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November 1989

BUSH WILL MEET GORBACHEV TO GET 'BETTER ACQUAINTED' IN TALKS AT SEA NEXT MONTH 2 DAYS IN DECEMBER

Secret Discussions Have
Been Going On Since
July, Advisers Say

By MAUREEN DOWD

Special to The New York Times

WASHINGTON, Oct. 31 — Saying he does not want to "miss something" in the rapidly shifting terrain of East-West relations, President Bush announced today that he would meet with President Mikhail S. Gorbachev of the Soviet Union in December for two days of unstructured talks.

Mr. Bush said at a news conference that the "interim, informal" session with the Soviet leader, which would precede their "full-scale summit" planned for the late spring or early summer of 1990, will take place in the Mediterranean, alternating between American and Soviet naval vessels on Dec. 2 and 3. [Excerpts from the news conference, page A19.]

The meeting will be Mr. Bush's first with the Soviet leader as President. As President-elect, Mr. Bush met with Mr. Gorbachev on Governors Island inn New York harbor last December.

Announcement Also in Moscow

Making a simultaneous announcement in Moscow, the Soviet Foreign Minister, Eduard A. Shevardnadze, said that while the main aim was for the two leaders to get to know each other better, they might also use the opportunity to provide "directives" to their foreign policy advisers, laying the basis for the 1990 summit meeting.

The announcement of the December meeting, secretly arranged between Washington and Moscow in discussions going back to July, raised a number of questions about the Administration's handling of relations with the Soviet Union in recent months.

If Mr. Bush's senior aides were aware of planning for the meeting, which the White House said they were, it was unclear why Vice President Dan Quayle publicly advocated a cautious approach to dealing with Mr. Gorbachev, and why Robert M. Gates, the deputy national security adviser, was

prepared to give a speech last week that offered a gloomy assessment of Mr. Gorbachev's prospects for reshaping his country. The speech was canceled when Secretary of State James A. Baker 3d objected to it.

Shevardnadze Tack Puzzling

If plans for a meeting this year were developing over the summer, with general agreement by the end of August — the sequence of events described by the White House — it was also unclear why Mr. Shevardnadze rebuked Washington in September for failing to move more swiftly to deal with Mr. Gorbachev.

Mr. Bush denied any policy disagreements within his Administration, and said the idea for the December meeting stemmed from his desire to explore with Mr. Gorbachev the fluid political situation in Eastern Europe before they sit down for intense talks next year over arms control and other issues.

"I just didn't want to, in this time of dynamic change, miss something, something that I might get better first-hand from Mr. Gorbachev," said President Bush at the White House news conference.

Moving his hands past each other in the air, he explained, "I don't want to have two gigantic ships pass in the night because of failed communication."

The announcement of what the White House called a "non-summit summit" and what the Democrats called "a salt-water summit" reflected a softening in the public attitude of the President, who had said he would take a more skeptical and less "romantic" approach to Mr. Gorbachev than President Reagan did.

It also marked a new public stance on holding unstructured talks with Mr. Gorbachev, which the White House earlier in the year suggested would be

unwise. Secretary Baker, in two recent speeches, called for a more active approach to dealing with Mr. Gorbachev, apparently reflecting Mr. Bush's view that a friendlier, faster pace on talks would benefit both sides.

'Put Our Feet Up'

President Bush said the shipboard meetings would not be negotiating sessions on arms control, but rather a chance for the two leaders to "put our feet up" and exchange views on a wide array of subjects, including the progress of Soviet internal reform, the changes in Eastern Europe and the state of the American and Soviet economies.

"Our talks will be informal in character, designed to allow us to become better acquainted with one another and to deepen our respective understanding of each other's views," Mr. Bush said in his opening statement. "Neither President Gorbachev nor I anticipate that substantial decisions or agreements will emerge from this December meeting."

Referring to economic assistance, Mr. Bush said, "Maybe this is one of the items that we will be discussing."

"What I want to make clear to Mr. Gorbachev," Mr. Bush said of perestroika, the Soviet program of economic and political change — "and I don't think there's been a disconnect with the Soviets — is that we do want to see it succeed."

But the Soviets were sensitive on the point, and at the Moscow news conference today, Mr. Shevardnadze asked that reporters not write that his Government intended to ask for economic help to promote perestroika. The Soviet plan must be carried out at home, the Foreign Minister said, and to suggest that they would appeal for American aid "touches our national dignity."

The President, whose cautious response to the changes in the Soviet Union and Eastern Europe has attracted criticism from Congressional

The Washington Post _____
The New York Times A1
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 1 Nov 1989

Democrats and European allies, conceded that he has changed his mind about the pace and tenor of superpower progress.

"You know, there was one time when I felt that such a meeting wouldn't be productive, and I think it is going to be productive," said Mr. Bush, who was wearing a tie with an orange pumpkin design in honor of Halloween.

White House aides said President Bush and a handful of advisers — including the chief of staff, John H. Sununu; Mr. Baker; Mr. Quayle; Brent Scowcroft, the national security adviser, and his deputy, Mr. Gates, and the press secretary, Marlin Fitzwater — have been secretly arranging the Mediterranean meeting for more than three months. And yet Mr. Bush did not object to the way that Mr. Quayle and Mr. Gates continued to express cautionary assessments of the Soviets.

Yea-Sayers and Naysayers

"The ratio of optimistic and pessimistic views with regard to the Soviet Union is constantly shifting," a top Bush official said. "Just because someone acknowledges the presence of one or the other at any given time doesn't mean that there is any disagreement among us.

Mr. Bush, who was warning the Western allies only last spring against "a growing complacency" about the Soviets, said today that his change of heart came after consultations with the allies in Europe and after watching "the rapidity of change in Eastern Europe and the emergence of democracies in this hemisphere."

Mr. Bush emphasized that the shift to a higher gear was his own idea. The President, who likes to conduct an intensely personal style of diplomacy, either on the phone or face to face, said he decided that he needed to examine Mr. Gorbachev's agenda "first-hand."

"He's been feeling for a while that he should say to Gorbachev, 'Come on down and let's talk if you want,'" a senior adviser said. "But it's hard to find a venue where both parties could be relaxed."

How It Began

Administration officials said that the President began thinking about a two-track strategy for an informal meeting and formal summit with the Soviet leader in June, after his NATO trip to Brussels in May. His belief that the time was right "gelled," his advisers said, after his July trip to Eastern Europe and his participation in the Paris economic summit, where he talked to the leaders of the Group of Seven industrial nations about his plans.

His aides said he was also moved by his meetings with leaders in Poland and Hungary, including the Solidarity founder, Lech Walesa, and by their requests that he be more supportive of the Soviet leader.

His advisers said that Mr. Bush drafted a letter to Mr. Gorbachev proposing the meeting on Air Force One on his way back from the economic summit conference on July 18, and Mr. Gorbachev accepted early in August. The two Governments exchanged a series of cables with suggestions about where and how the meeting could be conducted, and what issues it might encompass. But they were determined to keep it secret until the more substantive 1990 summit was announced.

Today's announcement fits a pattern established by the Bush White House. Whenever officials are pelted with criticism on a major issue, they huddle in secret and come up with a grand strategy designed to dispel criticism.

The reaction from allies and Congress was largely positive. Asked if he felt that Mr. Bush had struck a blow against his reputation for timidity toward Eastern Europe and the Soviet Union, the Democratic Speaker of the House, Thomas S. Foley, replied, "It certainly helps, helps in that direction."

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Secretary of Politics

The sudden announcement of the floating summit makes one thing perfectly clear: James A. Baker III is the secretary of state.

He's had no end of in-house competition for the job that George Bush gave him just a year ago. Any number of hard-nosed insiders have stepped up to the plate to take a swing at East-West relations, while the president kept insisting that he knew just what he was doing and Europeans fretted that he was missing cosmic changes occurring in the communist world.

Secretary of Defense Richard B. Cheney, National Security Council Soviet expert Robert Gates and Deputy Secretary of State Lawrence S. Eagleburger have all sounded off; national security adviser Brent Scowcroft has let it be known that he thinks a little uncertainty will make a better man—and capitalist—of Mikhail Gorbachev, and, finally, Vice President Quayle has warned against being taken in. Gates did not get to the microphone with his prediction that Gorbachev is not long for this world, because Baker, in a long delayed fit of impatience, muzzled him.

Now, however, Baker has prevailed over the naysayers and game-players and "what-will-this-do-to-the-military-budget?" crowd. He has persuaded the president, who has repeatedly said he would do no such thing—to sit down with Gorbachev in advance of their summit.

How did Baker do it? We can only guess.

The president insists he got the idea for a session with Gorbachev last July when he was in Eastern Europe. Details were not worked out, however, until last month, which makes you wonder whether the parties were conferring by carrier pigeon. There can be no suspicion that Gorbachev needed even a second to say "yes"—he would open a hot dog stand at the Washington Monument if it meant getting Bush's attention.

What may have happened is that Baker got an earful from Soviet Foreign Minister Eduard Shevardnadze at Jackson Hole, Wyo., in September. The theory behind that meeting was that Shevardnadze would be so bowled over by the scenery that he would make more concessions from a rapidly dwindling collection. Instead, Baker may have been stunned by Shevardnadze's description of a Soviet Union in imminent danger of falling apart.

Baker is a political animal. The idea of the Bush administration being tagged with goofing up the best chance in centuries for introducing democracy to a

fifth of the earth's surface was too much for him. He can talk to Bush in the way that only a campaign manager can talk to a candidate: What do you think you're doing? Have you seen the polls from Pittsburgh?

Baker thinks in political, not diplomatic terms. When Senate Majority Leader George J. Mitchell (D-Maine) attacked Bush for "timidity" in his dealings with Poland and other Eastern European countries, which need more than good wishes to make it as democracies, Baker, obviously stung, retorted that were he the leader of the opposition, with a president rocking along at 70 percent approval, he "might have something similar to say."

Mitchell said huffily that "this is not a political campaign." But, of course, it is, and if Baker sees foreign policy problems as primary campaigns, he is not far off. Panama and the failed coup dented Bush's claim of being "ready from day one" and represented the Iowa of 1988, when Bush was beaten. The Mediterranean can be a New Hampshire comeback for Bush.

Even after Baker had made two speeches making it unmistakably clear that the United States wants *perestroika* to succeed and Gorbachev to survive, Quayle was yipping about "the darker side of Soviet foreign policy" and urging a defense build up. Baker seems to regard Quayle as the mascot of the far right, who can be expected to yip.

Now that he has established his sway over East-West foreign policy, Baker may wish to reclaim Asia. Japan is focused on Ronald Reagan. Richard M. Nixon has taken over China, at a time propitious for both. He was being pictured in a docudrama as a clumsy outlaw, and China wants notice from any westerner, however discredited.

Baker might turn his considerable talents to Cambodia, which is about to be crucified by the Khmer Rouge again, because of the spite and pettiness that were governing our Soviet foreign policy until he asserted himself.

Two old friends of former House speaker Thomas P. "Tip" O'Neill Jr. (D-Mass.) have complained about a column in which I said he should do "something for nothing." President J. Donald Moan of Boston College, O'Neill's alma mater, and Sister Ellen Powell, principal of his high school, North Cambridge Catholic, write that O'Neill has given generously to scholarships for their schools and has done other good works as well. I regret the omission.

Bush may request arms for Contras

By Paul Bedard
THE WASHINGTON TIMES

WT
11-3-89 A1

President Bush said yesterday he may seek a renewal of military aid for Nicaraguan resistance forces in response to the Nicaraguan government's resumption of the civil war.

"It's not clear how far [Nicaraguan President Daniel] Ortega intends to take his military and intimidation campaign. Accordingly, we must and we will leave our options open," Mr. Bush said.

Earlier this week, White House spokesman Marlin Fitzwater ruled out military aid to the rebels when Mr. Ortega canceled the 19-month-old cease-fire. "We don't want to go that route," Mr. Fitzwater said. "We want to get free elections."

National Security Adviser Brent Scowcroft, in a background briefing

with conservative foreign policy leaders, said Mr. Bush would likely request military aid if casualties mount as a result of Sandinista attacks, according to a participant in the meeting.

Mr. Scowcroft said the administration doesn't believe it now has the votes for military aid, the source said.

Mr. Bush's remarks came during a visit to El Salvador's ailing former president, Jose Napoleon Duarte, at Walter Reed Army Medical Center. Mr. Duarte is in serious condition from stomach cancer and may have only a few days to live, according to

one official.

The White House said yesterday that Mr. Ortega's cancellation of the cease-fire effectively scuttles a provision in a regional peace pact calling on the rebels, or Contras, to disarm and return home by Dec. 5.

"You can't ask people to repatriate themselves into a climate where they're threatened with death," Mr. Fitzwater said. "I don't think anybody expects demobilization to be able to proceed as long as the Sandinistas are on offensive attacks to try to destroy them."

He said Sandinista forces have followed through on their pledge to hunt down resistance members. "It's clearly unrealistic to expect a voluntary repatriation and demobilization when they are attacking those that they want to voluntarily demobilize."

Meanwhile, the House yesterday overwhelmingly endorsed a Senate resolution condemning Mr. Ortega for ending the truce and threatening to cancel the Feb. 25 election.

On a 379-29 vote, the House urged the Sandinistas to "end their aggression in the region, end their tyranny over their own people and permit the establishment of democracy inside Nicaragua."

In an opinion column in yesterday's New York Times, Mr. Ortega promised to go ahead with the February election and claimed that resistance fighters had fired first. Those attacks, he said, prompted his announcement to end the cease-fire.

State Department deputy spokesman Richard Boucher reiterated the U.S. view that "the resistance is adhering to a policy of no offensive operations" against the Sandinistas. "And they have circumstances, primarily the lack of military funding, which ... give no incentive on their part to break from that policy."

Mr. Fitzwater said the resistance has "stated its desire to lay down its arms and return safely," but only after the Sandinistas "create the confidence which would allow resistance members to do this."

Pentagon officials said resistance forces inside Nicaragua pose no serious threat to the Sandinista government.

"With the suspension of military

aid, stocks of expendables such as bullets, grenades, shells, mines and SAM [surface-to-air missiles] are almost exhausted and insufficient to support offensive operations," a Pentagon statement said.

The resistance forces have some infantry weapons, mortars and grenade launchers — but much less ammunition than they had when Congress cut off military aid in 1988.

The Contras appear to be increasingly vulnerable to attack from Soviet-supplied Hind helicopters because of a shortage of surface-to-air missiles and the questionable quality of those in their stockpiles, Pentagon officials said.

Sandinista forces are using helicopters and mechanized artillery equipment "against the lightly armed resistance forces," one official said.

The House vote yesterday indicated a growing congressional distaste for the Marxist regime. The 29 votes against the resolution were the "fewest Danny Ortega ever got in the U.S. Congress," said one Hill observer.

Rep. Mickey Edwards, Oklahoma Republican and a strong Contra supporter, called the strong Democratic support for the measure a "tremendous victory."

He criticized the administration for not making it clear it will call for military aid if the election is canceled.

"I find it unusual they haven't taken a stronger position than they have at this point," said Mr. Edwards, chairman of the House GOP task force on Central America. "I'm afraid we're sending the message that no matter what the Sandinistas do, all we'll do is sputter and complain."

Congressional liberals griped that Mr. Ortega is helping once more to resurrect the resistance cause they worked to defeat.

"Ortega is a damned fool, and he's always been a damned fool," said Rep. David Obey, Wisconsin Democrat and chairman of the House Appropriations subcommittee, which has jurisdiction over resistance aid.

• Peter LaBarbera and Peter Almond contributed to this article, which is based in part on wire service reports.

Washington at Work

National Security Adviser Redefines the Role, Drawing Barrage of Criticism

By ANDREW ROSENTHAL

Special to The New York Times

WASHINGTON, Nov. 2 — According to the equation often attributed to the political scientist Richard E. Neustadt, physical proximity to the President equals power. That should make Brent Scowcroft the most powerful of George Bush's foreign policy lieutenants.

When Mr. Bush is in the Oval Office, Mr. Scowcroft, his national security adviser, can often be found there. When the President is in Kennebunkport, Me., on the golf course, Mr. Scowcroft is at his side.

This national security adviser is no Robert C. McFarlane, pleading with Ronald Reagan's chiefs of staff for brief meetings with the President. Neither is he Henry A. Kissinger, using his access to Richard M. Nixon to establish a seat of unchallenged power.

This is a measure of Mr. Scowcroft's style and the foreign policy triangle in which he finds himself. The dominant figure is clearly the President; the others are Secretary of State James A. Baker 3d and Mr. Scowcroft, a 64-year-old retired Air Force general.

In a complex arrangement in which personal relationships are the driving force, Mr. Scowcroft often seems to be the White House buddy system's odd-man-in. As time passes, and as Mr. Baker asserts his primacy in foreign policy, Mr. Scowcroft's critics suggest that the former general's low-key, sometimes phlegmatic approach to events that have turned Soviet-American relations upside-down demonstrates that he is an overstretched arms control expert whose innate caution has cost the United States opportunities in foreign policy.

But others say he has been a good influence on the President at a highly uncertain time and does not always get credit for things like his role in the negotiations leading to this week's announcement of a December meeting between Mr. Bush and the Soviet President, Mikhail S. Gorbachev.

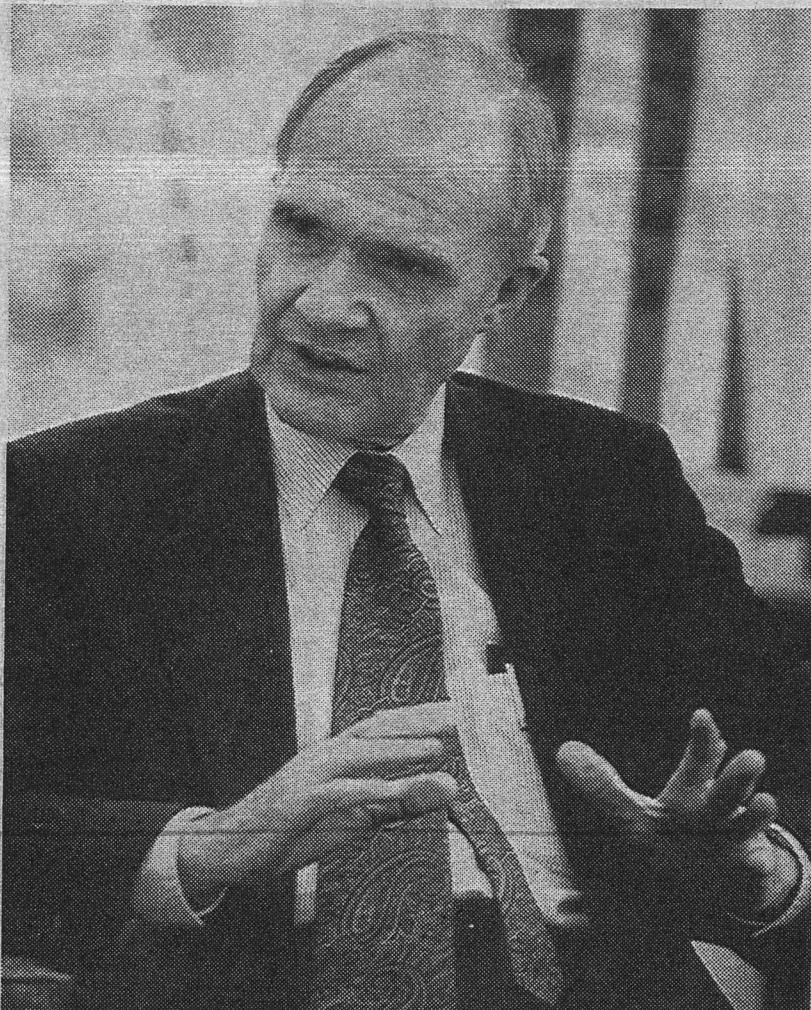
Mr. Scowcroft, they argue, is simply not a burnisher of his reputation.

Anchor in the Wind

Virtually everyone who knows Mr. Scowcroft uses the same adjectives to describe him: quiet, calm, conciliatory, self-effacing. If Mr. Bush is the gusty wind that drives his Administration and Mr. Baker holds the political sextant, then Mr. Scowcroft is the anchor, a man who plays a more central role in policy formation than is generally acknowledged.

Intending to praise, Mr. Scowcroft's friends and admirers describe him as a "cautious" man. But in times of revolutionary change, caution is a questionable accolade.

In Congress, the Administration



The New York Times/José R. Lopez

Brent Scowcroft, the national security adviser, who often seems the odd-man-in of the White House buddy system.

Scowcroft sees himself as an intellectual, not an in-fighter.

and the press, critics of Mr. Scowcroft's stewardship of the National Security Council score him heavily. They said he has failed by not providing better coordination of the White House response to the failed coup in Panama, by ceding too much authority to the State Department and by not orchestrating more adroitly the Administration's recent conflicting public statements on the Soviet Union.

Mr. Scowcroft, who came to his post with a reputation as perhaps the Republican Party's leading expert on nuclear arms, still gets wide praise

for his intellect and knowledge of national security matters. And by his own description, Mr. Scowcroft, holder of a doctorate in international relations, prefers to influence policy through intellectual weight and scholarly analysis. He does not, as in the Kissinger model, propel it with sheer personal and intellectual force and a driving world vision.

Comparison With Kissinger

Indeed, according to many accounts, President Gerald R. Ford gave Mr. Scowcroft his first stint as national security adviser in 1975, because he wanted a "more manageable" person in the job than Mr. Kissinger. Mr. Scowcroft served as Mr. Kissinger's deputy national security adviser, and many associates of the two said Mr. Kissinger thought Mr. Scowcroft would be no threat to his own power.

Mr. Scowcroft, who was vice chairman of Kissinger Associates, an international consulting firm, before

joining the Bush Administration, is considered more of an intellectual than a in-fighter.

He came to his post in the current Administration determined not to allow the security council to become involved in covert operations, and Mr. Bush charged him with being an "honest broker" for a President who abhors squabbling among his senior advisers, especially in public.

And, in large measure because of his experience as a member of the Tower Commission, which investigated the Iran-contra affair in the Reagan Administration, he did not conceive of his role as one of "crisis manager."

President Runs the Show

"The President runs the Government," Mr. Scowcroft said in a recent interview in his West Wing office. "He has expert advice from State and Defense, and it is my job to ensure the integration of that advice, to fill in where there are holes, and hopefully, to help provide a strategic concept which covers the whole field of national security."

Some of Mr. Scowcroft's critics assert he has ceded too much to the State Department, where officials are sometimes dismissive, off the record, of him. In this view, Mr. Scowcroft made sure at the outset that he would constantly be at the President's side, because he feared being pushed out into the cold by Mr. Bush and Mr. Baker's longer and more intimate friendship.

According to people who know Mr. Scowcroft well, he had heavily counted on having John G. Tower as Secretary of Defense, calculating that Mr. Tower would provide a counterweight to Mr. Baker, and that he himself would be the balance.

"Not crossing Jim Baker is a central fact of the way Scowcroft does his job," said an Administration official, who spoke on condition of anonymity.

One sign of this, some officials say, was Mr. Scowcroft's agreement with Mr. Baker's decision last month to bar a speech by Robert M. Gates, the deputy national security adviser, that took a more critical tone toward the Soviet Union than two of Mr. Baker's recent speeches.

But White House officials said that Mr. Scowcroft agreed that the Gates speech was ill-timed and that in general he is not anxious to have deputies take the center stage.

Delegating Daily Chores

Some Administration officials also said Mr. Scowcroft pays more attention to his personal relations with the President than to organization, turning the security council from a well-spring of policy initiative to a lesser clearinghouse for information.

Because he dislikes paperwork, Mr. Scowcroft is said to delegate most of

Is caution in policy making a flaw when the times are tumultuous?

the day-to-day administrative chores to Mr. Gates, a former deputy director of Central Intelligence. But a close associate of the President said the notion that Mr. Scowcroft spends too much time away from his desk and in the Oval Office is "nonsensical."

"He does spend a lot of time with the President," this associate said, "and that is good for two reasons: One, it means Bush is focusing on key foreign policy issues, which most people would want him to be focusing on, and second that he is doing it in a collaborative style."

"If you had a choice between having a man with Brent's background managing a staff or counseling with the President, I'd pick counseling any day."

Flaw in Buddy System

There have been times when the buddy system at the top has seemed to break down. After the failure of the Panama coup, Administration officials acknowledged that the inner circle was prisoner to its own expertise. Hampered by its view that policy is best conducted in secret with just a few friends, the White House did not pay enough attention to screening intelligence from Panama through lower levels of the bureaucracy.

In response, Mr. Scowcroft has designated as the "crisis management" organization the Deputies Committee, which includes the No. 2 officials in the National Security Council, State Department, Defense Department and C.I.A.

The issue of Soviet American rela-

tions has brought Mr. Scowcroft the heaviest criticism. When many lawmakers, journalists and political analysts chided the Administration for passivity in its approach to the upheaval behind the Iron Curtain, the pointing fingers were often aimed at Mr. Scowcroft.

Mr. Scowcroft shrugs off such criticism as being uninformed and insists there is a difference between timidity and caution.

Recounting the genesis of the December meeting between Mr. Bush and Mr. Gorbachev, Mr. Scowcroft said that he and the President had been discussing such an informal meeting since early spring and that he did not oppose it.

According to a senior Administration official, Mr. Scowcroft told the President, "One of the problems is that if you have a meeting, whatever you call the meeting, it becomes invested with the summit aura. Before you get yourself into something like that, you have to know what the outcome is going to be. You have to be able to manage it. Otherwise, you're letting yourself in for a foreign policy disaster."

A Bantering Relationship

On a personal level, some of those who are close to Mr. Bush, Mr. Baker and Mr. Scowcroft say the three men have a bantering, sometimes almost giggling relationship that belies Mr. Baker's tightly wound image and Mr. Scowcroft's quiet exterior.

During the Ford Administration, Mr. Scowcroft was considered so straight-laced that colleagues loved to play jokes on him. This time around, the President is the jokester.

At Kennebunkport this summer, Mr. Scowcroft was about to hit a drive when the President slipped a chalk golf ball onto his tee.

The national security adviser paused for a heartbeat, clearly aware that something was amiss. Then dutifully he took his swing, exploding the ball into white powder. The President was delighted.

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FACE THE NATION

Sunday, November 5, 1989

CBS Television Network, 10:30 AM - 11:00 AM, ET
and the
CBS Radio Network, 12:30 PM - 1:00 PM, ET

MODERATOR: Lesley Stahl - CBS News White House
Correspondent

GUESTS: BRENT SCOWCROFT
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MS. STAHL: Welcome to FACE THE NATION. I'm Lesley Stahl. Soviet officials say when they convince America they're no longer the enemy, the U.S. will begin fighting with its allies. Well, two events this week make one wonder if that prediction is already coming true.

PRESIDENT BUSH: There's not going to be an agenda.

MS. STAHL: The first event, President Bush's decision to meet next month with Mikhail Gorbachev.

QUESTION AT PRESS CONFERENCE: Is one of your purposes in having this meeting to give Gorbachev a political boost at home?

PRESIDENT BUSH: No, I hadn't particularly thought about that; if it does, fine.

MS. STAHL: The other event: the sale of Rockefeller Center, including Radio City Music Hall, to Mitsubishi Estate Company of Japan. As the military rivalry with the Soviets subsides, economic competition with Japan heats up.

SUSAN TOLCHIN (George Washington University): We're vulnerable to just losing control over our economy and over what happens to that economy.

MS. STAHL: No longer the enemy? Surprised by Gorbachev's willingness to allow reform in Eastern Europe, the Bush administration now says Gorby is genuine. Just this week, he prodded East Germany's Egon Krenz into promising sweeping reforms.

MANFRED WOERNER (NATO official): It's changing so rapidly that I think there's a need to have an early contact, an informal contact, between the leaders of both major powers.

MS. STAHL: Europeans were concerned about President Bush's cautiousness and told him so.

MAN ON THE STREET: Why is the Japanese buying everything out here, you know? I mean, there's nothing left for the Americans.

ROBERT MOSBACHER (Secretary of Commerce): It's bringing fresh money in, and it really helps our economy--it doesn't hurt it.

MS. STAHL: Foreigners now own almost half of downtown Los Angeles. They own--hard to believe--Tiffany's and Bloomingdale's.

Sony bought CBS Records and now, with Columbia Pictures, they even own "Mr. Smith Goes to Washington."

JAMES STEWART (in "Mr. Smith Goes to Washington"): There's no place out there for graft or greed or lies.

MS. STAHL: Are foreigners buying too much of America? We'll ask businessman Boone Pickens and management consultant Kenichi Ohmae.

Does President Bush have a plan for his meeting with Gorbachev? We'll ask his national security adviser, Brent Scowcroft.

Friends and enemies--is U.S. policy in for a sea change? An issue facing the nation.

ANNOUNCER: From CBS News, Washington, FACE THE NATION, with CBS News Chief White House Correspondent Lesley Stahl.

This portion of FACE THE NATION is sponsored by the Archer Daniels Midland Company, ADM, supermarket to the world.

(Announcements)

MS. STAHL: Joining us now, Brent Scowcroft, President Bush's national security adviser. Welcome.

MR. SCOWCROFT: Good morning, Lesley.

MS. STAHL: Good morning. I'd like to start on the whole question of what's happening in East Germany--a half a million people demonstrate in East Berlin, something like one person a minute is crossing the border into West Germany. I'm wondering what our government's assessment is. Is this the kind of uncontrolled chaotic situation that President Bush was hoping was not going to happen?

MR. SCOWCROFT: I think it's too early to say, but it certainly is dramatic. What you have is one of the most Stalinist of the Eastern European regimes, but with a people who can tune in to West German television and so on, who are surrounded, if you will, by movements in Poland, in Hungary, and all of a sudden they're just exploding.

And the problem that makes it so complicated is that East Germany is not a country--like Poland is Poland, there's a Polish nation, there's a Hungarian nation. There's no East German nation. They distinguish themselves only by their political and economic system.

So the extent they reform they undercut their reason for existence. So it's very complicated.

MS. STAHL: Well, are you at the national security level

--National Security Council level--having meetings? Are we reaching a point where this is a crisis for the West? With all these people pouring in, can West Germany handle this? Is East Germany going to collapse as a lot of the people who are coming out are saying?

MR. SCOWCROFT: I think, first, West Germany can handle it. West Germany is very well-organized to absorb these. Remember, you know, a lot of these are families, divided families, rejoining. West Germany is very, very well-organized. It's not that it will not be a strain on them, but, yes, they can handle that, and they will turn to us if they need help.

MS. STAHL: But have we been discussing what we'll do if there's just a giant flood? It seems like it's a giant flood already, but--

MR. SCOWCROFT: Yes, of course we have--of course we are.

MS. STAHL: And?

MR. SCOWCROFT: And we're making plans for whatever might happen. One of the real problems is that there is no more sensitive issue in Eastern Europe than between East and West Germany, and it would be so easy for something to happen, something unexpected, which could turn what is still, even despite a million people, a relatively orderly process into chaos or an explosion.

MS. STAHL: Is it possible that--maybe not by design, but maybe--that Gorbachev has calculated that he can't subsidize his

satellites any more and that he's really planning to sort of throw it in our laps, and that we're going to end up footing the bill for the reforms throughout Eastern Europe? I mean, have we thought it through that far? Is that where we're headed here?

MR. SCOWCROFT: I doubt that's his intention. I think his focus is very much internal.

MS. STAHL: Well?

MR. SCOWCROFT: And he is supporting--no, but I don't think his design is to throw Eastern Europe to the West to bail out. I think he is using developments in Poland and Hungary to bolster his own attempts at reform at home.

MS. STAHL: Is there any way, and is there a desire on our party, to slow all of this down?

MR. SCOWCROFT: Our desire is to keep things going toward political and economic pluralism at a pace that can be sustained and does not cause a backlash, a repression, which would set things back perhaps for a decade.

MS. STAHL: Well, then, let's switch to about backlash, and talk about the Soviet Union. What are the chances that there will be a crackdown by Mr. Gorbachev inside the Soviet Union?

MR. SCOWCROFT: Oh, I don't want to assess the chances, but I think it is fair to say that his problems are huge. He is a dynamic, positive leader, and he moves--when he faces a roadblock, he moves even harder.

MS. STAHL: But he has been--he hasn't been cracking down, but he's been tightening up.

MR. SCOWCROFT: In some respects, especially in the media, yes.

MS. STAHL: Well, but also the miners' strike.

MR. SCOWCROFT: The miners' strikes--he has forbidden certain kinds of strikes, yes.

MS. STAHL: And the warnings to the Baltic. Is it true that the Soviets have warned our administration that he might continue this and that he's kind of asking for our restraint?

MR. SCOWCROFT: No, it's not.

MS. STAHL: Are we expecting this at this summit in the Mediterranean, that he will ask us, as has been reported, to show restraint officially?

MR. SCOWCROFT: We're anticipating anything he could conceivably ask.

MS. STAHL: Well, what would we do if they cracked down? Would we say nothing?

MR. SCOWCROFT: I think what we would do is point out to him that one of the reasons for the more favorable attitude of the administration, of the American people, toward the Soviet Union is the opening up that is going on, is the tendency toward pluralism, is glasnost, if you will, and perestroika. To the extent that disappears, our feelings will disappear.

MS. STAHL: Yes, but, you know, President Bush said very little about the crackdown in China. Can't Mr. Gorbachev expect sort of the same?

MR. SCOWCROFT: I would not equate the two at all. The situation with China and the Soviet Union are very, very different.

MS. STAHL: So the president would speak out if he really cracked down in that kind of Tiananmen Square--

MR. SCOWCROFT: I'm not going to put words in the president's mouth.

MS. STAHL: This morning, Vice President Quayle suggested that we'd like to see some of those countries in Eastern Europe leave the Warsaw Pact. Is that our policy? Would we encourage that? And wouldn't that upset Gorbachev?

MR. SCOWCROFT: Well, I guess back to my statement: I think we want to see an evolution at a pace which can be sustained so it can build on itself and not to give the occasion for a crackdown.

MS. STAHL: Isn't this getting out of control? I mean, aren't we ahead of that already?

MR. SCOWCROFT: No, I don't think we are.

MS. STAHL: And are we behind the curve in the United States?

MR. SCOWCROFT: No, I don't think--I don't think it's out of control now, I don't think--it's moving faster than a year ago anyone would have expected. There's no question about. But the evolution of Soviet attitudes is also moving faster, and we had Gerasimov a few days ago say: yes, you know, maybe Hungary could leave the Warsaw Pact.

Now, that has been anathema to the Soviet Union for a long time. So, you know, their attitudes are changing as well. And I think it is not possible to draw a line and say this is okay, this is not okay. It is a rapidly moving situation, and what we have to do is keep our eye on our objectives.

MS. STAHL: What if East Germany collapses? What if it collapses this week? What if it collapses next week? I mean, it is possible--it's not a kind of pie-in-the-sky suggestion.

MR. SCOWCROFT: Well, I don't think it will collapse. I think it's quite possible, you know--if you mean by "collapse" the replacement of this government by another more--

MS. STAHL: I mean economically, politically collapse.

MR. SCOWCROFT: Economically there's no reason for it to collapse, unless the people really stop working. Economically, East Germany is the most prosperous in Eastern Europe.

MS. STAHL: This meeting--we're not supposed to call it a "summit" between Mr. Bush and Mr. Gorbachev--we say it's not going to be arms control. But they say it is. Don't you think he's coming with some kind of Reykjavik surprise on arms control for Mr. Bush, and are you ready for this?

MR. SCOWCROFT: I would doubt that he would come with a Reykjavik kind of surprise, because I think he does not want to run the risk of this meeting ending up with a strong negative such as Reykjavik. I think he may well come with specific proposals, and perhaps on arms control--and that's all right.

MS. STAHL: It is all right? What if he makes a proposal that you can't refuse, but you do refuse and it comes out later that you did and you look bad? Aren't you worried about that?

MR. SCOWCROFT: No, not in the least. This is a no-agenda meeting. A no-agenda meeting by its very premise is that either side can raise anything it wants.

MS. STAHL: Aren't you worried that he has a plan and we don't?

MR. SCOWCROFT: We do.

MS. STAHL: And when people have--

MR. SCOWCROFT: What makes you think we don't have a plan?

MS. STAHL: Well, tell us what the plan is, because you haven't even--you're just saying no agenda. It seems like no plan.

MR. SCOWCROFT: That doesn't mean we don't have a plan.

MS. STAHL: What's our plan?

MR. SCOWCROFT: We don't have an agenda in the sense of a list of things that is agreed ahead of time by the two sides. What we really want here is--especially in light of the things we've just been talking about, the very rapidly moving events in Eastern Europe and in the Soviet Union--to sit down and talk about how each side perceives all these things. It's designed to be philosophical, it's designed not to go down a list of things and say, yes, no, we'll compromise here, we'll do that.

MS. STAHL: He wants arms control so that he can take his resources and put them in domestic programs. He has something specific he wants to come out of this; he'll be a laser beam. We're just getting information?

MR. SCOWCROFT: The best thing he can do on arms control, especially if he wants to save money, is to sign up to our CFE proposal; it allows him big cuts in troops in Western (sic) Europe, that's where the big money is.

MS. STAHL: What if he proposes even more than that?

MR. SCOWCROFT: We don't need a--

MS. STAHL: And then puts the onus back on--

MR. SCOWCROFT: Then we would certainly look at it. The point is, this is not designed as a decision-making meeting.

MS. STAHL: Okay. Tell us about these internal debates in the administration. Mr. Baker didn't want your number two at NSC to give a speech that was critical of the Soviet Union, and yet, just this week, the number two man at the Pentagon, Paul Wolfowitz, went out and gave a speech that in tone was more critical than Mr. Baker's speech. Are you trying to have it both ways?

MR. SCOWCROFT: Look, not everyone in the administration thinks exactly the same about the Soviet Union and its prospects. I would be alarmed if we did. But it's a matter of perspective. There are no operational differences in the administration about how to deal with the Soviet Union. Different people have emphasized different things. What Secretary Baker's speeches were --they were operational speeches; they were saying here are the good things going on in the Soviet Union, the United States needs to take advantage of it. Mr. Gates' speech draft was an analytical speech; he was saying, look, here's what he's trying to do, here are the problems he faces in doing it, we have to realize what a daunting task he has ahead of him.

MS. STAHL: And he probably won't succeed.

MR. SCOWCROFT: Probably won't succeed. So you can look at the good things that are going on--there are a lot of good things; you can look at the things that he's facing, or you can do what Under Secretary Wolfowitz did and say, hey, look, all is not sweetness and light, there are a number of areas, regional areas, around the world where there are problems. And Mr. Baker mentioned that in his speech; Wolfowitz concentrated on it.

MS. STAHL: Is there a fight or not a fight?

MR. SCOWCROFT: No, there is not a fight, there is not a fight.

MS. STAHL: I have to move along because I'm getting a

signal that we're running out of time, unfortunately.

CIA Director Webster says that a new executive ruling is coming out on what kind of coups the United States can be involved in. It revolves around the question of assassination. Did he speak out of turn? Is the president upset with him for giving this interview and revealing this apparently classified document?

MR. SCOWCROFT: No, not really--and it's not a classified document, when it comes out. We do have an executive order on assassinations. It was promulgated by President Ford and modified some by President Carter. That is not being changed at all. But what has happened in the years is a lot of confusion within the executive branch, between the executive branch and the Congress, about, you know, what does it really mean, how does one interpret this executive order?

MS. STAHL: Is this supposed to be public?

MR. SCOWCROFT: Now, what the Justice Department has done is to go clear back--it's gone through reams of papers about the executive order and its promulgation and so on, and they said here is an opinion about what it means, what is and what is not permissible under the executive order.

MS. STAHL: And that will be public?

MR. SCOWCROFT: And that will be public.

MS. STAHL: Okay, one final question. The press at this summit: Are you going to put us in rowboats? Come on.

MR. SCOWCROFT: No, of course not. But one of the--

MS. STAHL: Are we going to be able to cover the summit?

MR. SCOWCROFT: One of the reasons we are not wanting to call it a summit is that we don't want to invest it with the aura of the summit, like who's winning, who's losing, is it a success, is it a failure? And that is the whole--

MS. STAHL: Sounds like rowboats to me.

MR. SCOWCROFT: --meaning of it.

MS. STAHL: Sounds like rowboats.

MR. SCOWCROFT: Big ones, though.

MS. STAHL: Big rowboats, okay. Thank you very much, Mr. Scowcroft.

MR. SCOWCROFT: Thank you, Lesley.

MS. STAHL: We will be back with more.

PRESIDENT BUSH: Relatively few number of people, not a lot of crush of bodies out there, and a chance to put our feet up and talk in the kind of meeting that I've just described to you.

(Announcements)

MS. STAHL: Joining us now from Paris, Kenichi Ohmae, managing director of McKinsey & Company, Japan, and, in Dallas, businessman Boone Pickens. Let's start with you, Mr. Pickens. What do you think about the Japanese purchases of Rockefeller Center, of Columbia Pictures, CBS Records? Are you worried that Japan is buying up America?

MR. PICKENS: Well, you can also throw Firestone Tire in there, too, Lesley. Sure, the Japanese are doing a lot of things in America, and one thing they're spending a lot of money here. They love America because they get bargains here. They're bringing in over-priced yen against an under-priced dollar, and they're buying America cheap. But I don't like the last one on--well, I don't like any of them, frankly--but I don't like the Rockefeller Center deal because now the Japanese have the most prestigious business address in America.

So then you have to ask what's next?

MS. STAHL: Okay, Mr. Ohmae, why shouldn't Americans be worried about this and try to stop it?

MR. OHMAE: I think you should look up the other situation, why the Japanese dollar is coming to the states. It is because most American investors are so short-term-oriented, they're looking for very high-yield instruments; there are not many investors in real estate and long-term securities of the government. And that's why those long-term instruments are taken up by the foreigners. And therefore they are acting as a stabilizer to the economy as

opposed to a threat.

MS. STAHL: Well, I think that's probably true at this point. But the question is should we be remedying it. But I guess another question, which is why I really asked both of you to come on the broadcast this morning, is whether American businessmen are getting the same kind of opportunities in Japan as we're allowing Japanese businessmen to have in our country. And I know, Mr. Pickens, you are a part owner of a company over there, 26 percent of it, I think--

MR. PICKENS: That's right.

MS. STAHL: And they won't let you be on the board.

MR. PICKENS: That's right, Kowito Manufacturing Company, and all we've asked for are seats on the board. And we've said that the stock is not for sale; we are long-term oriented, and we'd like to be a part of a Japanese corporation. But we also look at who are owners in Kowito Manufacturing other than ourselves--we're the largest owner with 26 percent. But you have Toyota, Nissan, and Mashashita. And those companies represent 18 percent.

MS. STAHL: And they're on the board, I take it.

MR. PICKENS: Oh, yes, they're all on the board, but, Lesley, one point I'd like to make is those--you know, the trade with Japan is \$88 billion coming into the United States, that's what it cost America. And out of that \$88 billion, those three companies have 18 percent of it.

So you see--I mean, Toyota, for instance, now has over \$20 billion in cash, and I can assure you that where a big part of that \$20 billion is going to go is into the United States.

MS. STAHL: Well, let me ask Mr. Ohmae why they won't let an American sit on the board--and be candid with us: Do you think that's fair?

MR. OHMAE: I don't think that's the situation. I think if they are convinced that the investor is a long-term-oriented person looking for, you know, lower returns than they would normally

get in the United States and if the management is convinced, I see no reason why--

MS. STAHL: But why pick and choose like that? Why, if he owns 26 percent of the company--

MR. OHMAE: I don't really know; I haven't studied the situation. But I think longer term--

MR. PICKENS: Mr. Ohmae.

MR. OHMAE: Yes.

MR. PICKENS: The thing that is--and I hear what you're saying and all--but Kowito has 20 directors and we have asked for four seats out of 20. And so there should be no fear on the part of Kowito's management that we could take over the company or have undue influence over what the board did. Now, my feeling is--

MR. OHMAE: Yes, I--

MS. STAHL: We'll let Mr. Ohmae--yes.

MR. OHMAE: I think you should ask that one to Kowito, not me, because I am the observer of business, and--

MS. STAHL: But isn't this pretty widespread in Japan? There are barriers to Americans,--

MR. OHMAE: No, I think the basic--

MS. STAHL: --particularly in manufacturing companies, from coming in and owning and becoming a true partner.

MR. OHMAE: No, it's the other way around, Lesley. Recently, because of the high price of Japanese companies, many American companies which used to own the Japanese companies are now selling the stocks, like, you know, B.F. Goodrich sold Yokohama.

MS. STAHL: But if they want to come in, aren't there barriers for--

MR. OHMAE: I think the barrier is the expensive yen and expensive real estate--I think those are the real ones.

MR. PICKENS: Well, see, Mr. Ohmae, that confuses me when you say that we're short-term oriented in the United States, and you go over and look at the Japanese market, and it's obviously being supported by cross-ownership, and you sell at a hundred

times earnings. And it just doesn't wash that the Japanese are so long-term oriented. What the Japanese are trying to do is get their money into the United States where they can buy bargains.

But I have one other fear I'd like for you to respond to --is Toyota, with \$20 billion and building plants in the United States, I believe that they're getting ready to coattail the United States into the European markets in 1992 when the barriers come down in Europe, because the Japanese have a very difficult time marketing their products in Europe. So they will make them in the United States and they will go into the European market as American-made products. And that I have great concern about, too.

MR. OHMAE: Well, I think the Japanese companies are very long-term oriented. When they come to the United States, they are like immigrants: they are there to stay, they are there to contribute to the U.S. market place and customers.

MS. STAHL: Mr. Ohmae, I need to ask you about this growing anti-Americanism in your country. The head of Sony has written a book in which he even suggests that if things get much worse, Japan might sell high tech to our enemies, the Soviet Union. How bad is this anti-Americanism?

MR. OHMAE: I think it is probably a mistake, that he had a conversation with Mr. Ishihara, who is known as a hawkish politician, but it is not Mr. Morita's words; it is his debate mate's words, which is widely confused.

MS. STAHL: Yes, but there's an attitude like that in Japan.

MR. OHMAE: Well, you know, there is anti-Japanese feeling in the United States, coming mainly from the confusion of the issue. I think at the root of this is the inexpensive dollar. The American government tried to fix the trade issue by making the dollar so cheap that at the same time they made America inexpensive, and as a result of this--money is such a rational thing--they are finding a home in the United States.

MR. PICKENS: Now, that's exactly what I said.

MS. STAHL: Gentlemen, unfortunately we have run out of time. I want to thank you both for being with us--Mr. Ohmae, Mr. Boone Pickens. We'll be back with a final word.

(Announcements)

MS. STAHL: Our cartoon by Steve Kelly is about the recent accidents on U.S. Navy ships: "The Kremlin called. Gorbachev would rather just meet over coffee at Denny's."

I'm Lesley Stahl, join us again next Sunday.

ANNOUNCER: This portion of FACE THE NATION was sponsored by McDonnell-Douglas, a company of leaders.

Bush Says He Plans to Keep Quayle on '92 Ticket

NYT 11-5-89 A30
By MAUREEN DOWD

Special to The New York Times

WASHINGTON, Nov. 4 — In an interview to be published Sunday, President Bush says he would "absolutely" keep Vice President Dan Quayle on the Republican ticket in 1992.

In response to a question from reporters for The Dallas Morning News about whether Mr. Quayle would be his running mate in the next election, Mr. Bush said: "Absolutely. He's doing a very good job, an outstanding job. And I think he's been an outstanding Vice President, doing exactly what I want him to do and doing it because his heart is in it."

Mr. Quayle's aides immediately spread the news of Mr. Bush's endorsement.

Quayle Advisers Were Anxious

The aides had been increasingly edgy in recent weeks about commentary suggesting that Mr. Bush might dump the Vice President from the ticket and that Mr. Quayle was out of step with the Administration on Soviet policy.

Some commentary had suggested that Mr. Bush would replace Mr. Quayle with either James A. Baker 3d, the Secretary of State, or Jack F. Kemp, the Secretary of Housing and

Urban Development.

Recent polls have shown that the Vice President has not convinced most Americans that he is qualified to take over the Presidency if the need arises and that rather than making more converts, he was seeing more people turn undecided about his performance. And the Vice President's advisers worried about Mr. Quayle's conundrum: He is trying to reveal himself and banish a negative image left by the Presidential campaign in a job that is invisible by its nature.

Mr. Quayle's plan has been to attract some press coverage and keep conservative Republicans happy by taking a

stance toward the Soviets more taunting and cautious than that of others in the Administration. But as Mr. Baker and President Bush have appeared more accommodating toward President Mikhail S. Gorbachev of the Soviet Union, Mr. Quayle has sounded out of tune.

So advisers to him and his supporters in the White House said they felt the President was sending a strong signal when he said in the interview that Mr. Quayle was "doing exactly what I want him to do" and that he liked the mix of pessimistic and optimistic views toward the Soviet Union expressed by his top officials.

The White House chief of staff, John H. Sununu, said, "The President has absolutely no trouble with different descriptions of the same situation, because both perceptions of the Soviet

Union, one optimistic and one pessimistic, are right."

Mr. Sununu said Mr. Bush wanted to make it clear publicly, as he had in meetings, that "there is not a single iota of any kind of problem" with the Vice President.

Meets With Bush Every Day

Mr. Quayle's staff took the opportunity to try to debunk recent accounts suggesting that Mr. Quayle is not particularly close to the President and is not in his top tier of advisers.

They said Mr. Quayle meets with Mr. Bush at 8:15 every morning for a briefing with the President's national security adviser, Brent Scowcroft; his deputy, Robert Gates, and Mr. Sununu. After that, they said, Mr. Quayle stays for an 8:45 domestic policy meeting with the President and the chief of

staff.

Mr. Quayle's press secretary, David Beckwith, noted that despite newspaper reports suggesting that the Bush-Quayle lunches have waned, the two peripatetic officials have met nearly every week that they have been in town.

Quayle advisers proclaimed that they had known Mr. Bush would make such a statement.

"I'm pleased, but not surprised," said Bill Kristol, the Vice President's chief of staff.

Mr. Beckwith said, "There is no surprise to anybody who knows what is going on in the Administration."

Shutting gates. Secretary of State James Baker has emerged as the administration's foremost advocate on behalf of Soviet leader Mikhail Gorbachev. While Baker actively favors assistance to prop up the failing Soviet economy, the administration's other top foreign-policy hands—Defense Secretary Richard Cheney, Deputy Secretary of State Lawrence Eagleburger, National Security Adviser Brent Scowcroft and his deputy Robert Gates—urge caution in committing U.S. prestige and money to a likely loser.

These four believe that it is too late to help Gorbachev because the Soviet economy may be beyond repair. Last week, Baker squelched a scheduled speech in which Gates, the White House's top Soviet specialist, would have aired a gloomy assessment of Gorbachev's prospects. The unusual veto underscored Baker's lonely role in speaking up for the embattled Kremlin leader. Characteristically, George Bush lines up squarely in the middle of what one source calls "a very sharp and unpleasant disagreement."

the three missions produced 4,000 feet of film, from which photographic prints were made for the Army and the California Department of Emergency Services.

The U-2s were assigned to the 9th Strategic Reconnaissance Wing, based at Beale Air Force Base north of Sacramento, Calif.

Nystrom said the first U-2 flight was launched 18 hours after the quake, even before the Air Force had received requests for aerial photographs. A weather front moving in from the west was threatening

The quake assistance was nothing new for the Air Force's spy planes. Nystrom said U-2s and TR-1s frequently provide assistance after floods, forest fires, oil spills and other events.

"The U-2 is involved routinely in humanitarian relief efforts as required around the world," he said.

The U-2 and TR-1 are single-engine jet aircraft that can fly at 70,000 feet or higher. They are equipped with reconnaissance equipment, much of it highly classified.

Meanwhile, officials of the Atlanta-based U.S. Forces Command have been mapping plans with the Border Patrol, other federal agencies and state and local officials to provide training, intelligence, communications and transportation help for anti-trafficker operations at the U.S.-Mexican border.

Plans to use 50 Marines to assist the Border Patrol already have been announced. But the overall mission, slated to be under Army command at Fort Bliss, Texas, will be much larger and will call on what one official said is "a variety of services."

Although the troops are barred by law from a direct role in law enforce-

Bush Talks With Many, Shares Power With Few

■ **White House:** The inner circle consists of Sununu and Darman. The President is secretive, likes to surprise.

By JACK NELSON
TIMES WASHINGTON BUREAU CHIEF

WASHINGTON—George Bush, the most gregarious President since Lyndon B. Johnson, is known far and wide for consulting with a broad range of people both inside and outside government. He rings up Democratic cronies from his days in Congress. He telephones old friends all around the country. He even makes unscheduled calls to other heads of state, filling in startled aides only afterward.

"It's hard to keep up with who the President talks to," said a senior Bush aide who also served in the Reagan White House. "With Ronald Reagan, I knew 100% of the calls he made. He did nothing that wasn't structured; he'd be given a briefing sheet and make a call. But George Bush may make 25 calls and I might hear about two or three of them from people who said 'he called.'"

Yet, for all of Bush's overt personal contacts with the outside world, beneath the surface he has concentrated more power in the White House and placed it in fewer hands than any President since Richard M. Nixon. Indeed, Bush delegates so little and to so few, especially those outside the White House, that he seems to have adopted Harry S. Truman's old motto: "The buck stops here."

Longtime advisers such as Secretary of State James A. Baker III, Treasury Secretary Nicholas F. Brady and Commerce Secretary Robert A. Mosbacher unquestionably

enjoy special relationships with the President. Scowcroft's seasoned counsel and conceptual thinking are ever-present in foreign policy deliberations. A handful of others, including Republican Party Chairman Lee Atwater, regularly exercise substantial influence in particular areas.

Still, when it comes to making final decisions and wielding the power of the presidency to back them up, the Bush inner circle is so small that, particularly on domestic matters, it sometimes consists of just three people—all of them in the White House: John H. Sununu, chief of the White House staff; Richard G. Darman, director of the Office of Management and Budget, and the President himself.

Gone are the days of "Cabinet government," in which Presidents such as Reagan sought to give the central role in making and implementing policy to the secretary of state, the Treasury secretary and the other heads of Cabinet-level agencies.

Gone too is government by "Kitchen Cabinet," the time-honored system—dating to Andrew Jackson in the 1820s—of relying for advice and counsel on a small circle of trusted confidants, often outside government entirely.

Two-Stage System

Instead, during the first 10 months of his presidency, Bush has established a two-stage system of governing that seems uniquely tailored to his own personality and style:

—Restlessly gregarious and approachable, the President is eager to touch every base and hear all shades of conflicting opinion at the information-gathering and consulting stage.

—Secretive and fond of surprises, Bush plays things close to the vest and concentrates power in only a few hands when it comes to making a major decision or carrying it out, as illustrated by his recent announcement that he had been negotiating since last August for the December meeting with Soviet President Mikhail S. Gorbachev in Malta.

So insatiable is the President's appetite for outside contact that even some of his most loyal supporters worry that it takes up too much of his time. "The President is almost hyperactive," said one longtime adviser. "He has little time for reflection."

Others see beneath the surface of Bush's whirlwind activity an absence of commitment to substance on important policy issues. Walter Williams of the University of Washington Graduate School of Public Affairs, who has studied power and decision-making in the last three presidencies, characterizes the Bush Administration as "a policy-less presidency where the top staff people reinforce Bush's lack of domestic policy vision."

Bush's ceaseless reaching-out partly reflects a preoccupation with tactics, Williams said. Bush is constantly scouting the political terrain in quest of victories, he said, but "winning appears to be relatively independent of what is won."

Whatever drives him, all agree that this President has gathered the threads of power close around him.

Extensive Experience

In the field of foreign policy and national security, Bush's own experience is so extensive and his personal confidence so high, knowledgeable sources agree, that he calls most of the shots himself.

"Bush is a guy who is his own secretary of state and Baker is implementing his program," said one longtime Bush adviser and admirer of Baker. "Baker can't be a great secretary of state, an innovator in the style of Henry Kissinger or even Zbigniew Brzezinski, because Bush is his own foreign policy person."

In the realm of domestic policy, where Bush's own experience is less deep and his agenda relatively unformed, it is widely acknowledged within the Administration that Sununu and Darman dominate the field.

"You're talking about two powerhouses, hard-driving men who really direct domestic policy from the White House," Williams said.

A senior Bush aide agreed: "Sununu and Darman both are sensitive about the fact the Cabinet has a role to play in policy-making, and Sununu may even defer to a Cabinet official who feels strongly about an issue. But there's no question about who the leading players are."

Early in the Administration, many assumed that, by turning to three close friends—Baker to be secretary of state, Brady to head Treasury and Mosbacher to be commerce secretary—Bush was assembling a "super cabinet" that would have extraordinary clout.

But, because Bush himself is so hands-on in his method of operating and because he delegates authority so sparingly, it has not worked out that way.

Baker, Brady and Mosbacher all have easy access to Bush, of course, and Baker spends a lot of time talking with him in person and on the phone. None of the three Cabinet members entirely

dominates even his own assigned area, however, much less exercises broader power over the Administration as a whole.

Some had also expected CIA Director William H. Webster to be a force in policy-making, especially since Bush himself once headed the agency and Webster's immediate predecessor, the late William J. Casey, had been a formidable player behind the scenes. However, both Webster and Bush have said that the government's top intelligence official should confine himself to providing the President with information and analysis and not cross the line into advocating particular policies.

As a result, Webster plays the more traditional role at the CIA. He enjoys a measure of personal friendship and contact with Bush, however; the two play tennis together, and Bush was one of those who helped Webster through the difficult period when his wife, Drew, died several years ago.

Sununu, a brainy, strong-willed former New Hampshire governor, spends far more time with the President than anyone except First Lady Barbara Bush. And Sununu has a regular meeting with Darman every morning before the chief of staff sees Bush, assuring that the two stay in sync.

Sununu prides himself on seeing that Cabinet officials have access to the President and says he does not know of a single instance in which he has failed to respond positively to a Cabinet officer's request to see Bush.

He could hardly do otherwise because Bush insists on being accessible. In fact, he regularly contacts so many people himself and solicits so many views that there is little danger he would ever fall into the kind of Oval Office isolation that sometimes robbed Ronald Reagan of basic information about what was happening in his own Administration and beyond.

Judging from what his aides say about his telephone habits, Bush, who has accumulated numerous friends and acquaintances in more than two decades of being on the national political scene, must have the world's largest Rolodex.

Bush makes spur-of-the-moment calls to people such as British Prime Minister Margaret Thatcher and Egyptian President Hosni Mubarak, and the secretary of state usually does not learn about the calls until Scowcroft learns about them from the President.

Either to lobby on a piece of legislation or just to discuss political gossip or intelligence, Bush frequently places calls to Capitol Hill—to Republican leaders or old pals such as Sen. Alan K. Simpson (R-Wyo.) or even Democrats such as Rep. G.V. (Sonny) Montgomery of Mississippi, Sen. J. Bennett Johnston of Louisiana and Rep. Dan Rostenkowski of Illinois, chairman of the House Ways and Means Committee.

"The President just calls to ask what's up and discuss how things are going," said Montgomery, who

entered Congress in 1968, the same year Bush came here as a freshman from Texas.

Rostenkowski, whom the President invited on a recent golf outing, became friends with Bush when Bush was on Ways and Means during his days in Congress. The relationship helped Bush get his capital gains proposal off the ground earlier this year.

GOP Grumbling

Bush's penchant for socializing with Democrats has irritated some Republicans, especially in Congress. Not long ago, one Bush adviser recalls, some GOP insiders were grumbling that "the President's got to stop getting Bennett over to the White House so much. I said that's going to be a tough one because Bush plays tennis with him, and he likes him."

In addition, the President frequently telephones old friends and former aides, such as Vic Gold, a Washington writer, and Peter Teeley, a Washington public affairs consultant—usually just to exchange political intelligence.

Gold and Teeley both have extensive contacts in politics and the media and are known as two of Washington's keenest political observers.

Bush stays in close contact—by phone and in person—with Atwater, who helped direct his 1988 presidential campaign, and with Robert Teeter, a political consultant who was a top campaign aide.

Atwater, a combative political strategist, says he does most of his business at the White House with Sununu, who, among other things, serves as the chief in-house political operative. However, Atwater talks directly to Bush two or three times a week, usually on the weekend, just to keep him abreast of political developments.

Although some of the Presi-

dent's calls may involve personal or political chit-chat, a senior adviser said: "He is an amazingly compartmentalized guy. He compartmentalizes his friends and advisers. He doesn't discuss politics with some and does with others. He discusses issues with some and not with others. And sometimes we don't know what he talks about."

For example, the adviser said, "he doesn't get political advice from Mosbacher or Brady because they've got a tin ear for politics."

Because of their old-boy ties, Brady and Mosbacher—like Baker—do have an easy, personal relationship with the President, often marked by mutual ribbing. When Bush walked by a Cabinet meeting about 8:15 a.m. one day recently, Brady pointed to his watch to tease the President about showing up late. Shortly afterward, he received a handwritten message delivered by a secretary from the Oval Office: "I want you to know I was here at 7:15 and had to leave and come back."

Few Minority Friends

The President talks to relatively few minorities because he has few among his friends or in his Administration. Aides say he occasionally talks with two prominent black men, NAACP Executive Director Benjamin L. Hooks and Arthur A. Fletcher, a former official in the Nixon and Gerald Ford administrations who served with Bush at the United Nations in 1971.

And he several times has talked on the phone and in person with the Rev. Jesse Jackson, but one aide said, "That's mostly to drive the Democrats crazy."

The only black member of the White House senior staff, congressional liaison chief Fred McClure, has relatively little contact with the President. Sununu, Darman and Bush himself do most of heavy

lifting on Capitol Hill, sources say.

White House Press Secretary Marlin Fitzwater, who also served in the Reagan Administration, is one of those who exert significant influence in a particular area. He spends a great deal of time with Bush because of the day-to-day demands of dealing with the news media, and insiders say Bush has great respect for Fitzwater's instincts on how to handle sensitive matters.

Vice President Dan Quayle has a weekly luncheon meeting with Bush. Like Bush when he was vice president, Quayle makes it a policy not to discuss what he says to the President. There is a widespread consensus among Administration officials, however, that Quayle has thus far not grown sufficiently in his job to be a factor in presidential decision-making.

Bush spends relatively little time talking with either HUD Secretary Jack Kemp or William J. Bennett, the drug czar, who operate mostly through the White House staff. But Bush aides say the President respects both officials and believes they are doing the best they can in difficult posts.

Nor does the President spend much time talking with the other Cabinet members.

In keeping with his pattern of consulting widely about major issues and policy matters, Bush has regular contact with most of the principal players throughout the system. On economic issues, for example, he talks regularly with Alan Greenspan, chairman of the Federal Reserve Board. That is unlike Reagan, who rarely spoke to Greenspan's predecessor, Paul A. Volcker, and then only in the most formal settings.

Indeed, Bush is so close to Greenspan that he can even joke about their differences over the conduct of monetary policy. When Greenspan spent a night in the hospital last June after suffering from heat exhaustion, Bush called him the next morning. "If you raise interest rates," the President reportedly said, "I'm going to put a crimp in your oxygen line."

On national security and foreign affairs, where Bush has a strong background, he consults regularly with three officials whose ties with him date back many years: Secretary of State Baker, his longtime confidant and political adviser; Defense Secretary Dick Cheney, and Scowcroft, his national security adviser.

Also, Bush talks frequently with Robert M. Gates, Scowcroft's deputy, and with Lawrence S. Eagleburger, deputy secretary of state. And he occasionally meets with groups of academic experts on foreign affairs brought in by Scowcroft.

Scowcroft provides strategic advice for Bush, helping him put his policies in a framework of interrelated issues and keeping them goal-oriented. Baker, who has always been more a deal maker than a strategist, bears major responsibility for implementing the policies.

"Bush is so intimately involved in foreign affairs and so clearly calling the shots that he essentially is his own secretary of state," said a senior White House aide, who pictured Baker as so tied up running the State Department that he has had little time even to consider advising his old friend on other matters.

This does not mean Baker is a figurehead in the foreign policy area, as a recent episode with Gates illustrates.

When Gates proposed to make a speech expressing pessimism about Gorbachev's chances of success, Baker ordered it rewritten. When revisions failed to satisfy him, Baker simply killed the speech outright.

The speech incident was telling in other ways, too. In recent months, the Administration has been engaged in a delicate public balancing act on its policy toward the Soviet Union: Bush and many of his inner circle are cautious about Gorbachev and his dramatic reform programs, yet U.S. allies and many Americans have expressed concern that Bush was letting a historic opportunity slip away.

Responding to such pressure, Bush has gradually expressed increasing support for Gorbachev's reforms and—reflecting his penchant for reaching out for personal-to-person contact—began negotiations to set up the informal meeting with Gorbachev in Malta. And Baker has been at the forefront of those within the Administration urging such initiatives.

Baker acknowledges that Bush "makes a lot" of Administration policy. "The President is supposed to make it, and the departments and agencies are supposed to carry it out and implement it," he said.

The "best example," said Baker, was the Administration's response to the bloody crackdown by Chinese leaders on pro-democracy demonstrators in Beijing on June 3-4. "We talked—he and I and Brent Scowcroft—every day, two or three times a day, and it was all coordinated, but the positions were all the President's."

Bush, from the outset of his Administration, took the initiative in developing a new East-West policy that culminated in a major speech on May 12 at Texas A&M University declaring that the United States was moving into a new more cooperative relationship with the Soviet Union.

And it was the President himself who spearheaded the policy process that resulted in the boldest initiative of his presidency so far—the sweeping arms reduction proposal that other North Atlantic Treaty Organization nations ratified at their summit meeting in Brussels last May 30.

Domestic Strategy

On domestic issues, the President generally depends on Sununu and Darman to take the lead. And they do it with gusto—even when it involves the turf of Brady and Mosbacher.

Domestic policy is shaped with substantial Cabinet involvement in a process coordinated by Roger E. Porter, Bush's assistant for economic and domestic policy, who served in the White House of both the Reagan and Ford administrations.

"He's experienced," said Brady. "By that I mean he's been in at least one or two previous administrations, so he doesn't need a vocabulary course—which is a problem for new people coming into government. He's a good thinker, thoughtful. I always listen to what he says."

In the end, though, as one senior Bush aide emphasized, "in most instances, the White House staff directs policy." That means Sununu and Darman.

Mosbacher learned last spring that his old-boy relationship with Bush cut no ice if the powerful party opposed one of his proposals. Mosbacher put forward an initiative for federal aid to help the fledgling U.S. high-definition television industry compete with Japan.

At the White House, Darman joined by Michael J. Boskin, chairman of the President's Council on Economic Advisers, criticized Mosbacher's proposal. Although Darman had been saying for years that the federal government should make a greater investment in applied civilian research and development, he argued that it should be in generic technologies, not product-specific.

"High-definition TV didn't fit my version of the appropriate criteria," declared Darman, who enlisted the aid of Sununu to block the proposal. Sununu summoned Mosbacher to a White House meeting where his proposal was so severely criticized that the commerce secretary subsequently backed away from it.

Darman, a brilliant policy strategist and a workaholic who is one of the most ambitious members of the Bush inner circle, has also taken the lead on other issues, including

tax matters, that normally are in the Treasury secretary's domain.

At the beginning of the Administration, Darman established a negotiating process to resolve budget issues that made him the key player on almost every money-related item that goes to Congress. That put him in the role of deal maker, which he relishes, on many of the major issues, including the child-care and minimum-wage bills and legislation aimed at reducing the capital gains tax.

For example, said a White House aide, "the secretary of labor may testify before Congress on minimum-wage legislation, but if there's a deal to be made, Darman will make it."

Particularly when dealing with Treasury's turf, Darman takes pains not to upstage Brady publicly. And, for his part, Brady is aware that Treasury took the lead on tax issues when Baker was Treasury secretary during the Reagan Administration and Darman was Baker's deputy, but the Treasury secretary says he does not care who does the dealing, "as long as it's effective."

"I don't feel deprived in any sense if Dick Darman has a thought on capital gains; I encourage him to express it and do something about it," Brady said. "But we're in very close coordination."

Other Bush advisers agree that Brady is comfortable with Darman's taking the lead on those issues. Said one: "Brady has a unique characteristic for Washington—he has no hang-up about power and is totally secure in who he is and what he's about."

Then, too, Brady can point to two major policy achievements where he was the major player: the S&L bail-out plan and the Third World debt plan, both of which have been approved and implemented.

Through Sununu, leaders of the conservative lobby have had extraordinary access to the White House and several meetings with Bush himself. Such activists as David A. Keene, chairman of the American Conservative Union, and Paul M. Weyrich, chairman of Coalitions for America, say they have been exceptionally pleased with the access and the influence they have had in persuading Bush to withdraw several presidential nominations.

"What you have got to remember about Sununu," said a senior Bush adviser, "is that he's just as right-wing as those people he's letting in the White House."

But sometimes Sununu's newness to Washington can backfire. Recently, Bush was forced to abandon his effort to win congressional approval for a capital gains cut, in part because the White House staff miscalculated the depth of opposition from Senate Democrats. "We keep having to tell the governor from time to time that it is not like dealing with the [New Hampshire] Legislature," House GOP Leader Robert H. Michel said.

So far, the White House operations have been relatively smooth and free of the kind of infighting and backbiting that characterized the Reagan White House and other past presidencies. Unlike Reagan, Bush is active in running the White House, and he and Sununu give harmony a high priority.

"I've worked for five chiefs of staff, and this is the most harmonious staff I've seen," said Fitzwater. "Staff members are not power hungry. The President is in charge, and he sets an unassuming tone. Everybody knows their power comes directly from him."

Staff writers Art Pine, James Gertenzen and Tom Redburn contributed to this story.

The Bush inner circle is so small that it sometimes consists of just John H. Sununu, chief of the White House staff; Richard G. Darman, director of the Office of Management and Budget, and the President himself.

Bush also has a special relationship with a larger group of colleagues. Beyond that, he is prone to pick up the telephone and call a wide variety of people on Capitol Hill or around the world.



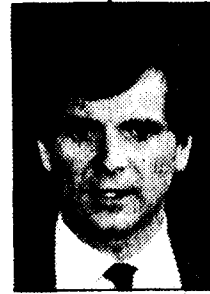
Richard G. Darman
Director, Office of Management
and Budget



John H. Sununu
Chief of the White House staff



Robert A. Mosbacher
Commerce Secretary



Lee Atwater
Chairman, Republican
Party



James A. Baker III
Secretary of State



Nicholas F. Brady
Treasury Secretary



Brent Scowcroft
National Security
Adviser

Washington at Work**2-Summit Plan Reflects Bush Style:
Intense (Relaxed) Personal Diplomacy**

By MAUREEN DOWD

Special to The New York Times

WASHINGTON, Nov. 5 — One of President Bush's favorite expressions is a leftover bit of slang from the 1960's. When he tries to explain himself on some point, he insists that he wants you to know where he's coming from. And, in turn, he wants to know where you're coming from.

The phrase has now entered the official argot of the White House. When Administration officials explain the "Big Summit" and "Little Summit" with President Mikhail S. Gorbachev of the Soviet Union, they say Mr. Bush wanted a preliminary session of "information without protocol."

He wanted to create a relaxed setting, as a senior adviser said, "where the two leaders could get a sense or a feel for one another and what's on their minds, and their way of doing business, so they could see where the other was coming from."

Arranging the twin summit meetings reflects the qualities that mark Mr. Bush's foreign policy. A devotee of the small gesture and intimate setting, he likes to cut through bureaucracy and formality to create an at-

him, as it did in the failed Panama coup last month.

"He likes to talk to people in the least constrained environment possible, because he knows that the same words in a different setting can have a different impact," said Mr. Bush's chief of staff, John H. Sununu, who was at Camp David Saturday with Mr. Bush planning the December session in the Mediterranean.

Mr. Bush has faith in his ability to look someone in the eye and judge things "first hand." He has a spymaster's passion for secrecy and keeping information among a tight group of aides, endowing diplomatic initiatives and foreign policy crises with the hide-and-seek aura of a C.I.A. operation.

In a radio interview with ABC News broadcast Saturday, Mr. Bush was asked what was the most satisfying accomplishment of his 10 months in office. The former Director of Central Intelligence said keeping the news of the "Little Summit" confidential nearly four months "brought some satisfaction to me."

Why the Summit Secrecy

He hates unapproved disclosures and loves to spring stories on an unsuspecting press corps. He has made it a cardinal rule that his Administration not conduct "diplomacy on the front page." He insisted on secrecy about the summit arrangements because he did not want to be faulted if it fell through and the Soviets had said the Americans could never keep such a negotiation secret for any length of time.

"I think there may have been a little chiding from the Soviets that 'You can't keep this a secret, America can never do that,'" said Marlin Fitzwater, the Presidential press secretary, one of a handful of aides who knew about the plan. It was considered miraculous here that the secrecy held for so long. Mr. Bush was furious when someone in the Administration leaked the story to The Washington Post the day before the announcement.

'Discipline and Steel Will'

Mr. Fitzwater said Mr. Bush shrugged off suggestions that, given

his initiative to get to know Mr. Gorbachev better, he was taking unnecessary heat for timidity toward cataclysmic changes in the Soviet Union and Eastern Europe. "We could have said back in July that we were getting ready to do something, and that probably would have headed off the timid stuff," Mr. Fitzwater said. "But the President has this kind of discipline and steel will to say, 'I know what I'm doing. Let them throw the rocks at me.'"

But as a National Security Council review indicated after the embarrassing failed Panamanian coup, the style on foreign affairs that Mr. Bush may have developed in his year at the C.I.A. under Gerald R. Ford could be a handicap in the Oval Office.

He compartmentalizes information, taking it from many directions but sharing it with few people. He likes unfiltered information straight from the field instead of having the contradictions ironed out by lower-level specialists. Administration officials said the most extensive use ever had been made of specially designed communications networks, put in place by the National Security Agency, that allow instant access to intelligence reporting.

"He's turned the Oval Office into 'Mission Impossible,'" said a top Republican official with close ties to the White House.

In many ways, the handling of the summit plan bore all the earmarks of a classic intelligence operation, allowing reporters and the public to draw misleading and incorrect conclusions based on hints and statements that were deliberately ambiguous.

In essence, Mr. Bush and his advisers created a fog of public uncertainty about the course of United States-Soviet relations when there was in fact private certainty.

Even as senior Administration officials like Vice President Dan Quayle and Robert M. Gates, the deputy national security adviser, were publicly suggesting that Mr. Gorbachev's chances of succeeding were dim, and giving the impression that there was

One idea is to let Gorbachev know where we're coming from.

mosphere in which both sides can get more candid insights.

Mr. Bush, his advisers say, wants to ask Mr. Gorbachev questions like: "Where do you think things are going, what are your plans down the road, what are the rough spots, what is your future?" But that is the atmosphere he prefers in making policy, too — bypassing the screening process of lower-level officials and holding information among a tight group. It can help him, as it did in the hostage crisis last summer, and it can hurt

Base Commanders Retain Contracting Out Authority

By Ellen Glaser

Defense employees have won at least a one-year extension of a law giving base commanders the power to decide whether activities should be contracted out, congressional sources said.

At press time, the House-Senate conference committee which has spent the last few months working on a Defense spending bill, agreed to renew the so-called Nichols amendment for one year. Negotiations were under way for a possible two-year renewal, aides to House and Senate committee members said.

The committee also killed a controversial proposal by Sen. Jeff Bingaman, D-N.M., to create up to 10 pay demonstration projects removing as many as 250,000 employees from the civil service pay system.

Bingaman's bill would have allowed DoD and the Energy Department to pay a select group of scientists and engineers as much as \$135,000 a year.

The conference committee also dropped a move to free 1,275 retired military officers employed in "critical" scientific, engineering and managerial jobs from "double-dipping" rules.

But conferees, involving members of the House Post Office and Civil Service Committee and the Senate and House Armed Services committees, agreed to allow the president to exempt up to 25 employees hired from government-owned contractor-operated facilities from certain post-government employment restrictions. The revolving door rules were enacted in the wake of the Pentagon Ill-Wind scandal.

The conferees agreed to include language in the authorization bill requiring DoD to conduct a study after the Nichols amendment expires to determine whether allowing base commanders to control contracting out slows or smooths the way for privatization efforts.

The Nichols amendment, named for its sponsor, the late Rep. Bill Nichols, D-Ala., was included in the 1988 Defense spending bill as a two-year experiment. It expired Oct. 1, and Defense employee unions urged the conferees to make it permanent. But they said they were satisfied with the congressional action.

"This isn't just good for the American Federation of Government Employees. It's good for the public as well. Base commanders have the first-hand experience necessary to make knowledgeable decisions about what services can be feasibly and economically contracted out," said AFGE President John Sturdivant through a spokeswoman.

Defense contractors had hoped the amendment would be allowed to die so that Pentagon officials could steer contracting out as provided under the Office of Management and Budget's circular A-76.

Contractors contend that base commanders are re-

luctant to push contracting out because of the backlash from their civilian work force and congressional critics.

The Contractor Services Association was disappointed with the renewal. "Defense Secretary Cheney says he wants centralized management. This goes completely against that philosophy," said CSA's executive director, Gary Engebretson.

However, Engebretson said he was pleased that efforts will be taken to evaluate the use of the Nichols amendment the next time its extension is debated.

"No one knows whether it's working or not. Is it slowing the process down or making it more efficient?" Engebretson said.

Regardless of the causes, the pace of contracting out has been slow within DoD.

Two House committees have reported that 825 of the 925 studies to determine whether functions should be taken over by private companies have dragged on beyond the two-year goal for single-function studies and four-year goal for multi-function studies.

The Bingaman personnel provisions were dropped due to the efforts of Sen. John Glenn, D-Ohio, and members of the House Post Office and Civil Service Committee who are shaping a comprehensive pay reform package which will include geographically based pay rates, sources said.

"Our attitude is that pay demonstration projects are an idea whose time has passed, and to enact them might blunt the momentum toward meaningful pay reform," a committee aide said.

Bingaman tried to offer House members a compromise package crafted by the Office of Personnel Management that would have authorized only eight pay projects, of which four would go to DoD. OPM's package would have allowed agencies to waive pay caps for up to 400 employees. But that was rejected, Bingaman aide Ed McGaffigan said.

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Mr. Bush said as he left the United Nations post that he had learned the lesson that it is essential to look at a problem from the opponent's point of view. "A sympathetic understanding," he said, "is a very important part of the process of establishing a foreign policy."

Mr. Fitzwater said that Mr. Bush "learned to exploit the social aspect of his job as U.N. Ambassador so he could open up a lot of different lines of communication and channels of information."

Intensely Personal Diplomacy

The press secretary said Mr. Bush maintained the same method — intensely personal diplomacy — as Vice President, traveling extensively abroad and meeting as many officials in each country as he could, heads of state to foreign ministers to ambassadors to defense ministers.

Mr. Bush "became a separate conduit," Mr. Fitzwater said, in addition to the State Department, which heads of state for other governments could use "to get messages to President Reagan."

"As President, Mr. Bush essentially conducts himself on foreign affairs in the same way in terms of maintaining these kinds of personal channels of communication and diplomacy," the adviser added. "That's why he had 18 bilaterals as soon as he landed on his trip to Asia."

President Bush turned etiquette topsy-turvy by calling world leaders, including Mr. Gorbachev, to talk about his new position; it was customary to wait until leaders called him.

He made an intense round of personal calls in the hostage crisis of the summer, to world leaders and contacts from his days at the United Nations and as Vice President. Aides say he still picks up the phone to make more casual calls. Last week, he called Prime Minister Benazir Bhutto of Pakistan to congratulate her on winning a vote of confidence.

Mubarak Saw the Orioles

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As weekend guests at his Kennebunkport, Me., home, he has entertained President François Mitterrand of France, Prime Minister Poul Schluter of Denmark and Prime Minister Brian Mulroney of Canada.

"Whether he is taking Mubarak to the ball game or taking King Hussein down the river from Mount Vernon on a boat," Mr. Sununu said, "each expedition is designed to create an atmosphere." Western leaders credited Mr. Bush's successful appearance at the Paris economic summit to the rapport the stiff and elegant Mr. Mitterrand forged at Kennebunkport with the informal Mr. Bush.

When Mr. Bush told his national security adviser, Brent Scowcroft, and Secretary of State James A. Baker 3d last July in Paris that he wanted a conversation with Mr. Gorbachev without checklists or agendas, Mr. Scowcroft warned that it would be risky to meet without a structure or without formal results in the way of communiqués or accords.

Some Have Reservations

Indeed, White House officials are still wary that in settings designed to promote cozy exchanges, the President could be predisposed to feel warm toward a leader who did not merit it. In the case of Mr. Gorbachev, who has a proclivity for surprises, Mr. Bush could be put on the defensive by an unexpected Soviet gambit designed to take advantage of the scheduling vacuum of an unstructured meeting.

But he was determined to do his diplomacy en famille, and he, Mr. Baker and Mr. Scowcroft devised the two-summit approach. So, even though those who know Mr. Gorbachev say he is all business and not the sort who likes to "put his feet up," the two will have, on adjoining Soviet and United States battleships, "A Mediterranean Moment."

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SUMMIT PLAN... CONTINUED

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"It will be informal but not too informal," Mr. Fitzwater said. "No shuffleboard or volleyball."

ities, a Senate subcommittee staff report says.

The department's longtime dependence on contractors to operate its nuclear weapons plants and laboratories has been well-publicized. But the department has increasingly retained consultants to help perform "virtually all basic functions," said the report, prepared by the Democratic majority staff of the Federal services subcommittee of the Governmental Affairs Committee.

The report, based on an examination of 125 contracts at the department's headquarters, is to be released at a subcommittee hearing on Monday, at which time the department's Assistant Secretary for Management and Administration, Donna R. Fitzpatrick, is scheduled to testify.

A department spokeswoman said there would be no comment on the report before the hearing.

The report, which is not a definitive analysis of contractor influence, does not say precisely how much contractors influence the Energy Department's decisions and activities. But a review of records and interviews with department officials raises questions about the department's governance and accountability.

The subcommittee and its chairman, Senator David Pryor, Democrat of Arkansas, have been investigating Federal use of consultants and contractors for several years.

Questions about dependency on contractors have already been raised not only at the Energy Department but also at the National Aeronautics and Space Administration and the Environmental Protection Agency, all of which are heavily dependent on technical expertise. Contract employees are not subject to the same supervisory or disclosure rules as public officials.

ties for Secretary

report illustrates the difficulty Secretary, James D. [unclear] in carrying out his prove the department's contractors.

rently unwitting demonstration of department's shortcomings found, Mr. Watkins's prepared testimony before the

House Armed Services Committee in April 1988 on the nuclear weapons complex was essentially written by a major military contractor.

The investigators quoted a monthly status report submitted to the department this year by Systematic Management Services of Langhorne, Pa., which said that its employees and those of one of its subcontractors, the BDM Corporation, "prepared testimony, talking points, briefing points and materials" for Mr. Watkins's Congressional appearance.

The subcommittee's report also found poor record-keeping and lax management of department contracts, a finding also made earlier by the department's inspector general. Such laxity inhibits top officials from knowing what contractors are doing, the report said, and impedes monitoring of potential conflicts of interest.

Investigators also discovered an array of department activities in which contractors were significantly involved: preparation of department plans, policies, and budgets; drafting reports to Congress and Congressional testimony; conducting hearings and initial challenges to security clearance disputes; interpreting department rules; meeting on behalf of the department with American and foreign officials, and analyzing the department's contractor work force.

While the department was unable to tell the subcommittee how many people it employs under contracts and grants, its officials agreed with a subcommittee estimate that the department has more than 100,000 contract employees, far in excess of the department's 16,000 civil servants. The vast majority of the department's \$13.8 billion budget is for procurement.

PLEASED TO BE ON 1992 TICKET, QUAYLE REJECTS TALK OF 1996

Vice President Quayle Sunday pronounced himself "very pleased" with President Bush's stated intention of keeping him on the Republican ticket in 1992, but said it is too early to speak of his own presidential ambitions.

Bush stated his commitment in response to a question during an interview with the Dallas Morning News, which published the account over the weekend.

Quayle, appearing on NBC's "Meet the Press," said Bush had not informed him face-to-face of the decision, but that "I am very pleased that the President is pleased with the job that I am doing."

Asked whether he had thought about running for president, Quayle said, "What has crossed my mind is just doing a good job right now."

The chairmen of the Republican, and Democratic, parties also pronounced themselves pleased Sunday with Bush's stated intention -- for predictably different reasons.

"I'm very glad to hear that," said DNC Chairman Brown. "It certainly pleases me. The problem with this Administration: It's been an Administration of symbols over substance. Dan Quayle is a good symbol for the Democrats to take a hard look at. I think that what we need is some strong leadership, and not a continuation of this weather-vane presidency."

Appearing with Brown on ABC's "This Week with David Brinkley," GOP Chairman Atwater said he was "delighted" with the idea of Quayle being with Bush on a 1992 ticket.

"I think he's done a good job," said Atwater. "He's been loyal to the President. He's a good man. And I think the more the American people see him over the next few years, the more they're going to like him."

(AP, Washington Post, A14)

Quayle Says He's Still Skeptical Of Gorbachev

Vice President Quayle, underscoring the continuing differences within the Bush Administration on the meaning of rapid change in the Soviet Union, warned Sunday that Soviet expansionist intentions remain unchanged, and he appeared uncertain over whether President Gorbachev is different from past Soviet leaders.

Quayle, one of the Administration's most conservative voices on the Soviet bloc, also refused to disavow his 1988 campaign statement that Gorbachev's policy of change amounts to "refining Stalinism."

In an appearance on the NBC News program "Meet the Press," Quayle asserted that a principal benefit of perestroika...has been to allow Gorbachev to consolidate his power.

In a separate appearance on the CBS News program "Face the Nation," National Security Adviser Scowcroft insisted anew that there are no "operational differences" on the issue within the Administration, even though some officials, including Quayle, are more suspicious of Soviet intentions and pessimistic about long-term prospects for reform than others.

"Look, not everyone in the Administration thinks exactly the same about the Soviet Union and its prospects. I would be alarmed if we did," Scowcroft said. "But it's a matter of perspective. There are no operational differences." (Walter Robinson, Boston Globe)

Visits Old School, Urges Public Service

ANDOVER -- Carrying a message of public service learned in high school and followed throughout his adult life, President Bush Sunday visited Phillips Academy here to relive some memories and teach a lesson of public duty.

Since its founding 211 years ago, the exclusive school considered one of the models of the movie "The Dead Poets Society," has "inculcated into sons and daughters a sense of service to country and a sense of respect to others," said Bush, president of the senior class of 1942 and a sports star.

"This is the message of our years here," said Bush, who later flew to Norwich, Conn. to visit with his mother, Dorothy Bush, 88, who spent a week in the hospital in September fighting a bout of pneumonia.

(Paul Bedard, Washington Times, A5)

BUSH REPORTEDLY TO TALK TO BLACK LEADERS NOV. 14

President Bush has agreed to meet with a group of the nation's major black leaders in a "let's-talk-business" session at the White House on Nov. 14. Reliable sources said over the weekend.

The meeting would be the first substantive session between a president and these leaders, who coordinate their activities as the Black Leadership Forum, in almost a decade. President Reagan never met with black groups during his eight years as president.

The White House office did not confirm that the meeting had been scheduled, but black leaders already were hailing the meeting as a potential breakthrough in relations between the White House and the black community.

"At least Mr. Bush is willing to hear us out," said one leader, asking not to be identified. "Given all the problems we have, that's a promising sign."

(Arch Parsons, Baltimore Sun, A1)

SUNUNU BARS ABORTION COMPROMISE

White House Chief of Staff Sununu has told a pro-life congressman President Bush will veto any attempt to ease restrictions on federal funding for abortion even if included in a continuing resolution on the issue.

Sununu, a fierce opponent of abortion who has overridden other White House advisers inclined to compromise on the issue, telephoned the president's message Thursday to Rep. Christopher Smith, according to aides present during the call.

Sununu told the New Jersey Republican that pro-life lawmakers should focus on trying to craft compromise language on Medicaid funding for states.... Sununu indicated Bush is prepared to let the government come to a halt rather than accept a compromise.

"We were stunned, and the whole tenor of the meeting in Smith's office changed after Sununu's call," said a participant. The meeting ended with pro-life GOP and Democratic lawmakers and representatives from various groups opposing abortion.

(Ralph Hallow, Washington Times, A1)

Nixon Tells of China at White House Dinner

By ANDREW ROSENTHAL

Special to The New York Times

WASHINGTON, Nov. 6 — The White House was not exactly trumpeting it to the world, but Richard M. Nixon was back in the Presidential residence Sunday night, giving his former protégé in the world of Chinese-American relations a firsthand report on his trip to China.

Mr. Nixon, who appointed Mr. Bush as the first American representative to Beijing since the Communist revolution in China, gave the President a confidential memorandum on his visit, on his view of Chinese-American relations after the crackdown on dissent and on the prospects for their improvement, Administration officials and associates of the former President said. Nixon aides and White House officials declined to make the report public.

But Marlin Fitzwater, the White House spokesman, and other officials suggested that the Bush Administration was not uncomfortable with Mr. Nixon's harsh comments to Chinese officials about the crackdown on dissent in May and June.

Mr. Nixon, who warned the Chinese against sinking into a "backwater of oppression and stagnation," was much sharper in tone than Mr. Bush, Secretary of State James A. Baker 3d and other senior American officials had been in public.

Mr. Nixon spoke at length about his visit during the two-hour dinner in the White House residential quarters and then took questions from Mr. Bush, his wife, Barbara, Vice President Dan Quayle, Brent Scowcroft, the national security adviser, William H. Webster, the Director of Central Intelligence, and other top officials.

Crackdown 'Excessive'

The dinner was not announced in advance and was reported at the White House briefing today only in response to a question about Mr. Nixon's visit.

During his visit to China, Mr. Nixon told his hosts that "many in the United States, including many friends of China, believe the crackdown was excessive and unjustified."

"The events of April through June damaged the respect and confidence which most Americans previously had for the leaders of China," he said during a banquet given by President Yang Shangkun in Beijing last Wednesday.

In response to the Chinese crackdown, the Bush Administration suspended sales of weapons and military visits and promised a sympathetic response to Chinese students who wanted

to extend their stay in the United States. Critics in Congress and elsewhere called the response weak and, over the Administration's objections, both houses of Congress voted by large margins to impose stiffer sanctions.

The Bush Administration and Mr. Nixon himself have been careful to note that Mr. Nixon was making a personal visit to China last week and was not representing the United States Government or Mr. Bush.

'Special Credibility'

But Mr. Bush has made a practice of taking relatively moderate stands on a variety of issues while letting surrogates deliver harsher messages. And Administration officials said they were aware that Mr. Nixon's comments carry a special weight, since his visit to China in 1972 paved the way for resumption of American diplomatic relations with that country.

"A tough message takes on special credibility when it comes from an old and very respected friend," one official said. "You may have noticed that we haven't said much about China since June, but I haven't heard any negative feelings about what Nixon said. Generally, my sense is that it was positively received."

Asked about Mr. Bush's view on what Mr. Nixon told the Chinese, Mr. Fitzwater said: "You know that the former President had some very direct things to say to the Chinese leadership about American reaction to what happened there. But we wouldn't want to embellish on those statements."

Asked whether Mr. Bush agreed with Mr. Nixon's statements during his trip that China and the United States should put aside their differences and resume normal relations, Mr. Fitzwater replied, "The President found those views quite interesting and productive but our general policy has not changed."

The Washington Post

The New York Times

The Washington Times

The Wall Street Journal

The Christian Science Monitor

New York Daily News

USA Today

The Chicago Tribune

Date

7 Nov 1989

The Washington Post A-8
 The New York Times _____
 The Washington Times _____
 The Wall Street Journal _____
 The Christian Science Monitor _____
 New York Daily News _____
 USA Today _____
 The Chicago Tribune _____

Date 7 NOV 89

Nixon Reports to Bush on China Visit

White House Plans No 'Dramatic Changes,' Spokesman Says

By David Hoffman
 Washington Post Staff Writer

Former president Richard M. Nixon reported on his recent trip to China at a two-hour dinner Sunday night with President Bush and his top advisers, White House press secretary Marlin Fitzwater said yesterday.

He refused to provide details of Nixon's report, which was made both orally and in writing. In Beijing, Nixon had called for a resumption of cooperation between the United States and China despite what he called "huge and unbridgeable" differences over the violent suppression of the student-led pro-democracy movement last spring.

"Our general policy has not changed," Fitzwater said of the U.S. sanctions imposed in the wake of the Tiananmen Square massacre. He said Bush wants to "preserve the relationship," and "as events proceed, we will continue to con-

sider possible actions that would change our relationship."

"We do see some changes in China in terms of them reaching out to other parts of the world, but at this point we have not determined that the time is right to make very dramatic changes," Fitzwater said.

Participants in the dinner at the White House, which was not announced in advance, included Vice President Quayle, Undersecretary of State Lawrence S. Eagleburger, national security adviser Brent Scowcroft, deputy national security adviser Robert M. Gates, CIA director William H. Webster, Mike Oksenberg, a member of Nixon's entourage, and White House Chief of Staff John H. Sununu.

Fitzwater also announced that on Saturday Bush held the first in a series of briefings before his Dec. 2-3 summit with Soviet President Mikhail Gorbachev. He said the session at Camp David included 13 participants from the White House, CIA and State Department.

"They're all internal people and it was a staff session to . . . assess the situation in the Soviet Union and to consider many of the political and economic issues that are now facing President Gorbachev," Fitzwater said.

Yesterday, Bush also met with Zbigniew Brzezinski, who served as President Jimmy Carter's national security adviser and who has also been an informal adviser to Bush on changes in Eastern Europe.

Fitzwater was also questioned yesterday about a report in The Washington Post last week that Bush was angered over the leak of plans for the summit last week. Fitzwater denied that Bush was angered or irritated. "He's a very kind and gentle man, loves the press. He wouldn't be upset about these things," Fitzwater said.

Bush Limits Staff Size For Gorbachev Meeting

Objective Is to Stress Informality

W 11-9-89 AY

By David Hoffman
Washington Post Staff Writer

President Bush, seeking to underscore his intention to hold only an "informal meeting" in the Mediterranean with Soviet President Mikhail Gorbachev next month, has ordered that the U.S. delegation be limited to fewer than 20 people, White House officials said yesterday.

This would be a break with the practice during the Reagan administration, when both superpowers brought teams of experts on arms control and other issues to summit meetings. The specialists often hammered out agreements and helped evaluate proposals made at the summit by the other side.

These advisers often required one or more military planes to ferry them to summits in addition to the president's advisers on Air Force One. Even at the Reykjavik summit, where President Ronald Reagan and Gorbachev discussed dramatic arms control ideas, high-level teams accompanied the leaders and met separately to grapple with details.

As recently as September when Secretary of State James A. Baker III met with Soviet Foreign Minister Eduard Shevardnadze, both sides were represented by teams of specialists in arms control, regional conflicts, human rights, bilateral issues and so-called "trans-national issues," such as drugs and terrorism.

White House officials said Bush told Gorbachev in their private communications concerning the December meeting that he wanted to put off any discussions about arms control until they meet at a formal summit in the United States next spring or summer. The officials said Gorbachev agreed to this.

The officials said they expect Gorbachev also to come to the summit with a small group and that "reciprocity" in the size of the two delegations would be discussed with the Soviets before the meeting.

If arms control topics are raised, officials said, Bush will have some advisers in his entourage to handle them. But they said that by limiting the size of his entourage, Bush wanted to emphasize that he will not agree to any major negotiations during the meeting.

Andrew Card, deputy to White House Chief of Staff John H. Sununu,

said Bush wants only "about 20" aides with him. "It's no secret that the president wants this to be a lean trip in terms of staff," he said. "He will have the people there he needs," Card said. Other officials said this would include national security adviser Brent Scowcroft and Baker. The group will probably also include National Security Council and State Department experts on Soviet affairs and Eastern Europe, officials said.

Bush, who has insisted that strict secrecy surround his major foreign policy decisions, said this week that only four people knew of his summit plan "when I first made up my mind" last July to invite Gorbachev. Secretary of Defense Richard B. Cheney and Central Intelligence Agency Director William H. Webster were not among them, but they learned subsequently, Bush said this week.

Frank J. Gaffney Jr., director of the Center for Security Policy, a conservative policy group, and a veteran of the Reagan administration, said yesterday, "There is something profoundly troubling about this mind-set that secretiveness, even to the point of keeping relevant Cabinet officers in the dark on significant activities in U.S.-Soviet relations, is becoming the norm in the Bush administration."

"Beyond that," he said of the plan to limit delegation size, "in an operational sense, the idea that you can determine the agenda by handicapping your ability to deal with certain issues is a lousy idea."

Raymond L. Garthoff, a senior fellow at the Brookings Institution and chronicler of superpower summitry, said such an intimate summit has not been held since the 1967 meeting between President Johnson and Alexei Kosygin.

"The main thing is that if Gorbachev does come with a major new idea, presumably his [Bush's] reaction will be, 'We will think about it,' and not plunge into it as Reagan did at Reykjavik," Garthoff said. Keeping "a dozen or two dozen advisers with him doesn't leave him bare. In some ways it may be even more efficient for immediate staff support. It is a further indication he both expects and intends to handle it in terms of personal exchanges and not negotiation."

Staff writer Ann Devroy contributed to this report.

The Washington Post _____
The New York Times _____
The Washington Times A9
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 9 NOV 1989

Scowcroft told Soviets still bomb Afghanistan

By Frank J. Murray
THE WASHINGTON TIMES

Three Republican congressmen charged at the White House last night that, despite Moscow's claims to have ended combat in Afghanistan, high-flying Soviet jets still cross the border and randomly bomb civilian areas as a terror tactic.

The three California lawmakers — Reps. Duncan Hunter, David Dreier and Dana Rohrabacher — met with National Security Adviser Brent Scowcroft.

Also attending was Robert Barr, director of the Afghan Cultural Assistance Foundation, who told of watching aerial bombings between Aug. 27 and Oct. 5, long after the Soviet withdrawal from Afghanistan in February.

"Bombing was not intensive, did not seem intended to destroy the target villages and towns, but rather seemed intended to cause ongoing anxiety and confusion," said Mr. Barr, who said the twice-weekly

bombings left behind dead and wounded.

Special correspondent Richard Mackenzie, in an interview published by The Washington Times on Oct. 30, quoted Afghan resistance commander Ahmad Shah Massoud as saying Soviet planes from bases within the Soviet Union continue to fly bombing missions over Afghanistan.

At his base at Taloqan overlooking the capital of Takhar province, Mr. Massoud said a Soviet bombing raid was targeted against him personally after his whereabouts became known during efforts to arrange a meeting with the head of Pakistan's military intelligence.

"There is no question that the Russians are sending planes flown by Russian pilots from inside the Soviet Union," the guerrilla leader told Mr. Mackenzie. "We have the proof. I assure you this is accurate intelligence. I would expect the United States administration to at least say something about this."

The three members of Congress

asked that President Bush raise the matter with Soviet President Mikhail Gorbachev during their meeting Dec. 2-3.

"Gen. Scowcroft can't guarantee that, but he was very sympathetic to that notion," said Mr. Hunter, a member of the Republican House leadership who headed the group.

He said Gen. Scowcroft did not take time during the 10-minute meeting to view Mr. Barr's slides showing damage attributed to the bombings but asked for more information. "We told him we'd send him a written report," Mr. Hunter said.

"He's very concerned, sympathetic," Mr. Dreier added.

"We felt that it was important for the president to know in trying to develop a policy of how we will deal with the Soviet Union economically and militarily. If they're spending their resources doing this, we shouldn't be doing anything to help their economy," Mr. Rohrabacher said.

Mr. Barr, who said his group has offices in California and Pakistan, insisted the planes he saw flew too high to tell their type or markings, but he said they came from north of the Soviet-Afghan border and returned there after dropping bombs.

"The State Department may already know this," Mr. Barr said.

Remorseless Dozing Gets Presidential Nod

By MAUREEN DOWD

Special to The New York Times



WASHINGTON, Nov. 9 — Sometimes, even with all that adrenaline and power pulsating

through the White House, you have to close your eyes and grab a few winks. Just for a minute. Just until you catch yourself crashing head-first into the bowl of flowers on the President's coffee table in the Oval Office.

Because the sad truth is, even the nerve center of the Western world can get a little tedious sometimes. So many charts and statistics. So many foreign visitors talking stiffly about good relations. So many bureaucrats droning on about the structural impediments initiative with Japan or the fine print in the Pentagon budget or Representative Dingell's latest reaction to Representative Waxman's latest counterproposal based on Senator Chafee's ideas about the clean air bill. Zzzzzzzzz.

That's why President Bush has created the annual **Brent Scowcroft Award**, named for the courtly national security adviser who likes his catnaps.

Marlin Fitzwater, the President's press secretary, is the second winner, following Mr. Scowcroft himself. In their offices both display photographs of themselves, sprawled in sleep on Air Force One, with inscriptions from Mr. Bush congratulating them on their awards. "The award," Mr. Fitzwater explained, "is given to the person who can go to sleep in the most obvious and seemingly embarrassing of situations without any remorse whatsoever."

Mr. Fitzwater prefers planes or the office couch. The 64-year-old Mr. Scowcroft, who works 14 hours a day and often jogs at midnight because it is the only time he has free, is a master of public naps.

He can fall asleep anywhere from the Oval Office to state dinners, cleverly masking the respite by striking the pose of "The Thinker," with chin in hand and eyes downcast. But he always wakes up before he topples off the couch and in good time to answer a query from the President.

The only two officials who say they never conk out are the President and the Secretary of State.

Jim Baker glazes, a condition once described by a colleague as "his eyes

coming up peaches and oranges, like a slot machine." Mr. Bush does not. His metabolism is on such overdrive that he reminds old Washington hands of President Lyndon B. Johnson, who put on his pajamas every day at 4 P.M. for a nap, but ended up frantically working the phone in his bedroom for an hour.

Mr. Bush genially keeps track of everyone else who nods off. "He passes out notes that say 'Throw a spitball at the general and wake him up,'" said one senior adviser.

President Reagan was ribbed for dozing off during a 1982 Vatican meeting with the Pope. White House staff members recall clustering around the television back home, cheering him on to win one for the Napper: "Hang in there, Dutch, you can do it! Just a few more minutes!"

Military briefers are considered the hardest on those prone to nod off. "The repetition that is a strength when you are indoctrinating 19-year-olds is a weakness when you're trying to keep 50-year-olds awake," says one Administration official.

Once, after some military aides briefed Mr. Reagan and a group of aides with a slide show, the lights came up to find five out of the six, including the President, fast asleep.

The biggest group nap came at the 1987 economic summit meeting in Venice. As the Italian leader read the long final communiqué, all the other heads of state in the Group of Seven, except Prime Minister Brian Mulroney of Canada, snoozed on stage.

Mr. Reagan was admired for his surreptitious nap style. When he awoke midmeeting, he would roll up his eyes, as though he might have had them down on purpose.

One Bush official makes it a habit to turn his desk chair away from the door and toward the window, thus giving the impression to anyone who interrupts that he is perusing papers.

But the most skilled in soporific secrecy was the late spymaster William J. Casey, who napped without letting his head fall forward onto his chest or backwards into that most risky of all positions, "the whiplash."

The only faux pas is snoring. "It's like a Mafioso code of honor," explained one Bush adviser. "We all wake each other up when the snore occurs. We never let things deteriorate to that stage."

WHY WHISTLE-BLOWING IS GETTING

CHEATING THE PENTAGON?

Doing the right thing used to be the main incentive for workers to blow the whistle on their employers. But the chance to reap huge financial rewards has changed the whistle-blowing game as a new lawsuit against the Northrop Corporation reveals. The suit, unsealed last week in Los Angeles, is the largest case yet of private-sector workers' charging their company with fraud against the government: Five ex-workers and a current employee say the firm overcharged the Pentagon \$20 billion in building the B-2 Stealth bomber. If Northrop is found liable, the workers could receive millions of dollars.

The charges might never have come to light had it not been for congressional action in 1986 putting muscle into the 126-year-old False Claims Act. The revised law has produced hundreds of high-stakes court cases and outcries from those being sued. The law, initially aimed at crooked Civil War gunpowder suppliers, allows workers to sue their companies in the government's name under a doctrine known as "qui tam," a Latin phrase for someone who sues for the king as well as for himself. It allows whistle-blowers to collect up to 30 percent of any proceeds from successful claims and bars employers from retaliating against them.

■ WIDENING THE NET

Whistle-blowers have filed 200 charges in three years, notably against defense firms. Northrop is facing a \$10 million claim over MX-missile work, and the Singer Company is alleged to have overcharged the U.S. by \$77 million for flight simulators. "The thought that everyone on the assembly line is a potential whistle-blower is sending shivers up contractors' spines," says Herbert Hafif, an attorney for Northrop workers.

While big-money cases involve defense contractors, the law is affecting agencies dealing in everything from health care to nuclear-weapons production. Last year, a San Diego clinic paid \$350,000 to settle a claim that it padded medicare bills in ophthalmology cases. In another case, an employe of Colorado's Rocky Flats nuclear plant charged last year that U.S. supplies in a secret workshop were used to make items such as a grandfather clock and a wine press. Lawyers say new "qui tam"

cases could Superfund Housing and

■ HELP FROM

Most whistle-blowing cases involve defense firms, but there are other cases. A Justice Department Agency for Contract Management employe was a consultant to a research firm that strengthened its legal and investment courts to avoid awards. 100 employes of Northrop are involved in the government's disputes, far, \$26.7 million the Treasury has been paid

■ A COUNCIL

Many companies deride the results of the Herbert F. Ochsley lawyer, a seal show "qui tam" suit up the seal of the Association of Defense Law's Council allows prioritization of defense law. Indus-Justice Department challenge would like

That principle Capitol Hill Charles G. Ochsley demanded be "vigorous" Congress provides whistle-blower criminal contracto Congress' weaken the

TIME/NOVEMBER 13, 1989

The Saltwater Summit

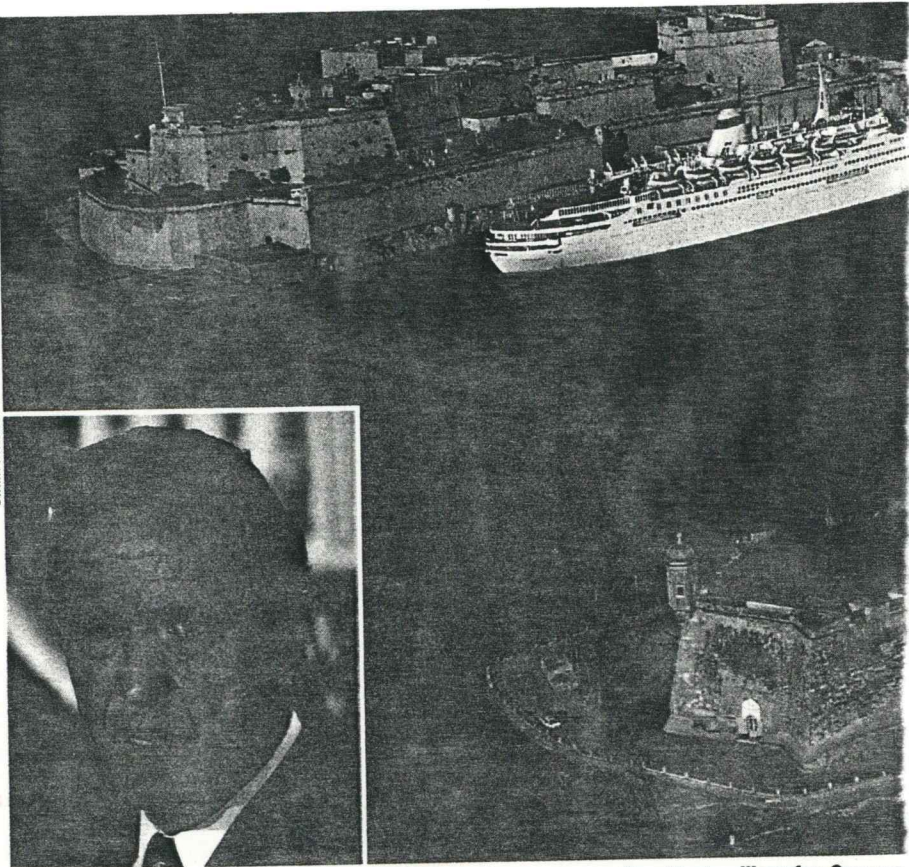
Bush's agreement to meet Gorbachev off Malta marks an overdue shift; now the U.S. wants to prop up a Soviet leader

BY GEORGE J. CHURCH

One President is riding high in the polls as he presides over peace and prosperity, yet he is hearing mounting criticism for his timid response to the stunning changes taking place overseas. The other President, though wildly popular around the world, is in serious trouble at home, threatened with civil war in the south of his country, a secessionist movement in the north and a collapsing economy that heralds a winter of fuel shortages and food riots. For all these differences—and because of them—George Bush and Mikhail Gorbachev both stand to gain from a feet-up-on-the-table, let's-get-to-know-each-other chat. In a head-snapping acceleration of their relationship, the two leaders announced last week that they would visit each other aboard ships moored in the Mediterranean Sea Dec. 2 and 3 for a summ . . . oops, pardon, meeting.

Neither would call the session a summit; it is supposed to be too informal for that. To avoid an overcharged atmosphere at their first encounter, Bush and Gorbachev plan to talk without any specific agenda, avoid signing any agreements and part without even issuing a communiqué. The principal aim, said Bush, is to "deepen our respective understanding of each other's views."

Yet there is at least a potential for discord. Bush has approached this new step in U.S.-Soviet relations with his characteristic prudence. In a time of dynamic social and political upheaval in Eastern Europe and the Soviet Union itself, Bush said, "I just



An aerial view of Grand Harbour, Malta, near where the superpower Presidents will confer. One rea-

didn't want to miss something, something that I might get better firsthand from Mr. Gorbachev." The Soviet President has been less patient. In late October, Gorbachev said privately that for months he had been exasperated with the Bush Adminis-

tration's slow and uncertain response to the shifts in Kremlin policy. He was beginning to suspect, he said, that Washington believed if it waited long enough, the Soviet Union would simply disappear.

Only recently—especially since Secre-

Read His Lips: How "No" Became "Yes"

JAN. 19, 1989

"What I won't do is schedule a meeting just to have it said that we're having a meeting . . . I don't think that does anything but needlessly raise expectations."

MARCH 31, 1989

"I remain optimistic about working with the Soviets, but I have said—and I will repeat to you all—I am not going to precipitously move just to have some meeting going on out there."

tary of State James Baker publicly offered U.S. help for Soviet efforts at reform—has Gorbachev realized that Bush is belatedly acknowledging the magnitude of the transformation he is trying to effect in the U.S.S.R. Gorbachev now says he has high hopes for the relationship.

Bush's aides also expect that the symbolism of a summit will help boost Gorbachev's faltering position at home. Said one: "The image of these two guys on cruisers in the Med, talking about the world, has to be a plus for Gorbachev." Yet Soviet officials say symbolism counts for little when their store shelves are empty and their restive nationalities are in turmoil. Last week alone Gorbachev got sev-

will be missed as the bitter winter nears. That some hard-liners would like to crack down on the internal unrest was demonstrated last week, when thousands of people held a candlelight vigil outside the Moscow headquarters of the KGB to mourn the victims of Joseph Stalin. When a few started a march toward Pushkin Square, riot police charged the demonstrators, knocking scores to the ground.

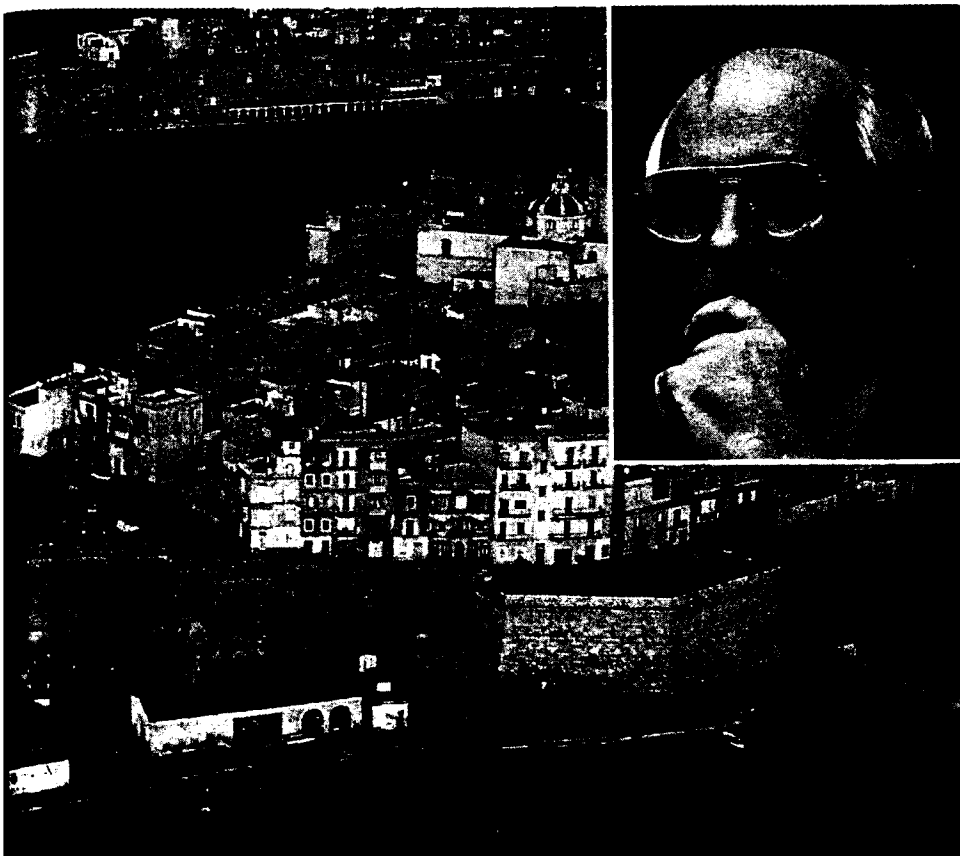
To Gorbachev, the most helpful thing the Americans could do would be to agree quickly to radical arms reduction. That would enable him to slash military spending and devote more resources to the staggering civilian economy. Some Soviets are already agitating for the U.S. to make this

In Washington such talk raises memories of the Reykjavik meeting in 1986, which was also supposed to be an informal, no-agenda session. It turned into an intense negotiation during which Reagan came close to agreeing to a total elimination of ballistic missiles—to the horror of U.S. allies, as well as George Bush, who feared they would then have no counter to presumed Soviet superiority in conventional arms. Washington is already letting Moscow know that a repeat of Reykjavik is the last thing it wants. Bush said last week he intends to conduct only a perfunctory discussion of arms control, if any; in his view, specific negotiation should be saved for a formal summit scheduled for early next summer. White House spokesman Marlin Fitzwater added that if Gorbachev does make some dramatic presentation, Bush will in effect reply, "Thank you very much for your views. We will consider these in due time."

Nonetheless, the Mediterranean meeting (immediately dubbed the saltwater summit) marks a long overdue shift in Bush's thinking. The President had initially adopted what he called a "show-me" attitude toward Gorbachev's political and economic reforms. His Administration engaged in a vigorous debate over whether the Kremlin leader intended a genuine and lasting transformation of Soviet society or only a strengthening of the U.S.S.R. for another round of confrontation with the democratic capitalism of the West. Whatever Gorbachev's intentions, Washington wondered whether he could maintain himself in power.

The debate, somewhat muffled, continues, but there is no longer any doubt which side Bush is on. He has concluded that Gorbachev really does want to transform the Soviet Union into a more democratic, less aggressive society but that the Soviet leader is in danger of being forced to renege on his reforms, if not actually toppled, and needs whatever help the U.S. can give.

Bush's conversion began in late May, when he attended a NATO summit in Brussels. There, and at a later Paris meeting of the seven largest non-Communist industrial powers, allies warned the President that he would be missing a golden opportunity to turn the world away from cold war if he did not move quickly to cement relations with Gorbachev. Some kept up the pres-



for the shipboard meeting: the usual retinues of aides, reporters and hangers-on can be left on land.

eral doses of new trouble. Coal miners in Vorkuta, north of the Arctic Circle, struck in defiance of legislation that makes such walkouts illegal. Coal strikes earlier this year have cost the Soviet Union an estimated \$4.7 billion of lost production that

get-acquainted session more productive: several even assert privately that they could see the meeting producing a general framework for a START (Strategic Arms Reduction Treaty) pact sharply reducing long-range nuclear weapons.

JUNE 27, 1989

"I'm not saying that we . . . should be hung up on a major treaty . . . before I would sit down with Mr. Gorbachev. Maybe we'll do it like this: say, 'Hey, let's get together . . .'"

NOV. 1, 1989

"I changed my mind, because the changes that are taking place in the world are so dynamic and so dramatic that I don't want to miss an opportunity to enhance world peace."

sure. British Prime Minister Margaret Thatcher wrote to Bush a few weeks ago, counseling a meeting with Gorbachev, and Italian President Francesco Cossiga, visiting Bush in Washington last month, urged a gathering "very soon."

Critics at home meanwhile charged Bush with timidity in Soviet relations. The President and his aides began to fear that if Gorbachev fell and was replaced by a hard-liner, they would be blamed for having muffed an opportunity that may not come again. For once, Bush's innate caution counseled action; it seemed to hold less chance of damaging error than continuing to stand pat.

The precipitating factor was Bush's July trip to Poland, which later installed the first non-Communist government in a Soviet ally, and Hungary, which has scheduled free, multiparty elections. Lech Walesa, leader of the Polish Solidarity movement, and Hungarian reformer Imre Pozsgay both told Bush that future liberalization in their countries could well depend on Gorbachev's continuing in power. Says one U.S. official: "Walesa was probably the most dramatic. Here's the leading dissident in the Eastern bloc. It made a very telling argument when he said Bush needed to be supportive of Gorbachev."

Stopping in Paris on the way home, Bush chatted with Secretary of State Baker and National Security Adviser Brent Scowcroft on the veranda of the American ambassador's residence. The President told them, "I sure would like to meet with Gorbachev in some way that wouldn't become a circus." Over the Atlantic en route back to Washington, Bush penned a note to Gorbachev proposing an informal meeting and had it hand delivered by U.S. Ambassador Jack Matlock. Gorbachev accepted immediately. Negotiations on time and place began in deepest secrecy; on the U.S. side, only half a dozen officials initially knew that anything was up. Before they could set a time for the get-acquainted session, Bush ordered aides to commit the Soviets to a formal summit on arms control next year. Otherwise, he feared, the pressure to cut an arms deal at the Malta meeting would prove too great to withstand.



White House aides huddle as Bush announces the agreement to meet.

Baker has become the policy chief in fact as well as in name.

The Presidents will meet alternately on a U.S. and a Soviet warship anchored off Malta. Gorbachev will be on his way home from a visit with Pope John Paul II, the first meeting between a Pope and a leader of the Communist Party. One reason for a summit at sea is Bush's desire for informality. The usual retinue of aides, journalists and hangers-on will be left back on land. The choice of Malta seems harder to explain: the island nation of 350,000 people, lying just south of Sicily, is close to Libya both geographically (180 miles) and politically. It appears simply to be a convenient place, and U.S. officials are confident they can secure a warship against any possible terrorism.

Even without a formal agenda, discussion between the leaders of the rival superpowers will move quickly toward the substance of the U.S.-Soviet relationship

and what each side wants from the other. When the two Presidents sit down in a stateroom, both will have their talking points.

WHAT THE U.S. WANTS

The Malta meeting demonstrates that Baker has become the Administration's foreign policy chief in fact as well as in name. The Secretary of State has prevailed over an abundance of Administration skeptics about Gorbachev, in part with the argument that if the Soviet leader is in danger of failing, the U.S. has all the more reason to push for arms-reduction agreements that can be locked in.

But not right away. Bush wants to delay sub-

stantive bargaining in part because his Administration is divided over how to modernize U.S. strategic forces and in part because some conservatives oppose any deal with the Soviets. Bush has cloaked this intramural problem by complaining that congressional cuts in the military deprive him of bargaining chips. But he announced this meeting last week even as Congress cut \$300 million from the Strategic Defense Initiative, reducing it to \$3.8 billion for 1990.

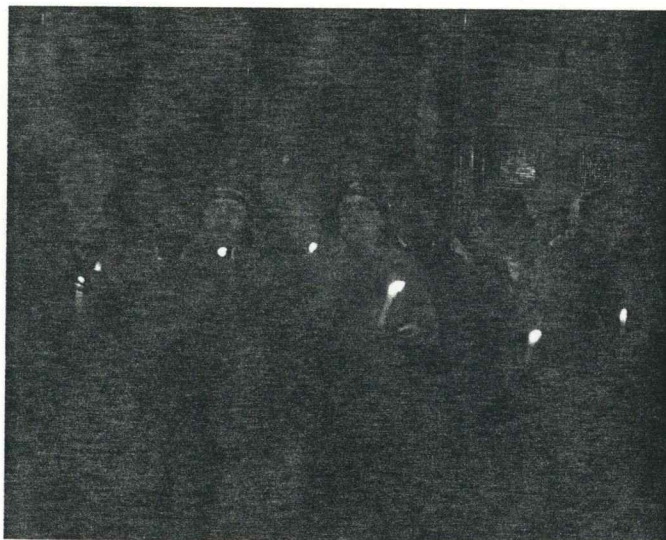
Meanwhile, White House officials insist that the boss wants to do more listening than talking. He intends to ask Gorbachev what he foresees happening next in Eastern Europe and the Soviet economy, and what the U.S. can do to help. Gorbachev is likely to repeat his numerous pledges to let Eastern Europe go its own way. He may ask Bush in turn to repeat assurances that the U.S.

will not try to exploit the unrest in Eastern Europe in any way that would damage Soviet security interests—such as, perhaps, trying to induce Moscow's allies to abandon the Warsaw Pact.

Bush would be happy to do so, though he would resist putting such a pledge in writing lest he be accused of presiding over "another Yalta" ratifying Soviet hegemony.

WHAT THE SOVIETS WANT

The troubles inside the Soviet Union are so severe that any help the U.S. could offer would have only marginal effects.



Unrest in Moscow: a candlelight vigil outside KGB headquarters.

Moreover, the Soviets will not ask for outright U.S. economic aid. Foreign Minister Eduard Shevardnadze, announcing the saltwater summit in Moscow, told reporters, "When people talk about 'helping the Soviet Union,' it offends our national pride." Shevardnadze, however, added that "fair and mutually beneficial economic and trade cooperation suits us." That leaves room for some U.S. assistance.

Baker has already offered to send experts to the Soviet Union to proffer technical advice on running a market economy, which nobody in the U.S.S.R. has experience in doing. The superpower Presidents could readily agree to expand such exchanges. Says one American diplomat in Moscow: "The best way we can be helpful is to build up training and consultation programs. There will be across-the-board exchanges in such areas as agriculture, education, marketing and management training."

Gorbachev is also likely to renew a Soviet request for access to the American market on a "most-favored nation" basis (meaning, actually, the same minimal restrictions that apply to almost every other country). The U.S. so far has insisted that the Soviets first write into law a lifting of restrictions on emigration. "The prospects are good in the near future," if not at the summit, says one American diplomat. The Soviets also want a relaxation of the U.S.-policed rules against export of "strategic" materials that would allow them to buy more urgently needed high-tech gear such as computers and copiers. U.S. allies want that too, and Bush might yield.

Finally, the U.S.S.R. wants to join such economic organizations as the International Monetary Fund and the General Agreement on Tariffs and Trade, which monitors world trade rules. The U.S. has said Moscow must move closer to a market economy, but Bush might at least define some conditions under which the U.S. would agree to, or even sponsor, Soviet membership.

The details of the discussion, however, will prove to be far less significant than the long-anticipated encounter between the two leaders. The eleven months that George Bush has required before he would come face-to-face with Mikhail Gorbachev is more time than it took for Ronald Reagan and Gorbachev to meet and overcome their mutual suspicion. The 1985 Geneva summit between Gorbachev and Reagan proved that a get-together need not end with formal agreements to produce important results. In their staterooms off Malta, the U.S. and Soviet Presidents may finally launch a partnership to deal with the difficult, dangerous and exhilarating challenges that confront them. — *Reported by Ann Blackman and Strobe Talbott/Moscow and Michael Duffy/Washington*



The Big Three at Yalta: In effect, if not by intent, a sanction for Soviet dominance

It Rhymes with Malta

When they met in the Soviet Crimea in February 1945 to plan the end of World War II, Franklin Roosevelt, Winston Churchill and Joseph Stalin also set the stage for the long-running drama that may dominate next month's meeting off Malta. In effect, if not by intent, Roosevelt and Churchill sanctioned Soviet dominance over Eastern Europe. Now, 44 years later, George Bush and Mikhail Gorbachev must grapple with the disintegration of that Soviet supremacy.

The American, British and Soviet leaders met at Yalta at a time when the Red Army had liberated most of Eastern Europe from Hitler's troops and were poised to take Berlin. Although the ailing Roosevelt knew that the U.S. could soon assault Japan with the first atom bomb, his top military advisers doubted that its use would be immediately decisive. An American priority at Yalta was to ensure Japan's quick defeat by persuading Stalin to join the Far East conflict once Germany surrendered.

So, rather than trying to rein in Stalin and his rampaging Red Army, Roosevelt and Churchill made what they considered minor concessions. They did not insist that Soviet military forces be withdrawn from Eastern Europe. Instead they settled for a vague commitment by the three powers to promote democratic governments and free elections in each of the liberated but Soviet-occupied nations.

Stalin won outright annexation of parts of eastern Poland; the Poles were compensated with parts of easternmost Germany. In the Far East the Soviets were secretly awarded the Japanese Kurile Islands and the southern part of Sakhalin Island, an arrangement disclosed after Japan's defeat.

Stalin kept only part of the bargain. On Aug. 8, three months after V-E day and only six days before Japan surrendered, the Soviets finally declared war on Tokyo. At almost no cost, Stalin not only got the Japanese islands but also stripped Manchuria of most of its heavy industrial equipment and shipped it back to the Soviet Union. In Eastern Europe not only did Soviet troops remain in large numbers, but Communists brutally subverted political parties and seized control of national police and military organizations to ring down the Iron Curtain. At the time, the war-weary West was in no mood to react.

Critics assailed Yalta as a sellout. Even George Kennan, then a top State Department official, denounced the West's refusal "to name any limit for Russian expansion and Russian responsibilities." But Charles Bohlen, assistant to the Secretary of State and one of the designers of the deal, called such criticism naive. Neither Britain nor the U.S. had any way to coerce Stalin, he argued, and "either our pals intend to limit themselves or they don't."

Stalin did not choose to constrain himself, despite the vow of the three Yalta leaders to help secure "the right of all peoples to choose the form of government under which they will live." Now that the Soviets are loosening the fist they clenched after Yalta, it will be up to two men in the Mediterranean to redeem the promises the Soviets made about Eastern Europe 44 long years ago. ■

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The Washington Post _____
The New York Times _____
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 13 NOV 89

JACK ANDERSON and DALE VAN ATTA

Dan Quayle's Day in Court

Everyone deserves a day in court, Vice President Quayle. Especially Quayle. Say what you will about the vice president—and we have—when Quayle is under siege, he has plenty of strident supporters. We fell out of favor with the White House recently when we wrote two columns critical of Quayle's first nine months in office.

Since then, President Bush has displayed an almost fatherly affection for his vice president, declaring for the first time that Quayle will "absolutely" be his running mate in 1992.

Our sources told us that Quayle is considered a lightweight in the White House, that his main assignment is to raise money for the Republican Party.

We had asked Bush for a response before we published our assessment, but at press time, the White House staff was still ignoring our requests. The belated answers have now arrived, together with more insight from other quarters.

It was a beleaguered Quayle, under intense political fire, who was sworn in as vice president last January. He seemed ill at ease, fastened like an ill-matched Siamese twin to Bush.

Friends acknowledge that Quayle settled awkwardly into office and found himself a conservative surrounded by pragmatists. That increased his feelings of isolation.

He kept quiet at strategy sessions. He still has little to say in the policy-making councils. But his defenders say he is gaining confidence and feels like his role is to provide ideological balance. In the daily huddles with the White House "brat pack" of

presidential staffers, Quayle is the conservative advocate.

Some sources say Bush's advisers spend time with Quayle merely so they can keep him out of trouble. But other sources say Quayle is doing his homework and is mastering some issues.

Here is the official word:

White House press secretary Marlin Fitzwater rattled off examples of the challenging tasks Quayle has tackled, saying that the vice president led on the administration's policy on wage negotiations and budget strategy. Fitzwater told our associate Jim Lynch that Quayle has taken on tough foreign assignments in Cambodia, El Salvador and the Philippines.

Quayle's spokesman, David Beckwith, claimed that our White House sources who called Quayle a "lightweight" had missed the mark. Those sources still insist that Quayle's successes on the road have been exaggerated.

On a typical work day, Quayle arrives at the office at 7:45 a.m., gets a briefing from the CIA, meets with the senior staff and then joins Bush in the Oval Office for briefings by national security adviser Brent Scowcroft and White House Chief of Staff John H. Sununu.

Quayle has constant access to the president. His schedule shows he had breakfast or lunch with Bush nine times between June and August.

But the vice president's influence on Bush is difficult to gauge because their conversations are private. Quayle learned his vow of silence from Bush, who refused to talk about his own weekly vice presidential meetings with Ronald Reagan.

'They Would Not Understand'

Nixon returns to China—and delivers a message



MARK AVERY—AP

Great differences: *The former president works a crowd in downtown Beijing*

In the months since the crushing of the democracy movement in Tiananmen Square, China's hard-line leaders have taken every opportunity to parade Third World supporters like Prime Minister Tofilau E. Alesana of West Samoa on television. So when Richard M. Nixon went to Beijing last week, he set strict preconditions. The former U.S. president at first resisted meeting Prime Minister Li Peng at all. He did not want to legitimize the enforcer of the crack-down. Nixon agreed to meet with Li only after the Chinese solemnly promised that no cameras would record the event. But when Nixon marched into the Diaoyutai State Guest House, he found a crew from Chinese television. That evening, as he sat helplessly through a banquet hosted by the prime minister, millions of Chinese viewers witnessed him shaking hands with Li on the evening news. "Nixon was outraged," says one American source. "It was like dealing with a banana republic."

Nixon did not spare Li, either. At the banquet, he delivered a remarkable toast: "The cultural, political and ideological differences between us, Mr. Premier—you are a Chinese communist who believes in Leninist rule, I am an American conservative who believes in capitalism and democracy—are too great to permit a common understanding of [the] tragedy." The words fell on politically sensitive Chinese ears as a calculated insult to Li. It was a far cry from 1972, when Nixon first visited China and opened a new chapter in Sino-American relations.

Most Chinese, of course, were left unaware of the affront. In local TV and news-

paper reports, they learned only what their own leaders said. Chinese leader Deng Xiaoping, for example, said "China was the victim" of last spring's turmoil. But the official press didn't report that Nixon said "most Americans deeply believe that international standards exist to guide the conduct of leaders anywhere." Nonetheless, Nixon hoped that his texts would at least trickle down through the leadership. "The political situation is very fluid," says one Western diplomat. "Everyone will try to use this trip for their own purposes, and Nixon knows that."

Though Nixon wasn't representing the United States, both Washington and Beijing viewed him as a go-between. Nixon met with President George Bush and his national-security adviser, Brent Scowcroft, before leaving for Beijing. He will report to George Bush upon his return to Washington, but his message may not be heartening. He found the Chinese leaders inflexible on their world view. "One got the sense that the Chinese leaders believe China existed alone for 4,000 years and if necessary it can do so again," says an American member of Nixon's party. Deng praised Nixon's emphasis on strategic interests, not ideology, as the basis for Sino-American relations, but he insisted that Washington take the first step to mend differences. At an informal gathering at the U.S. Embassy, Nixon recounted that his young granddaughter had asked him why he was going to China if the Chinese don't understand English. "Even if I had spoken Chinese," Nixon said, "they would not understand."

DORINDA ELLIOTT in Beijing

Policy Void

Upheaval in Europe

Tests Bush's Capacity For Leadership of West

As Summit Nears, His Caution May Risk Ceding Influence To Soviets and U.S. Allies

A Rift Inside Administration

By WALTER S. MOSSBERG
And ROBERT S. GREENBERGER

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—The television screens this weekend flickered with the images of American leaders uttering bold, inspiring words about Berlin. But those leaders were John F. Kennedy and Ronald Reagan.

George Bush, by contrast, presided over the most dramatic turn in East-West relations in more than 40 years sitting behind his desk last Thursday, looking at a map of Germany and saying to a group of reporters, "We are handling it in a way where we are not trying to give anybody a hard time . . . I'm elated . . . I'm just not an emotional kind of guy."

The contrast goes beyond mere imagery. As the dominoes are falling across Eastern Europe, and even the Berlin Wall is being breached, the U.S. appears to be sitting on its hands, trying to slow down the pace of change. The Bush administration, slow off the mark from its earliest days in dealing with the Communist decline, still has no blueprint for building what could emerge as the post-Communist world the U.S. has worked so long to obtain.

Inaction is, of course, far preferable to committing a disastrous policy error, one that could frighten the Soviets into a crack-down. And by almost any measure, recent developments seem like good news for an America eager for an easing of world tensions. But critics charge that the administration now has less than three weeks to get its act together before the upcoming summit meeting—or else let the Soviets shape the coming debate over Europe's future.

Far-Reaching Proposals

The U.S. is making a deliberate effort to play down the significance of the super-power summit near Malta beginning Dec. 2. But during that meeting, some U.S. officials believe, Soviet leader Mikhail Gorbachev will unveil to Mr. Bush far-reaching ideas for dissolving NATO and the Warsaw Pact, and for revamping Europe in other ways.

The Soviets are doing their best to persuade the U.S. to maintain its caution. In recent days, the Soviet government has summoned U.S. and British ambassadors to the Kremlin, according to a high-level U.S. official. The Soviet message: Say or do nothing to undo the postwar division of Germany agreed upon by the major world powers at the Yalta conference near the end of World War II.

Concerned about sparking a crackdown in East Berlin, West Germany also has asked the administration to act slowly and in a low-key manner, U.S. officials say.

Meanwhile, however, West Germany and other Western European nations may be moving to fill the void left by the cautious response of the U.S. West Germany has said it will negotiate a "substantial" financial aid package with East Germany, should the Communist nation be willing to abandon its centrally planned economy. French President Francois Mitterrand has called for a European summit to deal with the new situation. Without strong American participation, European leaders would be free to join the Soviets in deciding the future of 300,000 U.S. troops—not to mention the future trade relationship between the U.S. and Europe.

The 'Vision Thing'

"The president has got to start leading on this," says Walt W. Rostow, who was a top national security adviser to President Kennedy. "They've got to think through an orderly architecture for a world the U.S. wants to see—and then give a speech spelling it out. The 'vision thing,' as Mr. Bush once called it, is very important right now."

But the administration remains steadfastly cautious. "Is this a crisis?" asks one of the administration's most important foreign policy officials. "Should we be having crisis meetings? This is a phenomenon, not a crisis."

The administration does have some studies under way on the big issues—but they're below the level at which doctrine is made. Second-level officials, mostly at the state department, are working on policy recommendations on such huge issues as scaling back the alliances, expanding the political clout of the European Community, turning NATO into a more political than military arrangement, and integrating newly freed Soviet satellite nations into the West. They are even debating different models for reunifying Germany.

But the detailed debate hasn't yet percolated up to the president—nor even to his top foreign policy advisers, who met at the White House yesterday. There aren't any plans so far for a scene-setting presidential speech. And most significantly, top U.S. officials stressed as late as yesterday that the president has no plans to carry any big proposals to the summit with Mr. Gorbachev, nor does he intend to counter any proposals he receives from the Soviet leader.

"We do not intend to have this emerge as a second Yalta," Marlin Fitzwater, the president's press secretary, said yesterday.

Another high-ranking administration of-

The Washington Post _____
The New York Times _____
The Washington Times _____
The Wall Street Journal **A-1** _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

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ficial was even more explicit about how the president will react to any of Mr. Gorbachev's proposals in Malta: "The more sweeping they are, the less likely it will be that we will be prepared to respond, at least in the short term."

Administration officials stress that the U.S. is determined to avoid the perception that it is cutting a deal with Moscow to privately redesign the map of Europe. The White House does have a policy, these officials add—to walk a fine line between bolstering the reform efforts under way in the Communist world without setting off alarm bells in the Kremlin that the U.S. is taking advantage of Moscow's adversity.

The administration is facing a highly complex and rapidly changing situation, and even some Democrats say they are understanding—to a degree. "I agree with the part of the president's policy that calls for caution, and we shouldn't cut any quick deals," says Sam Nunn, the Georgia Democrat who chairs the Senate Armed Services Committee. "But I believe there must be a vision, and the vision has not been apparent, in the president's speeches, writings and so forth." The scheduled summit, he says, "provides a powerful incentive. I think we need to be prepared."

The administration is also afflicted with division and resentment among the president's own men, although the conflict hasn't yet risen to the open warfare that often marked the Reagan presidency.

Secretary of State James Baker has argued for more action—such as money for Eastern Europe, open vows of support for Mr. Gorbachev, and technical advice on helping socialist economies evolve. He showed up on television repeatedly this weekend, taking pains to counter the president's initial subdued tone about the opening of East Germany's borders.

On the other side is National Security Adviser Brent Scowcroft and his deputy, Robert Gates. Mr. Scowcroft has privately emphasized the dangers of saying too much or of getting too specific at the summit. A senior official explains that, for now, the emphasis is "to keep the Soviets

CONTINUED

calm, because events in Eastern Europe are moving our way."

"There is a great reluctance in many quarters here to have the U.S. step out and say, 'Here's the future of Europe,'" the official adds.

From the beginning, the administration was caught off guard by Mr. Gorbachev's capacity for surprise—and by the enormous popularity he cultivated in Western Europe as a result of those surprises. In February, Secretary Baker, in his first foreign trip, visited all 15 NATO allies in eight days and was amazed to discover that although the U.S. was winning the Cold War—with Communism in decline throughout Eastern Europe—Mr. Gorbachev was winning the public-relations battle.

In Europe, "the focus was on the dynamics of Gorbachev, not the failure of his system," recalls an aide on the trip. The message Mr. Baker took home was that the U.S. had to work harder to regain the initiative.

While Mr. Baker was traveling in Europe, President Bush was convening a meeting of experts on the Soviet Union at his summer home in Kennebunkport, Maine. Mr. Bush listened carefully to mostly positive analyses of the Gorbachev reforms and of developments in Eastern Europe. To some participants, he seemed at the time to favor an active U.S. policy to facilitate the easing of tensions.

Policy Paralysis

But nothing happened for months, as a bureaucratic policy review seemed to paralyze the U.S. Reagan holdovers in the Bush administration were essentially evaluating their own policies—an exercise the Bush people later realized had been a waste of time. "I was surprised to see the policy bogged down," says Edward Hewitt, a Brookings Institution sovietologist who attended the Kennebunkport session.

Meanwhile, in Moscow, Mr. Gorbachev kept unleashing more bombshells. Competitive elections were held, conservative party leaders were purged and some Soviet tanks were pulled out of Eastern Europe.

The Gorbachev dazzle had its effect. By spring, many West Germans were questioning the need for the huge U.S. military presence in their country. Indeed, Bonn is soon expected to announce plans to cut its own armed forces by 15% by the mid-1990s.

NATO, meanwhile, was trying to lower its profile. NATO maneuvers in West Germany originally scheduled for September were postponed until January to give planners time to develop a less obtrusive exercise, with fewer troops in the field.

Mr. Baker's first trip to Moscow on May 10 was a turning point that jolted the White House out of its complacency.

By then, there was strong pressure in Western Europe for a bold U.S. arms-control initiative at the NATO summit meeting scheduled for May 26. But Mr. Baker planned to use the meetings with Mr. Gorbachev and Soviet Foreign Minister Eduard Shevardnadze to de-emphasize arms control, and to instead "test" the Soviet "new thinking" in such areas as human rights, counter-terrorism and regional conflicts.

Favorable Impressions

The first day of meetings, with the affable Soviet foreign minister, went well. The Soviets for the first time spoke kindly of the Israeli plan for elections on the West Bank of the Jordan, and seemed to endorse a political settlement in Nicaragua. U.S. aides—even deputy security adviser Gates, who was also making his first Soviet visit after a long career with the CIA—were pleased.

But the next day, Mr. Gorbachev turned the agenda squarely back to arms control. He announced a minor but politically attractive pull-back of Soviet short-range nuclear weapons from Europe, and presented a detailed plan for very deep cuts in conventional forces. Then he told Mr. Baker he planned to go public with his proposals that night, when the secretary of state would be en route to Brussels to mollify allies upset that the U.S. was acting so timidly.

The session ran so long it postponed the start of a Politburo meeting. And as Mr. Baker left Moscow that night, official planes bearing Warsaw Pact foreign ministers were landing for an unannounced meeting to rubber-stamp the surprise arms-cut plans.

The secretary of state—politically astute and experienced in international negotiations—returned home convinced that the Soviet president was deeply serious about scaling back arms and reforming the U.S.S.R. Mr. Baker was also convinced that Mr. Gorbachev was too good a politician to be treated lightly.

Over the summer, the administration moved to engage the Communist world even more. Early doubts about Mr. Gorbachev's political survivability had vanished, though concerns were growing that his reform program might wither, even if he didn't.

But the U.S. overtures were limited by the innate caution of the White House and by an additional restraint: the budget deficit. The president traveled to Poland and Hungary, but offered little hard cash. U.S. officials said the Germans and other Europeans would have to lead in the effort to help Eastern Europe's reformers.

The administration drafted a plan for opening economic talks with Moscow, but shied away from any trade, aid or investment initiatives, saying the Soviet Union had to reform itself first.

In September, Mr. Baker met with Mr. Shevardnadze in Wyoming, where Soviet economists discussed in frank details the decrepit state of the Soviet economy. Senior U.S. officials say that the exchange helped foster a mutual feeling of trust. "They took us at our word that we wanted perestroika to succeed, and we realized that they no longer had a great fear that we would exploit their weaknesses," says an official who attended the session.

It was in that spirit of trust, that the two sides—at Mr. Bush's suggestion—agreed to the Malta meeting that has since taken on an urgency that Mr. Bush never could have foreseen.

BRUCE FEIN

Covert pulpit oversight

Cherub-faced Democratic Sen. David Boren of Oklahoma, chairman of the Senate Intelligence Committee, is an anthropomorphic exemplar of why the prevailing congressional oversight of the Central Intelligence Agency and the intelligence community needs wholesale revision.

Mr. Boren's pious pontificating in the aftermath of the failed coup to oust Panamanian archvillain Gen. Manuel Noriega from power provides the proof beyond a reasonable doubt.

Mr. Boren thundered that the United States should have assisted the Panamanian army malcontents spearheaded by Major Moises Giroldi to overthrow Gen. Noriega more energetically, and should have presented the dictator an arrest warrant to cap the rebellion's success. Mr. Boren expostulated that it was wrong "to do nothing and allow these people to fail."

But Mr. Boren himself is a paramount culprit in the flaccid and flawed U.S. response to the anti-Noriega coup attempt. His *raison d'être* is to advise the CIA and the president of any perceived defects in intelligence forecasts or contingent covert action. Under the 1980 Intelligence Oversight Act, the congressional intelligence committees must ordinarily be informed of any anticipated covert-action gambits.

As the titular intelligence savant of the Senate, why did Mr. Boren fail to blueprint a brilliant CIA or military assistance plan to support a potential coup attempt in Panama — drawing upon the wealth of wisdom he has accumulated as committee chairman and as an astute student of international affairs?



Sen. David Boren

In commenting on the coup's failure, Mr. Boren floridly displayed his profound powers of intelligence clairvoyance that he stingily declined to share with the intelligence community. Thus, he jauntily asserted, a "motley crew" overcame the anti-Noriega plotters, a tragedy "that wouldn't have happened" if the United States had interceded with a louder bark. Mr. Boren is clearly censurable for his reticence in communicating to President George Bush and CIA Director William Webster his secret plan to guarantee that an indigenous coup against Gen. Noriega would succeed with U.S. assistance.

After all, utilizing the putative intelligence genius of Mr. Boren and other members of the Intelligence Committee to upgrade the professionalism and prescience of the intelligence community in the executive branch is a major reason for congressional oversight. Otherwise, the omnipresent risks of intelligence leaks are not worth the candle.

Mr. Boren spotlighted these risks when he indirectly confirmed in an interview two covert CIA actions in Panama: one aimed at influencing the Panamanian military, and another targeted at influencing Pana-

manian elections. Mr. Boren was prompted to reveal these classified activities to offset criticism of congressional micromanagement of the executive branch by Brent Scowcroft, Mr. Bush's assistant for national security affairs.

It seemed self-evident to Mr. Boren that protecting classified information is less important to the national weal than his reputation, deserved or not, as an intelligence maven who fully cooperates with the chief executive.

Mr. Boren's dissembling after the failed coup discredits the argument that intelligence committees are necessary to enlighten voters regarding intelligence activities and oversight, voters who may then register approval or disapproval at the ballot box. To prove that he and the Intelligence Committee raised no obstacles to covert actions by the executive branch, Mr. Boren boasted: "[E]very single word of authority that [President Bush] had requested from the Intelligence Committee and every single penny that he has requested . . . relating to Panama, he has gotten and gotten with my support."

But what Mr. Boren cleverly omitted from his intelligence pulpit was that during the Reagan administra-

The Washington Post

The New York Times

The Washington Times **F-3**

The Wall Street Journal

The Christian Science Monitor

New York Daily News

USA Today

The Chicago Tribune

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tion, he and Republican Sen. William S. Cohen of Maine scuttled covert support for a Panamanian colonel, Edvard Herrara Hassan, who contemplated a coup against Gen. Noriega; that the Senate Intelligence Committee had slashed funds for covert support of free and fair Panamanian elections; and, that in October 1988, he insisted that CIA activity in Panama be confined to non-military endeavors such as underwriting opposition political parties and a clandestine radio operation.

In other words, Mr. Boren's skewed and parsimonious description of congressional support of CIA actions in Panama carried the earmarks of disinformation, like the Communist Chinese deceptive declarations of no Tiananmen Square deaths last June because of its pinched geographic reference on Chinese maps. Thus, Mr. Boren fogged rather than clarified the public's understanding of the congressional intelligence committees.

Mr. Boren's impetuous allegations of ineptitude and duplicity by the executive branch in the failed Giroldi coup attempt also misled the public. Following the precedent of the Queen of Hearts in "Alice in Wonderland," Mr. Boren convicted the Bush administration of a cover-up, and then pledged meticulous investigations by the Senate Armed Services and Intelligence Committees. Mr. Boren bellowed: "We're going to get to the bottom of this. I am convinced the full facts have not been laid out to us or the American people."

Mr. Boren darkly hinted that the administration had reneged on promises to aid Maj. Giroldi, or to respond to his overtures while he held Gen. Noriega captive. But none of Mr. Boren's sinister preachments to the public have been corroborated.

Mr. Boren has exhibited uncharacteristic reticence regarding the edifying statements of the wife of now-deceased Maj. Girolodi. She explained that Maj. Girolodi deferred notifying U.S. authorities of his planned coup until six hours before its scheduled beginning because he was fearful of "leaks" that would scuttle the enterprise.

Mr. Boren would be performing a marvelous public service by holding hearings on why Maj. Girolodi entertained such fears.

In sum, Mr. Boren personifies the amateurish congressional norm in intelligence affairs. Stay tuned for constructive steps toward a curative.

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Soviet shuttle plans

The reusable Soviet space shuttle Buran, lying idle since its maiden flight a year ago, is to blast off on its next mission in 1991, the Soviet Union's chief rocket designer said.

ATLANTA JOURNAL NOV. 13, 1989 Pg. 1

**E. Germany to Remove
'Death Strip' on Border****Soldiers Told to Clear Fortifications**

By Matthew C. Vita
And J. Randal Ashley
Staff Writers

BERLIN — After a delirious weekend of shopping and gawking in the West, East Berliners today headed back to the sobering world of work as their government formally abolished the "death strip" of fortifications that runs along border areas.

A border guard said soldiers had been told to begin removing barbed wire and other fortifications to the Berlin Wall. The guards were once told to shoot would-be escapees.

Today's announcement covers both the 854-mile frontier between East Germany and West Germany and the even more notorious stretch of land running along the Berlin Wall in East Berlin. The borders had been among the most closely guarded sections of the Iron Curtain.

Meanwhile, East Germany's policy-making Central Committee was to meet later today to discuss a call for a special congress next month to debate the future of the Communist Party.

The party, under new leader Egon Krenz, has

published a draft plan for change that proposed free elections, independent courts, economic reform, a freer press, autonomous trade unions and scrutiny of the feared security forces. The leadership is expected to begin to act on the reforms later today.

But the plan did not question the party's monopoly of power — a central demand of the tens of thousands of demonstrators who have taken to the streets in the past few weeks. It also left unclear the extent of democratic reforms.

The Communists hold just 127 seats in the 500-seat Parliament, keeping control with support from the other parties.

Parliament also was to convene today to confirm as premier a leading reformer, Dresden party chief Hans Modrow.

In another development, activists in Leipzig, which has been the site of huge pro-democracy protests, plan another demonstration tonight.

On Sunday, more than a million East Germans swarmed into West Berlin for the third straight

day of a raucous, impromptu East-West street party celebrating the end of the ironclad division of Germany's prewar capital. Virtually all of them returned to East Germany by today, officials said.

"It was something special, but anyway, things have to go on as normal," said Peter Normann, an East Berliner who visited West Berlin and then went home.

East Berlin Mayor Erhard Krack strode through a new breach in the 28-year-old Berlin Wall on Sunday and shook hands with West Berlin Mayor Walter Momper. The meeting took place at the Potsdamer Platz, once the vibrant hub of a united Berlin.

Mr. Momper, speaking this morning on NBC-TV's "Today" show, said the mayors discussed the need for coordination between authorities in both sides of the city to handle the increased car and foot traffic resulting from the new border policy.

In a highly symbolic gesture, West German President Richard von Weizsäcker walked into East Berlin early today and met with a high-ranking East German army

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Baker's Evolution at State**'Mr. Cautious' Becomes Outspoken Activist**

By Don Oberdorfer
Washington Post Staff Writer

For most of his first 10 months on the job, Secretary of State James A. Baker III lived up to the nickname he earned as President Ronald Reagan's first-term chief of staff—"Mr. Cautious," the man who hated surprises and took no risks. One wag at the State Department, a senior career Foreign Service officer, began calling this "the what's happening administration," because whenever he walked into Baker's office, the first question was "What's happening?"

In recent weeks, a lot has been happening—particularly in Eastern Europe but also now in Washington. Baker, known to longtime colleagues as a man who prefers to respond to immediate challenges rather than plot his own long-term

strategy, and George Bush, his president and also a man who seems more comfortable responding than initiating, have begun to move from indecision to engagement with the Soviet Union. The shipboard summit in the Mediterranean in less than three weeks marks the change.

In the process, Baker has become the administration's most outspoken activist on East-West issues.

According to longtime associates, Baker's move from cautious probing to vigorous advocacy is very much in character. It followed growing criticism of the administration's apparent indecision in the face of dramatic change in the Soviet empire, and it followed Baker's opportunities to personally evaluate his Soviet counterpart, Eduard Shevardnadze.

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officer on a piece of land forming part of the abandoned "death strip." The officer was not immediately identified.

The decision Thursday by East Germany's embattled Communist leaders to throw open the country's borders sparked one of the largest concentrated mass movements of people in Europe since the months after World War II.

The official East German news agency ADN reported that 4.5 million East Germans — a quarter of the country's population — had been issued travel visas since Thursday. It said 10,000 people had received emigration permits.

West German officials said 1.3 million East Germans visited West Berlin and West Germany on Saturday. Equal numbers — if not more — crossed the frontier Sunday.

Thousands of East Germans on foot and in cars packed with food and other hard-to-get consumer goods headed back to East Berlin on Sunday evening.

Despite their open-travel concession, East Germany leaders

continue to face the same daunting challenges that sparked the extraordinary political crisis of the past two months.

Many of those returning said they would press for further political changes to bring about greater democracy.

West German Chancellor Helmut Kohl, who had held an emergency Cabinet meeting Saturday in Bonn to discuss the East German crisis, resumed his trip to Poland on Sunday by attending a church service in a town with a large ethnic German population.

Mr. Kohl was greeted by wild cheers and chants of, "Helmut, you are our chancellor, too."

Mr. Kohl took pains, however, to reassure the new Solidarity-led government in Warsaw that the renewed debate on German reunification touched off by the East German crisis posed no threat to Poland. Up to a third of Poland's territory was German before 1945.

The Associated Press contributed to this article.

BAKER...CONTINUED

Now confident of the political need to act and of the practicality of doing business with Foreign Minister Shevardnadze, "Mr. Cautious" calls publicly for maximum efforts to forge arms-control agreements with the Soviet Union, even if doubts persist about the long-term prospects of President Mikhail Gorbachev and his *perestroika* reform program. Uncertainty in Moscow, Baker declared in a key speech Oct. 23, should be "all the more reason, not less, for us to seize the present opportunity" to lock in negotiated cutbacks in nuclear and conventional arsenals.

Baker's words signaled an administration intention to try to complete most if not all work on a new treaty to cut strategic arms by next spring, when Gorbachev is scheduled to come to the United States for a full-blown summit.

Sitting on the striped sofa in the small back office where he spends most of his time, behind the big ceremonial office of the secretary of state, Baker said in a recent interview that "this is the first administration since the war that has been more concerned with the consequences of communism's demise than with the threat of communism," a shift with profound implications for U.S. policy. Managing that change in the interest of peace and U.S. security, he said, is his central goal.

"Is there a plan for that?" Baker asked rhetorically. "Nobody has ever been faced with that before. It takes considerable management skill to handle it properly."

Many Foreign Service officers in the State Department would question whether "management skill" is the correct term for what they perceive as political manipulation. Their views are colored by the fact that Baker often keeps career officials in the dark about his strategies or the thinking behind the choices he makes. Even assistant secretaries of state, who often work in an outer ring beyond the inner circle of Baker's personal team, have had difficulty finding out what is going on, especially because Baker's basic views about many foreign policy questions are unknown. Career officials below the relatively exalted assistant secretary level frequently admit to near-total ignorance of policy-in-the-making.

In the Bush administration, to a far greater extent than in any since the Nixon administration, a restricted circle at the very top makes important decisions secretly. And those at the top, including the president and secretary of state, have had difficulty explaining their ideas to their administration and the public in coherent fashion.

Bush's foreign policy-making "is almost the diametric opposite of the Reagan administration," said an official who watched the process at close range in both admin-

istrations. The familiar "battle for the president's mind" in foreign affairs, ingrained in Washington thinking through the Ford, Carter and Reagan administrations, has been supplanted by a different model. Instead of the battles at the second level, which raged among Reagan's advisers until his final year in office, there is a strong consensus on most issues among Bush's key advisers, none of whom holds an ideological view of the world. And unlike the often-disengaged Reagan who rarely took the initiative in foreign affairs, Bush is passionately interested in foreign policy and likes to manage it personally.

Baker, as Bush's longtime friend and campaign manager, is unquestionably the closest of the close-knit group, according to a White House official. This relationship, even more than the job of secretary of state, is Baker's most important source of power.

Baker is the only member of Bush's inner circle, an official said, who could tell Bush that a presidential idea is crazy. Participants in National Security Council meetings have noticed the eye contact between Bush and Baker at key points, as if they had discussed the issue and perhaps even reached a decision before the meeting.

Baker's relationship with Bush has made it possible for him to be confident and content even while Brent Scowcroft, the national security adviser, spends three or four hours a day with Bush in the Oval Office. Baker has at least two scheduled appointments with Bush each week and deals with him much more often in meetings and over the telephone. The weekend of the Chinese crackdown in Tiananmen Square, for example, Baker spoke five times with Bush on the telephone and invited himself to the White House early Monday morning to work out with Bush the U.S. sanctions against China that were announced later that day.

In addition to his regular meetings with Bush, Baker has breakfast weekly at the White House with Scowcroft and Defense Secretary Richard B. Cheney, a session referred to by one official as "the most important meeting in town." Baker also meets at least once a week with CIA Director William H. Webster, and breakfasts weekly with the top administration economic team: Treasury Secretary Nicholas F. Brady, Commerce Secretary Robert A. Mosbacher and Baker's former aide, Budget Director Richard Darman.

The nature of the official relationship of Bush and Baker is in some respects the reverse of the usual interchange between a politically attuned president and his diplomatically directed secretary of state. Unlike in recent administrations, the president is something of an expert on diplomacy and international relationships, while the secretary of state is an expert on politics.

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According to officials at the White House and State Department, Bush often initiates ideas about the general direction of policy, as he did in the case of the Central American accord with Congress and the conventional arms and chemical weapons proposals, and Baker initiates the policy-making process to identify specific proposals for discussion and takes a key role in implementation. "Baker is always looking toward the results and thinking about how to get them," said an aide.

Baker defends his attention to American politics as secretary of state. "I don't think any foreign policy can succeed that doesn't have a very strong domestic political support base," said Baker, who spends more time than most of his predecessors with members of Congress and has a policy of answering all congressional telephone calls the day he receives them. "I also believe that, in formulating and implementing foreign policy, you have to be conscious of the degree to which the public supports your policy and the degree to which it is supported in the Congress."

Asked about an ambition to be president himself, which is often attributed to him even by close associates, Baker replied: "I categorically deny that. . . . It's not true. I would be 66 years old when George Bush finishes his second term." Prompted by an aide, Baker said at that point he would drive his private automobile to Wyoming, where he purchased a ranch about a year ago.

Whatever his private thoughts about the presidency (which Bush assumed at age 64, and Reagan at 69), there is little doubt that Baker is the most politically attuned secretary of state in many years. "He is very political, in the sense that he is most interested in questions with political mileage for the administration or political trouble," said an official who has participated in the top-level discussions. To get Baker's attention to unfamiliar diplomatic issues, said a State Department official who has worked with him, "you have to demonstrate how it affects Baker, which is often through impending disaster or congressional pressures." Once Baker becomes personally involved, said the official, "he is very effective."

Baker was criticized in mid-September for a barbed response to criticism from Senate Majority Leader George J. Mitchell (D-Maine), who accused the administration of timidity in Eastern Europe and a preference for the verities of the Cold War. Asked about this, Baker told reporters that if he were a leader of the opposition party when the president enjoyed 70 percent approval ratings, he might make such criticisms, too.

Although generally if superficially familiar with foreign policy problems from his time as White House chief of staff and Treasury secretary, Baker came to State with big gaps in his knowledge of the players, the

procedures and the issues of diplomacy. Some of his early encounters appeared ragged, such as the U.S. handling of the quarrel with West Germany over short-range nuclear missiles in Europe. But Baker appears to be a quick learner. In close to 300 meetings with foreign leaders, diplomats or other non-Americans and more than 118,000 miles of travel since taking office in January, Baker has become much more knowledgeable and self-assured.

Baker's interaction with the Soviet Union has made a deep impression, starting with his trip to Moscow in early May when he was upstaged by Gorbachev. At their meeting in the Kremlin, Gorbachev handed Baker an unexpected plan for significant unilateral Soviet military cutbacks in Europe, which dominated the news for days to come. After that experience, Baker became determined not to be outmaneuvered again. When he learned four months later in Jackson Hole, Wyo., that Shevardnadze would announce a major move in the START negotiations—the de-linking of offensive arms from space issues—in a Saturday news conference, Baker sent senior aides to the Jackson Hole press center to spill the beans about the Soviet move late Friday night. And when he realized that the same Shevardnadze news conference, by protocol shortly preceding his own, would bring the first official news of next year's Bush-Gorbachev summit, Baker telephoned Bush, who quickly made the news public to a pool of reporters on the golf course at Kennebunkport, Maine.

On the substantive side Baker, like his predecessor, George P. Shultz, has been deeply affected by his discussions with Shevardnadze. Aides described Baker's shift on the Soviet Union as an evolutionary process based on domestic and international imperatives, with his growing fascination with and confidence in Shevardnadze playing a key role in convincing Baker that great opportunities exist and should be seized. In private even more than in public, those close to Baker say, Shevardnadze can be astonishingly frank about Soviet policy and prospects and extremely forthcoming in expressing willingness to work things out with the United States.

Baker, who arrives at his State Department office about 7:30 a.m. on weekdays and rarely leaves before 8 p.m., normally does not come to Foggy Bottom on weekends but usually spends much time reading reports he is unable to see during the week. Like Bush, Baker is an inveterate user of the telephone and in recent weeks has been carrying on extensive explorations on the Middle East peace process, known by some at Foggy Bottom as Baker's "AT&T diplomacy."

Baker used the telephone to do much business overseas as secretary of the treasury in Reagan's second term, finding it a way to go directly to the key officials in another country on a personal and usually discreet

BAKER...CONTINUED

basis, over the heads of the bureaucracy in both countries. By relying heavily on the 41-line telephone receiver in his private office for Middle East diplomacy rather than personal travel or cables of instructions to ambassadors, Baker has avoided raising high expectations and kept his differences with Israel relatively quiet. He has also kept in the dark all but a few of his inner-circle aides and all but one of two of the 75 headquarters officers of State's Bureau of Near Eastern and South Asian Affairs.

Baker makes no claim to profound original thoughts on foreign affairs. Longtime associates note that at the State Department as in previous government jobs, Baker has surrounded himself with people who can produce the substantive ideas he needs.

At the White House and Treasury, Baker's idea man was Darman, who has since graduated to his own high-profile post as Bush's budget director. At State, Baker relies heavily on a tight circle of aides for ideas and implementation. In order of age, these are Under Secretary for Political Affairs Robert M. Kimmitt, 41; policy planning director Dennis Ross, 40; congressional affairs chief Janet G. Mullins, 40; spokesman and personal assistant Margaret Tutwiler, 38; and Counselor Robert B. Zoellick, 36. All except Mullins have worked for Baker before at the White House or Treasury and all are trusted with Baker's confidential doings, which are many.

Deputy Secretary Lawrence S. Eagleburger, who like Baker is 59 but who has the extensive diplomatic experience that Baker lacks, serves as a senior counselor and sometimes alter ego in White House policy discussions. The administration has also sent Eagleburger on sensitive missions, as when he and deputy national security adviser Robert M. Gates secretly in-

formed leaders of NATO of Bush's conventional arms proposal a day or two before the president unveiled it at the NATO summit last spring. Eagleburger has generally kept a low public profile.

Perhaps Baker's most unusual quality as secretary of state, unmatched in modern times except by Henry A. Kissinger, is his skill in dealing with the news media. When disasters occur, such as the failed coup in Panama, Baker is hard to find and his fingerprints on policy nowhere to be seen. At moments of positive public interest, though, Baker works the news media assiduously.

When East Germany suddenly dropped its barriers to emigration at midday last Thursday, Baker deferred to a less-than-comfortable Bush, who met the press in the Oval Office for the first significant U.S. reaction, which appeared cool. Later that day, Baker began blanketing the media with a more positive view. Within 24 hours, the secretary was interviewed on ABC's "Prime Time Live," "Nightline" and "Good Morning America," CBS's "Dan Rather Special Report" and "This Morning," Public Broadcasting's "MacNeil/Lehrer News Hour," Cable News Network's morning news and by The Washington Post and New York Times. On Sunday he appeared on ABC's "This Week With David Brinkley."

Always Baker's message was the same—that the neutralization of the Berlin Wall is an event of enormous importance but that no immediate response is required from the United States. Baker declined to discuss future U.S. policy shifts in light of the historic change in Europe or even to hint what they might be. But he was out front with the public acknowledgement of what he called "the most significant event in the East-West relationship in 40 years."

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TODAY IN CONGRESS

SENATE

Meeting time unavailable.

Committees:

Banking, Housing and Urban Affairs—9:30 a.m. Open. The Defense Production Act amendments of 1989. 538 Dirksen Office Building.

Commerce, Science and Transportation—8:30 a.m. Open. Communications subc. Cable Telecommunications Act. 253 Russell Office Building.

Finance—10 a.m. Open. To consider approval of authority for the chairman to issue subpoenas to witnesses to appear and produce documents at a hearing before the social security and family policy subc. relating to mass mailing concerning Social Security. 215 DOB.

Foreign Relations—10 a.m. Open. Proposed sale of M-1A2 tanks to Saudi Arabia. 419 DOB.

11 a.m. Open. Pending business. 419 DOB.

Foreign Relations—2 p.m. Open. Western hemisphere and peace corps affairs subc. 419 DOB.

Governmental Affairs—9:30 a.m. Open. Federal services, Post office and civil service subc. The Consultant Registration and Reform Act of 1989. 342 DOB.

HOUSE

Meeting time unavailable.

Committees:

Agriculture—9:30 a.m. Open. Mark-up Rural Economic Development Act. 1300 Longworth House Office Building.

Energy and Commerce—9:30 a.m. Open. Transport, tourism & hazard. mat'l's. subc. Hrg. on the need to ensure that DOE contractors are accountable for compliance with environmental laws. 2322 RHOB.

Energy and Commerce—10 a.m. Open. Oversight & invest. subc. Cont. hrg. on the FDA generic-drug approval process. 2123 RHOB.

Foreign Affairs—9:45 a.m. Open. Intl. econ. pol. & trade subc. foreign availability under the Export Administration Act. 2255 RHOB.

Foreign Affairs—1:45 p.m. Open. Intl. econ. pol. & trade subc. Mark-up expressing sense of Congress with regard to supporting increased donations of commodities for international hunger alleviation purposes. 2200 RHOB.

Foreign Affairs—2 Open. Asian & pac. aff. subc. jointly with Int. econ. policy & trade subc. Hrg. on issues affecting U.S.-Vietnam relations. 2200 RHOB.

Public Works and Transportation—10 a.m. Open. Mark-up Safe Transportation of Food Act. 2167 RHOB.

Science, Space and Technology—9:30 a.m. Open. Invest. & oversight subc. jointly with sci., res. & tech. subc. Hrg. on the earthquake threat in central U.S. 2318 RHOB.

Science, Space and Technology—9:30 a.m. Open. Energy res. & develop. subc. Mark-up to establish three centers for metal casting competitiveness research. 2325 RHOB.

Baker Imposes a Hard Line as His View of Soviets Softens

SUMMARY: James Baker is trying to silence key officials who do not share his view that Mikhail Gorbachev's perestroika will succeed. The secretary of state has repudiated others' views, even Dan Quayle's. No one can say for sure to what extent Baker will go to bolster the Soviet economy. He attributes the contrariness to "nuances of differences."

Secretary of State James A. Baker III recently killed a speech by the top Soviet affairs expert in the White House. The story of the spiked speech soon appeared in *The New York Times*, and the leak had all the earmarks of a Baker job.

In the suppressed speech, Robert M. Gates detailed the severe economic problems and renascent nationalist movements plaguing Mikhail Gorbachev, implicitly raising doubts about whether the Soviet leader can survive with his economic and political reforms intact. Baker and his inner circle felt the speech was too pessimistic.

Having recently propounded his own decidedly upbeat line on Gorbachev, the secretary of state is, according to critics inside the administration and out, attempting to tune out interference from other voices within the administration that are

Quayle, Defense Secretary Dick Cheney, deputy national security adviser Gates and Baker's deputy, Lawrence S. Eagleburger. "He clearly takes the most well-known speech or sentiment of these other guys and distances himself," says an official sympathetic to the "other guys." Baker ignored changes to the first of his two speeches offered by the National Security Council. The second speech went in to the president with the remark from national security adviser Brent Scowcroft: "Very euphoric."

Following discordant speeches by Baker and Quayle on consecutive days in October, Margaret Tutwiler, Baker's spokesman and member of his highly restricted inner circle, noted that Baker spoke for the president, setting off speculation that Quayle did not. That did not sit well with some. "It is not her business to say who speaks for

the vicar of foreign policy. . . . The other agenda, the substantive agenda, is about what to say about Gorbachev. He is very concerned to inoculate himself and, presumably, the president against this notion that we didn't do enough to help Gorbachev. . . . The alternate view is the Gates view, that we've got to be careful to lower expectations about Gorbachev and make clear that we haven't been naive all along," should he either fail or turn nasty.

Critics say Baker's new policy line is driven in part by a narrow preoccupation with domestic politics. An oversensitivity to criticism and its ramifications for presidential approval ratings, they say, is the key to his approach. They cite Senate Majority Leader George J. Mitchell's crack that a September speech by Eagleburger seemed "almost nostalgic" for the Cold War as an example of the impetus behind Baker's stepped-up war on administration hawks.

"Baker's view," says Frank Gaffney Jr., the head of the Center for Security Policy, "is that of the State Department and most of the political hands that operate on the same wavelength he does: What's good politics? At the moment good politics is believed to be trying to get to the left of the Democrats who are saying, 'You're not doing enough.'"

A second administration official thinks the Baker line is not only risky policy but, ultimately, self-defeating politics as well: "What he is saying is that we're behind the process of reform. But by doing that he creates a means by which the Democrats can flail at him, simply by arguing that if what [Baker] is saying is true, that internal change leads to moderation in foreign policy, then our national security is best guaranteed by subsidizing Soviet reform instead of spending money on defense. . . . It will either force the administration to subsidize *perestroika* or, alternatively, leave us to be whipped by the Democrats for not doing what Baker says is necessary."

Baker has downplayed the reported disagreements as "nuances of differences" about whether Gorbachev is going to make it. Shrugging off the analytic difference about the Soviet leader's durability, Baker said, "I don't think there is any policy difference in the administration on the question of the desirability" of Gorbachev's succeeding. He's right. All are agreed on the desirability of Gorbachev's succeeding. But they differ on the desirability of formu-



Baker (left) and Soviet Foreign Minister Eduard Shevardnadze meet in Wyoming.

more skeptical about Gorbachev's chances and worried by Baker's efforts to forge ahead with a policy that presupposes the success of the Gorbachev reforms.

Officials cite two recent speeches on U.S.-Soviet relations in which Baker seemed to go out of his way to repudiate the views of other key administration officials, including Vice President Dan

the president and who doesn't. It looked altogether like overreaching," said the official. Tutwiler has acquired the sobriquet Queen Tut among those who think her influence on Baker reinforces his bent toward PR-based thinking about foreign policy.

Baker has a twofold purpose in imposing his line on the others, says the official. "The message he wants to send is that he's

lating U.S. policy, especially arms control proposals, on the assumption that he will.

Comparisons between the twin Baker speeches on the one hand and the Eagleburger and Quayle speeches on the other are revealing. At Georgetown University Sept. 13, Eagleburger put *perestroika* in the context of Soviet history. While granting that Gorbachev recognizes the need for radical reform lest the Soviet Union slip into permanent decline, he cautioned that the reform effort could be tactical and temporary. "This is not the first time that the Kremlin has engineered an ideological retreat in order to stimulate economic recovery," he said, citing Lenin's market-oriented New Economic Policy of the Twenties and Stalin's subordination of ideology to Russian nationalism during World War II.

In his Oct. 16 New York speech Baker said *perestroika* is "different than earlier failed attempts at reforming the state Lenin founded and Stalin built. Gross inputs such as the redistribution of rural labor to industry or sources of cheap raw materials are no longer available to jump start the economy. Nor are Soviet problems susceptible to rescue from abroad through abundant Western credits — the failed policy of Brezhnev's 'era of stagnation.'"

In reminding his audience that "Gorbachev is no anticommunist" and that "he intends to make the Soviet Union as strong as he can," Eagleburger raised the specter that *perestroika* could improve the Soviet economy, while leaving it just as inimical to Western values and interests as ever.

In contrast, Baker confidently dismissed fears that restructuring could produce a leaner, meaner Big Red Machine. He argued a necessary connection between successful economic reform and political democratization. "A *perestroika* that resulted simply in a more efficient and more capable Soviet state would indeed be a more formidable and dangerous competitor. But I do not believe that *perestroika* can succeed without increased measures of free markets, free speech and institutions more accountable to the people — in short, without more freedom!"

Eagleburger threw down a warning flag against the "danger" of a headlong rush to subsidize *perestroika*. "There will be a tendency," he said, "for the member states of the NATO alliance to compete in expanding their [trade] relations with the East. Already we are hearing it said that we need to take measures to ensure the success of Gorbachev's reforms. This, however, is not the task of American foreign policy."

Baker, nevertheless, came very close to

No meeting of these minds and Baker's (from top): Cheney, Gates, Quayle, Eagleburger, Scowcroft

assuming this task a month after Eagleburger's speech: "We are prepared to provide technical assistance in certain areas of Soviet economic reform. . . . The Soviet leadership is clearly interested in our ideas about their economic reforms, and we will continue our discussions on these issues."

Nobody knows how far Baker means to go in helping the Soviet economy. Is he content to offer a crash course in classical economics? Or will it take a Marshall Plan to satisfy him? According to Gaffney, the bland offer of technical aid is "an opening shot that doesn't sound as bad as providing a blank check for economic, financial and technical assistance, but it gets you a little bit pregnant." The Soviets "don't want advice. What these guys need is hard currency and technology. . . . They have put up with this foolishness about advice in the expectation of making it difficult for people over time to say, 'This is about all we can do.' They want to get us engaged to the

point where we can't say no to the other" more material aid.

Baker and Quayle are out of sync on Soviet support for Third World client regimes. Baker's view is that internal Soviet change necessarily means a more benign Soviet foreign policy. Quayle's view: Show me. In New York, Baker acknowledged the surge in Soviet arms shipments to Ethiopia and Afghanistan, the doubling of arms to the regime in Cambodia and the undiminished shipments of Soviet bloc weapons to Nicaragua. He called this "a very mixed picture." In Los Angeles, Quayle said of the same facts: "This effort contradicts 'new thinking'; it is the darker side of Soviet foreign policy. But it is just as real, just as significant as *perestroika* and *glasnost*, and it is a potential source of serious problems in Soviet-American relations."

Quayle, because he is an elected official, has proved himself able to stand his ground against Baker on policy issues and attempted personnel purges. Administration insiders worry that Scowcroft, on the other hand, lacking any independent power base, has been too deferential and thus has compromised the National Security Council's ability to act as a brake against Baker's hegemonic tendencies. Baker has a long reach, and Gates was not the first NSC staff member touched by it. Not long ago, Baker, tired of clashes over Nicaragua with Scowcroft's top Latin expert, Everett Briggs, booted Briggs across the Atlantic to the U.S. Embassy in Lisbon, Portugal.

Says Gaffney: "The interagency process works only when you have got somebody who works for the president who establishes the ground rules and makes all the other agencies adhere to them and ensures that there is an equal opportunity for the various component parts of the government to be heard. . . . I believe what the Bush administration has done is to weaken the NSC to such a point, both in terms of sheer size and in terms of its bureaucratic role, as to make it essentially impossible for it to perform that interagency function."

The first administration official thinks George Bush likes the polyphony and will keep the ambitions of his secretary of state in check. "Remember," he says equably, "that the day after his election, he selected John Sununu as his chief of staff. . . . George Bush does not want Jim Baker to be deputy president or prime minister, and even in foreign policy, while recognizing that the secretary of state is first among equals, he welcomes other voices and other influences within his councils."

— Daniel Wattenberg



The Washington Post _____
 The New York Times _____
 The Washington Times E-2
 The Wall Street Journal _____
 The Christian Science Monitor _____
 New York Daily News _____
 USA Today _____
 The Chicago Tribune _____

Date 21 Nov 89

State raises roof for rooms

On one side of the room CIA Director **William Webster** was telling Soviet Ambassador **Yuri Dubinin** about the watch given him by **Ivan Sellin**, undersecretary of state for management. It spells perestroika in place of numbers on the dial.

He wasn't wearing it at Friday's black-tie fund-raiser celebrating the State Department's 200th anniversary because, he said, "I need a watch I can see without my glasses."

Crisis time, he conceded, is "all the time."

Just a few feet away, but keeping his distance, was Czechoslovakia's Ambassador **Miroslav Housdecky**,

smiling politely. A well-wisher told the ambassador how he welcomed "hearing so many good things from your part of the world." Mr. Housdecky ducked questions about perestroika in his country. "I haven't heard from Prague today," he said.

White House Chief of Staff **John Sununu** and National Security Affairs adviser **Brent Scowcroft** were both on the phone even before dinner started. "It [the phoning] stops about 11 p.m.," said Mr. Sununu.

Secretary of State **James A. Baker III** hosted the dinner, which netted \$261,000 to refurbish the seventh- and eighth-floor Diplomatic Reception Rooms under the

guidance of curator **Clement Conger**. (The department's Americana collection is valued at more than \$35 million. Guests paid \$1,500 each to attend.)

"These rooms are not an adult theme park," noted Mr. Baker, getting in a few diplomatic words before the feasting began — a four-course, 18th-century dinner of foods favored by Thomas Jefferson, the nation's first secretary of state.

"Democracy is inspiring nations around the world," said Mr. Baker of the rooms. "You have turned these from a collection of objects into instruments of freedom."

— Ann Geracimos

The Washington Post A-10
The New York Times _____
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 22 NOV 89

\$14.6 Billion Foreign Aid Bill Signed

Veto Threat Faded as Obey, Baker Discussed 'Iran-Contra' Provision

By Dan Morgan and Ann Devroy
Washington Post Staff Writers

President Bush yesterday signed the \$14.6 billion 1990 foreign aid spending bill into law after the chief House architect of the measure agreed to discussions with the administration next year over a provision intended to prevent repetition of abuses disclosed in the Iran-contra affair.

The agreement came after intense, behind-the-scenes talks late Monday and yesterday between Secretary of State James A. Baker III and Rep. David R. Obey (D-Wis.) over a provision that would prohibit U.S. aid funds from being given in return for another country's undertaking activities forbidden by U.S. law.

During the last few days, Baker, White House Chief of Staff John H. Sununu, national security adviser Brent Scowcroft and White House counsel C. Boyden Gray were involved in negotiations aimed at eliminating or clarifying the provision, sources said.

Bush last night vetoed the State Department authorization bill because of its tougher language on the same issue, imposing criminal penalties on officials who solicit foreign support for policies prohibited by U.S. law.

The House then passed a version

of the bill that does not include the language and sent the measure to the Senate.

Obey, who chairs the House Appropriations subcommittee on foreign operations, had inserted the language preventing "quid pro quos" after disclosures this spring that the Reagan administration used aid to Honduras in 1985 to persuade that country to help the Nicaraguan contras at a time when Congress had barred the U.S. government from aiding them.

When revelations about the U.S.-Honduran arrangement came to light during the trial of retired Marine lieutenant colonel Oliver L. North, Obey held hearings and concluded that the Reagan administration had lied to the subcommittee about third-country support to the contras.

Some of the Obey language, without the penalties, was included in the revised foreign aid bill that Bush signed. It won easy approval in Congress Monday, one day after the president vetoed the original measure. The provision has the support of key Republicans, such as Rep. Mickey Edwards (Okla.), ranking Republican on Obey's subcommittee.

The bill contains the bulk of the Polish and Hungarian aid package—\$533 million—as well as \$85 million in unrestricted military aid for

El Salvador and other foreign military assistance funds.

In approving the foreign aid measure Monday, Congress deleted another item that Bush had termed unacceptable. This was a \$15 million contribution to a U.N. population agency that the administration said supports forced abortions and sterilization in China.

A Justice Department opinion circulated on Capitol Hill earlier maintained that Obey's provision unduly interfered with the president's freedom to conduct foreign policy. That view reportedly was strongly voiced during the negotiations by Gray.

According to several sources, Gray stuck to an uncompromising stance on the issue even when it appeared that Congress would not drop the provision.

On Monday, however, Obey argued on the House floor that "we have a constitutional obligation to see to it that no funds are expended" except for legal purposes. At issue, he said, is "the ability to operate with the integrity expected of this body."

Obey said Baker had called him yesterday morning, following lengthy conversations Monday, and asked whether the Wisconsin Democrat would be willing to meet with Sununu and others when Congress reconvenes to discuss administra-

tion concerns. Obey said he would.

"Under those circumstances, I think it will be signed," Obey quoted Baker as saying.

Congressional sources say administration officials had raised concerns that the Obey language was unclear. Yesterday morning Obey issued a clarification on the House floor, saying his provision would apply only to illegal action undertaken as a result of an oral or written agreement with the U.S. government. An administration official said the operative language was "a cross" between Obey's and what the State Department had suggested Friday.

"This wouldn't have come up if my committee hadn't been lied to by previous administrations and if we hadn't gotten a misleading response when we asked about it earlier this year," Obey said.

Administration alerts Army unit, refuses to rule out intervention

By Martin McReynolds
and Owen Ullmann
Inquirer Washington Bureau

WASHINGTON — The Bush administration placed the Army's Delta Force of specialized counterterrorist troops on alert yesterday after four American military advisers were believed trapped in a hotel held by leftist guerrillas in El Salvador, a senior official said.

"We don't know if the [Salvadoran] government can handle the situation," said the administration official, who has closely followed developments in the region. He did not want his name used.

The official spoke before U.S. news media carried a series of conflicting reports about the number and fate of American military personnel trapped in the Sheraton Hotel.

The official said U.S. intelligence indicated that six Americans — including four U.S. military advisers — were being held in the Sheraton Hotel in San Salvador. Guerrillas of the Farabundo Marti National Liberation Front (FMLN) controlled the fifth and sixth floors of the hotel, while Salvadoran government troops were stationed on the roof, he said.

At the White House, presidential spokesman Marlin Fitzwater said the administration had not ruled out the use of U.S. military force to resolve the situation, but he refused to speculate on what action the U.S. or Salvadoran governments might take.

"The President feels very strongly about protecting the lives of American citizens," Fitzwater said. "We can't talk about plans that may be in the works, but simply to say that ... we are watching it closely ... we are making plans as necessary, and we feel we have a very specific responsibility in this area."

One Pentagon official said the Defense Department was preparing to dispatch "intelligence assets" to El Salvador but refused to supply any details. He said the American hope was that Salvadoran forces could free the hostages with American guidance, but without direct U.S. intervention.

Several defense officials, speaking anonymously, said they were haunted by the fate of Marine Lt. Col. William R. Higgins, reported hanged earlier this year in Lebanon by Islamic fundamentalists after being taken hostage.

"That's not going to happen again," one defense official pledged.

The Delta Force, according to published reports that the Pentagon will not confirm or deny, is a battalion-sized unit of up to 900 men that has been based at Fort Bragg, N.C., since it was formed in 1981. Its troops receive special training to rescue hostages and carry out other counterterrorist actions.

Fitzwater said President Bush was briefed several times during the day by national security adviser Brent Scowcroft and his deputy, Robert Gates. He said Gates had convened the deputies committee of the National Security Council, which was monitoring the situation.

The committee, made up of deputies of the security chiefs in the NSC, was formed after the failed Panamanian coup earlier this year to channel intelligence reports and advice to the President during emergencies.

At the State Department, spokeswoman Margaret Tutwiler said the department established a task force yesterday morning to keep a telephone line open to the U.S. Embassy in San Salvador.

She said Bernard Aronson, assistant secretary of state for inter-American affairs, was in constant contact with American Ambassador William Walker, who was talking frequently to Salvadoran President Alfredo Cristiani.

Tutwiler denounced the Salvadoran guerrillas, saying, "The FMLN has shown its face to the world today. They are terrorists, pure and simple."

Mark Thompson of the *Inquirer* Washington bureau also contributed to this report.

Shrinking Military

is likelihood of a Soviet armed trust out of East Germany to the west? Would the Polish or Hungarian divisions, for example — perhaps even the Bulgarian divisions — be really stalwart on the march? They are cited as a threat a few days back by the Joint Chiefs.

To this are added earlier questions: Do the Soviets more than we yearn for the reciprocal destruction of a nuclear exchange? More distantly, in light of their own domestic economic trouble, could the Soviets really wish any realistic way to take responsibility for running the highly sophisticated economy of Japan? If not, how necessary is the military umbrella we maintain at no slight cost over our stressingly effective competitor and rapidly emerging landlord?

From some public experience, I have, needless to say, no hope that the Pentagon or, for that matter, the larger foreign policy and intelligence bureaucracy will surrender easily to such conclusions. Secretary of Defense Dick Cheney has, indeed, asked for a list of possible reductions; one cannot think that results will come easily.

Forty and more years of vested intellectual interest and bureaucratic commitment are involved and so, also, are a deep political resistance and a massive and widely distributed economic reward. The temptation, in consequence, will be to say, in the face of great change, that nothing has changed or to invent and depict the exquisite enemy.

This is not good. We pride ourselves on being a down-to-earth, plain-spoken, forthright people who rise well above cant and evasion. Implicit in the foregoing effort could be an em-

barrassing element of fraud made worse by being both tedious and transparent. No friend of the men and women in our armed forces can welcome their association with this. Let us rest the defense of our military establishment and its supporting weapons industry on honest grounds, on an amply established reality.

For generations now, numerous military bases around the country have been sustained not for their military need or purpose but because of their contribution to local employment, industry and community pride. The revolving door consultants at the Pentagon, we have long known, are motivated not by concern for the defense of the Republic but by personal economic interest and, in lesser measure, the economic interest of their clients.

In recent weeks, a New York Times article from Bethpage, L.I., told of an agreement in Congress to build 18 F-14 fighter jets, unwanted even by the Pentagon, to buy time "to reduce the Island's dependence on defense spending." The cost was estimated at about \$1 billion.

A few days later, the House of Representatives passed a \$305 billion military appropriations bill that included \$195 million for 36 helicopters and \$585 million for V-22 Osprey airplanes, which the Pentagon said it did not want. There was widespread comment on the reluctance of the Representatives to cut, as they were

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John Kenneth Galbraith is emeritus professor of economics at Harvard University.

reform process might cause problems, that they might even cause crisis, and that we in the West have an interest in the success of the reform movements," Mr. Genscher said. "Therefore we will not do anything in order to disturb these reform movements from our side.

"We will also not in any case try to draw a unilateral advantage from these problems which might arise," Mr. Genscher told reporters after the meeting. The latest Mr. Bush has

arms cuts at the Dec. 2-3 Malta summit. The president is scheduled to discuss the summit in a televised address tonight.

"What is necessary now is that we strive with a lot of energy and a lot of determination for progress in the disarmament field, particularly in the conventional arms area," Mr. Genscher said.

"If we see that now the Soviet superiority is decreasing more and more, we will see at the same time

Scowcroft being pushed to replace Webster at CIA

BY ROWLAND EVANS AND ROBERT NOVAK

WHITE House dismay over reports attributed to the CIA of reduced Soviet arms spending is building political sentiment for President Bush to replace CIA Director William Webster with National Security Adviser Brent Scowcroft.

White House aides and at least one key congressional Republican want Gen. Scowcroft to take Webster's place. Scowcroft would be succeeded by his deputy, Robert Gates. Scowcroft is a longtime Bush favorite, and Gates is the first NSC deputy ever given the title of "assistant to the president."

But Scowcroft tells friends he does not want to leave and has no interest in the CIA.

Webster is blamed for a New York Times report on Soviet arms cuts that was pinned to CIA analysts. In truth, those analysts were anything but certain about such reductions.

That is the view held by Bush, who has been careful not to go overboard with talk about Soviet arms cutbacks.

SEN. Lloyd Bentsen's quick acceptance of an offer from Democratic State Chairman Edmund G. (Jerry) Brown Jr. to address the Northern California fund-raiser Dec. 13 raises speculation that he will run for the 1992 presidential nomination.

Bentsen was the star attraction at the Iowa party's fund-raiser Oct. 28. His decision to make the long trip to San Francisco during the busy Christmas season suggested to California politicians how interested he is in running.

New York Gov. Mario Cuomo, another possible 1992 presidential candidate, addressed the \$500-a-plate Los Angeles dinner held by

the southern wing of California's Democratic Party in September.

BELEAGUERED Sen. John McCain (R-Ariz.), one of the five senators facing an ethics investigation in the Lincoln Savings and Loan scandal, stalked the House floor in search of political help as the session concluded. He got sympathy, but not much else.

McCain was trying to get fellow Republicans in the House to adopt his Senate-passed compromise plan on catastrophic health care rather than repeal the unpopular year-old program. Congressional passage of the McCain health care act would have mitigated the terrible publicity hounding him back in Arizona as one of the Lincoln Five.

His former House colleagues were solicitous about the fate of the Vietnam War hero and ex-P.O.W., who once was considered presidential timber and now is endangered for re-election to the Senate in 1992. Nonetheless, they ignored the McCain bill and killed catastrophic care; the Senate followed suit in the race for adjournment.

The Washington Post _____
The New York Times _____
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

N.Y. Post P17

Date 25 NOV 89

The CIA's Most Prosecuted

By L. GORDON CROVITZ

"To have gone to the limits they went to in order to go after me can only be ascribed to political motives," said Joseph Fernandez after a federal judge finally dismissed the criminal charges Lawrence Walsh brought against him. The former CIA station chief in Costa Rica and first clandestine agent ever to face a charge based on his official duties drew the larger lesson. "Beyond having been totally unjust," he says, his indictment put CIA agents on notice that "politically motivated criminal prosecutions" are now possible. "That is a chilling message to send to people who put their lives on the line for this country."

Mr. Fernandez discussed his three-year legal ordeal Friday morning after federal Judge Claude Hilton of Alexandria, Va., finally called off the Keystone Kops prosecution. Judge Hilton said in effect that reliance on classified material meant the case should never have been brought.

Mr. Fernandez worries about the unraveling of "the tradition of loyalty up, loyalty down" in a CIA whose agents often break the laws of foreign countries just by being there. He has reason to resent the CIA letting him be a fall guy, but understands that Congress and Mr. Walsh "were questioning the integrity of the CIA in general." He says, "Agents used to joke about needing to consult with a lawyer before making any decision. They don't joke anymore." He cites the botched anti-Noriega rebellion in Panama.

Finest Station Chief

In person, Mr. Fernandez seems much more the former homicide cop he is than a James Bond spook. The presence of six of his seven children in the courtroom was a reminder that behind the legal maneuvering was a human being. He spent more than 20 years in the CIA, becoming "the finest chief of station in Central America," according to former clandestine service chief Clair George. Before that, Mr. Fernandez spent eight years in the homicide and intelligence units of the Dade County, Fla., police department. He was so well regarded that when he left for the CIA, Dade County retired his police shield.

What happened to this relatively obscure figure says much about how the Iran-Contra affair has twisted our legal system for political ends. Mr. Walsh's associate, Laurence Shtasel, complained that "an important prosecution" was at stake—not because

of the heinousness of the criminal charges, but because "Joseph Fernandez is the highest-ranking CIA official ever indicted."

This emphasis on the status of the target instead of his supposed crimes typifies the topsy-turvy world of Iran-Contra prosecutorial abuses. (Incidentally, former CIA director Richard Helms was the highest-ranking official ever prosecuted.) Former Supreme Court Justice and Attorney General Robert Jackson once lectured federal attorneys that "the greatest danger of abuse of prosecuting power lies" where "the prosecutor picks some person whom he dislikes or desires to embarrass, or selects some group of unpopular persons, and then looks for an offense."

It's significant that Mr. Walsh did not charge Mr. Fernandez or anyone at the CIA with violating any of the Boland amendments, which limited what intelli-

gence agencies could do to help the Contras. While questions may remain about former CIA director William Casey's role, it appears that CIA agents closely adhered to the Boland restrictions. Mr. Fernandez notes that Boland allowed him simply to pass on information about Contra activities. Instead, Mr. Walsh indicted Mr. Fernandez on four overlapping counts based on his discussions with executive-branch investigators about his knowledge of CIA activities and an airstrip built in Costa Rica in 1985.

The charges of misleading CIA investigators and the Tower Commission seem contrived. One allegation was that Mr. Fernandez told Tower investigators that he "did not know for a fact that Oliver L. North had been involved in assisting the resupply of the Contras." The memo prepared by the investigators tells a very dif-

ferent story. It says that when asked if Mr. North ever informed him of his role, "Fernandez did state that over the span of many conversations with North, Fernandez came to the conclusion that North was connected with the suppliers of arms to the Contras."

The criminal charges were based on discussions Mr. Fernandez had when he wasn't under oath and where no transcripts, just sketchy notes, were kept. It's worth noting that in 1974, Judge Gerhard Gesell—who later presided over Mr. North's trial—reversed the jury's conviction of John Ehrlichman for misleading FBI investigators when, as in the case of Mr. Fernandez, the interrogation was not under oath and no transcript was made.

The Washington Post _____
The New York Times _____
The Washington Times _____
The Wall Street Journal A-14
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 28 Nov 89

What stopped the Fernandez trial, however, was Attorney General Dick Thornburgh's decision last week to block release of classified material under the Classified Information Procedures Act, the law protecting U.S. secrets. Judge Hilton reminded prosecutors that they'd known for "quite some time" that information damaging national security would have to be released for Mr. Fernandez to get a fair trial.

Mr. Walsh is an independent counsel, but he is still legally bound to follow the prosecutorial policies of the Department of Justice. The Attorney General's Guidelines for Prosecutions Involving Classified Information, for example, require asking "whether the need to protect against the disclosure of the classified information outweighs other federal interests."

Thomas Wilson, Mr. Fernandez's attorney, calls Mr. Walsh the "prosecutorial Madame Defarge," after the vindictive character in Charles Dickens's "A Tale of Two Cities." He told Judge Hilton that "for reasons known only to the independent counsel, and certainly obscure to the defense, independent counsel ignored these Guidelines." This led to several on-again, off-again trial dates because of disputes over the secrets issue.

Indeed, it took the classified information law to force some belated consider-

CONTINUED

ation of the phantom issue haunting the Iran-Contra prosecutions—the issue of proportionality. Were the dubious charges against Mr. Fernandez worth the certain harm to national security? At a White House meeting this summer, Defense Secretary Dick Cheney, National Security Advisor Brent Scowcroft and White House Chief of Staff John Sununu agreed they had to prevent disclosures.

According to Mr. Wilson, who had to get high security clearances to defend Mr. Fernandez, three high-ranking officials with 75 years' experience among them in intelligence matters filed a 41-page affidavit detailing "exceptionally grave damage" that would result from release of the some 100,000 classified documents relevant to the case. The classified affidavit includes not just CIA station and agent locations, but also confidential foreign sources, officials and projects that would be endangered. The leaks would likely embarrass officials in Costa Rica, which doesn't have a standing army, by showing how much they fear invasion by Nicaragua. Other allies would worry about the U.S. ability to act in confidence.

Mr. Walsh responded to these concerns with clear disdain. He said "we deplore" efforts to protect "fictional secrets." He accused the Justice Department of trying "to preserve an artificial deniability." He said there was "no legitimate reason" to stop the trial to protect "widely known" information. He did not offer any affidavits to support the view that disclosing intelligence operations throughout Central America would be harmless, but says he will appeal Judge Hilton's ruling.

The country was warned of the danger of letting private lawyers serving as temporary prosecutors outside the Justice Department decide matters raising important foreign-policy questions. Recall that during one of the challenges to the constitutionality of independent counsels, a judge on the federal appeals court in Washington incredulously asked Mr. Walsh's deputy "if the president and the independent counsel have a disagreement over foreign policy and its implications for a prosecution, then the independent counsel has the last word?" The response: "That's right."

\$1.8 Million Legal Bill

The legal battles forced Mr. Fernandez to run up bills of nearly \$1.8 million at Mr. Wilson's firm, Seyfarth, Shaw, Fairweather & Geraldson. Mr. Fernandez has managed to pay about \$150,000 collected from well wishers. Mr. Wilson and his team of young lawyers had to file more than 25 pre-trial motions, including motions correctly noting that Mr. Walsh first filed charges in the wrong jurisdiction.

Mr. Walsh has by now spent many tens of millions of taxpayer dollars. His targets are individual Davids facing an uncontrolled federal Goliath. One of the perversities of the Ethics in Government Act is that officials prosecuted by independent counsel get their legal fees paid only if they are never indicted. Once indicted, targets must pay for their own defense even if never tried or convicted.

Mr. Fernandez will now try to rebuild his life. He's decided to move on to the less perilous private sector. He recently formed Guardian Technologies, a firm that will make and market to police departments the newest generation of bulletproof vests based on Allied-Signal's Spectra fibers. He has already signed up some can-do help. He is happy to report that Ollie North is the firm's minority shareholder and chairman.

Mr. Crovitz is assistant editor of the Journal's editorial page.

Bush's Personal 'Spin Control': Expect No Surprise at Malta

W 11-29-89 A1

By Ann Devroy
Washington Post Staff Writer

President Bush, assuming the role of "spin control" commander-in-chief, summoned reporters to the Oval Office yesterday to "gun down" reports that arms control agreements may be reached between him and Soviet President Mikhail Gorbachev when they meet this weekend off Malta.

Complaining of "all kind of hyped speculation" that he might propose new reductions in troop strength in Europe during the summit, Bush said he has told Gorbachev "in my own handwriting, so he knows it's me and not the bureaucracy, that this is not a summit for arms control agreements."

"So the surprise will be, if you're

looking for a surprise, there won't be a surprise. That may come as a surprise," the president said.

White House officials said national security adviser Brent Scowcroft and Bush were alarmed to wake up yesterday to widespread reports—based on a Monday briefing by White House press secretary Marlin Fitzwater—that Bush had opened the door to substantive discussions at Malta of reductions in conventional and nuclear arms. Some of Bush's and Scowcroft's concern was caused by deep anxiety among allies that Bush not make proposals to which they were not party.

In the briefing, Fitzwater for the first time said that arms control and conventional force structure will be

topics of discussion at the Malta session. He and other officials said that Bush and Gorbachev could well discuss how the rapid changes in Europe could lead to substantial reductions in the troops and weaponry each country has based there.

Fitzwater, who professed surprise at the interpretation given these remarks, said yesterday that the president and Scowcroft "were both concerned about the expectations level, that too much focusing was being done" on the potential of new proposals to reduce troops in Europe beyond the cuts Bush proposed in May to the NATO allies.

At an early morning senior staff meeting, various aides debated what could be done to lower expectations for the meeting between leaders of the two superpowers as historic change was sweeping Europe. Bush decided to take on the job himself. "Euphoric expectation" for "some kind of deal" is out of line, he said. "There isn't going to be such a deal," he said. "It takes two to make a deal."

The presidential effort to hold down expectations for the Malta meeting came as White House officials stepped up their preparations to shape the stories coming out of the summit, a practice often referred to as "spin control."

Some administration officials were concerned that the Soviets would have more officials available to brief reporters than the Americans would. "Not so," Fitzwater said yesterday. "We are arranging to have as many officials to give you all as many briefings as they do. We're matching 'em."

Another official said the White House has booked 150 rooms to accommodate the growing U.S. contingent, including support staff, at the summit.

Ticking off a list of names of senior State Department and National Security Council officials who will be at Malta, although not on the ships where Bush and Gorbachev will meet, Fitzwater said roving teams of senior officials "will be willing to talk to you day and night."

He acknowledged that those aides will know nothing of the substance of the Bush-Gorbachev talks unless they are briefed by one of the four U.S. officials who will be aboard the USS Belknap and a Soviet navy vessel where the meetings will take place. Bush, Scowcroft, Secretary of State James A. Baker III and White House Chief of Staff John H. Sununu will be the U.S. officials aboard the ships.

Fitzwater said he had warned at a staff meeting earlier this week that Bush "will get the small, informal session he wanted" on the ships, "but on the mainland, this is going to be less than your low-key experience."

The two sides had long ago agreed to have five of what Fitzwater called "boat availabilities," in which reporters, photographers and television camera crews will be taken from the mainland to record the two leaders meeting.

In his Oval Office session with reporters yesterday, Bush insisted that his original description of the Malta meetings as informal sessions with no set agenda and no substantive arms control discussions, and at which no agreements will be reached, remains accurate. He acknowledged that the level of arms in Europe could be discussed, but insisted that if Gorbachev makes any specific proposal, he would take

it to the NATO allies before making any commitment.

The president, waving a wire service report on statements by Soviet spokesmen, said he and the Soviets are "on the same waveline." Peering at the story, Bush did complain, however, that the reporter's "lead [first paragraph] was a little off, by the way. . . . The lead was different than what the spokesman said."

When a reporter pointed out that the story quoted the Soviets as saying Gorbachev would not attend a summit just to get acquainted—as Bush had suggested was the purpose of the meetings—the president offered a different interpretation of the story.

"Let's see," Bush said, scanning the story, "'Gorbachev is not the

sort of man for a simple get-acquainted session. Ready for serious talk.'" Added Bush: "I'm ready for serious talk. But there's no agenda."

Asked if he is going to Malta empty-handed, Bush replied that he will ask Gorbachev to "stop feeding" Cuba's Fidel Castro aid and arms.

Bush said Costa Rican President Oscar Arias had phoned him yesterday to ask that he make the case directly to Gorbachev that Castro is shipping weapons and materiel to the Nicaraguan government, which is then supplying the rebels in El Salvador. "I will be urging Mr. Gorbachev to do what they should have done some time ago—cease support for those who are fueling revolution, exporting it in this hemisphere," he said.

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When a reporter pointed out that the story quoted the Soviets as saying Gorbachev would not attend a summit just to get acquainted—as Bush had suggested was the purpose of the meetings—the president offered a different interpretation of the story.

"Let's see," Bush said, scanning the story, "Gorbachev is not the

directly to Gorbachev that Castro is shipping weapons and materiel to the Nicaraguan government, which is then supplying the rebels in El Salvador. "I will be urging Mr. Gorbachev to do what they should have done some time ago—cease support for those who are fueling revolution, exporting it in this hemisphere," he said.



President meets in Oval Office with, from left, Sununu, Baker, Scowcroft and Vice President Quayle to discuss summit.

BY FRANK JOHNSTON—THE WASHINGTON POST

He acknowledged that those aides will know nothing of the substance of the Bush-Gorbachev talks unless they are briefed by one of the four U.S. officials who will be aboard the USS Belknap and a Soviet navy vessel where the meetings will take place. Bush, Scowcroft, Secretary of State James A. Baker III and White House Chief of Staff John H. Sununu will be the U.S. officials aboard the ships.

Fitzwater said he had warned at a staff meeting earlier this week that Bush "will get the small, informal session he wanted" on the ships, "but on the mainland, this is going to be less than your low-key experience."

The two sides had long ago agreed to have five of what Fitzwater called "boat availabilities," in which reporters, photographers and television camera crews will be taken from the mainland to record the two leaders meeting.

In his Oval Office session with reporters yesterday, Bush insisted that his original description of the Malta meetings as informal sessions with no set agenda and no substantive arms control discussions, and at which no agreements will be reached, remains accurate. He acknowledged that the level of arms in Europe could be discussed, but insisted that if Gorbachev makes any specific proposal, he would take

Bush likes people, not papers, for briefings

The Washington Post _____
The New York Times _____
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today A-4 _____
The Chicago Tribune _____

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By Johanna Neuman
USA TODAY

President Bush dined Wednesday with Canada's Prime Minister Brian Mulroney, capping a four-week cram course in Sovietology.

Bush studied hard, using advisers as tutors: Secretary of State James Baker, national security adviser Brent Scowcroft, Scowcroft's deputy Robert Gates, and Federal Reserve Chairman Alan Greenspan.

He also called on outside experts: Prime Minister Margaret Thatcher of Britain, President Francois Mitterrand of France, and Chancellor Helmut Kohl of West Germany.

Mulroney suggested that the Soviets be given observer status in world trade talks and that Bush offer to brief Soviet President Mikhail Gorbachev after the next meeting of seven Western industrialized nations.

Unlike predecessor Ronald Reagan, who prepared for summits by reading briefing books, Bush prefers telephone and dinner table conversation.

Reagan collected anecdotes and jokes from Soviet experts with which to charm Gorbachev. Bush kicked around

strategy for feeling out the Soviet leader and put together game plans to counter an expected Gorbachev surprise.

The White House says Bush will have lines in front of him but he'll shift gears if something better occurs to him.

Marlin Fitzwater, spokesman to both Bush and Reagan, dislikes public comparisons of the two presidents. But he offered this view:

"For one thing, this is a totally different kind of summit. There are no specific agenda items where we have a hard-and-fast position. Reagan prepared with a detailed script on all the issues to be negotiated. This was billed from the beginning as an informal meeting."

The big style difference, said Fitzwater, is that Bush "likes the verbal give-and-take. He's had 20 hours of discussion with outside scholars and experts on every conceivable aspect of Soviet life. He learns best that way. He tends to brief himself through personal discussions."

Bush told reporters he was looking for "some good, frank discussions, and I know we'll get them."