of Bosnia are trying to withdraw or
reduce their numbers but are being taken hostage by Serbian gunmen as they move through rebel territory.

U.N. sources here said one convoy carrying 43 British soldiers out of Gorazde was taken hostage by Serbian gunmen once it left that U.N.-protected zone and that another convoy trying to carry British military engineers into the rebel-encircled pocket was blocked before it could enter.

At least 400 U.N. peacekeepers are now missing or held hostage by Bosnian Serbs.

U.N. sources also disclosed a brutal and humiliating attack on British soldiers near Gorazde, some of whom were handcuffed by gloating Serbian gunmen and beaten with rifle butts.

The U.N. commander for Bosnia, British Lt. Gen. Michael Rose, told reporters in the Bosnian capital of Sarajevo that his forces might have to withdraw soon.

"If the thing gets much worse at the military level, then I suspect that the peacekeeping mission would find it very difficult to continue," Rose said.

(End optional trim)

The acceleration of Serbian rebel aggression and Perry's comments Sunday created an atmosphere of defeat and impending doom at U.N. mission headquarters in Zagreb, Croatia.

"Unfortunately, Mr. Perry has now set policy," one U.N. official said of the defense secretary's statement that further use of air power to protect Bihac was pointless. "Everybody is breathing sighs of relief now that they don't have to get involved."

(End optional trim)

Rose succeeded in winning Bosnian government support for a cease-fire and demilitarization of the Bihac safe area, but there was no immediate indication that the advancing Serbs are prepared to stop their onslaught.

Bosnian Serbs have previously said that their compliance with a cease-fire in Bihac would be contingent on the government forces halting all offensive actions throughout Bosnia, which would amount to the Sarajevo government's capitulation.

A U.N. official reached by telephone in Bihac, Edward Joseph, said it is clear to everyone in the embattled region that the Serbian gunmen are intent on "completely neutralizing" the Bosnian government army there.

"They are exceedingly close, virtually in the town," Joseph said of the Serbs advancing from both Bosnia and Croatia. "There really shouldn't be any impression that the crisis and the threats to the town have been abated."

Joseph described the nearly 70,000 people crowded into the designated safe area, as well as the 130,000 or so living elsewhere in the violence-racked Bihac pocket, as "desperate." But he said few are fleecing the Serbian advance for lack of any more secure area to run to.

(End optional trim)

In his comments Sunday, Perry tried to absolve the administration of blame for failing to stop the bloody batting. He said that the United States had successfully defended its own national interests in the Bosnian conflict. "Our national interests are to stop the spread of war and to limit the violence," he said.

If the war spread outside Bosnia to other of the former Yugoslav republics, Perry said, "we would consider more substantial actions than we've taken now."

Perry, however, refused to say how far the war would have to spread before the Clinton administration would feel that the national interests are endangered.

Leadership Elections Will Set Tone for Next Congress (Washn)

By Michael Ross= (c) 1994, Los Angeles Times=

WASHINGTON For all the talk about the new Republican agenda and the sea change that swept across American politics on Nov. 8, it will take one more set of elections to chart the ideological course that the 104th Congress will follow in January.

Those elections, to be held over the next two weeks as Republicans and Democrats vote to fill leadership positions in the House and the Senate, will help determine just how confrontational or cooperative the new Congress will be in its dealings with the Clinton White House.

With Sen. Robert Dole of Kansas and Rep. Newt Gingrich of Georgia running uncontested for the top Senate and House leadership spots on the Republican side, the most interesting GOP contest is the battle between Alan Simpson of Wyoming and Trent Lott of Mississippi for the job of Senate majority whip.

Senate leadership races usually turn into personality contests, in which egos and grudges and favors given and received play decisive roles in the outcome. But in this case, Lott's challenge to Simpson, the incumbent GOP whip, reflects a broader ideological struggle over who will control the GOP agenda next year.

Gingrich as House speaker (Lott is his ally) or Dole as Senate majority leader (Simpson is his man)

Among Democrats, the race for minority leader in the House is seen as a signpost of the direction the dispirited former majority party will take as it tries to recover from its resounding defeat at the polls.

For the White House, one thing is ominously clear: Be they old-fashioned liberals or more conservative "New Democrats," most of the candidates in the Democratic races are already signaling their independence from President Clinton, whom they blame in large measure for their party's enormous midterm losses.

House Democrats will meet to fill their leadership slots Wednesday, while House Republicans vote Dec. 5.

The leadership races in the Senate, for both Republicans and Democrats, will be decided this Friday.

Here are the key leadership races, and what's at stake for both parties:

In the Senate, the Republican whip race is capturing most of the attention. Not only is it the No. 2 leadership spot, it is seen by Republicans and Democrats alike as a proxy struggle between Dole and Gingrich. Although they put on a good show of unity at the recent Republican governors' conference in Williamsburg, Va., Dole and Gingrich have made little secret of their dislike of one another.

"Dole's not the barn-burner that Gingrich is," says a Senate colleague, describing the difference between the two men. "He'd rather redecorate the barn than raze it to the ground."

Dole's more pragmatic and compromise-oriented approach to governing worries Gingrich supporters in the House, who fear some of the GOP's more ambitious ideas for economic and social reform will stall in the Senate. Their concerns are not unfounded, considering Dole's disdain for the supply-side economic theory that underpins the Gingrich camp's tax cut proposals.

The extremely close Lott-Simpson race is a byproduct of these differences, and the outcome could sharply limit Dole's maneuvering room in running the Senate, and complicate his likely presidential campaign in 1996.

Lott, a close ally of Gingrich, is expected to team up
with another Dole rival, Sen. Phil Gramm of Texas. Working together, they could force Dole to move farther to the right, or isolate him within the GOP Senate leadership in much the same way that retiring Minority Leader Bob Michel of Illinois was hemmed in by Gingrich and other GOP conservatives during his last year in the Senate.

"If Lott wins the No. 2 spot, it will also make it very difficult for Dole to go off campaigning for the presidency because he won't be able to trust Lott to mind the store in his absence," notes a senior GOP Senate aide.

Not surprisingly, Dole has endorsed Simpson for the whip post, while Gramm, who has already announced his intention to seek the GOP presidential nomination, has endorsed Lott.

With the Senate leadership elections only a week away, the Simpson-Lott race is considered too close to call. Lott's supporters say they are confident he will win. Simpson says that calculation is based on the shaky assumption that all 11 freshmen senators will vote for Lott.

"The job of whip is learned in the third grade. It's learning how to count, and I've got my count," Simpson says, indicating he is comfortable with his tally even though he refuses to reveal it. Lott, he adds, "assumes he will get all the new guys, but he won't."

Among the Democrats, Sen. Chris Dodd of Connecticut is mounting a strong challenge to Sen. Tom Daschle of South Dakota for the job of Senate minority leader. Still the front-runner,

Daschle thought when he entered the race to succeed retiring Majority Leader George J. Mitchell, D-Maine., that he would be running for a different job and against another opponent. But that was before the Nov. 8 elections, which threw the Democrats into the minority and resulted in the defeat of Daschle's leadership opponent, Sen. James Sasser of Tennessee.

Dodd entered the race after the elections. He has picked up most of Sasser's support in what is seen as a generational and personality-oriented contest rather than an ideological dispute, given the fact both men represent the liberal wing of their party. Daschle is 46, and has served in the Senate since 1986, Dodd is 50, and was first elected in 1980. Whereas Daschle appeals to younger colleagues who feel the Democrats need a new and energetic leader to guide them safely through the post-election political desert, Dodd draws support from the remnants of a liberal leadership that many have recently overshadowed both those of President Clinton, with whom he has refused to compromise on matters of principle, and Senate Republican leader Bob Dole, whom he long ago dismissed as "the tax collector for the welfare state."

"The legitimacy of the Democratic leadership is more than rhetorical. In the aftermath of the Republican takeover of Congress of which he was a primary orchestrator, Gingrich has emerged as the politician of the moment. His views on a host of crucial subjects from the value of work to the meaning of family have recently overshadowed those of President Clinton, with whom he has refused to compromise on matters of principle, and Senate Republican leader Bob Dole, whom he long ago dismissed as "the tax collector for the welfare state."

"If people ... see a vision powerful enough, they will commit themselves to a thousand-mile march. Without that vision, they are unlikely to move at all."

The most conspicuous evidence of that vision during the midterm election campaign was the GOP's "contract with America." But this compendium of such Ronald Reagan-inspired ideas as a balanced-budget amendment to the Constitution, congressional term limits and tax cuts all of which Gingrich has pledged to take up in the new Congress' first 100 days represents only the tip of Gingrich's ideology. Looking ahead, Gingrich is dazzled by an abundance of

Complex Gingrich Vision of America to Get Airing in Congress (Washn)
By Robert Shogan=
(c) 1994, Los Angeles Times=
WASHINGTON "I've always told all of you I was not nearly as radical as some of my friends," Rep. Newt Gingrich said in a post-election speech in which he backed away from a colleague's proposal to scrap the federal income tax in favor of a national sales tax.

But the very next day, the Georgia Republican who is in line to become Speaker of the House took a strikingly different tack. He talked nonchalantly on a television program about slashing a half-trillion dollars from federal spending; dismantling the Americans With Disabilities Act, an ornament of the Bush administration; and removing low-income single mothers from the welfare rolls, leaving them dependent on the beneficence of private charity.

Is the 51-year-old Gingrich really the radical conservative his critics see or a self-described moderate conservative? Or is the former West Georgia College history teacher in a category all his own?

The questions are more than rhetorical. In the aftermath of the Republican takeover of Congress of which he was a primary orchestrator, Gingrich has emerged as the politician of the moment. His views on a host of crucial subjects from the value of work to the meaning of family have recently overshadowed those of President Clinton, with whom he has refused to compromise on matters of principle, and Senate Republican leader Bob Dole, whom he long ago dismissed as "the tax collector for the welfare state."

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"high-technology options" that he argues can help rid
American society of the decadence inflicted upon it by
Democratic liberalism. He is particularly engaged by
futurist writer Alvin Toffler's concept of "triliteracy,"
combining the traditional three R's of learning with the
mass media and computer technology. Once Americans have
mastered triliteracy, Gingrich claims, "there will be a
tremendous increase not only in America's productivity but
also in each individual's creativity as people learn to
retain themselves in order to find their own paths to
wisdom and knowledge."

One favored by Gingrich is to require the House to file
all its official documents electronically, making them
generally available by computer and producing, he
contends, a better-informed and more active citizenry.

By freeing Americans from the yoke of big government
and high taxes, Gingrich hopes to unleash the energies of
individual enterprise and ambition, giving each citizen at
every level of society a better chance at
self-fulfillment. Like Charles Murray, author of "Losing
Ground," and other critics of the welfare state, Gingrich
argues that breaking the back of the welfare bureaucracy
would benefit not only middle-class taxpayers but the poor.

Gingrich contends that the current federal approach to
welfare is based on what he calls redistributionist
economics and counterculture values, and he argues that the
inevitable result is to "ruin the poor" and "create
a culture of poverty and a culture of violence which is
destructive of this civilization."

The poor stand to gain the most, Gingrich says, if the
paralyzing culture of poverty can be replaced with the
opportunity for productivity. Meanwhile, middle-class
Americans would also get
a chance at greater self-fulfillment by being encouraged to
work years past the so-called "prime" through the
relaxation of current limits on retirement income.

Certainly the most emotional and probably the most
compelling item in Gingrich's ideological inventory is his
emphasis on the restoration of traditional values. Nothing
less than the survival of America depends on the success of
this effort, he said in his first major address since the
election. "It is impossible to maintain civilization
with 12-year-olds having babies, with 15-year-olds killing
each other, with 17-year-olds dying of AIDS and with
18-year-olds ending up with diplomas they can't even
read," he said.

Although Gingrich puts some of the blame for social
decay on federal policies and programs, notably welfare,
he also condemns what he calls the dominant liberal
culture, which he complains has put more emphasis on
material goods and systems than on "the power of the mind
and the spirit."

To revive the nation's neglected soul, Gingrich calls for
a religious renaissance one reason a constitutional
amendment allowing prayer in schools is high on his
legislative agenda. Gingrich also contends that time is on
the side of boosting moral standards, suggesting that as
the baby boomer generation grays, its members, recognizing
"the failure of both radical hedonism and economic
materialism" will swell the congregations of the
country's churches.

How much of what Gingrich believes can be translated
into law will depend on a multitude of factors, some
outside his control such as the strategic thinking of the
Democratic opposition in the House and Senate, the
Democratic president in the White House and dissenters
within his own party.

Critics and even some supporters question whether he
can surmount his tendency to indulge in distracting rhetorical
outbursts.

A longtime colleague, former Minnesota Republican Rep.
Vin Weber, cites Gingrich's zeal in finding evidence to
support his ideological approach.

"He gets up and reads the paper in the morning and
everything that's in it fits into his world view," Weber
said. "He's very sincere, but his mind makes leaps and
other people can't make the connections he does."

Some analysts contend that even if Gingrich can pass
much of his program, his success may do him and his party
more harm than good. On the values front, he may be
building up expectations for change that cannot be
accomplished by any statute.

"He's talking about a series of problems with which
national government has never been directly involved and
about which the national government finds it very hard to
do anything constructive," said North Carolina University
historian William Leuchtenburg, referring to Gingrich's
lament about teen-age illiteracy, pregnancy and crime.

On the economic front, Republican strategist Kevin
Phillips contends that the balanced-budget amendment
Gingrich is pushing "has the potential to turn into the
Republican equivalent of Clinton's health care."

"It's going to sound good when you start out with it," Phillips said. But he predicted that support would
"drop sharply as soon as people find out it's going to
cut into their Social Security or benefits or raise their
taxes."

Fearing Setbacks, GOP Is
Prioritizing 'Contract' Items (Washn)
By Michael Ross=

(c) 1994, Los Angeles Times=

WASHINGTON The opening bell of the 104th Congress
will not ring for another six weeks, but Capitol Hill's
bookmakers have already reached one conclusion about the
odds that the House Republicans' ambitious "contract with
America" will be enacted into law:

When it comes to political contracts, not all promises are
crested equal.

The 10-point contract commits House Republicans to a
series of up-or-down floor votes on a wide range of tax cuts,
spending reductions, welfare reforms and constitutional
changes in the first 100 days of the new legislative session.

Drafted by incoming House Speaker Newt Gingrich
of Georgia and endorsed by many GOP lawmakers, the
contract contains much that Republicans agree on. But it
is also studded with a number of provisions on which there is
anything but a consensus within GOP ranks.

Already, some Republicans are talking privately about
trying to split the contract's agenda into two parts.

"First, there are the things that we really need to
try to pass and get enacted into law with (President)
Clinton's signature," said a senior Republican source,
who spoke on condition of anonymity. "And then there are
the things that we need to vote for, but that some of us
won't be terribly upset to see the Democrats kill, or
Clinton veto, so they can take blame for it."

A constitutional balanced-budget amendment, the
line-item presidential veto, welfare reform and some mix
of tax cuts are clearly in the first category of what
Republicans regard as must-pass legislation. Although it
is not in the contract, voluntary school prayer is another
highly popular item that the Republicans promise to push
early.

The new GOP committee chairmen, who face the delicate
task of reconciling intra-party differences on the rest of
the agenda, will determine which initiatives are shifted
to the second category: too hot to handle on a fast track.

One provision that clearly seems headed in that
direction is a limit on how many congressional terms

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members of Congress may serve.

"The Republicans face a real dilemma over term limits," said Larry Sabato, a political scientist at the University of Virginia. "Most of them don't really want to limit their terms, but on the other hand, many Republicans made term limits a top issue in their campaigns, and it is one of the most popular issues that they endorsed."

The new GOP leadership in the House discounts these emerging fissures by noting that Republicans will have no choice but to support the contract's main themes if they want to remain in the majority two years from now.

"If we don't make good on the contract ... if we just conduct ourselves around here like it's business as usual, then we will meet with the same demise that the Democrats met this time," warned Rep. Jim Nussle, R-Iowa, who heads the House GOP transition team.

"A contract is a contract," said William Schneider, a political analyst with the American Enterprise Institute. "The voters have delivered on their end of it," he said, and now Republicans "must at least now make a sincere effort to carry out their promises."

Asked if Republicans would support a constitutional amendment to limit their terms now that they were in the majority, Gingrich noted that the GOP contract promised only to put the issue to a vote. It does not, he said, commit members to vote for it.

And even if a constitutional amendment achieved the necessary two-thirds majority in the House, it would be unlikely to do so in the Senate, where the Republicans' partisan advantage is only 53 to 37.

"I'm not sure that term limits will pass the House, but if it does, there are a lot of us who will have voted for it on the assumption that the Senate will save us," a senior GOP lawmaker said.

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Term-Limits Movement Faces Major Hurdle in Supreme Court (Wash)
By David G. Savage
(c) 1994, Los Angeles Times

WASHINGTON In the last two elections, 24,513,439 Americans went to the polls and voted to limit by law the terms of their representatives in Congress.

Now, the term-limits movement needs only five more votes.

On Tuesday, the nine life-tenured justices of the U.S. Supreme Court will hear arguments on whether the Constitution permits states to fix the maximum terms of lawmakers in Washington. They will consider an Arkansas term-limits law that was struck down in March by the state's Supreme Court.

The idea of fixed terms for legislators is by no means novel. In fact, it was the norm in the early 1780s.

Yet the notion faces a major hurdle when it is taken up by the Supreme Court this week: Historical accounts of the constitutional convention of 1787 suggest that the delegates considered term limits for members of Congress and rejected the idea.

James Madison, the "Father of the Constitution," even spoke up for the virtue of veteran lawmakers.

"A few old and experienced members (of Congress), as happens in all such assemblies, will possess superior talents (and) will, by frequent re-elections, become members of longstanding and be thoroughly masters of the public business," Madison said.

No one can predict with certainty how much weight the high court will attach to the historical record. If the high court relies on history and strikes down the new state laws that fix terms, the movement will be dealt a severe, although not necessarily fatal, blow.

Its leaders say they would then press for a constitutional amendment, a process that requires two-thirds votes of approval in the House and Senate and ratification by three-fourths of the state legislatures.

But if at least five of the nine Supreme Court justices vote to uphold term limits, the clock will begin ticking for U.S. senators and representatives in 22 states.

Clearly, political momentum appears to favor the term-limits movement. It has already established itself as one of the more powerful political waves to sweep across the nation in the early 1990s.

Unless detailed by the high court, its proponents say, term limits will dramatically change the prevailing culture on Capitol Hill by replacing "career politicians" with "citizen legislators."

(Begin optional trim)

"To have real democracy, you have to have a citizen legislature. It can't work if the system is run by professional politicians," said Edward H. Crane, president of the CATO Institute, a libertarian group that advocates term limits.

"The power of incumbency is destroying democracy," said Paul Jacob, executive director of U.S. Term Limits, another advocacy group. Even in this year of the anti-incumbent, 91 percent of House members who ran were re-elected, he noted.

As these proponents of term limits see it, a steady
turnover in Congress would keep representatives in closer touch with the American people, break the power of seniority and reduce the influence of special interests.

(End optional trim)

This is, of course, not a new idea of democracy, but a very old one.

The delegates who came to the constitutional convention in Philadelphia were quite familiar with what were then known as "rotation" rules. Ten of the 13 new states limited the terms of their state representatives, and the Articles of Confederation the predecessor to the Constitution included a specific rotation rule for the Congress that governed the nation in the early 1780s. "No person shall be capable of being a delegate for more than three years in any term of six years," it said.

But the new generation of political reformers of that time attacked the rotation requirements as "leading to instability and confusion" in government, and "depriving the people of the right of choosing persons who they would prefer," wrote historian Gordon S. Wood.

Soon after the convention got under way on May 25, 1787, Edmund Randolph proposed what was called the Virginia plan for structuring the new federal government. It included a provision that would make members of Congress "incapable of re-election" after a certain period of service.

But on June 12, the delegates voted to reject that provision, and term limits were never again considered by the convention.

To make sure no new qualifications for Congress would be imposed, Alexander Hamilton added that the minimal requirements such as minimum age and residency in the state "are defined and fixed in the Constitution and are unalterable by the legislature."

The Supreme Court itself recited this history in the 1969 case of Adam Clayton Powell vs. John McCormack. Three years earlier, the House had refused to seat Powell who, though re-elected by his Harlem constituents, was accused of diverting House funds for his personal use.

Nonetheless, the high court ordered Powell to be seated. Because the Constitution sets open-ended requirements for federal representatives, Congress itself was "without power" to set new or higher standards for elected representatives, the court said.

(End optional trim)

In their briefs to the high court for the Arkansan case, lawyers for the Clinton administration and for Rep. Ray Thornton, D-Ark., cite the constitutional history and the Powell ruling as reasons for striking down state term-limits laws as violations of the Constitution.

Lawyers for U.S. Term Limits press two arguments.

First, they assert that the Constitution and the Powell ruling say Congress cannot add extra qualifications for representatives, but neither prevents the states from doing so.

The Constitution "contains no restrictions on state laws" concerning congressional representations, the brief says. It notes, for example, that laws in many states say felons cannot be elected to Congress.

Second, they argue that term-limits laws do not, in reality, legally limit a congressional veteran's term. Rather, they deny him the right to appear on the ballot after having served a certain number of terms. A popular incumbent could be elected as a write-in candidate, they say. This argument is buttressed by the fact that the Constitution gives states the power to set "the times, places and manner of holding elections for senators and representatives."

After hearing a 90-minute argument, the justices will vote privately in the Arkansan case. They are likely to issue a written ruling by June.

To Ralph Nader, the Consumer
Is Still King (Washn)
By Connie Koenenn
(c) 1994, Los Angeles Times
WASHINGTON The November midterm elections might signify a major watershed to most social analysts, but not to Ralph Nader. "It's probably the most vapid issue list in years," he says of the national campaigns. "It just shows you the voters are not organized to shape the agenda."

Partisan battles don't interest him since he considers both political parties to be fossils. "Just remember they have no full-time, they have no grass-roots it's all electronic combat raising money, writing checks and putting these absolutely ridiculous 30-second ads on TV."

In conversation, Nader, a towering 6 feet, 4 inches, is soft-spoken, but he's as intense as any politician.

He arrives at a neighborhood bookstore/coffeeshouse (a Nader hangout he dubs "democracy center") for an interview loaded with supplemental reading a Harvard Business Review essay on "Economics and the Oval Office," a flyer for his "Civics for Democracy Textbook" and other Nader-issued materials, all feeding into his overriding goal: to see consumers shaping the political agenda.

"Look at all we own as people, but don't control," he says. "We own the public airways, we own $4 trillion of pension funds, trillions of dollars in savings deposits and mutual insurance assets, all the public lands in America."

"These are enormous wealth, but we don't grow up saying, 'Gee, we own this together.' All we think about is owning a car, or a house."

Sipping cranberry juice and eating an oatmeal cookie (he is a semi-vegetarian), he discusses the gaps in the '94 campaign rhetoric.

Not only had health care disappeared from the national agenda, he notes, the candidates campaigning on the "crime issue" were talking about street crime, ignoring the kind of corporate crime Nader wants to hear critiqued: "The looting of pension funds, the bank debacle, occupational hazards, consumer frauds these are all taboo campaign issues.

"I think commercialism is more rampant today than any time in our history," he says. "It's attacking our other value systems our health and our safety."

At 60, Ralph Nader, the founder of modern consumerism, remains a full-time activist. Heading the Center for Study of Responsive Law, a few blocks up 16th Street from the White House, he reads, speaks, writes and travels nonstop.

(Nader attributes his passion for activism to his father, a Lebanese immigrant who ran a restaurant in Winsted, Conn., and imbued his son with the importance of civic responsibility in a democracy.

"What did you learn in school today?" his father would ask. "Did you learn how to believe? Did you learn how to think?"

Nader was reading the Congressional Record by age 14,
television interview. "If you want to deal with these corporate table," says Rosenfield, a former Nader's Raider.

Ralph "in the 1970s.

is legendary) and has never married. "Not having a family no-frills lifestyle that earned him the title of "St.

didn't want safety and we accepted it. We didn't even know food budget and improve their nutrition," he says. "We doesnt pause. "Read.

Any conversation with Ralph Nader gravitates back to the theme of citizen power. He whips out a little green CUB flyer that is mailed to all Illinois utility customers. "In Illinois they helped pass a utility reform package and saved ratepayers $3 billion," he says. Asked for his basic advice for today's consumer, he doesn't pause. "Read. "We can show any family how to save a third of their insurance bills." Why do too many Americans ignore the resources available to them? "Because we grow up corporate," he says, "We look at cars through corporate eyes, unless we think for ourselves. "So for many years they sold us style and told us we didn't want safety and we accepted it. We didn't even know what the safety devices were they were on the shelf somewhere in Detroit."

As Nader's empire has blossomed into a sophisticated network of consumer organizations, he has staked to the no-frills lifestyle that earned him the title of "St. Ralph" in the 1970s. He rents a small apartment, owns no car (his frugality is legendary) and has never married. "Not having a family was clearly a choice, a sacrifice," he once told David Frost in a television interview. "If you want to deal with these corporate abuses, you have to give up things. "You know how they say, 'He can drink anybody under the table'? Well, Ralph could work anybody under the table," says Rosenfeld, a former Nader's Raider.

Nader, who has been labeled everything from prophetic to the "national nag" over the years, acknowledges his passion for work, but he objects to suggestions that his life is monastic. Asked what he does for fun, he replies:

"What I do is fun. "I do enjoy life," he says, "I just don't enjoy conspicuous consumption. I like reading and conversing with friends. When I'm traveling, I like to visit things. I like to see a meat-processing plant or a coal mine."

Having already tackled the most obvious consumer issues, Nader is taking some different paths in the '90s. He campaigned in two 1992 New England presidential primaries, encouraging voters to write "None of the Above" on the ballot. Many wrote his name instead, and "interestingly, they were divided between Republicans and Democrats," he says.

His motive was to generate public discussion of his "Concord Principles," which outline tools for a new democracy. Asked to enumerate his most important accomplishments, Nader first offers a checklist of what he calls "transient victories," items such as seat belts, air bags, crash-worthy cars, better labeling on food, lower levels of lead in the environment.

And there have been what he calls "silent revolutions" in America's smoking and eating habits that have occurred despite the pressures of the marketplace. "The decline of tobacco and the improvement of nutrition are the consumer movement, but people don't see it that way. They see the consumer movement as the compulsory recall of cars."

Looking ahead, he sees health care remaining on the agenda, along with "the Big Brother aspects of a credit-card economy with all those electronic data bases floating around," and making the new technology accessible to everyone.

And he foresees the emergence of a third party. And, no, Nader wouldn't be a candidate. "I have a different role, on the outside, to build a democratic infrastructure."
Christopher has said that both Syrian President Hafez Assad and Israeli Prime Minister Yitzhak Rabin are seriously striving to reach an agreement that would end the Middle East's most bitter conflict and probably clear the way for a comprehensive peace between Arabs and Israelis for the first time since the birth of the modern state of Israel.

Both men are meticulous negotiators unwilling to complete an agreement until they are sure the details are just right. U.S. officials do not object to the painstaking negotiations, but they are becoming concerned that one side or the other might inadvertently scuttle the talks by pressing for more than the other side is able to give.

On each side, distrust of the other may be so pervasive that genuine attempts at compromise will be written off as empty posturing.

U.S. officials say the primary purpose of Christopher's frequent trips to Damascus and Jerusalem is to try to nudge the Syrian and Israeli negotiating positions closer together. But they say a major secondary objective is to try to reconcile the differences between the way the two sides view reality.

For most of this year, the Syrian leadership has been trying to reach out to the Israeli public and the American Jewish community to persuade them of Assad's good intentions. But most of the overtures have been a bit off-key, often because of Syria's idiosyncratic perceptions of history and reality.

When Shareh visited the United States in early October to attend the opening of the U.N. General Assembly, for instance, he made two highly unusual gestures toward Israel and its U.S. backers. He granted an interview to Israel television and he met with a group of American Jewish leaders. No one on the American side considered the visit unusual, but Shareh viewed it as confirmation of his belief that Jewish groups wielded undue influence on Capitol Hill.

Shareh's interview with Israel television was unprecedented. Most of the interview was diplomatically vague. But in response to the last question, Shareh infuriated many Israelis by insisting that Syrian gunners had never attacked Israeli civilian targets during the wars between the two countries. He said people who believe otherwise were misled by the "Zionist-controlled international news media."

Rabbi, Wound Policeman (Jerusalem)
By Michael Parks
(c) 1994, Los Angeles Times

JERUSALEM A rabbi was killed and an Israeli policeman wounded Sunday when two gunmen, believed to be members of a radical Islamic group, ambushed their car on Mount Hebron in the occupied West Bank.

Rabbi Amiram Olami, 36, head of a religious school in the small Israeli settlement of Otniel, south of Hebron, apparently was struck by several bullets when two gunmen opened fire with AK-47 assault rifles from the roadside.

Policeman Ehud Yitzhak, who had hitched a ride with Olami, returned the gunman's fire. Geared by two bullets in the ambush, Yitzhak was reported in good condition in Jerusalem's Hadassah Hospital.

State-run Israel Radio reported that an anonymous telephone caller said the military wing of the Islamic Resistance Movement, known as Hamas, carried out the ambush. "We will continue the attacks," the caller declared, speaking in Hebrew.

Lt. Gen. Ehud Barak, the Israeli military chief of staff, warned the Cabinet during its regular Sunday meeting that further attacks increasingly sophisticated, deadly and difficult to prevent are likely from Hamas and other extremist groups opposed to Israeli-Palestinian peace efforts.

Thirty-one people have been killed over the past two months in a series of such attacks by Muslim radicals, according to Israeli officials. There is now fear that extremists are preparing to repeat the deadly ambushes they carried out late last year, coinciding again with the Jewish festival of Hanukkah, which began at sunset Sunday.

Leaders of the 120,000 Jewish settlers in the West Bank blamed the attack on government plans to expand Palestinian self-government in the region and pull Israeli forces out of most Palestinian towns and villages in coming months.

Islamic Militants Step Up Violent Attacks on Intellectuals (Cairo)
By Kim Murphy=(c) 1994, Los Angeles Times

CAIRO, Egypt Rifaat Said always used to be one of Cairo's best-loved men-about-town, a man who relished nothing better than a good argument. As head of Egypt's leftist Tegamu Party, he could always be counted on to step out prominently on behalf of Egypt's abundant ranks of the disinherited and to ridicule, with his sharp pen, the excesses of Muslim fundamentalism.

But then Said started getting anonymous messages in the mail, like the one he received only a few weeks ago: "You dog," it said. "I'll kill you, you atheist. But I will not shoot you. I'll cut you with my knife, and I'll
throw your flesh to the dogs to eat, so you won't contaminate holy ground.

Said's life changed dramatically after such vengeful missives from Islamic militants started pouring in. Now he travels nowhere without his six machine-gun-armed bodyguards. His daughter ducked out of his car at a traffic light the last time she rode with him to school, overwhelmed by the gun barrels bristling out the back window that every once in a while the guards would click, tic-tic-tic, into firing mode.

Now when Said shyly lifts up his jacket, there's a gun in a holster underneath it. He doesn't go to parties anymore. He has nearly eliminated his lecture schedule at the American University of Cairo. He doesn't do weddings. His daughter ducked out of his car at a traffic light the last time she rode with him to school, overwhelmed by the gun barrels bristling out the back window that every once in a while the guards would click, tic-tic-tic, into firing mode. Now when Said shyly lifts up his jacket, there's a gun in a holster underneath it. He doesn't go to parties anymore. He has nearly eliminated his lecture schedule at the American University of Cairo. He doesn't do weddings.

Like an uneasily growing number of intellectuals and artists threatened by Islamic extremists around the Arab world, Said is on the run, but he's not hiding.

"When they assassinated Farag Foda (a prominent Egyptian secularist gunned down after engaging in heated public debates with fundamentalist leaders), many people stopped writing. I was the only one who continued attacking them," Said said with a little grin that seems startling under the circumstances. "Of course, I feel sympathy for my wife and my children. But what shall I do?"

While militant threats against writers, singers, actors and intellectuals have been a way of life in the Islamic world since the late Ayatollah Ruhollah Khomeini's death decree against British author Salman Rushdie, the last few months have seen a dramatic increase, reflecting the growing schism between Arabs committed to Islamizing society and those equally bent on maintaining free and open public discourse.

The knife attack last month on the Nobel Prize-winning novelist Naguib Mahfouz pointed up many of the debates that increasingly are polarizing Muslims at a time of traumatic political change in the Middle East: Mahfouz was attacked as an apostate for Zionism, as a protege of America and the West, as a symbol of Egypt's controversial cooperation in the peace process with Israel.

"The target of the assailants was not the person of Mahfouz but rather the image of Egypt in the international community," commented Cairo's leading daily newspaper, Al Ahram. "His international standing and persons are symbolic of the secular orientation of the Egyptian and Arab intelligentsia."

On the other side, Cairo cleric Sheikh Mohammed Ghazali, while deploiting the violence against Mahfouz, lashed out at the decision to publish for the first time this month an Egyptian book an invitation to "a second assassination in front of their families."

More than two dozen journalists have been assassinated in Algeria, which is locked in an increasingly violent clash between Islamic fundamentalists and the old regime. In recent months, attacks like these have escalated.

The aim of such attacks by militants does not seem to be to target the individuals' lifestyles, political analysts say, but rather to curb the ability of these intellectuals to move the body politic in a more secular direction, either through their music, books, newspaper columns or films. A common complaint of Muslim organizations is that access to the mass media in most Arab countries is limited to the government and government-approved organizations, most of which are essentially secular. (Secularists in Egypt, however, complain that the government airwaves have grown too religious in an attempt to meet the demands of the militants.)

"These people (intellectuals) do have an important secularizing influence, though in a very diffused manner," said Said Eddin Ibrahim, a prominent Egyptian writer and professor who has written extensively on the Islamic movements.

"That has become very clear, I think, in the last seven or eight months, when the artistic community rose up through its own creative work against the fanatic extremist Islamists," Ibrahim said. The writer cited a recent film by one of Egypt's most popular actors on a terrorist black list ridiculing Islamic militants and special anti-fundamentalist television programming during the holy month of Ramadan earlier this year.

"These programs have tremendous impact on public opinion. It actually isolated the extremists, and if there was a lull or downward turn in violence, it was mostly due to these kinds of programs, not the government's security measures," Ibrahim said.

Ibrahim himself has become a target of the extremists, most notably when he tried to organize a conference on Egyptian minorities in Cairo a few months ago. The Muslim Brotherhood-dominated biweekly newspaper Al Shaab issued a call to "use any means" to block the conference, which was to raise the controversial issue of relations between Egypt's Muslims and Christian Copts.

"The words 'any means' always translate to violence. That was a public invitation to any Islamist to take the law into his own hands," said Ibrahim, who at the government's request moved the conference to a neighboring country, Cyprus.

No Islamic groups have claimed responsibility for the Mahfouz attack, and indeed, some have condemned it, although government officials say some of the perpetrators arrested or killed are linked to the outlawed Gamaa al Islamiya, or Islamic Group. Islamists have praised Mahfouz for refusing even from his hospital bed to sanction the publishing of "Children of Gebelawi." But Egypt's notorious Sheikh Omar Abdel Rahman, the spiritual leader of the Gamaa al Islamiya who is awaiting trial in New York in the World Trade Center bombing case, said in 1989 that Mahfouz and Rushdie were alike: "Apostates, as are all of those who speak of Islam as evil. The judgment upon them is repentance, and for he who does not repent, death."

Mahfouz apparently still takes the threat seriously. His associates say the author considers republication of the book an invitation to "a second assassination attempt.

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The Central American presidents hope to use the upcoming summit to make a case for stopping illegal immigration by bolstering economic and commercial ties between their countries and the United States. They want increased access to U.S. markets and a shot at attracting more foreign investment as a way to make their economies stable enough to support an eventual return of exiles.

"We see this as being of mutual benefit, a two-way road," Nicaraguan Foreign Minister Ernesto Leal said.

Calderon Sol agreed: "The United States is going to have immigrants with laws like 187 and without them, with extended stays and without them because that is the reality. The people of Central America will go to the United States, or they will go elsewhere, in search of better living conditions if they don't find them in their countries."

Clinton and 33 of the hemisphere's heads of state begin the three-day summit in Miami on Dec. 9, the first such meeting in 27 years.

Given Clinton's newly weakened position, however, it remains unclear whether the plea of the Central Americans will have much impact. U.S. officials in Central America seem to be preparing for the inevitable, seeking to emphasize the potential benefits of returning, highly skilled, U.S.-trained exiles.

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Former President Wins
Close Uruguay Race (Montevideo)

By William R. Long

(c) 1994, Los Angeles Times

MONTEVIDEO, Uruguay Former President Julio Maria Sanguinetti won presidential elections in a close, three-way contest Sunday, according to projections based on incomplete official returns.

Sanguinetti, 58, and his traditional Colorado Party defeated the governing National or Blanco (White) Party and the leftist Broad Front coalition, the polling firm Cifras declared. Its projections gave the Colorados 33.5 percent of the vote against 31 percent for the Blancos and 30 percent for the Broad Front and its allies.

In declaring Sanguinetti the winner early Monday, Cifras said the trend was "irreversible." Projections by another firm, Equipos Consultores, confirmed Sanguinetti's victory.

Sanguinetti will take office March 1, five years after ending his first term. The veteran political insider previously served as a congressman, minister of industry and commerce and minister of education and culture. He will succeed Blanco President Alberto Lacalle.

During the campaign, Sanguinetti portrayed himself as a social democrat. He criticized Lacalle for rushing into the Mercosur free-trade agreement with neighboring South American countries without adequately preparing Uruguay for foreign competition.

A total of 20 presidential candidates were running. Sanguinetti's closest rivals were lawyer Alberto Volonte and former Interior Minister Juan Andres Ramirez of the governing Blanco Party, and Socialist physician Tabare Vazquez of the Broad Front coalition.

The race marked the first time that a third political force has seriously challenged the Colorado and Blanco parties, which have dominated Uruguayan politics for 158 years. The Broad Front coalition includes Vazquez's Socialist Party, the Communist Party and former Tupamaro guerrillas.

In 1973, when Tupamaro violence shook Uruguay's political foundations, the armed forces shut down the Congress and imposed a harshly repressive regime.

Sanguinetti, elected in 1984, was the first civilian president after military rule.

Sanguinetti's Colorado Party lost power in 1989 elections, and Blanco President Luis Alberto Lacalle took office in March 1990. The constitution bars presidents from running for successive terms.

The leftist Broad Front was 21 percent of the vote in 1989, nearly 18 percentage points behind the winning
Blancos. Analysts attribute the growth of the Broad Front partly to Vazquez's popularity in Montevideo, where he was mayor until July.

Voters also have grown impatient with Uruguay's slow economic recovery under Colorado and Blanco administrations after decades of stagnation and decline, the analysts say. Many young Uruguayans, less steeped in the two-party system than their parents, voted for the third force.

(Optional add end)

Sunday's balloting was also for mayors and members of Congress. The next president, who takes office March 1, will face the challenge of getting legislation through a Congress in which an array of opposition parties will hold an overwhelming majority.

Another challenge for the five-year administration will be adjusting Uruguay's small economy to Mercosur, southern South America's new free-trade area. Beginning Jan. 1, Mercosur eliminates import tariffs among Argentina, Brazil, Paraguay and Uruguay.

The market of 200 million people offers new opportunities for Uruguayan industry and agriculture but also opens them up to competition from stronger and more advanced producers.

Uruguay is the smallest Spanish-speaking country in South America, with 3.2 million people; 2.3 million are registered to vote.

The Uruguayan constitution allows more than one presidential candidate from each party, and at the end of election day, each party's first-place candidate gets all his party's votes. The Colorado Party had four presidential candidates in Sunday's race, the Blanco Party three and the Broad Front one.

In an August referendum, voters rejected a package of electoral reforms, including a measure limiting each party to one presidential candidate. President Llacalle said Sunday's profusion of candidates has made it clear that such reforms must be undertaken.

"It is necessary for parties to hold primary elections, to have only one candidate for each party," he said.

U.S., South Korea Anxious to Do Business With North Korea (Seoul)

By David Holley=

(c) 1994, Los Angeles Times=

SEOUL, South Korea There may well be no stranger place on earth to try to do business than North Korea, ruled by the world's last surviving Stalinist regime.

While other Communist governments have collapsed or embraced a significant degree of market economics, the hard-line rulers in North Korea still exert rigid control over social and economic life. Few foreigners are allowed in, and they are closely monitored.

Nevertheless, enthusiasm for doing business with the north is sweeping through South Korea's business community in the wake of a U.S.-North Korean agreement last month that eased tensions over the north's apparent efforts to build nuclear bombs. Under the agreement, North Korea is to give up its ability to produce plutonium in return for economic aid and diplomatic links with the United States.

Even members of the American Chamber of Commerce in Seoul have begun thinking seriously about opportunities in the north, despite U.S. laws that currently bar Americans from business dealings there.

"There's a wave of enthusiasm running through our chamber," said James H. Riddle, chamber president. "That... is local management. When you get back to headquarters in Chicago (they may say): "Huh, what? North Korea? Are you kidding me? Get this kid outta here. He's mad. Better transfer him out of Seoul. He's been there too long.""

The obstacles to significant levels of South Korean investment in the north remain huge, and barriers are even greater for U.S. business.

But there is also a powerful economic logic to expanded ties between the prosperous south, with its 44 million people, and the much poorer north, with a population of 22 million. And many South Koreans already see the world's 12th-largest economy with a 1993 gross domestic product of $329 billion with the north could create a new East Asian powerhouse.

Cooperation would benefit both sides, said Park Soon Seo, general manager for planning at Ssangyong Corp. "We have capital and some technology to provide to them, and they still have enough available land for factories, and manpower. Once we unite...we will have a powerful synergy effect."

During a brief period of Korean detente in 1991 and 1992, the two sides pledged to open direct trade and investment, and some South Koreans visited the north. But South Korea banned such visits last year when tensions erupted over North Korea's nuclear program.

South Korean President Kim Young Sam lifted the ban after last month's Washington-Pyongyang accord, saying it was time for the two Koreas to cooperate "to establish an economic community."

North Korea's first response was a nasty propaganda snarl. "The proposal of the traitor was...a camouflage for concealing the dark designs of the puppets for national division and total confrontation," the north's official Korean Central News Agency declared.

But southerners dismissed this as typical Pyongyang rhetoric.

A Samsung Corp. official, who spoke on condition of anonymity, said the company has kept in touch with North Korea developments through a "messenger" of Korean ethnicity but foreign citizenship, who visits the north every month. Samsung recently received an invitation to send a high-level company delegation to the north before the end of this year, and plans to do so, the Samsung official said.

Few in Seoul believe that the north can maintain the rigidity of its system for more than a few more years. Battered by a cut-off in Russian aid, the north's economy 15 times smaller than the south's economy has been shrinking for four years.

Many here think that the government of Kim Jong II, son and designated successor to the late President Kim Il Sung, can avoid collapse only by embracing Chinese-style economic reforms that would open up the country.

"The north will be a favorite hunting ground for South Korean 'chaebols' (big business conglomerates), and American companies will be playing follower," Riddle said.

A senior U.S. official who visited Seoul in November with Secretary of State Warren Christopher said that an eventual easing of restrictions on U.S. economic ties with North Korea "is part of the general goal" of the recent Washington-Pyongyang agreement.

"But there's no set game plan," added the official, who spoke on condition of anonymity.

South Korean companies already conduct indirect trade with the north, worth $232 million in the first eight months of this year, up from $25 million in 1990. Financial arrangements are handled through intermediaries in third countries, such as China or Hong Kong. Ships must fly third-country flags, but after sailing from South Korean ports into international waters, they head directly to North Korea.

Shoes and jackets are among items that North Korean workers make for Ssangyong, Park said.

"We supply some raw materials to North Korea, and we...
let them make things, and we buy it back again and sell to other countries," he explained. "We found that the quality made by North Korea was acceptable. The labor cost is cheaper than in South Korea, and we are using the same language, and geographically we have no problem at all for transportation."

Yet Ssangyong's partners remain mysterious to the southern firm. "We call it 'blind business,'" Park said. "We don't know who makes our products for us. ... If one day the middleman disappears, then the business disappears."

(Original add end)

While South Koreans are interested in the relatively developed Pyongyang area only 120 miles northwest of Seoul North Korea's main interest is in attracting investment to a special economic zone now under construction near its northeastern border with China and Russia.

This area includes the small cities of Najin and Sonbong but lacks the electric power, telecommunications, transport and other infrastructure needed for modern business activities. It has only two main attractions: its remoteness from North Korea's population centers and its proximity to China and Russia.

The idea of attracting foreign investment to a lonely corner of the world's most isolated nation may seem absurd. Yet business people and analysts in South Korea take the Najin-Sonbong zone quite seriously because they believe that North Korea is desperate for development and while imposing restrictions, will make the areas attractive to foreign investors.

North Korea "will set up these special economic zones one by one," Yoo Jung Ho, a Korea Development Institute scholar, predicted. "They'll try to get foreign currency and some economic development. But they'll try to maintain the politics and the society and all the rest as usual in the rest of the country."

Under this scenario, Yoo acknowledged, South Korean and other foreign investment may help prolong the Communist dictatorship in the north by throwing it an economic lifeline.

On the other hand, fear of the disruption in the south should the North Korean government suddenly collapse is a factor encouraging big corporations to consider investing in the north.

"We don't want 20 million people coming down to the south and getting jobs in Seoul," said Bae Soon Hoon, president of Daewoo Electronics Co. Ltd.

A desire to do something on behalf of North Koreans is especially strong among those southerners whose roots lie in the north.

"The founder of this company, the chairman, is from Pyongyang," explained Nam Sang Eun, president of Young Chang Musical Instrument Co. Ltd., which hopes someday to move into the north for both piano production and sales.

"Those who fled from North Korea here and became successful businessmen always have this debt in their mind to pay back: 'I should do something for my hometown.'" Young Chang also has solid business reasons to want to move into the north for both piano production and sales, Nam said. "North Korea still has quality labor with low wages; North Korea itself as a market has great potential," he said. "If their economic level goes up and demand for this kind of cultural item grows, it will be a huge market itself."

Superpowerdom: Is It the Mantle America Needs to Wear?

(c) 1994, Los Angeles Times=
The following editorial appeared in Sunday's Los Angeles Times:

Just a few years ago the United States was enjoying what surely must be counted as among its most remarkable foreign policy achievements of the last 200 years, and its political leaders were proudly proclaiming America's new post-Cold War status as the world's only superpower. That claim is seldom heard anymore, at least on an official level. Superpowerdom, it seems, is now perceived not so much as something to boast about as a burden to bear.

True, the United States, by virtue of its still formidable military strength, its massive economy and the complex web of trade, commercial, diplomatic and security ties it has spun around the world, unquestionably remains the dominant international power. True, also, that much of the world continues to insist that the United States lead in moments of international crisis or distress, and often seems prone to sink into a kind of stuporous inertia if Washington passes on the opportunity to do so. The leadership role has by no means been abdicated. But Americans are also clearly in no hurry to undertake new adventures or responsibilities abroad.

There are few signs at the same time that Americans in any significant numbers are being attracted to isolationism, though neo-isolationist voices at both extremes of the political spectrum are being raised. Instead Americans not unreasonably want to hear their political leaders make a convincing case that accepting any new international obligation in fact serves their country's interests, foremost of which are protecting its security and furthering its economic well-being.

Throughout most of its history the Cold War took precedence when it came to apportioning the nation's resources and making choices about what the United States should do abroad. Now priorities have been largely reordered. Walt Rostow, economist and former presidential security adviser, probably speaks for most Americans when he says, "If we wish to have increased influence in the world we must first regain our international competitiveness and show an ability to pay our own way." Samuel P. Huntington of Harvard's Institute for Strategic Studies agrees: "The consequence of a failure to renew our economy is a decline in our relative (global) power."

At the academic level today, if not yet very loudly in the political arena, the old debate between foreign policy 'realists' and 'idealists' simmers on.

As David Callahan defines the issues in his book "Between Two Worlds," the argument is between those who would pretty much maintain the U.S. global outlook of the last half-century, with its emphasis on national strength to promote international stability, and those who call for "more ambitious U.S. initiatives for promoting democracy, sustainable development and collective security," all to be funded out of sharply reduced defense spending.

In the real world in which policy-makers must try to find their way such an either-or approach is of little practical use. An effective foreign policy has no choice but to deal with the world as it is rather than as theorists would like it to be.

At the same time a foreign policy that ignores basic American values is morally as well as politically unsustainable. Even a rigorously "realistic" approach to the world must maintain an active commitment to human rights and support for fledgling democracies.

The issue is one of emphasis. Graham Fuller, a senior political scientist at RAND, argues that "creating a community of like-minded states should be the underlying
principle that drives most of our foreign policy," since "it is a matter of historical fact that democratic states do not fight each other."

Expanding the world's democracies and encouraging the growth of market economics stated goals of the Clinton administration are noble objectives. But in a world composed of vastly different cultures with their own particular notions of how society should be organized, how effectively can U.S. policy pursue these goals?

Leslie Gelb, president of the Council on Foreign Relations, notes that "most Americans now understand that democracy is a state of grace not readily attained and not within their power to impose. Nor are they eager to expend lives and resources to transform sinkholes into free enterprise paradies." Edward Luttwak, president of the Center for Strategic and International Studies, is equally blunt: "States require a cultural basis for democracy, and if they do not have it, it is nonsense to suppose that the United States can create or sustain such an atmosphere."

None of this means the United States should forget about trying to promote its most basic values, only that its ability to do so must be weighed pragmatically. Princeton's Richard Falk is one of those who believes that "the primary aim of U.S. policy should be to maintain stability. Efforts to build democracy and protect human rights, while valid, must remain peripheral." Moreover, recalling the Clinton Administration's dismal and humiliating retreat on its China policy, "we should reject any linkage between access to U.S. markets and human rights performance by specific states."

Graham Fuller agrees, at least in part: "The causal relationship between economic and political liberalization is sufficiently complex that we should consider striving for the former instead of the latter in certain cases, as with China ... some double standards (in trying to promote American values) are inevitable."

Double standards are hardly novel in international relations. Our government, for example, routinely deplores abuses of human rights in, say, Iran, an antagonist, while keeping mum about the absence of many freedoms in, say, Saudi Arabia, a friend.

Most governments, doing the same thing themselves, tend to overlook such inconsistencies. But foreign governments, especially unfriendly ones, can be brutally unforgiving when Washington's approach to larger issues is seen to be marked by uncertainties, confusion or inconstancy. The Bush Administration gave Saddam Hussein good reason for misreading American intentions before he invaded Kuwait. Similarly the Clinton Administration's record of strong words but weak actions in regard to Bosnia, Somalia, North Korea and Haiti at best can be seen to have invited international confusion and derision. At worst it invites a dangerous testing of U.S. will.

Inconsistency or instability is punished in world politics, warns Edward Luttwak. What the United States needs, he says, is "a policy that maximizes its credibility and minimizes our need to actually intervene." Often, he adds, "the message an action or inaction sends is even more important than the policy itself."

By its very nature, the long and sometimes perilous competition with Soviet-led communism elicited a host of U.S. commitments around the world, some of which it's clear now had only the most marginal connection with real national interests. That era has ended. But precisely because it seeks a stable world in which its own and other economies can flourish and where humane values can be advanced, the United States is destined to remain deeply involved in world affairs.

What should be the nation's strategic priorities? There's broad agreement that domestic economic renewal must be at the top of the list, for without a vigorous economy U.S. influence and credibility seem sure to decline. Political influence and diplomatic influence are not, of course, always effective in deterring threats to peace and security. That's why it's essential that adequate American military power be maintained, with particular priority given to high-tech "smart" weapons and an ability to move rapidly. But direct U.S. military engagement should be undertaken only when strategic interests clearly demand it. The Persian Gulf War, with its threat to world oil supplies, was such a case; Somalia and Bosnia are not.

Since indecision and imprecision among policy-makers so clearly weaken America's political, diplomatic and moral standing, consistency in stating and carrying out strategic policies is vital. The President and his top officials must be prepared to put deedsand, if need be, military power behind their words. That could require acting unilaterally when national interests warrant doing so. More often, it will likely mean participating as part of a larger collective effort.

"Multilateralism, for good or ill, almost always requiring American leadership, has descended on the world," notes Leslie Gelb. The key words in that sentence are American leadership. Can it rise to the myriad and largely unforeseen challenges that the post-Cold War world presents?
Starr rejects Susan McDougal's offer to testify

By Jerry Seper

 whitewater figure denied immunity

The Washington Times

Kenneth W. Starr, the White
water independent counsel, has
rejected an offer by Susan H.
McDougal to testify in the White-
water investigation in exchange
for "total immunity" but her at-
torney hopes a deal can still be
reached.

Facing an indictment, Mrs. Mc-
dougal, a member of the Whitew-
ater Independent Counsel corpo-
ration, offered to cooperate in the
federal Whitewater grand jury
probe. She did not specify what
she would testify to.

In a draft of a letter to Mrs.
McDougal, the Starr team said
she was being asked to testify
against a former Madison Executives
Inc. executive who is under ques-
tion in the Madison Madison-
water investigation.

The letter and draft were kept
secret until a federal judge in
Arkansas ordered them released.

Mrs. McDougal, who is on
trial for 17 criminal charges in
the Madison-madness, said she
would like to cooperate with the
prosecutors but there had been
no contact from the Starr team.

Mr. McDougal, who is under
indictment for fraud, has offered
to cooperate in the Madison in-
vestigation but only on the con-
dition that he be granted "total
immunity against anything that
may be voluntarily made by him.

Mr. McDougal's offer was re-
jected by the Starr team.

Mrs. McDougal, through her
attorney, Bobby McDaniel, said
she does not know about sus-
pected wrongdoing in the
Madison-Madison case.

"Susan McDougal is not look-
ing to help convict anyone," she
said. "I have no interest in con-
cerning myself with the spec-
tial interest involved in the
Madison-Madison case."

Mrs. McDougal, who is on
trial for 17 criminal charges in
the Madison Madison-water in-
vestigation, said she would like
to cooperate with the prosecu-
tors but there had been no con-
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The letter and draft were kept
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Bentsen, Dole see GATT win
Treasury chief says vote will be close

By David R. Sands
THE WASHINGTON TIMES

It's gut-check time for GATT.

The Clinton administration and congressional supporters expressed qualified optimism yesterday that the House and Senate will approve the global trade deal in climactic votes this week.

"I don't think it's any slam dunk... but I think we're going to win it," Treasury Secretary Lloyd Bentsen said yesterday in an interview on CBS-TV's "Face the Nation."

"I think [support] is going to be fairly widespread," added Sen. Bob Dole, Kansas Republican and minority leader, in a separate interview on NBC's "Meet the Press."

But Mr. Bentsen pointedly declined to say the administration has nailed down the votes it needs in the Senate, where Thursday's vote is expected to be close. The

GATT AT A GLANCE

Key provisions of the General Agreement on Tariffs and Trade:

- Tariffs: The border taxes imposed to put imports at a competitive disadvantage will be reduced worldwide by an average of 38 percent.
- Duty free: In some cases, tariffs will be eliminated entirely. The portion of products entering the United States duty free will increase from 10 percent to 40 percent. For industrialized countries worldwide, the percentage will rise from 20 percent to 44 percent. Products that will become duty-free, some after a phase-in period, include beer, toys and paper products.
- World Trade Organization: A permanent WTO will be created to replace GATT. It will have more power to enforce rulings in trade disputes, primarily through the elimination of the current one-country veto.
- New areas: The rules of world trade will be expanded to cover agriculture, services such as banking and insurance and the protection of intellectual property rights.

Source: Associated Press

House votes tomorrow, with the agreement expected to pass handily. "It's not wrapped up," Mr. Bentsen said. "I think we still have our work to do."

The complex pact, concluded by more than 120 nations under the General Agreement on Tariffs and Trade, would lower tariffs and other trade barriers around the world. President Clinton has called GATT "the biggest tax cut in history," saying the lower tariffs and expanded trade opportunities will boost U.S. growth and cut consumer prices.

But critics contend the agreement will hurt specific U.S. industries, expand the federal budget deficit, and subject a range of U.S. environmental, health and safety laws to a new international trade bureaucracy through the proposed World Trade Organization.

Opponents kept the pressure on Mr. Dole, whose decision to support GATT last week greatly boosted its chances in the Senate. Treaty opponents in his home state of Kansas took out full-page newspaper ads criticizing Mr. Dole's stand.

Texas billionaire Ross Perot, a staunch opponent of the pact, threatened last week to form a third party if Congress approved the GATT.

But Mr. Dole said yesterday that reassurances he received from the administration about the World Trade Organization persuaded him to support the pact. He also played down the political fallout from the GATT vote.

"I campaigned in 47 states the last year and a half," Mr. Dole said yesterday, "and I'll bet we didn't have 10 questions on GATT. This was not a big issue in the 1994 election."

Mr. Perot is part of an unusual coalition that opposed last year's free-trade agreement with Mexico and has staged a reunion to try to defeat GATT. His allies in the fight include conservative columnist and fellow presidential candidate Patrick Buchanan, the Rev. Jesse Jackson and consumer crusader Ralph Nader.

The House vote requires a simple majority, but treaty supporters in the Senate will have to muster a three-fifths majority to clear a procedural hurdle related to GATT's effect on the federal budget. A number of senators have not said how they will vote on the politically sensitive budget issue.

Mr. Bentsen said yesterday he remained optimistic about this week's votes, if only because of the consequences if the United States turns down the agreement, which has been under negotiation since 1986.

Less than a third of the GATT nations have formally ratified the accord. Most are waiting for the U.S. vote before taking action. Without U.S. membership, trade analysts say the World Trade Organization would not get off the ground.
Dole brands U.N. a failure in Balkan war

By Rowan Scarborough


"I think it's also going to have a 'classic failure' problem," he said on NBC-TV's "Meet the Press." "They are almost becoming powerless to affect the fighting unless U.N. officials request air strikes.

The NATO-U.N. stalemate is the best way to end the 32-month war, Mr. Perry said. "It would lead to more violence, and no, I am not in favor of a unilateral lifting of the embargo." Mr. Dole's attack on the United Nations comes as key GOP Senate and House members plan a critical overview of the Clinton administration's relationship with the world body.

The criticism began early in the administration, when U.N. officials in Somalia persuaded the United States to have American soldiers join in a failed manhunt for a fugitive warlord. Mr. Akashi should leave his posts for "somebody with a new perspective." Earlier this month, the United States ended one small element of the arms embargo by no longer diverting ships carrying weapons to Croatia en route to Bosnian government forces.

But key Clinton policy-makers are advising him not to lift the ban completely and supply the Bosnians with American weapons. "A unilateral lifting of the embargo would, without question, drive the U.N. forces out of Bosnia," Mr. Perry said. "It would lead to widening of the war, it would lead to more violence, and no, I am not in favor of a unilateral lifting of the embargo.""
Turkey's 10-year war gains higher profile

By Reuf Kaplan

ANKARA, Turkey — They used to call it the war the world forgot. But in the midst of a renewed military offensive, the Turkish government's 10-year struggle with the Kurdish Workers Party (PKK) is starting to attract attention.

Reports tell of an intensifying struggle that has already killed some 13,000 people. More than 1,000 villages in the remote southeastern provinces, home to most of Turkey's Kurds, are said to have been destroyed, displacing an estimated 1 million people.

Just yesterday, the military reported killing 16 PKK guerrillas during fighting in the southeastern Turkish province of Tunceli and seizing large quantities of food, clothing and medications from winter supply depots.

"The fighting is as bad as ever," said a Western diplomat in Istanbul, who added he saw "no easy solution to this conflict."

While Turkish officials and PKK guerrillas trade charges over who is more responsible for the destruction, thousands of civilians Kurds have fled the country in recent months for the safety of U.N. refugee camps in Iraq.

Turkish newspapers reported Saturday that PKK leader Abdullah Ocalan has written to several international figures and organizations with proposals for ending the conflict.

But Turkey has so far rejected all PKK offers, and army spokesmen said last week that the organization was retreating and preparing for a "new supposed peace proposal in order to recover and survive the winter."

The conflict — which nearly everyone in Turkey now admits has escalated into a full-blown war — has recently attracted the attention of the Western allies. NATO officials are concerned about reports its weapons are being used against the Kurdish popular population. The United States and the United Nations question what the fighting means for the situation in Iraq, where Operation Provide Hope has been protecting that country's Kurds from Saddam Hussein since 1991.

But the immediate issue is a simple one for many Turks, who say the PKK is a violent terrorist organization that must be defeated. "Turks overwhelmingly believe most Kurds do not support the PKK," said one university professor in Istanbul. "Any proposal to secede would be overwhelmingly defeated."

"If it were up to me, I would say that PKK must be defeated," said Prime Minister Ismail Hakki Ciller, who added he saw "no easy solution to this conflict."

Western human rights groups also believe most Kurds do not support the PKK's stated goal of establishing an independent Kurdish state.

"The fighting is as bad as ever," said a Western diplomat in Istanbul, who added he saw "no easy solution to this conflict."

The speaker of the national parliament and Mrs. Ciller's own human rights minister have demanded an end to what they call the destruction of hundreds of villages.

"It is the state that is evacuating and burning villages. In the southeast there are 2 million people left homeless," Azimet Koyluoglu, minister for human rights, was quoted as saying last month in the Turkish daily Cumhuriyet.

Deputy Speaker Kamer Genc, himself of Kurdish descent, said villagers are voluntarily leaving their homes for the safety of the camps.

Western officials are publicly queries over the issue, but privately they dismiss the government claims.

"They say the villagers are fleeing Kurds — and no doubt some are. But there has been a lot of forced relocation," said one official who said he has traveled frequently to the southeast and interviewed a number of villagers and local officials.

"The government denies accusations that villages are being burned and their inhabitants forcibly relocated. Officials blame the inflammation on the PKK and say villagers are voluntarily leaving their homes for the safety of the camps. Western officials are publicly queries over the issue, but privately they dismiss the government claims."

"It's the classic example of what we call the body-bag syndrome," said the diplomat. "As both Turks and Kurds see more and more of their people killed, they are less and less willing to talk about making peace."

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The Washington Times

Kurdish Workers Party militants are spread throughout the Middle East, such as this group in the Bekaa Valley in eastern Lebanon.
Police probe Jarvis' battle against recall petition

by Adagene Fynn

District police are investigating allegations that D.C. Council member Charlene Drew Jarvis used government employees, money and equipment to fight a recall effort aimed at her.

John Chagnon, an accountant, said he will meet tomorrow with Metropolitan Police internal affairs officers to discuss his complaint about a letter Mrs. Jarvis sent to constituents in Ward 4, where Mrs. Chagnon lives and with which he is familiar.

Dated Sept. 7, the letter contains Mrs. Jarvis' defense against Mr. Chagnon, who has been a critic of the Ward 4 council member's letter violates laws that forbid public officials from using public resources for personal or campaign purposes.

"When something seems so blatant as this, it shouldn't be an issue," Mrs. Jarvis said of the Jarvis letter.

Mrs. Jarvis has collected about 1,000 signatures toward the minimum of 5,000 valid voter signatures required to place the recall question on the ballot. He has until March to collect the rest.

The accountant said he decided to campaign for a recall after regularly reading the D.C. Register. He then decided to press his complaint about the Jarvis letter with the city's Office of Campaign Finance, the Board of Elections and Ethics and the Department of Administrative Services.

If Mr. Chagnon is successful in gathering enough signatures, the city will hold a special election on the recall question in Ward 4 within 120 days of the date the signatures are filed, he said.

Mrs. Jarvis' letter was written on official D.C. Council stationery and mailed in a council envelope. Mr. Chagnon believes the letter was produced by Mrs. Jarvis' council staff. He also said that the city's Office of Campaign Finance, the Board of Elections and Ethics and the Department of Administrative Services.

The city council will hold a special election in Ward 4 in March to fill Mr. Chagnon's seat.

Mr. Chagnon said he got the runaround until he turned to Metropolitan Police internal affairs division of the Police Department.

Lisa Neuman contributed to this report.

By Adagene Fynn

The Washington Times

MONDAY, NOVEMBER 28, 1994

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Contrasts mark Senate battle for Democratic leader

By J. Jennings Moss
THE WASHINGTON TIMES

They represent different periods in the Senate's history. They have sharply different political styles. They're battling each other to take charge of the Democrats' recovery in the Senate.

Both Sen. Tom Daschle of South Dakota and Sen. Christopher J. Dodd of Connecticut say they fully realize the problems Democrats face now that they have lost not only the Senate but the House as well. On Friday, their colleagues will choose one or the other to replace retiring Democratic leader George J. Mitchell of Maine.

The question, then, is how would each define the Democrats' legislative agenda, which Republican initiatives would they work with and which would they fight, and to what extent would they find a voice that is different from their Democratic president.

"I don't think this ought to be a test of who can be the most mean and the most confrontational but who can be the smartest, who can be the most aggressive advocate for our caucus and who can effectively represent the geographic diversity that our caucus currently has," says Mr. Daschle, 46.

Mr. Dodd, 50, agrees that confrontation is not the most important weapon in the arsenal of a leader, although he paraphrases Rep. Newt Gingrich, expected to be the first Republican House speaker in 40 years, when he says: "I can be what I have to be. Those who know me best know me the longest. They recall those days when we were very aggressive in the House of Representatives on a number of fronts."

"To some extent, Mr. Dodd and Mr. Daschle see the root of the Democrats' problems in different ways," Mr. Daschle thinks the party has moved away from being the advocate of the middle class. A clear example of the division can be seen on their views on how Congress dealt with health care reform.

Mr. Daschle was more diplomatic, but he needs a see a seamless for Senator Democrats to cultivate a unique identity. "A leader's first responsibility is to his caucus... We ought to co-operate as closely as we can..." Mr. Dodd drew the sharpest distinction on how a Democratic minority should deal with their own president.

With his criticism of Mr. Clinton's handling of health care, mainly that the administration did not consult with Congress, Mr. Dodd drew the sharpest distinction on how a Democratic minority should deal with their own president.

"Clearly, I'd love to see the president succeed," Mr. Dodd says. "But I don't want to see the president gain political ground at the expense of Senate Democrats. That's not going to happen. Forget about it or he'll find strenuous opposition."

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Democrats ponder loss of the white male vote

Group's anger propelled GOP

By Peter A. Brown

Democratic and Republican leaders agree on one conclusion: Angry white men fueled the GOP landslide and could consign Democrats to long-term minority status.

"We have to find a way so the average white male feels he can be part of the Democratic Party again," said Rep. Bill Richardson, New Mexico Democrat, who is also vice chairman of the Democratic National Committee (DNC).

A 41-member group convened in Williamsburg last week to plot their agenda in Congress and state governments.

GOP pollster Neil Newhouse told them the key to victory had been "angry white men" fed up with Democrats they see as alien to their views, values and best interests.

"They voted for Bill Clinton in 1992 believing he was 'Bubba.' They are disappointed, they are ticked off, and they took it out on him and the Democrats," Mr. Newhouse said.

Exit polls showed that white men, who made up 40 percent of the electorate, voted Republican by a margin of 63 percent to 37 percent. That was 5 points less than Democrats had received in any congressional election since 1980.

"Across every age, education or income grouping, white men were much less likely to vote Democratic. The alienation was greatest among white men with high school diplomas or some college but without a four-year college degree," Mr. Newhouse said.

"Democrats, who win when they get 45 percent plus of white votes plus 90 percent of black votes, have had greater problems attracting white men than white women," Mr. Newhouse said.

"Many white men believe that affirmative action and minority set-asides would drive them away. Their perception is that Democrats strongly support minority in America that is being pushed aside for others. They feel they are the last minority in America that is being discriminated against."

"What we see in our focus groups and our polling is concern that every time change has happened they are the ones who get stuck," Mr. Newhouse said.

"They worry more about governmental intrusiveness than do members of other groups. California Democratic Chairman Bill Press said white men see Democrats as "the party of the have-nots. That is a problem. We have lost our appeal to the haves. The haves are heavily white males, angry white males. I think we are doing a lot that appeals to white males, but the perception is that we don't care about them, that we have left them behind, that we take from them and give to others."

"The other factor, all sides agree, is resentment about Democratic programs that to many white males seemed aimed at helping blacks, Hispanics and women but not them. Many white males believe that affirmative action and minority set-asides programs that Democrats strongly support unfairly penalize them."

"What we see in our focus groups and our polling is concern that every time change has happened they are the ones who get stuck. When change comes, they are the ones who have to take the bullet," said Minnesota Democratic Chairman Rick Stafford.

"We have to make clear that affirmative action is not quotas, and I think white males equate that with quotas, and we have to make absolutely sure that it doesn't mean that. It is important to promote diversity, but I think you can do it without sending a signal that the white male is not welcome," said Mr. Richardson, the DNC vice chairman.

"We have to make clear that affirmative action is not quotas, and I think white males equate that with quotas."

— Rep. Bill Richardson

"South Carolina may be the best evidence of the trend. For the past several years fewer than 20 percent of white men have told pollsters they consider themselves Democrats."

"The answer is not to become Republican lite."

GOP pollster Newhouse said the Democrats are prevented by their own coalition from branching out. To do some of the things that might attract white males — advocating smaller government, cutting taxes or ending some racial preference programs — would drive away core Democrats.

"Understanding their problem and being able to do something about it are two entirely different things," Mr. Newhouse said.

"I think they are threatened, we have to be there for their jobs. We have to make sure our programs are not threatening jobs of white males."

"But Don Schweitzer, political director of the Democratic National Committee, cautions: "What we should not do is change who we are. The answer is not to become Republican lite."

"We don't care about them, that we don't care about them and we're on the same boat and that they are literally being pushed aside for smaller government, cutting taxes and ending some racial preference programs," said Minnesota Democratic Chairman Rick Stafford.

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Fraud probes pose next obstacle to DIA's '95 opening

By Valerie Richardson

DENVER — Exactly three months before its latest opening date, Denver International Airport should become a non-starter in landing. Instead, the embattled project is experiencing the roughest ride of its turbulent flight.

A recent series of disclosures and investigations over the $3.8 billion — and counting — state-of-the-art airport has mired city officials in a seemingly bottomless pit of controversy. And, this time, it's not just a $3.8 billion system causing the problems.

About a dozen federal and local probes involving the airport — originally scheduled to open in October 1993 — are under way. They include:

• A U.S. Securities and Exchange Commission investigation into whether the city intentionally misled bondholders when it assured them that the automated, still-malfunctioning baggage system would not delay the airport's opening.

• A federal grand jury probe into the airport's construction firm, Ball, Ball & Brosamore Inc. of California, knowingly used weak, substandard materials and cut corners.

• A city investigation into accusations that four of the project's contractors hired minority- and female-front firms in order to meet the city's lofty affirmative-action goals.

Last month, in a speech prepared by the Senate aide involved in shaping GOP initiatives on drugs and crime, Mr. Gilman said, "The president has let this matter go to pot, so to speak," said one Senate aide involved in shaping anti-drug initiatives on drugs and crime. "He has not used the bully pulpit of his office to discourage drug use. To the degree someone with his stature and influence has not said, 'This is what I'm going to do about drug use," he said, "we have to assume he either is not going to do anything or that he's going to do the wrong things.""
Passage of 187 has state confused
Act's enforcement is still in doubt

By Thomas D. Elias

LOS ANGELES—From courts to clinics, from schools to social service providers, confusion is so far the hallmark of Proposition 187, California's anti-immigrant law that has produced in California.

Not only does no one know just where the battle lines are, but possible provisions will take effect, but none on a three-month delay in enacting the law. In fact, it says nothing on what might happen after its passage on Nov. 8. So here, uncertainty abounds:

• A federal judge in Los Angeles slated to hold a hearing on a preliminary injunction order on all of the new law except those involving forged documents. At the same time, a state judge in San Francisco ordered at least a three-month delay in enforcement of the elementary and secondary education parts of the law. The university system, which is not covered by any state order would remain in effect if the federal order were lifted.

• At colleges and junior colleges, which are not covered by the 1982 decision, no to know how students will be required to report anyone to the INS. That is the one Proposition 187 provision not covered by any precedent where and that will continue. The Venice Family Clinic has distributed leaflets through its neighbor announcing this position, but some INS agents are still afraid to come in for treatment, fearing they will be reported to the "mugra," as many INS agents are unsure when, if ever, they'll have to begin reporting illegal aliens punishes businesses for dumping hazardous wastes when such action was legal. Doing away with the controversial liability provision would, in a single stroke, solve many of the litigation disputes that plague the program, they contend. But they face the daunting task of trying to figure out who, if not the polluters, ought to pay for the cleanup. Incoming Speaker Newt Gingrich, Georgia Republican, is opposed to new taxes. Those tempted to turn parts of the Superfund program over to the states have found an open door in the new Congress. But they face the daunting task of trying to figure out who, if not the polluters, ought to pay for the cleanup. Large companies facing multimillion-dollar cleanup bills have tried to recover some of their costs by suing small businesses that had contributed to the hazardous waste. They also have been embroiled in protracted court fights over the cleanup standards. According to the Environmental Protection Agency, 89% of the sites on the National Priorities List have been cleaned up. Of those, just 64 are so pristine that the new Congress has always been to care for people who can't get care elsewhere. That is the one Proposition 187 provision not covered by any precedent where and that will continue. As a result, the Venice Family Clinic has distributed leaflets through its neighborhood announcing this position, but some INS agents are still afraid to come in for treatment, fearing they will be reported to the "mugra," as many INS agents do not report — we repeat, they have threatened similar efforts to undermine the law. It is not clear whether the state order would remain in effect. Nor is it clear whether the federal order would remain in effect if the federal order were lifted.

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Africans fear aid will be lowered by GOP in Congress

Africans fear aid their nation's low ranking on the list of U.S. foreign-policy priorities might fall even further due to the dramatic political realignment in Congress. Any diplomats say they are concerned the Republican-led Congress that convenes in January will cut aid to the African nations that the agreements African nations reached with the Democrat-controlled Congress earlier this year. "Whereas in the past it was true that elections didn't affect American foreign policy, in this instance it may not be true," said Kenyan Ambassador Benjamin Kiplorir in a recent interview. "The elections are going to have a major impact as far as Africa and the rest of the world is concerned." But the ambassador also said he anticipated changes could benefit African nations in some ways. "We (Africans) may get less attention, which is not bad. It's time Africa learned to solve its own problems," he said.

Many of the Republicans set to take positions of power in the new Congress say they favor cutbacks in U.S. assistance to foreign countries. And many of those cuts could affect African nations, which already receive less assistance than many. The diplomat who had been excluded from meetings concerned the Republican-led Congress of the new group of countries is about to "draw a new Middle East" and a leading opposition figure in the United Nations. If this happens, many of the countries that did not vote with the United States would lose aid.

"We think the new Congress will press the White House to concentrate more on domestic issues," Peter Anyang Nyonggo, a professor and a leading opposition figure in Kenya, said in a telephone interview. "Our strategy will be to stress to the American Congress to continue pressing for democracy. The Clinton administration has made efforts to increase its relations with Africa. But some members of the diplomatic corps feel most of the aid to Africa has gone to South Africa.

The greatest revolution in the world today is not the Soviet Union. It is Africa, with all the new democracies being born," said Mr. Lucas. "If we do not invest in Africa today, Europeans and others will," he said.

"There are over 30 million African-Americans in this country, and a reduced U.S. interest in Africa can keep up with the rest of the world," he said.

"We have a hard time justifying expenditure in most of the African countries," said Sen. Mitch McConnell, a Kentucky Republican. He is due to meet George Moose, the charge d'affaires at the Rwandan Embassy.

He said Mr. Gasana had accompanied Mr. Habyarimana on the first leg of his fateful trip to a conference in Tanzania in April. But on the return flight he gave up his seat on the presidential plane to Cyriac Ntayamira, the leader of Burundi.

The plane was shot down as it approached the Rwandan capital, killing all aboard.

Mr. Gasana replaces Jean-Marie Ndagijimana, who fled to Paris last month, reportedly with thousands of dollars of government cash.

Meanwhile, Mr. Twagiramungu begins his first trip to Washington as prime minister with two days of talks at the World Bank. He is due to meet George Moose, assistant secretary of state for African affairs, on Wednesday.

A new Middle East

Jordanian Ambassador Faysal Tarawneh predicts the new peace accord with Israel will bring economic prosperity to the region.

Mr. Tarawneh said the two countries are about to "draw a new Middle East" and a "new Middle Return Flight. Hitchmap." Jordan, he added, will become a regional headquarters that "will go beyond an economic Jordan-Israeli-Palestinian triangle."

The ambassador, on a recent home visit to Amman, told reporters that Jordan's relations with Israel must be "free of ambiguities.

"Mr. Tarawneh noted that the next steps in the country's peace march are the resumption of Arab-Israeli multilateral talks that were launched in Madrid in 1991 and the convening of tripartite talks between Jordan, Israel, and the United States.

The ambassador served as Jordan's chief negotiator to the talks with Israel.

The Washington Times MONDAY, NOVEMBER 28, 1994
Hanukkah Is OK

Well, now that the Thanksgiv­ing holiday is over, we can look forward to Christmas (if you don't mind us using the word).

Earlier this year, this column obtained minutes of a Coast Guard Human Relations Council meeting, during which it was de­cided that "Merry Christmas" messages would be banned from all future official Coast Guard correspond­ence and replaced with "Season's Greetings."

Later, we obtained minutes of a subsequent council meeting, dur­ing which "several representa­tiv­es" complained about the "Season's Greetings" vs. "Merry Christmas" issue.

The disgruntled sailors, the minutes revealed, "expressed feelings of discrimination and/or restraint of their rights to free­dom of speech or expressions of faith" if not allowed to wish someone a "Merry Christmas."

One went so far as to say "that those whose faiths do not celebrate Christmas should work on the Christmas holiday."

At that, senior Coast Guard of­icials acknowledged that the holiday is a "secular national holi­day."

"So what could be in store for 1994?"

"Well, Inside the Beltway has obtained a new memo leaked from Coast Guard headquarters, this one revealing that "the head­quarters chorus was hard hit by the recent transfer and retire­ment season," the memo states, "in­cluding some international selec­tions and Hanukkah songs."

Pass the syrup, Hillary

Are you tired of the way Pres­i­dent Clinton has waffled on vari­ous issues and broken many of his campaign promises?

So, we, states Americans for the Promotion of Responsible Government, or APRG. "That is why we are sponsoring a nation­wide waffle campaign."

For only $2.95, APRG tells us it will send a frozen waffle in your order to your organization's name to

President Clinton for Christmas. Additional waffles can be or­dered for only 95 cents each.

For another $3, you can receive both a personalized decorative certificate suitable for framing that states, "I sent a waffle to Mr. President," and a bumper sticker reading, "Stop the Waffle, Mr. President."

To order your frozen waffle, phone 800/WAFPLED:".

Not busy enough

Someone inside this sprawling federal bureaucracy of ours went to the trouble of mailing us a standard U.S. government cas­ette, calling our attention to the word "Leaderless" written just beneath "U.S. Government."

Please face the screen

The government agency that adjudicates an estimated 10,000 cases annually involving federal work-force disputes informed In­side the Beltway that it has suc­cessfully completed its first pilot video tele-hearing giving federal workers their day in court.

Well, sort of.

The U.S. Merit Systems Protec­tion Board electronically united, for lack of better words, an ad­ministrative judge in Atlanta with parties, attorneys and wit­nesses gathered at Fort Bragg, N.C. The link-up not only pro­vided a net savings in time and money, but even resulted in a mu­tually satisfying outcome for all parties.

Rougher terrain

After a four-month-long search, the Human Rights Cam­paign Fund, the nation's largest homosexual political organi­zation, has hired a new executive director.

Elizabeth Birch, director of litiga­tion and human resources counsel for Apple Computer Inc. and former general counsel of Claris Corp., replaces Tim McFeely, who announced in July he would leave the organization after the 1994 election.

In making the announcement, the homosexual group noted that "Birch will take the reins of the HRCF during the turbulent wake of the Nov 8 elections which re­sulted in a Republican takeover of (Congress) and dramatically altering the political landscape."

What D.C. stands for

Even though Republicans gained congressional control, the voting public must maintain and direct its obvious anger at the new Congress, warns the Rucker Report, a conservative analysis of American politics.

"They must not allow the D.C. power groups in the door," says the Texas-based publication.

"They must protect the new, vul­nerable congressmen and sen­ators from the 'District of Cor­ruption.'"

Lighting the menorah

The world's largest Hanukkah menorah, 30 feet tall, will be illu­minated at 5 this evening on the Ellipse, just south of the White House. Hot latkes (potato pan­cakes) will be served, with a spe­cial performance by the U.S. Navy Band.

Today marks the first day of Hanukkah, the Jewish holiday commemorating the success of Jewish forces against Syrian oc­cupation and their liberation of the Second Temple in Jerusalem nearly 2,200 years ago.

Burial for geological agency? USGS workers skittish as Gingrich sharpens budget ax

By Keay Davidson

SAN FRANCISCO EXAMINER

Thomas Brocher just got back from "the field" — two months in the Pacific Northwest, where he studied the geology of the Ne­vada desert, where he assessed the safety of a proposed dump for radioactive waste, where he was the Second Temple in Jerusalem nearly 2,200 years ago.

I (should be) one of them."

But the anti-USGS drive might wither once agency publicists re­alize the public and press of broad and vital activities, say two agency officials who requested anonymity. They say the Repub­licans might have targeted USGS because of its small size and rel­atively anonymous standing, compared with other, flashier federal agencies such as NASA, whose D.C. lobby­ists include powerful aerospace firms and unions.

"Frankly, I am in the dark as to why our name appeared on the [Republican] list," said USGS quake expert David Oppenheimer. Still, "morale here is not great any way, because the program is under severe financial stress and has been that way for years."

• Distributed by Scripps Howard.
Hillary Rodham Clinton, who kept a low profile during the months leading up to the recent elections, is again attending senior staff meetings, including sessions on the administration's next move in health care.

U.S. News & World Report adds in its Washington Whispers column that the first lady's presence has sent some Democrats who worry that she could try to persuade her husband to go for another massive health overhaul. "Washington Whispers says: "Those advisers question whether Mrs. Clinton truly understands how much her original health care plan hurt the Demo- crats on Election Day."

"Other White House officials, however, deny that the first lady intends to lead a political suicide mission. Says one senior aide: 'She's the first to recognize that the government issue on health care blew us out of the water.' "Skeptics on the staff think Mrs. Clinton believes her original plan was not really a big-government initiative — that it was just portrayed that way by the administration's opponents."

North Carolina Sen. Jesse Helms needs to watch what he says about the administration's opponents. "Newt is not only interested in the nuts and bolts of lackeying and policy, but he has a genuine interest in making it even more difficult for Democrats to resurrect themselves," writes the Times' Richard L. Berke.

"Today's quote"

Arthur Schlesinger Jr. in the Wall Street Journal. "The middle class faces an indecipherable future with apprehension and foreboding, and it is not persuaded that the politicians have a clue as to what to do."

"Stark on Barry"

Rep. Pete Stark, California Democrat, a liberal and outgoing chairman of the House D.C. Committee, told the New York Times he's not sure the city's new mayor, Marion Barry, is the man for the hour. "I don't think he's capable. He took a city that was growing and prospering and led it toward bankruptcy with his friends, cronies and crooks. It was one big happy romp. I don't know if he can turn it around," he said.

Mr. Barry responded, however, that under the circumstances he has no other choice. He said he has urged Mayor Sharon Pratt Kelly to make the necessary cuts and he will continue the process after his inauguration.

"Gingrich II"

"Historians say Mr. Gingrich's situation is unique: a leader rising to his party's top office in Congress just as his party is in control of the Capitol after 40 years in the minority," reports the Baltimore Sun's Karen Hotter. "Newt is not only interested in changing policy, he wants to structure American politics," said the Heritage Foundation's David Mason. "As a history professor himself, he knows it's important."

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THOMAS SOWELL
Profits and affluence vs. prophets of doom

Why are there so many prophets of doom? Because there are real profits from doom. As a result, self-styled prophets of doom will stigmatize Congress into appropriating billions of dollars to demonstrate their concern, compensate and downplay outright heartlessness. They will manipulate into all sorts of research grants, programs to run, reports to write, and consult to do. It is a bonanza for the talkers and writers.

Many of the people at the recent and highly publicized Cairo conference on "overpopulation" were there on U.S. government grants. By hyping population hysteria, they can expect more and larger grants. And they can expect any more accuracy from such people in the future than in the past.

The government is not the only source of money in exchange for hysteria. Foundations want to get in on any hot new topic, and nothing makes a topic hotter than scaring the bejeebers out of the public. The media love it too, because it increases their ratings.

Authors have for generations been getting their books on the best-seller list by predicting that we are "running out" of this or that vital natural resource. Moreover, they don't have to prove the money, for when it turns out that they were wrong.

Back in 1960, one of the big prophets of doom was "The Waste Makers" by Vance Packard. Packard blamed the petroleum industry of the United States "is clearly approaching depletion." This country "has proved reserves of oil sufficient to meet the nation's needs for the next 30 years."

When this was published, America's total proved reserves were not quite 32 million barrels. At the end of the allotted 13 years, our proved reserves were more than 36 billion barrels.

The book was full of hysterical statistics about how we are running out of this or that or that. It said that we "will need to pay to find 20 years' supply of natural resources, even when there are thousands of years' supply in the ground."

But don't send your old copies of "The Waste Makers" back to the publisher for a refund. You're better off saving them until they become a real collector's item, like Old Superman comics.

Thomas Sowell, an economist and a fellow columnist at The Washington Times, is a nationally syndicated columnist.

DONALD LAMBRO
GATT and the undertow of a free-trade Utopia

When Congress votes this week on the international agreements known as GATT, it will decide whether America is going to be a free-trade country or even part of the global economy or run away from it.

What is at stake here is nothing less than the future economic strength of the United States—the largest and most prosperous exporter of goods, services and ideas on this planet—and whether we are going to continue being a leading export-import trader in the lucrative world economy.

At the heart of the General Agreement on Tariffs and Trade is the richest business opportunity America has ever been offered. A vote for GATT means that America's businesses and their workers and Olga are going to be making deals and profiting from them by selling U.S. goods and services to the world. That means higher profits and that leads to more and better-paying jobs.

The fight over GATT is really between those who want to lead America into the future, and ensure it is going to be part of the emerging markets hungry for American products and culture, and those who want to take us back to the past and rebuild the old tariff walls of Smoot-Hawley, which plunged the world into the Great Depression.

The former would be a vote of confidence in America's ability to compete and win in world markets. The latter would be a vote for retreat, surrendering those lucrative consumer markets to our competitors.

Trade is where the jobs of the future are coming from, says business columnist Warren Buffet of the New York Times. Why America has to plunge into the world economy, and how American computers, its laptops, its pagers, its aircraft, its fast food, and its entertainment industries are going to be part of the most lucrative consumer markets to our competitors.

The WTO is the organization that GATT set up to mediate disputes would undermine American sovereignty. The WTO agreements are needlessly complex and unnecessary bureaucracy.

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Donald Lambro, chief political correspondent of The Washington Times, is a nationally syndicated columnist.
Mona Charen

The track of teens with tots

The Manhattan Institute has inaugurated a new magazine on public policy called The Quantity Journal, just one of several new conservatively oriented publications to make debuts this year. Intellectual, as well as electoral, energy is to be found on the right, not the left, in America today.

The maiden issue tackles the question of teen pregnancy yet again. But even for those who feel overdosed by hand-wringing essays on the problem, this tour of the underclass world by Kay Hymowitz offers some unforgettable images—13- and 14-year-old mothers in labor sucking their thumbs or cradling a favorite stuffed animal between contractions, a 6-year-old babysitter left in charge of an infant and crying piteously because she cannot manage to mix the formula, and 30-year-old grandmothers telling their 14-year-old daughters not to worry about getting pregnant.

Policymakers, Miss Hymowitz argues, err when they assume that underclass adolescents have the same expectations about life—the so-called "life script"—as middle-class kids. Middle-class parents, through a great deal of attention, correction, exhortation and example, teach their kids to expect that they will be educated, find a job, become independent, and then get married and have children.

But the underclass world is like a different planet. It is a world without adults. In contrast to the conventional wisdom among policymakers, Miss Hymowitz visited a Baltimore high school for pregnant teen-agers (designed for the laudable purpose of keeping girls in school) and found it to be a barren and inhospitable place, with lots of hugs and reassurance all around, for preferable to an ordinary inner-city school. Any young girl could be excused for concluding that the world around her encourages pregnancy.

Undoing the damage that the welfare state and the permissive culture have done to the underclass will not be easy. But serious attempts at reform will have to take account of realities: Kids have kids for complex reasons, but not because they are ignorant of birth control, poor or unable to find jobs.

Mona Charen is a nationally syndicated columnist.
The realty disclosure hurdle

The once simple process of buying a home has become an obstacle course littered with disclosure forms, disclaimers, and inspection reports. Only the stout of heart and wallet are likely to survive.

The list of possible property defects is daunting. In California, for example, a "Real Estate Transfer Disclosure Statement" requires two legal-sized pages to cover everything from appliances to zoning. Fourteen states now mandate such disclosures; in others, case law or consumer protection acts exact them. Disclosure, per se, is useful in the marketing of houses, but mandatory disclosure rules are beginning to impose heavy costs on the unwary seller and buyer alike. It may be relatively easy to check a roof and house foundations for agreement on repair or replacement. What about the buyer? Do they have to automatically be informed about environmental hazards? Problems such as asbestos, radon, lead, and other possible hazards are emerging. The path to one's castle now resembles a croquet field after dark.

In short, the path to one's castle now resembles a croquet field after dark. Given the federal and state mandates, the cost of inspection and remediation, regardless of the degree of risk, the prospective buyer or tenant is likely to discover that only the deepest of pockets will unlock the doors.
NOTES OF DISCORD IN THE MAIL

E ver ycolumnist should hang on every word of the mail that reads: If you dish it out, you'd better be ready to take it.

The Republicanland on Nov. 8 produced an overflowing drop box for letters, and among the correspondence was a peculiarly vitriolic piece. It rhymed: "You're an idiot."

The thankless task of reading every letter, some of which are unprintable, is an exercise in wearying patience. In this case, the writer is not being vitriolic; the correspondence proves that political passions will not abate. A letter from a Republican that reads George Washington, Abraham Lincoln, and Winston Churchill is a guide to the nation's books.

Some examples: One diligent correspondent curiously attended a jury trial in a Chicago courtroom where a defendant was being tried on a charge of sexual assault on a woman. He was too obvious to deserve any credibility, and so much for the jury system.

He then uncorked a 116-word, 11- clause statement that read in part: "I do not wish to wear a skirt or anything else along the scores of elementary idiocies with which you adorn your column on soccer. The public is too obvious to deserve any credibility and, so much for the love of God, I love football."

Another correspondent tormented his wantonness by writing: "You yellow scum, once a Republican always a Hater. You just can't lose, can you?... Flush yourself down the sewer."

This was an old complaint in journalism: When people send unanswerable screeds of this sort, reply courteously:

Dear... "Someone has begun sending me imbecilic letters using your name and address. I thought you'd like to know."

Still, the GOP has become a party for theme for several avid followries. One woman asked why the elections were not "all over in a matter of minutes" — referring to the fact that I was in a suit for two years in the Bush White House. Although it's perfectly legitimate to ask whether I blast George Bush out of the White House, it would be a matter of policy for me to refuse to answer.

One illiberal sends back copies of the weekly column I write for USA Today and colors each with the word "Dear" in the salutation. This is the public's right to free expression. Both readers thoughtfully included return addresses, a trait that distinguished the most thoughtful and_address. Why? Because the new GOP majority in Congress is proof that the U.S. Constitutions works just the way it's written, and limiting terms to six years or three terms would be a foolhardy mishandling of the most knowledgeable leaders. It may need based solely on — of all things — their experience.

Winston Churchill had served in the British Parliament for 24 years before he was called to be prime minister in 1951. We've cut the term limits in effect, someone else would have had to lead the world against the Nazis.

Of course, the United States does not have a parliamentary system, but the point is that term limits does want to take effect until 38 states have ratified a constitutional amendment. If they really believe in what they're trying to do, they should apply term limits to themselves.

Ticy Snow is a senior editor for Roll Call and is nationally syndicated columnist.
Crime prevention that works

By Chris Gersten

Despite having a violent crime rate still a fraction of our own, British lawmakers have taken dramatic steps to reduce crime.

American observers were surprised to read of England's new Criminal Justice and Public Order Act which became law two weeks ago. The most controversial aspect of the new law is the modification of the right to silence. Now, anyone who remains silent after being arrested, can have his silence used against him in court.

The law also contains new powers for police to stop and search persons for police to stop and search, to arrest squatters and trespassers, and to prevent or break up raves — drug-laden parties sweeping the country. The most controversial aspect of these reforms, such as life sentences (three strikes you're out), eliminating parole and longer sentences for violent offenders are important steps in reducing crime.

These get-tough laws will keep prisoners incarcerated for much longer periods, resulting in reduced crime rates in the years to come. But installation of closed circuit video cameras and monitors will have an immediate and dramatic impact on the crime rate and on the lives of America's beleaguered inner city residents.

As the new GOP leadership in Congress contemplates serious changes in the recently passed Crime Bill, talk of resources for the social programs and earmarking them for closed circuit cameras and monitors would be a good investment with an immediate payoff.

Correction

An article by James Oberg in this space on Nov. 25, stated that Russian Space Agency wants to bill the United States $200,000 for the cost of painting an American flag on the Soviet tug module for the "International Space Station," on which we have agreed to cooperate. That may seem like a lot of pocket money, even for as fine a flag as the Stars and Stripes, but actually the figure was too low. The actual bill from the Russians was for $2 million.
The Hawaiian health care wonder

By Leroy L. Schwartz

One of the many reasons that health care reform failed this year was the attempt on the part of the administration to reduce the exchange to misleading television "sound bites" such as Managed Care, Health Alliances, Health Maintenance Organizations (HMOs) and soft and hard triggers, etc.

In the end, Americans saw their health care being treated like a political football. And they didn't like it. A good illustration is the self-serving definition of "employer mandates." One of the many obstacles to national health reform was the insistence by Democrats that employers must be required, or mandated, to pay for an employee's health insurance. How­ever, that means that "employers who purchase health insurance for their employ­ees ... pay or raising prices for their clients, or both." He contends that "in a competitive global economy, the idea that much of the money could come from the owners of a private enterprise can be dis­missed."

Witness the latest surveys from around the country which show that "employer mandates," remains the most popular way, among work­ers, to pay for their health care in this country. This conclusion was supported by the latest New York Times/CBS News Poll, which indi­cates that 47 percent of those polled firmly believed that employers should be required to pay most of their workers insurance.

It is not surprising that Ameri­cans, especially the working poor, assume that an "employer mandate" means that the employer is required, or mandated, to pay for an employee's health insurance. How­ever, most economists disagree with this assumption. Uwe E. Reinhardt, Professor of Political Econ­omy at Princeton University, main­tains that "employers who purchase health insurance for their employ­ees ... are the primary cause of rising insurance premiums."

Leroy L. Schwartz, M.D., presi­dent of Health Policy Internation­al in Princeton, N.J.

managed competition" and Sara J. Singer, both from Stanford Univer­sity, claim the system proposed by President Clinton is just "one small step from a fully payroll tax-based system." Some health care experts believe that in reality an employer mandate will have the same effect as a hidden payroll tax on the work­ers. Even James Tobin, Nobel Prize winner in economics and a Clinton advisor, along with Yale professor of law Michael Graetz, both argue that "the biggest flaw in the administra­tion's proposal is the requirement that employers pay the premiums - a mandate whose awkwardness and unfairness stand out starkly in a system dedicated to universal coverage."

Attempting to convince Ameri­cans that employer mandates real­ly work, the president has once again cited the unlikely example of Hawaii. This island state, separat­ed from the mainland, is touted to have a model health care system which the rest of the country should emulate. However, it's demographics makes it very different from all the other states.

Hawaii has a unique population of just over 1 million, 40 percent of whom are Asian. In 1989 the num­ber of deaths per 100,000 popula­tion in Hawaii was only 584, while the national rate was 866! Accord­ing to the latest U.S. Statistical Abstract, it has the third lowest infant mortality rate in the country; the fourth lowest unemployment rate; the fifth lowest poverty rate; the sixth lowest birth rate; the eighth lowest rate of one-parent families; the eighth lowest rate of violent crime and the fifth lowest rate of housing units with no tele­phone. In addition, Hawaii has the fifth highest median income in the country; the ninth highest rate of physicians; the 12th highest rate of bachelor degrees or higher; and the highest rate of minority enrollment in college. Not exactly your average state!

In reality, in much of America we have enormous poverty, more drug abuse related illnesses, more AIDS, more pelvic inflammatory disease, more teen-age, unwanted, out-of-wedlock pregnancies resulting in more premature and sick babies, more homicides and assaultive injuries and more accidents, espe­cially among the young. This behav­ior is linked to such social patholo­gies as the breakdown of the family structure, chronic unemployment, hopelessness, violence and despair, resulting in the need for intensive and expensive health care.

Mr. Clinton acknowledged this special American dilemma, in remarks to the faculty of John Hop­kins University: "We'll never get the cost of health care down to where it is in other countries as long as we have higher rates of teen pregnancies and higher rates of low-birth-weight births and higher rates of AIDS, and most important of all, higher rates of violence. We've got so many people cut up and shot in our emergency rooms, how in the world can we expect to lower our health care costs." Unfortunately, that's where this argument, to a large extent, remained.

But it is the best explanation of Hawaii's claim to the lowest per­centage of uninsured in the coun­try: its relative lack of social and behavioral problems, not employer mandates. But each state has dif­ferent problems and must experi­ment to find its own solution: most Americans are quite capable of making intelligent and rational choices about the health care sys­tem they want. They just need the facts.

Employer mandates cannot con­fer the good health of Hawaiians on the populations of the other states on the mainland. The problem in many of these states is not simply health care reform, but social dis­integration.
The message of Clarence Thomas

"The most influential black American in government today is Republican-appointed Supreme Court Justice Clarence Thomas." — Juan Williams, political correspondent for The Washington Post.

A quiet intellectual evolution is taking place in the black community. I have watched it with great attention as a knockout like the daily newspaper ads of liberals and other Democrats in the midterm election that was just held.

What is cumulatively clear is that black conservatives are finding their voices. Now their voices have been heard mostly in books and on a few newspaper Op-Ed pages. These voices include Thomas Sowell, Wal-Mart patrons, are growing in number and strength.

A grass-roots black political conservatism is growing from an awareness that liberals have merely reorganized the plantation, creating a new Big Daddy called Big Government. The welfare state, for all its good intentions, undermined black values of self-sufficiency, self-control, self-help, self-improvement and personal responsibility.

A horrifying thought came to me: I'm going to be here for a lifetime, and I cannot stand another lifetime being mildly amused by the ladies of the evening.

For the last century, gay men have been spreading across the Western world — that superior culture from which we borrow so much, France, Italy, Scandinavia. In Western Europe — that superior culture from which we borrow so much, France, Italy, Scandinavia. The most radical-feminist program for world social justice, the instrument of social justice.

What's definitely not legal in Europe, by contrast, is a prostitute accosting passers-by in the street and brazenly "soliciting" (in French "pêcher"). The act is called "solicitation of a prostitute" under the "Street Offences Act" in British law. The fine is €50, which is enough to live off the earnings of a prostitute.

In recent times in Germany, however, legal bordellos have been run by even the state.

All over Europe, what the public really objects to is brazen street hustles who constitute in its eyes a threat to public order. Homosexual street prostitution is illegal in every European country.

The New York Times is nationally syndicated. Her column appears here Monday and Thursday.
Letters

Times distorts story of Marines and Toys for Tots

As commander of the Marines who administer the Toys for Tots program, I feel obligated to respond to inaccuracies in your Nov. 18 editorial "Ethics, the Marine Corps and Toys for Tots."

The "avalanche of new government ethics rules" to which you refer, officially called Joint Ethics Regulations, originate directly from Executive Order 12674, Principles of Ethical Conduct for Government Officers and Employees, which was signed April 12, 1989. This was, of course, before Mr. Clinton's watch.

In any event, these regulations do not, in fact, prohibit the use of Department of Defense vehicles, warehouse space or computers in support of the Toys for Tots program. The Joint Ethics Regulations clearly permit limited use of Department of Defense property, as long as the individual officers in charge of that property do not believe that this will adversely impact their primary mission.

Last year, my 191 reserve units throughout the country collected more than 8 million toys, which provided some Christmas joy to more than 3½ million children. As in the past, units have used official time, vehicles and facilities, and they have constantly balanced that use with each unit's need to continue to properly train personnel throughout the year.

Each Christmas, for the past 47 years, the Marines have been there for needy children from coast to coast. Through all those years, one fact has remained constant: Marine commitment to children at Christmas through the Toys for Tots program. We can do our official services and then encourage the public to participate.

Your Nov. 17 Page one article "Marines retreat from Toys for Tots" sinks to a new low. Conservatives, soon to have the power to shape the budget, will still attempt to tinker with the Constitution itself to force Congress to make necessary cuts it cannot make on its own. However, the possibility of exempting Toys for Tots from a suggested ethics guideline is never explored by your staff.

The suggestion that government resources cannot be used for quasi-government operations is a complex issue stemming from a real controversy. Saving the true complexity of the story for the jump page and using the lead to bash President Clinton for rules developed by the Marines themselves and that are not final was misleading, irresponsible, sensationalist and an abuse of the First Amendment.

Furthermore, it is inconsistent to oppose Hatch Act reform while supporting this type of behavior. It is inconsistent to support legislation that encourages private charities to perform government welfare-related services and then encourage the ethics rules other than to say that the foundation was not the reason for the development of the current government Joint Ethics Regulations. However, I did respond to other questions asked by your reporter.

I am vice president of the Marine Toys for Tots Foundation, an independent charity created to support the Marine Corps Reserve Toys for Tots Program. On Nov. 17, I responded by telephone to an inquiry by a reporter on your staff. She was doing a follow-up story on the effects of the Joint Ethics Regulations on the Marine Corps reserve Toys for Tots Program.

The foundation is not part of the Marine Corps and is not affiliated with the U.S. government. Consequently, I made no comment about the ethics rules other than to say that the foundation was not the reason for the development of the current government Joint Ethics Regulations. However, I did respond to other questions asked by your reporter.

I am distressed by the negative tone of your Nov. 18 news article and that my responses to your reporter's questions were inaccurately represented in the article. For example, in response to her query, I stated that the foundation and the fund-raising organization that conducted our 1993 direct-mail campaign mutually agreed to terminate the direct-mail contract. Our rationale was that the high cost and negative publicity made it beneficial to both parties to discontinue the direct-mail program.

Your reporter translated this into a negative approach by stating that "the foundation has fired the fund-raiser and has killed its direct-mail campaign." That is not at all what I said. The fund-raiser and the foundation made a mutually agreed-upon business decision. The example speaks for itself; therefore citing other misrepresentations would serve no useful purpose.

After working extremely hard this past year to revitalize the foundation and provide better-than-ever support to the Marine Corps Reserve and improving our capabilities to provide Christmas toys for underprivileged children, it is disheartening to have our first headline of the new Christmas season resurrect a negative incident that is old news and has long since been remedied. Admittedly, we are struggling this year. And your negative article will only make our job more difficult.

Everyone associated with Toys for Tots is disappointed that your article failed to show the positive side of the Toys for Tots program and the foundation and the ones who have the media provide some much-needed assistance. For example, I mentioned to your reporter that we provided 500,000 toys for children in 1991, toys to children in Florida and Louisiana after Hurricane Andrew in 1992 and toys for the flooded families in the Midwest last year; all totaling nearly 2 million toys. Additionally, since 1991, we have provided over 250,000 worth of promotion materials for Marine Reserve Units along with administrative, advisory and logistical support. Regrettably, this was not mentioned in the article.

For many years as a Marine Corps public affairs officer, I was a staunch defender of the media against a very suspect and hostile officer corps. Today, I understand why that hostility existed. I have been ill-served by your paper. Isn't it ironic that this article made a great effort to show what negative effects the new Joint Ethics Regulations had on Toys for Tots, but concurrently dealt a devastating blow to the one organization dedicated solely to providing urgently needed assistance.

Although the foundation has been embarrassed again by a poor business venture made by an administration long since departed, we are nonetheless determined to continue providing the support needed by the Marine Corps Reserve and the Toys for Tots program. The saddest part of this entire situation is that the Marine Corps Reserve and the underprivileged children they help each Christmas are the ones who will be hurt the most by your article.

W.J. GREIN
Retired U.S. Marine Corps Major
Vice President and Operations
For the Toys Foundation
Quantico, Va.
Common sense and prayer

Once Congress begins fiddling with the First Amendment, there's no telling how much damage it could do.

should be protected when it arises voluntarily from students. Just as clearly, prayer should not be imposed on students by the state and its agents, including teachers and principals, or even by majori­ty vote of a student council or a graduating class.

These stories sound more like urban legends, particularly when you consider the kinds of things that move people to demand a constitutional amendment that would protect voluntary prayer in schools. Never mind that voluntary prayer is already pro­
tected by the First Amendment’s guarantee of both free speech and religious freedom — should be protected when it arises voluntarily from students. Just as clearly, prayer should not be imposed on students by the state and its agents, including teachers and principals, or even by majority vote of a student council or a graduating class.

Then again, if the spirit moves a class valedictorian to begin his address with a prayer, why not?

The separation of church and state is this country has been a shining example of how to preserve both from the most extravagant passions, and from the kind of sequences that can prove an abomina­tion to both religion and politics.

The trick is to preserve the essence of the kind of balanced religious ones, without establishing a religion. And in general the courts of the United States have done not just a good but a thoughtful and sen­sitive job at that assignment — despite all the scare stories. Please note: Not a single one of these Horrible Examples was the work of the courts.

Once Congress begins fiddling with the First Amendment, there's no telling how much damage it could do. What's needed is not another constitutional amendment (the First is a model as it is) but more education for educators.

To quote another observation from the news pages: “Most people are one important example. We propose that the public — the press, Mr. Lamb cor­rectly argues that the process should be open. Most controversially of all, Mr. Lamb proposes to televise conference committee meetings. He writes, “Often, cameras are shut out of this important, final step in the legislative process... Budget conferences are one important example. We propose that the public be allowed to witness via television the debate and decision making that finally determines how their tax dollars are spent.” Congress’ practice of doing the final wheeling and dealing behind closed doors is proba­bly one of the things that has contributed over time to the erosion of public confidence in the institution.

If immediate and full openness is too much for members to swallow in one bite, how about a com­mitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting. If immediate and full openness is too much for members to swallow in one bite, how about a commitment from the leadership in each chamber to an experiment that will allow several select bills to make the floor in one sitting.
The government of Israel has been having heart palpitations ever since the U.S. elections on Nov. 8. With a Republican Congress coming in and a significant number of those Republicans hailing from the conservative wing of the party, the outlook for American foreign aid could be somewhat bleak. This possibility is being feared by Mr. Jesse Helms, incoming chairman of the Senate Foreign Relations Committee, who were interpreting in Jerusalem to mean that the nightmare was already coming true: Israel's annual aid package from the United States was in grave danger.

As it turns out, the re-election, if understandable, was premature. Mr. Helms, who has been one of Israel's strongest supporters in the U.S. Congress over the years, denies that he has any intention of cutting aid to Israel. And President Clinton confirmed to visiting Israeli Prime Minister Yitzhak Rabin that he, too, is 100 percent in favor of foreign aid to Israel.

There probably won't be too many areas for Mr. Clinton and Mr. Helms to agree on, so it is encouraging that this is one of them. Israel is an important ally of the United States in this world and it remains an eminently sensible investment for the United States.

That Israel is the only area where there will not be room for the re-evaluation of foreign aid in the next Congress. The U.S. foreign aid budget — $14 billion, all told — may not seem like much in Washington terms, but there were doubts in the past that we have little to show for the billions of dollars spent, particularly on Third World development, over the past 30 years. The role of the Agency for International Development deserves to be scrutinized as do institutions like the World Bank, Mr. Helms has promised such a review.

Come to think of it, it might not be altogether a bad idea for the government of Israel, too, to look for ways to reduce its dependency. With a massive and rapidly expanding public sector, Israel draws heavily on foreign loans. Of the $3 billion in U.S. assistance, $1.8 billion is military assistance. The remaining $1.2 billion mostly goes to the repayment of Israel's foreign debt, a large part of which is held by the United States. Lifting this debt burden would make Israel less exposed to the prevailing political winds in Washington.

But clear disagreement between Mr. Clinton and Mr. Helms exists over the question of sending U.S. troops to the Golan Heights to enforce a possible peace between Israel and Syria. According to an opinion poll conducted for the "Middle East Quarterly," Americans oppose such a deployment overwhelmingly, with 64.5 percent of the respondents (71 percent in favor) when Mr. Clinton's own secretary of defense is admitting that peacekeeping is a serious drain on U.S. military resources, it hardly makes sense to pledge our troops for one more such mission.

Some will argue that the experience of U.S. peacekeeping troops in the Sinai Peninsula for the past 15 years, where they have patrolled the border between Egypt and Israel, makes peacekeeping argument that overrides such reservations. The United States could make an equally important contribution to Middle East peace by patrolling the Golan Heights.

Unfortunately, neither is productive of a resolution. There is little doubt they will succeed.

The consensus on Bihac

Nowhere has the failure of the policies pursued by the international community in former Yugoslavia stood more nakedly exposed than in Bihac, the Muslim enclave in northern Bosnia, which as this page goes to print is on the brink of victory. In Bosnia, once again, one is faced with the final assault on Bihac with the beginning of the war crimes trials in the Hague makes that failure even more glaring. We will try the criminals (the ones we have put on the table than vague promises of "normalizing" relations with Israel? In addition to land, of course, Syria would also dearly like to have a piece of the action. That American aid and access to the World Bank might account for the persistent lobbying effort to get Syria removed from the State Department's list of terrorist nations.

In other words, Syria is not a neighbor to be trusted, no matter how much the Rabin government would like an agreement. Were the United States to facilitate a flawed agreement by providing troops to police it, we would be doing Israel no favor.

— at this time seems almost perverse. Equally perverse is the notion, voiced sometimes by those belonging to this school of thought, that the Bosnian President Alija Izetbegovic himself stands to blame because of his unreasonable stubbornness.

The other position, represented mainly by the American government and up to a point by the Germans as well, maintains that Bosnia, as a member country of the United Nations, ought not be dismembered so readily, and that the Bosnians are entitled to a larger measure of support to the victims of aggression. President Clinton and U.N. Ambassador Madeleine Albright, to their credit, at least seem keen about providing some sort of aolan pocket of land once and for all. At this time there is little doubt they will succeed.

Two schools of thought have prevailed in the debate over how to bring an end to the war in Bosnia. Unfortunately, neither is productive of a resolution.

One the one hand, we have the pragmatists. They believe that the Bosnian government is pursuing a suicidal course by refusing to acknowledge the effective defeat of their country and the inevitability of its division. This view is shared by most European governments and the chief U.N. commander on the ground Gen. Michael de la Dune, and of course the Russian government which is backing the Serbs. An end to the fighting and a negotiated settlement with the Serbs is possible, it is argued, if the Bosnian government will make sufficient concessions to their demands. The premise on which this view is based — that the Serbian leadership negociates in good faith — is at this time seems almost perverse. Equally perverse is the notion, voiced sometimes by those belonging to this school of thought, that the Bosnian President Alija Izetbegovic himself stands to blame because of his unreasonable stubbornness.

The other position, represented mainly by the American government and up to a point by the Germans as well, maintains that Bosnia, as a member country of the United Nations, ought not be dismembered so readily, and that the Bosnians are entitled to a larger measure of support to the victims of aggression. President Clinton and U.N. Ambassador Madeleine Albright, to their credit, at least seem keen about providing some sort of a mission.

Unfortunately, in the absence of actions to back them up, such sentiments have only had the effect of creating false hopes in Bosnia. Secretary of Defense William Perry acknowledged on Sunday, that NATO airstrikes would not stop the Serbian advance. President Clinton has sent 2,000 U.S. Marines to the Adriatic Sea — much to the derision of Radovan Karadzic, Bosnia's Serbian leader — but only with the mission to rescue U.N. peacekeepers if need be. (What Mr. Clinton will order them to do will be interesting given that the Bosnian Serbs in fact seem to be holding a large number of U.N. peacekeepers hostage as a shield against further NATO bombing.)

Which view, if any of these, is correct? The only area of agreement within the international community is that no action will be taken to stop the Serbian advance into Bosnia. In fact, everybody has been pressuring the Bosnian Serbs to stay out of the NATO fighting, even though a mere 20 miles separates Croatia and Bihac. Add to that the European and Russian determination to keep up the arms embargo against the Bosnians. In Bosnia, once again, one is reminded again of Winston Churchill's phrase "a small nation thrown to the wolves."
Europe, U.S. far apart on how to handle Serb attack on Bihac

By Elizabeth Neuffer Boston Globe

LONDON The Serbian offensive against Bihac is causing the most serious rift in the history of the NATO alliance as Europe and the United States are increasingly at odds over how to end the escalating carnage.

At the heart of the transatlantic dispute is the U.S. call for greater use of force in Bosnia while it continues to refuse to contribute troops to the thinly stretched United Nations peacekeepers there. European allies are bitterly angry as a result.

British Defense Secretary Malcolm Rifkind, in an uncharacteristic broadside last week, accused Washington of having a "double standard."

Adding to European ire, diplomats said, is the fear that the newly elected Republican-controlled Congress will widen the rift by pressing for more forceful action.

Incoming Senate Majority Leader Bob Dole of Kansas will visit NATO headquarters in Brussels, Belgium, this week and is expected to press the Republican case for more intervention, including more and bigger air strikes.

U.S. credibility increasingly is being undermined within NATO. The organization is now running the risk of being balkanized by the Balkans, diplomats, experts and NATO sources said.

"It is a turning point for NATO," Jonathan Eyal of the Royal United Services Institute said of the controversy over how to end the Bihac offensive. "The Europeans' lack of trust and the Americans' lack of understanding is simply breathtaking."

Added a NATO diplomat in Brussels: "The level of disagreement is increasingly shrill."

American diplomats deny that last week's differences of opinions make for a transatlantic rift. "I don't see any fundamental threat to the alliance," the U.S. ambassador to NATO, Robert Hunter, said in a telephone interview from Brussels. "We have come a long way in the last year. Every one of the 16 allies wants this to work."

However, differences between Europe and the United States have been clear for months. Chief among them: Many European countries particularly Britain and France, which have large numbers of troops in Bosnia oppose lifting the arms embargo. The U.S. Congress favors lifting it.

Europe wants a diplomatic solution to Bosnia, while the United States wants a stronger show of force. And Europe wants the United States to commit troops to Bosnia.

Even NATO Secretary General Wilf Claeys, meeting in Washington with Secretary of State Warren M. Christopher last week, emphasized that if the United States wants to lift the arms embargo, it must commit troops to safeguard the withdrawal of U.N. peacekeepers.

Last week, NATO failed to approve a U.S. plan to end the fighting in Bihac in part because it would require more U.N. peacekeepers and,

a NATO source said, the Europeans were unwilling to commit troops unless the United States did.

There are 23,000 U.N. troops in Bosnia, a large part of them from France and Britain.

An order given Friday by U.S. Defense Department to have some 2,000 Marines and sailors take up position in the Adriatic as a "contingency force" is unlikely to heal the wound. Both Britain and France have come to the conclusion that unless the United States is willing to send troops to Bosnia, it should stay out of the solution.

(EDITORS: NEXT 2 GRAFS OPTIONAL TRIM)

"The attitude is, they should shut up or put up," Col. Andrew Duncan of the International Institute for Strategic Studies in London said of the United States.

In Paris, it is now perceived as the most important lesson from Bosnia that we cannot count on the U.S. to do a serious job in Europe," said Dominique Moisi, of the Paris-based French Institute for International Relations.

(EDITORS: STORY CAN TRIM HERE)

State Department deputy spokeswoman Christine Shelly made a point of defending NATO Saturday, saying it was unfair "to judge the overall future of NATO on the basis of an intensification of the situation in Bihac."

She said, "There are many things that NATO has done successfully in support of the United Nations" in Bosnia, including overall enforcement of the no-fly zone and monitoring in the Adriatic.

In addition to the U.S.-European divide, there are fears that the Bosnian war could cause increasing strains among European nations. It has not gone unnoticed that Bosnia has caused the Europeans to split along lines similar to those at the outbreak of World War I.

Then, as now, Russia, Britain and France are united in calling for diplomacy rather than force in Bosnia, a stance that is seen as pro-Serbian. Germany has been largely silent, but is a traditional ally of Croatia, which is still hostile to the Serbs. And the United States has emerged as the defender of the mainly Muslim Bosnians.

Some fear that Europe would splinter if the United States, Britain or France started taking sides.

Such concerns are heightened because the three nations are in the midst of domestic political turmoil. The leaders of all three countries are facing challenges to their governments in which the Bosnian issue could play a major role.

France is on the brink of a bitter presidential election. The government of British Prime Minister John Major is in near disarray, amid allegations of corruption and divisions over the future of Europe.

And President Clinton faces a Congress that supports lifting the arms embargo. "One wonders whether Congress is trying to bring about a solution in Bosnia or use it as vehicle for creating problems for the administration," a British diplomat here said.

And the rebel Serbs are happy to force the Western allies to divide on the issue. So far the one issue NATO allies are agreed on is that the Serbs must accept the latest peace plan dividing Bosnia. The Serbs have refused to sign the plan.

But should the Serbs succeed in rattling the alliance, the pressure for the peace plan may cease. "The Serbs may wish to overrun Bihac, because its fall will really create a fundamental division within NATO," said Eyal, of the Royal United Services Institute.

X X X
WASHINGTON — After eight years of negotiation and controversy, a lame-duck Congress is scheduled this week to vote on the world trade pact known as GATT, with the deal's fate being shaped by several senators who may be thinking ahead to the 1996 presidential campaign.

GATT's basic goals — to ease trade barriers by cutting tariffs, banning national quotas, superseding local content and local manufacture requirements — have been supported by both Republican and Democratic administrations.

As the debate over the details of the General Agreement on Tariffs and Trade reaches a crescendo, however, the politics of GATT are clearly being felt.

Senate Minority Leader Bob Dole of Kansas, who wavered for weeks on GATT, signed onto the deal Wednesday after reaffirming that the United States could withdraw from it.

Dole, who will be the majority leader next year, said yesterday that he expected lawmakers to approve the deal and that it would win "fairly widespread support" in the Senate.

Senate Finance Committee Chairman Daniel Patrick Moynihan said signs indicate "a very solid vote." The committee's senior Republican, Bob Packwood of Oregon, predicted: "This is going to pass overwhelmingly because of Bob Dole."

Dole's support was hailed by the White House as a sign the pact will pass easily. But Dole's potential rival for the Republican presidential nomination, Sen. Phil Gramm of Texas, has refused to make a commitment until the day of the vote.

"This is the first salvo in how Republicans will deal with the president" following the GOP landslide in the midterm elections, said Sen. Judd Gregg, Republican of New Hampshire and a supporter of GATT.

Dole, Gramm and several other senators, engaged in their last-minute jockeying over GATT at a time when the issue remains controversial in many key electoral states, from New Hampshire to Iowa to a wide region of the South.

Ross Perot, meanwhile, said he would follow through on his long-threatened idea of creating a third party if GATT is passed. Dole had hoped his reaffirmation of the right of the United States to withdraw from the treaty would satisfy Perot, but the Texas billionaire made his threat of a third party at an anti-GATT rally in Kansas last week.

Kevin Phillips, a GOP analyst, said that GATT is a dangerous issue for the Republican presidential candidates because a recession in the next two years could lead to a torrent of economic nationalism — which could lead to a second-guessing of the trade deal and support for a third party. Phillips said that the jockeying over GATT has already hurt Dole and that the Kansas senator's failed effort to tie the trade deal to a capital gains tax cut was "one of the most surprising mistakes I've seen him make in national politics."

While US Trade Representative Mickey Kantor predicted in an interview that GATT would pass easily, the White House is slated to unleash a full-court press today in advance of tomorrow's vote in the House and Thursday's vote in the Senate.

Treasury Secretary Lloyd Bentsen said he believed GATT would pass, but told CBS "Face The Nation" yesterday, "I don't think it's a slam dunk."

The question of how GATT plays in key electoral states such as New Hampshire is significant enough for both parties that the Clinton administration has devoted attention to try to make the case that the first-primary state is a winner under the deal.

Kantor, for example, conducted a telephone interview with a New Hampshire radio station last week to spell out the benefits of GATT for the state, lobbing a preemptive strike against critics who want to use the issue against Clinton in the 1996 primary.

GATT is an equally important issue for Republicans who have an eye on New Hampshire and the 1996 campaign, particularly Dole and Gramm, who have to vote on the issue this week.

Sen. Arlen Specter, the Pennsylvania Republican who may run for president, said under questioning in New Hampshire that he supported GATT with some reservations.

Several other prospective candidates, such as former Vice President Dan Quayle and former Secretary of State James A. Baker 3d, were part of a Bush Administration team that fought for GATT. Former Housing and Urban Development Secretary Jack Kemp recently has pushed the deal.

A group of New Hampshire residents are doing their best to make sure GATT does become an issue in 1996. The "New Hampshire Presidential Greeting Committee," which sounds like it is a quaint Granite State group, is actually an organization of GATT opponents who hope to apply pressure on Dole, Gramm and Specter. Some of the group's members
belong to Ross Perot's United We Stand America.

"We do not want politicians coming to our state to curry favor in 1996 unless they are also willing to absorb their agenda issues from the citizens," said committee spokesman Vicky Turner, a carpeter.

Dole, who has made much of his political hay over Clinton's waverings on various issues, has waxed on GATT as he has tried to gain a steady place in the shifting winds of the Republican Party. First, Dole backed the deal because it was a classic free-trade initiative backed by Reagan and Bush. Then Dole questioned whether Clinton had given away too much in negotiations.

Finally, Dole, anxious to please the conservative wing of his party, sought to win a commitment from Clinton on a capital gains tax cut in exchange for support on GATT. But Dole was undercut once again by Gramm, who argued against supporting a "bad GATT in exchange for capital gains," according to Gramm spokesman Larry Neal. Gramm wants a capital gains vote on its own merits.

It may be an exaggeration to say that the vote on GATT will have a direct impact on the 1996 election. After all, the suggestions that the North American Free Trade Agreement would have an impact on the midterm elections turned out to be mostly untrue.

Despite anti-NAPTA leader Ross Perot's insistence that his followers would "remember in November" who supported the Mexican trade deal, it is questionable whether a single race was decided by it. Administration officials say that NAPTA has created thousands of US jobs and is the best argument for passage of GATT.

In an echo of the last presidential campaign, in which television commentator Patrick Buchanan ran in the New Hampshire primary on a protectionist plank, Buchanan this year is running a series of anti-GATT ads claiming the deal is a "crime against democracy" and would cost American jobs. The Buchanan campaign has targeted its ads in Dole's home state of Kansas and in key presidential campaign states of Iowa and New Hampshire, where the Manchester Union-Leader has railed against GATT in editorials.

New Hampshire's US senators, Bob Smith and Judd Gregg, represent the split in the Republican Party. Smith is ardently against GATT on grounds similar to those raised by Buchanan.

But Gregg has joined with such unlikely allies as Clinton and in backing GATT. In an interview, Gregg bristled against GATT critics and said New Hampshire is better-positioned to benefit from the trade deal than any other state in New England. He said that the state's exports have increased significantly since NAFTA was implemented. Gregg said his state will benefit because the high-tech industry is well-positioned to export products.

Similarly, leaders in both parties have paid special attention to how GATT plays in the first-caucus state of Iowa. Although the deal generally favors agriculture, there are enough concerns about it in Iowa that Sen. Thomas Harkin, a Democrat, has refused to say whether he will support it and has called for a postponement of the vote.

Under the 125-nation agreement, many tariffs would be eliminated, providing new markets for American products abroad but also opening some US industries to international competition that might result in a loss of jobs.

The two sides in the debate on GATT are far apart on the merits of the deal. Kantor said it is a winner for the US, producing tens of thousands of new jobs and increasing the average family income by $1,700. Critics, like consumer-advocate Ralph Nader, have said the deal will cost more jobs than it will create and that it will result in the erosion of US sovereignty.

The deal is controversial partly because it will result in the creation of a world trade organization that will settle trade disputes.

GATT is expected to pass in the House. The big test will be in the Senate, which must first come up with 60 votes to waive a budget rule before GATT itself can be voted on. The waiving of the budget rule is a controversial matter because it would result in a higher deficit, an action that some Republicans are uncomfortable about, given that they want to enact a balanced budget amendment as one of the first orders of business next year.

From Boston Globe Page 6

Torkildsen and Blute may differ with Gingrich

WASHINGTON — As they savour their party's congressional triumph, the two House Republicans from Massachusetts must also confront a political challenge: answering to a Georgia conservative.

Little separates the Bay State Republicans — Peter G. Torkildsen of Danvers and Peter I. Blute of Shrewsbury — from Rep. Newt Gingrich, who is expected to become speaker, on fiscal issues.

But Gingrich's stance on social issues is expected to put him at odds at times with the Massachusetts lawmakers, particularly Torkildsen, who supports abortion rights and is less moderate than Blute, who opposes abortion rights.

Although both Bay State Republicans signed Gingrich's "Contract with America," Torkildsen has distanced himself from several of the manifesto's elements while Blute has generally embraced it.

"What's not to like?" Blute was quoted as saying after he signed the contract. 'He could not be reached yesterday for comment.

Torkildsen said of Gingrich: "We don't agree on a lot of social issues, but we have a positive, professional relationship."

Torkildsen said he did not expect Gingrich to come down hard on House Republicans who bucked him in votes on the contract. He said the tactic would be destructive to the party.

"What everyone now realizes in the Republican Party is that you can't be a majority if you have only one narrow faction," Torkildsen said. "My hope is that the party continues to expand by encouraging people to identify themselves as moderate on social issues."

BOB HOHLER
WASHINGTON - The politically wobbly Democrats of Massachusetts' House delegation return to the Capitol this week to sift through the rubble of their legislative agenda.

Having lost their majority status in this month's electoral earthquake, the state's eight House Democrats are due to reconvene tomorrow for a special session of Congress, a lame-duck gathering that will mark the official start of their attempt to rise from the ruins.

Their comeback bid may be stymied, however, by the lingering shock of the Republican takeover, the uncertainty of the GOP's reorganization plans and a Democratic leadership struggle that several members said has created a vacuum at the top.

For the first time in decades, the Bay State delegation returns to Washington in the dark and on the defensive.

"In a certain way," said Rep. Joseph P. Kennedy 2d of Brighton, "we find ourselves in a very reactive context now.

None of the House Democrats knows how damaging the election aftershocks will be: how many committees will be dismantled, how many will lose key seats on the enduring committees, how much the GOP's revamped rules will muffle their voices and stifle their initiatives.

Their future belongs to Rep. Newt Gingrich, the Georgia Republican likely to become speaker, who is not obligated to reveal the GOP's reorganization plans until the new House rules come up for a vote on Jan. 3, the opening day of the 104th Congress.

What's more, the Democratic leadership, which rank-and-file members rely on to help resolve disputes over seniority and committee assignments, is immersed in a tense power struggle that has left its caucus largely directionless.

Competing to replace defeated House Speaker Thomas S. Foley as the chamber's top Democrat are Majority Leader Richard A. Gephardt of Missouri, who was in line to succeed Foley, and Rep. Charlie Rose, a conservative from North Carolina who wants to pull the party toward the right.


Amid the turmoil, several Massachusetts Democrats who face key consequences of the GOP takeover said they have received little guidance from the Democratic brass.

"All the leaders are being very quiet because they're trying to get reelected and don't want to offend anybody," said Rep. Gerry E. Studds of Amherst, who faces pivotal career questions amid the likelihood that Republicans will abolish the Merchant Marine and Fisheries Committee that he heads. "You would be hard pressed to get anything out of the leaders except the weather," Studds said.

For Studds, a critical question springs from the Republican recommendation that much of his committee's jurisdiction be shifted to the Committee on Natural Resources. If that occurs, Studds said he wonders whether his seniority will permit him to move to Natural Resources and lead the group over the committee's current chairman, Rep. George Miller, Democrat of California. Studds has served 22 years in the House, Miller 20.

"I don't have a clue," Studds said, "and nobody else seems to know the answer.

But several delegation members indicated they backed limited portions of the contract. Kennedy, who has tried to stoke out a more centrist position than the state's traditionally liberal House Democrats, said he agrees in principle with the Republican call for a balanced-budget measure and supports in part the GOP push for economic recovery, although he opposes a constitutional amendment.

Rep. Martin T. Meehan of Lowell said through a spokesman that he supports a limited version of the GOP's proposed cut in the capital gains tax, a version that would permit tax credits for companies creating jobs but not for individuals who earn profits.

Overall, though, several delegation members said the most important task they face may be trying to rally their party's highly diverse House membership for the Democratic campaign to recapture Congress and hold the White House.

"We need to recognize that the road to our recovery has to be paved by the united efforts of all our party's factions," Markey said.
A fast start is sought by presidential aspirants

WASHINGTON — Now that Republicans will control Congress for the first time in four decades, following a sweeping endorsement by voters in this month's election, many can hardly wait to try topping President Clinton in 1996.

Because Clinton appears more vulnerable than he did before his party stumbled badly on Nov. 8, the early lineup of potential GOP candidates is lengthy and growing.

And those contenders could turn the contest into a nasty one, given their range of views, their political backgrounds and the apparent availability of the prize.

"There are a lot of folks these days looking in the mirror and seeing the president of the United States," said Stephen Hess of the Brookings Institution.

While nobody has made it official, three Republicans have already filed the necessary papers with the Federal Election Commission to form and finance exploratory committees. Translated, it means that they are candidates, lacking only the fanfare of making the requisite formal announcements.

Sons. Phil Gramm of Texas and Arlen Specter of Pennsylvania filed for exploratory purposes recently, along with former Vice President Dan Quayle.

A number of official declarations are expected after the first of the year. The major reason is timing.

The bulk of the 1996 primary schedule comes early, which puts an emphasis on fast-paced money-raising and organizing. Almost three-fourths of the delegates will be selected in caucuses and primaries over a seven-week span.

That early primary calendar has persuaded less well-known challenger's to get started long before national figures like Sen. Bob Dole of Kansas.

Alexander's theory is that voters are weary of Washington insiders. He thinks an outsider like himself, even though relatively unknown, can win the nomination if he is willing to start early and fast.

Gramm has been flexing his muscles ever since the Republicans netted nine Senate seats to regain control. As chairman of the Republican Senatorial Campaign Committee, Gramm picked up important IOUs around the nation in campaigning and raising money for Republican challengers.

Gramm indicated last week that he would run, adding, "It's a real question that someone as ugly as I can be elected or someone as conservative as I can be elected.

Specter, considered a moderate, issued a stinging rebuke to the party's religious right wing. "They talk in extremes, which is entirely divisive to the interests of our country," Specter said in Philadelphia before embarking on a trip to Iowa and New Hampshire.

The call to arms against the Christian Coalition amounted to a direct challenge to Quayle, who has courted that group with vigor since leaving office. He has returned to Indiana but has been on the road, promoting his book "Standing Firm" as well as himself.

Quayle's associates believe he has decided to run but fellow Republicans are hardly in awe of him.

The rest of the field will be watching Dole. He has promised to make up his mind by Feb. 15, declaring that he could run for president and serve as majority leader at the same time.

Dole has had a few choice words on his differences with the more conservative Gramm. "You have a lot more flexibility where you can throw a bomb or grenade now and then and you can be more committed," he said.

A Dole entry could shrink the field, but there are other conservatives making plans to run.

Dick Cheney, a former defense secretary, and Jack F. Kemp, a former housing secretary, have their own followings. They have been Washington insiders for years, and that could be detrimental. Former Secretary of State James A. Baker 3d is another veteran of the Washington scene contemplating the race.

If the party is eager to nominate a Washington outsider, Gov. Pete Wilson of California could fill the bill.

Then, there is retired Gen. Colin Powell, the charismatic former chairman of the Joint Chiefs of Staff, whose party affiliation is unknown.

Finally, there are governors who have been big vote getters in traditionally Democratic states—William Weld of Massachusetts and Tommy Thompson of Wisconsin.
Mitchell was fair majority leader, effective senator, observers say

By Jill Zuckman Boston Globe

WASHINGTON When Majority Leader George J. Mitchell finishes presiding over the Senate at the end of this week, he will leave the institution somewhat empty-handed: without health care reform, without campaign finance revisions and without changing the Senate in any permanent way.

He also will leave the Senate reined in Republican hands after Democrats suffered an embarrassing rout this month, losing nine seats in the worst midterm election for the party since Harry Truman was president more than 40 years ago.

History, political analysts say, will probably remember the Maine Democrat as a good majority leader, a respected, competent and smart majority leader but not a great one.

"He's going to go down ... as a very strong majority leader," said Sandy Maisel, a Colby College political scientist who is writing a biography of Mitchell. "If he had stayed for another six-year term, he might have gone down in history as a great one."

Many observers believe it is no longer possible to be a great majority leader in the strong-arm tradition of Lyndon B. Johnson, who ruled the Senate in the 1950s before becoming president. He was famous for giving senators "the treatment," moving in close and not letting up until he got what he wanted.

"They are so hamstrung by the demands of individual members," explained Burdett Loomis, a political scientist at the University of Kansas in Lawrence. "This is much more an era of Howard Metzenbaum and Jesse Helms than it is of powerful party leaders."

Majority leaders also have much less power than in the Johnson era, and without those powers, Mitchell said, a leader is left with only the ability to persuade and to schedule. Besides, he said, "this is a different time. No one could do that. You can't threaten. It just doesn't work."

What Mitchell has done for the last six years is spend hours at his polished wood table, listening to senators' objections of Sen. Robert C. Byrd, a West Virginia Democrat, who sometimes clashed with Mitchell over the deals he cut to keep the clean air bill moving through Congress.

Frequently, he will share his own thought process, his own reasoning, on why he supports a measure.

"He showed the same respect to the rank-and-file Republicans as he did to their leadership. On the last day before the August recess, Sen. Charles E. Grassley, an Iowa Republican, was trying to filibuster three military nominations.

"I had warned him beforehand that he had to be alert to protecting his rights on the Senate floor," Mitchell said, telling the senator that he had to stand up and begin speaking after each vote or lose the floor, allowing the nominations to be approved quickly.

But Grassley did not take heed. As the first vote was ending, he was talking to Sen. Sam Nunn, a Georgia Democrat. Some of his Republican colleagues were urging the clerk to hurry up and start the next vote before Grassley would notice and begin his filibuster again.

Mitchell, however, stopped the proceedings. He walked over to Grassley and told him again that he had to protect himself. Grassley was so grateful to Mitchell that he dropped the filibuster, allowed the nominations to go through and the senators to go home.

That style is the antithesis of Johnson when he was in the Senate. Indeed, Johnson antagonized so many senators that the Democrats refused to allow him as vice president to visit their caucus meetings. Furthermore, they weakened
the position by taking away the majority leader's power to make all committee assignments and to give prior approval before any vote could be taken on the floor.

As Mitchell, the son of a janitor, prepares to leave the Senate, what seems to trouble him most is that he will no longer be there for the people of Maine. It is something that troubles those in Maine as well.

"Money was flowing into the state that could be tied directly to what he was doing," said Kenneth P. Hayes, a professor of political science at the University of Maine in Orono. "People are very fearful that they will not receive the same level of support."

Last year, the administration considered an executive order for the federal government to buy recycled paper. As initially proposed, it would have caused two paper mills in Maine to close. A thousand jobs were at stake.

Mitchell said he educated himself about papermaking. Then he spoke with Clinton and with Vice President Al Gore. The executive order was changed, and the two mills and their jobs were saved.

Not long afterward, Mitchell said he was walking out of a restaurant in Bangor, Maine. A man came up to him, clutching him hard. At first, Mitchell thought the man was an opponent, someone who was going to push him down on the ground.

"In fact, this man was one of the people who worked at the mills," Mitchell said. "He grabbed me close and brought his face right up to mine. It was very moving because he was crying profusely, and he told me how much it meant to him and his family that his job had been saved."
Crime prevention part of the cure

Back in mid-August, when conservatives in Congress were waging a campaign to defeat President Clinton's crime bill, Rep. Newt Gingrich (R-Ga.) offered a peppery quote that caught the conservatives' derision of "crime prevention" programs perfectly:

"When I call 911, I want a police officer, not a social worker."

The derision, aside from offending social workers, spurred supporters of the bill to cut $2 billion of the crime prevention spending before winning approval of the $30 billion bill.

The problem with framing crime in terms of a 911 emergency call is that it trades common sense for panic. Anybody who has thought about it at all knows that the help you get when you dial 911 is only a piece of how the nation needs to address crime.

Common sense may not offer an easy answer to the "root cause" of crime, but it does suggest that non-criminal behavior can be influenced by carrots as well as sticks. And carrots may be cheaper.

Even such conservative thinkers as James Q. Wilson and the late Richard Herrnstein have written about criminal behavior as a calculation based on an individual's sense of future rewards. Punishment is important, but so is a sense of reward in store for non-criminal behavior.

That means job training for youths who want to avoid crime and drug use. Unfortunately, the money for such a program was eliminated in the effort to reach a compromise on the crime bill.

The pared-down prevention measures, which were passed, include programs to reduce domestic violence and other crimes against women, and to create drug courts that use intensive drug treatment as part of sentencing.

Now some Republicans want to eliminate even those programs.

Other Republicans, including governors and mayors, are calling for more flexibility in applying the prevention money to programs that best fit the local situation. Such a reworking of the crime bill is in keeping with the voters' mandate to move the search for solutions from Washington to the state and local level.

But to claim that crime can only be fought with police and prisons is ideological nonsense. As Attorney General Janet Reno has said, crime prevention is not a Democratic or Republican issue — it's common sense.
Protect religious freedom

Perhaps the politicians who want to force prayer on school children should pause for a moment of silent reflection and consider the sound reasons for keeping prayer out of public schools.

People came to the New World to build a society free of the religious persecution they had suffered in the Old. Ellen Alderman and Caroline Kennedy remind us in their book, *In Our Defense: The Bill of Rights in Action*. "The reality of religious life in the colonies, however, often did not fulfill these ideals. Those who did not share the beliefs of the dominant group were often banished, imprisoned, fined and persecuted. They were also taxed and compelled to attend government-sponsored church services for progressive legislation in the area of religious freedom." Americans don't fear the prospect of their schools. In Texas, a Christian school board coalition removed a superintendent who prohibited broadcasting prayer over the public address system at football games and other school events.

Today, Newt Gingrich and other newly powerful conservatives are pushing for another amendment, one that would allow "voluntary" prayers in public classrooms. Some citizens seem open to the idea. Particularly in the South, communities already tolerate and even encourage prayer in public schools, a Christian school board coalition removed a superintendent who prohibited broadcasting prayer over the public address system at football games and other school events. It comes as no surprise that many Americans don't fear the prospect of their children praying. After all, nine out of 10 respondents to a recent Times article about domestic violence in Hillsborough County revealed that while these injunctions are not perfect, they can make a difference. Women's lives are being saved, some abusers are put on notice. But they've been courageous that the legal system can do nothing to help them. But those who live in fear should know that injunctions for protection against domestic violence often do work. They're often called restraining orders, but there is a slight difference, and injunctions are considered to be more effective.

A recent *Times* article about domestic violence in Pinellas County has had similar results. From July 1993 to June of this year, 2,734 injunctions were filed, and 2,300 were actually served. Of those cases, some 1,055 permanent injunctions (injunctions that last up to one year), were granted by judges. Floridians can thank the state legislature for progressive legislation in the area of domestic violence that allows, among other things, more law enforcement personnel to issue injunctions than in the past, and the possibility of keeping abusers in custody for up to 24 hours until they are brought before a judge.

According to Pinellas County experts on domestic violence, injunctions are indeed working. And since the O.J. Simpson case, applications for injunctions filed at the Clerk of the Circuit Court office have grown from about 15 a day to about 32. Linda Osmundson, executive director of CASA, an agency that provides services to victims of domestic violence, says injunctions help women help themselves, put abusers on notice that they are being watched and give the police an effective tool to make an arrest.

Circuit Court Judge John Lenderman, who works in the county's family law division, agrees. He says some of the credit can be given to law enforcement officials who have made it the policy of their departments to become more aggressive in making arrests for domestic violence.

Most of the people who show up in the clerk's office are women with children in tow. Often, their bodies bear the marks of beatings. Some have been warned by their abusers that they're going to "End up like Nicole," or they're going to "Pull an O.J.," on them. But they've been courageous enough to take that first step.

Monday through Friday, volunteers are waiting in the clerk's office. They make suggestions about shelters and assist with filling out a petition or application for an injunction.

It is immediately taken to a judge, who decides if there is cause to issue an injunction. Of the 2,300 that were served on abusers from July of last year to June 1994, only 112 were denied.

Osmundson warns that injunctions are not a solution to the domestic violence issue, but are a crucial step. Those who need support making that first step can call the CASA Crisis Line: 898-3671. Last year, CASA received 11,000 calls.

Restraining domestic violence

Victims of domestic violence often feel that the legal system can do nothing to help them. But those who live in fear should know that injunctions for protection against domestic violence often do work.

The reality of religious life in the colonies, however, often did not fulfill these ideals. Those who did not share the beliefs of the dominant group were often banished, imprisoned, fined and persecuted. They were also taxed and compelled to attend government-sponsored church services. Women who work in the county's family law division agree. He says some of the credit can be given to law enforcement officials who have made it the policy of their departments to become more aggressive in making arrests for domestic violence.

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GOP plans to hike military spending, curtail peacekeeping
By Barry Flynn Newport News Daily Press

The Republicans, poised to control the Senate and its key Armed Services Committee, plan to stop the post-Cold War slide in military spending and limit the nation's role in worldwide peacekeeping.

But they are unlikely to seek any halt to the base closings already started or those expected to result next year as the Base Closure and Realignment Commission, or BRAC, process continues, according to senators, staff aides and military analysts.

The hot-button issues of gays in the military and women in combat roles are not likely to be reopened.

President Clinton established the "don't ask, don't tell" policy that effectively tolerates homosexuals in the armed forces by preventing authorities from asking about sexual orientation. Also, Clinton opened combat job to women.

Sen. Strom Thurmond, R-S.C., the man who is in line to take over as chairman of the Armed Services Committee when the new Republican-controlled Congress convenes in January, is not interested in revisiting the controversies of gays and women despite earlier Republican opposition, according to his spokeswoman, Chris Cimko.

"A lot of people think Strom Thurmond will open up gays in the military," Cimko said in a telephone interview last week. "You're not going to see that. He thinks the policy is in place and we have to see how it works. The same with women in combat," she added.

Thurmond will be content to focus on the big money issues of how much is enough military spending and how it should be allotted, she said.

How those spending questions are answered, however, won't be clear until the push and pull of the legislative process plays out.

Because Congress is not supposed to debate the base closing commission's recommendations individually, the chairmanship of the Armed Services Committee is not crucial to protecting a state's bases.

Sen. John W. Warner, R-Va., had been the senior Republican on Armed Services and would have become chairman when his party took control of the Senate. That scenario changed in January 1993, when Thurmond exercised his prerogative as a more senior senator to switch to the Armed Services Committee.

The Republican majority is in general agreement that military spending has declined too far too quickly. The problem now is to figure out where to get the money to maintain the current spending level.

And despite the Republican majority in Congress, President Clinton still has the opportunity to set the direction on military spending.

"We work from his recommendations," Thurmond's aide Cimko said of the Clinton budget proposal. "That's the cornerstone from which we build the budget."

In the face of the Republican push to reverse the decline in military spending, Clinton is likely to increase the budget, according to Lawrence Korb, a senior fellow who follows the military at the Brookings Institution, a Washington think tank.

"The president himself will go above where he projected a year ago" in total military spending, Korb predicted. "His projection for '96 was $243 billion. I think by the time he puts it in, it'll be close to $250 billion," Korb said.

Another analyst, Baker Spring, of the conservative Heritage Foundation, predicted that Congress may provide a bigger budget authorization than the president asks for.

Republicans are concerned that the rapid decline in spending in recent years has hurt the United States' military preparedness. Another Republican member of Armed Services, Sen. John McCain of Arizona, has been a harsh critic of the cuts. Last month McCain issued a study by his staff on what

he called the "hollowing" of the American military and warned that "we are cutting defense spending below the levels necessary to remain effective fighting forces."

Thurmond and McCain also have criticized President Clinton's use of American forces for peacekeeping in Haiti and Somalia.

McCain said such peacekeeping activities and other emergency deployment are being funded at the expense of combat training and readiness.

Thurmond, too, is very concerned about "these little peacekeeping extravaganzas" that President Clinton has pursued, Cimko said.

One plan Thurmond is considering to stem the drain such operations make on the overall military budget is to set up a separate account for them, Cimko said. Once depleted, this account would limit the president's ability to engage armed forces in peacekeeping activities without an act of Congress providing more money.

New head of Armed Service panel is close to being oldest senator ever
By Barry Flynn Newport News Daily Press

By almost any standard, Sen. John W. Warner, R-Va., would be a veteran, maybe even an old-timer.

He's been in the Senate 16 years. And at age 67, he's already past the point where most Americans retire.

But the emphasis is on almost any standard, because in Congress, standards are different. Seniority is sacrosanct in the Senate. Term limits have yet to win a vote there. And Warner still doesn't have enough years on the job to demand the committee chairmanship he'd most like.

Warner was long the senior Republican on the Senate Armed Services Committee, and now that his party controls the Senate, he would like to be chairman, at least in part for the power it would give him to influence issues affecting the military in Hampton Roads, Va.

To win the powerful post, however, Warner would have to get past Sen. Strom Thurmond, a South Carolinian who a few years ago joined the committee in an effort to protect his state's military installations.

Thurmond puts the word "seniority" into perspective.

Now a Republican, Thurmond first took his seat in the Senate as a Democrat in 1954. Back then, Warner was a 27-year-old recent law school graduate clerk for a judge at the U.S. Circuit Court of Appeals in Washington. And their youngest colleague, Sen. Rick Santorum, R-Pa., was born in 1958, almost four years after Thurmond was first elected.

On Friday, Thurmond will turn 92. He is both the oldest person in the Senate and the one with most seniority. He is not yet the oldest man ever to serve in the Senate, according to Donald Ritchie, associate historian of the Senate. But Thurmond is closing in on the record fast.

He is now second only to the late Theodore Francis Green of Rhode Island, who was 93 years, 3 months and 1 day old when he left office in 1961. By that count, March 4, 1996 will be the day when Thurmond barring death or retirement will march into history as the oldest man ever to serve in the Senate.

After the Republicans gained a majority in the Senate in the recent election, there had been talk that Thurmond, in a concession to his advancing years, might step aside to let Warner run the committee. Thurmond's spokeswoman, Chris Cimko, said she had heard the rumor. It probably had been fed by the fact that in 1980, Thurmond passed up Armed Services in order to become chairman of the Judiciary Committee.

However, it isn't going to happen. Thurmond's native state is honeycombed with military bases that could be threatened by any further military cutbacks. Cimko said Thurmond was adamant about heading up the crucial committee. And in the Senate, seniority counts.
GOP Agenda Will Hurt Poor, Minorities, Black Leaders Fear (Washn)

By Michael A. Fletcher

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WASHINGTON The new Republican majority in Congress is clear about its formula for putting America back on track: Cut welfare, fight crime with more police and prisons, slash taxes, gut social programs, shrink government.

That formula alarms many African American leaders and analysts who believe the new congressional agenda carries a troubling racial undertone because it directly threatens programs that disproportionately benefit blacks and other minorities.

"I think there was an us-and-them scenario underlying this election and this agenda," said Robert T. Starks, a political scientist at Northeastern Illinois University. "This resonated through white America. It seems white America determined that the Republican Party can best take the country back from 'those people.' And at the top of the list of 'those people' are African Americans."

Since their sweep of the midterm elections, Republicans have been busy working to craft a legislative plan that leans heavily toward reducing spending on many of the social programs championed by the nation's civil rights community for a generation.

"We recognize that the federal government can only do so much in addressing the problems that affect many of our communities," said Wade Henderson, a Washington lobbyist or the National Association for the Advancement of Colored People. "But at the same time, black people seem to have become a convenient target for the kind of scapegoating that this election seemed to make so easy."

The mood of the country has convinced many African American leaders that black interests will no longer occupy even a marginal place on the national agenda. But while that prospect troubles many liberals, black conservatives see it as a sign of progress.

"We're not in the business of special treatment for anybody, that's the message that has to get across," said Armstrong Williams, a Washington, D.C., radio talk-show host and public relations man who worked under Supreme Court Justice Clarence Thomas at the Equal Employment Opportunity Commission. "There is no black agenda. There is no white agenda. There is only an American agenda."

Others disagree. They think the plans being crafted in Congress reflect a public mood that seeks to point the finger at groups of people for the nation's troubles.

"Every poll I see seems to indicate that the group who voted in largest numbers were angry white men who feel their place is being threatened by expanding opportunity for other people," said Rep. Kweisi Mfume, a Maryland Democrat and outgoing chairman of the Congressional Black Caucus.

In their "Contract with America," House Republicans promise to cut at least $45 billion from social and child-nutrition programs over five years. Among the potential targets are welfare, Head Start, the W.I.C. child-nutrition program, free lunch and breakfast programs and funding for prevention programs in the recently passed crime bill.

The contract also calls for eliminating welfare benefits for children of mothers under 18 and allowing states to cut benefits for recipients who have been receiving them for longer than two years.

"They don't have a mandate to take babies from their mothers and put them in orphanages," the Rev. Jesse L. Jackson said. "They have no mandate to increase the number of people in poverty."

Many targeted social programs are relatively small. Aid to Families with Dependent Children, the main welfare program, consumes less than 1 percent of the federal budget, for example but have assumed larger significance in the current anti-government atmosphere.

"We must do something to reshape the welfare program so that the taxpayers working in this country are no longer burdened to a greater and greater degree for programs that create dependency and don't solve problems," said Rep. Bill Archer, a Texas Republican and incoming chairman of the House Ways and Means Committee.

Some say the push to cut many social programs has racial implications because the clients of those programs are disproportionately black. Blacks make up only 12 percent of the nation's population but account for about 38 percent of the 14 million people including 9.5 million children who receive AFDC.

"The electorate will move toward the easiest targets and the easiest targets are those who are poor and black," said Frank L. Morris, dean of Morgan State University's School of Graduate Studies and Research. "If you are talking about cutting government subsidies, all of them should be on the table. But the facts don't really matter so much when there is the perception that someone is taking something from you."

But Robert Woodson, president of the National Center for Neighborhood Enterprise, is among blacks who say race is not an issue in cutting social programs. The issue, he said, is that those programs have failed.

"People who are inclined to see race will see it in anything because that's the race business," he said. "I think this election seemed to make so easy."

Beyond spending cuts, Republican leaders have talked about other changes that will hit blacks hardest.

Rep. Newt Gingrich, in line to be the next speaker of the House, promises to strip the limited voting rights from Eleanor Holmes Norton, the congressional delegate from the mostly black District of Columbia. The Republicans also plan to eliminate the House committee that oversees the District of Columbia's affairs.

Republicans are examining the funding of the Congressional Black Caucus, as part of an across-the-board review of House groups funded by Congress. And Utah Sen. Orrin G. Hatch, soon to be chairman of the Senate Judiciary Committee, has criticized Deval Patrick, chief of the Justice Department's Civil Rights Division, for making decisions that "move toward quotas."

"This seems to be a wake-up call for African American people," said Starks, the political scientist. "This will force us to come together and chart a course for us and by us."

While African Americans stand to be hard hit by the new agenda, they appear to be in a poor position to influence it. Only 12 percent of black voters supported Republican congressional candidates, down from 21 percent in 1990.

Also, the overwhelmingly Democratic Congressional Black Caucus, which reached the height of its influence over the past two years, will lose three committee chairs and 17 subcommittee chairs to Republicans. There are only two Republicans among the 41 blacks who will be part of the next Congress.

"The caucus is not used to being part of the minority (party)," said David Bositis, senior political analyst with the Joint Center for Political and Economic Studies. "They are going to have to make their way in a potentially hostile environment."

This new reality has left liberal black leaders scrambling for a strategy to make their interests heard. Some want to pressure President Clinton to pursue a liberal agenda in hopes of reversing the traditional Democratic base an unlikely approach that runs counter to the centrist path urged by more conservative Democrats.

Other blacks, noting that Republicans hold relatively slim majorities in both the Senate and the House, hope to moderate the Republican agenda as the price of their support for certain items.
While black liberals dread their place in the new order, black conservatives say the Republican policies will promote individual responsibility and will empower poor and black people far more than any government program.

"I think this whole move liberates blacks from the government plantation," Williams said. "You can't help the poor by keeping them poor and having the government take care of them."

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