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**July 1989**

# Bush Policy Makers Reach Uneasy Balance on an Approach to the Soviets

The Washington Post \_\_\_\_\_  
The New York Times A-8  
The Washington Times \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
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USA Today \_\_\_\_\_  
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Date 2 July 1989

By **THOMAS L. FRIEDMAN**

Special to The New York Times

WASHINGTON, July 1 — Midway through the meeting in May between Mikhail S. Gorbachev and Secretary of State James A. Baker 3d, the Soviet leader suddenly glanced across a gilded Kremlin chamber to Robert M. Gates, the deputy national security adviser. Smiling, but with a steely edge in his voice, Mr. Gorbachev said he had heard that the Bush White House had a special unit assigned to discredit him. He also said he had heard who was in charge of that unit: Mr. Gates.

As Mr. Gates and the other Americans sat in stunned silence, a participant recounted, Mr. Gorbachev went on to say that Moscow and Washington must try to work together for a new relationship. Then, Mr. Gorbachev added, Mr. Gates would be out of a job.

"Let's just say he was familiar with my views," said Mr. Gates, offering no other comment when asked for his reaction to the encounter.

## Gorbachev's Clear Message

But the Soviet leader's message seemed clear enough to Administration officials: Mr. Gorbachev was telling the Bush team that the don't-trust-the-Soviets theme laid out in speeches by Mr. Gates, the former Deputy Director of the Central Intelligence Agency, was outdated. And in pointing to Mr. Gates, Mr. Gorbachev picked a man who seemed to embody the conflicting urges of the Administration's Soviet policy.

On the one hand, the Bush team wants to avoid what it sees as an overly trusting attitude toward the Soviets in the last stages of the Reagan Presidency. But even the hard-liners know that to misread Mr. Gorbachev could be to squander a diplomatic opportunity and damage Mr. Bush's international standing — indeed, his standing in history.

Since the May encounter, the Bush team has found a new equilibrium in its view of the Soviet Union. It is an uneasy balance between an instinctive skepticism about Mr. Gorbachev's ultimate prospects for success and a political and geopolitical interest in taking immediate advantage of the new Gorbachev policies. It is a balance that no one better personifies than Mr. Gates.

## Favorable Implications

"We want to see perestroika succeed, because the success of those reforms would have implications for the Soviet Union that are favorable not

only to our values but our interests," Mr. Gates said in an interview after the trip to Moscow — a place he had never visited before and seen mainly through satellite photographs taken by the C.I.A. "But we have to carry out our policy, as the President and Secretary Baker have done so skillfully, with our eyes wide open."

"We've heard a lot of promises from Gorbachev," Mr. Gates said. "We believe the delivery is coming. But structural change has not yet really taken place in the Soviet Union. As long as the Soviets have the kind of military forces and doctrines they have, then it seems to me that the President has a responsibility, and those advising him have a responsibility, to ensure that the policies are bold enough to be responsive to change that is under way in the Soviet Union, but are not so bold or imaginative to be irresponsible."

Mr. Gates and his boss, Brent Scowcroft, the national security adviser, give the President his daily foreign policy briefing. The views of Mr. Gates provide a barometer of the mood inside the unusual, two-tier policy making system that has developed in the Bush Administration's early months.

The less powerful but more highly organized part of the apparatus for shaping East-West policy is called the Deputies Committee. Its responsibility is the nuts and bolts of policy making — the development of specific initiatives, from arms control to trade matters, vis-à-vis the Soviet Union. Mr. Gates is its chairman, and it is usually made up of Under Secretary of State Robert M. Kimmitt, Under Secretary of State Reginald Bartholomew, Under Secretary of Defense Paul Wolfowitz, Deputy Director Richard J. Kerr of the C.I.A. and a representative from the Joint Chiefs of Staff.

It is in the Deputies Committee that the policy options produced by the various bureaucracies are thrashed out and winnowed down to a few specific choices and sharpened for presentation to the President for a decision. An example is the verification proposals introduced by the Administration at the Geneva strategic arms talks.

It was the same body, though, that failed to extract from the bureaucracy the sort of bold proposals that the President offered for the NATO summit. That is why there is a second channel for policy-making.

## Informal Conversations

A State Department official commented, "So much of our policy toward the Soviet Union is produced willy-nilly in informal telephone conversations and meetings" by the President, Mr. Baker, Secretary of Defense Dick Cheney, Mr. Scowcroft, Mr. Gates and Adm. William J. Crowe Jr., the chairman of the Joint Chiefs of Staff. With each principal backed up by a tiny group of aides doing the paper work in isolation from their bureaucracies, the small informal channel shaped the NATO arms-control proposals, as the President passed a long weekend at Kennebunkport, Me.

This form of decision-making on important matters involving the Soviet Union "is not going to be an exception," one senior official said. "It's going to be the rule."

This informal channel is possible because of the high degree of personal and ideological collegiality among the Bush Administration's policy makers — thus far. The attitude is in marked contrast to the Reagan Administration, where the feud between Defense Secretary Caspar W. Weinberger and Secretary of State George P. Shultz divided the bureaucracy at all levels.

There are, of course, the usual bureaucratic turf wars on any given issue, officials say, but they tend to get worked out. It helps that Mr. Baker and Mr. Cheney are spending their summer vacation together and that Mr. Scowcroft and the President share both old friendships and gut perspectives.

The same is true of their lieutenants, including Mr. Kimmitt; Mr. Gates; Mr. Wolfowitz; Dennis B. Ross, Mr. Baker's policy planning director, and Robert B. Zoellick, Mr. Baker's counselor, as well as Robert Blackwill and Condoleezza Rice, the two Soviet experts at the National Security Council. They have all worked together for years and in many cases are friends.

## 'Floating Ideas Back and Forth'

"Most of the policy preparation for the President's Eastern European trip is being done informally, over the phone, between people like Ross and Rice, Gates and Wolfowitz, floating ideas back and forth," an official said. "When it's ready their bosses will sort it out with the President."

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The two tiers of policy makers were affected by the combination of Mr. Gorbachev's conventional arms control proposals, presented to Mr. Baker in Moscow, and the enormous criticism heaped on the White House for being left behind by the Soviet leader. Both sides had "to stop looking over their shoulder at Reagan and start focusing on Gorbachev and what he was really saying," an Administration Soviet affairs expert said.

While the President has since laid out a vision for East-West relations that he has called "beyond containment," the Bush team's policy, judging from Mr. Gates, would be better called "beyond skepticism." For now, what these policy makers seem to have done is overcome enough of their own skepticism about Mr. Gorbachev to deal with him on a broad range of issues. But where that will ultimately lead is still anyone's guess.

"I could give you a lot of flowery rhetoric about a peaceful future and a democratic system in the Soviet Union that would be a contributor to world stability and so on and so forth," Mr. Gates said.

"But, when it comes to international relations, and particularly when it comes to dealing with the Soviet Union, I am not a dreamer," he said. "I deal in reality. The dangers in the world come when people detach themselves from reality and make false assumptions about what is going on in the world. You have to remain grounded in reality but open to opportunity, and I think that what Gorbachev has presented the West and the United States are some opportunities. We should pursue those, and I will leave it to those on the outside to be the dreamers."

The 45-year-old Mr. Gates is a native of Kansas who earned a doctorate at Georgetown University with a thesis about Soviet experts on China. He joined the C.I.A. in 1966 as a Soviet affairs analyst and eventually became national intelligence officer for the Soviet Union. Later, he was promoted over the heads of more senior C.I.A. officials by William Casey to become his Deputy Director. Besides being a Kremlinologist, Mr. Gates has a reputation for being a shrewd, effective bureaucratic operator, particularly skilled as a manager and a quick-footed survivor.

He has served such diverse bosses as

President Jimmy Carter, by temporarily serving on his National Security Council staff, as well as Mr. Casey. His ambition to succeed Mr. Casey as head of the C.I.A. was thwarted after President Reagan withdrew his nomination in the face of widespread opposition in the Senate because of the C.I.A.'s involvement in the Iran-Contra affair while Mr. Gates was Deputy Director.

Mr. Gates acknowledged that his new assessment of the opportunities presented by Mr. Gorbachev has been also influenced by the fact that he is no longer dealing with the Soviet Union purely through the prism of intelligence satellites. He is now a diplomat-policy maker. Asked on his second day in Moscow how he felt, he grinned and said, "It's interesting at last to see the Soviet Union from ground level."

In describing Moscow, he observed, "It was not very different from what I expected: the condition of the buildings, the massive apartment structures, the lines of people at the stores."

"The only thing that struck me was that Red Square and Lenin's tomb were smaller than I imagined," added Mr. Gates, who had for so many years pored over pictures of Soviet leaders reviewing military parades.

#### A Spot of 'Gorby Fever'?

While he will not admit it — in fact, he denies it — Mr. Gates seems to have caught just a spot of "Gorby fever" in Moscow, which may also account for the subtle but important shift in tone of his analysis of Soviet-American relations.

"The thing that impressed me the most about Gorbachev is his energy," Mr. Gates said. "The vitality and sort of contained energy and the tremendous self-confidence. The guy just exudes the fact that he is in charge, that he knows what he is doing, is well informed and seems up to the challenge of whatever comes along."

# BUSH, IN WARSAW, UNVEILS PROPOSAL FOR AID TO POLAND

## HOSTS ARE DISAPPOINTED

### 6-Point Plan Falls Far Short of Wishes, but Americans Cite 'Symbolic' Value

By R. W. APPLE Jr.

Special to The New York Times

WARSAW, July 10 — President Bush announced a six-part program of American aid to Poland today to help capitalize on what he termed the "unprecedented opportunity" presented by Poland's tenuous experiment in democracy. But the carefully limited package got a lukewarm reception from leading Polish political figures.

Mr. Bush, on his first visit to Eastern Europe as President, laid out the plan in a speech to a joint meeting of the Polish Parliament, with one house controlled by the Solidarity opposition and the other by the Communist Party.

He said he would urge the World Bank to move ahead with \$325 million in new loans, ask the Western allies to support a rescheduling of debts that could amount to \$5 billion this year and propose to Congress a \$100 million fund "to capitalize and invigorate the Polish private sector." [Excerpts, page A8.]

#### Poles Say Package Falls Short

The President's program fell far short of the \$10 billion, three-year infusion of foreign aid that Solidarity has asked for. Lech Walesa, the Solidarity leader, whom Mr. Bush will meet Tuesday in the Baltic port of Gdansk, said in a telephone interview that it did not provide the sort of "shock treatment" the country needs.

After describing today's events as "conciliatory, effective and successful," Col. Wieslaw Gornicki, the Government spokesman, said there was "very little concrete material" in what Mr. Bush had offered. He complained about the President's repeated emphasis on the need for further sacrifices by the Polish people and of excessive "rhetorical formulations."

#### 'Symbolic of Our Support'

"Nobody in this country had any illusions that the stream of gold would flow," the spokesman said. "We did not expect alms or handouts. But while we are very much satisfied with the political tone of the visit, the substance is somewhat limited."

A senior American official, who asked not to be identified, said that Gen. Wojciech Jaruzelski, the Polish

leader, had peppered the President with questions about the economic proposals this morning, an early sign of his dissatisfaction.

Tonight, in an interview with Cable News Network, Gen. Brent Scowcroft, the national security adviser, conceded that the \$100 million in direct aid was largely "symbolic of our support for what it is the Poles are trying to do." But he argued that debt restructuring and new World Bank loans were substantive proposals which, if adopted "will make a difference" here.

"I think the practical impact is as much political and psychological as it is substantive," he said.

On the first full day of his European trip, Mr. Bush also laid two wreaths and held several meetings, including a luncheon at the American Embassy for Communist and Solidarity leaders. Crowds of several thousand turned out to greet him, waving Polish and American flags, but the emotional impact that some American officials predicted failed to materialize.

At one point, Mr. Bush jumped from his limousine to shake hands with a crowd near the Parliament. It was one of many moments of vivid contrast with the recent past; on the same spot only last week, the police clashed with opposition demonstrators who were calling for General Jaruzelski's ouster.

Secretary of State James A. Baker 3d said the Americans had not been "at all disappointed" by the relatively small crowds, because "this is not some election campaign."

As Mr. Baker acknowledged this

#### Strings Attached to Future Aid

Without changes there will be no more aid, the Bush Administration has made clear.

"In the 1970's," Mr. Baker said at a briefing for correspondents traveling with him and with the President, "we and our allies and the Polish people made a mistake. We shovelled a lot of money into this country with no requirement for economic reform."

John H. Sununu, the White House chief of staff, made the same point in a much blunter way — too blunt, in the view of some Poles, who found his language patronizing — in an interview here with NBC News. It was important not to do "too much" for Poland, he said, adding the following explanation:

"The analogy that's almost appropriate is, you can't create the problem of a young person in the candy store, where there is so much there that they don't know which direction to take and don't have the self-discipline to take the right steps."

evening, Mr. Bush adopted an almost conversational tone, making "no effort to divide or disrupt," as the secretary put it, and using "no hot rhetoric." Both the Americans and the Poles seemed eager to avoid offending President Mikhail S. Gorbachev of the Soviet Union, whose "new ideas" helped set in motion the changes here — indeed, Mr. Bush went so far as to quote Mr. Gorbachev in his speech.

Clearly, the President was walking a narrow line between raising expectations so high that failure to meet them would destabilize the country and giving so little that the Poles would lose heart and pull back.

Standing before a Polish eagle mounted upon an immense red-and-white banner in the neo-classical Senate chamber, the President said that "Poland is where the cold war began, and now the people of Poland can help bring the division of Europe to an end." But he warned that economic reform and recovery here "cannot occur without sacrifices" by every Pole.

"There can be no substitute for Po-

land's own efforts," Mr. Bush said as he outlined his program, which also included \$15 million to fight rampant air and water pollution in the historic city of Cracow in southern Poland. "But I want to stress to you today that Poland is not alone."

He added, "The United States stands ready to help as you help yourselves."

Mr. Baker said that last phrase caught the attention of Prime Minister Mieczyslaw Rakowski. The Secretary reported that the Prime Minister told Mr. Bush at a later meeting, "I'd like to put that slogan on the wall with your name on it and mine, too."

The United States, the International Monetary Fund and others are pressing the Poles to make major changes in the way they manage their debts and in the terms under which they permit private businesses to operate. The Government of General Jaruzelski is also under pressure at home and abroad to do something immediately about the country's inflation rate of almost 100 percent a year — so bad that "you can almost hear it whistling as it roars past," as one Warsaw working man said today.

# For Bush, a Polish Welcome Without Fervor

By MAUREEN DOWD

Special to The New York Times

WARSAW, July 10 — Poland is a country of tremendous emotion, and leaders from the West who have visited have often been overwhelmed with citizens throwing themselves on motorcades, pushing down barriers, and other signs of adulation.

Earlier displays of emotion, like those that greeted Robert F. Kennedy in 1964, Richard Nixon in 1972 and Pope John Paul II on three trips since 1979, constituted protests against the government of the day through one of the few avenues available.

In today's climate, with officially sanctioned opposition parties and newspapers, anti-Government sentiments can be expressed more directly.

## Moments of Spontaneity

"The result is that the President got a warm reception, an admiring one, but not a very intense or exuberant one," one of his senior advisers said tonight.

There were a few moments of spontaneity during a day that often seemed as somber and formal as the gray marble Parliament chamber. Before the President spoke to Parliament, Solidarity members broke into a chorus of "Sto Lat," a beer parlor song akin to "For He's a Jolly Good Fellow" that wished Mr. Bush 100 years of health. And as his motorcade left the session, Mr. Bush tired of the constricting security and jumped out to press the flesh with a crowd that shouted "Solidarity!" and "Long Live!"

As the motorcade approached the Parliament building, about 1,000 people chanted "Down with Communism!" "Jaruzelski must go!" and "Long live Bush!" in Polish. There was also a banner reading, "Poland, like the United States, has a right to independence."

But the emotional outpouring and the tens of thousands of people that the White House had expected never materialized, and Bush officials were left hoping for better crowds on Tuesday in Gdansk.

Bush aides had been promoting the trip by saying it would be comparable to President Kennedy's trip to West Berlin in 1963. But Mr. Bush's delicately balanced message — he talked about the need for world leaders "to forge a rare alloy of courage and restraint" — did not quite have the same infectious, passionate ring as "Ich bin ein Berliner."

Some White House officials speculated that it was the weight of so much change in a country accustomed to ravaged hopes that gave the day its subdued tenor.

"Everyone feels uncertain, what to say, how to act," said Marlin Fitzwater, the White House spokesman, struggling to explain why the crowds had been so much more modest and muted than during Mr. Bush's visit in 1987 as Vice President. "That spreads into the population as well."

It may also have been that the simple grinding fact of day-to-day life here kept people away.

Irena Koszewski, 61 years old, had been waiting in line for three hours, since 7 A.M., at a store that sells special kielbasa and hams for citizens with health problems.

Ms. Koszewski, who wore a beige knit hat and flowered dress, has good feelings about the West and Mr. Bush, whom she calls "a good man, a wise man."

But she had her own problems, and could not spend the day trying to find the American President. She and others in line simply expressed the hope that he is getting along with the Soviet President, Mikhail S. Gorbachev. "Our heads are too small to know what goes on between them," a 69-year-old man said.

## Jailers and Jailees

Administration officials said they thought that if the public show was not as emotionally charged as predicted, the private moments were often stunning reflections of Poland's colliding political sensitivities.

On the back porch of the American Ambassador's home, the President and First Lady moved among the guests at a lunch in their honor. Solidarity leaders and Communist bosses, in white shirtsleeves and neckties, made small talk and sipped Chandon Brut from crystal flutes.

Watching the mingling of former foes who now sit elbow-to-elbow in the new Parliament, one Polish official murmured sardonically to an American guest. "The jailers and the jailees."

# LEADERS IN PARIS ARGUE OVER CHINA

## On Eve of Economic Meeting, They Clash on Best Way to Fault Crackdown

By R. W. APPLE Jr.  
Special to The New York Times

PARIS, July 13 — Leaders of the world's seven most powerful democracies gathered in Paris today for their 15th annual economic summit meeting, to be held in the afterglow of France's 200th birthday bash, and fell at once to arguing over how far they should go in condemning China for bloodily crushing student-led protests with troops and tanks.

Backstage discussion on the eve of the conference, which opens Friday afternoon in the glass pyramid designed as a new entrance to the Louvre by the American architect I. M. Pei, also centered on proposals to fight global pollution and on calls, especially from the French, for much greater aid to the world's poor nations.

The United States, often the target of criticism at these yearly events, is in a stronger position this time, with interest rates falling, the dollar steadier and the economy seemingly headed for a soft landing, rather than a recession, as growth slows. Indeed, the seven big industrial powers, which Treasury Secretary Nicholas F. Brady calls "the engine of the world economy," are all doing well.

Robert D. Hormats, vice chairman of Goldman Sachs International, who has played an important role in a number of conferences since the first one at Rambouillet near Paris in 1975, commented the other day, "The leaders have the right to do a little back patting."

### Bush Cites 'Contentious' Issues

But they are also expected to do a little wrangling\* before they end their deliberations on Sunday. President Bush, who plans among other things to ask his allies to help Poland and Hungary, which he has just visited, said in a news conference aboard Air Force One this morning that there were a number of "contentious" issues to be dealt with at this, his first summit conference.

"I think we can reach an understanding," Mr. Bush said. "At the conclusion of the meeting you'll see seven countries in harmony, pulling together on matters like the environment, the economies and trade."

The President promised in his travels this week to ask Congress for \$100 million for Poland and \$25 million for Hungary, to seek rescheduling of some of the two nations' debts and to urge the allies to help, too. Experts expect them to agree, perhaps this weekend, but wonder whether the overall package of aid will be large enough to have a significant effect.

Brent Scowcroft, Mr. Bush's national security adviser, said the President planned to set no quotas in bidding for allied support. But he may well make a fairly emotional appeal; he said today that he had been deeply moved by the longing for change he encountered in Eastern Europe.

### Role of the Environment

The host of this week's events, President François Mitterrand, is pressing the other conference participants — the United States, West Germany, Britain, Italy, Canada and Japan — to condemn China. But Japan, Asia's sole voice in the councils of the seven, is reportedly urging caution to prevent Beijing from becoming isolated and forced to turn again toward Moscow.

Beijing complicated the situation today when it denounced France for giving refuge to two of the leaders of the demonstrations in support of democracy. But it appeared unlikely that the West would put its huge investments in China at risk by adopting economic sanctions.

Awaiting a decision here, bankers in Hong Kong and elsewhere say they have frozen all pending deals with China, although they have continued with most routine day-to-day business.

On the environment, which will play a larger role here than at any previous summit meeting, there is also a divergence of approach. Officials who have handled the preparations for the meeting predict an agreement to work together to save tropical rain forests and to pay for major new research efforts. But the United States, backed by Prime Minister Margaret Thatcher of Britain, opposes the establishment of strict international standards favored by some of the other countries.

Prime Minister Sousuke Uno of Japan, whose standing at home has been battered by a sex scandal, is hoping to start repairing his standing here, according to members of the Japanese delegation. One topic he will emphasize is the environment, and Japan announced today that it would spend \$2.1 billion to help poorer nations protect their rain forests.

# FRANCE CELEBRATES A DAY OF HISTORY

## World Leaders Join Start of Week of Events on 200th Year of the Revolution

By JAMES M. MARKHAM  
Special to The New York Times

PARIS, July 13 — As if to make Paris again the center of the world, François Mitterrand today presided over the opening of a week of ceremony to mark the bicentennial of one of the pivotal events of history, the French Revolution.

The French President invited leaders from both rich and poor countries for celebrations to include the opening tonight of the new opera house on the Place de la Bastille, where the Revolution began, to be followed by days of traditional dancing, fireworks and merry-making in the streets of Paris.

Yet the tight security measures imposed to protect the leaders from Europe, the Americas, Asia and Africa appeared to have put something of a damper on the mood in the city, which has been abandoned by many Parisians for the duration.

With gawking Parisians and tourists barricaded from the square where the dread Bastille prison once stood, Mr. Mitterrand and his guests attended an inaugural concert of French arias at the gleaming new Bastille Opera.

### Ideals, Terror, Dictatorship

The upheaval that exploded with the attack on the Bastille on July 14, 1789, toppled Europe's most splendid monarchy and proclaimed the ideals of democratic government, but it ultimately descended into terror and installed Napoleon's military dictatorship. It thus anticipated both modern parliamentary democracies and 20th-century totalitarian regimes.

The mammoth Bastille Opera, which has been plagued by artistic controversy and political rivalries, is one of several bold monuments that Mr. Mitterrand has ordered built across Paris since coming to power in 1981. The President conceived of it as a "modern and popular opera," but the 2,700 guests in attendance represented Paris's artistic, sports and industrial elite.

The guests here for the revolutionary bicentennial and a seven-nation summit gathering of industrial nations will meet on Friday and over the weekend in two other Mitterrand monuments — under I. M. Pei's glass pyramid in the Louvre and at the towering Arche de la Défense on the western outskirts of the city.

High on a sculpted white balcony overlooking the opera house's main auditorium, President Bush and his wife, Barbara, were given the place of honor next to Mr. Mitterrand to hear an 80-minute program of French opera arias that was choreographed and directed by Robert Wilson, an American.

The performance was set against starkly abstract decorative screens. At the end of the stage in the opening scene stood a giant chair next to a torch. Mr. Wilson, sitting in the audience, jokingly observed, "Some people think it's a guillotine."

There was enthusiastic applause at the end, but some experts in the new hall found its acoustics less stunning than expected. Sitting in the first row, August Everding, general director of the Munich Opera, pronounced the sound from the stage "a bit dry," although he hailed the Wilson show as "a good beginning" for the opera house.

After the opera, the leaders swept in their motorcades to the Musée d'Orsay on the Left Bank of the Seine for a dinner at which Mr. Mitterrand was host.

Earlier in the day, Mr. Mitterrand, Mr. Bush and some 30 other heads of state and government gathered at the Place du Trocadéro facing the Eiffel Tower for a 15-minute ceremony to commemorate the Declaration of the Rights of Man and the Citizen, proclaimed in 1789 before the Revolution took a darker turn.

Under a bright sun, actors read excerpts from the declaration and quotations from French revolutionary leaders, and 48 children from 15 nations sang and placed wreaths at a stone inscription of the document. Five hundred doves were released into the blue Paris sky.

Arriving at the ceremony, Prime Minister Margaret Thatcher of Britain

was greeted by boos and shouts by people clustered at the security perimeter. Mrs. Thatcher, in an interview with the daily Le Monde published on Wednesday, declared that "human rights did not start with the French Revolution."

Mrs. Thatcher found an earlier, British beginning for human rights in Magna Carta of 1215 and in "our quiet revolution of 1688," noting that Britain had celebrated this second event "discreetly" last year.

### Mitterrand Criticized

The British leader was clearly getting in a dig at Mr. Mitterrand, who has been widely accused in France of vainly exploiting the bicentenary for his own aggrandizement while cutting off the people of Paris from a traditionally popular holiday.

Traffic and parking have been severely restricted in the heart of Paris to assure the security of the presidents and prime ministers, and the Louvre and the Musée d'Orsay have been closed to permit them to visit undisturbed by the masses.

Even the Count of Paris, pretender to the French throne and normally a Mitterrand fan, announced that he was leaving the capital because of the "exaggerated sumptuousness" of the celebrations "for the epoch in which we live."

Piqued by such criticism, Mr. Mitterrand denied in a long interview with the magazine L'Express that there was anything "gigantic" about the festivities, adding loftily:

"I will be a candidate for nothing again. I am a free man. I have no need to please anyone. I try to do my best, in remaining faithful to my convictions."

Seeking to counter reports that the bicentennial had become a fabulously costly affair, Prime Minister Michel Rocard's office released statistics showing that it would cost \$72 million, including \$15 million for a festivity at the Eiffel Tower organized last month by Mayor Jacques Chirac and attended by Ronald and Nancy Reagan.

And there was, indeed, a bicentennial party given by the Government for the public tonight. More than 10,000 Parisians crowded into the Place de la République to listen to rock and jazz music and to dance.

The party seemed part street fair, part carnival, with music blaring, merry-go-rounds spinning and vendors selling beer, cotton candy and red phrygian bonnets imitating those worn 200 years ago.

TRIP NEWS

BUSH TO PUSH E. EUROPE AID

PARIS -- President Bush came to Paris Thursday to celebrate the 200th anniversary of the French Revolution and enlist the help of other nations to support the "wave of freedom" he saw on his visit to Poland and Hungary.

Bush has made his top priority for the annual summit of seven advanced industrial democracies taking place in conjunction with the bicentennial festivities the mobilization of economic aid for the nations of Eastern Europe now trying to develop a form of pluralist democracy and market-oriented economy under the benign gaze of Soviet leader Gorbachev.

The President told reporters that his four days in Poland and Hungary left him with a "real acute sense now of the change that's taking place in Eastern Europe and a determination to play a constructive role in that change." He said he hopes the more than \$100 million he pledged in direct assistance to the two countries will encourage other countries to increase their aid -- a wish that seems certain to be fulfilled in Sunday's concluding communique.

"The thing that's impressive," he told reporters on Air Force One, "is the determination on the part of all these leaders to move towards economic freedom and political freedom." (David Broder, Washington Post, A1)

Bush/Paris

PARIS -- President Bush supplied the key [to the Bastille] to help unlock the biggest birthday party in French history Thursday as swanky dinners and the opera took center stage after the president's four-day trip to Eastern Europe....

With his historic trip to Poland and Hungary still very much on his mind, Bush indicated he would be urging the other summit leaders to step forward with assistance packages of their own to further economic and political reform behind the Iron Curtain....

National Security Adviser Scowcroft said the President would encourage his summit partners to create a "clearinghouse" to avoid duplication of the assistance packages offered by the rich nations. (AP)

Bush Arrives In Paris For Summit With World Leaders

PARIS -- President Bush arrived here Thursday from Budapest for Friday's opening of an economic summit of leaders of the seven major industrialized democracies. A French official said the three-day meeting may wind up divided on whether to recommend further sanctions against China....

Gen. Scowcroft said Thursday that the President will resist efforts to toughen the sanctions, including a pullout of diplomats from China and a suspension of new trade agreements....

The prospect of a division over China was one of several publicized results of about 20 bilateral meetings...among representatives of the 34 nations gathered here for the summit and for the bicentennial celebration of the French Revolution....

Scowcroft said Bush was reluctant to have the United States act as a coordinator among various Western countries for providing aid to Hungary and Poland. Bush views the U.S. role as that of a clearinghouse among the various countries. "We cannot step on each other's toes as we go forward to help this process," Scowcroft said. (Stephen Kurkjian, Boston Globe)

U.S. SEES ENVIRONMENT DOMINATING  
Ozone, Climate, Deforestation Issues Displace Economy At Summit

PARIS -- President Bush arrived here Thursday from his swing through Poland and Hungary to participate in his first economic summit, ready to contend that the global economic situation is so favorable that it needs little fixing....

Instead, as the United States sees it, the summit will focus for the time being on environmental problems, including depletion of the ozone layer, climate changes and deforestation around the world.

Analysts, however, suggest that if the summit communique turns out to be dominated by major economic news, it will be as much because of a reinvigoration of the process of economic coordination as the successes Bush and his advisers are touting.

(Hobart Rowen, Washington Post, A29)

TRIP BARES BLOC'S YEARNING FOR WEST

BUDAPEST -- ...This week, President Bush carried out his "dual-track" policy, selecting for presidential visits the two Eastern European countries that have legalized their opposition parties and opened their markets to private capital -- and, in the process, snubbing their orthodox Communist neighbors....

The ultimate importance of the Polish and Hungarian visits lies in the message they present to the two Warsaw Pact nations' senior partners in Washington, although Bush, Secretary of State Baker and other Administration officials and press around briefers have insisted that it is not the intent.

By showing the world the continued yearning of Poles and Hungarians to join the Western world after more than 40 years of isolation, Bush gave new impetus to the drive for ending the division of Europe into two armed camps....

Despite the denials, both Bush and Gorbachev keep an eye on each other during their travel on alien turf. After his speech at an East-West Forum in Budapest on Monday at the Budapest Hilton today, the Foreign Ministry's Kovaks said he intended to rush off to brief the Soviet ambassador on Bush's visit.

(News Analysis, A.D. Horne, Washington Post, A28)

FIRST LADY RIPS UP SPEECH, TOO

PARIS -- Following her husband's lead, First Lady Barbara Bush ripped up her speech at a hospital dedication and spoke from "the heart."

"I want to show you that I learned something from my husband in Paris.... I'm going to give up my speech and just tell you that speaking from the heart, as he did," said Mrs. Bush, moved by a personal honor bestowed on her during the dedication ceremony.

"This is one of the nicest things that ever could happen to me and I'm shyly I feel like you've stretched my life a little bit because now I'm wearing this plaque," she said, referring to a plaque noting that the Florence Nightingale Pavilion and the C.V. Starr International Center for Medical Exchange were inaugurated by her during the President's visit....

Four children who were once out-patients at American Hospital gave Mrs. Bush a silver cup, replicas of which are given to every new mother at the hospital, and a copy of a cookbook compiled by the hospital to raise money.

(Karin Davies, UPI)

EDITOR'S NOTE: 'Spotlight Is On France As World Leaders Gather For Bastille Day, Summit,' appears in The Washington Post, page A29.

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CBS This Morning

WUSA-TV

CBS Network

July 14, 1989

7:10 A.M.

Washington, D.C.

General Brent Scowcroft Discusses Arms Control Issues

KATHLEEN SULLIVAN: Today marks President Bush's first Economic Summit abroad. And following his swing through Poland and Hungary, the President is now expected to push for support from the economic allies for the democratic reforms in those two countries. But arms control is also on the White House agenda, with NATO yesterday outlining its latest arms reduction proposals.

Brent Scowcroft is the President's National Security Adviser, and he talked with Harry in Paris earlier this morning.

HARRY SMITH: We see this morning that the Soviets have decided to agree to cuts in cruise missiles. Is that good news to you?

GENERAL BRENT SCOWCROFT: Well, I've only seen the early reports of it. From what I understand, they're proposing to eliminate nuclear-armed cruise missiles, sea-launched cruise missiles. That's one of the open areas in START.

We've had a number of proposals back and forth. We'll have to look at this one carefully and see what it means. Verification is a **terrible problem**.

SMITH: It's a big, big problem with cruise missiles. I understand that.

It seems, though, that a day, or at least a week doesn't go by when they don't say yes to some other idea.

PUBLIC DIVIDED ON GOALS IN SPACE (New York Times)	No Byline	A-31
MOON WALK AND SPACE BLUES (Washington Times)	Thomas DiBacco	A-32
NOBODY'S GONE TO THE MOON (Washington Times)	Editorial	A-33
19 SECONDS IN EAGLE'S DESCENT (Washington Post)	Charles Murray & Catherine Bly Cox	A-34
<b><u>REGIONAL FOCUS</u></b>		
SOUTH ASIA: ZONE OF THE NEW GREAT POWERS (Defense & Foreign Affairs)	Gregory Copley	B-1
JAPAN: REBIRTH OF INDEPENDENT MILITARY POWER (Defense & Foreign Affairs)	James Phillips	B-5
JAPANESE PLAN FOR TILT-ROTOR AIRCRAFT (Jane's Defence Weekly)	No Byline	B-7
<b><u>NATO</u></b>		
CENTRAL EUROPEAN SECURITY (Foreign Affairs)	Henry Owen Edward C. Meyer	B-8
FRENCH SALE TO SAUDI ARABIA TOPS 18-BN. FF (Defense & Foreign Affairs)	No Byline	B-22
<b><u>OPINION</u></b>		
1914'S SHADOW ON THE EUROPE OF TODAY (Long Island Newsday)	Samuel Williamson	B-23
<b><u>SOVIET THREAT</u></b>		
GROWTH IN STRENGTH OF SOVIET PACIFIC FLEET (Jane's Defence Weekly)	G. Jacobs	B-25
THE SS-19 MISSILE SYSTEM: THE LOGICAL EXPANSION OF SOVIET MIRV TECHNOLOGY (Military Technology)	Rolf Engel	B-27
SUKHOI REVEALS NAVAL FLANKER VARIANT (Flight International)	No Byline	B-31
ESTIMATED SOVIET NUCLEAR STOCKPILE, JULY 1989 (Bulletin of the Atomic Scientists)	No Byline	B-35

SCOWCROFT...CONTINUED

GENERAL SCOWCROFT: Well, you know, that's very hopeful. And it was partly to take advantage of their forthcoming, more forthcoming rhetoric that we made the proposal that we did at the NATO summit. And now we, for our part, are about two months ahead of having that proposal ready for tabling at Geneva.

So, we're very optimistic. And if they follow up now, then I think there's no reason we shouldn't have some progress.

SMITH: You have been in this business an awful long time. Do they continue to surprise you in this manner?

GENERAL SCOWCROFT: Yes, they do. If one looks at the historical process, yes, it's very different. They used to just sit back and wait for our proposals, and then drag their feet and reluctantly move along a little bit here, a little bit there. Now it's a real dialogue. There's not too much in the way of results yet, but the dialogue is considerably improved.

SMITH: We look at you in the role of National Security Adviser, sort of a strategist-soldier. And I'm wondering how your expertise comes into play at something like this, at an Economic Summit.

GENERAL SCOWCROFT: Well, the Economic Summit has several parts to it. The first is, you know, a review of the national strategies of each country, economically. Then there is also a political discussion of the elements that the seven want to emphasize in a political sense. And that certainly is a part of my responsibility. Then there will be emphasis on Third World debt, and that gets into the security issues.

Then, the other emphasis this time is the environment. And I don't play a big role.

SMITH: What is at the top of the President's agenda for this summit?

GENERAL SCOWCROFT: I think the top of his agenda comes right out of his visit to Poland and Hungary. And what he wants to do is to tell the other six what he found, the historic change he feels is taking place in Eastern Europe, and the fact that the West needs to be aware of it and to take advantage of it, to encourage it without trying to turn it into a destabilizing direction.

SMITH: Third World countries have complained, as they look at this summit meeting, the haves getting together, and they feel like they're forgetting the have-nots.

Especially in this age of incredibly -- this rapid disarmament that seems to be going on, should countries be shifting their focus more in that direction, more toward those Third World countries and their needs?

GENERAL SCOWCROFT: Well, I think we can be thinking in those directions. But the whole armaments talk is so far just rhetoric, mostly just rhetoric. So we can't let our thoughts get too far ahead of the actuality.

But, yes, I think, you know, the attention of this summit is primarily on other than military, or even East-West relations. It's importantly on the environment, which is a worldwide problem; on Third World debt, which certainly is a concern to a number of the developing countries.

SMITH: We should assure you that you're not under fire this morning. That's just some fireworks going off for the celebration here.

Brent Scowcroft, we thank you so much for joining us.

SCOWCROFT...CONTINUED

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SMITH: What is at the top of the President's agenda for this summit?

POST

## Scowcroft Says U.S. Will Study Soviet Offers on Cruise Missiles

Associated Press

PARIS, July 14—National security adviser Brent Scowcroft said today the Bush administration will take a close look at Soviet offers to give up sea-launched nuclear cruise missiles if the United States would do the same.

"That's one of the open areas in START," Scowcroft said in reference to the U.S.-Soviet negotiations to limit strategic arms. "We've had a number of proposals back and forth. We'll have to look at this one carefully and see what it means."

However, Scowcroft said verification remains a serious problem. Scowcroft, who is in Paris with President Bush for the economic summit of the seven Western industrialized nations, was interviewed on the CBS "This Morning" television program.

In Moscow, Col. Gen. Nikolai Chervov said the Kremlin would be willing to give up the sea-launched cruise missiles depending on U.S. actions. Chervov, chief of the arms control directorate of the Soviet General Staff, said it was a "progressive suggestion" to eliminate nuclear cruise missiles.

The comments marked a departure from the previous Soviet stance on the issue at the U.S.-Soviet arms negotiations taking place in Geneva. The Soviets' earlier position would have allowed each side to retain up to 400 nuclear-armed cruise missiles.

The Soviets, said Chervov, would prefer to give up all cruise missiles at sea, but faced with the U.S. Navy's strong desire to keep conventionally armed missiles, "we are coming to this."

# Bush Credits Moscow With Change in East Bloc

By MAUREEN DOWD

Special to The New York Times

PARIS, July 13 — President Bush said today that the changes transforming Eastern Europe are "absolutely amazing," and credited the Soviet Union with making those changes possible.

Mr. Bush's buoyant reflections on his five-day trip to Poland and Hungary were a far cry from the tart skepticism he maintained toward President Mikhail S. Gorbachev of the Soviet Union and changes in Eastern Europe during his campaign and the opening months of his Administration.

## 'Right From the Heart'

"I am firmly convinced that this wave of freedom, if you will, is the wave of the future," President Bush said, as he flew on Air Force One from Budapest to Paris today to attend the economic summit and the celebration of the 200th anniversary of the French Revolution. "And I would expect that this visit has been watched by the people of other Eastern European countries and hopefully given encouragement to those who want to go to the path of reform."

He said he had been surprised at "the feeling and emotion of it all," and said the meetings were not "your traditional 'I'll read my cards and you read your cards' kind of diplomacy."

Communist and opposition leaders "spoke right from the heart" to him, he said, and he tried to respond in kind.

"It was very special in that regard," he said. "There's an intensity to it, a fervor, that moved me very much."

Of his meetings with the Communist leaders in Poland and Hungary, Mr. Bush said: "I made very clear to them that, you know, we are not there to poke a stick in the eye of Mr. Gorbachev — just the opposite, to encourage the very kind of reforms that he is championing, and more reforms."

Asked if it was Mr. Gorbachev's approach to East-West relations that has given people in Eastern Europe the license to make changes, Mr. Bush agreed and said he wanted to "repeat for the umpteenth time" that he wants to see perestroika succeed.

"I think without the change in the Soviet Union it would have been highly unlikely that Eastern Europe would be achieving the kinds of changes that it is

aspiring to," he said.

## Aims to Please Soviet Leader

Although some critics felt that Mr. Bush had been too cautious and low-key in his appeals to democracy, as a sop to Mr. Gorbachev, the President made it clear that he wanted the Soviet leader to be pleased with his trip rather than irritated.

Mr. Bush, who once insisted it was important not to take a romantic view of the Soviet leader, said today that he intended to have regular meetings with Mr. Gorbachev.

He rejected suggestions that the United States was dragging its feet on arms control as "pure nonsense," and said he does not listen when Soviet spokesmen say the Soviets cannot meet the reduction timetables on Mr. Bush's conventional arms proposal. "I don't think Gorbachev wants to slow down an agreement on conventional arms," the President said. "I think he wants to move forward there and on the strategic arms talks, and so do we."

The President said he was particularly struck by how emotional his meetings with Hungarian leaders were, and by the warmth of Gen. Wojciech Jaruzelski, the Polish leader. Mr. Bush said the general "is really out front in the reforms."

## Reaffirms Policy on Israel

The President also reaffirmed the Administration's policy on Israel and the future of the occupied territories.

"We might as well be frank with our friends, because that's what friendship is about," he said. "And so I want to see things go forward in terms of the peace process over there. And we want to see the election process go forward. And if anybody can make a case for me that the recent deliberations in that party will enhance the election process, then I'd say, great," the President said.

He was referring to the Likud Party's decision last week to attach strict conditions to Prime Minister Yitzhak Shamir's plan for elections among Palestinians in the occupied West Bank and Gaza Strip. Some members of the Labor Party and many Palestinians say the conditions would kill the proposal for elections in the occupied territories.

"But I'm afraid other people are looking at it saying what's happened does not enhance the possibilities of election. So the U.S. policy is set, and I'm the President of the United States, and Israel is a friend and will remain a friend, but I have to say what our policy is."

Asked if he was under pressure about his Israel policy, the President replied: "They've got great difficulties inside of Israel. I understand that. I understand the political pressures. But I can't be varying U.S. policy every day to accommodate political change. I'm not going to do that."

Before the Bushes left Budapest, he stopped to place flowers at the Raoul Wallenberg Memorial, dedicated to the Swedish diplomat who helped Jews escape Nazis during the war. Thousands of people lined the route from the memorial to the airport.

When the President arrived in Paris, he went to a lunch at which President François Mitterrand was the host. He sat between Mr. Mitterrand and President Hosni Mubarak of Egypt.

After lunch the President met privately with President Mitterrand in an ornate gilded room at the palace.

General Scowcroft said afterward that the two leaders spent most of their time talking about President Bush's trip to Hungary and to Poland, which Mr. Mitterrand visited recently.

# Economic Scene | Leonard Silk

## Bush's Caution In Eastern Europe

**P**RESIDENT BUSH's run-up to the Paris economic summit conference through Poland and Hungary has been a modest triumph not only for the American President but also for democratic capitalism.

With an overstrained budget of his own, Mr. Bush did not have much in the way of direct dollar aid to offer. The Poles grumbled a bit but took Mr. Bush's pronouncements and obvious good will as vouchers of more important support to come — from Mr. Bush's summit partners, the World Bank and other international agencies. They are also hoping for more investment from foreign businesses.

In Hungary, speaking at the Karl Marx University of Economic Science, where Marx's "Das Kapital" is no longer required reading, Mr. Bush pledged to open American markets to Hungarian goods and send the first Peace Corps volunteers to a Communist country. The Peace Corps there would teach English, which Mr. Bush called one of the most popular American exports, very useful for making international business deals.

Mr. Bush's symbolism was carefully chosen to encourage expectations that the real benefits to the Communist countries would come from a closer relationship with Western business and technology, and from the economic and political reform of their own systems. But he carefully avoided creating the impression that he was trying to lure them back to capitalism.

Both the Polish and Hungarian leaders, as well as their critics in the universities and trade unions, seem to realize, as Lech Walesa, the leader of Solidarity, told David Rockefeller and Peter G. Peterson at a dinner in Warsaw earlier this year, "Communism is kaput."

But what is to take its place remains a mystery that the politicians and economists are desperately trying to solve, whether it fits Communist ideology or not. A top Hungarian official told Mr. Rockefeller and Mr. Peterson: "I've spent half a lifetime inventing ideology. It is time to confront reality."

Mr. Peterson observed: "Sometimes an unusual metaphor helps out in the almost metaphysical discussions we listened to. Prime Minister Rykowski, an authentic intellectual, was going on quite eloquently about the profound virtues of market-oriented economies and democratization, while in a very capitalistic dark blue suit, white shirt and dark tie." But the Americans noticed that the Polish leader's "largely hidden socks were bright red."

The Communist Party leaders of Poland and Hungary are determined to hang onto the term "socialism" for their system, but are willing to effect a grand compromise with their opponents by calling it "democratic neo-socialism." Neo-socialism in the Communist world is now taking its place beside the past decade's capitalist neologisms: "neo-conservatism" and "neo-liberalism."

None of the three terms has a crystal-clear meaning. Neo-conservatism represented a disaffection on the part of some former socialist intellectuals, and some conservative politicians, with the failures of the welfare state. Neo-liberalism represented a departure of some liberal politicians, worried about inflation and sluggish growth, from overreliance on government to solve social problems or spur economic growth.

But what the three "neos" have in common is an enhanced respect for the virtues of the free market and business enterprise. And this is the ace in Mr. Bush's hand as he seeks to build bridges with Eastern Europe and, most important, with the Soviet Union.

His overtures to the leaders, intellectuals and laboring people of Poland and Hungary were couched in terms that would not alarm the Soviet President, Mikhail S. Gorbachev, that he was trying to draw the Communist ("neo-socialist") states away from Mr. Gorbachev and back to the capitalist West. Mr. Gorbachev has reportedly told the Communist leaders in Eastern Europe, "You can do what you like, as long as you don't slap my face."

They are trying, with Mr. Bush's help, to avoid doing so. The economic model they are searching for is what they consider the true system of the Western democracies: a "mixed economy," with both capitalist and socialist elements.

And they are counting on Mr. Gorbachev to help them get through, partly by keeping his pledge not to intervene militarily in their countries, partly by cuts in military forces that will ease the economic burdens on both East and West.

The most serious problem facing the Eastern European countries and the Soviet Union, endangering their democratic reforms, is their poor economic performance. This stems from their enormous budget deficits, repressed inflation and the inefficiency of their enterprises. These cannot be cured without bringing down military outlays, introducing a free price system, achieving a convertible currency and reducing the economic role of party hacks and bureaucrats.

# Building New Anti-Satellite Weapons Could Shoot Down National Security

By Noel Gayler and Matthew Bunn

WASHINGTON

In a dramatic new step toward military *glasnost*, the Soviet Union permitted a group of Americans to tour the top-secret laser research station at Sary Shagan this month. Far from the dangerous beam-weapon threat to U.S. satellites that the Pentagon had long touted, the visit revealed an antiquated laser far too weak to be a threat. Demolishing the myth of a "laser gap," the visit should help slow a Pentagon drive to build new anti-satellite (ASAT) weapons. And that is good news; such weapons are a can of worms best left unopened.

Orbiting spacecraft have become essential to U.S. national security. Military forces rely on them for intelligence on potential adversaries, for early warning of attack, for communications, command, navigation and other indispensable tasks.

Yet rather than working toward an agreement to limit threats to these satellites, the Defense Department is pushing for immediate ASAT development—a move that would inevitably spur the Soviets to build advanced ASATs of their own, dramatically increasing the threat to our critical spacecraft.

This ASAT program is ostensibly separate from the still-unrealistic Strategic Defense Initiative against missiles. While many of the technologies are the same—from homing rockets to giant lasers—the problem of shooting down a few satellites in predictable orbits is infinitely simpler to resolve.

In part, Defense Department ASAT desires are a response to an existing Soviet space weapon, separate from the Sary Shagan laser. For six years, the Soviet Union has unilaterally refrained from testing its primitive ASAT, but U.S. ASAT tests would impel the Soviets to develop far more threatening ASATs than they have today. Reigniting this cycle of action and response is a formula for an unending arms race, turning the depths of space into yet another potential battleground.

That would be a disaster for the United States. While dependence on satellites in future confrontations will vary, our military forces are likely to be far more space-dependent than the Soviets'. The Soviet Union is a land power; most potential arenas of conflict are near its borders. The United States is an oceanic power with global responsibilities, making space support essential. U.S. forces around the world would be crippled if the satellites they rely on were destroyed.

We need to know. Even in the age of *glasnost*, Soviet society remains far less open than our own. The Soviets can learn most of what they need to know from technical journals, congressional hearings and the U.S. media. For the United States, satellites are essential to keep tabs on Soviet developments—not to mention activities in such countries as Libya and Iran. Without secure spacecraft, we would be virtually blind and deaf.

Worse, quick-strike threats to both sides' spacecraft could be dangerously

destabilizing in crisis. Sudden destruction of a critical early-warning or communications satellite would inevitably heighten the danger of a confrontation spiraling out of control. As Brent Scowcroft concluded before becoming President Bush's national security adviser, "all scenarios involving the use of ASATs . . . increase the risks of accident, misperception and inadvertent escalation."

An ASAT system is certain to be expensive, draining funds from other crucial programs. The Pentagon plans to spend more than \$1 billion on ASAT development over the next five years; experience shows that deployment would cost billions more. Once the program is underway, momentum to continue will inevitably build—good money after bad.

Fortunately, it is not too late for an ASAT agreement to avoid these costs and dangers. The Soviet ASAT is a dog—slow, unreliable, capable of only low-altitude attack, susceptible to countermeasures and untested since 1982. Our ASAT technology is better but the planned systems are not yet tested or deployed.

Now is the time to deal; preventing either side from building a robust ASAT capability will be easier than limiting one already developed. As the tour of Sary Shagan indicates, the Soviets are eager to negotiate, having unilaterally ceased testing and having proposed an ASAT test ban, combined with dismantlement of their existing system.

We should grab that deal—with some haggling over specifics. An ASAT ban is

in U.S. interest. Rejecting a ban in favor of an aggressive ASAT program could chill the warming of U.S.-Soviet relations. And in today's multipolar world, it is worth remembering that virtually every nation on earth has called for agreements to head off an arms race in space.

Current and evolving intelligence capabilities can readily verify an ASAT test ban, particularly when combined with on-site inspections and other cooperative measures. The cold, black background of space makes monitoring of many types of ASAT activities comparatively easy.

There are those who resist a ban and argue that any agreement would leave some "residual" ASAT capabilities. That is perfectly true, but such left-over threats—from Soviet space shuttles, for example—are minor compared to the devastating space weapons the Soviets could build in the absence of agreement.

Others argue for an American ASAT to deter use of the Soviet system. But the Soviets have offered to dismantle their ASAT. If we fear that a few might be hidden away, we can protect U.S. satel-

lites at affordable cost. Satellite-survivability measures are essential with or without agreement. Combined with an ASAT test ban to prevent development of more threatening space weapons, they would ensure that a Soviet ASAT attack would fail—the best kind of deterrence.

Deterrence without an ASAT agreement is unlikely to work. With Moscow's lower dependence on space, cheaper satellites and huge rocket replacement inventory, Soviet leaders would have comparatively little to fear from a tit-for-tat space shoot-out.

Other ASAT supporters say we need to be able to shoot down threatening Soviet satellites. Soviet ship-tracking satellites do pose a limited threat to U.S. surface fleets—though efforts to detect submarines from space have yet to prove themselves, and probably never will. But the Soviets have other, more effective means of tracking U.S. ships and the tracking satellites can be stymied by electronic countermeasures plus other tactics already developed and proven in naval exercises. In a crisis, these non-de-

structive measures would be far less provocative than using an ASAT weapon.

More important, the naval threat posed by Soviet satellites pales in comparison with advantages the U.S. Navy derives from its own spacecraft—all of which could be threatened if an ASAT race is renewed. That goes double for the other U.S. military services, which face even less threat from Soviet satellites.

Two paths lie open: To build a U.S. ASAT weapon will inexorably lead to new Soviet ASATs; soon even the outermost reaches of space will offer no sanctuary. But if we deal now, and prudently protect U.S. satellites against residual ASAT threats, we can continue to rely on the enormous benefits of secure spacecraft. The intelligence choice, then, is the intelligent one. □

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*Noel Gayler, a retired admiral, was commander in chief, Pacific, and director of the National Security Agency. Matthew Bunn is a senior research analyst at the Arms Control Association.*

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### SENSE . . . CONTINUED

acquisition organizational reform without solving this generic intestinal problem is doomed.

There is no question that there are good, motivated people in Congress, the administration and industry who want to solve this problem and return to a rational DoD procurement process.

To create the right focus, a special presidential commission ought to be formed—consisting of members of the administration, Congress and industry. There ought to be a small but high-level group of principals. There should also be a working-level group, from the same participatory organizations, but

ought to be broken into two phases.

The first phase should determine how to proceed and how to define an effective methodology to attack the problem. Once that can be determined, then the actual reform process should begin in earnest. It ought to encompass all existing legislation, including statutes, directives and regulations, as well as organizations and their involvement. It ought to aim for a clean sheet approach and provide a coherent set of statutes and regulations for government procurement that supersede most, if not all, existing legislation. The reform should address not only the legislation itself

provide clear and concise guidelines on acceptable common sense application.

The standards for conduct and ethical expectations must be clear, tough and unambiguous. The commission, in this second phase, ought to come up with a set of recommendations that can be approved by the president and sent as a fixed package to the Congress, much like the base closing legislation. It is imperative that all three institutions—Congress, the administration and industry—commit to a package resolution, without allowing fractious amendments from any of the three principal groups.

While such a commission is a highly

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**FACE THE NATION**

**Sunday, July 16, 1989**

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LESLEY STAHL: Welcome to Face The Nation. I'm Lesley Stahl reporting from Paris, where President Bush is just wrapping up his first economic summit with leaders of the world's richest countries.

The president persuaded his summit partners to convene a conference on Eastern Europe, and they called for an urgent international effort to send emergency food aid to Poland.

BRITISH PRIME MINISTER MARGARET THATCHER: We're all very anxious to help. And we're all helping, each in our own way.

MS. STAHL: The Lenin shipyard, the heart and the home of Poland's Solidarity movement, site of the emotional high point of the president's trip.

PRESIDENT BUSH: The brave workers of Gdansk know Poland is not alone, America stands with you.

MS. STAHL: The crowd warmed to "Georgum Bushum", as they called him, but it was their leader Lech Walesa who won the loudest applause. But Walesa is facing pressure from Poles who oppose his willingness to share power with communists like General Jaruzelski, who imprisoned Solidarity leaders. They call him a war criminal.

But in Warsaw, and even in Gdansk, President Bush went out of his way to praise Jaruzelski.

PRESIDENT BUSH: General Jaruzelski, who has had an image in the states earlier on that was not a very favorable one, is really out front in the reform. And he went out of his way to be hospitable.

MS. STAHL: In Hungary, as in Poland, the president showed a willingness to work with the communists in power.

PRESIDENT BUSH: We're not there to poke a stick in the eye of Mr. Gorbachev. Just the opposite, to encourage the very kinds of reforms that he is championing and more reforms.

MS. STAHL: Was the president too solicitous of the communists, we'll ask his national security advisor Brent Scowcroft,

and we'll have a discussion with Fred Warnes of the New Republic and Peter Riddle of the London Financial Times. George Bush, making friends in the communist bloc, an issue facing the nation.

ANNOUNCER: From CBS News, Paris, Face The Nation, with CBS News White House correspondent, Lesley Stahl.

(Commercial announcements)

MS. STAHL: Joining us now from Paris, National Security advisor, Brent Scowcroft. Welcome, General.

GENERAL SCOWCROFT: Thank you, Lesley.

MS. STAHL: Things have gone well, I take it.

GENERAL SCOWCROFT: Things have gone very well. We're very pleased.

MS. STAHL: I understand that smack in the middle of the summit meeting, you all, the summit leaders got a letter from Gorbachev asking that the Soviet economy somehow be linked to the world wide western economy. I'd love to know what you and what the other leaders made of the letter, and is there any possibility that the G-7 is going to become G-8.

GENERAL SCOWCROFT: I think that is very, very premature. This is in a way a follow up of earlier Soviet inquiries about joining GATT, IMF, and so on. The most interesting thing though, and here is a deliberate statement that the Soviet Union wants to join the world economy. Whereas before, the Soviets have kept their economy carefully isolated, intervening when they want to, but not so that the world economy could seriously affect them. This part of it is quite a change.

MS. STAHL: What was the discussion like among the leaders. Were they receptive?

GENERAL SCOWCROFT: Well, they're receptive in principle. But what you have to remember is this is a highly centralized, non-market economy trying to integrate with very different kinds of economies. And the Soviets have a lot of work to do, both in terms of centralization, government fiat versus markets, convertible rubles, a long way to go. But it is very interesting.

MS. STAHL: It seems that Soviet leaders have taken to writing to the summit. Polish General Jaruzelski also wrote a letter to the summit marking down specifically what kind of aid he wants for his country. And I do know that the leaders have agreed to a conference, which I gather is something President Bush wanted.

Tell us more about this conference on aid to Poland and Hungary that will be convened in just a couple of weeks. What level of leader will go and what do you expect will come out of it.

GENERAL SCOWCROFT: Well, this was a pleasant surprise. I mean we've got the attention that we wanted and the agreement to concert our action on Poland and Hungary. But the actual agreement to convene a meetin was a surprise and occurred right in the plenary sessions themselves.

MS. STAHL: Would you be surprised to know that Prime Minister Kohl of Germany is taking credit for that?

GENERAL SCOWCROFT: Chancellor Kohl of Germany did, in fact, introduce the idea.

MS. STAHL: And not President Bush.

GENERAL SCOWCROFT: No, Chancellor Kohl introduced the idea. And that will--all the details are yet to be determined. But it will be the beginning of the effort really to concert our aid, not to get a pool of money or anything like that, but to consult among ourselves what's necessary, what each one is doing so that we, the aid is complimentary, not competitive, and we agree on what the priorities are.

MS. STAHL: So after the conference, the British will give them an amount, the French, but no group amount will be given.

GENERAL SCOWCROFT: There will not be a group amount.

MS. STAHL: I want to ask you about the trip to Eastern Europe, and why President Bush seemed to go out of his way to compliment General Jaruzelski so many times and kept calling him

wise and said it had courage and called him a reformer. This is the man who instituted marshall law, put Solidarity leaders into jail, why didn't he maintain more distance to sort of express our displeasure or distaste for his past actions?

GENERAL SCOWCROFT: Well, I'm not sure I agree that he went out of his way, but I think what's important to remember that this is not the General Jaruzelski of 1981. This is a very different kind of a person, and what really came across in his meetings with the president was his seriousness of purpose, his seriousness about opening up both the political process to pluralism and the economy. And his very frank and honest discussions of the economic problems that Poland faces.

This is a man gripped with the problems that he's facing and showing great sincerity in trying to deal with them. That was impressive.

MS. STAHL: Tell us about this new policy though, of accepting these communists despite their past actions. I mean, you know, the tiger and his spots. Why are we--what is this new policy, what's behind it, where we will give money to a regime with a communist heading. Why aren't we pushing more to support the opposition?

GENERAL SCOWCROFT: What's going on now in Eastern Europe and in some sense in the Soviet Union is a sort of a historic transformation or transition period. The economic systems of all these countries have failed, and in large measure so have the political systems. They're reaching out for new ways of dealing with their problems. They're reaching toward us in a sense, toward political pluralism, toward market economies.

MS. STAHL: They're still the communists.

GENERAL SCOWCROFT: Of course they are.

MS. STAHL: But why are we endorsing them?

GENERAL SCOWCROFT: Because what the president is trying to do now is encourage them on this path, but encourage them in a responsible way, so as not to either accelerate the process, to

get it out of control, and cause a backlash, either domestically or on the part of the Soviet Union.

So it's walking a kind of a fine line to keep moving them in this direction but not at an unacceptable pace, which could kill the whole process.

MS. STAHL: Well, I think he's going to be asked a lot of questions about whether he did find the right line. Because the pictures and the message really were that in both Poland and Hungary, he seemed to say we accept the communists in power, as opposed to saying look, we're Americans, we really want to see the opposition get in, we understand it can't happen right now. But that's really where we want to see it end up.

GENERAL SCOWCROFT: But look what he was blessing though. He was blessing two regimes where the opposition is coming into actual process.

MS. STAHL: In both places the regimes that are in power are communist.

GENERAL SCOWCROFT: But in Poland, the opposition party now has a block against any legislation they don't like. And Hungary is going to have free and open elections. This is what we're after.

MS. STAHL: Do you think the communists are going to win the free and open election in Hungary?

GENERAL SCOWCROFT: I'm not prepared to make a prediction. I think there's a chance that they might.

MS. STAHL: And that would be okay?

GENERAL SCOWCROFT: Because one of the things we observed in a very short time in Hungary is that there's a great deal of innovative thinking going on within the various parts of the communist party. Mr. Pozsgay, (phonetic) for example, has a lot of very stimulating new ideas.

MS. STAHL: Is it fair to say that because we are now, and this is a new policy, this is now coming upon us, I think the dawning at least of this, on the public, new policy where we'll

work with a communist country. Isn't it fair to say that we're into detente II?

GENERAL SCOWCROFT: This is different. This is different from detente. It's different in this sense. And that is we have now societies in the East that are transforming themselves. Detente was really live and let live. In other words, reduce the level of hostility to diplomatic, rather than military. Here now, we're helping a transformation of these societies into something very different.

MS. STAHL: But still we will accept the transformation within the communist context?

GENERAL SCOWCROFT: I think that's quite possible. I think in Hungary, for example, a communist party system, within which there are blocks within the communist party, eventually could be indistinguishable from a multiparty system.

MS. STAHL: I want to tie this in with China. The summit produced a very mild condemnation of the Chinese crack down, along with what President Bush really has been wanting all along, no inflammatory rhetoric. What do you think the message is to Poland and Hungary about what we would do if they crack down again. Isn't the message, we wouldn't do anything?

GENERAL SCOWCROFT: I think the message is quite different. I think the message is really that it is important that economic reform not get too far out in front of political reform. If the two need to be in some balance and move forward together in order for it to be successful.

MS. STAHL: I'm talking about the message.

GENERAL SCOWCROFT: I know what you're saying, but I think the message we're trying to convey is that message. And the fact that China was singled out for condemnation is a subtle reminder of the necessity for political pluralism to go along with economic reform.

MS. STAHL: But you know you didn't answer my question, which is what about the U.S. reaction when they begin to pull back

on their reforms?

GENERAL SCOWCROFT: I'm hoping they will not pull back on their reforms.

MS. STAHL: China did, and we didn't do--we did very little.

GENERAL SCOWCROFT: We've done quite a bit. We've done quite a bit.

MS. STAHL: But not a lot.

GENERAL SCOWCROFT: We're about--well, look, with China, we have a very important relationship there. It is not in the American interest, for example, to push China back into the days of the cultural revolution, back into the days where we fought really two wars with China as a principle opponent.

MS. STAHL: What would they do if we condemned them rhetorically? Really.

GENERAL SCOWCROFT: They could pull back into their shell, back to the kind of xenophobic politics during much of the post-war period. That is not in our interest, that is not in the Chinese interest.

MS. STAHL: If we just increased the rhetoric a little bit, really?

GENERAL SCOWCROFT: Yes. I think they're extremely sensitive about any notion of interfering in their internal affairs.

MS. STAHL: They have just condemned the French for accepting the students who escaped.

GENERAL SCOWCROFT: Of course.

MS. STAHL: I have to switch quickly, because we're running out of time. Israel. An aid to Shimon Peres of the Labor Party says that in reality, the United States is acting as an intermediary in the negotiations between Israel and the PLO, that we are bringing messages back and forth. And anybody who denies it has their head in the sand. What's your reaction.

GENERAL SCOWCROFT: We're not an intermediary conveying

message. No, not at all. What we are trying to do is to facilitate an elections process, now that requires movement on the part of the Israeli's, movement on the part of the Palestinians and the Arab support for them. And so naturally we are talking with the Israelis, we are talking with the Palestinians, and we are trying to advance this process. That is different from being an intermediary carrying messages.

MS. STAHL: Very quickly, do you think the election process is still on track, have the Israelis now satisfied you that that is still their policy?

GENERAL SCOWCROFT: We're accepting the prime minister's word as the fact. We'll have to see. The Likud declaration certainly didn't help the process. But the prime minister says they will not affect government policy, and we're taking him at his word.

MS. STAHL: Okay, General Scowcroft, thank you very much for being our guest in Paris.

GENERAL SCOWCROFT: It's a pleasure, Lesley.

MS. STAHL: We will be back with more after this.

(Announcements)

MS. STAHL: Joining me now, Fred Barnes, senior editor of the New Republic, and Peter Riddell, U.S. editor of the Financial Times of London. Well three of us have been on this trip with the president, we've been to Poland, we've been to Hungary and now Paris. Let's start with you, Fred. How do you think the president's been doing?

MR. BARNES: Well, in terms of symbolism, it's always great when you go behind the Iron Curtain and talk about freedom. In terms of selling himself, Bush has done very well. As an individual leader, everybody liked him. But in terms of bold, new policy, I'm not impressed. I mean, he went to Poland--

MS. STAHL: The Bush doctrine.

MR. BARNES: Well, he gets to the summit here in Paris, and what's the Bush doctrine? We form a committee to look into

that.

MS. STAHL: I want to come back to that. Peter, how has it played in Europe?

MR. RIDDELL: Well, initially there was a feeling of well, here's the naive American tourist. He suddenly discovered Poland and Hungary. Gee, we knew about those some time ago. Mitterrand's been to Poland recently; Mrs. Thatcher was there last November; the Germans are in constant contact. The Americans have suddenly woken up--something's happening there.

However, that changed a bit after we had some of the hype of earlier in the week. When we arrived at the summit, it was quite clear that George Bush wasn't doing a pledging competition. You know, I've given a \$100 million--you must give 200. Instead, he wanted a more sober package put together; they rather approved. They all rather like him because he's constantly on the phone to them or writing letters, as if there was a convention of pen-pals. They've all come together to swap notes. So he came out with a plus.

MS. STAHL: Well, you know, you say that about his personality, but isn't he also--don't they see him as somebody more serious than Reagan was--somebody who understands foreign policy?

MR. RIDDELL: Oh, very much so; they do see that. They also many of them knew him when he was vice president. They see a man who's got a grasp of detail. They can have a serious talk with him.

MR. BARNES: But there's another aspect to it, Lesley; and that is, he didn't push anybody very hard. He doesn't press General Jaruzelski to sell off government-owned industries in Poland. The government owns everything in Poland. He didn't push hard. Everybody liked him because there was no tension in the meetings. It was a nice time having George Bush in your country.

MS. STAHL: Well, he seemed to have liked, for one,

Jaruzelski. I was fascinated by that Air Force One interview he gave in which he said, well, he was so hospitable. He does seem to respond. And Deng Xiaoping in China--he develops these very personal relationships with people; it's very central--I think it's going to be central to his foreign policy.

MR. RIDDELL: Yes, absolutely. After all, he's been around a long time; he's known these people. You also instinctively favor stability. We heard the word stability again and again and again. And he knows perfectly well in Poland, the guy who's going to provide stability in the short term is Jaruzelski, not a new political party--even more so in Hungary.

Earlier in the program, Brent Scowcroft was almost talking about the Hungarian communists winning free elections--a historic first--and talking almost approvingly of that. The whole feeling is stability, solidness.

MS. STAHL: Fred, what's happened on this trip to the competition between Gorbachev and Bush? It hasn't been sort of in the frontal lobe as we've gone through it.

MR. BARNES: Well, it hasn't. And that's probably because Bush did poorly in Warsaw, which was a real downer. The crowds weren't that great. But once he got to Gdansk and spoke to Solidarity, you started to get some Bush-mania. And then when you got to Hungary and the crowds were out there, Bush was overcome with it. There was real enthusiasm for him, as a person and as an American leader.

MS. STAHL: So you think, in terms of the competition, he did pretty well?

MR. BARNES: He recovered--off to a slow start, but had a good finishing kick.

MS. STAHL: The real battlefield for this competition is Europe. In terms of how they look to the populations over here, what do you think?

MR. RIDDELL: Well, obviously, for the last two or three years, Mikhail Gorbachev has gone down well. He's appeared

to be a peacemaker. He's appeared to be a more acceptable face for the Soviet Union. However, I think some of that's wearing a bit thin because people realize the internal problems of the Soviet Union. Also, he didn't do so well on his French trip a couple weeks ago as he had in West Germany.

MS. STAHL: Right.

MR. RIDDELL: The other point is, more positively for George Bush is, Europeans really didn't understand Ronald Reagan. For them, he was some weird figure. He's totally incomprehensible to them. George Bush is more comprehensible. He's a real--he appears to be a nice, decent, pleasant man.

MS. STAHL: He's almost European.

MR. RIDDELL: He's more European. His wife's got dogs--loves dogs. That's great.

MS. STAHL: You British.

MR. RIDDELL: Yes, indeed. There will be some marriage up for Millie or some such; there will be royal blood there. But he's more intelligible, and therefore there's a plus there. The more he's been here, the more we think, oh, he's a reasonable sort of guy.

MS. STAHL: So he does pretty well.

MR. BARNES: But it's also, Peter, that he doesn't challenge them the way Reagan did. Reagan, out of the blue in 1983, said let's build Star Wars. And they know nothing like that is going to happen with George Bush. He's predictable.

MR. RIDDELL: And more seriously, George Bush has also, in a sense, embraced Europe. He's come out--the European Commission is going to have a role in relation to Poland. He favors European unity.

MS. STAHL: Well, let me ask you. You say he favors that, but, you know, there's another interpretation, and let's explain what that is. In this meeting they're going to have on Poland and Hungarian aid, he's allowing the European Community to coordinate it. Some people say that's a relinquishing of the

role the United States has traditionally wanted, and we're relinquishing the power partly because we don't have money, and we are a diminished power ourselves because of it.

MR. BARNES: I think there was an element of American weakness or presidential weakness on this trip. We saw Bush was always worried about making Gorbachev mad. Gorbachev is sort of hovering over the whole trip. And then he got to Poland and said, well, you know, if you really want money, talk to the surplus countries. We can only give you so much.

MS. STAHL: Well, you know, Fred, you're a big conservative. But there is a school of thought that I think is gaining some credibility back home; and that is that Reagan said that he won the Cold War because he built up this huge military machine. But maybe he's lost us all this power because we can't spend money. We went to Poland; we couldn't give them enough aid. It was really a drop in the bucket. We come here. They talk about the environment, but we can't contribute any money to it. Even at home when we want to spend money to solve our own social problems, there isn't anything there.

MR. BARNES: But what would give the money to in Poland, though? Poland doesn't need money as much as it needs capitalism.

MS. STAHL: But it's the symbolism of the United States being able to be the power that gives up the largesse instead of having to ask our allies to do it on our behalf.

MR. RIDDELL: Yes, I think the interesting thing is the contrast with the Marshall Plan. The Marshall Plan 40 years ago saved Western Europe; and Stalin stopped it going into Eastern Europe, leading to the division of Europe. Now we're seeing that there isn't a repeat Marshall Plan. It isn't billions and billions of U.S. dollars. It's small scale. However, it is binding Poland and Hungary to the West.

They know that if they go a big along with reform, they'll get a bit more. They might get access to these big international institutions with real money. But it is accepting;

it's a partnership. Germany matters in this, and so to a lesser extent do France and Britain; and Japan matters. It is accepting the world is different than 40 years ago.

MS. STAHL: You know, you have a situation where Moscow, Gorbachev is a sort of weakened force within his bloc, and the United States is a weakened force within our alliance.

MR. BARNES: Yes, but fortunately the drift is in our direction, and that's the good thing.

MS. STAHL: In terms of values.

MR. BARNES: You know, I went all around Warsaw. I saw people lined up at the Pan Am window to get tickets. But I went by Aeroflot, too. There was no line.

MS. STAHL: No, well, you know, you really do begin--well, you don't begin--you once again learn to appreciate how lucky we are when you do visit countries like Hungary which were part of the Western world before World War II, and to see that depressed economy. Everybody talks about how there's ample food and consumer goods, but it's nothing compared to the West.

MR. RIDDELL: It's the welcome-back-to-the-West theme which George Bush had in his speech in Hungary on Wednesday. I thought it was one of the more interesting images of the week, speaking at Karl Marx University, saying apparently Marx's Das Capital is no longer required reading--lucky students--boring book.

But the feeling of that, because it was the twin capital with Vienna of the Austro-Hungarian Empire before the First War. Yet it's gone done, Vienna's gone up. They are only four hours away--this symbolism. Now the feeling is they may be opening up again.

MR. BARNES: My favorite symbol from that trip was the statue of Karl Marx there at the university hidden behind some sort of barrier, and some American reporters would go up to the statue and say to Karl Marx, Your system--it just doesn't work.

MS. STAHL: And that's true--that's what the president

was basically saying in his speech.

MR. BARNES: He's right.

MS. STAHL: Fred Barnes, Peter Riddell. Thank you very much. We will be back with the final word.

(Commercial break)

MS. STAHL: That's our broadcast from Paris. Thanks for being with us. Join us again next week. We'll be back in Washington.

Rowland Evans and Robert Novak

# A Flat Summit

PARIS—With the seven heads of government determined to avoid serious economic questions, the only suspense at the 15th economic summit was whether offstage talks between New York bankers and the Mexican government would give President Bush a fervently desired triumph.

The deadline was the summit's Sunday evening adjournment. The White House for months had pressed Treasury Secretary Nicholas Brady to polish off the Mexican debt agreement before then to give the president a boost at his first summit. With French President Francois Mitterrand dusting off old demands to bail out Third World nations, the heat was on Brady to deliver.

The reason, say U.S. officials, is that the Brady Plan for Third World debt relief is not really a plan at all, but a framework for negotiations. If the Mexican agreement were reached here, it would enable Bush to exhibit the framework and show that the scheme works.

In fact, the Mexican deal—much less the artificial Sunday deadline—is no test of the Brady Plan. Its exaggerated importance reflects how far these summits have departed from informal comparing of notes by leaders of the world's industrial democracies.

There was no serious discussion of how the G-7 nations have coordinated currency fluctuations or of the significance of the U.S. trade bill and Europe '92. While Bush officials say this lack of analysis resulted from a prosperous economy, the basic reason was a desire to avoid the unpleasantness at last year's Toronto summit when President Reagan demanded an end to farm subsidies.

But responsibility for the stagnant mood of Paris '89 also must be laid at the door of its host. Mitterrand does not normally encourage free discourse and certainly not at a French Revolution bicentennial summit. So formal were meetings and so tight was security that Bush chief of staff John Sununu and national security director Brent Scowcroft were denied admission to key meetings.

The tone also was skewed by Mitterrand's decision to revive his decade-old scheme for a global North-South summit by inviting 25 Third World leaders to observe the 200th Bastille Day. No other summiteer is eager for a forum in which poor nations would beat up on the rich, but nobody was impolite enough to upbraid the imperious French host.

Bush's alternative of aid to Poland and Hungary, consciously competing with Mikhail Gorbachev in breaking down the Iron Curtain, generated few sparks here. The president did not dare propose a Western European consortium to help Poland, which would have attracted little support.

Even if Mitterrand's global conference is finessed, the Summit Seven could not avoid leaders of debtor nations unexpectedly at their side. They faced typical Third World rhetoric such as Indian Premier Rajiv Gandhi's warning that the French Revolution was an explosion that the rich nations of today dare not forget.

The presence of the poor nations here did help Bush's one summit imperative. Mexico's President Carlos Salina, one of Mitterrand's guests, met privately with the American president and was pressed to get moving on the debt agreement.

Even further from the original notion of economic summits was the Seven doing the obvious by hastily coming out foresquare for the environment and against pollution. Environmental Protection Administrator William Reilly, more radical in his approach than the White

House, fought his way onto this trip to join G-7 counterparts.

The summiteer with a game plan even clearer than Mitterrand's and Bush's was a head of government with a foggy past and a dimmer future: Sosuke Uno, Japan's beleaguered premier. He arrived with a \$46 billion package for poor countries that no other country could afford, a plea for understanding of China's ruthless rulers and a private pitch to Bush to take it easy on the Super-301 trade negotiations.

As usual, Britain's Prime Minister Margaret Thatcher had no agenda but blunt language, namely that the blood-soaked French Revolution is not all that praiseworthy. Her colleagues could say the same for what President Mitterrand's bicentennial celebration did for this summit.

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# Bush Fights Language to Curb PLO Contacts

By Ann Devroy  
and David B. Ottaway  
Washington Post Staff Writers

In a frantic day-long effort, President Bush and most of his top foreign policy advisers worked yesterday to kill a congressional effort to limit administration contacts with the Palestine Liberation Organization, a move the White House said could mean the collapse of the Middle East peace process.

At a morning meeting with congressional leaders, Bush urged the defeat of an amendment by Sen. Jesse Helms (R-N.C.) that would ban contacts with certain PLO figures. According to Sen. Bob Packwood (R-Ore.), the president was "very strong" on the subject, believing the language would "simply shut down the negotiations."

Packwood quoted Bush as talking the group, "If you pass this amendment and shut down any negotiations with anybody that's ever even breathed on the PLO . . . that's a step backward."

Through most of yesterday, Secretary of State James A. Baker III, Deputy Secretary of State Lawrence S. Eagleburger, White House

Chief of Staff John H. Sununu, national security adviser Brent Scowcroft and many of their top legislative aides engaged in a series of negotiating sessions with Helms and separately with other key Senate leaders to work out compromise language.

The Senate leaders on Tuesday had been given substitute administration language that they altered in a way that was unacceptable to the White House. Yesterday, the key Senate leaders, including Majority Leader George J. Mitchell (D-Maine), Minority Leader Robert J. Dole (R-Kan.), Rudy Boschwitz (R-Minn.) and Howard M. Metzenbaum (D-Ohio), reached a tentative agreement with the administration after a lengthy Capitol Hill session on language that might be acceptable to the full Senate.

Late yesterday, that language, which administration officials said does not tie the president to certifications to Congress and is not as strict in its limits on who in the PLO can be contacted, was being "shopped" through the Senate to gauge its chances of acceptance. Sources indicated the White House

hoped to get enough support without Helms to substitute their version for his.

At issue is a Helms amendment to the State Department authorization bill that would bar talks with any representative of the PLO "unless and until the president certifies to Congress that he has determined the representative did not directly participate in, or conspire in, or was an accessory to, the planning or execution of a terrorist activity which resulted in the death, injury or kidnapping of an American citizen."

The compromise language would delete the requirement for certification to Congress and only have Bush "concluding" that PLO participants had not engaged in such acts. It also would eliminate the "accessory" language to some extent.

Administration officials suggested that they faced what one called "a rolling freight train" on the PLO issue and could not defeat it without offering an alternative that would allow the Senate to be on record expressing its concern about PLO contacts. Officials suggested

that if the Helms language survived, the president would take the position that he was not bound by it because it was an unconstitutional usurpation of his authority.

On Capitol Hill, a senior administration official said, "We have been telling people that if this Helms language goes through, it is likely to mean the collapse of the Middle East peace progress."

One administration source called yesterday's activities "extraordinary" because of the number of senior officials involved in negotiating one issue.

U.S. officials have been meeting periodically in Tunisia with various PLO officials since last December, after PLO leader Yasser Arafat renounced terrorism and recognized Israel's right to exist. Recently, the U.S.-PLO dialogue has included secret meetings with Arafat's chief deputy, Saleh Khalef, also known as Abu Iyad. A founder of the Black September terrorist group, Khalef has been implicated in the 1973 killing of the U.S. ambassador to Sudan and he is under indictment in Italy for helping supply arms to the Red Brigades.

dent, causing an incident that focused attention on the vulnerability of key computer systems to pranks and sabotage.

The GAO report, scheduled to be released today, asserts that the Internet's informal structure is in part to blame. The Internet—a web of 500 local and national networks containing 60,000 computers—grew up somewhat haphazardly over two decades and lacks a central manager.

One result, the GAO concludes, is that no one takes responsibility for ensuring that software "holes," such as those that allowed the virus to infect the system, are filled in. Indeed, computer experts say more known holes exist.

The GAO recommends that responsibility for security rest with the president's science adviser through the White House Office of Science and Technology Policy. The office, it says, should "coordinate the establishment of an inter-agency group to serve as an Internet security focal point."

"It's the required direction of the '90s that there be [centralized] se-

stallations. The Associated Press reported in June that a 14-year-old boy in Prairie Village, Kan., used a home computer to gain access to an Air Force computer system that monitors satellites.

Robert Morris Jr., the graduate student suspected of releasing the Internet virus last fall, has been suspended from Cornell and is working in the Boston area, but no formal charges have been filed, according to his attorney.

Experts have said that existing laws make it difficult to prosecute certain computer tampering. Two bills introduced in the House of Representatives would broaden the types of actions covered by existing laws or stiffen penalties for those who knowingly sabotage computer systems.

The House Energy and Commerce subcommittee on telecommunications and finance will hold hearings today on the Internet vulnerabilities. A spokesman said subcommittee Chairman Edward Markey (D-Mass.) expects to propose legislation that would implement the GAO recommendations.

systems and satellite components.

**General Electric** received a \$12.1 million Air Force contract for F-16 components.

tion as serious and that he was putting South African troops still in Namibia on alert.

But a U.N. monitoring team visited the border area Saturday and reported that it found no evidence to support Pienaar's allegation. "Instead, the situation in the north appears to be normalizing and stability and confidence to be returning," a U.N. spokesman told reporters.

Now SWAPO is protesting that Pienaar fabricated the alert to put the organization in a bad light during Perez de Cuellar's visit and to provide grounds for keeping the counterinsurgency unit in the border area.

The dispute is the most serious since SWAPO nearly provoked a collapse of the Namibian independence agreement by sending hun-

drovies during the long bush war against SWAPO guerrillas.

Koevoet was nominally disbanded under terms of the U.S.-brokered peace accord, but most of its members were incorporated into the regular police force, which remains in the territory to maintain order during the election campaign. This, SWAPO contends, is a stratagem to keep a combat unit in the crucial northern area in contravention of the accord.

Pienaar's spokesman, Gerhard Roux, said in a telephone interview that Pienaar accepted the monitoring team's finding that there was no massing on the border, but that he still believed there were SWAPO guerrillas moving freely around southern Angola below their restriction line on the 16th parallel.

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### Bush has no comment on Contra lawsuit

President Bush refused to comment yesterday on a lawsuit filed by four Republican congressmen to block a deal made with Democratic leaders that could endanger the \$49.7 million Contra aid package.

In a complaint filed Tuesday in U.S. District Court, the lawmakers claimed the Bush administration violated the Constitution by giving congressional leaders the power to veto the aid package.

Congress voted in March to offer aid to the Nicaraguan resistance

through Feb. 28. To win the approval, however, the Bush administration agreed to cut off the aid package in November unless eight congressional leaders give their written approval to continue the funding.

At a news conference yesterday, the four congressmen argued that the deal gives a legislative veto to each of the eight congressional leaders, six of whom are Democrats. The aid will be canceled if any one of the eight leaders refuses to affirm the funding in a letter to the Bush administration.

In a 1983 case, the Supreme Court declared the legislative veto unconstitutional.

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### CONTRACTS

**Hughes Aircraft** received \$54.6 million in Navy contracts for submarine missile guidance

**LAWRENCE  
O'ROURKE**

**A WHITE  
HOUSE VIEW**

## High Marks For Scowcroft

WASHINGTON

**W**HEN THE TELEPHONE rings with a prolonged and unmistakable tone in the first-floor corner office of the White House West Wing, Brent Scowcroft, the national security adviser, immediately stops what he's doing and picks it up.

"Yes, sir," Scowcroft answers, not even waiting for the "Hello, Brent."

President George Bush calls several times a day, sometimes to ask for clarification of a piece of information in a cable, sometimes just to bounce a thought off Scowcroft, the retired Air Force general who at the moment, according to several White House aides, is doing the job of national security adviser just about as well as it can be done.

Scowcroft is doing it so well that people are actually talking about cooperation, rather than competition, between the State Department and the National Security Council, which Scowcroft heads.

**There may be** differences between Scowcroft and Secretary of State James A. Baker III over U.S. policy. But those differences have not been personalized, and the differences are not very wide. Neither man is arguing his position through leaks to Congress or the press.

And the policy that is being followed is Bush's — not Baker's and not Scowcroft's, as both men will quickly tell visitors. The president hears out his principal foreign policy advisers, including Central Intelligence Agency Director William H. Webster, then makes up his own mind. He did that with the decision to maintain harmonious relations with the Chinese government, despite the crackdown on the pro-democracy demonstrators in Tiananmen Square. Some aides wanted Bush to be tougher, but the president said this is what we'll do, and that was the end of the debate.

On foreign policy, Bush may well be the most informed and interested president since Richard M. Nixon. Bush gets two formal briefings a day, with Scowcroft usually at both of them, and a pile of cables. Bush regularly calls foreign leaders and specialists at home and abroad. Bush is said to prefer unedited cables rather than the synopsis versions prepared for President Ronald Reagan.

During his first six months in the White House, Bush made four foreign trips, stopping at Japan, China, South Korea, Canada, Italy, Vatican City, West Germany, Belgium, England, Poland, Hungary, France and the Netherlands. He has announced a trip in late October to Costa Rica, and that may just be the first stop on an extended late fall tour.

**Later in the year,** say about the first part of December, Bush could well meet with Soviet leader Mikhail S. Gorbachev. Nothing's set yet, but the people around Bush believe that the miners' strike in the Soviet Union is another reminder to the rulers in the Kremlin that they have to take steps to raise the people's living standards.

Bush has let Gorbachev know that conventional and nuclear arms reductions, economic cooperation and eventual integration of the Soviet and Western economies, cessation of support for pro-Soviet insurgencies and political improvements in the Soviet Union and Warsaw Pact nations are parts of a single package. These parts move together, Bush said.

Scowcroft's job is to gather and assess information and to coordinate activities of the State and Defense Departments and the CIA and other intelligence agencies. Well-informed sources say that Scowcroft's National Security Council is not an action agency; it will not have its Oliver L. North.

Neither is Scowcroft a Henry A. Kissinger, who as Nixon's national security adviser brushed aside the State Department. It was a different story when Kissinger became Gerald R. Ford's secretary of state. Scowcroft was Kissinger's successor at the National Security Council. Ford's chief of staff was Richard B. Cheney, now defense secretary. Ford's delegate-hunter at the Republican National Convention in 1976 was James Baker. So Bush's team has three men who worked together before with amicability and are now doing it again.

**The president,** aware from experience about institutional in-fighting in government, meets regularly and privately with Baker and Cheney. So if Scowcroft, Baker and Cheney disagree, they have opportunity to present their position directly to the decision-maker.

Aides to Reagan wondered whether he ever read the documents prepared for him by the National Security Council. To accommodate the president's work habits, they usually boiled down documents to one page. Bush — who served in the 1970s as director of Central Intelligence — is said to dislike distillation of intelligence reports and to prefer to read the entire report, especially when it concerns a part of the world with which he has experience. This means that Scowcroft has to read most of this material too.

The next ring on the telephone could be from the Oval office.

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# The politics of US defence

IT IS HARD at first sight to believe that the weapons procurement arguments now going on between the US Administration and Congress are taking place in a country with a budget problem. President Bush inherited from Mr Reagan a defence programme which would have cost some \$300bn more than the sums allowed in either the Reagan or the Bush budget plans over the next five years. Mr Bush proposed a freeze in real terms, Congress reduced that to a cash freeze, and the new Defence Secretary, Mr Richard Cheney, said that he would make the necessary hard choices. He has not been allowed to do so. Mr Cheney proposed to cancel three programmes - the Midgetman missile (a \$3.1bn down payment on a \$50bn programme),

the V22 high speed helicopter (\$28bn), and the F14 fighter (a mere \$800m), and to reduce the naval shipbuilding programme. The aircraft have many friends in Congress and seem likely to survive after a strong House vote to reject the Administration's defence budget.

The President rescued the mobile single-warhead Midgetman, and has proposed spending up to a further \$400bn - literally an astronomical sum - over the next 20 years to explore Mars. He has also been campaigning hard to preserve the B2 "stealth" bomber programme from Congressmen outraged at its \$70bn cost.

Nobody, of course, intends that all these sums will actually be spent. Mr Bush argues that he must keep all his defence options open to increase his bargaining

strength in the arms talks with the USSR. But the House of Representatives on Tuesday voted by a large majority in favour of cutting this year's spending on the Strategic Defence Initiative (SDI) from the \$4.9bn requested by President Bush to \$3.1bn - a proposal which still remains to be approved by a joint Senate-House conference. Final votes are also pending on proposals for cuts in the B2 programme, or even its complete cancellation.

This looks helpful, but probably is not. If some programmes are eliminated in the arms talks, then every penny saved in the meantime is worthwhile; but the proposed savings so far are not in the missile programmes which are likeliest to go. For continuing programmes, experience shows that the Congressional habit of stretching out expensive projects to meet budget targets simply inflates the final cost. For the B2, Republican leaders have sensibly argued that no production order for it be placed until the prototypes have passed stiff flying and operational tests. The armed

forces have a long, sad history of discovering radical design faults only after delivery.

None of these adjustments, however, make any sense of the total programme, which exceeds US defence needs as much as its capacity to pay. This is because the preservation of the Reagan shopping list is not just a negotiating ploy. It reflects US political rather than defence needs. The Administration is still arguing about the choices. Mr Brent Scowcroft, the National Security Adviser, is sceptical about SDI, and favours Midgetman, a single-warhead mobile missile which would assure second strike capability through sheer numbers. However, SDI is something of a Republican totem, and Midgetman is known as a Democratic programme. The multi-warhead MX missile, which according to the Washington defence think-tanks is the least necessary of the major programmes, was a Reagan project heavily sold to reluctant allies; a cut is not even discussed.

Party politics are also at stake: if weapons are to be cancelled, there might be advantage for Mr Bush if a Democratic Congress made the cuts. The Democrats well understand this, and are unlikely to make the Administration's choices for it; they will simply be niggardly. Meanwhile, the maximum amount of highly skilled manpower is tied down on projects which may have no future. Even the Pentagon admits that this is damaging the country's industrial base, and thus its economic security.

# Marshal Akhromeyev's Mark on Congress

*Rowland Evans and Robert Novak*

Pigeonholed for six months by President Bush's national security staff, an unclassified Pentagon report finally sent to Congress last week warns that the Soviet Union may achieve "a decisive military advantage" because of the momentum of its offensive and defensive military programs.

The paper has been seized on by pro-defense congressmen as evidence of the danger in unilateral U.S. disarmament induced by euphoria over Mikhail Gorbachev. While Moscow rushes production of two big new mobile missiles far exceeding limits set by the unratified SALT II treaty, congressional disarmers demand cutbacks of U.S. nuclear-firing submarines to comply with that discarded pact.

Demonstrating congressional susceptibility to Gorbachev's promised end to East-West confrontation, pacifism is in ascendancy on Capitol Hill. Congress is taking one bite after another out of a defense bill to which even the administration seems less than committed when it comes to SDI. When 34 Republicans joined Democrats in cutting SDI, Capitol Hill insiders blamed indifferent administration lobbying.

Symptomatic of the Bush team's ambivalence or confusion on national security is the long delay in releasing the report. It warns that "the combination of Soviet offensive and defensive developments, if unanswered, may provide the Union with a decisive military advantage near future." It was written and submitted to Congress late last year during the defense of the SDI program.

But insiders, fairly or not, have always questioned the president's own commitment to the report, which could not legally be released without White House consent, was written by the national security staff, whose

toughly worded letter to Scowcroft by half a dozen Republican senators was needed to break loose the report—too late to affect Tuesday's overwhelming anti-SDI vote in the House.

Overshadowing SDI is the growing gap in Soviet vs. U.S. long-range offensive missile production. Retired Gen. William Odom, top Soviet specialist in the Carter White House and former head of the National Security Agency, warned the House Armed Services Committee in testimony on the defense bill that Gorbachev's strategy "is not at all defensive."

Committee members listened respectfully when Odom was contradicted by Soviet Marshal Sergei Akhromeyev's spectacular testimony to them last week. The marshal won standing applause from the congressmen after insisting that defense has become the key element of Soviet military strategy. Gorbachev's top military adviser apparently made a stronger impression on the House Armed Services Committee than did the American general.

That is behind the decision of both the House and the Senate this week to put the B-2 Stealth bomber in semi-mothballs, virtually guaranteeing that the planned 132 bombers capable of eluding Soviet defenses will never be built. The B-2 slowdown comes in the face of annual Soviet production, estimated today at 200 mobile, single-warhead SS-25 missiles and 50 mobile SS-

certain to win approval of a proviso designed to force the administration to destroy long-range missiles on Poseidon submarines.

Defense-oriented senators of both parties who smell danger for the United States as the Soviets move toward strategic superiority will mount a counterattack when the defense authorization bill returns to the floor next week. But prospects are poor. Gorbachev's peace offensive pledge has created a transcendent mood on Capitol Hill, no matter how many warnings come from defense experts. The mood may persist until the Russian bear reverts to form, but that could be too late.

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UK...from Pg. 12

to meet a number of MoD concerns.

"What it needs is some kind of guarantee that the systems will work when they're all put together. It's looking for a body that will take responsibility for systems actually delivering the weapons on target."

He added that "currently nobody within the programme is responsible for this."

Although this kind of approach is novel for the UK, it has been adopted on a number of US projects. The US Navy's SH-60B Seahawk LAMPS 3 helicopter



Some think President Bush will send the agency chief out in the cold

CIA

## Is Webster on the Outs?

Key congressmen and some administration officials are disenchanted with the performance of CIA Director William Webster, who has long been praised for cleaning up the FBI in the 1970s and calming down the CIA after the Iran-contra troubles. Recent complaints stem from Webster's refusal to give the House Intelligence Committee access to CIA inspector-general reports, a lapse Pennsylvania Republican Bud Shuster called "a serious mistake."

At the same time a growing number of intelligence and congressional insiders are complaining that Webster is a hands-off manager with only superficial knowledge of intelligence issues. "He's really more interested in his social world and his tennis," complains one intelligence source. Other insiders told NEWSWEEK that during a secret hearing before the Senate Appropriations Committee in April, the panel was distressed by Webster's "astoundingly bad" grasp of facts about the CIA budget.

The White House strongly denies any dissatisfaction with the director. "The president has full confidence in the way

Bill Webster is running the agency," says national-security adviser Brent Scowcroft. But administration sources say some Bush aides were unhappy with intelligence reporting before and during the upheavals in China. And rumors persist that Bush considers Webster an interim director, and will replace him with Ambassador to China Jim Lilley within a year. ■