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December 1988

The Webster Watch: Director's Tenure Debated

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Nov. 30 — Several months before the election, George Bush was telling associates that as President he intended to keep William H. Webster, the Director of Central Intelligence, as a means of re-establishing the tradition that the intelligence post was a nonpartisan job.

The associates said the plan was for Mr. Bush to phone Mr. Webster the day after the election to tell him he would be reappointed. In the intervening weeks, however, Mr. Bush met informally with a variety of intelligence experts, some of whom were sharply critical of Mr. Webster's performance.

It is not known how Mr. Bush reacted to these complaints, but on Nov. 9, the day after the election, the telephone in the Director's seventh-floor office in Langley, Va., rang with no calls from the President-elect.

Over the next three weeks, Mr. Webster made clear that he would like to be reappointed. This led to intense jockeying among aspirants for the job, critics of Mr. Webster and supporters of the idea that the post should be nonpartisan.

Washington is consumed with speculation about who will be named to dozens of Government jobs under the control of the Bush transition team. But in few places is that speculation more intense than in the C.I.A. Intelligence officers, accustomed to analyzing shards of information to determine the actions of foreign governments, are now trying to do the same with the Bush transition team.

Mr. Bush has contributed to the speculation by underscoring his interest in the Central Intelligence Agency while doing nothing to quell the conflicting rumors about Mr. Webster's future.

An official close to the Bush transition operations said today that while no decision has been made, Mr. Bush

is considering a plan that would give Mr. Webster an appointment of as long as a year and would re-establish the tradition that the director is not automatically changed by the incoming President. But the official said the President-elect had not yet "focused" on the issue.

Another Bush associate said the Vice President's emissaries are already searching for a new director and have been quietly seeking out potential candidates. This associate said the hope was to settle on a choice before the inauguration, although the decision may not be announced for some time afterward.

Whether Mr. Webster stays for a year or only a few months, people familiar with the issue say the Bush camp's signals that he will be replaced have undercut his authority and influence. One former intelligence official said the transition team may have failed to understand the reason many professionals believe Directors of Central Intelligence should stay in office longer than the Presidents who appoint them.

"It's not simply a matter of sustaining the director in office," this official said. "The principle is one of maintaining true continuity, which means no denigration of the director's authority. All of this public reflection harms Webster and harms the office."

On Jan. 20, 1977, after 355 days in office, George Bush became the first director since the agency's founding to be replaced by a President-elect when Jimmy Carter appointed Adm. Stansfield Turner to the job. Mr. Bush had hoped he would be kept on by the Carter Administration, and the experience left a bitter taste.

George Carver, who served in the C.I.A. under Mr. Bush as Deputy for National Intelligence, said he and the President-elect had discussed the

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them. And what we would dearly like to see is the PLO recognize Israel's right to exist."

Arab governments contend that the declaration adopted recently in Algiers by the PLO's parliamentary arm, the Palestine National Council, is implicit recognition of Israel. Shultz agreed that the Algiers meeting was "an encouraging step in that regard," but he reiterated the Reagan administration's view that it fell short of meeting U.S. preconditions for dealing with the PLO.

"If they can do it implicitly, why can't they do it explicitly?" Shultz asked.

Shultz stressed that his visa rejection arose from his conviction that some Palestinian groups under the PLO umbrella, including Arafat's Fatah faction, engage in terrorism despite the PLO's 1985 Cairo declaration forswearing it.

"In the case of Mr. Arafat, he's the chairman; he must know about the activities of these people, and his organization must give them sustenance and support," Shultz said. "So he condones it; he is an accessory. And therefore we connect him with these acts."

"I feel the negative reaction to the decision that I made on behalf of the United States only highlights

the fact that people tend to forget too quickly the horrors and difficulties and threat of terrorism," he added. "It's something we must keep very high on our agenda or civilization will go down the drain."

The General Assembly resolution said the PLO, with U.N. observer status, has the right to determine which of its members represent it at the world body and charged that the U.S. visa refusal of Arafat violates Washington's 1947 headquarters agreement with the U.N. secretariat. The United States contends it has the right to exclude those it considers a threat to national security.

Before voting to hold a special session in Geneva, the financially hard-pressed U.N. must consider whether it can pay for the move. U.N. sources estimated it could cost about \$150,000 to send the necessary secretariat personnel, and that most member countries probably would be represented by the diplomats they already have stationed in Geneva.

British Ambassador Crispin Tickell said Britain agrees Arafat should have been allowed to come. But, he added, because the Arab delegations principally responsible for drafting the resolution had insisted on language that Britain regarded as unduly critical of the United States, his government could not vote for it.

annual savings of \$2 billion to \$5 billion.

The panel has until Dec. 31 to report its findings to Defense Secretary Frank C. Carlucci, who may forward the list to Congress if he wishes. Should he decide to do so, Congress can veto the entire list but cannot act to protect individual bases, as it often has in the past.

The "all-or-nothing" procedure is viewed as offering the best chance in more than a decade to actually close unneeded military bases over the objection of local congressmen.

The Shipbuilders Council represents corporate shipyards around the country. The private yards have seen orders for construction of commercial ships disappear in recent years, leaving the Navy as their main source of business.

The Navy's yards, at the same time, have begun to modernize and are underbidding private industry for repair and overhaul contracts.

The private yards assert they

can't compete in such bidding contests because the government yards aren't trying to make a profit.

The Navy's eight yards are located in Long Beach, Calif.; Puget Sound, Wash.; Philadelphia, Pa.; Mare Island, Calif.; Pearl Harbor, Hawaii; Charleston, S.C.; Norfolk, Va.; and Portsmouth, N.H.

Of those eight, two are not equipped to handle overhauls or repairs to nuclear-powered ships — Philadelphia and Long Beach — and they were singled out by Mr. Stocker as prime candidates for closure.

The Navy had no immediate comment, saying it had not seen Mr. Stocker's letter. In the past, however, it has argued the public yards are "uniquely critical" because they provide basic capacity needed in the event of a war or other emergency.

The commission has refused to discuss its internal deliberations.

(AP)

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Private Shipyards Want Navy Competitors Closed

WASHINGTON — Private shipyards are pushing the federal commission studying possible military base closures to target some of the Navy-owned shipyards that compete against them.

John J. Stocker, the president of the Shipbuilders Council of America, argues in a letter to the special commission that "in these times of severe budget constraints, the closure of non-nuclear (government) shipyards would result in significant budget savings to the U.S. Treasury."

"The Navy commanded in 1946 a fleet of 1,115 naval ships supported by 11 naval shipyards employing

93,600 civilian employees," Mr. Stocker wrote. "At the end of fiscal 1987, the Navy had an active fleet of 568 ships supported by eight naval shipyards employing 72,400 workers."

Mr. Stocker's letter, dated Nov. 28 and obtained Tuesday, was sent to former Sen. Abraham A. Ribicoff, one of two men co-chairing the Commission on Base Realignment and Closure.

Legislation signed by President Reagan in October authorized the 12-member citizens' commission to review the nation's military bases and to decide which are outmoded and can be closed, at a projected

Associates Say Tower Would Cut Programs

Views on Spending, Reforms Described

By George C. Wilson
Washington Post Staff Writer

If John G. Tower becomes chief executive officer of the world's biggest military organization, the Defense Department, he would quickly cancel some highly visible weapons, seek to put the agency actively on the side of the Justice Department investigation of procurement fraud and try to negotiate a long-term pact with Congress on defense spending, sources familiar with Tower's views said yesterday.

Although Tower has not yet been named defense secretary, he and his associates are far along in their planning of what must be done during the honeymoon period of the Bush presidency to rebuild a pro-defense constituency in Congress that broke apart in the last years of the Reagan presidency. Caspar W. Weinberger, Reagan's secretary of defense for seven years, kept fighting for annual increases in the Pentagon budget. But in each of the last four years Congress balked at continuing increases in real defense funding.

Tower does not intend to insist on annual increases in the Pentagon budget but instead would offer to hold down military spending for an extended period in exchange for Congress giving the department more flexibility in spending whatever money is appropriated, those who know Tower's thinking say.

In public comments yesterday, President-elect George Bush reiterated his support for Tower, calling him "a friend of mine." He added, "Nothing is going to shake my view" about whether to pick Tower as defense secretary, apparently a reference to questions

raised about Tower's personal life, and about his role as a consultant to major defense contractors.

But Bush did not say explicitly that the job would go to Tower, and sources close to the former Texas senator said he had received no firm indication yet that he would be going to the Pentagon. Sources in the Bush transition have said that Tower remains the leading if not the only candidate for the job. However, several Bush advisers have continued to argue that the new president needs a proven manager, perhaps a defense industry executive, to refurbish the Pentagon's image.

If Tower is confirmed for the job, the sources familiar with his views said yesterday, he plans to take charts to Congress early next year showing that more weapons could be bought under a zero-growth budget than under a larger one, provided the Pentagon receives a two-year appropriation instead of continuing the traditional practice of wrangling annually over how much is enough for defense.

President Reagan's farewell defense budget, slated to go to Congress Jan. 9, calls for increasing this year's total of \$299.5 billion by 2 percent after allowing for inflation. Bush has indicated he will settle for zero growth after inflation.

"It's going to be team, team, team," stressed one of Tower's aides who has helped map defense strategy for the next administration. Bush, Secretary of State-designate James A. Baker III, Tower and retired lieutenant general Brent Scowcroft, designated White House national security adviser, would be a highly vocal team seeking to build a new consensus for a strong defense and to head off any attempt in Congress to make deeper cuts in Pentagon spending to reduce the federal deficit.

Tower is actively seeking the defense secretary post and is said to feel "uncomfortable" about being kept in the dark so long about his future. As of yesterday, his associates said, Tower had not been consulted about whom he would want as his deputy at the Pentagon if he does get the job, nor has he demanded that he be allowed to choose his own team.

Tower has told aides that although Bush has not yet formerly offered the secretaryship to him, "I

don't know who else" could be offered the job. Bush has been talking to a number of aerospace executives as he continues to consider candidates for secretary and deputy secretary. Yesterday Bush met with

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Eyeshades...CONTINUED

year and scheduling higher purchases in the future, known in the Pentagon as the out years.

Stretchouts result in a short-term budget cut, but they cost more in the long run, according to one Pentagon budget analyst, Franklin C. Spinney, because they force defense contractors to produce F-16s at slower, less efficient rates. The higher costs, in turn, lead to further stretchouts and more inefficiency as prices rise inexorably with inflation.

One upshot, complains Mr. Spinney, is that U.S. capacity for mass production, a major source of defense muscle in previous buildups, was not fixed much during the Reagan buildup. In 1952, the Air Force bought 3,320 jet fighters; this year, it bought 160.

Between 1950 and 1953 it bought 2,000 B-47 bombers. Between 1980 and 1986 it managed to buy only 100 B-1 bombers. Mr. Spinney's critics argue that he overlooks the much greater technological sophistication of the B-1 fleet, which has been repeatedly grounded for a variety of mechanical problems.

Mr. Spinney replies that the Defense Department's ability to buy bombers has dropped by a factor of 200 to 1. "I admit they [the B-1s] are better, but are they that much better?"

Another gimmick the Pentagon uses to get around the stark message of current budgets is called the "buy in." This has allowed the services to cite artificially low figures for the start of costly, high-technology procurement programs, concealing the rapid budget growth in the out years.

Escalation in the costs of weapons systems is among the reasons why, despite the huge Reagan buildup, the size of the armed forces remains roughly the same, with the exception of a slightly larger Navy. Meanwhile, the average age of Navy and Air Force planes and Navy ships has increased, raising more expensive questions for the Bush team.

While Congress may not be able to break this cycle, this year it will be more able to help the Bush team massage the numbers. "If you have all the relevant information, it may be hard to avoid making the difficult cuts," asserts Charles Murphy, an aide to outgoing Sen. Lowell P. Weicker Jr. (R., Conn.), who has gotten the General Accounting Office to develop computer software so Congress can explore the out years.

THE TRANSITION REPORT

Scowcroft's Views Often at Odds With Those Held By Reagan Team

When President-elect Bush announced his appointment of **Brent Scowcroft** as his national security adviser, he said the retired Air Force lieutenant general will serve as an "honest broker," not a "policy maker." **Scowcroft** has had good training in that role.

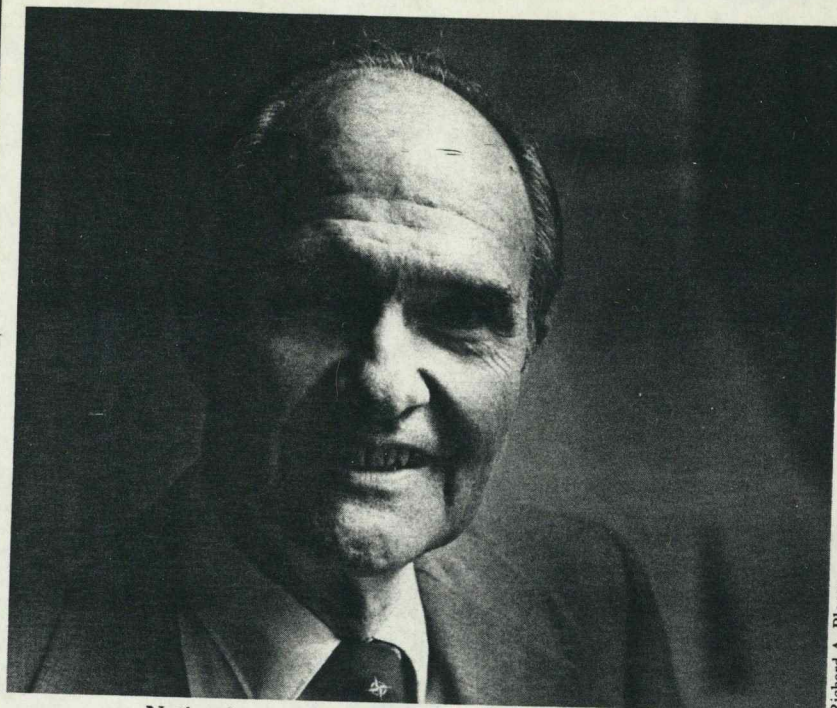
When he was President Ford's national security adviser in 1975-77, **Scowcroft** served alongside a strong-willed foreign policy potentate, Secretary of State Henry A. Kissinger, who left him little elbow room to be anything other than an "honest broker."

A dozen years later, **Scowcroft** will be working with another influential and potentially powerful Secretary of State, Bush campaign chairman James A. Baker III.

Baker "will be the chief spokesman, obviously, on foreign policy matters," Bush said in announcing the **Scowcroft** appointment. And yet, unlike Kissinger, Baker is a foreign policy and arms control neophyte. And that means that **Scowcroft's** own profoundly held views on the many national security issues that will confront the Bush Administration are more pertinent than they might otherwise have been. Those views have often been sharply at odds with the positions staked out by the Administration that Vice President Bush has served for the past eight years.

As chairman of a 1983 presidential commission on land-based missile forces, for instance, **Scowcroft** strongly supported the single-warhead mobile Midgetman, which the Pentagon wants to kill off—largely for fiscal reasons—in favor of deploying the 10-warhead MX on railcars. Bush waffled on this issue during the campaign, and congressional Democrats who are wed to Midgetman have taken new heart from **Scowcroft's** appointment. In accordance with a legislative directive crafted this year, Bush must decide on the two missiles by Feb. 15.

If **Scowcroft's** appointment heartens Midgetman fans, it dismays Star Warriors. In testimony last year, he called "unbefitting" the Reagan Administra-



Richard A. Bloom

National security adviser-designate Brent Scowcroft

tion's "broad" interpretation of the 1972 Antiballistic Missile Treaty, a reading intended to permit less-restricted testing of Strategic Defense Initiative (SDI) hardware. Earlier this year, **Scowcroft** also testified that he didn't like the SDI program's proposed early-deployment scheme "because it changes the whole notion of what the program was intended to find out." Instead, he said, the problem of missile vulnerability should be dealt with through the deployment of mobile missiles and arms control.

Nonetheless, **Scowcroft** has questioned the 50 per cent reduction in missile warheads proposed in the Strategic Arms Reduction Treaty (START) talks because that would "heighten" U.S. missile vulnerability. At the same time, he has suggested that deployment of sea-launched cruise missiles may not be "advantageous" to the nation in the long run. Disputes over these weapons, and over SDI, have been major stumbling blocks in the START talks so far.

What remains to be seen is how these aspects of **Scowcroft's** thinking shake out in a top-to-bottom policy review by the Bush national security team that is now being assembled. That review will be designed, **Scowcroft** said, "to ratify those elements on

which there will be total continuity, to make whatever adjustments there are and to be comfortable with where we're going."

The selection of **Scowcroft** suggests that Bush's policies may borrow less from his predecessor than once might have been expected. "I want to have a new look," Bush stressed during the **Scowcroft** press conference. "We're going to formulate *our* priorities."

An \$80 Billion Bust?

There it was, squatting on the tarmac like an outtake from a George Lucas movie or some kind of oversize bat: a gigantic, dun-colored boomerang of an airplane that had no real fuselage, no tail and no visible means of aerodynamic stability. This was the long-awaited B-2 Stealth bomber, the radar-evading technological marvel that was unveiled, with full military honors, at a Northrop Corp. facility in Palmdale, Calif., last week. "Let all of us hope... that this magnificent aircraft will never fly in anger," said Air Force Secretary Edward C. Aldridge Jr., as the strains of a specially composed tune called "The Stealth Fanfare" echoed in the desert breeze.

But the real question, even before the B-2 lifts off for its first test flight, is whether the Stealth bomber will ever be the mainstay of the Strategic Air Command. At upwards of \$500 million a copy, the eerie-looking bomber may well pose impossible strains on the Air Force budget. Despite its computerized design and state-of-the-art construction, the B-2 is a highly specialized airplane that is suitable for only one mission—countering the latest generation of Soviet mobile missiles, the SS-24s and SS-25s. According to many defense experts, the B-2 is a waste of funds that are sorely needed to modernize other components of America's strategic defense. Deciding how to mesh the B-2 program with America's strategic goals will be a major concern for George Bush and his national-security-adviser-to-be, retired Air Force Lt. Gen. Brent Scowcroft. Evaluating the B-2 against all the other big-ticket weapons now on the Pentagon's drawing boards will be a consuming political problem for the next secretary of defense.

The identity of the next SecDef was one of the more tantalizing rumors around transitional Washington last week. At midweek, both The Washington Post and The New York Times reported that Bush would soon anoint former Republican senator John Tower of Texas, who served as chairman of the Senate Armed Services Committee and later as chairman of Ron-

ald Reagan's investigating board on the Iran-contra scandal. Tower, 63, has been at or near the top of Bush's short list for defense secretary through much of the election year. But he is also a longtime ally and defender of the status quo at the Pentagon—the so-called iron triangle of military brass, congressional whales and the defense industry. Would Tower impose tough choices on the military during a period when virtually all informed observers agree that the defense budget will be cut? Would Tower, who is known for his strong views on defense and most other matters, work well with Bush, Scowcroft and Richard Darman, Bush's no-nonsense candidate for director of the federal budget?

Rumors of trouble: Annoyed by the leaks that his nominee was all but certain, Bush insisted that he had not yet decided to name Tower—and within hours, rumors began circulating in political Washington that the Texan's appointment was in trouble. Insiders suggested that Tower might be an impolitic choice because of his acrimonious divorce last year from his second wife, Lilla Burt Cummings. The court record of their divorce case contained sensational accusations of marital misconduct against Tower, including alleged romances with a Texas television personality, a Dallas socialite and a maid. At one point, Mrs. Tower's attorneys demanded to know the names of any and all women he may have dated during the couple's 10-year marriage, including "the women with whom you spent the night or any portion thereof." Bush staffers declined to comment on Tower's personal life, but Washington gossips said Lilla Burt Cummings was ready to testify at Tower's confirmation hearings if and when he was nominated as secretary of defense.

The B-2's debut was only slightly less complicated. Originally conceived as a high-tech alternative to the controversial B-1, the plane has been shrouded in deepest secrecy through its 10 years of development. When it emerged last week, the prototype was 27 feet high, 69 feet long and measured 172 feet from wing tip to squared-off wing tip—a great-grandson of a late-1940s Northrup design known as the YB-49 Flying Wing. The Flying Wing crashed during testing and was deemed inherently unstable. But Air Force spokesmen promised that the new design will fly safely because it is

stabilized by on-board computers. And while the YB-49 itself was very hard to detect on radar, the spokesmen said, the B-2 will be even more nearly invisible because it is built of radar-dampening composite materials (box). The beauty part, at least from the Air Force's perspective, is that SAC is getting both the B-1 and the

B-2—although the brass plainly hopes the new plane will fly better than the B-1B's, which have been involved in two costly crashes in recent weeks.

But the B-2 will be controversial even if it flies perfectly. For one thing, the plane is relatively small. Its payload is usually estimated at 37 tons, com-

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Ford, Carter Urge Plans For Facing the Unthinkable

The report that former presidents Gerald R. Ford and Jimmy Carter handed George Bush last week urges the president-elect and vice president-elect to spend some of their transition discussing a subject they probably would like to avoid: the possibility of a nuclear holocaust.

The advice, said to have been strongly endorsed by three former defense secretaries, urges Bush and Dan Quayle to get "a thorough and careful briefing on the nuclear command system" and advise their military leaders how they would react to the threat of a nuclear war.

"We understand the reluctance of presidential advisers and presidents to invest blocks of time in discussing hypothetical doom, or engaging in practice exercises related to the possibility of nuclear war," Ford and Carter said in their "American Agenda" report. They told Bush that "no knowledge is more important" than a thorough understanding of how the military chain of command works in a crisis and what options are open to a president.

"We are concerned also that in an emergency some degree of control could be assumed by someone other than a president or his constitutional successor," they said. To avoid those problems, the two past presidents urged Bush to instruct military commanders of his "preferred location and his own plan for command, communication and control in a major emergency."

Ford and Carter said that any presidential plan must include "a clear and constitutional order of presidential succession." That comment was an apparent reference to confusion that seemed to exist in the White House on March 30, 1981, after President Reagan was shot. Alexander M. Haig Jr., then the secretary of state, burst into the press briefing room to state that he was in charge. Bush, of course, was the president's constitutional successor.

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B-2 PROBE DELAYED: Rep. John Dingell's House Energy and Commerce investigative subcommittee has put off until early next year its planned examination of the B-2 bomber's cost, schedule and performance, subcommittee sources say. The panel had planned to hold a hearing late this month but decided against it because of the time-consuming process of getting subpoenas issued which would have lapsed at the end of the year, sources add.

MINNEAPOLIS STAR TRIBUNE

27 NOVEMBER 1988

Behind the Stealth scenes

Next to the airplane itself, one of the deepest secrets in the Air Force's Stealth bomber program has been Brig. Gen. Richard Scofield, the program's director. Under orders from the Air Force Sys-

tems Command, Scofield doesn't talk about his work. Indeed, Tuesday's rollout of the mystery plane was one of the few times he has spoken in public. "The B-2 is a revolutionary aircraft. Many of us

have known that for some time," he said. "The time has come to share that."

Scofield has made a career of secret or highly sensitive work, including assignments associated with spy satellites. He has directed the B-2 office since July 1984, when he was a colonel. The Air

Force's shroud of secrecy has prevented Scofield from getting much public recognition for his service, including an act that once saved an airplane and its crew. Among his military honors are the Legion of Merit, the Distinguished Flying Cross, the Air Medal with 10 oak leaf clusters and the Meritorious Service Medal.

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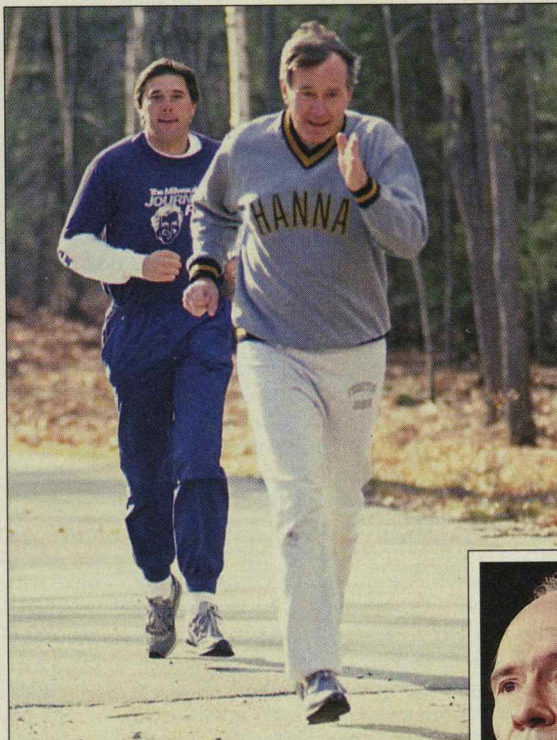
The Bush Revolution

Ideologues are out, Waspy moderates are back

Winter comes early to the coast of Maine and its breezy summer houses. The Bush family's 26-room getaway in Kennebunkport, built out on the craggy rocks of Walker's Point, is particularly vulnerable to late autumn's damp chill. The vice president and his wife, Barbara, spent their Thanksgiving in a few warm rooms closed off from the rest of the empty house, which is too large to heat fully. This year they shared their turkey and blueberry pie with only a cook and a longtime aide: the five Bush children and 10 grandchildren feasted elsewhere. The upstairs guest rooms, Mrs. Bush explained, were too cold for the kids to stay in, and it would have been too expensive to put them all up in hotels. All across New England, thrifty Yankees nodded in appreciation of such common good sense.

The return to Kennebunkport is symbolic of a dramatic transformation: from George Bush, the liberal-bashing populist of the campaign trail, to George Bush, the establishment Republican president he appears likely to be. During the last weeks of vote grabbing, aides had to order the vice president to stay away from "elitist" Kennebunkport. The election over and done with, Bush has quickly reverted to his East Coast Waspy ways. And he is just as quickly pulling away from the policies and leadership style of Ronald Reagan.

Inner circle: In the three weeks since the election, the president-elect has worked fast to close out the Reagan era. Though the Inauguration is still two months away, Bush has already put his own stamp on the new administration. So far, the imprint is decidedly moderate. If Bush's early appointments are any indication, there will be no ideological cowboys like Edwin Meese III, William Bennett or James Watt doing the right wing's bidding in the Bush White House. Instead, Bush is building an inner circle of old-style Republicans like himself: prep-schooled, Ivy Leagued accommodationists who know their way around the Boston-New York-Washington power corridor. (One friend of the New Right near the Oval Office is Dan Quayle—but his influence will be limited.) "This is the Eastern



IRA WYMAN FOR NEWSWEEK
Exercising authority: In Maine, Scowcroft

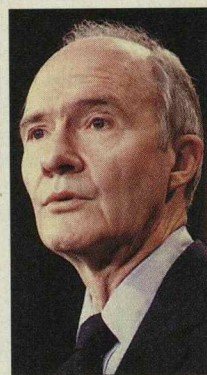
establishment writ large, and in blue," says Christopher Buckley, who should know (he's the son of aristocratic icon William F. Jr.). "They all seem to look the same. They're all extremely . . . well, *white*. And they all wear those badly tailored suits, the ones where there's a good two inches of dead air between their necks and their jacket collars."

Preppy dress aside, the résumés of the people Bush has named to key posts are proof that privileged, noblesse oblige Republicans are making a comeback. The VP's close friend and treasury secretary, Nicholas Brady, went to St. Mark's School, Yale and Harvard Business School. Political confidant and Secretary of State-designate James A. Baker III was born of old Texas money but educated in the East at The Hill School and Princeton before returning home for law school at the University of Texas. Office of Management and Budget appointee Richard Darman attended The Rivers School in Massachusetts, Harvard College and Harvard Business School. Attorney General Dick Thornburgh went to Mercersburg Academy in Pennsylvania, Yale and the University of

Pittsburgh law school. All of these men held posts under Reagan. But it is Bush who has helped them up the ladder. "There hasn't been a truly upper-class Republican administration in a long time," says Howard Schneiderman, a professor of sociology at Lafayette College. "But this looks like it's going to be one."

Ivy credentials: Even relative outsiders have had their tickets punched at a validating institution and, more important, hew to moderate views. **Brent Scowcroft**, named last week as national-security adviser, grew up in Utah but attended West Point and received a Ph.D. from Columbia. Like Bush, Scowcroft has a more complex view of the Russians than Reagan. John Sununu, the scrappy New Hampshire governor picked as Bush's chief of staff, earned three degrees at the Massachusetts Institute of Technology. The most conservative of Bush's choices so far, Sununu nevertheless is no ideologue. He believes, as moderates do, that government should "do more with less, not less with less."

The president-elect's choices all share with Bush a tradition of public service, one guided by a sense of duty to the greater good rather than by some ideological agenda. They are pragmatic problem-solvers who, like their moderate predecessors in the Rockefeller wing of the GOP, believe government must address the problems of all the people. Schneiderman, along with Prof. E. Digby Baltzell of the University of Pennsylvania, has made a historical study of the performance of U.S. presidents correlated to their social classes. One conclusion likely to please Bush holds that presidents from the establishment



BRUCE HOERTEL

(both Roosevelts, for example) were more likely to score high on the moral dimensions of leadership—honesty, for example—and to be more activist. "The driven men have a different agenda from the ones who have already made it," says Schneiderman. "There is some evidence that those who are brought up with a sense of public service as a calling are in fact better able to use power when they get it."

It is difficult to argue that Americans believe this anymore, if in fact they ever did. Wasps have become just another part of the mosaic of democracy. But Bush, despite all the jokes about his upper-crust background, may have benefited from this folk memory of class leadership—just as Reagan benefited from the mythology of the movies. One thing is certain: the man who campaigned as Ronald Reagan's heir has signaled, in his appointments, that he will be a very different sort of president.

GEORGE HACKETT with HOWARD FINEMAN and ANN McDANIEL in Washington

THE TRANSITION

The Old Boy network signs on

"The transition," says a key adviser to George Bush, "paints a picture of what a Bush Presidency is all about." Up to this point, that picture is basically monochromatic—white, Republican, prosperous, pin-striped, male and middle-aged.

The President-elect set the pattern right after the election when he picked his close friend James Baker, former Treasury Secretary, to be Secretary of State. And, with a single notable exception, the parade has continued apace. Bush last week invited two recent Reagan administration appointees to keep their jobs: Dick Thornburgh, 56, as Attorney General and Lauro Cavazos, 61, as Education Secretary. He chose Richard Darman, 45, formerly a top White House

aide and deputy treasury secretary under Reagan, to take over as Budget Director. He designated Brent Scowcroft, 63, national-security adviser under Gerald Ford, to return to the same job in the Bush White House.

Of these top appointments so far, only Cavazos, a Democrat and a Hispanic, breaks the mold, despite Bush's insistence that he is intent on finding as many qualified women, blacks and Democrats as possible for his administration to help heal the wounds of the campaign and show that he wants to be President of all the people. "I don't want tokenism," Bush declared last week. "I want to get the best, but I want to be sure that we are reaching out to those areas, groups that have been historically underrepresented in high levels of the

federal government." In the same vein, Bush campaign strategist Lee Atwater, his handpicked designee to become Republican national chairman in January, promised that his first priority would be to bring more blacks and other minorities into the GOP.

Indeed, the Bush transition team is



Three new Bush men: Cavazos, Darman and Thornburgh

known to be short-listing a number of female or minority names for such positions as secretaries of Labor, Health and Human Services, and Housing and Urban Development. Among those under consideration are Representative Lynn Martin of Illinois, a longtime Bush ally; Deborah Steelman, the Bush campaign's domestic-policy adviser, and three black Republican women: Assistant Secretary of Education Bonnie Guiton, Chicago lawyer Jewell Lafontant and former Assistant Secretary of Health, Education and Welfare Connie Newman.

Some or all of these people may land administration jobs. But there is no sign as yet that Bush will depart from the Reagan path and recruit enough talent from outside his own political and social orbit to convince anyone but his most ardent fans that he is genuinely reaching out. "We're still stuck in the Old Boy network," concedes one Bush aide, an Old Boy network perhaps more extensive than that of any Chief Executive since Franklin Roosevelt. Among Old Boys believed contenders for other appointments: Former Texas Senator John Tower or Alcoa Chairman Paul O'Neill as Secretary of Defense, longtime Bush chum Robert Mosbacher as Secretary of Commerce.

Mountains of Advice

But George Bush probably doesn't need most of it

BY RICHARD HORNIK



As busy as George Bush is these days, when two prior occupants of the Oval Office ask for an audience it would be impolitic to turn them down. Thus last week former Presidents Gerald Ford and Jimmy Carter got 50 minutes of the President-elect's time to present the gist of a two-volume American Agenda report produced by a bipartisan staff of more than 300 experts and former Government officials. The message: reduce the budget deficit by \$40 billion a year for the next four years, abandon the idea of a Star Wars defense that could totally shield the U. S., shore up the faltering savings and loan industry at an estimated cost of \$50 billion, and allocate an additional \$9 billion to \$13 billion for programs aimed at underprivileged children. Most important, the former Presidents insisted, new taxes will be required to pay for these needed initiatives. Since Bush has refused to back away from his "read-my-lips, no-new-taxes" pledge, that idea surely fell on deaf ears.

If the President-elect listened to all the unsolicited advice that is being proffered by a small army of think tanks, public-policy experts, ex-bureaucrats and even an assortment of cranks, he would not have much time for anything else. The quadrennial orgy of new—or warmed-over—notions for fixing what's broken in the ship of state has reached an all-time high. According to Stephen Hess, a senior fellow at the Brookings Institution, the surge of ideas reached new levels this year because "this is the first time since 1968 that we knew we would definitely have a new President." (Not wanting to miss out on an opportunity himself, Hess revised and reissued his own 1976 transition book, *Organizing the Presidency*.)

Neither Bush nor the nation will risk serious damage if he ignores the recommendations of groups ranging from the archconservative Heritage Foundation to the Brookings Institution. Most of what is printed in the avalanche of reports is either terribly old or painfully obvious or both. Moreover, some of the authors seem more interested in attracting the limelight



Trying to get a hearing for their agenda: Carter and Ford meet with Bush

No lip readers, the ex-Presidents urged their successor to consider new taxes.

than in illuminating the issues facing the new President. Publication dates are set close to the election to ensure maximum press coverage. Said Hess: "These people are fighting for space in the press, to get a little publicity, to state an ideology."

One reason for the shortcomings of

A Few Good Ideas

Amid the surfeit of advice sent to the President-elect were some ideas that are worth a second look. A sample:

► Robert Hormats, vice chairman of Goldman Sachs International, suggests the U.S. grant Japan and West European countries a greater voice in forming multilateral foreign policy in exchange for their shouldering a greater share of the international-security burden now borne by Americans.

► Robert Haveman, a University of Wisconsin economist, urges the establishment of federally administered \$20,000 individual trust funds for all 18-year-olds that could be used to pay for their educational and health-care needs. The estimated cost of this proposal: \$20 billion a year.

► The Heritage Foundation argues that expanding programs allowing public-housing tenants to become owners of their homes would foster pride and lower the costs of administration.

the reports is that they were prepared before it was clear who the next President would be. Had a non-Washingtonian like Massachusetts Governor Michael Dukakis won, he might have needed sugges-

tions on how to set up an Administration and order his priorities. For Bush, such promptings are old hat. For example, by the end of last week he had at least begun work on each of the four "key decisions" listed in the 68-page foreign policy transition manual prepared by the Center for Strategic and International Studies.

Not only is Bush experienced but the governing team he is assembling is cut from the same cloth as those who are making the recommendations. In a few cases, they are one and the same. For example, **Brent Scowcroft**, named last week as Bush's National Security Adviser,

was a member of the team that concocted the Ford-Carter American Agenda. Richard Darman, whom Bush tapped as head of the Office of Management and Budget, is a trustee of the Brookings Institution, which has produced two major transition reports.

Such appointments illustrate a truism pithily expressed by the counsel to Bush's transition team, C. Boyden Gray: "Personnel is policy." One outfit that has learned that lesson well is the Heritage Foundation, which last week deposited a ten-foot stack of résumés of some 2,500 would-be Bush appointees at the offices of the transition team. Sighed an already overloaded transition personnel director Chase Untermeyer: "What a wonderful gift."

But neither the curricula vitae nor the mountains of advice are likely to do much to advance the causes they represent. The budget deficit, notes Norman Ornstein of the American Enterprise Institute (which did not issue a transition report), means that "on a variety of problems the ground which we can till for new ideas is a pretty narrow strip." Whatever solid nuggets there are in the reports are almost impossible to locate in the hustle and bustle of the transition. Experienced mid-to-upper-level job hunters in Washington have long since learned that their prospects improve once a new Administration has had a chance to settle in; perhaps idea purveyors should take the lesson to heart. As a senior Bush adviser puts it, "There's just no point in pitching us on high substance in the first couple of weeks."

—Reported by Michael Duffy/Washington

Bush: Livid at Leaks

And a Senate 'grilling' for Baker

President-elect George Bush is so incensed by news leaks about his plans that he's kept transition press secretary Sheila Tate—and other senior aides—in the dark at times. Angered by reports that John Tower would be defense secretary, and adopting a more hands-on approach than Ronald Reagan,

Bush told Tate he would make a major announcement later that day, despite her promise to reporters that no more cabinet members would be named before Bush left for Thanksgiving in Kennebunkport. And Bush wouldn't even tell Tate whose name he'd surface: Brent Scowcroft as national-security adviser. Designated chief of staff

John Sununu knew about Scowcroft, but wasn't told the announcement would be made a week early. "He's determined to remind all of us he's in charge," says a GOP official.

■ Treasury Secretary Jim Baker should sail through Senate hearings to be George Bush's secretary of state—but not before "a real grilling" on his role as Bush campaign chairman. Senate Democrats, still smarting from Bush's down-and-dirty tactics, plan to "turn [the hearings] into a sem-

LEAKS... from Pg. 11

inar on the origins of the Willie Horton ad campaign," says one Democratic aide, and rough up Baker's "Mr. Clean" image.

■ Despite President Reagan's call for the resignation of every political appointee in his administration, the Bush transition office is flooded with requests from officials who want four more years. "The message isn't sinking in that they've got to go," says a GOP official.

What Kind of Defense Spending?

THE REAGAN defense buildup was needed. The flaw was always that it lacked a strategy and thus any upper bound. The incoming administration—the president-elect and such aides-to-be as national security adviser-designate Brent Scowcroft—have already indicated an intention to repair these defects. Mr. Bush said in the campaign that, as part of an effort to reduce the budget deficit, he would hold the defense budget to no real growth. Even that implies large cuts in current military plans; yet he will be under pressure from many in Congress who will want to cut more. To draw up the right budget—not just to justify and protect such a budget once drawn—Mr. Scowcroft has called for a review and clarification of U.S. strategic and military objectives.

The reductions and withdrawals from Europe of conventional forces that Soviet leader Mikhail Gorbachev announced at the U.N. last week, whether they are large enough or not and whether they in fact eventually come to pass or not, make such a restudy all the more imperative. That is because, as a result of Mr. Gorbachev's public relations coup, pressure to cut and need to justify a no-growth defense budget will both increase. But no one should hastily conclude that Mr. Gorbachev has made it possible to do much more than Mr. Bush had already proposed. For now the cautious no-growth position on defense strikes us as the right place to be.

The short parliamentary history of the Reagan buildup is that Congress went along in the president's first term, balked in the second. In each of his first four years it followed his lead and voted for large real increases in defense spending authority, which became the buildup's fuel. But beginning in 1985 for fiscal 1986, for the sake of both the deficit and domestic programs, it began to vote instead for some reductions in this guiding amount. The effect has been to move the defense budget from sharp buildup to rough plateau.

For the first two years of the second term the administration refused for tactical and other reasons to concede that the Pentagon had been put on a new and less expansive budget path. The services were allowed to continue to plan—meaning most of all to develop and undertake to buy new weapons—as if their budgets would keep increasing fairly rapidly. They were starting more projects than they could eventually hope to afford.

In keeping the pressure on Congress the administration was creating the conditions for a train wreck.

Last year, as part of a budget truce with Congress to last through the election, it agreed to lower its long-term defense expectations to real growth of 2 percent a year. Defense Secretary Frank Carlucci, who had succeeded the more unbending Caspar Weinberger, had to engineer sizable cuts in the administration's program to get down even to that. While protecting all the main and controversial elements of the buildup, he began the necessary process not just of stretching projects out (which actually adds to eventual costs) but of killing a few off or putting them over the horizon.

Now Mr. Carlucci's successor will have to do it again, because Mr. Bush has committed himself to a defense budget that will increase only with inflation. Most outside estimates of the further cuts that will need to be made to meet this goal are on the order of \$200 billion over the next five years, about as much again as Mr. Carlucci pared away last year. The general expectation—not just among those who might welcome the idea but among such knowledgeable figures in Congress as Senate Armed Services Committee Chairman Sam Nunn, and apparently even inside the incoming administration—is that some major weapons systems will have to be put off.

Every participant has his own candidates. The lists are familiar: B2 bomber, MX or Midgetman missile, missile defense systems, 15th aircraft carrier, new attack submarine, new Air Force and Navy fighter planes, new Air Force transports, new Army helicopter, two from Row A and three from Row B. The Pentagon, not surprisingly, has a more optimistic estimate under which less would have to be cut and the major programs could be saved.

We have no idea who is right in the numbers game. But some things are clear. One is that the budget deficit has to come down in the next few years, and defense must make a contribution. Another is that, even if this were not so urgent, the defense budget would still need to be put on an intellectual anvil as well. Cost is one way of deciding which weapons to build and which not. But in the drive to cut the budget, cost should not be the only determinant, nor in a rational world the first.

Friends in the highest places

George Bush has visited with scores of heads of state since he became Vice President. Here are some of the people he has met who will figure in the shaping of his foreign policy:

Margaret Thatcher, Britain
Helmut Kohl, West Germany
Brian Mulroney, Canada
François Mitterrand, France
Mikhail Gorbachev, Soviet Union
Rajiv Gandhi, India
Li Xiannian, China
José Napoleón Duarte, El Salvador
Yitzhak Shamir, Israel
King Hussein, Jordan
Hosni Mubarak, Egypt
Lee Kuan Yew, Singapore
Felipe González, Spain
Edward Seaga, Jamaica
Charles Haughey, Ireland
José Azcona, Honduras
Sese Seko Mobutu, Zaire
King Fahd, Saudi Arabia
Oscar Arias, Costa Rica
Robert Hawke, Australia
Sultan Qaboos, Oman



THE HERO. Bush has carefully nurtured many relationships with heads of state and with other key



THE RELIABLE. Britain's Thatcher offers transatlantic amiability



THE PARTNER. Canada's Mulroney is a phone

Death by radu? In what sounds like a Robert Ludlum thriller, the FBI has been investigating a bizarre series of deaths in the Munich headquarters of Radio Free Europe. During the past six years, four top officials of RFE's Romanian broadcasting unit, including three successive directors, have died of cancer after receiving death threats from the Romanian secret service. The most recent victim, who died last month of a brain tumor, was handed a letter late last year warning he would be killed if he went ahead with his plan to broadcast sections of a book by Gen. Ion Pacepa, former boss of Romania's foreign intelligence who defected to the West in 1978. In his book, *Red Horizons*, Pacepa disclosed some of the methods employed by President Nicolae Ceausescu to dispose of his enemies both inside and outside Romania. What intrigues the investigators is Pacepa's claim that Romania's secret service has been using a mysterious radiation device the size of a small watch that they call *radu*, which allegedly can cause rapid growth of cancer in those exposed to its emanations. RFE President Eugene Pell says his federally funded organization has "no reason whatsoever" to suspect foul play. Radiation experts at the National Institutes of Health in Bethesda, Md., where the latest RFE cancer victim was treated, would say only that "the issue is too sensitive" for comment. Pacepa, who now lives under another name in the U.S., is convinced that the four broadcasters were murdered.

Uncivil liberties. The 250,000-strong American Civil Liberties Union, worried that Republican campaign attacks may cause a drop in long-term membership, plans an overhaul of its "outdated" positions. Among the 530-odd policies slated for review: Opposition to metal detectors at airports, decriminalizing the use of illegal drugs and one that can be misinterpreted as a call for ending tax exemptions for religious charities. The ACLU says George Bush's campaign attacks led to an increase in its rolls: More than 5,000 in the month preceding the election.

The Kremlin's NSC. Now that he has conferred a few American-style legislative privileges on the Supreme Soviet, Mikhail Gorbachev next will reorganize the Kremlin along the lines of the U.S. Presidency, according to analysts in Washington. They say that Gorbachev is laying down the foundations for a structure that will look a lot like the White House's National Security Council.

Does Romania have a 'cancer' weapon?

Hardening the ACLU's soft-line views

Cuomo passes word: 'No' in 1992

Count me out, again. New York Governor Mario Cuomo, the Democrats' most celebrated naysayer, has already passed the word: He will not be a contender for the presidential nomination in 1992. One well-wired party insider says that Cuomo, who is busy raising funds for his 1990 gubernatorial re-election battle, soon will take his name out of contention for the next race for the Presidency just as he did before the start of this year's primaries. When asked about the governor's future plans, a spokesman for Cuomo said am-



New York Governor Mario Cuomo
Still a naysayer

biguously: "There were enough speculation games played in 1987 and 1988. The governor is too busy to play now."

Silkworm net. Despite a 3-month-old cease-fire in the Persian Gulf war, U.S. intelligence reports new Iranian emplacements for Silkworm missiles on Larak Island, which commands the entrance to the Gulf. Although Iran has ended as-

saults on Gulf shipping and has withdrawn the Revolutionary Guard militia that once harassed American vessels, the U.S. Navy is concerned that Iranians, with their Chinese-supplied missiles, could close off the Gulf to all shipping.

Droit du junior. Democratic leaders in the House of Representatives are furious over what they say is the latest example of the Kennedy clan's arrogance. They predict the result may be serious damage to the political future of Representative Joseph Kennedy II, of Massachusetts, oldest son of Robert Kennedy and current family favorite for a dynastic restoration in the White House. Although he is in only his first term, the 36-year-old Kennedy, aided by pressure from his uncle, Massachusetts Senator Ted Kennedy, is lobbying the Democratic leadership for a coveted seat on the powerful House Appropriations Committee, a post that by tradition should go to the more senior Massachusetts Democrat, Chester Atkins, now in his second term. The fact that Atkins, chairman of the state Democratic Party, won't defer to the Kennedys forces the eight other Democrats in the Massachusetts House delegation to choose sides in this week's election.

Czeching out china. Discreet inquiries have been made in the London art market by agents who claim to represent "important personages" in Czechoslovakia about selling a collection of rare Chinese art objects not listed in any known gallery catalog or displayed in any museum. Dealers speculate that the mysterious collection may include priceless ancient Chinese porcelain bought before World War I by wealthy citizens of the Austro-Hungarian Empire and hidden since then. The dealers believe that the items, worth millions, have fallen into the hands of Czechoslovakia's Communist bosses, who are eager to turn the porcelains into hard currency, which is almost as rare in Prague as ancient Chinese objets d'art.

How to get to the top. Here's how job seekers can dodge security to reach top officials in the Bush transition team, headquartered in downtown Washington: Avoid the front door. Instead of leaving résumés with the security guards in the lobby, go through an unattended side door off the entrance of the adjoining fast-food restaurant, take the elevator to the 10th floor and leave them in the offices of Chief of Staff-designate John Sununu.

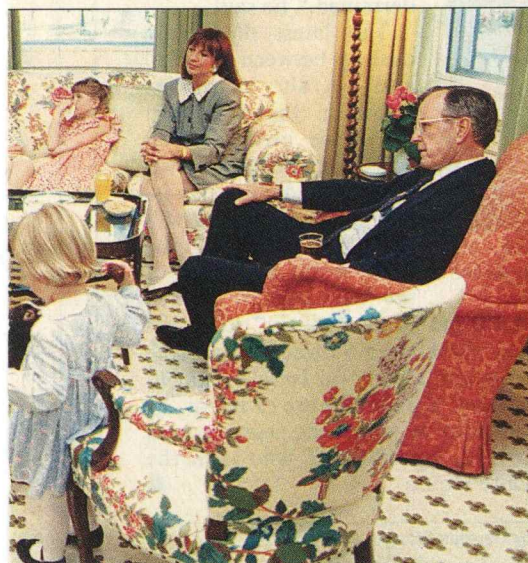
Edited by Charles Fenyesi

Bush's world of power people

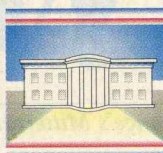
The President-elect's foreign policy will be shaped by his acquaintance with hundreds of leaders. But what does he plan to ask of them?



leaders such as Solidarity's Lech Walesa



mate who shares Bush's belief in family values



George Bush boasts that he sees the world as it is, not as he wishes it to be. It is a conviction about *Realpolitik* rooted in the President-elect's global latticework of friends and associates in the diplomatic community, including many heads of state whom Bush has cultivated assiduously during his long public career. Bush believes that from the moment he takes office, he can use his ready-made rapport with these international power brokers to bargain effectively for American interests. "You can't minimize the importance of personal relationships in moving world affairs," says a Bush adviser. "George Bush knows the people who count."

Indeed, Bush has shaken the hands of the powerful. In traveling 1.3 million miles and visiting 74 countries over the last eight years, he prepared himself for the Oval Office not so much by developing a comprehensive series of ideas for shaping the world, it would appear, but by familiarizing himself with virtually every major head of state, ranging from Mikhail Gorbachev to China's paramount leader, Deng Xiaoping, who remains chairman of the Communist Party's Central Military Commission. Bush's closest friends in world capitals include Canada's Brian Mulroney, Britain's Margaret Thatcher and West Germany's Helmut Kohl, and he has a strong bond with France's François Mitterrand. Without fanfare, Bush has hosted heads of state such as President Sese Seko Mbofuti of Zaire and Prime Minister Lee Kuan Yew of Singapore at his Kennebunkport, Me., retreat, sometimes taking his guests for exhilarating romps around Bumpkin Island on his Cigarette boat.

Bush's reach-out-and-touch-someone *modus operandi* places him in a rare comfort zone with many foreign leaders, which will make it easier to do business and might be particularly valuable in a crisis. To many world figures, he is a predictable and solid performer whom



THE FOE. Gorbachev will test Bush

they have come to trust. But there may be sharp limitations to Bush's person-to-person way of looking at global problems. Unlike the last Vice President elected to the Presidency, Richard Nixon, Bush has not put forward a comprehensive strategy beyond vague promises to stick to the Reagan course. Even Jimmy Carter and Ronald Reagan, both governors with limited foreign-policy experience, had discernible philosophies when they entered office that helped set policy choices. Carter thought cold-war doctrines should be reoriented to place more emphasis on the problems between rich and poor nations. Reagan sought a more militant American response to the "Evil Empire." Bush is much less ideological. "I'd call him a Rockefeller Republican in foreign policy, tough, hardheaded, sort of power-politics-oriented," said Brent Scowcroft, Bush's newly appointed national-security adviser. John Steinbruner, a foreign-policy expert at the Brookings Institution, worries that "Bush is likely to be a reactive President when the circumstances require initiative."

Such a judgment is perhaps a bit prema-

ture. Bush's aides argue that he will establish the details of his foreign policy next year after a careful review of the problems and the possibilities, and some advisers are already well-schooled in foreign matters. Scowcroft recently set out a sophisticated defense agenda that would reorient policy by building mobile missiles and by sharply cutting back some conventional forces. Secretary of State-designate James Baker showed his mettle abroad by cutting a deal among industrial nations on currency fluctuations. And Bush does have core principles. Most important is his belief that unilateral American action in defense of vital Western interests is essential, and often unavoidable. He

points to the invasion of Grenada, the bombing of Libya and keeping the oil lanes open in the Persian Gulf as examples of go-it-alone decisions that worked.

Bush's biggest and most immediate problem, of course, is facing off against Gorbachev. With a long list of peace proposals on everything from arms control to the closing of naval bases, Gorbachev has set the direction of East-West relations. Whether substantive or not, such gestures have kept the U.S. on the defensive, especially in Western Europe where the Soviet leader has created a



LES AMIS. Bush has cavorted with France's Mitterrand

popular image as peacemaker. Bush's task will be complicated this week when Gorbachev addresses the United Nations, a speech sure to draw even more attention to his global agenda.

Bush is keenly interested in developing what he hopes will be a personal bond with Gorbachev. To that end, the new President will seek to meet frequently with his Kremlin rival, perhaps twice next year alone. Bush believes Gorbachev is a different breed of Soviet ruler, much more cunning than Yakov Malik, the table-thumping Soviet

spokesman at the U.N. Security Council when Bush was U.S. Ambassador there. And the President-elect expects to be tested quickly by Gorbachev. "The Russians have a predictable style of greeting newcomers to the international scene, whether U.S. Presidents or ambassadors," Bush says in his 1987 autobiography, *Looking Forward*. "They test the newcomer, sometimes deliberately provoking a confrontation to see what reaction they'll get."

Worldly woes. Even if he meets the Gorbachev test, there will be many other events in distant parts of the globe that may call into question Bush's sense that stable personal relationships can be a

driving force in international relations. As clever as he is, Gorbachev himself is not guaranteed a long reign, as each new outbreak of domestic unrest provides ammunition for his Kremlin opponents. In the Middle East, once stable relationships are also beginning to shift, and no amount of interpersonal diplomacy is likely to settle things down. In Central America, the Contras, without U.S. military aid, are deteriorating as a fighting force. By the time Bush takes office, he may have few cards to play in the region.

Bush does have some concrete foreign-

Why Arabs are counting on the President-elect

Ever since he denied a visa for PLO Chairman Yassir Arafat to enter the United States to address the United Nations, Secretary of State George Shultz has been a lightning rod for Arab anger. Ironically, this turn of events might rebound to the benefit of the Bush administration. Frustrated Arab states have written off the Reagan administration and put their hopes on Bush for a shift in Middle East policy. It may be wishful thinking, but Arab states believe they will get a better hearing from the more worldly man who used to head the CIA and represent the U.S. in the United Nations.

The latest outbursts of Arab discontent follow months of deteriorating U.S.-Arab relations. A major irritant is U.S. unpredictability over arms sales to Arab countries. This year, the U.S. Senate turned down Kuwait's bid to buy advanced Maver-

ick missiles, despite heavy lobbying by the White House. Shortly afterward, Saudi Arabia jolted the administration by signing a \$17 billion arms deal with Britain for the purchase of jet fighters, ships and helicopters.

Such strains could play into the hands of the Soviet Union, which now wants to be a player rather than a spoiler in the region. Journalist Imad Shehadeh, an analyst for the Mideast *Mirror* newsletter, said the first three months after Bush's inauguration will be critical in setting the tone for U.S.-Arab relations. "If the Bush administration gives convincing signs that it is going to follow the Reagan line, then the position of the Soviets is going to be strengthened, and the po-



ARAFAT LAMENTS.
And plans next move

sition of the moderate Arab states will have to be either changed or undermined," he said.

The latest diplomatic dust-up between the U.S. and Arab countries could, in the end, keep the peace process alive, or at least the debate over settling the Palestinian issue. Arafat's appeal will likely rise, for now, in the Arab world and parts of the West because he was

singled out as the "enemy" so directly by the United States. But until he speaks out clearly on Israel's right to exist and against the use of terror, he is unlikely to propel the peace process forward, regardless of who is in the White House. ■

by Douglas Stanglin and Richard Z. Chesnoff

Bush may delay arms talks while policy review is made

By Bill Gertz
and Warren Strobel
THE WASHINGTON TIMES

The incoming Bush administration is expected to delay the resumption of strategic arms reduction talks with the Soviet Union pending a review of arms control and defense policies, U.S. government officials said yesterday.

"The talks will not resume Feb. 15, pending a thorough review of all defense policies, including the modernization of the U.S. strategic arsenal," said one official, who declined to be named.

The official said the decision was reached by Mr. Bush over the last several days after consultations with Secretary of State-designate James A. Baker III.

Officials said the new administration expects to be criticized by some segments of U.S. and international public opinion over the delay in resuming the talks.

However, Mr. Bush feels defense budget priorities, arms control policies and foreign policies must be reviewed by the new administration before negotiations can continue, officials said.

Retired Lt. Gen. Brent Scowcroft, Mr. Bush's designee for national security adviser, appeared to favor the idea of delaying the talks but would not elaborate on any specific plans of the new administration.

"It's a very reasonable position, but I really cannot comment on it," Gen. Scowcroft said. "It's one of the things to be considered."

Gen. Scowcroft has supported plans to modernize U.S. strategic missile forces. He directed a presidential commission that recommended putting 100 MX missiles in silos and building a single-warhead ICBM known as Midgetman.

The START negotiations were set to resume in Geneva in February following a recess last month. Neither side has predicted an agreement will be reached in the near future.

Negotiations on a START treaty to nearly halve the superpowers' strategic nuclear arsenals have been slowed over differences between the two sides, specifically the terms for adherence to the 1972 anti-ballistic missile treaty and whether to include all sea-launched cruise mis-

siles in the pact.

The Reagan administration also has said it would not agree to a START treaty until the Soviets resolve the issue of the large, phased-array radar at Krasnoyarsk, Siberia, which U.S. officials have charged is a violation of the ABM treaty.

A senior U.S. official, speaking on condition of anonymity, said numerous administration arms advisers urged Mr. Bush, in advance of his meeting last week with Soviet leader Mikhail Gorbachev, to take a longer period to review U.S. negotiating positions and military programs before resuming the nuclear arms talks.

Among those who have urged a delay are arms adviser Edward Rowny and the Joint Chiefs of Staff, officials said.

Such advice "I think carried the day with Bush himself," the senior official said.

He noted that no firm date for resuming the negotiations was announced following the brief meeting last week between President Reagan and Mr. Bush and Mr. Gorbachev.

The Reagan administration, with Mr. Bush's concurrence, proposed when the talks recessed last month that they resume Feb. 15 at the earliest. The proposal contained a caveat, however, stating that the date was subject to adjustment by the incoming administration.

The Soviets have not responded to the Feb. 15 proposal, which some administration officials have interpreted as a sign that the Kremlin also may not be ready to resume the arms negotiations so soon.

At the State Department, spokesman Charles Redman said he was unaware of any change in the Feb. 15 target date for resuming negotiations.

"That is a date thrown out as possible resumption date, but it [the resumption of talks] is really up to the new administration," Mr. Redman said.

Bush transition team spokesman David Prospero also said he did not know about the delay in the resumption of the arms talks.

• Peter Almond contributed to this report.

Capital Insider

Bush's Appointments Mark Him as a Man Of the Establishment

He Taps Seasoned Bureaucrats
And Works in the System,
Much as Gerald Ford Did

Chastened by Quayle Case?

WSJ 12/14/81
By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Incoming White House chief of staff John Sununu already has a stack of them: notes from George Bush, some scrawled in longhand, some pecked out on his old typewriter.

The brief missives describe conversations the president-elect has had with longtime Washington friends he has telephoned to talk about the nascent Bush administration. But, more, they symbolize the distinctive personal stamp Mr. Bush is putting on his presidency. Unlike Ronald Reagan and Jimmy Carter before him, Mr. Bush is emerging as a president who will operate as a Washington insider, as a man comfortable maneuvering on his own within the system. The notes, as Mr. Sununu is discovering, reflect an intimate knowledge of the workings of government and its chief power brokers.

Mr. Bush is first and foremost an establishment player, and he is staffing the top of his administration with aides predominantly cast in his own image: problem solvers seasoned in the bureaucracy. The group to date tends toward basic conservatism on fiscal matters and mild hawkishness on national security, but has little attachment to the conservative social agenda that fired many early Reagan-era appointees.

More Ford Than Reagan

"It's manifestly a mainstream politician back in Washington," says Fred Greenstein, a Princeton University political scientist and scholar on the presidency. "Not since Jerry Ford have we seen that."

In fact, in many respects the Bush administration is shaping up more as a successor to Mr. Ford's than as a clone of Ronald Reagan's. Some top aides, such as incoming national security adviser Brent Scowcroft and trade representative Carla Hills, actually are veterans of the Ford hierarchy.

The Bush appointees are winning high marks for the depth of their experience and their competence. Nonetheless, to some, the new team appears monolithic and uninspiring. Some conservatives are also dismayed about its moderate cast. "What you're going to see is that conservatives feel they have no stake in this administration," warns conservative activist Richard Viguerie. "In six months, he'll probably find that the entire conservative movement isn't with him."

Many of the appointees, such as designated Secretary of State James Baker, Treasury Secretary Nicholas Brady and Commerce Secretary Robert Mosbacher, have long personal relationships with Mr. Bush, further suggesting he will be far more involved in the affairs of government agencies than President Reagan was. That prospect of activism cheers those who decried the detached Reagan style.

"Every president has a different style," says Mr. Sununu. "George Bush has much more of a willingness to pick up the phone and call somebody and get his advice directly. Frankly, I have to build into the White House staff something that captures the advice he gets and the commitments he makes for action."

Of course, it is still early in the Bush era. Much of the character of the new administration will be determined by those picked to fill remaining cabinet posts, such as the secretary of health and human services. (Aides say the president-elect is likely to announce several more top-level appointments later this week, and they hint the newcomers may include a black and possibly another woman, diversifying the makeup of the Cabinet.)

Policy will also be shaped by sensitive second-tier appointments, such as assistant secretary of state for Latin American affairs or subordinate jobs at the Defense Department, which influence the tone of arms control negotiations.

Mr. Sununu says that, once the administration is fully staffed, conservatives won't be disappointed. "It's a Bush crowd, but it's a Bush crowd with a good mix of conservatives," insists the retiring New Hampshire governor.

How Conservative Are You?

Mr. Sununu himself is so far the truest conservative on the Bush team, particularly on fiscal matters. He took a pledge to keep his state as the only one in the nation without a broad-based tax. Yet he is hardly a hidebound right-winger. During the Bush campaign, he was a driving force behind Mr. Bush's decision to propose a child-care plan. Similarly, New York Rep. Jack Kemp, who is under consideration to head the Department of Housing and Urban Development, envisions himself as a new-school, "progressive conservative."

Even Mr. Bush's search, however fumbling, for a defense secretary and other top Pentagon policy makers signals change. By dallying as he reassesses his selection of former Texas Sen. John Tower, who some consider too close to the defense establishment, Mr. Bush is indicating he wants the defense budget managed more tightly and efficiently than it has been in the Reagan years.

In the process, though, Mr. Bush may be badly wounding Sen. Tower, who is still likely to get the top Pentagon job. Robert Komer, a former undersecretary of defense, says "sensitive jackals" in the Democratic-controlled Congress may perceive Sen. Tower as lacking the full support of the president. Still, Mr. Komer adds, "I feel a good deal of sympathy for Mr. Bush, who seems to be handling this left-footedly but really is trying to be sure he has a management team to work with Tower."

All told, the makeup of the Bush team suggests his administration will try hard to hold the line on new taxes, move cautiously but persistently on arms control and push modest new programs in areas like child care and education.

But already it is possible to conclude that Mr. Bush is emerging more as the pragmatic, mainstream politician that friends have described rather than the fiery, liberal-baiting conservative he sometimes seemed to be in the campaign.

"Somebody described him in the campaign as this combination of Mr. Rogers and Jack the Ripper," says Mr. Greenstein. "You're not seeing Jack the Ripper now."

Mr. Bush already has tried to mend fences with groups largely ignored by the Reagan administration. He delighted environmentalists by calling in six of their leaders recently for an informal discussion. "You may not believe it," he told the group, according to a participant, "but I'm an environmentalist."

Courting the Opposition

The overture seemed to score points, though it hardly erased all doubts. He made clear he cares deeply about these issues," says John Adams, president of the Natural Resources Defense Council. But the true test, Mr. Adams adds, is whether Mr. Bush will be willing to devote money to the environment in times of tight budgets. "It's easy to say. It isn't so easy to jump and do."

The president-elect has also tried to

build bridges to congressional Democrats, who complain they were largely frozen out of the White House in the latter years of the Reagan term. And Mr. Bush has made a point of calling in black leaders, who also have felt ignored in recent years.

Far more than Mr. Reagan, Mr. Bush appears to believe he can reach accommodations with political foes simply by pulling them into the decision-making process. That doesn't indicate how he will handle matters as intractable as the budget deficit, but it does suggest that a less confrontational policy-making style is emerging.

"I see the general course of the Reagan administration being carried out without as much of the hot rhetoric," says Vic Gold, a Bush friend and biographer. For instance, he says, "I think we're going to have a very strong policy about the Soviet Union, but we're not going to have any 'Evil Empire' flourishes."

Mr. Bush, who has a wide circle of friends in Washington, will also bring a new, more social personal style to the presidency. Mr. Gold was startled a couple of Saturdays ago when his phone rang at 3 p.m. and he heard Mr. Bush on the line. The president-elect and his wife, Barbara, wondered whether Mr. Gold would join them at a Chinese restaurant—that night. In a few hours, Mr. Bush had put together a group of eight friends who went out, Secret Service detail in tow, to a suburban Washington restaurant.

A Drink for the Press

Similarly, when Mr. Bush decided to invite reporters into his house in Maine during the Thanksgiving weekend, he hopped into his black, bullet-proof limousine and insisted he be driven to the store to personally buy wine and cheese for his guests.

"I think there's a real recognition on his part that if he doesn't stake out his ground, all the traditional security may tend to entrap him," says Sheila Tate, spokeswoman for his transition team. "I think he recognizes that the presidency isolates."

Mr. Bush appears far more likely to initiate actions than Mr. Reagan, who tends to react to issues brought to him by his staff. The president-elect disrupted his own transition schedule by ordering aides to draw up new lists of job candidates that include more women and minorities and by calling a meeting of his state campaign chairmen to get their suggestions for job candidates.

At the same time, Mr. Bush has occasionally made precipitate decisions. One morning, for example, he declared to his aides that he was about to announce his appointment of Mr. Scowcroft as national security adviser. The staff had such little notice that frantic aides nearly couldn't locate Mr. Scowcroft so he could be present at the announcement.

Mr. Bush's proclivity for acting on his own, coupled with a penchant for secrecy, worries some White House aides. They fear he may stumble into bad decisions that might otherwise have been avoided had he relied more on staff expertise. Indeed, Mr. Bush's operating style led to the widely ridiculed choice of Sen. Dan Quayle as his running mate. Some believe that move chastened Mr. Bush, and has contributed to his cautious deliberation over the Tower appointment.

A tendency to fly solo "got Ford in very serious trouble early in his administration," says Mr. Greenstein, the political scientist. "Ford seems to have free-lanced the Nixon pardon." Free-lancing, he adds, could also trip up Mr. Bush.

But, whatever the virtues or pitfalls of his style, it is clear Mr. Bush will be playing a much bigger role in policy decisions than Mr. Reagan did. "I don't think there is any doubt that George Bush is going to be directly involved in the decision-making process in his White House," says Thomas Griscom, a former communications director for Mr. Reagan. "I don't think George Bush is going to be out of the loop at all."

Transcript of Bush's Remarks on Domestic and Foreign Issues

Following is a transcript of President-elect Bush's remarks and some of Clayton Y. Yeutter's remarks at a news conference in Washington yesterday, as recorded by The New York Times through the facilities of ABC Radio News:

OPENING STATEMENTS

MR. BUSH: Well, I'm pleased today to announce another Cabinet selection and a very, very important one. It is my intention to nominate Clayton Yeutter to serve as Secretary of Agriculture. His wide knowledge of the issues, obviously demonstrated skill and broad experience make him quite simply the best man for this very important job. He himself has worked in farming. He's a noted scholar of agricultural economics and he's twice before held sensitive regulatory and trade posts in the Department of Agriculture. And for many years now he's served the nation with highest distinction as trade representative and international negotiator.

Since 1985, Clayton has served in the Cabinet as U.S.T.R. — United States Trade Representative — the man principally responsible for the development and execution of American trade policy. And in that office he's accomplished much in the way of notable work for our country on a number of fronts. Our new and historic free trade agreement with Canada is as much as anything the product of his personal dedication and his personal diplomacy. He's the man who persuaded Congress to remove dangerous protectionist provisions from the omnibus trade and competitiveness bill of 1988, and then his ongoing work in international trade will make a perfect jumping-off point for the important work that lies ahead in American agricultural policy.

Ambassador Yeutter has just returned from Montreal where the 96 member nations of GATT completed this midterm review of the Uruguay round of multilateral trade negotiations. Now President Reagan's objectives in these negotiations are mine, and I know they're Clayton Yeutter's as well — a comprehensive reform of world agricultural trade rules by 1990. And I'm confident that Ambassador Yeutter will continue to ably pursue this goal in his new post, and that our shared national goal of free agricultural trade and expanded agricultural exports abroad will have no better spokesman, no greater advocate. So he knows foreign policy

domestically, he knows it internationally, and I am just delighted to think that I will be serving with him as our new — when he becomes our new Secretary of Agriculture.

You're entitled to equal time:

MR. YEUTTER: Well, thank you Mr. Vice President. I won't take equal time, because that was a very eloquent statement. I would simply say, Mr. Vice President, as you already know, that I really had intended to return to the private sector at the conclusion of the Reagan Administration, and as I said to you this morning there are only a few people in the world who could convince me to carry forward in another stint in Government, but you're one of those few. And I am deeply honored to serve you, Mr. Vice President, in the coming years, and I hope we'll have a lot of fun in dealing with some very difficult issues — difficult and challenging issues in agriculture. But those are the kinds of issues that make life interesting and rewarding.

Mr. BUSH: I'll be glad to take a few questions, and then Clayton said he'd take a few so why don't we start. Yeah, Ann.

QUESTIONS AND ANSWERS

Confidence in Tower

Q. Mr. Vice President you've been praised for these appointments to the Cabinet that's shaping up, but there's been a lot of criticism about John Tower. And let me ask you what would make me think, given all the criticism of his work in the past, that he would be the best qualified person for such an important post?

A. I will discuss that when I've reached a final decision, which I haven't reached, and I've expressed my confidence in Senator Tower, my belief that if I decide to go that route he would make an outstanding Secretary, and if that's the decision I will discuss it more fully at that time. Yes.

New Markets Seen

Q. Has Mr. Yeutter agreed to stay the full four years or for just a limited period of time?

A. There are no limitations at all. We didn't discuss, you know, "I'll stay four years," but I expect he would, and it's open-ended like every other Cabinet appointment.

Q. What specifically are you asking Ambassador Yeutter to pursue as Agriculture

Secretary, particularly in terms of trade. Have you —

A. Well, we have a new farm bill coming up and that, of course, will occupy him. But we also — on the trade side — we're going to have to gain more access to the markets of others. And I'll be honest, I believe that this announcement today will send a significant message to our trading partners abroad, because they know of his personal commitment to opening markets abroad. They know he's fundamentally a free trader, but when they hear fair trade, they also know that Clayton Yeutter is dedicated to that concept. So we'll have the whole array of domestic policy issues on agriculture, but then, which he was perfectly capable of coping with before, and did a beautiful job in handling before. But now, with this new addition of international trade in his quiver there — these new arrows — why. I just think it's a perfect blend for where I want to see us go. And I said and talked in the campaign about the need to have more access to the markets of others, the need to stand up against anybody proposing grain embargoes. So we think alike on these important issues. But the key is, the signal that will go out right from this get-together right here, will be my emphasizing that I, as President, will continue to press for access — to a fair access — to the markets of others and to stay with our concept of free trade, and we will have a man that is so widely respected, that we're off to a running start in that regard.

Cost of Nuclear Cleanup

Q. Mr. Vice President, there's a report coming out from the D.O.E. tomorrow that by some estimates shows something like a 100 million — billion dollars it will cost for this country to clean up defense plants — nuclear arms plants. No matter what the figures, will you take that money that required cost out of the defense budget or elsewhere?

A. I have not gotten into where money will come from for anything yet. We're just beginning to sit down now with Dick Darman and others on the budget so I just can't — I'm not ducking, the question, I just don't know the answer to it yet. Yes, sir?

Plight of the Homeless

Q. I have a similar question, Mr. President-elect. The cold spell this week as focusing at-

Gutting Kissinger

With **Brent Scowcroft** going to the National Security Council and **Lawrence Eagleburger** apparently in line to be deputy secretary of state, the international consulting firm of **Henry Kissinger and Associates** is going to be a bit threadbare. Who's going to write speeches for Henry to deliver at \$25,000 a pop?

Rightwingers are antsy about Mr. Eagleburger but one old friend advises: "He's a pragmatist, but no liberal." Mr. Eagleburger is a former ambassador to Yugoslavia and undersecretary of state for political

affairs; he also has top level experience with State, the Pentagon, NATO and the NSC.

One source familiar with the operations Mr. Eagleburger will control at State said: "If that's true, it's utter disaster. Baker's got to be nuts." He said the Bush administration should appoint outsiders to the top four posts at State. "That building eats secretaries of state alive, and Eagleburger's a product of that building."

Mr. Eagleburger has said he sees the United States shifting its focus from NATO and Europe to the Pacific region, and that he believes Mexico will be our major foreign

policy dilemma by the turn of the century because of its destabilized political system.

A supporter of the president's Strategic Defense Initiative, he has called the Soviet Union "a serious adversary that does not mean us well." In profiles he has been described as "a 14-hour-a-day workaholic" with a "black belt at bureaucratic in-fighting."

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*Rowland Evans and Robert Novak***Why Shultz Switched**

Secretary of State George Shultz's shift to pro-PLO from no-PLO reflected strong pressures from George Bush and National Security Adviser Colin Powell, who are convinced the United States must begin to pursue its own foreign policy in the Mideast even if Israel dissents.

That conviction will produce other changes soon after President-elect Bush takes office, including a likely fact-finding Mideast tour by Henry Kissinger and the breakup of Shultz's inner circle of pro-Israel advisers.

Bush and Powell were surprised when Shultz, adhering to the letter of the law, denied Yasser Arafat a visa for his U.N. speech. "A damn fool mistake," Bush remarked to one aide. But surprise turned into intense dismay when Shultz adhered to his hard-line no-PLO position following Arafat's Stockholm press conference last week.

Bush, Secretary of State-designate James A. Baker III and John Tower (soon to be announced as defense secretary) have no intention of cracking down on Israel. Their concern is over a major Mideast war, with the danger of Israel's using nuclear weapons and the Arab states chemical weapons, if Palestinian nationalism is

not factored into the Arab-Israeli struggle. **Brent Scowcroft**, who will be Bush's national security adviser, is also known to fear that a new Mideast war will be unavoidable without a West Bank-Gaza settlement. That puts the entire Bush foreign policy team in the same camp with Powell, who has repeatedly (but until this week vainly) argued for more flexibility toward the PLO. State Department sources told us Powell made a powerful personal appeal to Shultz to permit the start of talks with the PLO after Arafat's Stockholm statement.

That Shultz turned him down cold is in no small part due to intense feelings by his inner group of advisers. They include his longtime executive assistant, M. Charles Hill, who served three years in the U.S. Embassy in Tel Aviv; Ambassador L. Paul Bremer III, State's top antiterrorist official, and State Department Legal Adviser Abraham Sofaer.

This team is regarded throughout the Reagan administration and by many Arab ambassadors as overly solicitous of Israel's interests at the expense of the Palestinians and Arab states, including U.S. allies.

Bremer stunned other officials in a statement published in The New York

Times Wednesday. He implied Arafat could not meet Shultz's anti-terrorist conditions unless he first disavowed the PLO's Cairo Declaration. That supposed anti-terror pledge, he said, actually "endorses terrorism" because it affirms the right of the Palestinians "to resist the Israeli occupation of their land in any way possible."

Transition sources told us the concern of Bush, Baker and other incoming aides about unequal treatment accorded Israel and the Arabs by Shultz has affected at least one key appointment: Dennis Ross, a highly regarded academic who ran Mideast affairs for the NSC until he became a Bush presidential campaign foreign policy adviser, will run the State Department's Policy Planning staff. He had been slated for deputy NSC director, a far more potent post, but was felt to be too close to Israeli positions.

The Bush camp is well aware how intense political pressures will be from Israel, the American Jewish community and the pro-Israel lobby. But they privately bless the fact that George Shultz finally spared Bush from making the first and perhaps hardest decision: to talk openly for the first time to the PLO.

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Grumbling heard as Bush picks old-timers

By Donald Lambro
THE WASHINGTON TIMES

12/16
R1

Concern is growing among conservatives that retreads from past administrations and holdovers from the Reagan era are getting highly visible jobs that President-elect Bush promised would go to "a brand new team of people."

Mr. Bush wins praise from wary conservatives for his choices of New Hampshire Gov. John Sununu as White House chief of staff and former New York congressman Jack Kemp to head the Department of Housing and Urban Development.

But they wonder how a Cabinet dominated by veterans of the Nixon, Ford and Reagan years can "invigorate the process" as Mr. Bush promised.

"If the Republican platform and the substance of the Bush campaign which it so deeply colored had been controlled by some of these people [chosen by the president-elect], we would have a Dukakis transition now," said one disgruntled GOP strategist involved in the writing of the platform.

"For an administration that talked about reaching out, getting fresh faces, where are they?" asked Paul Weyrich, president of the Free Congress Foundation.

The only new faces in the Cabinet-level lineup to date are New Hampshire Gov. John Sununu, slated to be White House chief of staff, and Robert Mossbacher, a Houston oil man and longtime Bush friend and adviser, who will become commerce secretary.

To date, Mr. Bush has named four men who currently are serving Mr. Reagan: Treasury Secretary Nicholas Brady; Attorney General Richard Thornburgh; Education Secretary Lauro Cavazos, and CIA Director William Webster.

Mr. Bush also has called on three men who previously served in the Reagan administration: former White House chief of staff and Treasury Secretary James Baker III who will be secretary of state; former deputy secretary of the Treasury Richard Darman, set to become White House budget director; and U.S. Trade Representative Clayton

Yeutter, named as agriculture secretary.

The president-elect is bringing back two Ford administration officials: Gen. Brent Scowcroft, who served as national security adviser, to fill that job again and Carla Hills, former secretary of housing and urban development, to be the new U.S. trade representative.

The complaints that line-up is triggering were summed up by one Capitol Hill conservative strategist who said that "many of these are just kind of nothing appointments."

"They are not people who are coming here with a sense of mission and an idea of what it is they want to do," he said. "Brady certainly doesn't. Mossbacher doesn't. Carla Hills doesn't."

"These are not idea people who are coming here to turn the place upside down or to really advance any policy agenda," the strategist said.

"Cavazos, Thornburgh, it's not a real action-oriented group. There's not a lot of moxie in this Cabinet to date that I can see," he said.

Ed Buckham, executive director of the conservative House Republican Study Committee, agreed. "One of the things I'm hearing most is that [Mr. Bush] has not really excited people with his choices," he said. "Thus far, it's not a new administration. There are a lot of Reagan holdovers."

Edwin Feulner Jr., president of the Heritage Foundation, described Mr. Bush's nominations as "a mixed bag," though he cautioned that it was too early to assess the Cabinet until everyone was named.

Mr. Feulner, like other conservatives, expressed strong support for Mr. Baker, who he said "would not be hoodwinked by the career Foreign Service officers the way a [Secretary of State George] Shultz has been."

He also praised Gen. Scowcroft and especially Mr. Yeutter's appointment to the agriculture post, calling him a "strong market-oriented man."

But Mr. Feulner said the Bush line-up to date "certainly isn't what we would have chosen, but I'm still upbeat, optimistic and pleased with where we're going so far. I'm not disappointed — yet."

On the other hand, Mr. Feulner said "it is very hard to get conservatives enthusiastic about Carla Hills" who is regarded as a party moderate.

A GOP Senate strategist said too many of Mr. Bush's choices were "an exercise in nostalgia. These are people who will not rock the boat. They'll keep it all very low key and comfortable the way it used to be. And unfortunately that boat is sailing into a shark field."

A congressional conservative, who requested anonymity, complained that the Cabinet choices represent "much too narrow a band. There are no people in this Cabinet thus far who were not Bush people all the way in 1988."

One of Mr. Bush's most disappointing decisions, said many conservatives, was keeping Mr. Cavazos, a Hispanic and a Democrat, at the Education Department.

"Bush said throughout his campaign that he wanted to be the education president but the man he picked is not a really exciting choice," said Mr. Buckham.

Rep. Vin Weber of Minnesota said he didn't have "any problems with the appointments that have been made thus far."

"In the remaining appointments, it would be smart politics for George Bush to pick somebody clearly identified with the conservative wing of the party," he said.

Rep. Newt Gingrich of Georgia also expressed support for the choices Mr. Bush has made thus far in his Cabinet.

"I don't see any evidence of this being a moderate sell-out ad-



BUSH TEAM TO SEEK CHANGE IN MILITARY

By ANDREW ROSENTHAL

Special to The New York Times

WASHINGTON, Dec. 17 — With the naming of John G. Tower as Secretary of Defense, President-elect Bush has completed the selection of a national security team that will seek major changes in American military policy, transition officials said today.

The new team will be forced to try to impose rigorous management and careful strategic planning. The Reagan Administration was often accused of not paying enough attention to such concerns.

In addition, Bush aides said the new national security group no longer considers President Reagan's vision of an anti-missile shield the nation's top strategic priority, and one of its tasks will be to decide what the top priorities should be.

The team is also ready to delay arms control talks with the Soviet Union so it can undertake a sweeping review of

American strategic goals, and it is resigned to the possibility that the Administration will have to sacrifice a bigger Pentagon budget if it is to win concessions from Congress on long-range military planning.

Mr. Bush has extracted from his designated national security officials a promise to avoid the kind of public feuding that sometimes paralyzed decision making under Mr. Reagan.

The first task for the newly completed national security group is a wide-ranging review of American goals and strategies, which transition officials said is intended to provide the overarching themes for military spending, foreign policy and arms control that critics of the outgoing Administration say was lacking under Mr. Reagan.

Not all of the ideas under discussion are new, and many grow out of the budget cutting and tighter planning that have been imposed on the Pentagon over the past four years, in which military budget increases have fallen behind the rate of inflation.

But transition officials said the Bush team is anxious to tie the nuclear and non-nuclear strategies of the United States more closely together and to counter the perception that the Soviet

leader, Mikhail S. Gorbachev, has seized the initiative in Soviet-American relations.

The team is said to be eager to prepare for mounting pressure to withdraw American troops from Europe and to require the Western European allies to accept more of the burden for their common defense.

"It might be a lengthy process," said a senior Bush aide, "but it doesn't make much sense to resume arms control negotiations and begin planning military budgets until we know where we are going. We're going to take a go-slow approach to everything."

Transition officials said pressure has been increased sharply by the delay in naming Mr. Tower, the former Senator from Texas, to join three other national security officials already designated by Mr. Bush: James A. Baker 3d as Secretary of State, Brent Scowcroft as national security adviser and William H. Webster as Director of Central Intelligence.

"Time is short," a transition official said. "We're going to have to put our own twist on the new budget by early February and have the broad review largely completed before the next budget cycle begins."

Now that Mr. Tower has been named transition officials said, he can begin assembling his own Pentagon team and then initiate the strategic review with Mr. Baker, Mr. Scowcroft and Mr. Webster.

There are indications that the new national security team has largely decided how to handle budget negotiations with Congress. The outgoing Secretary of Defense, Frank C. Carlucci, has prepared a budget that seeks a 2 percent increase over the current one after accounting for inflation. Transition officials said they intended to fight for the increase.

But they are keenly aware that Congressional leaders have talked about a budget that merely keeps pace with the rate of inflation or even falls below it. One transition official said Congress probably will not approve a budget increase higher than the inflation rate.

Transition officials said they might consider going along with spending cuts in exchange for Congress's agreement to a two-year military budget which would allow for stability and long-range planning. They said they also want to issue long-term contracts for major weapon systems, which military analysts say will lead in the long run to lower costs.

Congress has set a deadline of mid-March for Mr. Bush to decide whether to buy more multiple-warhead MX missiles or to commit the Administration to Midgetman missiles, which have one warhead each. The Midgetman program would be more expensive than the MX program, but some experts say the Midgetman is more likely to survive an attack.

Mr. Scowcroft is an ardent supporter of the Midgetman, which has some support in Congress but is generally opposed by Air Force officials. Mr. Tower supports the MX, although Bush aides said he and Mr. Scowcroft have come closer together on the issue.

Once that decision has been made, transition officials said, the Bush team wants to develop a coordinated strategy for nuclear and non-nuclear forces, since the arms control talks and Mr. Gorbachev's recent announcement of unilateral troop reductions are bringing pressure on the United States to respond.

Such concerns led Mr. Bush to say last week that the United States would not be able to present a new position on long-range nuclear weapons to the Soviet Union by Feb. 15, the scheduled date for starting strategic arms talks.

Because Mr. Bush wants an overall security strategy so he can justify his spending requests to Congress and the public, Bush aides said the security team intends to review everything, including such previously untouchable matters as American forces in Europe and South Korea.

Transition officials said the Bush team has not abandoned Mr. Reagan's goal of creating a defense against nuclear missiles, but they said their vision of what that shield should be, and how it can be practically achieved, is different.

The idea is to start with a ground-based defense against an accidental missile launching. Such a defense would rely mainly on existing technology and would not require an immediate decision from the United States on whether to withdraw from or renegotiate the Anti-Ballistic Missile Treaty.

Baker Seeking Peace With Congress

By **ROBERT PEAR**

Special to The New York Times

WASHINGTON, Dec. 17 — James A. Baker 3d is making a slow, methodical, unobtrusive transition to his job as the next Secretary of State, but he has already indicated that he is much more willing than his predecessors to accept a large role for Congress in shaping foreign policy.

As Mikhail S. Gorbachev and Yasir Arafat challenge American policy makers to respond to dramatic changes in the Soviet Union and the Middle East, Mr. Baker has been putting himself through a course of instruction in foreign affairs and learning the arcane ways of the State Department bureaucracy.

He left today for a two-week vacation in Texas to see his 94-year-old mother in Houston and hunt at his ranch near San Antonio. He will also ponder his most important personnel decision, the choice of a Deputy Secretary of State.

The top two contenders for the job, Lawrence S. Eagleburger and William G. Hyland, were aides to Henry A. Kissinger. So was Brent Scowcroft, the man chosen by President-elect Bush to be national security adviser.

Mr. Eagleburger, president of Kissinger Associates, an international consulting concern, capped a 27-year career in the Foreign Service by working as Under Secretary of State for Political Affairs from 1982 to 1984. Mr. Hyland, an authority on the Soviet Union, is editor of the journal *Foreign Affairs*.

Dennis B. Ross, an expert on the Middle East and Soviet affairs who was the senior foreign-policy adviser to the Bush campaign, has been tentatively selected to be director of the State Department's policy planning staff, an influential post that has been held in the past by George F. Kennan and Paul H. Nitze.

A New Vision Emerges

For decades, the State Department has resisted Congressional efforts to shape foreign policy, insisting that it be the prerogative of the executive branch. But in meetings in the last few weeks with members of the Senate Foreign Relations Committee and the House Foreign Affairs Committee, Mr. Baker, a master legislative strategist during his years at the Reagan White House, has described a very different vision.

Richard S. Williamson, an Assistant Secretary of State who is close to Mr. Baker and Mr. Bush, said: "Jim Baker is showing that in a post-Vietnam era, Congress is a full partner in making foreign policy. He is demonstrating that he understands that and will treat members of Congress as partners — not just as silent partners but as vocal, active partners in making foreign policy."

President Reagan complained in a speech at the University of Virginia on Friday that "Congress has become more and more involved in the conduct of foreign policy" and has improperly infringed on his powers as the nation's chief diplomat.

The Comprehensive Anti-Apartheid Act of 1986, passed over Mr. Reagan's veto, prescribes policy toward South Africa in detail.

Congress also foiled Mr. Reagan's effort to continue arming the Nicaraguan rebels and has earmarked more than 95 percent of the foreign aid budget for specific countries, although President Reagan and Secretary of State George P. Shultz sought wide discretion to distribute the money as they saw fit.

And the State Department authorization bill passed last year contained dozens of directives and restrictions affecting American foreign policy around the world.

Praise From Moynihan

"The State Department is full of smart, able people but is a generation behind in accepting the redistribution of power in making foreign policy," said an adviser to Mr. Baker. "Jim Baker will change that. No one in Washington in the last 10 years has shown a better ability to deal with Congress."

Senator Daniel Patrick Moynihan, Democrat of New York, who is on the Foreign Relations Committee, said Mr. Baker's open approach to Congress was "an excellent way to begin."

State Department employees welcome the prospect of having a secre-

tary with so much influence and such close ties to the next President; Mr. Baker and Mr. Bush have been friends for 30 years. But department employees are also nervous because they know little about Mr. Baker's intentions.

Since his selection was announced on Nov. 9, one day after the Presidential election, Mr. Baker has been self-effacing almost to the point of invisibility. He is by nature a cautious man and, as an aide noted, "he has no authority until he is confirmed by the Senate."

"Baker is playing his cards awfully close to his chest," said a Foreign Service officer. "He is a presence in the State Department building, but he is keeping his mouth shut."

Judith Kipper, a Middle East scholar at the Brookings Institution here, said Mr. Baker and his aides "have basically disappeared off the face of the earth."

Ex-Presidents Are Consulted

As part of his education, Mr. Baker has met with former Presidents Nixon and Carter and former Secretaries of State Kissinger, Dean Rusk and Cyrus R. Vance. He is also meeting with all the current Assistant Secretaries of State to identify what he calls problem areas and opportunities.

Aides to Mr. Bush have already said they are preparing a strategy for Central America to put less emphasis on military aid to the Nicaraguan rebels and more emphasis on diplomatic efforts to find political solutions to conflicts in the region.

The leading candidate to carry out that strategy as Assistant Secretary of State for Inter-American Affairs is Robert C. Helander, a New York lawyer who has been involved in many efforts to help small-business entrepreneurs in Latin America. He would succeed Elliott Abrams. A person who knows Mr. Helander well called him a middle-of-the-road conservative and said he believes the United States should help promote economic development in the region.

NEW YORK TIMES, 12/18/88, p. A-22

ONE of TWO

The Nir-North alliance. Among the many secrets buried with Amiram Nir, the Israeli counterterrorist official who died in an air crash earlier this month in Mexico, were details of a covert operation he had planned to carry out with the help of Oliver North. According to North's still secret notebooks and other intelligence sources, the Nir-North alliance had as one of its prime targets the acquisition of the advanced version of the Soviet Union's T-72 high-tech battle tank. According to the Nir-North scheme, Israel was to send an armaments expert to Poland who was supposed to travel with a fake Syrian passport and who spoke Arabic with a Syrian accent. With the help of unnamed Polish confederates, the agent then was to make certain that the tank was the very model long sought by U.S. intelligence. Then, the vehicle was supposed to have been shipped via a circuitous route to the United States. But before the project could be launched, the Nir-North team was thrown into disarray by the disclosure of the Iran-Contra connection. Still, the ever resourceful North was hoping to use the abortive T-72 intelligence operation to justify his other arms capers.

Sky-high salaries. Plagued by a shortage of pilots, Japan's rapidly expanding airlines are turning to U.S. imports. Four Japanese airlines recently lured some 80 American pilots and cockpit-crew members by paying salaries sky-high even by the industry's elevated standards. For example, a 46-year-old American pilot earning \$120,000 can now make \$167,000 a year in Japan. The salary differential is necessary because of sizzling international competition for crews. In the U.S. this year, commercial airlines alone have hired some 11,000 new pilots.

Operation Clean Sweep. Brent Scowcroft, slated to become director of the National Security Council in the George Bush administration, has passed the word: No ideologues, no Reaganauts and "no cowboys" need apply. Scowcroft has also promised a complete personnel turnover of the NSC staff, which has had six directors during the past eight years. Following the announced "reaching out" policy of his new boss, Scowcroft is seeking Democratic as well as Republican professionals for the NSC's 100-odd highly prized positions.

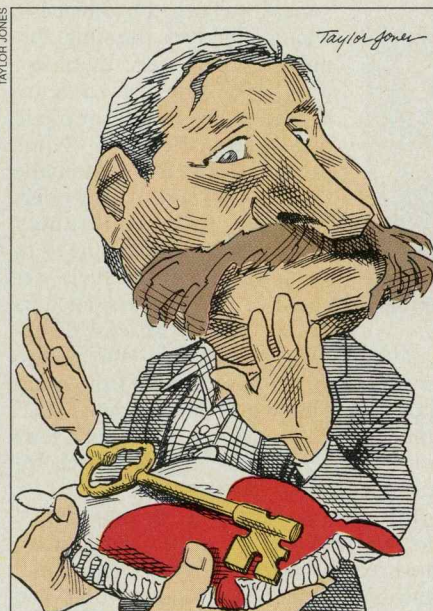
Polish perestroika. Mikhail Gorbachev has told Poland's President Wojciech Ja-

Iran-Contra foiled Ollie's Soviet tanknap

No Reaganauts wanted on Scowcroft's NSC

Walesa, Jaruzelski no longer Poles apart

ruzelski that the only way out of his nation's deepening economic and political crisis is persuading Lech Walesa, head of the outlawed trade union Solidarity, to join a coalition government. In their contacts with Westerners, Polish diplomats acknowledge that their nation can't repay its \$40 billion debt to Western banks and promise that Solidarity will soon have "full participation" in the cabinet and "a substantial representation" in parliament. But the diplomats stop short of guarantee-



Solidarity's Lech Walesa
Playing hard to get

ing the legalization of Solidarity, which they still hope to avoid and upon which Solidarity insists. Only a few months ago, Warsaw officials called the independent trade union "dead." Solidarity leaders say joining the government as individuals is not the answer. They demand genuine perestroika and power-sharing, both of which the regime is reluctant to grant despite advice from Gorbachev to do all that must be done to raise production.

Edited by Charles Fenyesi

Immoral but not illegal. The first indictments in the Pentagon procurement scandal are not expected until after the new year, two months later than prosecutors had hoped. The problem is that the case, rooted in a cozy exchange of information on contract bids between Pentagon officials and defense consultants, may involve violations more of department regulations than of federal law. In short, the problem is finding evidence of indictable crime rather than bureaucratic immorality. As a result, the case has bounced back and forth several times between the U.S. Attorney's Office in Alexandria, Va., which wants to bring formal charges as soon as possible, and the Justice Department, whose lawyers insist on solid evidence of illegality before approving the indictments. So far, two contractors, California's Teledyne, Inc., and Hazeltine Corporation of Long Island, and about a dozen employees and consultants have been informed that they are targets of the investigation.

Tourists, beware. U.S. diplomats threaten to unleash their ultimate weapon against Greece—a travel advisory warning for American tourists—if the Athens government frees a suspected henchman of the notorious Abu Nidal group held in a Greek jail. The Greeks, whose relations with Washington were already tense because of a permissive attitude toward terrorists, further incurred the wrath of the State Department last week by releasing a Palestinian member of the Abu Nidal organization. U.S. officials hope that with their economy ailing, the Greeks will not risk losing tens of millions in American tourist dollars by freeing the second Abu Nidal operator.

Red's carpet treatment. When Mikhail Gorbachev cut short his visit to New York last week because of the Armenian earthquake, it saved U.S. taxpayers hundreds of thousands of dollars. City officials will pass on the cost of police overtime, estimated at more than \$3 million, to the State Department. Some 6,000 cops were assigned to ease the Soviet leader's 45-car motorcade through monumental traffic jams in Manhattan. The city, however, will bear the expense of filling in potholes and repairing streets along the 15-mile motorcade route from the airport to midtown. A spokesman for the New York Transportation Department, who won't disclose how much it cost to roll out the red carpet, says only: "He was treated just like any other tourist who brings 45 cars into the city."

mired the way the Gorbachevs handled themselves. Democratic National Committee spokesman Michael McCurry said Gorbachev "fell victim to the Bill Clinton syndrome," referring to the long-winded keynote speaker at last summer's Democratic convention. "Sharpen up the message," McCurry advised. "Put the good stuff up high." But McCurry gave the Gorbachevs high marks for the rest of their performance. "Smart move to stay away from pricey stores and Donald Trump when the folks at home can't get groceries," he said. "There are two men I wouldn't mind having as a client," said Republican consultant Ed Rollins. "The pope is one, and Gorbachev is the other."

Setting an example: But is Gorbachev for real? He is certainly sincere about wanting to cut back on his conventional military forces because that serves his own interests, eventually allowing him to allocate resources elsewhere. He wants a formal arms-control agreement on conventional forces the sooner the better, but since negotiations on the subject in Vienna have been bogged down for years now, he decided on unilateral action. "We do not demand that anyone follow our example, but we would welcome it," said Yakovlev. Of course, the purpose of the exercise is to make the Soviet Union stronger, but that does not necessarily mean that Moscow will become aggressive again if the reforms succeed. Tied to the rest of the world economically and in other ways, it might be less belligerent. No one knows what will happen, but when Ronald Reagan was asked at a news conference last week whether he trusts Gorbachev, the old cold warrior replied: "He hasn't shown me any reason yet that I shouldn't."

There is still no guarantee that Gorbachev will succeed. For the moment, at least, he has the support of the Politburo; he stressed in his speech that "the Soviet leadership" had decided to cut the armed forces. He is encouraging generational change in the Soviet system, pushing older and more hidebound officials aside. Last week he retired the armed forces chief of staff, Marshal Sergei Akhromeyev, 65, who had publicly opposed unilateral cuts in the military. Easing the old-timers out must be a delicate process if Gorbachev wants to avoid trouble; Akhromeyev, for example, was treated honorably and remained a personal adviser to the Soviet president. Gorbachev has a long way to go, but by loosening the straitjacket of Soviet ideology, he improved his chances of getting there. Now he must persuade the rest of the Soviet people to change their conservative mind-set and seize the initiative as he has done.

RUSSELL WATSON with FRED COLEMAN, MARGARET GARRARD WARNER, PETER MCKILLOP and TONY EMERSON in New York, THOMAS M. DeFRANK in Washington and bureau reports



LARRY DOWNING—NEWSWEEK

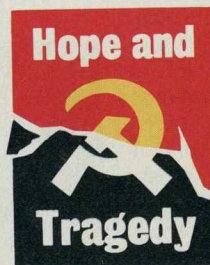
A 'sobering' challenge: For the next president and his team, hard thinking ahead

Bush Gropes for a New Grand Strategy

He aims to counter Gorbachev, keep the allies and Congress in line and somehow regain initiative

The ball was in George Bush's court, and nobody knew what to do with it. Mikhail Gorbachev's dramatic announcement of unilateral military cutbacks in Eastern Europe was surely a move forced by his economic woes, but it was also a brilliant way to play a losing hand: it gave the new U.S. president big problems with Congress at home and his allies abroad, and it underlined the lack of a grand strategy for dealing with Gorbachev and his vision of a brave new world beyond the cold war. "Gorbachev did something dramatic that apparently warrants an equally simple Western move," fretted one Bush adviser. "But the moves open to us aren't simple. What are we going to do?"

For Bush, the saving grace was that he didn't have to react to Gorbachev's démarche immediately. With former Texas senator John Tower still awaiting the official nod to become defense secretary, the national-security team wasn't complete



and policy had barely been discussed. But an aide said that Bush had been impressed by Gorbachev's adroitness and "sobered" by the task ahead. Bush reads Gorbachev as a man "prepared to take the most far-reaching steps on policies that have failed, or are costly," a top adviser says, but also as a leader willing to stick to traditional hard lines when they seem to his benefit.

The military cuts were billed as unilateral, but Bush's advisers expect pressure from Moscow to pull back U.S. divisions as well, and there will be sympathy in Europe for such a move. "Gorbachev's initiative does put more pressure on George Bush," said former national-security adviser Robert McFarlane. "It requires enormous vision and political skill to preside over the alliance at a time when its members are going to be very fractious." Even before he takes office, Bush and his still-forming team will have to decide how to respond to the Gorbachev gambit, how to keep the

Guessing Game Starts On Deputy Candidates

Tower Named Defense Secretary

BY DAVID J. LYNCH

George Bush rescued his friend and defense adviser John Tower last week from a frenzy of public scrutiny, naming the Texan to a job that may make the past few weeks appear relatively calm by comparison—defense secretary in an era of shrinking budgets.

With Tower's appointment out of the way, speculation immediately shifted to who will occupy the important number two post at the Defense Department. Tower succeeded in his decade-long quest for the secretary's job through his avowed political acumen and knowledge of Congress. To balance those skills, Bush has been advised by defense experts to seek a talented manager.

At week's end, the top candidates to become deputy defense secretary were Robert Kirk, the chairman and chief executive officer of Allied-Signal Aerospace Co., and Vince Cook, the vice president of IBM Corp.'s Asia-Pacific Group. Tower thinks highly of Kirk, according to a Washington-based observer, but Cook's top-flight managerial skills make him a strong contender. Cook is also planning to retire from IBM so he would be free to accept a Washington assignment.

At the press conference announcing Tower's appointment, Bush was asked whether he or his nominee would pick the deputy. "We will be approaching it in consultation with the senator, but it will be his call. You cannot have a secretary whose subordinates are beholden to somebody else," Bush said.

A Tower aide said the transition team and Tower will work together. "It's the function of the transition to offer possibilities. They get the resumes," the aide said. "Certainly, we have our own ideas."

Sen. John McCain (R-Ariz.) said it was significant that a deputy was not named along with Tower because the new secretary now appears to have a clear say about his number two. "We work on appearances around this town," McCain said.

When Tower's name first surfaced several weeks ago as the likely defense secretary, observers speculated that several former aides would likely be brought with him to the Pentagon. Under this scenario, all three service secretary slots would be filled with former aides: Rhett Dawson, a White House official, James McGovern, the acting Air Force secretary, and Navy Secretary Will Ball.

But sources said last week that arrangement may not materialize. Ball remains a possibility to stay on, but McGovern is reportedly less certain. And Dawson may end up with another post, such as DoD general counsel.

Tower's appointment broke several weeks worth of tension among his close supporters. "I think we're happy. We're glad the whole thing is over," said the aide. Likewise, congressional boosters greeted the news happily. "I'm relieved," said McCain, a Tower supporter who earlier had complained about the way the transition team was handling the appointment.

Tower himself got the good news at a 7:30 a.m. meeting Friday morning with Bush transition team officials John Sununu, Craig Fuller and Robert Teeter, the aide said.

When he appeared later that morning at a press conference with Bush, Tower pledged close coopera-

tion with his former colleagues on Capitol Hill. He also called for acquisition and budgetary reforms and an examination of the military's force structure.

Bush was peppered with several questions on the impact of the prolonged FBI investigation of Tower and the apparent delay in naming him to the post. Bush pronounced himself "totally satisfied" with the results of the FBI background check and said questions about Tower's personal life were "totally concluded."

Added the president-elect: "He has not only my full confidence, but it is strengthened, if anything, by the process he has gone through."

When it was his turn, Tower parried questions about the human toll of the relentless rumor-mongering. "Oh, gee—I woke up every morning, and laughed myself silly over what I was reading in the newspapers...It was not comfortable. But I understand the process," he said.

Tower said he would make no substantive decisions on defense issues pending talks with Secretary of State-designate James Baker and Bush's choice as national security adviser, Brent Scowcroft. But he did put in a plug for the "competitive strategies" doctrine, which aims at using areas of U.S. technological advantage to exploit Soviet vulnerabilities, and came out against "significant force reductions in Europe."

Earlier, when a question arose about whether Tower, who has been a strong supporter of fat military budgets for years, could adapt to today's budget-cutting necessities, Bush replied: "You know what I say? One, the image is wrong. And, two, Nixon went to China."

Bush chooses insiders

Ronald Reagan is leaving the White House on a wave of anti-Washington rhetoric. Meantime, president-elect George Bush is putting together a Cabinet of consummate Washington insiders.

James Baker as secretary of state; William Webster as CIA director; Brent Scowcroft as national security adviser; Jack Kemp at Housing and Urban Development: all long-time Washington players.

But no man is more powerful inside the beltway — and beyond — than John Tower, Bush's choice for secretary of defense.

Tower packs a powerful punch on Capitol Hill, where he served as a senator from Texas for 24 years, including four years as chairman of the Senate Armed Services Committee. After leaving the Senate, Tower worked as a consultant for a number of major weapons contractors, including Rockwell, LTV, Martin Marietta, Textron and British Aerospace.

Tower's background undoubtedly

ly gives him the expertise in military affairs necessary to handle the Pentagon post. But many fear his cozy relationship with the defense industry may hinder his ability to clean up the pork-barrel Pentagon procurement process.

It's no surprise that Bush chose inside players like Tower. Bush, after all, rose to power by playing the insider's game.

Moreover, he appreciates the importance to a president of having clout on Capitol Hill — something Ronald Reagan had during his first four years in office but lost in his second term.

Nonetheless, there is a danger when insiders, alone, have too tight a grip on government. The best way to prevent close ties from getting too cozy for comfort is by having a strong man in the White House, who keeps watch over the people he appoints.

We hope that will be another difference between George Bush and Ronald Reagan.

New chief at the Pentagon

LIKE all senior non-coms in the military, John Tower should know who the slackards are in his outfit and how to get things done without a lot of bureaucratic fuss. Mr. Tower, a bosun's mate who kept his petty officer status in the Naval Reserve for years, will need those skills and more in his new role as Pentagon chief.

He inherits a US military that is better equipped and better trained than a decade ago, when Jimmy Carter began to turn around a "hollow army." Ronald Reagan poured money and pride back into military service, and it shows.

But the outgoing commander in chief also failed to root out "waste, fraud, and abuse," as he promised, and as the Pentagon procurement scandal so painfully shows. And his main man at Defense - Caspar Weinberger - was hardly discriminating in his weapons purchases.

Nor did Mr. Weinberger ever try to knock heads among the services, letting them each have pretty much what they wanted without getting rid of the petty rivalries that so often mean costly duplication of sacrosanct "roles and missions" as well as hardware. Rather than the more modest and steady buildup that was necessary, the Reagan administration - with the help of John Tower, then a senator, and other hawks - went for double-digit increases during its glory days.

The result was predictable: Congress eventually sat on military spending and the services suffered exactly the kind of up-and-down budget cycle that experts warn against.

What now for Tower?

First, he'll have to prove that his years in Congress as a Pentagon buddy and his recent business ties to defense contractors won't prevent his making the necessary hard choices.

He should ax a few questionable items right off the bat to show he means business. Better to do that than nibble at programs or stretch them out, which only

costs more in the long run. And far better than going for the "easy" cuts in less glamorous training and support programs, which undercut military readiness and sustainability. Once a teen-age sailor on a gunboat during World War II, Tower should know that ammunition, spare parts, and peacetime practice can be just as crucial as the latest high-tech gadget.

"The bottom line," as Tower himself said, "is that we must provide at least as much if not more defense for less money."

Second, Tower - along with the rest of the national security team, James Baker at State, CIA chief William Webster, and national security adviser Brent Scowcroft - should reassess US military goals and strategies.

The world has changed a lot in eight years. It's not quite soon enough to declare victory in the cold war, but the Russian bear has pulled in his claws - not all the way, but certainly enough to make a difference.

Real nuclear disarmament now seems a distinct possibility, as is the scaling back of superpower forces abroad. If the United States is threatened at all - and the wisdom of its people certainly indicates this - it is by economic competition from abroad. The more likely threat of violent attack is from terrorism and other forms of "unconventional war."

All these changes demand a fresh look at what the US military forces should consist of, how they should be trained and armed, and where they should be deployed.

Preserving the peace - and using military might when necessary - will still be very expensive. But there are plenty of good ideas about how to get a more efficient and more effective defense force that responds to today's military, diplomatic, and economic challenges.

John Tower's job will be to consider these ideas, come up with others, and act the stern and wily chief petty officer in making them work.

JOSEPH C. HARSCH

Bush's good start

THE Bush administration is to be a continuation of the Reagan administration in some ways, but there is already a big difference.

Ronald Reagan came to Washington with a band of ideological conservatives. The prime examples were Edwin Meese, who was going to revive Puritan morality, and James Watt, who tried to sell off public lands for private exploitation.

George Bush is not bringing back any of those early members of the Reagan team who fell by the wayside. He has several recognizable "conservatives" on his team so far, but they are more traditional Republican conservatives for political reasons than conservatives with passionate ideology.

Dan Quayle, the vice-president-elect, is a modern reaction to too much New Dealism in a naturally conservative state, Indiana. Jack Kemp is a believer in supply-side economics rather than an emotional conservative of a Pat Robertson stripe. John Sununu, to be White House chief of staff, is a tough conservative, yes, but a practical politician also, who would never sacrifice a block of voters unnecessarily for the sake of an emotional policy dear to self-styled conservatives.

John Tower, the new secretary of defense, is conservative in that he believes in a strong defense. But he also knows the defense industry and knows which big-ticket items can be sacrificed without cutting real strength. He has the background knowledge for justifying cuts which a known "liberal" would not.

On the other side of the coin, James Baker, the new secretary of state, is the only survivor of the original Deaver-Meese-Baker troika at the Reagan White House. He was an anathema to the leaders of the conservative movement. He was the one who often steered Mr. Reagan down safe and practical paths. He was the one at whom was aimed the cry, in early Reagan days, "Let Reagan be Reagan."

Brent Scowcroft is to head the staff at the National Security Council. He is a veteran in that job. He was there in the Kissinger days. He was frequently consulted during the Carter administration. He is known in Washington as a professional civil servant of the first order of integrity and selfless dedication to the public service.

Clayton Yeutter is another of the same variety, a person trusted by Democrats as well as Republicans to do an objective and nonpartisan and non-ideological job. As secretary of agriculture, he can be expected to grapple with the thorny and insoluble problems of that department with wisdom and tenacity. That he could solve them is another matter.

None of these appointments are going to run into serious trouble on Capitol Hill. Mr. Tower may be challenged over his association with defense industries for which he has worked as "consultant." But as a former senator, and a man with many friends among Democrats, he is assured of confirmation.

Dick Thornburgh, former governor of Pennsylvania, is to be continued as attorney general. He was picked by Mr. Reagan precisely because he was politically and ideologically noncontroversial. He was accepted by the Democrats when he was nominated to succeed the highly controversial Mr. Meese. His continuation is one further sign that Mr. Bush knows that he can only govern with the consent of the Democratic majorities in both House and Senate.

Add that as Christmas approached, Bush invited in for a friendly chat not only Michael Dukakis, but also Jesse Jackson and Coretta Scott King. He is salving the wounds left over from the campaign.

In other words, he is signaling by his appointments a strategy of working with the Democrats, not in confrontation with them. That he must do so is true if he wishes to make progress with his policies. But it is also true that he seems to be trying to tell the country that he proposes to be a conciliator rather than a counterrevolutionary.

'A Whole New Look' at Baker's Debt Plan

As Treasury secretary, James A. Baker III resisted most suggested changes in the American strategy he had initiated in 1985 for dealing with Third World debt. Baker feared that a more generous attitude toward debt-or nations would be counterproductive. It might even, he said, cause a political backlash if taxpayers concluded they were being asked to finance a bailout of the banks that made the loans. "Debt forgiveness is a mirage," Baker liked to say.

But increasingly, from creditors, debtors, governments, institutions and legislators, there has been a groundswell coalescing around the view that the Baker Plan—which relied mostly on increased lending to Third World countries—is leaving the borrowing countries mired in deep trouble.

At a press conference Tuesday, President-elect Bush in a straightforward way agreed that some revision of the Baker Plan is a good idea. "I think we should take a whole new look at it," Bush said. He did not embrace the concept of debt forgiveness, but clearly he accepted the idea

that the present situation, in which the major poor countries this year are sending \$31.1 billion back to the rich nations, is untenable.

Most significantly, Bush embraced the idea that in revitalizing debt strategy, "not just the Treasury but our national security people" will be involved. That is a signal that Baker himself, as secretary of state, will be broadening his interest beyond mere financial considerations, supported by Treasury Secretary Nicholas Brady and National Security Adviser Brent Scowcroft. The latter is closely identified with Henry Kissinger's concern that the debt problem threatens to undermine friendly Latin American governments.

What Bush implied in his brief, perceptive comment is that after six years of debt strategy focusing on stabilizing the international financial system—and having made some progress—the time has arrived to lighten the burden on the Latin Americans, and shift some of it to the commercial banks. The open question is how far the Bush administration

will go to meet the challenge of the Japanese, who want the industrial nations to pay some of the bills.

Brady and David Mulford—now promoted to undersecretary of the Treasury—have been quietly working on a new approach for several weeks. They must make an interim report on debt to Congress, required by the new omnibus trade law, by Feb. 23.

The problem with the Baker Plan has been threefold: the drought in commercial bank loans; the inability of the debtors to improve their internal structure enough to boost economic growth, and the failure of the World Bank to exert the dynamic management initiative Baker had blueprinted for it.

Pedro-Pablo Kuczynski, chairman of the First Boston Corp. (and a former Peruvian Cabinet minister), says that the result has been that from 1981 through 1987 per-capita income in Latin America fell 10 percent. Kuczynski estimates that U.S. companies lost an estimated \$75 billion in exports to Latin America between 1983 and 1987.

Even though the flow of new loan money had dwindled, interest payments soared, with the result that outstanding debt piled up. As each Latin American country's debt went up, the value of its loans in the secondary market went down. For example, Ecuador's debt in the open market has plummeted to 21 cents on the dollar.

This stimulated calls for cancellation, forgiveness or—the latest euphemism—"voluntary" debt reduction. This means hoping that the commercial banks will be willing to initiate ways of easing the burden of debt among borrowers.

The problem, says Richard Feinberg of the Overseas Development Council, is that unorchestrated, market-oriented "voluntary" reductions in debt aren't likely to amount to much. To put it another way, if there is to be the volume of debt reduction that will actually ease the problem for friendly Latin governments, the program probably can't be wholly voluntary.

It doesn't have to be wholly mandatory, or unrelated to market realities, either. "The problem with vol-

untarism," Feinberg told me, "is that if banks are just doing their thing, based on their own strategies, how do you assure that it adds up in ways that reduce the net outflow [from the Third World]?"

Suppose that it is desirable to cut the "negative" outflow of money from Mexico to the rich nations from \$8 billion to \$4 billion. "How do you apportion that target?" he asks. "You have to have some oversight mechanism, someone who would say, 'All right, in order to get that \$4 billion, the banks have to lend this much [more], or they have to take this much debt reduction. What you need is a 'guided voluntarism.'"

If the major powers give such a responsibility to the World Bank and International Monetary Fund, it would not be far different from the IMF's self-appointed role, under its former managing director, Jacques de Larosiere, in the early stages of the debt crisis. Subtract from that the IMF's emphasis on a crunching austerity and you have the makings of "Baker Plan II."

Will Bush name Kissinger his envoy to the Middle East?

By John P. Wallach
Hearst News Service

WASHINGTON — Now that the United States has agreed to talk with the Palestine Liberation Organization, rumors are swirling here that Henry Kissinger may be asked to renew his flamboyant style of shuttle diplomacy and become the Middle East envoy for the administration of George Bush.

While Kissinger has denied the rumors, he did not seem completely uninterested in the post during an interview two weeks ago with an Italian newspaper in which he called on Israel to eventually give up the occupied West Bank and Gaza Strip.

That was a sign that the former celebrity diplomat, who is generally regarded as pro-Israeli, was making some effort to gain new credibility with the Arab world. The interview, unreported in the United States, convinced Israeli officials here that Kissinger was privately lobbying for the post.

Kissinger himself has labeled the rumors "untrue" or answered with a terse "no" when asked whether he is interested in the job. "I haven't been approached by anyone in the new administration to undertake anything of the kind," Kissinger said in an interview.

But for those accustomed to Kissingerian denials, this one is not completely categorical. He won't, for example, rule out the possibility that he could undertake a simple fact-finding mission to the area shortly after Bush is inaugurated.

Nor does Kissinger absolutely reject a more ambitious mission if Bush addresses his felt need that any envoy must have broad decision-making authority if talks in the region are to be advanced.

When Kissinger was secretary of state for President Nixon, he wielded extraordinary power in conducting talks that led to two Israeli troop pullout agreements with Egypt and one with Syria because Nixon was crippled by the Watergate scandal.

Those promoting the idea that Kissinger should be named Middle East envoy contend that Bush desper-

ately needs to name someone of Kissinger's stature to avoid early tensions with the Jewish state.

To be sure, Kissinger has his detractors. His standing with the Palestinians is not high because they regard his policies during the mid-1970s as responsible for first forcing hundreds of thousands of Palestinians into Lebanon and then pushing the PLO out of the area altogether.

At the same time, a significant question remains unanswered: Does James Baker III, Bush's designated choice to be secretary of state, care to delegate such a significant post to someone of Kissinger's standing?

Still, the rumor mill advances Kissinger, who is seen as most able to garner Israel's confidence as one who can deal most firmly with the PLO.

His supporters contend that Kissinger is the ideal candidate because he set the hard-line policy in 1975 dictating that the United States would not talk with the PLO until it accepted Israel, renounced terrorism and endorsed U.N. Security Council Resolutions 242 and 338.

Secretary of State George Shultz's recent demands that the PLO accept the letter as well as the spirit of Kissinger's preconditions resulted in the concessions made two weeks ago by PLO leader Yasser Arafat and launched the new U.S.-PLO dialogue.

The talks began last week when Robert Pelletreau, U.S. ambassador to Tunisia, met with a PLO delegation. The talks will resume after Bush's inauguration.

Kissinger's experience in dealing with Syria — he has remained in contact with Syria's President Hafez el-Assad — is vital because Damascus often has played a "spoiler" role in the Middle East peace process, according to Kissinger advocates.

Another argument in Kissinger's favor is that he provided Anwar Sadat with the promises of future arms aid that persuaded the Egyptian leader to break ties with the Soviet Union.

It is felt that Kissinger similarly may be able to keep the Soviets from making greater inroads in the region. The Soviets have been promoting an international conference on the Middle East that Israel opposes.

If Kissinger were able to facilitate even indirect talks between Israel and the PLO, presumably an international conference that would boost Soviet prestige in the region would not be necessary.

With all this commending Kissinger, it is no surprise that the Kissinger rumors took on a life of their own.

It all began last Wednesday when Shultz announced his intention to authorize U.S. meetings with the PLO. On the same day, Kissinger had a one-hour meeting with Baker and Brent Scowcroft, who will be Bush's national security adviser.

Scowcroft, apparently seeking to diminish Israeli fears that the United States was swinging too far in the direction of the PLO, called Shimon Peres, the leader of the Israeli Labor Party, offering assurance that Bush intends to name a high-level envoy to visit the region shortly after he is inaugurated.

"Like Kissinger?" Peres asked. "Like Kissinger," was the reported response of Scowcroft.

Peres welcomed the prospect of a Kissinger-like appointment because he opposes many of the West Bank policies of Prime Minister Yitzhak Shamir, supports an international conference and is convinced that U.S. pressure is needed.

The next night, Peres shared his conversation with Scowcroft with other members of Israel's Labor Party. It didn't take long for the news to leak.

Almost immediately, CBS News called Kissinger, seeking his appearance on the evening news with Dan Rather.

Kissinger provided CBS with the same equivocal denial that he provided to The Hearst Newspapers.

All of which, of course, means that the story may be accurate — or not.

Defense

Nominations. The first order of business for the Senate Armed Services Committee will be confirmation proceedings for the people Bush has selected to run the Pentagon.

Given the Senate's traditional courtesy toward its own, the nomination of former Armed Services Chairman John Tower, R-Texas (1961-85), to be secretary of defense likely would have met little opposition in any case.



Former Sen. John Tower of Texas will have his hands full managing the Pentagon in an era of tight budgets.

But that result is even more probable given the conciliatory tone Tower has taken toward Congress in recent months.

In particular, Tower probably has smoothed his path to confirmation by endorsing calls for reorganization of the Pentagon's internal operations and purchasing system, and by virtually conceding that the military will have to live without the annual budget hikes for which he fought throughout his Senate career.

However, his former colleagues on the Armed Services panel will press hard for details of his plans to revise current procedures and to pare back the services' long-range purchasing plans in line with tighter budgets. (p. 3540)

Armed Services Chairman Sam Nunn, D-Ga., and ranking Republican John W. Warner, Va., also have warned that the committee will hold nominees for subordinate Pentagon positions to higher standards of competence than were applied to some appointed in recent years. (p. 3540)

Defense Funding. Reagan will request Jan. 9 a fiscal 1990 defense budget that is higher than the fiscal 1989 appropriation by 2 percent plus the cost of inflation. But during the presidential campaign, both Bush and

Democratic nominee Michael S. Dukakis called for defense budgets to rise by no more than the cost of inflation. That would require Bush to trim Reagan's request by some \$6 billion very early in the year.

All indications are that Congress will go along with enough of an increase to protect defense programs against inflation. But, as has been true since early in Reagan's tenure, Congress will not commit itself to a defense-spending total except as part of an overall budget deal with Bush.

Since Bush has taken a hard line against raising taxes, and congressional Democrats are determined to protect domestic programs against further deep cutbacks, it could take several months for a budget agreement to emerge. (p. 3507)

Base Closings. There could be a fight in March or April over a proposal to close or sharply reduce employment at a few dozen military bases. But as a practical matter, any challenge to the proposed closings would face a steep uphill battle.

Under legislation enacted in October (S 2749 — PL 100-526), a blue-ribbon panel will recommend a list of proposed closings to Defense Secretary Frank C. Carlucci by Dec. 31. He will have until Jan. 16 to reject the list in toto or submit it, without revision, to Congress.

Congress cannot change the list, but it could block all of the proposed cutbacks by adopting a resolution within 45 days of session after March 1. Officials from several states with installations believed to be under scrutiny as possible targets of the commission have announced their intention to protect their bases.

However, House Armed Services Committee Chairman Les Aspin, D-Wis., predicts that the members whose bases would be closed will be greatly outnumbered by members who believe that their own bases will be immune from scrutiny for years to come once this round of cutbacks is approved.

Since any base closing will cost money in the first few years to relocate units at other facilities, members may try in future years to stave off closings by blocking the necessary appropriations. (p. 2808)

MX and Midgetman. Another potential battle likely to be deferred is Bush's choice of a new mobile intercontinental ballistic missile (ICBM).

For fiscal 1989, Congress approved \$600 million to develop a rail-carried launcher for the 10-warhead MX missile and \$250 million to develop a new, smaller missile with one warhead,

dubbed Midgetman, designed to be fired from a large, off-road vehicle.

Of the amount earmarked for MX, only \$250 million can be spent before Feb. 15. Bush could seek congressional approval to reallocate the remaining \$350 million to Midgetman or other defense programs.

Midgetman has been favored by some prominent Democratic defense specialists, including both Armed Services Committee chairmen, and by retired Lt. Gen. Brent Scowcroft, tapped by Bush as his national security adviser.

But leading GOP defense experts on Capitol Hill, such as Sen. Pete Wilson, Calif., as well as some powerful Democrats like Sen. J. Bennett Johnston, La., favor the rail-mobile MX instead.

Bush will be under strong pressure from both sides of the battle over whether to reallocate the \$350 million that is frozen through Feb. 15. However, during the campaign, Bush called in general terms for protecting both options pending negotiation of a strategic arms reduction treaty (START) with the Soviet Union. That course also would avert an immediate political battle over the highly charged issue. (p. 2697)

Procurement System. Drawing impetus from the Justice Department's investigation of alleged bribery and influence peddling in defense procurement, Pentagon critics such as Reps. Charles E. Bennett, D-Fla., and Barbara Boxer, D-Calif., likely will propose two far-reaching changes in the weapons-procurement system:

- Transfer of all weapons procurement to a separate agency outside the Defense Department.

- More stringent restrictions on the right of Defense Department officials to work for defense contractors after they leave the government.

Likely, those proposals will be vigorously opposed by Sen. Sam Nunn, D-Ga., and Les Aspin, D-Wis., chairmen of the two Armed Services committees; by incoming Defense Secretary John Tower and by most other members of the Washington defense establishment. In fact, depending on how anti-Pentagon the political climate becomes as the bribery investigation matures, Aspin and the others may push to loosen some of the restrictions Congress has placed on defense procurement in recent years.

In general, the establishment view favors giving Pentagon officials more flexibility to manage weapons programs and holding them responsible for the outcomes. Congressional critics typically have favored tighter restrictions and more external oversight of Pentagon management.



US Report: Scowcroft May Represent the Bush Difference

President-elect George Bush's new National Security Advisor will be Lt. Gen. Brent Scowcroft, a biting critic of many Reagan defense policies. Therein lies the difference between the administrations, as Jake Hansen reports.

The votes had just been counted. In shopping malls all over the United States the Christmas decorations were going up, but in Washington, the holidays were the last thing on many people's minds.

Democrats were busy consolidating power bases within their party and choosing a new Senate majority leader to take Robert Byrd's place. Republicans were doing some very serious wheeling and dealing. As transitions go, this has been smooth. In fact, there probably hasn't been an easier one since Vice President Martin Van Buren succeeded Andrew Jackson in 1836.

President-elect George Bush is no Ronald Reagan. He has his own style and his own ideas. He is not about to get stuck with a bunch of Reagan hand-me-downs. Before the US voted, Reagan moved to see that Bush would have the opportunity to cast his own administration. Reagan called for the resignations of the top 500 people in his Administration. Bush can now pick and choose as he sees fit and in the process bruise fewer Washington egos.

Last month we said that Bush's foreign policy would, to a large degree, be a continuation of the Reagan Administration's. The appointments made by the President-elect thus far point to a continuation, but with some important nuances which could eventually signal significant change. The first week after the election, Bush announced the appointments of Jim Baker as Secretary of State, Nicholas Brady as Treasury Secretary, and Dick Darman as Director of the Office of Management and Budget. While these appointments may have not stunned

the world, they do foretell a great deal about the new administration.

Even though the twin deficits of budget and trade were never deliberately mentioned in the campaign, these choices indicate that George Bush understands the crucial nature of both and intends to act accordingly. Bush hopes that the signal was sent to the international community that his will not be an administration of visionaries, but of doers.

The least surprising appointment was Jim Baker to be Secretary of State. For years Washington has known that Jim Baker wanted to be Secretary of State, and after successfully turning the Bush campaign around and guiding it to victory, he was assured of the appointment.

But this is not a political pay-off. While he was Chief of Staff to Ronald Reagan, Baker received considerable criticism as well as praise. The conservatives were particularly disgruntled and critical of his "pragmatic" approach and felt he lacked vision and commitment to the Reagan Revolution. In fact "pragmatic" became an epithet. However, time and three succeeding Chiefs of Staff have proven many, including the right wing, wrong. The greatest reforms of the Reagan Administration were accomplished with Baker's guidance. Baker is, in the words of many, "a smooth pol". His style is quiet, determined and gentlemanly. He is Bush's closest confidant and friend. The President-elect is expected to be intimately involved in foreign affairs, feeling he has close and special relationships with many world leaders. His closeness to Jim Baker, and this keen interest, will make a for-

midable combination for any other appointees who might have their own agendas.

Nicholas Brady has proven to be a steady hand at Treasury. He has been a long time friend of the President-elect, and his selection indicates that there will be no radical change in basic monetary policy. Brady succeeded Jim Baker at Treasury when Baker left to run the Bush campaign. The short time since then has not given much of an indication of what will be the tone of his tenure. Brady has served as a Senator (for a short period; appointed to fill out a term) and was chairman of the panel which investigated the 1987 crash on Wall Street. The report from that panel received poor reviews on Wall Street. However, Brady is considered an asset in budget battles.

Even his enemies consider Dick Darman to be one of the brightest people in Washington. An ideologue he isn't. But competent and calculating he is. His appointment to direct the Office of Management and Budget could throw a kink in many big spending plans. This appointment indicates a continuation of the Reagan policy of placing final spending decisions in the hands of OMB, rather than the individual agencies.

Darman is a "tough guy" who will probably not back away from a fight with a Senate committee chairman, or a member of the cabinet. He is veteran of five agencies and is well versed in the budgeting and spending schemes of the bureaucracy. If the intention is to cut spending, or set an agenda through spending, Darman will be able to carry it out.

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