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July 1990

Bush offers allies 14-point plan in bid to lead reshaping of NATO

By Paul Bedard
THE WASHINGTON TIMES

KENNEBUNKPORT, Maine — President Bush, seeking to take the lead in transforming NATO from a military to political force, has proposed at least 14 policy changes to the Western allies to reduce the threat of nuclear war in Europe.

"I think our side is generally agreed on the big questions," Mr. Bush said yesterday. "We covered a lot of ground. ... I think we're in pretty good shape," he added later.

To prepare for this week's North Atlantic Treaty Organization summit in London, Mr. Bush met with Secretary of State James A. Baker III, Defense Secretary Richard Cheney and Joint Chiefs of Staff Chairman Colin Powell.

A senior administration official confirmed that the president, in a letter to NATO allies, has proposed removing nuclear-tipped artillery shells from Europe if Soviet troop withdrawals are completed, and modifying NATO defense doctrine to make use of atomic weapons as a last resort.

The official said the United States also has made new proposals for strengthening the 35-nation Conference on Security and Cooperation in Europe, which the Soviets and some Europeans see as eventually replacing NATO and the Warsaw Pact.

Senior administration officials said the letter contained at least 14 proposals, including cutting NATO and Warsaw Pact forces on the East-West border and letting Soviet diplomats in to NATO sessions.

Mr. Bush, who met yesterday with his top advisers and Vice President

Dan Quayle, said, "Some will call it dramatic policy changes and others won't."

The NATO meeting set for Thursday and Friday was called by Mr. Bush to revamp the organization in light of democratic reforms in the Soviet Union and Eastern Europe.

One purpose of the gathering reportedly will be to lessen Soviet fears of a military attack from the West and to help President Mikhail Gorbachev in his battle with conservative leaders who are fighting defense cuts and democratic reforms.

Mr. Bush repeatedly refused to answer questions about reports that the United States would push NATO to reverse its doctrine of "flexible response," which threatened a NATO nuclear strike if Warsaw Pact forces had gained the upper hand in any battle and allied forces could not repel the attack with conventional forces.

An administration official explained that the new plan to use nuclear weapons against the Soviet Union only as a last resort doesn't scrap "flexible response," but merely "refines" it.

Without providing details, Mr. Bush said: "I think we've got a good position here. ... I don't want to understate where we're going — or overstate it. But some will look at it as this major change in direction and others won't."

Mr. Baker said last week that while the administration was considering eliminating many nuclear weapons from Western Europe, the flexible response doctrine would not be thrown out.

"I don't think we ought to make Europe safe for conventional war,

that's why," he said.

NATO's nearly 1,400 nuclear-tipped artillery shells have become an obsolete weapon because of political developments. The shells were intended for use against forces in East Germany, which is expected to join NATO after the Germans are united.

National Security Adviser Brent Scowcroft assured reporters that "arms control will be one of the issues" that will get much attention at the NATO summit.

Another key topic will be German unification and how to deal with Soviet concerns about NATO membership for a united Germany.

At last year's NATO summit, Mr. Bush made a dramatic troop withdrawal proposal. Of his current proposals, Mr. Bush said: "I don't want to mislead you. But there will be some very interesting developments out of it."

Mr. Quayle and Treasury Secretary James Brady, who is here to lay the groundwork for next week's economic summit in Houston, spent the night at Walker's Point.

Mr. Baker travels to Brussels today to meet with some 24 foreign ministers — known as the G-24, which coordinates Western assistance to East bloc countries emerging as democracies — to shore up NATO support for the U.S. proposals.

Mr. Bush travels to London tomorrow for the opening of the NATO summit.

Today, the president will host a meeting of senior aides to go over the agenda for the Houston economic summit.

• Warren Strobel contributed to this report.

Scowcroft: U.S. to insist on NATO's first-use rights

By Ellen Warren
Inquirer Washington Bureau

KENNEBUNKPORT, Maine — The United States will insist on NATO's right to use nuclear weapons first in Europe in response to a Soviet attack with ground troops using conventional weapons, President Bush's national security adviser said yesterday.

For NATO to adopt a policy of "no first use" of nuclear weapons is "an unacceptable doctrine," Brent Scowcroft told reporters after Bush and top aides met for a second day at the President's oceanfront home. They were preparing for a NATO summit meeting scheduled to begin in London tomorrow.

But Bush and Scowcroft also acknowledged for the first time that a confidential letter circulated among the United States' 15 NATO partners proposes a policy of using nuclear weapons only as a "last resort."

Currently, NATO's nuclear-use policy is one of "flexible response," which leaves open the question of how early the allies might use nuclear weapons in a conflict. That policy is based on the large Soviet advantages in the numbers of fighting men, tanks and other conventional weapons in Europe.

The positioning by the U.S. officials seemed to be more linguistic than substantive and reflected their efforts to calm Soviet fears of a re-

unified Germany as part of NATO.

The "last resort" formulation would offer the Soviets an assurance that the allies are even less inclined than before to use nuclear weapons, a reflection of the new political map in Europe, where the Soviet threat is diminishing.

Additionally, that language would give some evidence to Moscow that NATO is moving away from its military mission. That would be an important assurance to a wary Moscow as the allies attempt to persuade the Soviets to accept a unified Germany in NATO.

Scowcroft said that as the Soviets withdraw from Eastern Europe, "they're losing their capability of launching a surprise attack." That reality is rapidly making "first use" of nuclear weapons by the allies a moot point, he said.

Some arms-control experts argue, however, that the supposed shift in strategy is merely a rhetorical one — a repackaging of the same doctrine.

"The newest modification is simply a kinder, gentler version of NATO's ... emphasis on retaining a first-use option," said David Shorr, associate director of the British American Security Information Council, a Washington think tank.

Paul Warnke, a former director of the Arms Control Agency, recalled the adoption of the "flexible response" doctrine in the late 1960s

and said no one then understood exactly what it meant.

"It was intended really to make the Soviet Union think that our use of nuclear weapons was going to be an apocalyptic type of use, that we'd very readily start using nuclear weapons when that first tank came into Western Europe," Warnke said.

"So I don't believe that this is anything more than a rhetorical change, an effort to look a little less threatening to the Soviet Union."

"The general approach we're proposing seems to be getting widespread acceptance," Bush said yesterday, declining to specify which of the U.S. proposals he was referring to.

On another topic certain to be discussed at the NATO summit and again at the Economic Summit in Houston July 9-11, Bush and Scowcroft said the United States has serious problems with American participation in a proposed \$20 billion emergency aid package to the Soviets from the West.

"Economic reform is essential" in the Soviet Union, Bush said, before aid is extended. "We have specific problems," he added, a reference to Moscow's continued heavy spending in aid for client states in Cuba, Angola and Afghanistan.

Susan Bennett of the Inquirer Washington Bureau contributed to this article.

Bush ready to provide aid if Soviets reduce military

By Paul Bedard
THE WASHINGTON TIMES

KENNEBUNKPORT, Maine — President Bush said yesterday that if the Soviet Union follows through on promises to cut defense spending substantially and reform its economy, the United States and other Western nations would provide a cash reward.

Mr. Bush, who arrives this morning in London for the two-day NATO summit, embraced Soviet Foreign Minister Eduard Shevardnadze's call for deep spending cuts as "a very good thing."

Speaking to reporters on the 18th green of the local golf course, Mr. Bush went further than before in backing French and West German calls for economic aid to the Soviet Union.

"I hope that given the changes in the world, they'll be able to curtail that defense spending some. And if they do, I think it would be much easier for the West to give them certain kinds of economic assistance. ... We'll see how it comes," he said.

Until now, the president and his senior advisers had avoided endorsing direct aid to the Soviet Union. Mr. Bush's latest statement brings him closer to his French and West German counterparts.

The question of aid to Moscow is expected to take center stage at both the NATO summit and next week's economic summit of Western industrialized nations in Houston.

"There's no question it will be a subject ... prominent subject for discussion at this meeting," National Security Adviser Brent Scowcroft said of the NATO gathering in London.

On Tuesday, Mr. Shevardnadze defended defense cuts that have come under attack from Soviet military hard-liners.

Answering critics at this week's party conference in Moscow, Mr. Shevardnadze said, "If we continue

as we did to spend one-quarter of the gross national income on military spending, we will ruin the country and not need any defense anymore."

Mr. Bush said he wasn't surprised by Mr. Shevardnadze's calculation that defense spending consumes such a large percentage of the Soviet economy. "I think it's in keeping with what we had anticipated," he said, but admitted that even when he headed the Central Intelligence Agency in the 1970s, it was difficult to determine how much the Soviets spent on defense.

In the past, Mr. Bush and Secretary of State James A. Baker III have said that economic aid to the Soviets would depend on Moscow's ending its support for governments antagonistic to the United States, such as Cuba.

"We have the political problems that are presented by Soviet assistance to regimes that in the past have not been friendly to the United States," Mr. Baker said recently.

French President Francois Mitterrand and West German Chancellor Helmut Kohl have pushed the European Economic Community to provide financial aid to the Soviets, in part to win Soviet support for a unified Germany in NATO.

But Britain and the United States have so far balked at immediate aid, laying out requirements the Kremlin must meet first. A key demand is reform of the Soviet economy based on Western models.

Mr. Scowcroft said the United States is fearful that the Soviets will squander aid as Poland did in the 1970s. Because of the lack of economic reforms, billions of dollars in aid produced "no discernible impact on the Polish economy," Mr. Scowcroft told reporters.

Mr. Bush, who is taking the lead in reshaping NATO while providing Moscow with concessions that may lead to lessening military tensions, said he hopes the Soviet Union will emulate the democratic changes taking place in Eastern Europe and shift spending from defense to do-

mestic programs.

"I hope they'll feel they don't need defense and that'll mean that they'll free up funds to do more at home," Mr. Bush said.

West Germany has led the call to deliver aid to the Soviet Union, although few details have been provided. Mr. Scowcroft told reporters Tuesday that the Soviets have changed their position and are now seeking Western aid.

Providing aid to the Soviets is just one of several Western proposals that are aimed at eliminating Soviet suspicions of the Western military alliance and clearing the way for Moscow's acceptance of a unified Germany with membership in NATO.

Also topping the list is a Bush proposal to eliminate nuclear-tipped artillery shells from Europe and a refining of NATO's so-called "flexible response" policy. Language suggested by Mr. Bush leans toward using nuclear weapons only as a last resort.

Mr. Bush's proposals are aimed at bolstering Soviet President Mikhail Gorbachev. Soviet military hard-liners feel he has been too quick to sign agreements to cut Warsaw Pact arms.

Foreign and arms control policy analysts said Mr. Gorbachev is looking for any measure of conciliation from the West that he could use to counter attacks on him.

"The Soviet Union just needs to be able to point to things that look good, and this may be enough," said Lee Feinstein of the Arms Control Association.

He said simply changing the public perception of flexible-response policy may be enough to let Mr. Gorbachev "approach the Soviet [government] to say, 'Look, we basically got NATO to state a no-first-use policy.'"

And "that might be enough to bring the Soviet leadership, the conservatives, to Gorbachev's side," he said.

In Bush's Image

In its manners and in its organization, the Bush White House is pervaded by an informality that reflects the President. That's a change from the previous Administration.

BY BURT SOLOMON

In the rarefied hush of the West Wing, the early-morning discussion proved unusually titillating. William Kristol, Vice President Dan Quayle's chief of staff, had seen it in *The Washington Times* before arriving at chief of staff John H. Sununu's office on June 12 for the informal gathering of senior aides that takes place there most weekdays around 7:15. The page three story was passed hand to hand. It was an account of how National Endowment for the Arts (NEA) chairman John E. Frohnmayer, under conservative assault for subsidizing smutty and blasphemous artists, had polled his advisory council on proposed awards to five solo-performance actors.

Sununu, budget chief Richard G. Darman and Sununu's two closest aides were interested in the public-policy implications but even more in some of the details:

about how a male artist was known for urinating on the audience or on pictures of Jesus and how a naked actress smeared bean sprouts and chocolate on herself as sperm and excrement and made the oddest use of canned yams. This inspired a rousing discussion about the limits of human dexterity. Afterward, Darman's expressive reading of the descriptions at the daily senior staff meeting in the Roosevelt Room—"We're not talking Sistine Chapel nude cherubs here," he noted—provoked joke after joke after joke from around the long table, leaving the White House's weightiest dozen-plus aides clutching their sides.

Yup, it's a fun bunch that's running George Bush's White House. Ordinarily, the wit is more sedate, but ordinarily, it's present. That's a change, after eight years of a White House staff run first by a mutually rancorous troika and then by an imperious autocrat and his "mice." The Bush White House's vaunted collegiality, though it's hardly perfect, "isn't bad," said a middle-level adviser who came from academia expecting the worst. In manners and organization alike, this

White House is pervaded by an informality that reflects the man who sleeps in the presidential bed.

The Administration has no paucity of formal policy-making procedures. The Domestic Policy Council, a subset of the Cabinet, now has 15 working groups that guide individual issues through the policy gantlet at speeds ranging from two weeks—for a position on how best to dispose of hazardous waste—to many months. The latter was for Bush's comprehensive proposal on clean air, which crept through a White House-led inter-agency strategy group before reaching the working group and finally the Cabinet council, where Darman and Environmental Protection Agency (EPA) adminis-

trator William K. Reilly engaged in a debate over substance that any civics book would be proud to recount.

The Economic

Policy Council and the National Security Council work similarly. Together, the three councils handle a high proportion of issues, especially the complicated ones that concern several agencies, including foreign trade, education, health care, illegal drugs and cable television regulation.

But not the most volatile issues—funds for the arts, say—or momentous ones. The most important issues are "rarely" entrusted to Cabinet councils, a senior Bush aide said. Bush's decision in May to start a budget summit with congressional leaders arose from a series of meetings among a coterie of senior advisers. How the Administration should cope with the "greenhouse effect" on the earth's temperature was considered at length by the Domestic Policy Council, but the real decisions were made "very haphazardly," a senior aide said, after Sununu, Darman and Reilly squared off. After a formal policy review had come to naught, Bush transformed his initial tentativeness toward Europe and Moscow of a year ago while he lounged with a few advisers in the living room of his vacation home in Kennebunkport, Maine.

For a report on a typical day for the Bush White House staff, see this issue, p. 1649.

Y BIRD

July 25, 1990

President Hosni Mubarak of Egypt, meanwhile, went to Iraq and Kuwait today to try to defuse tensions in the region. Mr. Mubarak said he would propose to President Hussein that the Foreign Ministers of Iraq and Kuwait meet in Cairo to discuss the dispute.

Over the past week, Mr. Hussein has made several public threats against Kuwait. Anxiety within the Bush Administration grew as Iraq began moving 30,000 troops, tanks and rockets to its Kuwaiti border over the weekend. Iraq's military capacity, built up during its eight-year war with Iran, dwarfs that of Kuwait, which has about 20,000 troops.

The American decision to send the refueling tanker planes, dispatched as part of a rare joint exercise with the Emirates, was made over the weekend in response to a request from the Emirates, according to Administration officials.

The Pentagon initially declined to acknowledge the sending of the tanker planes, which are to be used to refuel the Emirates' French-built Mirage fighters, in apparent deference to the sensitivities of the gulf nation, which does not want to be closely identified with American military efforts in the region. But in an apparent effort to put an end to rumors that a much larger air operation was under way, the Pentagon said that two KC-135 tankers and one C-141 cargo plane carrying support equipment were involved in the exercise. The planes are being sent from

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gation, which rely heavily on U.S. manpower and equipment, is truly a multinational operation.

Under a new strategy designed to adjust NATO's operations to changing post-Cold War condi-

WASHINGTON POST

July 25, 1990 Pg. 1

Mubarak Tries to Ease Crisis in Gulf *U.S. Activates Fleet As Iraq Threatens*

By Caryle Murphy

Washington Post Foreign Service

CAIRO, July 24—Egyptian President Hosni Mubarak, signaling increased Arab concern over the massing of Iraqi troops near Kuwait's border, today made a surprise visit to both states in an effort to bolster so-far-unsuccessful Arab mediation attempts.

There was no indication late tonight whether Mubarak had succeeded in defusing what has become the biggest crisis in the Persian Gulf since the Iran-Iraq War ended in 1988. A mediation trip to Baghdad last weekend by Saudi Foreign Minister Prince Saud apparently ended without progress toward resolving the dispute.

Mubarak's shuttle diplomacy comes as Iraq, which moved 30,000

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Bush Lets Space Agency Remain in Orbit, Scrubs External Review

By JOHN M. BRODER
TIMES STAFF WRITER

WASHINGTON—The National Aeronautics and Space Administration has quietly survived a crisis that insiders say could have devastated the agency, destroying morale and driving out its most talented managers and scientists.

The problem for NASA came when both congressional critics and the staff of the National Space Council, which is chaired by Vice President Dan Quayle, privately urged a sweeping investigation of alleged mismanagement at the space agency.

President Bush last week forcefully rejected the calls. Instead of ordering an outside investigation of NASA's current problems with the space shuttle, the Hubble telescope and the proposed orbiting space station, Bush took a far more modest step: He asked NASA Administrator Richard H. Truly to appoint a panel to review the agency's long-term goals.

BACKGROUND: Speculation that a major investigation was forthcoming had been fed by a recent story in the weekly trade newspaper Space News. According to the article, Bush planned a massive NASA reorganization and a fundamental review of the nation's space priorities. The article also said that the President blamed current NASA management—rather than faulty technology or overambitious goals—for the agency's troubles.

The story was broadcast by two television networks, which also reported that Truly was considering resigning over the apparent vote of no confidence by the White House.

NASA officials were quickly assured by the White House that the story was groundless. NASA executives became convinced

that the tale originated with the staff of the National Space Council, which has clashed with senior NASA managers over who should have primacy in setting Administration space policy.

The space council is an interagency group including Truly, several Cabinet members, Budget Director Richard G. Darman, White House Chief of Staff John H. Sununu and National Security Adviser Brent Scowcroft. It is chaired by Quayle and has a staff of about a dozen professionals ensconced in the Old Executive Office Building adjacent to the White House.

"That's the only group to benefit; they were the perpetrator of a lot of this," said a senior NASA official, who insisted on anonymity. "They're searching desperately for a role."

That role could have been dramatically enhanced had the White House created—under the aegis of the space council—a new high-level panel to investigate all aspects of current and future NASA operations.

"Bush realized that NASA couldn't stand another investigation" following the massive shake-up of the agency after the Challenger disaster, the senior NASA official said. "It would end the agency."

ROLE DENIED: A space council official, who asked not to be named, insisted that the trade newspaper story had not originated there and that the council staff was not aiming to "take over" NASA. Despite disagreements with agency managers over a number of space programs, the official said, the space council supports the overall management of NASA.

Quayle himself met with Truly last week and declared afterward that the Administration has "complete confidence" in the NASA administrator and dismissed rampant speculation that the White House would launch a major probe of the space agency.

"There is no White House investigation of NASA, nor will there be one. We've got a challenge to move this space program forward, which we will," the vice president said.

On Wednesday, Quayle announced that veteran aerospace executive Norman R. Augustine, former head of Martin Marietta Corp., had been selected to head an independent committee that will review the space agency and report to Truly.

PROBLEMS MOUNT: Meanwhile, NASA's problems continued to mount—a hydrogen leak delaying the planned flight of the Atlantis space shuttle was disclosed Wednesday—and NASA critics were openly skeptical of the agency's planned internal review.

"The real question now is, is the organization performing up to standards that could and should be expected? I feel it's not," said John Logsdon, director of the Space Policy Institute at George Washington University here. "They should be looking at the whole organization, its structure and way of doing business and whether they are appropriate for the missions proposed for the next decade and beyond."

Another sort of informality has become a hallmark of Bush's White House: Overlying the formal division of policy responsibilities is one shaped by aides' own interests. Kristol, a neoconservative interested in the NEA's travails, had been warning Sununu for weeks of the political dangers before Sununu instructed him on June 4 to pursue a solution, helped by personnel director Chase G. Untermeyer—concerned about appointee Frohnmayer's fate—and White House counsel C. Boyden Gray, an aficionado of the arts. Gray's interest in the environment, alcohol fuels and the disabled has involved him in matters beyond his office's customary purview. So has staff secretary James W. Cicconi's interest in civil rights. The Vice President exerts influence on subjects such as space and legislative strategy.

Because there's so much to be done, "anyone with an interest in anything can jump in," said Doug Wead, Bush's liaison to evangelical and conservative groups. A colleague discerned a "fungibility factor" at work among Bush's senior aides.

But nearly 18 months into the Administration, there are indications that power over policy and politics is gradually becoming centralized. A modest reworking of the White House's structure and staff on June 1 put politics directly under Sununu's thumb (see *NJ* 6/23/90, p. 1554)

and simplified the organization chart by aligning aides who keep track of state and local governments with White House liaisons to interest groups under communications director David F. Demarest Jr.

On policy, five staff members exercise the bulk of the power: a Big Three—Sununu, Darman and national security adviser Brent Scowcroft—plus economic and domestic policy adviser Roger B. Porter and Council of Economic Advisers chairman Michael J. Boskin. Other senior aides either have a defined portfolio or access to those with the power, serving as facilitators—"functionaries"—who make sure information comes in and things get done. (See box, p. 1646.)

And within the Administration, power over policy may be moving toward the White House from the agencies. Bush, unlike most other Presidents, put his intimates into his Cabinet, not his White House. Nonetheless, what has happened in most Administrations seems to be happening in this one.

COLLEGIALITY, OR ELSE

Like any cadre of smart, ambitious competitors, Bush's staff harbors jealousies and conflicts over turf. Not everyone is liked by his or her colleagues. Cicconi, whose duties entail rejecting paperwork

that falls short and choosing what Bush does and doesn't read, is accordingly unpopular. Gray, with his wide interests, is considered a dilettante. Advisers in the West Wing privately grouse about one another (science adviser D. Allan Bromley can't "organize himself out of a wet paper bag," one said), while aides housed next door in the Old Executive Office Building resent their exile.

But compared with the last White House or two, the difference in tone is immense. "You don't have to worry about picking up the newspaper and finding that the guy down the hall has zapped you," said a senior Bush aide who was also in the Reagan White House, which was famous for its competing power centers and internecine nastiness. Debra Rae Anderson, who came from South Dakota last year to serve as Bush's link to states and cities, was struck by "how friendly and open everyone is [and] how willing to help each other." Aides mostly like and respect one another and take pains to mask it if they don't.

Bush insists. He won't tolerate staff squabbling, and the penalty is severe: ostracism. Because he's not confrontational, Bush will keep count of violations but won't let on until it's too late, a veteran aide explained. He also supplies carrots galore. Bush sets the tone with bite-sized



Chief of staff John H. Sununu (left) and budget director Richard G. Darman with President Bush in the Oval Office. The relationship between Sununu and Darman, according to one who is close to both of them, is "working like a charm."

graces—his ceaseless flow of handwritten notes, scads of social invitations and a meal once a week in the White House mess. The result is what an aide described as “a theology” of collegiality that “tends to be self-reinforcing.”

Past ties help. Bush has known even most of his second-tier aides for a while, and he’s not shy about picking up a telephone and calling them. Most of his senior aides had worked with each other before, whether in Texas or in earlier Republican Administrations or in one of Bush’s presidential campaigns. (See *NJ*, 9/30/89, p. 2418.) Sununu deputy Andrew H. Card Jr. and deputy personnel director Ronald C. Kaufman are brothers-in-law. Porter taught courses with Darman at Harvard University’s John F. Kennedy School of Government and

in having Frohnmayer’s predecessor (and now OMB executive associate director) Frank Hodsoll in the office next door, invited Nicholas E. Calio, a good friend and Bush’s chief House lobbyist, to a June 5 meeting with Frohnmayer and others in Scully’s office. At the meeting, the officials agreed to a shorter NEA reauthorization than the Administration had proposed four months earlier.

Given the myriad of interconnections between Bush’s aides, it’s not surprising there’s a sameness about them. They’re mainly affable white men in their 30s and 40s who are experienced in Washington’s ways and hew to few ideological principles beyond pragmatism. They love to argue—Sununu, Boskin and Kristol as well as Porter and Darman were academics—but they rarely disagree on fundamentals.



Council of Economic Advisers chairman Michael J. Boskin
Boskin’s instinct is “to get assists rather than score points.”

worked with six other members of Bush’s Cabinet during the Ford Administration (occupying the office next to Elizabeth H. Dole, now Labor Secretary) and with several colleagues on Bush’s senior staff in President Reagan’s White House.

As a result, networking seems to count in this White House even more than in most. Work often gets done in West Wing hallways or at a table in the White House mess. For Kristol, coping with arts funds, it only helped that he was friendly with Darman and with Office of Management and Budget (OMB) associate director Thomas A. Scully, who oversees the NEA. Scully, who found a useful resource

They’re similar in manner, too. They work hard. Most are unflamboyant and exude the passion for anonymity long counseled for White House officials but rarely practiced. They have egos but are careful not to show it. “When you work with George Bush, your personal ego is submerged” because Bush’s is, former aide Thaddeus Garrett Jr. said. “If your ego is riding high, it shows on the radar screen.”

TOP DOG

An exception to much of the above is Sununu. With his forceful personality and

pronounced conservative views, the former New Hampshire governor is used to being a big man in a small state. He has “a massive ego,” a senior presidential aide said, and “loves” cover stories about himself such as one recently in *Time* magazine. A Republican strategist close to the White House considers him “more high-profile” than Reagan chief of staff Donald T. Regan was and more of a lightning rod for criticism than Regan’s predecessor, James A. Baker III, now the Secretary of State.

Because of Bush’s hands-on nature, Sununu lacks the latitude of action that Reagan’s chiefs of staff had, making him more of an aide-de-camp. But on the White House staff, he’s the unchallenged master. In addition to his growing political role, he shapes strategy on domestic policies ranging from civil rights to offshore oil. When rising news coverage piqued his interest in money for the arts, he raised the subject with aides again and again and then had Kristol report to him daily about progress in calming the crisis.

Sununu’s also hands-on, sometimes obsessively so. For a White House conference in April on the greenhouse effect, a subject he cares ardently about, Sununu insisted on approving “virtually every decision,” an official planning the conference said, including who was coming, the order of speeches and which papers would be distributed when. Sununu’s influence extends to foreign policy, in which he’s no expert but is “such a quick study [and] insightful” that he’s regularly consulted, a senior Bush adviser said.

Although no one else knows what Sununu tells the President when they’re alone at the start and end of each day, those close to him say he discreetly makes his opinions on policy known. “If he has a view, he’s not shy about expressing it,” a well-placed aide said. Someone close to the White House presumed that Sununu, like all chiefs of staff, weighs in on everything.

But he’s also been careful to keep his ego under control and run the White House Bush’s way. Unlike Regan, who would be formally announced when he preceded Reagan into an event, Sununu doesn’t pass himself off as a principal. He isn’t insecure, and so doesn’t mind when Bush consults with lesser aides or outside friends. He pokes fun at himself as well as at his underlings. Aides find him accessible and open, and skilled at handling their egos and anxieties. They’re generally relaxed, one said, rather than edgy about being chewed out. (For more on Sununu, see *NJ*, 9/16/89, p. 2248.)

Sununu works smoothly with Scowcroft, a rarity between recent chiefs of staff and national security advisers. In dickering with strong-minded politicians,

such as with Sen. Edward M. Kennedy, D-Mass., last year on legislation to protect the disabled, Sununu knows when to yield and when not to, a senior aide said.

Nor does Sununu often decide things without Bush's concurrence, this aide said. Despite the ardor of his views, another aide said, Sununu acts as an honest broker—fairly presenting opposing policy views to Bush—even more now than when they entered the White House. Agency policy makers say they get a fair shot at making their case, including appeals to Bush, and those who lose—such as on Bush's recent decision curtailing offshore oil leasing—don't feel shut out. The proof, aides say, is in the news stories that haven't been written, in the scarcity of press leaks and public backstabbing that proved a journalistic staple in past Administrations.

A FORMIDABLE DUO

In foreign policy, Bush's first love, Scowcroft operates much as Sununu does in domestic affairs, as an honest broker who's not timid about offering advice. His deputy, Robert M. Gates, drives the process. But on things that matter most—on U.S. policy toward the Soviet Union, Germany, the Middle East and Central America—Bush's longtime tennis partner Baker has been the President's chief adviser. (*For more on Scowcroft, see NJ, 5/26/90, p. 1277.*)

But Baker's role in everything else has fallen short of what some had expected when talk of him as deputy President was current after Bush was elected. He's had his hands full, a confidant said, in managing U.S. diplomacy in a world that has changed more in a year than in the past 40. He stays out of domestic policy, a Republican strategist close to the White House said, except sometimes as an adviser of last resort. He had no role, for instance, in the series of meetings that led Bush to call a budget summit that ruptured the pivotal pledge—no new taxes—in a campaign Baker ran. He doesn't weigh in much with Sununu.

That left the field to Darman, Baker's protégé, who characteristically wasn't shy about grabbing it. Darman has developed an extraordinary policy reach. His influence arises from his double role. As budget chief at a time of budget crisis, he has the right to a say in anything that entails spending money, which means almost everything. But that takes a back seat to the influence that derives from his relationship with Sununu.

These prodigiously brainy men may possess the only two genuinely interesting minds in the Administration. When Bush took office, some wondered whether Sununu and Darman, both strong-willed

and not known for respecting others' minds, would spectacularly collide. As it happened, they were too smart for that. They had considerably more to gain by becoming allies. Sununu, new to town, profited by Darman's labyrinthine understanding of how Washington works. Darman, distrusted by Bush, craved the access to power that Sununu could supply.

Their symbiosis is "working like a charm," someone close to both men said. Sununu expects Darman at all White House meetings on legislative or political strategy—even discussions about what Bush should say in commencement speeches. Besides coaxing the start of a budget summit with congressional leaders, Darman has shaped policy on domestic issues of his choosing—savings and loans, offshore oil, transportation, the environment, corporate takeovers, even arts funds, making sure that OMB's Scully got involved. His schmoozing daily with Sununu over morning coffee gives Darman a chance to weigh in on whatever subject he wants.

The two disagree often in private but rarely in front of others. "Right now, no one is able to penetrate the trust they've built up with each other," which "makes them formidable," an Administration official said, describing how they "use power to advantage" by first cutting a deal and then "playing each other's game" in the press and with policy opponents.

Sometimes, they'll gang up. With Porter, they crushed an effort last year by Commerce Secretary Robert A. Mosbacher, long close to Bush, to have the government support research into high-definition television. Sununu and Darman can be thwarted by artful use of press leaks or of Bush's congressional friends, the Administration official said—"but not if they're both vocal."

And their influence builds on itself, inspiring even senior policy makers to pull some punches. A number of agency heads, intimidated by Sununu, will have subordinates deal with him instead. (That doesn't include Reilly or Energy Secretary James D. Watkins, an engineer like Sununu.) If "you feel strongly" about something and know that Darman feels strongly the other way, an aide mused, "what's the point" of fighting?

QUIETER INFLUENCE

A White House where collegiality reigns has room for only so many strong personalities. That means a different sort of role for the other White House pair that powerfully counts in shaping domestic policy. Neither Porter nor Boskin is



National security adviser Brent Scowcroft
He's not timid about offering foreign policy advice.

confrontational or likely to convert a meeting to his view. If Porter challenges someone, "you may not realize it until 10 minutes after the meeting is over," while Boskin's instinct is "to get assists rather than score points," an aide who works with them said. (Boskin spends hours and

THE PEOPLE WHO KEEP THE WHITE HOUSE GOING

In the White House, power isn't manifested only in shaping policy. It also lies in shaping those who shape policy—furnishing them with the political, factual and legal data, making sure decisions get made and ensuring that something happens once they do. Here are some of the aides who keep the Bush White House functioning:

Andrew H. Card Jr. and Edward M. Rogers Jr., chief of staff John H. Sununu's closest aides, are pivotal because of their proximity to him. Rogers, Sununu's executive assistant, goes wherever Sununu goes—taking notes at his meetings, riding herd on his schedule—and serves as his go-between with reporters, outsiders and others who seek Sununu's attention. Since June 1, he has also handled partisan politics. Card's task, as deputy to Sununu, is to be wherever Sununu isn't and do whatever Sununu hasn't time for, often accompanying President Bush or attending meetings. He funnels recommendations and alarms from the agencies and White House staff to Sununu, and he is an implementer—an expeditor—who's considered a nice guy who "won't lie," according to a White House aide who wasn't so sure about others on the staff.

James W. Cicconi, staff secretary and deputy to Sununu, needn't worry whether he's in the loop. He *is* the loop. He has the job. Richard G. Darman, now budget chief, had in President Reagan's first term, shepherding the surge of paper in and out of the Oval Office. From his desk littered with bright-hued folders holding documents for presidential action or formal pieces of legisla-

tion, he is the ultimate "process person in a White House that doesn't pride itself on process," a Republican strategist close to the White House said. With Sununu, he decides what Bush sees, and also oversees scheduling and correspondence. This range gives him the chance, which he's been known to seize, to step into any issue.

Frederick D. McClure and his congressional lobbying staff aren't as influential as their predecessors were in Reagan's White House. They're important as information suppliers about what will fly on Capitol Hill and as lobbyists to a Congress the President's party doesn't control. **Nicholas E. Calio**, the chief House lobbyist, is considered a star. But as a group, they're seen more as functionaries who carry messages than as strategists or heavyweight advisers. Sununu, Darman and sometimes Vice President Dan Quayle attend to the big decisions on legislative strategy, a senior aide said.

David F. Demarest Jr. doesn't carry the heft of a Herb Klein or a Patrick J. Buchanan—potent communications directors of White Houses past. He supervises speechwriting, public liaison and—since June 1—intergovernmental affairs. But speechwriting isn't where policy is fashioned in Bush's White House—unlike in Reagan's—and the public liaison staff was scaled back. Demarest, however, has found a niche. He coordinates the planning for presidential events. He doesn't shape policy, but on issues such as clean air and civil rights—on which advisers were moving in divergent directions—"he forced

people to think about process and image and what it would look like from the outside," a White House aide said. "He says, 'Hold it, stop, what do you want to get out of this and why? What does it do for this Administration and to enhance the Bush presidency down the road?'"

Marlin Fitzwater and **Sig Rogich** deal with functions Bush appears to care about only so much. Rogich, a former advertising executive, is an idea man who conceives events and tailors an image for a President who likes to be seen as not having one. As press secretary, Fitzwater is the principal spokesman for a President who "doesn't do much... media spin," a well-connected lobbyist said. Fitzwater spends considerable time with Bush and adjudges the press's likely reaction to White House actions. It's not evident, however, that either man directly affects policy.

David Q. Bates Jr., who left last month as secretary to the Cabinet, was personally close to Bush and so was a natural to coordinate a Cabinet rift with Bush's friends. He served as a conduit between agencies and the White House and kept an eye out for political danger. (He was among the first in the White House to worry about federal arts subsidies to decidedly un-Republican artists.) But it wasn't in his personality, a White House aide said, to direct the Cabinet or rein it in. Whether his successor, **Edith E. (Ede) Holiday**, will follow suit isn't clear. "If you know Ede," said someone who does, "you know she'll be a player."



Sununu deputy Andrew H. Card Jr.
He is an implementer and an expeditor.



Staff secretary James W. Cicconi
He shepherds the paper in and out of the Oval Office.

Photos by Richard A. Bloom

hours on the telephone with all parties to policy disputes—contacting Darman, say, before a meeting so that when the meeting convenes, they agree.) Porter and Boskin favor the same sort of policies as Sununu and Darman—market-oriented, with a role for Washington if a case can be proved—but won't challenge them for headlines.

This temperament lends itself to a different style of influence. Boskin, who has Bush's ear, supplies the numbers and analysis on economic matters that form the basis of debate and offers policy suggestions that flow from them. He's an "itinerant" adviser, a colleague called him, with influence on such issues as steel quotas, U.S. economic competitiveness, global warming, economic policy toward Eastern Europe and the tone the White House should take toward the Federal Reserve Board. (See *N.J.* 3/24/90, p. 715.)

After Sununu and Darman have settled on the broad lines of policy and legislative strategy, Porter does the details. He becomes intensely involved in particular issues—civil rights, offshore oil, parental leave, foreign trade, education, energy, the minimum wage. His method is to cajole a consensus among policy advocates by exhausting them through unbridled inclusion—"meetings for the sake of meetings," a domestic policy expert close to the White House said.

Clean air was the outstanding example. Porter hosted scores of meetings with officials from the Energy Department, EPA, OMB and elsewhere in the White House, worrying over the costs and benefits, in crafting a legislative package that he then painstakingly bargained over with congressional leaders.

Clean air aside, however, most policy is fashioned in executive agencies—where the expertise resides—and coordinated by the White House. Before Veterans Affairs Secretary Edward J. Derwinski, for instance, issued a statement last spring on a rare cancer disproportionately common among Vietnam veterans, he phoned David Q. Bates Jr., then secretary to the Cabinet, who double-checked OMB's approval before arranging for Derwinski to call Bush. Only consequential issues or politically dangerous ones are captured by the White House. And not even all of those. The Treasury Department, not the White House, has mainly conducted policy on savings and loans in recent months, in the hope of shielding Bush from an issue involving hundreds of billions of dollars and one of his sons. Only when a crisis strikes does the White House draw it inside.

Compared with recent Administrations, Bush's staff is less domineering of his Cabinet, which plays more of a policy role than Reagan's did and encounters

less friction with the White House than President Carter's. Baker, Mosbacher and Treasury Secretary Nicholas F. Brady are longtime Bush friends, and Housing and Urban Development Secretary Jack F. Kemp is a political figure in his own right. Defense Secretary Dick Cheney and U.S. Trade Representative Carla A. Hills command influence in their spheres of endeavor. "Cabinet government has worked," a lobbyist for S&Ls said, because Bush talks to his Cabinet Secretaries and invites them to dinner.

So far, their access continues unabated. But their influence over policy may be drifting toward the White House. Mosbacher no longer has influence "on any issue I can think of," a senior White House official said, and Brady's is "limited by his own capacity to get up to speed on issues." There's been "no sea change," he said, but if power over policy has been shifting, it's been—as in every Administration—toward the White House. What Transportation Secretary Samuel K. Skinner suffered when his grand strategy for transportation was gutted financially by Darman may also hit Energy's Watkins, who will reportedly soon submit "options" to the White House rather than recommendations for an overarching energy strategy long in the works.

In keeping with the Administration's tone, White House and Cabinet officials try to broker their differences rather than take them to Bush. They don't always succeed. But when a Secretary faces off against the White House, there's no pattern to who wins. That's further evidence of something that became clear in November 1988, when Bush chose Sununu to run his White House staff rather than Craig L. Fuller, Bush's vice presidential chief of staff whom Baker and others reputedly preferred so they could dominate him.

Ironically, by hiring a strong chief of staff beholden only to him, Bush ensured that his White House would truly be his. Unlike Reagan, who acted as a chairman of the board and had his staff headman act as a chief executive officer, Bush does both jobs, making Sununu more like a chief operating officer. Everyone on the staff loses from time to time, including Sununu.

"The President runs foreign policy," a senior aide said, sometimes delving so deeply that State Department bureaucrats refer to him as, say, the China desk officer. In domestic policy, he occasionally plunges into the details, as with his education summit with governors last fall and on such issues as clean air, crime and the minimum wage.

Coming after Carter, who delegated



Economic and domestic policy adviser Roger B. Porter
After the broad policy lines are settled, he does the details.

too little, and Reagan, who delegated too much, Bush may have the balance about right. "And by golly, he should," Brookings Institution presidential expert Stephen Hess said—given the years and years he spent in government preparing for the job.

A Day in the Life

George Bush's White House staff works less-crazy hours than Jimmy Carter's or Ronald Reagan's. But it's still the White House, which is hardly hospitable to slouches.

BY BURT SOLOMON

White House staff members, everyone knows, work ungodly hours. But even their spouses and children wonder what they do within the maze of corridors from dark to dark. One day last spring, the veiled curtain was drawn back...

5:30 A.M. Barbara Bush's eyes popped open. It was a rainy morning that seemed too chilly for spring, and she'd had a heavy schedule the day before in Dallas, where she attended two Republican functions and a literacy event. But once she was up, she was up. As her husband stirred, she took Millie, their English springer spaniel, for a walk on the South Lawn. A tinge of daylight set birds singing from trees that still couldn't be distinguished from one another. No one cleaned up after Millie.

5:45 A.M. At the Southwest gate, a Secret Service agent cursorily checked the trunk of Edward M. Rogers Jr.'s 1988 Mercury Cougar and then waved it through. Rogers, executive assistant to White House chief of staff John H. Sununu, glided up West Executive Avenue and found Timothy J. McBride's car taking up his parking

space. "He's out running," Rogers presumed aloud about President Bush's personal aide (soon to be named to a Commerce Department post). Rogers also likes to run but hasn't had much time to, what with a schedule that got him home the previous midnight and up this morning (as usual) at 4:50.

He slipped into an extra parking space by the door. Then he entered the White House basement and threaded through narrow corridors to a barrier posed by a plain wooden door, labeled:

SITUATION ROOM RESTRICTED AREA

He went in and moments later emerged, carrying a thin leather folder containing the Overnight Summary of world events for Sununu's perusal. He passed through a cinder-block corridor and up the stairs until he arrived at Sununu's door. He unlocked it. Security already knows we're here, he said, though he wouldn't say how.

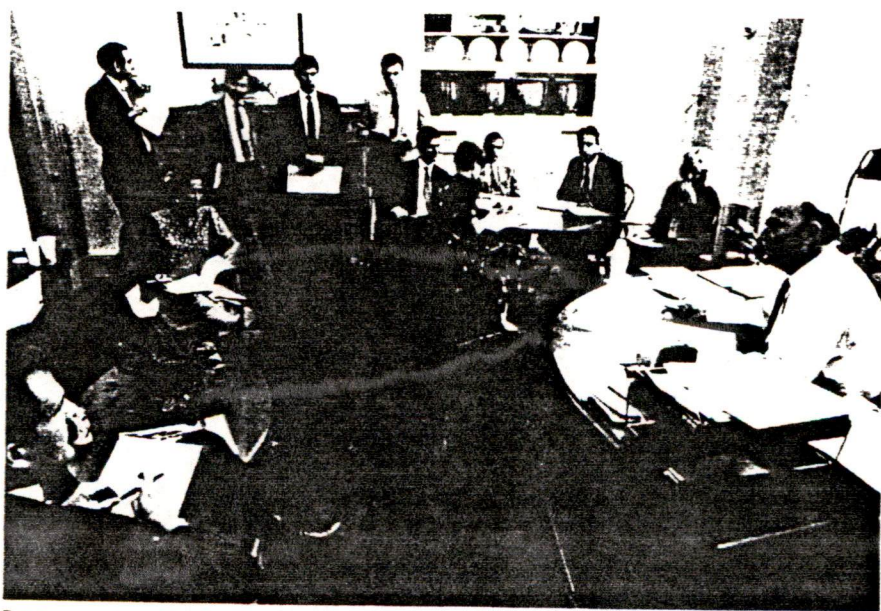
Rogers, a genial Alabaman, chauffeured Bush around his native Birmingham in 1977 and then had a family friend pass along his résumé to a golfing buddy—Brent Scowcroft, now Bush's na-



For some White House staff members, the workday begins early in the morning.

tional security adviser—as he scouted for a job after the 1980 elections. While in law school, he volunteered as an advance man for President Reagan and Vice President Bush, literally carrying bags for Richard G. Darman (now Bush's budget director) and Chase G. Untermeyer (the President's suzerain of personnel). At a crucial point, James A. Baker III confidante Margaret D. Tutwiler—from one of Birmingham's first families—vouched for him with Lee Atwater. Rogers became Atwater's deputy campaign manager in 1988, sharing office space with a campaign moonlighter, then-New Hampshire Gov. Sununu.

Here, the digs aren't so cramped. Sununu's corner office has clean, elegant lines, with an elaborate chandelier rendered superfluous by indirect lighting.



Press secretary Marlin Fitzwater's morning staff meeting previews the day's news.

Small portraits of Lincoln and Jefferson share the peach walls with an oversized New Hampshire state seal and a large watercolor of birches near Sununu's computer and immaculate desk.

Rogers, at the conference table, set off a *thunk, thunk* of pages being ripped from a stapled news summary, circling items and jotting notes to fashion an agenda for the daily 7:30 A.M. meeting of Bush's senior staff. Soon Andrew H. Card Jr. strode in. Card, Sununu's deputy, is a sleek former Massachusetts politician who labors to soothe feelings ruffled by Sununu. (In 1988, he and Sununu dug up dirt about Michael S. Dukakis, and last year, Card considered trying to succeed Dukakis as Massachusetts governor.) He sat opposite Rogers and scanned the classified summary and then the morning's newspapers that covered the table.

They chatted intermittently about how T. Timothy Ryan Jr., Bush's nominee to

regulate savings and loans, was "getting beat on" and about cold fusion's latest travail and about Card's 20-minute wait the previous night—"even at 10"—at Red Hot and Blue, the Arlington (Va.) barbecue place part-owned by Atwater, now the chairman of the Republican National Committee.

A man dressed in green lit a blaze in Sununu's fireplace, using a *Washington Post* and some hardwood. A butler brought coffee on a silver tray. The telephone started to jingle. The first call was from scheduling chief Joseph W. Hagin II, who was in Florida, advancing Bush's planned parley with French President François Mitterrand. Then Sununu once, twice, phoned from his car. Then Rep. Newt Gingrich, R-Ga., looking for Sununu.

3 P.M. on the clean air bill (which Porter had worked on for hundreds and hundreds of hours) followed by a House vote on child care. He'd surely have to scramble his schedule and perhaps extend his long hours. He ordinarily got in about now and stayed until 8 P.M., typically putting in 85-hour workweeks.

Bush's White House works less-crazy hours than Jimmy Carter's, with its visceral activism, or Ronald Reagan's, which sought to remake the world in a trice. But it's still the White House, hardly hospitable to slouches. The place values "input measurement," an aide said, as well as output.

6:52 A.M. Sununu arrived, seven minutes late, with the pussycat demeanor reporters always see. Today, a lot was on tap. The clean air vote (on an amendment by Sen. Robert C. Byrd, D-W.Va., to help coal miners who'd be thrown out of work) was closely contested—and important. A Byrd victory—a White House loss—might cost big bucks and force a veto, threatening Bush's grip on an issue that's kept Democrats off balance and fostered the President's stratospheric public favor. The House's child care vote expected late in the day looked worse, though Bush's AIDS speech in Arlington (Va.)'s Crystal City this morning would bring a kinder, gentler mien to the evening news.

Closeted with Card and Rogers, Sununu set about planning his day, knowing that the urgency from events on Capitol Hill plus the usual throng of courtesy calls, conferring with the staff and huddling in the Oval Office would see much of his planned day sidetracked.

7 A.M. A flower truck pulled into the driveway, delivering its daily profusion of flora to the White House flower shop, which does the arranging.

7:15 A.M. Bush, arriving with Millie "in the Oval"—as White House slang has it—ventured into his adjacent study and breakfasted on mixed fruit and tea. Soon, he started lobbying Senators by phone on the Byrd amendment, from a list of nine that Frederick D. McClure, his chief congressional lobbyist, had supplied the day before. (Bush hadn't returned from a dinner for the U.S. Olympic Committee until the Senate had adjourned.) McClure would add three more names in the course of the day. Bush, by nature diligent to duty and to details, eagerly obliged, aware that his deftness at friendship was his best weapon against a Congress he doesn't scare.

7:19 A.M. Darman, his suitcoat over his forearm, crossed from the corridor into Sununu's office, a few minutes later than

Hours would pass before the *brinng, brinng, brinng* would subside.

6-7 A.M. The Bushes, lounging in their bedroom, riffled through the morning papers (both Washington newspapers, three New York City dailies, *The Wall Street Journal* and *USA Today*). Mrs. Bush had coffee and juice, the President abstained. At 7, they flicked on the morning shows on their three-screen television set.

6:15 A.M. For Roger B. Porter, just arriving, the day seemed auspicious. His wife was just home from the hospital with their fourth child, Rachel Elizabeth, and *The New York Times* had published its profile of Bush's "amiable, meticulous and tenacious" economic and domestic policy adviser—"an acknowledged black belt in white paper."

Today promised more than the usual frenzy, what with a crucial Senate vote at

usual. Every morning, he stops by for coffee and the morning papers and to kick around strategy and tactics. Card and Rogers stayed behind, and soon communications director David F. Demarest Jr. wandered by, then William Kristol, Vice President Dan Quayle's chief of staff. Then Porter stopped in, followed by staff secretary James W. Cicconi, just back from his grandmother's funeral.

As 7:30 drew near, their talk rolled from clean air to child care to the supplemental budget to a tax cut for capital gains. Kristol provided a back channel for a State Department suggestion that Bush make a statement on the 15th anniversary of the United Nations's Zionism-is-racism decree.

In Sununu's anteroom, it was hushed, as if the carpets were even thicker than they are. Once, Sununu stuck his head out and asked Katherine Winklejohn, his special assistant, to get Sen. Bob Packwood, R-Ore., on the phone. "He's probably still at home," Sununu said. Minutes later, she reported that Packwood was "out of pocket," evidently headed to work.

7:30 A.M. After the White House's household staff (which totals 98) had swept the grounds around the outdoor heated pool, Barbara Bush started her daily mile swim. With her Yankee pluck, she had rarely missed a morning all winter.

7:30 A.M. The doughnuts weren't great, and only Kristol was helping himself to coffee at the sideboard. But the senior staff meeting in the Roosevelt Room was the place to be at this hour. Aides who weren't were ipso facto second-rank.

Sununu sat at the head of the long table in the dark, formal room. Elbow-to-elbow around it sat the 13 assistants to the President plus Council of Economic Advisers chairman Michael J. Boskin, Darman, Rogers, Kristol and Susan Porter Rose, Mrs. Bush's chief of staff.

This morning, Sununu called first on Marlin Fitzwater, Bush's press secretary, who said he thought the main White House story today would be Bush's AIDS speech. Demarest outlined its theme. Then McClure capsulized prospects on the clean air and child care legislation and on long-stalled aid for Nicaragua and Panama. That touched off a lively tactical debate on child care that concluded it would be harder to coax Democrats to vote against the procedural rule than in favor of the plan the White House wants. Aides at the end of the table opposite Sununu cracked jokes that had a half-life of seconds.

7:35 A.M. Alixe R. Glen had finished doing the MIPOD—the Most Important

Paper of the Day, gleaned from newspapers for Fitzwater to present at the 7:30 meeting—and found time at last to retreat to the ladies' room and use her curling iron. A childhood friend of Treasury Secretary Nicholas F. Brady's kids, she'd worked for Bush since college—on his vice presidential press staff and then in the 1988 campaign. As one of three deputy press secretaries, she does MIPODs one week out of three, which entails rushing from her house—hair still wet—by 6:15. During her leisurely weeks, she's in by 7:15.

8 A.M. In the Oval Office, Bush received his morning CIA briefing, then one from Scowcroft on the state of the world. Darman was on hand for a while, and Scowcroft and Robert M. Gates, his dep-

8:32 A.M. Eighteen members of Fitzwater's staff crowded into his office, spilling onto the floor or standing, for their morning meeting. (An afternoon meeting is at 5.) Fitzwater, behind his curved desk, went through the schedule: a Bush meeting with Education Secretary Lauro Cavazos at 10, with no press coverage, and then the AIDS speech at 11:15, which was open.

"Do we have anything on the commission?" Fitzwater asked, referring to the AIDS commission whose leaders Bush would meet just before his speech. "How often they've met?"

"I can get that," Glen said.

"I frankly lost track of them after their big report," Fitzwater said.

He asked about an advance text and was told they'd have to check with



Demonstrators at Bush's speech on AIDS at the Crystal Gateway Marriott

uty, until 9. Sununu stayed 45 minutes more, getting action from Bush on items in his three-ring binder, such as publicizing Bush's filling out his census form to encourage others to.

Sununu would stick his head into the Oval Office from time to time during the rest of the day. Scowcroft, Gates and Fitzwater also would, keeping Bush abreast of what was doing beyond the White House fence.

8:10 A.M. Card, Kristol and Pentagon policy chief Paul D. Wolfowitz broke bread in the White House mess and conversed about defense.

8:30 A.M. McClure met in his second-story office with his three deputies, then canceled his appointments for the rest of the day to spend it on Capitol Hill, roaming between phones and collaring Members about clean air and child care.

Cicconi's office. "Can we shoot for 10?" he said. "Well, let's do it right after the briefing. I'll brief at 10." That way, the White House press would be ready to leave for the AIDS speech at 10:45.

Fitzwater, resuming his rundown, mentioned speeches at an awards ceremony at Bolling Air Force Base for White House military communications specialists and at a broadcast journalists' black-tie dinner at the Washington Hilton, and a *New York Times* interview for a magazine cover story on Bush's friendship with Secretary of State Baker. Other topics might come up during the interview, he was told. "In other words, getting in under false pretenses," he said. "Well, we will hold our breath."

Then press aides summarized—newspaper by newspaper—stories they'd all need to know. A woman reporting on *The Washington Post* had highlighted its front page in yellow. Sean Walsh presented the

Times profile of Porter, which he judged "nice or not so nice, depending on where you're sitting," noting the remark by Senate Majority Leader George J. Mitchell, D-Maine, that Bush's domestic policy "is notable primarily for its absence."

Lynn McKenzie cited "a nice article" in *USA Today* on Carter's visiting the White House and how he'd felt welcome after eight years in exile—though he'd frowned on Bush's recent broadside against broccoli. Somebody mentioned peanuts, and Fitzwater said, "We gotta go through all the basic food groups here?"

Afterward, back in her office, Glen lit a cigarette and called agencies to assemble two sentences about what the AIDS commission had been up to. "It's going to be a crazy morning," she said.

9 A.M. Sununu assembled a phalanx of Bush aides (including Darman, Kristol, McClure and top House lobbyist Nicholas E. Calio) to jawbone four moderate House Republicans who were thought to be leaning against them on child care. Sununu also made 20 phone calls during the day on the Byrd amendment.

9 A.M. Card, whose job (as he puts it) is to "tweak the system" to make sure that what Sununu wants done gets done, followed up on the senior staff meeting by phoning Health and Human Services Secretary Louis W. Sullivan on some final details for the AIDS speech and then a Treasury Department official to confer on Ryan's prospects in a Senate committee confirmation vote the following day. Then he arranged for a photo of Bush the next day filling out his census form.

9:26 A.M. Demarest was beeped as he was heading from the press room to a

meeting upstairs with his staff. He was rerouted into the Oval Office along with Cicconi, whom Patty Presock, Bush's executive assistant, had summoned from the basement. The President had three small changes in mind for his AIDS speech on the balance between cancer and AIDS research that required budget breakdowns that weren't included in the paper on hand. Demarest worried about cutting it too close with the teleprompter, for a speech planned six weeks before as the White House's only newsworthy event of the day.

Demarest and Cicconi divvied up the factual and rhetorical questions. Cicconi returned to his office downstairs, phoned the Office of Management and Budget (OMB) to collect the budget numbers and typed a quick memo himself. Then he conferred with Demarest and speechwriter Edward E. McNally and returned to the Oval Office for a two-minute chat. Bush decided the comparison was too complicated to make; only one minor change was made.

So Demarest reconvened his staff for a meeting at 9:45, while Cicconi returned downstairs to meet with the health director at the University of Texas, Cicconi's alma mater, whom he'd kept waiting for a half-hour.

9:30 A.M. Porter, in his second-floor office, started the latest of scores of strategy sessions on clean air with officials from the Environmental Protection Agency (EPA), OMB and the White House counsel's office. From time to time, they escaped into Porter's anteroom to use the fax machine. "These people spend so much time here, they just make themselves at home," said Nancy M. Jones, Porter's confidential assistant.

9:35 A.M. "Yes, yes, no, yes, no, no, no, yes, no, no," Rogers, in his office, riffled through Bush events that Sununu would or wouldn't go to. Mia G. Kelly, a special assistant, took notes. Rogers asked her to contact Bush's voluntarism office about one request and to find out whether Sununu planned lunch with Bush today and to move his session with newsmagazines to noon if he didn't.

9:53 A.M. Bush met for five minutes with speechwriter Dan McGroarty and Demarest deputy Chriss Winston about that evening's speech to radio and TV correspondents.

9:59 A.M. "First of all, the President's schedule for today is, he met at 10 A.M.—right now, a meeting with Secretary Cavazos on the Secretary's recent trip to..."

Fitzwater, peering down from his podium on an uncharacteristically uncrammed White House briefing room, ran through Bush's schedule. For the White House Communications Agency ceremony, "we'll have a travel pool to accompany, but I guess there's no coverage."

"Will there be a mult?" a reporter said, inquiring after the broadcasting equipment.

"Not that works," Fitzwater laughed.

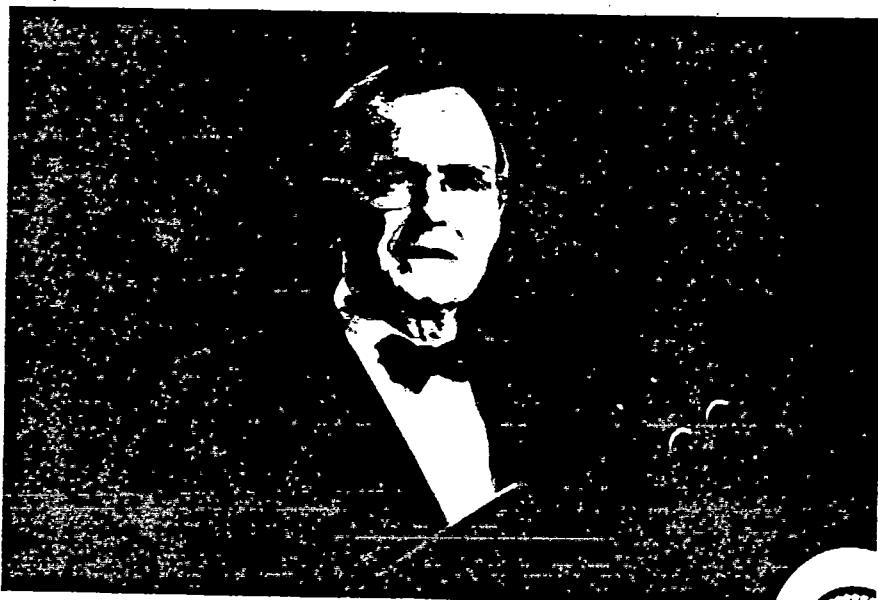
Fitzwater's light touch has diffused the hostility that characterized the briefing room during Reagan's tenure, when reporters loathed Larry Speakes, and he them. But Fitzwater doesn't say more than he intends to, a mix of geniality and guardedness. In that respect, he's like Bush, who invites journalists to lunch or the movies and then gets riled at their criticism.

When reporters pressed Fitzwater today on British Prime Minister Margaret Thatcher's phone call to Soviet President Mikhail S. Gorbachev on Lithuania, Pascal Taillandier of Agence France Presse wanted to know why Bush wasn't also calling Gorbachev.

"Because we believe the appropriate posture is to consider this matter with our allies and in the context of our own interests and policies in that area," Fitzwater replied, drawing from his years in the bowels of the bureaucracy. "And again, I can't get into why he doesn't call everybody around the world—why didn't he call this person or that person—but suffice to say we don't think it's appropriate at this point."

Was it because Bush feared butting into an internal matter, ABC News's Brit Hume wondered, or because he felt that it just wasn't worth it?

"Well, I think it's fair to say that when we say this is a complex and delicate diplomatic matter, the corollary is that we



Bush speaks at broadcast journalists' black-tie dinner at the Washington Hilton.

Richard A. Bloom

would not want to take moves that disrupted that diplomatic effort," Fitzwater responded. "And the President simply feels that this is not the time to make a direct contact to Chairman Gorbachev for those reasons."

At 10:36, the briefing ended, in time for the travel pool to assemble for Arlington. The stenographer's tape went to typists in the Old Executive Office Building next door so that a transcript could be ready by noon. No one had asked about the AIDS commission.

10 A.M. With Quayle on vacation in Hawaii and calling in at the beginning and end of each day, Kristol used his uncustomarily free morning to catch up on paperwork and return phone calls. Press secretary David C. Beckwith took the day off, as he'd tried to two days before, until Quayle said something on his way west (defending Soviet commanders for disciplining Lithuanian deserters) that put him back on the front pages.

10:01 A.M. Porter stopped into Sununu's office to report on his phone conversation with Senate Leader Mitchell on clean air. Two minutes later he left and Pierre S. (Pete) du Pont IV, the former Delaware governor, was ushered in. He had a notion he wanted to peddle on educational "choice."

"So what's cooking?" Sununu said, pleasantries over. Du Pont inquired about the child care vote, wondering when it was and how it would go. Sununu, drumming his fingers against the air at the side of his armchair, asked again, "Anything we can do to help?"

10:03 A.M. Bush, joined by Porter, listened to Cavazos on his recent Mexican trip. Bush is interested in Mexico—a daughter-in-law's homeland—and in nurturing relations with its new president. He's also interested in stroking Cavazos, who's been criticized by the press as a Cabinet dud. Bush asked for ideas for a commencement address he'll give at Texas A&I, which is heavily Hispanic. (Cavazos, the first Hispanic Cabinet officer, had headed another Texas school.) Porter stayed behind a minute and spoke with Bush about clean air, then returned to his office and asked Jones to arrange a car so he could go to the Hill.

10:30 A.M. White House counsel C. Boyden Gray, back a day early from visiting Disney World with his daughter, met for an hour and a half in his second-floor office with EPA and Energy Department lawyers on a recent court decision subjecting some power plants to stiffer pollution standards. John P. Schmitz, his deputy, talked next door with officials from Cali-



White House communications director David F. Demarest Jr. He has to move rapidly to keep up with demands from others on the White House staff.

fornia and the natural gas industry about an approach to alternative fuels that both could stomach.

10:40 A.M. In the Oval Office, Secretary Sullivan and Card "prebriefed" Bush before his conversation with AIDS commission leaders, who entered shortly after. After Sununu and White House physician Burton Lee arrived, they all left at 10:55 for the 10-minute motorcade to the Crystal Gateway Marriott near National Airport. A gaggle of aides went along, including Cicconi, whose morning labors on the speech left him curious about how many demonstrators might show up.

Bush, addressing 400 business executives, called movingly for compassion for AIDS victims. "We don't reject the cancer patient who didn't quit smoking cigarettes," he said, recalling—as he rarely does publicly—his young daughter's death from leukemia. He drew demonstrators, but not very many. To hecklers in the hall, he flashed a goofy grin that suggested discomfort.

11:50 A.M. In the blessed calm the President's party left behind, Card met in his office (next to Sununu's) with Demarest and Deborah A. Amend, Demarest's new aide, to hatch a communications plan for the White House's global warming conference three weeks hence.

12:18 P.M. Bush, back in the Oval Office from Arlington, lunched on chicken salad on croissants, mixed fruit cup, milk and frozen vanilla yogurt with Reps. John Paul Hammerschmidt, R-Ark., and G.V. (Sonny) Montgomery, D-Miss., his cronies from Congress. He'd invited them

just this morning, what with Quayle—his usual Thursday lunch partner—away. Down the hall, Sununu finished his backgrounder with *Time*, *Newsweek* and *U.S. News & World Report* reporters, who were mostly interested in Lithuania and clean air.

Upstairs in the residence, Barbara Bush lunched with Sally Atwater, wife of the ailing party chief. In the White House mess, several advisers ate at the senior staff table, considered the best place in the White House to do business.

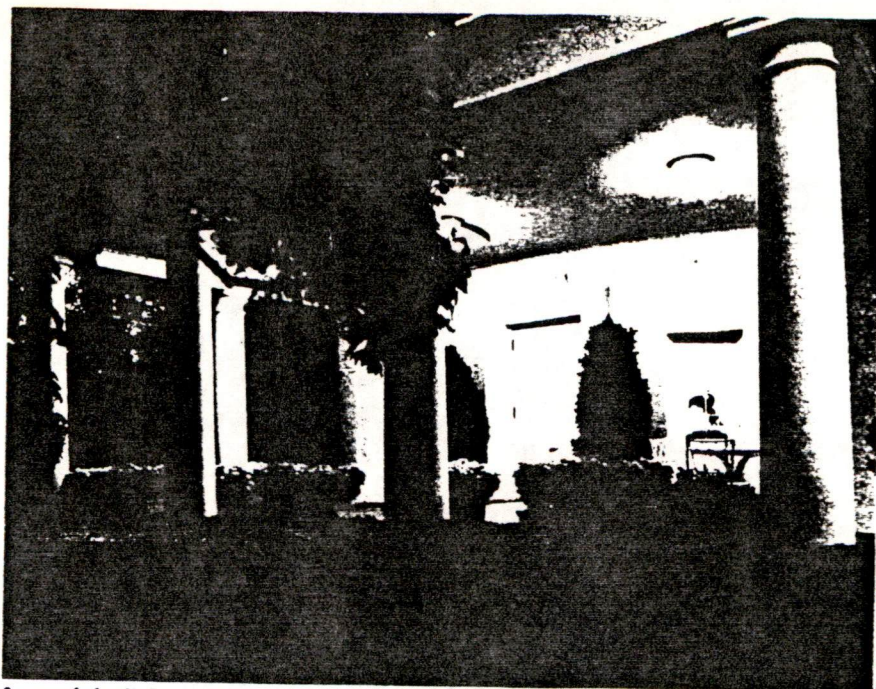
1 P.M. The National Security Council assembled in the Cabinet Room for an hour's discussion of Soviet trade. Bush arrived a few minutes late.

1-3 P.M. Three busloads of investment managers from Mitchell Hutchins Asset Management Inc. bounced into the Old Executive Office Building to get a briefing on the economy from three Administration policy officials.

1:57 P.M. In Porter's outer office, a woman emptied the trash into a waist-high paper bag, as she had two or three hours before. Jones and staff assistant Ann Haines discussed where Porter might rent a white tie and tails for the Gridiron Club dinner on Saturday night. (Getting a \$10 deposit to a tuxedo rental shop near his home wouldn't be easy.) Porter rushed in at 2:09, having spent the morning testifying to a congressional appropriations panel about his staff's fiscal 1991 budget and conferring with Senate leaders Mitchell and Robert Dole, R-Kan., on clean air.

In his office, Porter started phoning

David Valdez/The White House



Some of the lights continue to burn in the White House long after dark.

Richard A. Bloom

Republican Senators who were still thought to be swayable on the Byrd amendment. "You've probably been besieged," he started. "I want you to know how strongly the President feels about it, with respect to the precedent this would set. . . ." Porter had already canceled his 3 P.M. meeting with the president of United Way, who couldn't reschedule for at least a month, though his 3:45 meeting on food safety was still on.

When does he get time to think? "Either very late at night," he said with a laugh, "or very early in the morning."

2 P.M. Sununu met with Rep. Dean A. Gallo, R-N.J., who had three or four people he was trying to find Administration jobs for.

2 P.M. Demarest conferred separately with Rogers and Amend about publicizing the White House's objections to legislation that would raise EPA to Cabinet status. (Democrats had written in a statistics agency deemed too independent.) Then *The Wall Street Journal's* Gerald F. Seib interviewed Demarest on a range of matters. He talks often with reporters but doesn't return calls about breaking stories. "I don't want to get in that role because I'll never get out of that role," he explained. Instead, he deals with op-ed pieces and editorial boards and with Bush's appearances and speeches. Four impending speeches were sitting on his desk to be reviewed. He would get to only three.

3 P.M. Gray met with F. Lee Bailey about a reformulated, presumably cleaner

gasoline the famed defense lawyer had taken an interest in.

3:09 P.M. As the Senate clerk called the roll on Byrd's amendment, Sen. Joseph R. Biden Jr., D-Del., a swing vote, left the floor to take a phone call from Sununu. Biden asked whether a victory for Byrd would bring on a veto and was told it would. Biden's vote gave the White House its 49-50 victory.

3:12 P.M. A helicopter lifted Bush from the South Lawn for the 10-minute trip to Bolling to give awards to the military communications specialists.

4 P.M. Shiree Sanchez, an associate director for public liaison, met with four Cuban-Americans to ponder how to mark Cuban Independence Day seven weeks hence.

4:09 P.M. On Bush's return, he and Scowcroft met for 27 minutes with Sen. Edward M. Kennedy, D-Mass., just back from Moscow. Kennedy reported that Gorbachev had felt undermined by American knocks at his Lithuania moves. That night, despite Fitzwater's demurral, Bush would dispatch Gorbachev a soothing note.

4:30 P.M. Demarest convened his weekly events meeting in the Roosevelt Room, squiring 15 aides from around the White House through the details of 20 presidential appearances in the week to come. An official from the White House political office pointed out that the planned Cincinnati fund-raiser for Ohio Republican

gubernatorial candidate George V. Voinovich wasn't a reception followed by a dinner—as the event sheet had it—but a reception followed by another reception: 700 people would stand and eat hot dogs, requiring a less formal speech. There were hundreds of details, Demarest remarked later, that determine whether an event goes right.

4:45 P.M. Their usual 4:30 conclave delayed by the Kennedy meeting, Sununu took 5 minutes now with Bush and 19 minutes at 5:20 to go over the day, mainly the clean air and child care bills. In between, Bush hosted Joseph Zappala, his ambassador to Spain and an old friend and fund raiser. At 5:39, White House social secretary Laurie Firestone arrived for 17 minutes of presidential guidance on coming guest lists.

5:40 P.M. Sununu returned phone calls and engaged in informal, late-afternoon staff time. Untermeyer stopped in, along with Card and Rogers.

6:03 P.M. Deputy press secretary Stephen T. Hart's TV was turned to C-SPAN, showing the House defeating the child care proposal the White House had backed. The four moderate Republicans Sununu had lobbied split their votes.

6:10 P.M. Natalie Wozniak, Fitzwater's executive assistant, helped White House photographer David Valdez with the studs of his tuxedo. Wozniak had brought a black flapper dress to wear to the radio-TV correspondents' dinner.

6:20 P.M. Bush, on his way to the residence, toted his briefcase into Fitzwater's office and chatted for five minutes about a day that had gone fairly well.

7:35 P.M. Bush left by motorcade for the radio-TV correspondents' dinner. His wife met him there, coming from a 7:15 speech to book publishers at the Library of Congress. Bush's speech was filled with one-liners. " . . . At this juncture. Wouldn't be prudent," he ended, mimicking *Saturday Night Live's* Dana Carvey mimicking him.

8:30 P.M. Congressional lobbyist McClure returned to the White House from Capitol Hill, changed into his tuxedo and left for the broadcast correspondents' dinner.

10:10 P.M. The Bushes, home at last, soon went to sleep. Cicconi had made sure the President's overnight reading was light—the Cincinnati speech only. Bush would return it—read—early the next morning. ■

NATO's Leaders Promise Sweeping Strategy Changes

By Glenn Frankel and Ann Devroy
Washington Post Foreign Service

LONDON, July 6—Leaders of NATO's 16 nations today pledged broad changes in their military and political strategy in a landmark declaration designed to respond to the dramatic transformation sweeping Europe.

President Bush, who proposed the original draft of today's statement and pressed for its approval in close cooperation with West Germany's leaders, called it a "historic turning point" that charted "a new path for peace."

While insisting on retaining enough arms to defend themselves in case of attack, NATO's leaders promised to "profoundly alter the way we think about defense."

In a communique summing up agreements at the two-day summit that were even more sweeping than some earlier forecasts, they committed themselves to sign a nonaggression declaration with individual Warsaw Pact nations, invited Soviet President Mikhail Gorbachev and

Eastern European leaders to visit NATO headquarters in Brussels and to assign regular envoys there, and promised to expand the role of the Conference on Security and Cooperation in Europe, the forum used for negotiations by 35 nations on both sides of what was the Iron Curtain.

Using language proposed at the last minute by West German Chancellor Helmut Kohl, they further promised to add a firm limit on the size of a united Germany's armed forces to an agreement under negotiation to cut American and Soviet conventional forces in Europe. The West Germans believe the troop limitation plan could provide the last piece in the package of measures to sway Gorbachev into accepting German unification, a U.S. official said.

The leaders also pledged to reduce their reliance on nuclear weapons, including eventual removal of nuclear-tipped artillery shells from Europe, and to cut back and withdraw conventional forces in tandem with the Soviets by the end of this year if possible. They agreed to modify the defense doctrine that for more than two decades has guided the alliance's strategy by pledging that nuclear weapons would only be used as a "last resort" in the event of war.

The declaration's main aim was to cement the startling changes in the communist world by extending

"the hand of friendship" to Gorbachev and the nations of the former East Bloc, NATO's erstwhile adversaries. It also sought to smooth the way toward German unification within NATO by assuaging Soviet fears about both the alliance and the new Germany's military potential.

At the same time, Bush and his fellow leaders sought to reassert the influence in the new Europe of NATO and the United States against those who contend the alliance has no further purpose and should be disbanded now that the Cold War is ending.

"For more than 40 years we've looked for this day," said Bush at the close of the conference. "And now that day is here, and all peoples from the Atlantic to the Urals, from the Baltic to the Adriatic, can share in its promise."

In a press conference at the close of the meeting, Bush said he believed the declaration would help Gorbachev overcome those in the Soviet Union who still see NATO as a threat.

"I would think he would view this as a very positive step forward, and one that vindicates some of the would not be made there."

"We are not under time pressure," he told reporters here. "It is a question that will reach a decisive phase—when you have to ask each government in concrete terms, 'What are you prepared to do?'—at the end of the year."

[On a flight from London to Houston tonight, Bush was informed that Soviet Foreign Minister Eduard Shevardnadze said that NATO's "decisions . . . move in the right direction and pave the way to a safe future for the entire European continent," the Associated Press reported. The president said of that reaction: "That's very interesting. And very positive." Bush confided he had received a recent communication from Gorbachev, but merely winked and smiled when asked to describe its contents.]

Aside from that one dispute, however, American and West German leaders worked closely together throughout this summit orchestrating the agreement and overcoming reservations expressed on some key issues by Britain and France.

One important dispute that was smoothed over concerned Bush's proposal to modify NATO's longstanding doctrine of "flexible re-

sponse" by declaring nuclear arms to be weapons of "last resort." Thatcher and French President Francois Mitterrand vehemently opposed the change, which Thatcher believed would weaken NATO's ability to deter aggression.

Thursday night, however, foreign ministers agreed to language that retained Bush's "last resort" wording while adding at the insistence of the British a sentence reaffirming "there are no circumstances in which nuclear retaliation in response to military action might be discounted."

The resulting paragraph seemed contradictory and ambiguous—which was exactly what British officials said was needed in order to maintain the deterrent effect of the alliance's nuclear doctrine. It was thus portrayed as a minor triumph for the British, who otherwise conceded privately that West Germany, aided and abetted by the United States, had won virtually everything it had sought here.

"The thrust of the declaration is exactly what they wanted, while we got some of the fine print," said a British official.

Thatcher said she was satisfied. Mitterrand, who said France would keep its own independent strategy for when and where to use nuclear weapons, was not. "France doesn't accept this—or yesterday's nuclear doctrine," he said. France withdrew from NATO's military structure in 1966 but remains under the alliance's political umbrella.

At his own press conference today, a satisfied Chancellor Kohl said the summit would help bring about speedy German unification. "Everything which improves the atmosphere between East and West will smooth our path towards unity. We will be in a much better position to talk to the Soviet leadership," said Kohl, who will travel to Moscow in a week to try to nail down a unity deal.

Kohl was effusive in his praise of the Bush administration. "The present administration has a very clear vision of things," said Kohl.

"They are not just talking self-determination, they mean self-determination." The United States, he added, has a government "that knows what history demands," and he pledged that American influence in Europe would endure. "In a continent of Europeans," Kohl said, "Americans will have a permanent residence or an apartment."

One of the cornerstones of American influence in Europe has been its commitment of U.S. troops and nuclear weapons. Bush said today that despite some calls to save money by bringing U.S. soldiers home, it was important that they remain as long as the Europeans want them to.

"I view it as my responsibility to make clear to the American taxpayers why it is in our interest to help keep the peace," he said.

NATO is dispatching its secretary general, Manfred Woerner, to Moscow on July 14 to symbolically deliver the new declaration and convey the alliance's invitation to Gorbachev to come to its Brussels headquarters. It will be the first visit by a NATO chief to the capital of the organization's onetime principal foe.

The declaration's provisions include a commitment to move away from NATO's strategy of "forward defense" to smaller, more mobile units of multinational forces. A senior U.S. official said the language fit a Pentagon plan, still under review, to eventually reduce American ground forces in Europe to two divisions of highly mobile, "quick response" units.

It also includes a U.S. proposal to eliminate all of its short-range nuclear artillery shells from Europe, provided the Soviet Union does the same.

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CBS News

FACE THE NATION WITH LESLEY STAHL

Sunday, July 8, 1990

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MODERATOR: Lesley Stahl - CBS News Chief White House
Correspondent

GUESTS: RICHARD B. CHENEY
Secretary of Defense

GENNADI GERASIMOV
Soviet Foreign Ministry Spokesman

EXECUTIVE PRODUCER: Karen Sughrue

PRODUCER: Carin Pratt

DIRECTOR: Paul L. Taylor

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Transcript by:

NEWS TRANSCRIPTS, INC.
1333 H Street, N.W., Suite 500
Washington, D.C. 20036
(202) 682-9050

MS. STAHL: Welcome to "Face the Nation." I'm Lesley Stahl.

Mikhail Gorbachev has written a personal letter to President Bush requesting economic aid. It's a cry for help the Soviet leader was too proud to make just last month. It's a measure of his country's and his own state of desperation.

Conservatives at the Party Congress want to cripple Gorbachev's reforms. They're maneuvering to let him the title of party boss, but elect their own to the leadership posts that actually run the party.

YEGOR LIGACHEV (Soviet conservative leader) (through interpreter): Swinging from side to side has yielded us little good.

MS. STAHL: Gorbachev has been getting it from all sides. The reformers complain that he hasn't moved far enough or fast enough. The miners, threatening another strike, say he hasn't kept his promises. And the generals openly accuse him of losing Eastern Europe.

EDUARD SHEVARDNADZE (Soviet foreign minister) (through interpreter): Yes, we knew it was going to happen, but we felt if there were no serious changes in Eastern Europe, it would end tragically.

MS. STAHL: With all the battering going on, Gorbachev told reporters, in two years, if there are no changes, this leadership should go of its own accord. And he told Dan Rather that the Soviet Union needs economic help.

PRESIDENT GORBACHEV (through interpreter): We need more cooperation while the government is working out measures for the transition to a market economy to make this process less painful.

MS. STAHL: Defense Secretary Dick Cheney has been outspokenly opposed to giving the money because he says it could be funneled to their military. Gorbachev's appeal was greeted with cynicism at the White House.

BRENT SCOWCROFT (national security adviser): I think it's partly a ploy. It's a clever thing to do--to try to co-opt the West into helping him with his problems.

MS. STAHL: At the NATO summit, President Bush opposed financial aid because the Soviets still spend too much on weapons and send \$5 billion a year to Fidel Castro.

PRESIDENT BUSH: Perhaps there are ways that we can assist them as we go forward with credit or other matters before--before we go to direct government loans.

MS. STAHL: With the Germans favoring direct aid, the subject is at the top of the agenda at the economic summit in Houston.

Should the U.S. invest in Gorbachev? We'll ask Defense Secretary Dick Cheney and Soviet spokesman Gennadi Gerasimov. Helping Gorbachev survive--an issue facing the nation.

ANNOUNCER: From CBS News, Washington, "Face the Nation with Lesley Stahl." This portion of "Face the Nation with Lesley Stahl" is sponsored by Merrill Lynch. We're on the threshold of a new decade of opportunity; we're bullish on the nineties.

(Announcements)

MS. STAHL: Joining us live, from Red Square in Moscow--Gennadi Gerasimov, standing out there in the rain, I think--

MR. GERASIMOV: Not yet; not yet.

MS. STAHL: --who is the spokesman for the Soviet foreign ministry. Mr. Gerasimov, thank you for joining us in the rain. We appreciate it very much.

MR. GERASIMOV: It's warm here.

MS. STAHL: I wanted--

MR. GERASIMOV: It's warm.

MS. STAHL: It is warm. Good. I wanted to ask you about some of the things that happened at NATO, in that Mr. Gorbachev is now asking the West and the United States for economic aid. And this is something I think the American people wonder.

Why is your country continuing to give \$5 billion a year to Fidel Castro, if you need money for your own people?

MR. GERASIMOV: First of all, I'm not sure that we are giving him any money because the subsidy which he has is a hidden subsidy, by buying sugar at prices which are much higher than world-market prices and selling him oil at prices which are much lower than the market prices. So, this is the hidden subsidy, not just cash, and this is our obligations, and I think that to improve the situation, you must start with your own end, because Cuba is no threat to you anymore, and we suggested that you look into it again and maybe you can find some kind of accommodation with Cuba, as it is now.

MS. STAHL: Now, Mr. Gorbachev has sent President Bush a letter. I was wondering if you knew, or if their policy is moving in the direction of meeting some of the demands that the United States has, which is lowering that subsidy to Cuba, and continuing to reduce your military budget?

MR. GERASIMOV: Well, we are now changing our economic relations with other countries--Vietnam, or Cuba, or the countries--members of the Council of Mutual Economic Assistance, and Cuba is one of the members. And the change is to move to the world-market prices in our economic trade and cooperation. And we call it moving to mutually advantageous conditions.

MS. STAHL: So, in other words, cut out the subsidy?

MR. GERASIMOV: It's not that. The subsidy--it's hidden subsidy, and we are going to change the prices, then the subsidy is going to fade away--but not tomorrow.

MS. STAHL: What about lowering the defense budget even more--even more drastically than you've done so far?

MR. GERASIMOV: Well, if you talk about our own military budget, we are lowering it. And my--my boss, minister of foreign affairs, Mr. Shevardnadze, when he addressed the congress several days ago, he mentioned 25 percent of our budget going to the military, and he criticized it heavily. And we are now taking steps to cut our military to size. That's why they are grumbling--some of the generals.

MS. STAHL: Well, you know, I wish you would help explain to us what is going on at that Party Congress. We see the generals complaining. They want more clout; they want more power. They are not going to want to cut the military budget.

Where is your country moving? Is the military going to gain more control? Is Mr. Gorbachev, after what's happened now, going to feel that he must make compromises with these people in the future?

MR. GERASIMOV: The military are not going to gain any additional control. Some generals--not only them--are grumbling simply because we are cutting our military to size, and it hurts. But instead of addressing this problem in a proper way, which means to give additional attention to--to accommodate those military who are going into civilian life--and this is the problem here--they need jobs, they need housing, all the rest. Instead of this, they try to criticize our foreign policy--for instance, who lost Eastern Europe?

It reminds me of the argument in your own country, who lost China, as if China belonged to the United States, as if Eastern Europe belonged to the Soviet Union.

But our counter-argument is that there is no danger of war any more, now, when our partners, in survival with your country, with NATO countries, the overall international climate has changed as a result of our foreign policy and now we can pay more attention to our domestic problems, which have more than our share.

MS. STAHL: Let me ask you about NATO. Does your government--does Mr. Gorbachev feel that he got enough out of that NATO meeting to now approve and go along with the united Germany inside NATO?

MR. GERASIMOV: Well, it's still subject to discussion, but what happened in London was welcomed here in Moscow and they stretched the hand of friendship, and we are ready to stretch our own hand. And as to the particulars--the size of the German army, for instance--is going to be discussed at the meeting of Two-plus-Four, the ministers, relatively soon--in a week, as I understand. So, it's going to be discussed.

But I think that if NATO is going to change its character and is going to be somehow integrated into all-European system of security, that changes the situation, and we can look at this question of Germany in NATO from a different angle. But I'm not sure what's going to happen. But this is the start of the movement in the right direction.

MS. STAHL: So, you sound as though you do feel that quite a lot was accomplished at NATO in a positive way. What is the reaction over there to Mr. Bush saying he's not ready to give economic aid, now that Mr. Gorbachev has made a formal request?

MR. GERASIMOV: Well, we asked for economic cooperation and aid--you use this term--it's actually credits. And of course, we must use this credit--credits wisely, and I think that there is a difference of approach here between Germany and France, on one hand, and your country and Britain,

on the other.

MS. STAHL: And that's okay?

MR. GERASIMOV: But it is for Houston meeting to decide.

MS. STAHL: But if the United States--

MR. GERASIMOV: It's not our problem; it's the problem for the Houston meeting.

MS. STAHL: But let's say--

MR. GERASIMOV: But I understand--yes?

MS. STAHL: --if the United States doesn't join in and give any aid, what's the reaction? Will American businessmen who want to invest--I know you're having a lot of trouble there. I'm very sorry.

Do you think that the American businessmen who want to invest will be penalized, if the government doesn't give aid?

MR. GERASIMOV: Well, again, not aid--just credits. You see, American business is a little bit slow. You have the U.S.-U.S.S.R. Trade and Economic Council in Moscow and in New York, and this--its business, the business of this council, to help American business, those who want to have trade and cooperation with us--to move in.

But Europeans are much more advanced here, especially Germans, actually, and Italians and French. So, we can survive without American business. But it's much better to have American business to join European businesses.

MS. STAHL: Mr. Gerasimov, I want to apologize to you. I don't think any of us knew that we were going to have a thunderstorm of that kind of enormity.

MR. GERASIMOV: Well, it gives--it gives a special touch to our program.

MS. STAHL: It just--that's for sure. It just shows you, the best laid plans--you're standing there in front of the beautiful St. Basil's church. I want to thank you very much for doing this in the rain, and for being our guest this morning.

MR. GERASIMOV: Thank you.

MS. STAHL: Thank you very much. We'll be back with Defense Secretary Cheney after this.

PRESIDENT BUSH: I hope that they will look at the changes that NATO has taken and say, Well, if NATO had been a threat to us, it no longer is a threat to us.

(Announcements)

MS. STAHL: Joining us now from Athens, Greece, Defense Secretary Dick Cheney.

Mr. Cheney, Mikhail Gorbachev is asking the U.S. for direct economic aid. He says that the Soviets are reducing their military budget. If the Soviets do agree to a united Germany inside NATO, should the U.S. stop opposing giving him the money he says he needs?

SECRETARY CHENEY: I think there are several other conditions that ought to be met, Lesley. The president's made it clear that as long as the Soviets are spending huge sums on the military, it doesn't make a lot of sense for us to provide outside credit or assistance. As long as they're spending a lot subsidizing the government of Cuba, for example, and as long as they have failed to adopt an adequate package of economic reforms themselves, then the money that might flow from the West would, we think, be wasted.

Now the president's made it clear, where the unification of Germany is concerned, that we are not opposed to whatever arrangements the Germans work out, but as for direct U.S. financial assistance to the Soviets, it seems to me they have a long way to go before that would be appropriate.

MS. STAHL: You know, I've seen some reporting that Mr. Shevardnadze, the foreign minister, has signalled that they are going to stop, or at least reduce the subsidies to Cuba. They say they're reducing their military budget. Are we headed toward giving them economic aid, if these things begin to happen?

SECRETARY CHENEY: Well, there's a long way to go yet. Last year, 1989, they did in fact cut back on military spending. But even after they cut back, they produced two-and-a-half times as many tanks as we do. They produced 140 ballistic missiles; we produced only twelve. So, there still is this enormous push behind their military program. They are turning it around; they have begun to reduce military spending. But I think we've got a long way to go before we're going to feel comfortable, based on what the president said, providing direct financial assistance to the Soviet Union.

MS. STAHL: Now, you've been on record opposing any kind of economic aid. But President Bush seems to be suggesting he's going to look for other ways to give them help--other ways to give them economic help--maybe credits, maybe technical help, whatever that means.

Are you also opposed to that?

SECRETARY CHENEY: No, I think I would support, for example, whatever the president supports, obviously; he sets policy for the administration. But the--

MS. STAHL: But in your heart, in your heart, where you are?

SECRETARY CHENEY: In my heart? In my heart, I thought it was perfectly appropriate, for example, for Alan Greenspan, the chairman of the Federal Reserve Board, to go to the Soviet Union and talk to them about how to set up a central bank. I think that's part of encouraging the kind of economic reforms that we would like to see happen.

MS. STAHL: You know, there's a report in U.S. News that says hardliners in the administration--now, you're a hardliner; you're not identified--but they say that the so-called hardliners are very concerned that Mr. Bush is going to get into this closed-door situation down in Houston at the economic summit with his predilection for making deals, these collegial kinds of deals with these other leaders--that they're going to pressure him into caving in on economic aid, and they're very worried about it.

What do you think the chances are that the president will be pressured into reversing himself on aid here?

SECRETARY CHENEY: Well, I've had great confidence over the years, Lesley, in what the president says his policies are. He's been very clear on this point, and I'm obviously going to strongly support whatever he thinks the administration policy ought to be.

MS. STAHL: Well, that's funny you should say that, just after he broke his promise on taxes. No comment. No comment? You know--

SECRETARY CHENEY: Well, circumstances changed pretty dramatically there, Lesley.

MS. STAHL: Let me ask you something about so-called hardliners in the administration. Do conservatives have any influence at all on the administration any more?

SECRETARY CHENEY: Well, I think you've got to remember that, from my perspective, I certainly consider myself a conservative, if you will; that's how my voting record would look, if you went back and analyzed my ten years in the House. And I feel perfectly comfortable in this administration. I think the president has got his foreign policy and defense policy calibrated just about right.

I think we are reaping the benefits of some 40 years of U.S. effort and refusing to be intimidated by the Soviets, and now is the time for us to take advantage of those developments, to aggressively pursue arms-control agendas, et cetera. So, I think he's got it calibrated about right, and I don't feel, as a conservative, that I have in any way--uncomfortable in this administration.

MS. STAHL: Margaret Thatcher says that as far as the change in military strategy of NATO, there's really nothing new in the communique. Do you agree with her?

SECRETARY CHENEY: Well, I think that there's quite a bit new in it. The fact is, there's some continuing, enduring elements in our NATO strategy. There's still going to be a North Atlantic Treaty Organization; the U.S. will be a major part of it. Nuclear weapons will be a part of the overall strategy. But by the same token, we're making some significant changes to reflect the changes that have occurred in Europe.

When you change the political leadership of all those Eastern European countries, the Warsaw Pact crumbles, the Soviets begin to withdraw from Eastern Europe, then I think we're justified in changing our military strategy and our force posture, and that's in fact what came out of the London summit.

MS. STAHL: Well, she said this whole business about last resort--that, really, that's always been implicit--or reality, that we'd only use nuclear weapons as a last resort, and that the communique itself says flat out, that we would use nuclear weapons to counter a Soviet conventional attack, which has been the strategy all along, and that, as she says, there's no change.

Isn't that true?

SECRETARY CHENEY: Well, I think the fact of the matter is that we will continue to rely upon nuclear weapons, as we have in the past, as part of our overall deterrent strategy. But I think the extent to which we'll have to have a large number of those weapons deployed is clearly going to

change. We'll be able to talk about taking down, for example, the short-range systems, the artillery systems, once the Soviets do the same. I think that constitutes a change in terms of how our forces are postured.

In terms of the broad strategy with respect to continuing to have nuclear weapons as a part of our deterrent, that has not changed, so I suppose you could look at it from either perspective. I think it's significant.

MS. STAHL: Well, speaking of Gorbachev, we've been watching him take quite a battering at this Party Congress. How do you view his chances of surviving--you, who have said in the past, that he probably couldn't make it? Doesn't this give your side of the argument much more weight?

SECRETARY CHENEY: Well, I don't know that we even ought to call it an argument. I think the key point to keep in mind here is that there's a lot of uncertainty about what, ultimately, will transpire in the Soviet Union. A lot of that uncertainty is best portrayed by the Soviets themselves.

The fact of the matter is, we don't know what is going to happen in the Soviet Union over the next couple of years, and therefore, a certain amount of caution and prudence is in order.

MS. STAHL: Let me ask you about the notion of doing so much to help Gorbachev survive, particularly given the fact that he's clinging to the Communist Party, the Communist ideology. Why aren't we putting our weight behind the reformers--those who say we have to get rid of Communism and set up a true democracy?

Why isn't the United States riding one of those horses, that seem to want to set up a system that's much more aligned to ours?

SECRETARY CHENEY: Well, I would argue, Lesley--and I think this accurately reflects administration policy--that we aren't interested in picking horses. What we're interested in is ongoing trends and developments inside the Soviet Union. We're interested in seeing the demilitarization of the Soviet Union. We're interested in seeing them move towards democracy and free elections.

MS. STAHL: Yeah, but we picked a horse. We're going with Gorbachev personally.

SECRETARY CHENEY: Well, but I don't think we have. I think you deal with Gorbachev because he is currently the leader of the Soviet Union. But you still stand on principle in terms of what we believe in, and the president has done that very consistently.

MS. STAHL: There has been, not only in our policy but in the president's rhetoric, a firm policy direction for helping this man personally survive, and Mr. Bush just reiterated this in NATO during the London summit.

SECRETARY CHENEY: I would argue that where we have differences, we've made those differences very clear. That the president, for example, did not approve of the overall posture with respect to the Baltics, called on the Soviets to permit self-determination, exercised restraint at the same time.

But I think the policy is calibrated just about right. Obviously, we think Gorbachev has contributed significantly to changes in Eastern Europe, to allowing the Eastern European regimes to pursue democratic courses and to promoting change inside the Soviet Union. In the final analysis,

though, obviously what we want to pursue is that change, and I don't think we have bet the farm, if you would suggest that, on any one individual.

MS. STAHL: Is there any chance of a military coup? We've heard these generals attack him for the very policy that we like him so much for.

SECRETARY CHENEY: Well, traditionally, if you look at the Soviet Union, the Soviet military has always been subject to civilian control. They have never led a coup. They have been actively involved a couple of times in the past, for example, when--in supporting a particular faction when there was a political struggle. But we don't have any reason at this point to believe that that's a likely scenario.

MS. STAHL: Okay. Two fast questions. On the president's new policy on taxes, I wonder what your reaction was when he decided to break that promise of no new taxes. I've actually heard that you might be delighted because the more taxes, the less military cutting, or at least that's the possibility. Are you delighted?

SECRETARY CHENEY: I've got a job to do, Lesley, and I'm doing my best to do it, and I've got my hands full over at the Defense Department. I'll let Nick Brady worry about tax policy.

MS. STAHL: Now that was a real duck.

SECRETARY CHENEY: It was.

MS. STAHL: Why? Why you ducking it?

SECRETARY CHENEY: Well, I've got my hands full running the Defense Department. The president will decide what tax policy ought to be, and my job, in connection with the budget summit, is to focus in on the defense side of things. Nick and Dick Darman and the president are worrying about tax policy; they'll also worry about entitlements. And my focus is on the defense budget.

MS. STAHL: Well, is it true that the higher the revenues from taxes that come in, the less the pressure for military cuts?

SECRETARY CHENEY: Not necessarily. I think that some cuts in the defense budget are, in fact, justified based upon changes in the world situation. There will be a big debate over what the level ought to be and how far we ought to cut. But I think there's a general consensus that some reductions are in order and can be justified.

MS. STAHL: All right. Very quickly, Newsweek magazine has a report that the Pentagon is working up a plan for a massive attack on the drug cartels in Latin America, using three South American armies to launch the attack, which would be coordinated by the Pentagon and might even use U.S. troops. True?

SECRETARY CHENEY: Lesley, I haven't seen the report. I've heard it about, heard there was such a report. Our policies are clear. We're doing in Central America, Latin America, what we can to help those nations that are involved, where there is production. We only do what they ask us

to do. Our involvement is limited in the sense that no U.S. forces are permitted to go out on operational assignments, and no U.S. forces participate in any activities down there, unless I've personally signed off on their presence in those countries.

So, while I haven't seen the specific report, our policy's unchanged.

MS. STAHL: Are we working up a plan, and will we coordinate an attack by three Latin American armies on the drug cartels? You haven't said no.

SECRETARY CHENEY: Well, but again, Lesley, I suppose you could argue that at present you've got a situation where the military units in those countries are actively involved in fighting the drug cartel, and we are actively involved in supporting them. But the policy is as I stated it.

MS. STAHL: Right, but that doesn't mean we're not--

SECRETARY CHENEY: We provide coordination and support and assistance. Well, I think you're getting into semantics here. I think the fact of the matter is we've got a reasonable policy that the president's directed us to pursue with respect to the counter-narcotics effort. It is a matter of supporting those host nations. It's not a matter of doing it ourselves; it's not a matter of active involvement of U.S. military forces in operational missions in those countries.

MS. STAHL: Sounds like a confirmation. Okay, we'll leave it there.
Mr. Secretary, thank you very much.

SECRETARY CHENEY: Thank you, Lesley.

MS. STAHL: That was Secretary Cheney. We'll be right back with the cartoon.

PRESIDENT GORBACHEV (through interpreter): Voices can now be heard claiming that perestroika is to blame for all present troubles. Excuse me for my being blunt, but this is simply nonsense.

(Announcements)

MS. STAHL: Our cartoon is by Wayne Stayskal. "And did I tell you that the same people who made the lenses for the Hubble space telescope also made my glasses?"
I'm Lesley Stahl. See you next Sunday.

ANNOUNCER: This portion of "Face the Nation with Lesley Stahl" was sponsored by the Archer Daniels Midland Company--ADM, supermarket to the world.

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U.S. Too Soft on China, Fang Says From Exile

■ **Dissident:** He is shocked at American timidity. The populace still 'harbors great dissatisfaction,' he says.

By ORVILLE SCHELL
SPECIAL TO THE TIMES

CAMBRIDGE, England—During the past week here at the University of Cambridge where he is now a visiting scholar of the Royal Society at the Institute of Astronomy, astrophysicist Fang Lizhi, China's best-known dissident intellectual, has broken his yearlong silence.

Looking pale and tired but nonetheless in good spirits after his ordeal, he spoke candidly about his views on the Bush Administration's China policy and his attitude toward his country's exiled democracy movement.

He also recounted his bid for asylum last June in the American Embassy in Beijing and the conditions under which he and his physicist wife Li Shuxian subsequently lived for almost 13 months.

While expressing his gratitude to the American government and Ambassador James R. Lilley for the hospitality extended to him and his wife during their time of need, Fang also said that American policy toward China's current hard-line government had sometimes, in his view, been too "soft."

"President Bush is not alone in wanting to prevent China from once again becoming isolated," he said. "But if the first principle is to keep in contact, the second principle must be to keep applying pressure in the form of demands."

He said the U.S. government has been found wanting in its support of human rights in China.

"Outside pressure is extremely important, because unlike during earlier periods where China could ignore pressure from the outside world, now, because the world has become more of a whole, Deng Xiaoping [China's paramount leader] can no longer afford to do so."

Incredulous that the United States would act so "timidly" when it was so strong, thus forfeiting the chance to use its influence to change China's repressive policies during the past year, he warned: "Only when you show strength will the Chinese government respect you and give in."

What might the United States have done? "They could have demanded the release of people who had been detained and arrested and lists of those executed, and we could have said that until such a list was made public, certain sanctions would not be lifted."

Of National Security Adviser Brent Scowcroft's secret visits to Beijing last summer and fall after the Administration had declared a ban on high-level contact, Fang said simply that they were "just not right." Such actions made Bush seem "close to the wishes of the Chinese leaders," he said.

But he said further sanctions should not be used indiscriminately. Rather, "like a boxer who has different punches and knows when to throw them," the United States should use sanctions to achieve specific goals rather than just to humiliate China, he said.

Fang said he strongly doubts that government repression in the wake of last spring's democracy protest will suppress his country's yearning for greater freedom of expression.

"The scale of the demonstrations was larger than ever before, and it gave people such a taste of independent thinking that even though they may now still not be able to express their sentiments openly, they nonetheless privately harbor great dissatisfaction."

Moreover, he continued, "the old tactic of brainwashing" is no longer effective because "people do not believe in the party anymore."

When asked whether he thought

Deng and other leaders should be brought to trial, he responded matter-of-factly, saying, "I think all of those who gave orders to fire on civilians around Tian An Men Square should be tried."

He urged Chinese students to "read and study, because political change depends on cultural change."

"I'm not saying we should just

idly wait. Studying is in fact a form of active preparation."

He cautioned Chinese who were eagerly looking to him for leadership that he recognizes his responsibilities but that he is not "a Superman" and is not now prepared to abandon scientific research for politics.

While he did express an unwavering commitment to keep working for human rights in China, he said:

"If the Chinese want a heroic person to tell them what to do and to lead them, I am not that man, because I think when people put such hopes and faith in a single leader, it is not only unhealthy but also dangerous."

Describing his chaotic odyssey into the American Embassy last spring, he recounted how after the June 4 massacre, when he felt Chinese authorities had "lost all rationality" and he feared for his life, he met with two U.S. diplomats at the embassy. But then, filled with ambivalence about seeking the protection of "foreigners," he left again. It was not until the night of June 5 that the same two U.S. envoys knocked on the door of the hotel room in which he was hiding and offered to escort him back to the embassy to take refuge "as President Bush's personal guest."

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 _____
L.A. Times A-1
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His original intention was to use the embassy for a few days anonymously as a sanctuary, and then to return home when things quieted down. But on June 7, the White House suddenly announced his presence in the embassy, creating an awkward dilemma. But Fang still claims that he was on the verge of leaving and was only dissuaded from doing so by concerned diplomats and his wife, who feared for his life.

Shortly thereafter Fang and his wife were both accused by Chinese authorities of being "counterrevo-

lutionary instigators," and warrants were issued for their arrest as criminals. By this time, they had no choice but to remain in the embassy for an uncertain period of time.

From the beginning, the location of Fang's quarters was kept secret from everyone except a handful of embassy employees. Ambassador Lilley was deeply fearful lest new unrest would tempt Chinese authorities to force their way into the compound and arrest Fang and Li. During the summer and fall, this possibility seemed hardly far-fetched, since every day the embassy grounds were surrounded by People's Liberation Army soldiers toting automatic weapons and relations between the United States and China continued to be extremely tense. Ironically, one line of these soldiers stood no more than several yards from where the Fangs were sequestered, separated only by a single brick wall ringing the embassy compound.

The Fangs' secret quarters consisted of several rooms that normally served as a medical clinic, in a low building immediately behind the ambassador's own residence. Over the months, Fang and Li built a close friendship with Lilley.

Lilley, who had served as a CIA representative in Beijing during Bush's 1974-75 tenure as charge d'affairs at the American liaison office in Beijing, immediately went about taking elaborate precautions to ensure the Fangs' safety and the anonymity of their hiding place.

New doors were secretly hung so that not so much as a cough or a sneeze could be heard from outside the clinic area. Windows were draped. A security alarm system was installed with push-buttons in each room. And everything brought to the Fangs' quarters was divided into small bundles and discreetly carried in by briefcase. All garbage and waste paper were

carefully brought back out again and secretly disposed of lest guards at the gate discern where the Fangs were sequestered. During the whole of their confinement, only two or three outside people were ever allowed to visit them and then only at night, when all the Chinese staff had finally gone home.

For more than a year, the Fangs lived in this cramped environment that they humorously came to refer to as their "black hole," reading, writing, thinking, watching television and doing theoretical astrophysical research.

As Fang noted ironically at the time, "I am an astrophysicist who is unable to see the stars."

After months of fruitless negotiations, their release seemed to hinge more and more on the question of their second son's being allowed to leave with them (their first son was already in the United States studying physics) and on the Chinese insistence that they had to make an admission of wrongdoing.

"Of course, we were unwilling to make such an admission," Fang now says emphatically. But still Ambassador Lilley hoped to find some way of giving the Chinese government the face necessary to bring about a settlement.

This problem was suddenly solved when this June, Fang suddenly experienced some minor heart palpitations, that he now cheerfully attributes to too much coffee. But seizing on this presumed malady, Lilley suggested that the Chinese allow the Fangs to leave for humanitarian reasons, mainly for medical treatment abroad. Still, however, the Chinese side insisted on some kind of admission of wrongdoing from the Fangs, something that they steadfastly refused to grant.

But by now the Chinese government seemed eager to see them depart, thus removing a large barrier to improved U.S.-Sino relations. They finally accepted a rather bizarre statement in which the Fangs merely "took note of" the fact that they opposed Deng's four cardinal principles supporting socialism and the Chinese Communist Party, and admitted that in doing so they had violated the preamble of the Chinese Constitution.

Eager for any face they could squeeze from the approaching deal, the Chinese issued a counterstatement saying that the Fangs had shown "a sign of repentance."

The next day, June 23, the Fangs were ushered by a Chinese police escort along with Ambassador Lilley to Nanyuan military airport, put aboard a U.S. military plane sent specially from Japan, and sent out of China toward England.

However, 10 hours prior to their departure, their youngest son, Fang Zhe, was picked up in Beijing by Public Security Bureau police. After being held under detention for 12 days, to the family's great relief, he was finally allowed to leave Beijing for London on Friday to rejoin the family in Cambridge.

Asked what he thought prompted China's sudden change of heart, Fang shrugged, gave one of his renowned whinnying laughs and said simply:

"I think it was all the pressure that the Chinese government was feeling from the outside world. One should never deny the role of economics as a factor in international relations."

U.S. May Use Soviet Rockets

Bush to Approve Commercial Satellites Plan

By John Burgess
Washington Post Staff Writer

President Bush has decided to approve a controversial plan in which Soviet rockets would launch U.S.-made commercial satellites from a space center on the coast of Australia, Secretary of State James A. Baker III said yesterday.

For now the move has little practical impact, because the Australian facility has not been built and may never be. But it marks a major policy step toward a potentially important new area of U.S.-Soviet technical and economic cooperation.

In the past, the United States has refused to allow U.S. payloads aboard Soviet rockets. Officials feared militarily sensitive technology would be compromised if advanced satellites were shipped to the Soviet Union for launch.

They also worried that Soviet launches, if offered at prices well below those of the three U.S. companies that now provide rides into space, would constitute unfair state-subsidized competition in a crucial field of technology.

Liftoff from Australia is meant to address the security concerns, because satellites would never enter the Soviet Union. U.S. military satellites would continue to be launched only from U.S. sites. Though details were not clear yesterday, analysts believe the United States will insist on pricing or other safeguards to limit the impact on U.S. companies' business.

Nonetheless, the move is a defeat for U.S. rocket companies.

Alvin A. Spivak, Washington spokesman for General Dynamics Corp., which offers commercial launches on the Atlas booster, said his firm had no details of the move, but "we hope that the decision in its details will protect the competitive position of American firms."

Bush's decision apparently also gives a U.S. company permission to run the Australian center and to work with the Soviets. United Technologies Corp. has applied for the job but no contract has been awarded.

The move raises many of the issues in a White House decision in 1989 to allow China to use its Long March booster to launch U.S.-made satellites. The Long March has launched one U.S.-made payload, a communications satellite for a Hong Kong-based consortium known as Asiasat.

National security adviser Brent Scowcroft sought to play down the significance of the Australian project, pointing out that launch centers exist elsewhere. "This is just another one," he said on Cable News Network show "Newsmaker Sunday."

Baker's remarks, made on ABC News' "This Week with David Brinkley," confirmed an article in yesterday's New York Times. "The president has made a decision that an initial launch will go forward," he said, but that appeared to misstate the status of the project.

Plans call for a \$500 million spaceport to be constructed at Cape York, Australia. The location, 12 degrees from the equator, makes it an attractive spot for space shots. The Soviet rocket used would be the Zenit, a well-tested, medium-sized booster.

Cape York would be privately funded and operated, marking an important new step in the commercialization of space. But because of cost and the uncertain prospects of competing against government-run space facilities elsewhere, nothing has yet been built and some analysts feel the project will not get off the ground.

The Soviets, who launched the world's first artificial satellite in 1957, have a generally strong record in space but have had trouble going commercial because of security and economic concerns in the West.

Proponents of letting the Soviets into the market argue that as President Mikhail Gorbachev pushes forward with liberalization, increased U.S.-Soviet technological exchange is inevitable and launches would help shore up the Soviet economy.

Other proponents argue that if the United States stays out of the project, the Europeans or Japanese will step in. British Aerospace of the United Kingdom, for instance, is reported to be competing against

United Technologies to run the Cape York facility.

United Technologies contends that the only flow of knowledge will be from the Soviet Union out. Employees of the U.S. company will go there to learn how to service the Zenits, attach payloads and launch the rockets, said Andrea Shea-King, spokeswoman for USBI Co., the United Technologies subsidiary that would do the job.

"They are going to deliver the rockets and we are going to process them," she said. No Soviet personnel would be present at the Cape York center, she said.

Critics, however, argue the Soviets will subsidize the rocket, giving Cape York an unfair advantage that would do serious harm to other U.S. companies involved in commercial satellite launches: Martin Marietta Corp. and McDonnell Douglas Corp.

Some critics also focus on security concerns, saying that even if the launches take place in Australia, the Soviets still will get valuable information about the design and capabilities of U.S. satellites.

Summit stage set: Bush, Baker oppose money for Soviets

By Frank J. Murray
THE WASHINGTON TIMES

HOUSTON — President Bush hosted a Wild West party yesterday for first arrivals at this year's economic summit and renewed his opposition to proposals to tide the Soviet Union through hard times with direct U.S. aid.

Secretary of State James A. Baker III was no less discouraging to the Soviets, pointedly musing on how much soap and bread the Soviets could buy with the \$15 billion that Moscow now gives to U.S. foes.

Soviet President Mikhail Gorbachev sent a letter Wednesday to Mr. Bush, host at the summit of the seven most industrialized nations, that had raised "questions of assistance," National Security Adviser Brent Scowcroft said.

The leaders of Britain, Japan and Canada attended the president's barbecue at the Astrodome, where they heard music from Grand Ole Opry and bluegrass artists and saw rodeo performers. Italian, West German and French leaders arrive today.

Press Secretary Marlin Fitzwater said of the Gorbachev letter: "Essentially it outlines economic steps that President Gorbachev has taken within the Soviet Union and asks the summit countries to consider providing technical economic assistance and credit that could be helpful to his economic reform efforts."

Mr. Scowcroft said Mr. Gorbachev did not spell out his needs.

"What he wants is over a period of a couple of years — where he says his economic program is going to be implemented and there will be a time of austerity and troubles — is some assistance to help tide over while those economic restructuring programs are taking hold," Mr. Scowcroft said.

When formal three-day talks open today, Mr. Bush will urge a cautious approach on aid to Moscow.

"If the Germans decide they want to do that, that's their business, but I have made very clear to those who have spoken to me about this, that at this juncture we have some serious problems," Mr. Bush said over the weekend.

Italy supports a Franco-German plan for immediate aid to Moscow, while Japan and Britain oppose it. Canada has straddled the issue, while promising \$1.7 billion in credits for the purchase of wheat and other products.

Mr. Bush's lobbying effort begins this morning with private pre-summit meetings with West German Chancellor Helmut Kohl, whose government is ready to give the Soviets at least \$15 billion, followed by a session with French President Francois Mitterrand.

Mr. Mitterrand is in a protocol dance to arrive last, three hours after Italian Prime Minister Giulio Andreotti and four hours after Mr. Kohl, both of whom stayed in Rome for the final match of soccer's World Cup, won by West Germany.

The Grand Ole Opry concert included bluegrass master Bill Monroe, Roy Acuff, Loretta Lynn, comedienne Minnie Pearl, the Gatlin Brothers and Charley Pride. The rodeo was an abbreviated demonstration with bull riding, bareback and saddle-bucking horses, and girls' barrel racing.

Each of the summit leaders received hand-made ostrich-skin cowboy boots, inlaid with the Texas flag and those of the seven summit nations. Mr. Bush, Canadian Prime Minister Brian Mulroney, Japanese Prime Minister Toshiaki Kaifu and European Community leader Jacques DeLors wore theirs to the party, but Britain's Margaret Thatcher opted for white pumps.

Besides aid to Moscow, summit business sessions, which run through Wednesday, will address:

- Japan's pending \$5.2 billion aid program for China, which the United States will not join but won't oppose as vigorously as aid to the Soviets. "We do have concerns about multi-lateral lending in China," said Mr. Fitzwater adding, "We're willing to talk about it." In response to the crackdown on Tiananmen Square protesters, last year's summit agreed to freeze development loans to China.

Japan and Britain agreed yesterday that the time had come to relax the economic squeeze. "There was a general feeling that we want to try and open up relations with China," a senior Thatcher aide told journalists after she met with Mr. Kaifu.

- Mr. Bush's proposal to stimulate the hemispheric economy by \$7 billion in debt forgiveness and a \$300 million-a-year program to attract investment to South America and the Caribbean.

- Environmental issues, including global warming and the related acid rain dispute between the United States and Canada. Mr. Bush and Mr. Mulroney announced yesterday their nations would begin formal negotiations in Ottawa on an air pollution agreement this month. The two leaders already have a de facto agreement that is reflected in the clean air bill pending before Congress.

- Agricultural policies that harm U.S. farmers, including European government subsidies to their farmers and Japanese roadblocks to U.S. rice exports.

Administration officials say the U.S. objective at the summit is to produce an appearance of unity on Soviet aid that leaves continental European nations free to proceed while other nations wait for certain conditions to be met.

Before the United States will consider sending money to Moscow, it wants the Soviets to develop a market economy, abandon their \$5 billion annual aid to Cuba and sharply reduce the 25 percent of gross national product now spent on Soviet defense.

"We should lend them money at the time that's going on?" Mr. Baker said yesterday. "Missiles are still trained on United States cities. The president's feeling is until some of those things are sorted out we shouldn't get into Soviet lending."

One official described the strategy this way: "The final communique will probably say that all countries want to see perestroika succeed and should endeavor in their individual ways to bring that about."

Gorbachev Supported On Reform

But Summit Leaders Differ on Providing Economic Assistance

0930290
By Dan Balz and Stuart Auerbach
Washington Post Staff Writers

HOUSTON, July 8—On the eve of their annual economic summit, representatives of the major industrialized nations indicated their desire to show support for Soviet President Mikhail Gorbachev's reform efforts, despite clear differences over providing direct assistance to the beleaguered Soviet economy.

The Soviet aid question is expected to dominate discussions of the three-day summit that begins here Monday. But a U.S. official, describing the differences among the participating seven nations, said draft language for a final statement was "pretty vague."

U.S. national security adviser Brent Scowcroft said that while the summit's likely "primary message will be . . . encouragement" to Gorbachev for his reform efforts, the leaders also will sound "a note of caution" that genuine economic reform is needed before Western assistance can be productive.

The communique was being worked on tonight by aides as President Bush welcomed arriving summit leaders at an indoor rodeo and barbecue in the Astrodome. One draft expressed support for Gorbachev's efforts to reform the Soviet economy, and reaffirmed the willingness of the Western nations "to widen and deepen the scope of cooperation with the Soviet Union."

Also today, President Bush and Canadian Prime Minister Brian Mulroney agreed to begin negotiations shortly on an acid-rain agreement between the two countries. A senior Canadian official said an agreement, which Canada has wanted for years, is important for U.S.-Canada relations as well as the

environment.

Bush, backed by British Prime Minister Margaret Thatcher and Japanese Prime Minister Toshiki Kaifu, opposes the plan of West German Chancellor Helmut Kohl and French President Francois Mitterrand to give Moscow \$15 billion to \$20 billion in direct aid. Kohl is eager to aid the Soviets to offset their nervousness over German unification.

Bush and his supporters said the Soviets had not instituted the kind

of reforms of the centrally run Soviet economy that would allow the money to be used wisely. While the administration favors technical assistance for the Soviets, it is balking at sending direct U.S. aid as long as the Soviets spend a quarter of their budget on their military and send \$5 billion annually to subsidize Cuba.

"There will not be one monolithic policy from the Houston summit," Treasury Secretary Nicholas F. Brady said today on ABC's "Business World."

But there is a clear desire among all the participants to show support for Gorbachev's efforts.

Scowcroft, appearing today on CNN's "Newsmaker Sunday," said, "I think that the primary message [from the summit] will be one of encouragement for the process that is taking place within the Soviet Union, encouragement for all the things that Gorbachev has done and is proposing to do, but a note of caution that much needs to be done in order to make, for example, Western assistance productive."

Mulroney, on ABC's "This Week With David Brinkley," said, "Political and military signals were sent off from London a few days ago at [the] NATO [summit] and my expectation is that we're going to be considering, among other things, an economic response not only to his concerns but to our own."

On the same program, Secretary of State James A. Baker III added that "What we were able to accomplish in London at the NATO summit will be very meaningful in terms of helping *perestroika* [restructuring] succeed and maybe more meaningful than providing some \$15 billion or \$20 billion to an economy the size of the Soviet economy before there is economic reform in place."

Baker said Moscow's military spending and foreign aid are reasons why the Soviets "haven't been able to move forward in terms of [providing] consumer goods and that sort of thing."

Mulroney raised the possibility of a Soviet Union without Gorbachev. If Gorbachev was "chucked out" of office, Mulroney said "we would be in an infinitely worse position than we are today. And so there is a response that has to come from Canada and from all of the industrialized nations. . . . Collectively, there has to be a significant response."

But he echoed Bush's view that individual countries have to decide for themselves how to respond to Gorbachev's request for assistance to help the crumbling Soviet economy and bolster his sagging political fortunes at home.

Mulroney emphasized that Canada is supplying previously promised farm and commercial credits to Moscow, which the United States does not.

Asked if the Canadian credits undercut U.S. policy, Bush replied today, "Nothing undercuts our policy."

White House press secretary Marlin Fitzwater said today that Gorbachev, in a letter to Bush that was received July 4, asked the summit participants "to consider providing technical economic assistance and credit that could be helpful to his economic reform efforts."

The announcement on acid rain followed a private meeting today between Bush and Mulroney. This issue has been a longtime irritant between the two countries, with Canada pressing the United States to reduce emissions from midwestern power plants that have been spoiling its lakes and forests.

White House officials said that with Congress close to passing a Clean Air Act, they were prepared

to start negotiations to reduce sulfur dioxide and other components of acid rain.

Environmental activists played down the significance of the agreement. "There's less than meets the eye, and it too years to get it," said Daniel F. Fier of the Sierra Club.

James Tripp of the Environmental Defense Fund added, "They're merely ratifying what they have already agreed to do."

The environment is one of the principal issues at the summit, the United States resisting European and Canadian calls for swift action to combat global warming. The United States and Canada are at odds with Europe over ending agricultural subsidies.

Bush began his day by attending church with his wife, Barbara Thatcher, and Baker and Brady and their wives. Later, the president took a 30-minute jog in Memorial Park where he was joined by several dozen citizens out for runs.

Charlotte Hays

Not quite the ticket?

Alas, the bright boys and girls over at the National Security Council apparently aren't thrilled with the state of affairs these days. Rumors are flying around that some of NSC's top guns — including, some say, none other than deputy

director **Robert Gates** and Soviet specialist **Condi Rice** — wouldn't mind moving on. Condi reportedly is telling friends she may be going back to Stanford University in December.

And why not? What with Secretary of State **James Baker** running things from his shop and NSC boss **Brent Scowcroft** taking a back seat, the NSC just ain't what it used to be. Mr. Gates, in particular, hasn't had an easy time. Mr. Baker, you recall, put the kibosh on a hard-line anti-Soviet speech, and Mr. Gates

was forced to tone it down a while back.

Of course, if Bob 'n' Condi defect, they won't be the first, 'cause — as I'm sure you've read — Soviet and East European affairs expert **Robert Blackwill** already has decided to jump ship and return to Harvard. Mr. Blackwill, by the way, is quite influential, and they say that if he's calling it quits, morale must be bad at NSC.

Hey, shake it up, Brent!

No direct troop use in drug strikes planned

National Security Adviser Brent Scowcroft said yesterday that no U.S. troops will act operationally in attacks against drug trafficking organizations in Latin America, though he said the U.S. military will continue to train local forces to curb the drug trade.

Mr. Scowcroft, appearing on CNN television's "Newsmaker Sunday," was questioned about a report in Newsweek magazine saying the United States was drawing up plans for a drug raid using the armies of three South American nations against the cocaine cartel.

Defense Secretary Richard Cheney also said no direct U.S. troop involvement is likely.

"Our involvement is limited in the sense that no U.S. forces are permitted to go out on operational assignments and no U.S. forces participate in any activities down there unless I'm personally signed off on their presence in those countries," Mr. Cheney said on CBS television's "Face the Nation."

Gorbachev Starting to 'Assert His Controls,' Scowcroft Says

Los Angeles Times 9 Jul 90

From a Times Staff Writer

HOUSTON—The Bush Administration, in its first major evaluation of the Soviet Communist Party Congress now under way in Moscow, indicated Sunday that it believes President Mikhail S. Gorbachev is strengthening his position inside the Soviet Union but still faces extraordinarily difficult challenges in remaking Soviet society.

Gorbachev is "beginning to assert his controls," National Security Adviser Brent Scowcroft said in a television interview, "and . . . in the end he will be able to manage the congress the way he wants."

Scowcroft, interviewed on CNN's "Newsmaker Sunday," suggested that Gorbachev, who is president of Soviet Union in addition to his post as head of the Communist Party, may be succeeding in his goal of "gradually transferring power away from the party into the government structure, which he thinks is the better medium to run the country."

But Gorbachev, who is being attacked mercilessly by conservatives within the party has to be careful in keeping the Communist Party under control, Scowcroft added.

"He has to do that carefully because if he were to renounce the party and a rival should emerge as the general secretary, for example, the party still—not so much in Moscow but out into the country—still is the medium of control. It is still the local party boss in the village, and so on, that decides all questions."

Underlying Gorbachev's strategy, Scowcroft said, is the effort to maintain his position as the only leader who can mediate between the party bosses who resent the changes under way in the Soviet Union and the more radical advocates of a rapid shift to a full-scale democracy and market economy.

"Within the congress, the conservatives are mounting a major, major attack on Gorbachev's proposals, just as outside the halls, people are saying, 'Down with the Communist Party!' In a sense, that puts him in not a bad position to maneuver between the conservatives and the radicals."

As Scowcroft put it, the Bush Administration believes that the Communist Party is not "done for yet, but it is definitely on the wane, and it is under assault by Gorbachev himself."

Report: U.S. plan targets drug lords

Special for USA TODAY

09 JUL 90

U.S. officials stopped short Sunday of denying a published report of plans for a U.S.-coordinated military attack on drug lords in South America.

But they did say there has been no change in the policy of not involving U.S. forces in direct military operations.

Newsweek magazine reported it has obtained briefing papers from U.S. Southern Command headquarters in Panama that envision a U.S.-coordinated raid using the armies of Colombia, Bolivia and Peru to attack drug-trafficking targets in those countries.

Newsweek said the attack would involve a massive use of force applied swiftly and simultaneously to "the cartel's entire support structure." U.S. troops would direct the operation but would not take part in it unless "the need arises."

The response:

► National security adviser Brent Scowcroft said on CNN's *Newsmaker Sunday* that it would be a "real misnomer" to call the plan a "big drug raid" as suggested by an interviewer.

Asked if the reported operation signals an escalation of the drug war, Scowcroft said: "No. Well, hopefully, it's an intensification; it's not an escalation."

► Defense Secretary Dick Cheney did not respond directly when pressed on CBS's *Face the Nation* to comment on specifics of the *Newsweek* story: "... You've got a situation where the military units in those countries are actively involved in fighting the drug cartel and we are actively involved in supporting them ... by coordination and support and assistance," Cheney said.

West wrestles over aid to Soviets

By Richard Benedetto

USA TODAY 09 JUL 90

HOUSTON — The biggest problem facing Western leaders meeting here at the economic summit is finding a way to aid the Soviet Union without looking as if anyone caved in.

The touchy issue is emerging as an idea whose time has come, despite protests by President Bush, who argues that Soviet economic reforms haven't gone far enough, military expenditures haven't dropped enough and the Soviets still send Cuba \$5 billion a year.

"Much needs to be done to make Western assistance effective," national security adviser Brent Scowcroft said Sunday. But Soviet President Mikhail Gorbachev has once again sent a letter to Bush on the eve of the summit urging Western assistance. He even offered the United States a way out by asking for "technical assistance" — aid that might be more palatable because it doesn't directly involve dollars.

Indications are that most leaders here would like to send Gorbachev a signal on aid similar to the one sent last week

from NATO seeking to allay his fears of a Western military threat.

One by one, Bush allies on the aid issue are dropping away. West German Chancellor Helmut Kohl, French President Francois Mitterrand and Italian Prime Minister Giulio Andreotti back a Western aid package to the Soviets. Canadian Prime Minister Brian Mulroney said he's willing to extend loan credits to the Soviets, leaving only Japanese Prime Minister Toshiki Kaifu and British Prime Minister Margaret Thatcher in the Bush camp.

Kaifu's opposition stems not from disagreement on Soviet reforms, but from a dispute over ownership of the Kuril Islands seized by the Soviets after World War II.

Asked Sunday if he felt his position is undercut by defections, Bush replied, "Nothing undercuts our policy."

However, the handwriting is on the wall. Some U.S. economic experts who say it's still too early to aid the Soviets predict Bush will eventually cave in to advisers seeking to avoid international discord here.

"They don't have the guts to

resist," said Paul Roberts of the Center for Strategic and International Studies.

White House aides appeared Sunday to be preparing for the inevitable. They talked about "definitions" of economic aid, the "timing" and the "frameworks" for a broad, general agreement that allows Bush to save face.

"I can see us saying, 'Yeah, this is great, but we have conditions we want to attach,'" said spokesman Roman Popadiuk.

TRIP NEWS

JAPAN TO RESUME LOANS TO CHINA AFTER HOUSTON SUMMIT

TOKYO -- Japan's Chief Cabinet Secretary Misoji Sakamoto said Monday Japan would unfreeze loans to China some time after this week's summit of major industrialized democracies in Houston.

Kyodo News Agency quoted Sakamoto as telling a news conference here, "I think (loans to China) will be resumed on Japan's (own) decision, in good time, after the Houston summit."

Sakamoto said, "I don't think China has been completely democratized." But he added: "China has made efforts, though they are not sufficient."

"The isolation of China does not have a good influence on Asia and the Pacific region. It is important not to make her isolated," he said. (Reuter)

GORBACHEV SUPPORTED ON REFORM

But Summit Leaders Differ On Providing Direct Assistance

HOUSTON -- On the eve of their annual economic summit, representatives of the major industrialized nations indicated their desire to show support for President Gorbachev's reform efforts, despite clear differences over providing direct assistance to the beleaguered Soviet economy.

The Soviet aid question is expected to dominate discussions of the three-day summit that begins here Monday. But a U.S. official, describing the differences among the participating nations, said draft language for a final statement was "pretty vague."

National Security Adviser Scowcroft said that while the summit's likely "primary message will be...encouragement" to Gorbachev for his reform efforts, the leaders also will sound "a note of caution" that genuine economic reform is needed before Western assistance can be productive.

The communique was being worked on Sunday night by aides as President Bush welcomed arriving summit leaders at an indoor rodeo and barbecue in the Astrodome. One draft expressed support for Gorbachev's efforts to reform the Soviet economy, and reaffirmed the willingness of the Western nations "to widen and deepen the scope of cooperation with the Soviet Union."

Also Sunday, President Bush and Prime Minister Mulroney agreed to begin negotiations shortly on an acid-rain agreement between the two countries. A senior Canadian official said an agreement, which Canada has wanted for years, is important for U.S.-Canada relations as well as the environment.

(Dan Balz & Stuart Auerbach, WASHINGTON POST, A1)

Bush Says He'll Brief Summit Leaders On Gorbachev Aid Appeal

HOUSTON -- President Bush threw a Texas-style welcome for Western leaders Sunday on the eve of an economic summit already divided by an appeal from Mikhail Gorbachev for aid to bolster the crumbling Soviet economy.

U.S. and British officials dug in their heels against direct aid. But Prime Minister Mulroney was more sympathetic, extending commercial credits to Moscow and saying, "Houston has to provide the beginnings of an economic response."

Bush said he would present a letter from Gorbachev when leaders of the world's seven richest democracies convene Monday....

"Tomorrow we go to work," Bush told a cheering audience after a festive night of pre-summit partying. "I think we're all working for the same thing, for world peace, for harmony in this exciting world we're living in."

To strengthen the Soviet case for aid, foreign ministry spokesman Gerasimov said Moscow was taking steps demanded by Bush. He said the military was being cut down to size, and that Moscow's huge subsidies to Cuba would "fade away, but not tomorrow."

(Terence Hunt, AP)

Post-Cold War Economic Summit Discusses Soviet Aid

HOUSTON -- Leaders of the seven richest industrialized nations meet Monday for their first post-Cold War economic summit with the U.S. pushing for a comprehensive study of the Soviet Union's economy to determine what assistance it needs....

West Germany...has proposed a \$15 billion economic aid package from the West, But the U.S. and Britain say it would be a waste to turn over that kind of money without assurances that Gorbachev will move farther toward a market economy.

"Straightforward assistance would probably disappear into the abyss," British Finance Minister Major told London's Independent Television News Sunday.

(Steve Holland, Reuter)

Leaders Split Over China, Soviet Aid

HOUSTON -- Leaders of the world's seven top economic powers kick off a three-day summit here Monday with debate on aid to the Soviet Union and China high on the agenda.

Overshadowing the meeting is President Gorbachev -- who's not here.

He sent a letter to President Bush last week making a new plea for Western economic aid for his struggling country.

But the White House Sunday tried to downplay its significance. "There was no request in there for him to come to the summit," said press secretary Fitzwater. "It doesn't raise any new issues or requests."

(Richard Benedetto, USA TODAY, 1A)

U.S. TOO SOFT ON CHINA, FANG SAYS FROM EXILE

CAMBRIDGE, England -- During the past week here at the University of Cambridge where he is now a visiting scholar of the Royal Society at the Institute of Astronomy, astrophysicist Fang Lizhi...has broken his yearlong silence.

Looking pale and tired but nonetheless in good spirits after his ordeal, he spoke candidly about his views on the Bush Administration's China policy and his attitude toward his country's exiled democracy movement....

While expressing his gratitude to the American government and Ambassador Lilley for the hospitality extended to him and his wife during their time of need, Fang also said that American policy toward China's current hard-line government had sometimes, in his view, been too "soft."

"President Bush is not alone in wanting to prevent China from once again becoming isolated," he said. "But if the first principle is to keep in contact, the second principle must be to keep applying pressure in the form of demands."

He said the U.S. government has been found wanting in its support of human rights in China.... "They could have demanded the release of people who had been detained and arrested and lists of those executed, and we could have said that until such a list was made public, certain sanctions would not be lifted."

Of National Security Adviser Scowcroft's secret visits to Beijing last summer and fall..., Fang said simply that they were "just not right." Such actions made Bush seem "close to the wishes of the Chinese leaders," he said.

But...he said, "like a boxer who has different punches and knows when to throw them," the U.S. should use sanctions to achieve specific goals rather than just to humiliate China.

(Orville Schell, LOS ANGELES TIMES, A1)

U.S. MILITARY ESCALATES INVOLVEMENT IN BOLIVIAN DRUG WAR

LA PAZ -- The Pentagon has sent in advisers to help with an intensified anti-drug effort that includes a sophisticated new intelligence-gathering system, a U.S. DEA official says.

,,,Eugene Castillo, acting U.S. DEA attache for Bolivia, said a computer system recently installed in La Paz and Santa Cruz will link major cocaine centers and provide data on trafficking.

It will also provide a safe way of transmitting information among anti-drug operations centers, he said.

Castillo, who spoke Friday on condition the story would not be used before Sunday, described the new system as "innovative."

"It gives us...intelligence and the ability to transmit that intelligence to affected areas so that operations can be planned and mounted in a minimum amount of time," he said.

(Peter McFarren, AP)

INTERNATIONAL NEWS

ANGRY MINERS CHALLENGE SOVIETS

MOSCOW -- The Communist Party Congress was overshadowed Sunday by threats of a one-day strike this week by Soviet miners, despite government appeals to keep working. What's worse for President Gorbachev and the Soviet economy: The strike, set for Wednesday, serves as a warning workers are becoming increasingly angered by an economy that doesn't work. Miners now plan to form a free labor union in August, which could spell increasing problems for an economy already racked by hardships and consumer shortages.

(Dianne Rinehart, USA TODAY, 5A)

GORBACHEV PLEADS CASE TO WORKERS

MOSCOW -- President Gorbachev warning that his reforms are threatened by conservative opposition, on Sunday told the workers and farmers attending the 28th Communist Party Congress that they must back him or see perestroika fail.

"Perestroika is now at such a crucial stage that some people are trying to stop it binding its legs and all that in order to maintain their own positions of power," Gorbachev said.

"But for us to work differently and to obtain different results from our work, for us to restore the incentives in agriculture, in industry and in our whole state, we have to continue perestroika." (Michael Parks, LOS ANGELES TIMES, A1)

HOUSE PANEL SAYS SOVIET THREAT IS DEAD

A key House Armed Services Committee panel, divided along party lines, concluded Sunday that the threat to the U.S. and NATO by Soviet conventional forces "is greatly diminished and cannot be revived." The assessment prompted Chairman Aspin to reiterate calls for selective cuts in the U.S. defense budget....

But the conclusion was dismissed as far too optimistic by Rep. William Dickinson. "Endorsing this report is tantamount to believing that the Soviet Union is already militarily impotent and not a global power to be reckoned with, Such as view is more wishful thinking than a reflection of reality."

(Stanley Meisler, LOS ANGELES TIMES, A7)

NATO COURTING OF SOVIETS GETS SERIOUS

LONDON -- After pledging major military concessions to President Gorbachev at last week's NATO summit here, Western leaders are now pressing the Kremlin to pull back the Red Army and drop its objections to a reunited Germany.

But the Kremlin isn't expected to react enthusiastically, because the 16 NATO leaders merely promised dramatic military changes that would occur after Soviet reforms and military cutbacks, according to U.S. diplomats and arms-control experts.

Officials said Gorbachev is still looking for concrete changes in NATO beyond initiatives by President Bush to tone down the military threat by rewording NATO nuclear policy and pledging future conventional military changes.

(Paul Bedard, WASHINGTON TIMES, A6)

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U.S. OFFICIALS SAY NO U.S. TROOPS
WOULD BE USED IN REPORTED DRUG RAID

U.S. officials stopped short Sunday of denying a report that plans are being developed for a U.S.-coordinated military attack on drug lords in South America, but said there has been no change in the policy of not involving U.S. forces in direct operations.

NEWSWEEK reported Saturday it has obtained briefing papers from U.S. Southern Command headquarters in Panama that envision an attack coordinated by the Southern Command and using the armies of Colombia, Bolivia and Peru to attack drug-trafficking targets in those countries.

National security Adviser Scowcroft said on CNN's "Newsmaker Sunday" that it would be a "real misnomer" to refer to the operations as a "big drug raid" as suggested by an interviewer.

"U.S. troops will be used the same way they've always been used," he said. "That is, when asked for they will help train local military. They will not be used operationally. In interdiction and intelligence, for example, in tracking and so on, yes, we will use the military, as we have been doing it all along."

Asked whether the reported operation signals an escalation of the drug war, Scowcroft said: "No. Well, hopefully, it's an intensification, it's not an escalation." ...

Secretary Cheney did not respond directly when pressed on CBS's "Face the Nation" to comment on specifics of the NEWSWEEK account. (AP)

OFFICIALS SEE POSITIVE SIGNS IN WAR ON COCAINE

Federal drug enforcement officials say that for the first time in years they are seeing tentative signs of success in efforts to reduce cocaine trafficking.

Even as they relate the data, they warn that the shift may be temporary or the result of unknown factors or both. But the pieces of information seem to fit together into an encouraging pattern.

"You won't find anyone in the department jumping up and saying this is great news. Everyone wants to be cautious. But it's encouraging, and people are beginning to think that maybe the war is beginning to work," said Catherine Shaw of the Bureau of International Narcotics Matters in the State Department.

"We monitor a whole series of data and survey sets continually and, while the numbers are still far too high in every respect, there are very encouraging indications that they have peaked and are on the downswing," added David Tell, deputy chief of staff for the Office of National Drug Control Policy.

Embassy reports from Peru and Bolivia show drops in the prices being paid to peasants for coca leaf crops -- likely because of reduced demand by traffickers whose supply routes have been hampered. The decreases are significant enough to cause some farmers to abandon the cultivation of coca for fruits such as bananas and oranges....

Late last week, Terrance Burke, acting head of the DEA, told a meeting of the Senate Foreign Relations Committee and its subcommittee on terrorism and narcotics that on the streets of major American cities, the price of cocaine has shot up and the purity of the product decreased in recent months -- classic signs of reduced supply, he said. (Ethan Bronner, BOSTON GLOBE)

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U.S. MAY USE SOVIET ROCKETS
Bush To Approve Commercial Satellites Plan

President Bush has decided to approve a controversial plan in which Soviet rockets would launch U.S.-made commercial satellites from a space center on the coast of Australia, Secretary Baker said Sunday.

For now the move has little practical impact, because the Australian facility has not been built and may never be....

Liftoff from Australia is meant to address the security concerns, because satellites would never enter the Soviet Union. U.S. military satellites would continue to be launched only from U.S. sites. Though details were not clear Sunday, analysts believe the U.S. will insist on pricing or other safeguards to limit the impact on U.S. companies' business.

Nonetheless, the move is a defeat for U.S. rocket companies.
(John Burgess, WASHINGTON POST, A7)

FRENCH TROOPS TO STAY IN GERMANY AT LEAST FOUR MORE YEARS

PARIS -- France plans to keep troops in Germany for at least four more years and is intent on remaining Western Europe's top military power, the country's defense minister says.

The Cabinet minister, Jean-Pierre Chevenement, speaking on a radio show Sunday, rejected any suggestion French troops withdraw from Germany by the end of the year.

"That won't happen for at least four or five years," he said, adding that withdrawal even then would depend on actions of the Soviet Union and coordination with Western allies.... The defense minister stressed that these tentative withdrawal plans have no bearing on French troops in Berlin.
(AP)

U.S., GREECE SIGN AGREEMENT ON MILITARY BASES

ATHENS -- Greek and U.S. officials signed a defense treaty Sunday allowing two major U.S. military bases to remain in Greece for at least eight years.

The treaty, which must be ratified by the Greek parliament and the U.S. Congress, guarantees defense of Greece's territory against any hostile country, including Turkey....

The treaty calls for Congress to appropriate \$345 million in aid for Greece's purchase of U.S. military equipment. It also proposes that Greece receive surplus material worth about \$1 billion, said Greek Foreign Minister Samaras. The U.S. also would waive \$50 million owed by Greece for past military purchases.

(AP, WASHINGTON POST, A16)



Thatcher and NATO Secretary-General Wörner welcome Bush and Secretary of State James Baker as they arrive for the alliance summit

TIME/JULY 16, 1990

Helping Hand or Clenched Fist?

NATO's leaders labor to convince Moscow of their good intentions but remain wary about how much to aid a beleaguered Gorbachev

By GEORGE J. CHURCH

The President of the Soviet Union addressing a NATO meeting as guest of honor? Until quite recently, the idea would have seemed as preposterous as stickup artist Willie Sutton delivering the keynote speech to the American Bankers Association. But NATO Secretary-General Manfred Wörner will in fact fly to Moscow this weekend to give Mikhail Gorbachev a personal briefing on the results of last week's Western alliance summit in London. With him Wörner will carry the diplomatic equivalent of an engraved invitation for Gorbachev to attend and

speak at a future meeting of the NATO Council in Brussels, perhaps about a year from now.

Moreover, the invitation, suggested by U.S. President George Bush and enthusiastically endorsed by NATO's 15 other heads of government, was a surprise only in one sense. True, it was the one major proposal adopted in London that had not been tipped in advance. But it was a natural development of the summit's overriding theme: to persuade the Kremlin's leaders that NATO, born 40 years ago as a specifically anti-Soviet alliance, today has only the most peaceful intentions toward the U.S.S.R. As the closing communiqué put it, "The Atlantic community must

reach out to the countries of the East which were our adversaries . . . and extend to them the hand of friendship."

One aim, of course, is to induce Moscow to accept a unified Germany as a member of NATO. Said an adviser to French President François Mitterrand: "We must convince the Soviets that NATO is not a threat to their security, even with—and especially with—a united Germany included in its ranks. All the rest is essentially detail."

The NATO summitters figured that one way to convince the Soviets was to do everything possible to help Gorbachev maintain his power against the critics who were blistering him at a Soviet Commu-

nist Party Congress. Thus the invitation to address a future NATO meeting specifically named Gorbachev and could not be used by any successor. Explained British Prime Minister Margaret Thatcher: "Without President Gorbachev, all this [improvement in East-West relations] would not have happened." In Moscow, Gorbachev asserted, "I am always ready to go."

Bush, at a press conference after the meeting, proffered some one-old-pro-to-another advice on how Gorbachev could use the NATO communiqué to counter his critics inside the Kremlin. Bush's counsel: "I think [Gorbachev] will say, 'Look, NATO has indeed changed in response to the changes that have taken place in Eastern Europe' ... I would think he could say, 'We've been right to reach out as we have tried to do to the United States and ... to improve relations with countries in Western Europe. They're changing, they have now changed their doctrine because of steps that I, Mr. Gorbachev, have taken.' And I'd get on the offense and then let the rest of us help him with some of his hard-liners."

But help him how? The specific decisions reached in London add up at most to preliminary steps toward the "major transformation" of NATO that the summit communiqué rather hyperbolically proclaimed. It was an artful compromise between the ideas of West German Chancellor Helmut Kohl, who wants to go as far as possible toward giving Moscow a helping hand, and the far more cautious stands of Thatcher and Mitterrand. The chief compromiser was Bush, who a few days before the summit wrote letters to the 15 other NATO leaders that became the working draft of the final communiqué. The principal points:

► Besides inviting Gorbachev to address the NATO Council, the alliance asked the Soviet Union and its allies in the Warsaw Pact "to establish regular diplomatic liaison with NATO"—which means appointing ambassadors and other diplomatic personnel to NATO headquarters in Brussels. They would not participate in the alliance's military planning, of course, but would convey messages and receive information.

► NATO further proposed that its members and the Warsaw Pact countries make "a joint declaration, in which we solemnly state that we are no longer adversaries and reaffirm our intention to refrain from the threat or use of force." The declaration would be made by individual countries rather than the alliances as such, because the Warsaw Pact is all but dead as a military grouping. Treating it as a negotiating partner just



Kohl and Canada's Mulroney share a moment of jollity

might maintain an unwanted flicker of life.

► Militarily NATO pledged its strategy will "change fundamentally"—though only "as Soviet troops leave Eastern Europe and a treaty limiting conventional forces is implemented." The hope is that such a treaty can be signed by year's end. At the time of signing, a unified Germany would give "a commitment" on military force levels, undoubtedly specifying a reduction from the present 495,000 troops in West Germany, 100,000 in the East. NATO would field smaller forces generally and would pull out all the 1,470 nuclear artillery shells the U.S. keeps in Western Europe "in return for reciprocal action by the Soviet Union." "Where appropriate," NATO would move away from its doctrine of "forward defenses," suggesting that troops and weapons would be pulled

back from what is now the border between West and East Germany.

A much thornier issue is the potential use of nuclear weapons. NATO's doctrine has long been "flexible response," meaning it would meet a Soviet invasion with any weapons needed. Given the Soviet and Warsaw Pact superiority in conventional arms, that implied an early resort to tactical nuclear weapons and quite likely using them before the other side did. Germany has wanted to shift to a "no first use" doctrine, but Britain and France, which maintain independent nuclear arsenals against the Soviet threat, would not hear of it. Thatcher and Mitterrand argued that uncertainty about whether and when NATO would use nukes is a necessary deterrent to any lingering Soviet expansionism. As one British spokesman put it in a magnificent oxymoron, NATO had to "leave the ambiguity absolutely clear."

On the eve of the summit, Bush proposed another compromise: NATO would consider nukes "weapons of last resort." Just how much change that represents is unclear. National Security Adviser Brent Scowcroft says it merely implies using nuclear weapons "later rather than earlier." Thatcher and Mitterrand fought against it nonetheless, and the communiqué wound up throwing the "last resort" doctrine into the future; it would be adopted only "with the total withdrawal" of Soviet forces stationed in Eastern Europe. That satisfied Thatcher that any change was merely semantic, and she signed. Mitterrand had misgivings even then, but went along for the sake of alliance solidarity.

► Politically the summeiteers agreed on making the 35-nation Conference on Security and Cooperation in Europe the vehicle to promote regular dialogue between East and West. C.S.C.E. is merely a name attached to occasional, and irregular, meetings. But the NATO chiefs proposed giving it the rudiments of an organization: a program for meetings of the heads of government at least once a year, a small secretariat, a mechanism to monitor elections in all the member countries and a Center for the Prevention of Conflict "that might serve as a forum for exchanges of military information [and] discussion of unusual military activities."

The most contentious issue of all was, and remains, whether to extend economic aid to Gorbachev's government. The Soviet President for the first time explicitly asked for such assistance in letters to Bush and Thatcher before the NATO meeting. But the subject evidently was considered too hot to handle: it was not on the summit agenda and went unmen-

DOING WELL, DOING GOOD

How West Germany compares with the U.S. on Soviet trade—and aid



1989 U.S.S.R. trade figures in billions of dollars

TIME Chart by [illegible]

tioned in the communiqué, despite much discussion.

That debate, in turn, was a sort of warm-up for what is likely to be an even sharper dispute at this week's seven-nation Western economic summit in Houston. That meeting will reunite Bush, Thatcher, Mitterrand, Kohl and Prime Ministers Brian Mulroney of Canada and Giulio Andreotti of Italy, plus Toshiaki Kaifu of non-NATO Japan.

The argument for aid is simple: if the West wants Gorbachev to continue steering the U.S.S.R. toward peace and democracy, then it must help him ward off collapse of the Soviet economy, since that is by far the greatest threat to his remaining in power. So far, however, this has convinced only Kohl, who has pledged \$3 billion of West German loans to the Soviet Union and is trying to talk his NATO allies into ponying up an additional \$15 billion or so. Colleagues suspect Kohl's real motive is to buy Moscow's consent to German uni-

fication and to a unified Germany's membership in NATO, for cash. Bush told his press conference, "I have some big problems" with extending aid at this time. One, he said, is that "a great percentage" of Soviet gross national product is still going into military spending. Also, Moscow has continued to extend aid to anti-American regimes in Afghanistan, Angola and, worst of all, Cuba. Now that Bush has in effect agreed that new taxes are necessary to reduce the budget deficit, opponents could shout that Americans are being taxed indirectly to finance the building of Soviet missiles or even to prop up Fidel Castro.

The most powerful argument against aid is that as long as Gorbachev shrinks from unpopular but essential capitalistic reforms, the West could pour in tens of billions of dollars that would do no good. The money would simply disappear into the insatiable

maw of the inefficient Soviet economy. That argument cannot be lightly dismissed. Any aid should be conditioned on reforms that would move the U.S.S.R. toward a genuine market economy.

But as Bush and the other Western leaders are well aware, the U.S. alone spends an estimated \$177 billion a year on NATO and the defense of Western Europe. One way to reduce that monstrous outlay and reap a peace dividend may be to invest a modest portion of it in the Soviet leader and the *perestroika* that ended the cold war. Even the simple offer of Western aid may strengthen Gorbachev's position: it would demonstrate that his international friends can deliver, and it would lessen his people's fears about weathering the hard course he has set for his country. In any case, the question will not go away unless Gorbachev does—and that is precisely what the U.S. and its NATO allies want to avoid. —Reported by William J. Mader/London and Christopher Ogden with Baker

Aid That Would Work

If George Bush could sweep away all the political and legal roadblocks to U.S. economic aid for the Soviet Union, he would still be hard pressed to find prudent ways to provide it. Loans from the West, no matter how generously dispensed, could not transform the huge and irrational Soviet economy into a productive enterprise. Moscow is \$2 billion behind in its payments to foreign suppliers right now, and is running a budget deficit of more than \$100 billion. Transfusions will not provide a cure.

Even food aid would be almost useless, since the primary cause of the Soviet Union's meat and vegetable shortage is its primitive storage and distribution system. More than half of all fruits and vegetables end up unfit for human consumption, and the same thing would inevitably happen to American shipments. Mikhail Gorbachev's path to salvation must lead away from centralized socialist planning and toward a market economy. Any future American assistance will probably be aimed at pushing him down that road.

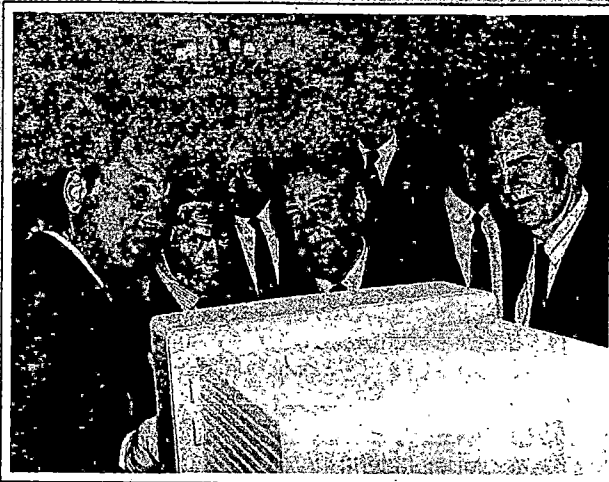
One program the U.S. might contemplate is providing the Kremlin with credit to buy Western consumer goods for resale in the Soviet Union for rubles. While some economists dismiss this as a palliative, it could bring several benefits. The goods—clothing, household electronics, large items like autos—could be sold at whatever the market would bear. This would absorb much of the \$670 billion of savings "overhang" locked up in banks or stashed away at home because Soviet shoppers can find nothing worth buying. Sopping up that excess cash would make subsequent restructuring, from price

reform to the convertibility of the ruble, less likely to produce hyperinflation.

Putting consumer goods on Soviet shelves might also help revive the vanished work ethic and boost productivity by establishing a link between earning money and being able to buy desirable merchandise. That link was severed in the Soviet Union in the late 1920s, when Lenin's relatively liberal New Economic Policy was replaced by Stalin's industrial planning and forced collectivization of agriculture.

Soviet purchases of the new technology of communication—desktop publishing, computers and modems, fax and Xerox machines, cellular telephones—could also have far-reaching effects. Washington has been cautious about releasing some of this, for fear it might enhance Soviet military power. On the contrary, it is more likely to advance the free flow of ideas and the growth of political diversity. A centralized state would find it hard to turn back the clock.

Bush says he is willing to send technical advisers to show the Soviets how to expand institutions that are just taking shape there, like commercial banks, a stock market, accounting firms, private construction and agricultural businesses. He could go further and outflank the stultifying bureaucracy by offering to provide funds directly to those market-oriented innovations. He might give loans, along with managerial training, to budding Soviet entrepreneurs who want to buy state enterprises that are marked for privatization. Well handled, such new companies could demonstrate the virtues of *perestroika* and provide employment for some of the millions who will be thrown out of work once the Soviet Union embraces efficiency and productivity.



San Francisco Mayor Art Agnos shows Gorbachev an Apple

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 _____
L.A. Times A-6
Date 16 July, 1996

More 'Killing Fields'? U.S. May Have to Back Lesser of Evils in Cambodia

■ **Southeast Asia:** Gains by Khmer Rouge may force the Administration to deal with Hun Sen. Meantime, U.N. cease-fire talks open today.

By JIM MANN
 TIMES STAFF WRITER

WASHINGTON—The Bush Administration may soon find itself facing a foreign policy problem that it once considered unthinkable: a Khmer Rouge return to power in Cambodia.

Administration officials acknowledge that Khmer Rouge guerrilla forces have in the past several months made significant gains in the Cambodian countryside, militarily and politically. At the same time, the Vietnamese-installed government of Cambodia has seemed increasingly weak, in part because of financial problems resulting from reduced Soviet aid to Vietnam and Cambodia.

Secretary of State James A. Baker III has said repeatedly that the United States opposes a return to power by the Khmer Rouge. When the Khmer Rouge last ruled Cambodia, from 1975 to 1978, between 1 million and 2 million Cambodians are believed to have been murdered or to have died of starvation or illness.

But the United States is also opposed to allowing the Cambodian government to fight the Khmer Rouge, mainly because of Cambodia's close ties to Vietnam, an old American adversary.

As a result, since the early 1980s, the United States has been supporting a coalition of non-Communist groups joined in an uneasy alliance with the Khmer Rouge. The triumvirate, headed by Prince Norodom Sihanouk, a former Cambodian ruler, holds Cambodia's seat at the United Nations.

There is growing sentiment in Congress to cut off aid to these non-Communist groups, at least until they separate themselves from the Khmer Rouge.

"The best way to stop the Khmer Rouge is to not support their allies," said Rep. Jim Leach (R-Iowa), the senior Republican on the House Foreign Affairs subcommittee on Asia.

Baker himself suggested last week that the Administration

might be willing to reduce or end its longstanding support for Sihanouk's forces, support that now totals about \$17 million a year.

"I think it's fair to say that we are rethinking the question of assistance to the non-Communist resistance," Baker said recently on ABC's "This Week With David Brinkley."

Some lawmakers are also urging the Administration to change a second element of the longstanding U.S. policy toward Cambodia—Washington's refusal to recognize or deal with the Cambodian regime of Prime Minister Hun Sen.

U.S. officials have opposed Hun Sen and his Communist government for more than a decade, arguing that it is illegitimate because it was installed by force when Vietnam invaded Cambodia in late 1978. Vietnam withdrew most of its troops last year.

Some congressmen, among them California Rep. Mel Levine (D-Santa Monica), believe the United States should throw its full support behind Hun Sen's government.

"I think we have to cut our aid to the non-Communist resistance," Levine said. "The sad fact is that there's no alternative to Hun Sen or the Khmer Rouge. None of us have any reason to believe Hun Sen is a Jeffersonian Democrat. But Hun Sen is the lesser of two evils, and we have to recognize that."

Others favor prodding the two

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45.

sides to cooperate in some sort of coalition. Sen. Alan Cranston (D-Calif.), chairman of the Senate Foreign Relations subcommittee on Asia, said, "The only way to defeat the Khmer Rouge is to achieve an agreement between the non-Communists and the Hun Sen government."

But Administration officials contend that such a coalition would not work, because Sihanouk and his allies are incapable of working with the Vietnamese-backed government, which they have been fighting for nearly a decade.

Another official argued that even if the two sides could form a coalition, it probably could not defend itself against the Khmer Rouge.

"The Vietnamese army couldn't eradicate the Khmer Rouge in 10 years with 110,000 troops," he said, "and we know the Vietnamese army isn't bad. What makes anyone think Hun Sen and Sihanouk could do it on their own?"

But the Administration's critics argue that even if this new approach doesn't succeed, it is still worth a try—and is far better than the current policy.

"Our present policy in Cambodia is bankrupt," said Democratic Rep. Chester G. Atkins of Massachusetts. "Right now, we've got a fight between Hun Sen and the Khmer Rouge, and we're supporting the Khmer Rouge's battlefield allies. The Khmer Rouge is using Sihanouk as their cloak of respectability to go in and organize the countryside."

How far should the United States go in trying to stop the Khmer Rouge? Some congressmen contend that the United States should begin to provide at least some military and intelligence support for Hun Sen's government and others fighting the Khmer Rouge.

But Administration strategists warn that such action might lead to renewed U.S. military involvement in Southeast Asia.

The Bush Administration has been emphasizing the need for a political settlement. For the last year, Washington's strategy has been to try to persuade all the parties in Cambodia—Hun Sen and his supporters, the non-Communist parties and the Khmer Rouge—to join in a coalition government. The aim is to contain the Khmer Rouge by making it a political minority within the government.

The Administration has also been working with the United Nations to arrange an international peacekeeping force and a transitional government to serve until after democratic elections.

Richard H. Solomon, assistant secretary of state for East Asian and Pacific Affairs, has met several times with officials of the four other permanent members of the U.N. Security Council—the Soviet Union, China, Britain and France—and he is to attend another round of talks in Paris today.

Initially, it was hoped that the Security Council members could use their influence to bring about a political settlement in Cambodia. For years, China has been supplying arms to the Khmer Rouge, while the Soviet Union has been the leading financial supporter and arms supplier to both Vietnam and the Hun Sen government.

But now, Bush Administration strategists acknowledge that the prospects for a negotiated settlement are not good.

"The Khmer Rouge says no to everything," a State Department official said. "And Hun Sen and the Vietnamese seem to be hardening their positions, too."

Until recently, the Administration had little trouble persuading Congress to go along with its Cambodia policy. Leading Democrats, such as Rep. Stephen J. Solarz (D-N.Y.), chairman of the House Foreign Affairs subcommittee on Asia, and Sen. Charles S. Robb (D-Va.), supported the President.

But now that support seems to be eroding. Last month, Senate Majority Leader George J. Mitchell (D-Me.) broke with the Administration, charging that its policy on Cambodia is "incredible" and "insupportable." Mitchell urged the Administration to talk with the Hun Sen government and provide it with development aid.

In late June, a week after the House of Representatives voted to continue aid to the non-Communist resistance groups, the Senate Intelligence Committee voted to cut off such aid. Congressional sources say the issue will be in doubt at least until September, when conflicts between the House and Senate can be worked out in a conference committee.

On Friday, a bipartisan group of 10 senators—including Robb and moderate Republicans John C. Danforth of Missouri, Nancy Landon Kassebaum of Kansas and William S. Cohen of Maine—joined Mitchell in a letter urging the Bush Administration to alter course on Cambodia.

The Administration itself is deeply divided over Cambodia policy. A number of officials in the State and Defense departments say privately that they favor ending the U.S. effort to isolate the Hun Sen government. Indeed, although they are not willing to be quoted for the record, some Administration officials have taken the posi-

tion that Washington should begin to normalize relations with Vietnam.

"The problem is the White House," one official said.

The strongest opponent of change is said to be Brent Scowcroft, the national security adviser, who in the early 1970s took part in the Nixon Administration's frustrated effort to negotiate an end to the Vietnam War.

Meanwhile, Administration officials still cling to the hope that they can persuade the Cambodian government and the Khmer Rouge to agree to some form of settlement supervised by the United Nations. But they acknowledge that the Khmer Rouge is making progress in rural Cambodia and that amid a series of financial and political problems, the Hun Sen government could collapse.

A Gesture Long Overdue

The U. S. Navy made a statesmanlike gesture in furtherance of glasnost July 8 when it permitted a Soviet pilot to fly one of its frontline fighters. Valery Menitsky, chief pilot for the Mikoyan Design Bureau, flew in the back seat of a Blue Angel F/A-18 at the Kalamazoo-Battle Creek International Airport.

The Navy's gesture was long overdue. In the past year, the Soviets have gone the extra mile toward fostering exchange flights. Last August, they allowed Canadian air force Major Bob Wade to fly the MiG-29 at the Abbotsford, British Columbia, air show. Since then, the Rand Corp.'s Ben Lambeth and AVIATION WEEK & SPACE TECHNOLOGY managing editor Dave North have flown the MiG-29, both from the Kubinka air base near Moscow (AW&ST Feb. 26, p. 9).

Unfortunately, the Bush Administration has refused to reciprocate. The U. S. military has tried for the past year to obtain approval through the Defense Dept. for an exchange program that would permit Soviet pilots to fly either the F/A-18 or the F-16. Senior officials at the Defense Intelligence Agency also have sought exchange approval, only to receive strong disapproval from the National Security Council.

Interestingly, the repeated denials have not been based on concerns about technology transfer, as one might expect. Instead, White House National Security Adviser Brent Scowcroft has staked out the conservative position that the course of reform in the Soviet Union should mature before letting Soviet pilots fly U. S. military aircraft. In addition, Scowcroft believes that going forward with exchange flights now would invite Congress—already too eager to cut defense spending in the Administration's view—to shrink the military budget even further.

This policy has caused the pilot exchange issue to become a heated one with the Soviets. Mikhail Simonov, head of the Sukhoi Design Bureau, told Aviation Week last month, "This is an issue of pride. A Soviet pilot flying the F/A-18 cannot determine logarithms in the system integration. But we have allowed U. S. pilots to fly our top fighters as a high level means to reduce the tensions between the two countries and show our sincerity. In return we have received nothing from the U. S. government."

The Soviets have made their displeasure known in con-

crete ways. Following a lengthy meeting with Simonov in Oklahoma City last month, Dave North was granted approval to fly the Su-27, prior to the start of the air show there. Sukhoi chief test pilot Viktor Pougachev gave North a 45-min. checkout in the aircraft's front seat.

But North's flight was canceled at the last minute by the Soviet official leading the Soviets' Oklahoma delegation. He accused the U. S. government of reverting to Cold War attitudes in its refusal to allow Soviet pilots to fly its aircraft.

That all changed in Kalamazoo. The Soviets again took the first step, allowing Col. Terry D. Stinson of the Connecticut Air National Guard to fly the MiG-29 on July 8.

On the morning of July 10, prior to the scheduled air show events, Blue Angel leader Capt. Pat Moneymaker received approval from Vice Admiral Richard Dunleavy, assistant chief of Naval Operations for Naval Warfare, to fly Menitsky in the back seat of the No. 7 Blue Angel with Lt. John Foley (left photo). The Navy decision did not have Administration approval, and the service has been rebuked by the White House.

The two-seat demonstration team F/A-18 has the same cockpit configuration as operational Hornets. Foley did not put on the radar for Menitsky to observe.

The Soviet team then put the Blue Angel leader Capt. Moneymaker in the back seat of the MiG-29 and flew him with Menitsky (right photo).

In comparison to superpower summits and arms control negotiations, the flight of a top Soviet pilot in a Navy F/A-18 is not a momentous event. But it is a small step in the right direction, and the U. S. should not squander the momentum gained by the Navy.

Certainly the information made available to Soviet pilots who fly U. S. aircraft should be carefully controlled. The Soviets have been cautious with pilots flying their aircraft.

But the Administration should not delay a broader pilot exchange program any longer. Its timidity has already caused the issue to become a matter of national pride to the Soviets. A show of trust is in order so that exchange flights can continue.

The U. S. and the Soviet Union have made some of their biggest gains in mutual understanding in the field of aviation. It contains plenty of potential for future breakthroughs.

Domestic Politics A Factor In U.S. Shift

The timing of the Administration's major policy shift on Cambodia, although months in planning, was dictated largely by domestic politics and concern that congressional support was fast eroding for what has been U.S. policy for the past decade.

The decision, made in the secret and intensely political style that has become the Administration's hallmark, was made Friday afternoon in a meeting attended only by President Bush, Secretary Baker and National Security Adviser Scowcroft, sources said.

The timing of Bush's decision... "was dictated by Hill politics," one senior official said. It was aimed at ending the erosion of support in Congress for the U.S. policy of giving aid to two noncommunist Cambodian resistance groups headed by former ruler Prince Norodom Sihanouk who are allied with the Khmer Rouge.

Several high-level White House and State Department officials apparently were unaware of the precise change agreed to in the longstanding policy until early this week. The Administration did not tell its major allies in Southeast Asia until Tuesday afternoon and it did not alert its congressional supporters until early Wednesday morning.

(Al Kamen, WASHINGTON POST, A28)

U.N. CAMBODIAN SEAT STILL IN DOUBT DESPITE NEW U.S. POSITION

U.N. -- Despite the abrupt change in U.S. policy on Cambodia, non-aligned nations hold the key in determining who occupies Cambodia's seat at the U.N.

Diplomats scurried around Wednesday in an attempt to get a text of Secretary Baker's announcement.... "No one expected this," said one European envoy who spoke on condition of anonymity. "It could transform the situation." ... Other European nations, both east and west, are expected to follow if no peace settlement is in sight by the time the General Assembly opens in September.

(Evelyn Leopold, Reuter)

BAKER OFFERS SHEVARDNADZE U.S. EXPERTISE TO RESCUE ECONOMY

PARIS -- Secretary Baker Wednesday presented to Foreign Minister Shevardnadze a detailed paper outlining areas of American expertise that Moscow could tap to cope with its economic crisis, including housing, food and consumer goods distribution, and banking, officials said.

At the same time, in a two-hour talk that ranged from Soviet domestic politics to foreign policy, Shevardnadze told Baker that the Soviet leadership understood why U.S. officials want to make contact with the opposition to President Gorbachev....

In Moscow, meanwhile, government spokesman Arkady Maslennikov warned the U.S. against offering the opposition "encouragement or assistance." Speaking as seven more prominent party members defected, Maslennikov said, "I think the limit is if you meet people and discuss whatever matters you wish, that is your business. But if it is a kind of encouragement or assistance...that will be interference in the internal affairs of the Soviet Union and would hardly be tolerated," the AP reported.

(David Hoffman, WASHINGTON POST, A29)

U.S. Reverses Vietnam Policy, Will Open Talks

In a dramatic reversal, the U.S. announced Wednesday it would open a dialogue with Vietnam to keep Pol Pot's feared Khmer Rouge from returning to power in Cambodia.

Recent battlefield gains by the Khmer Rouge have raised such fears....

Beijing, the chief backer of the Khmer Rouge, had no reaction to Secretary Baker's announcement.

(Barbara Rehm, NEW YORK DAILY NEWS, 19)

U.S. Shift In Policy Could Mean Upsurge In Fighting

BANGKOK -- The U.S. decision to talk directly to Vietnam on ending the war in Cambodia radically alters the equation at the negotiating table, but the battlefields could become bloodier.

The communist Khmer Rouge...have enough weapons and zeal to push on with their quest to regain power whatever shifts in the international scene.... China, which lavishes aid on the Khmer Rouge, will step in to keep the non-communists in the field against troops of the Vietnamese-backed government, say non-communist forces.

(Angus MacSwan, Reuter)

Policy Shift Raises Hopes For Peace

The spectacular U.S. policy flip-flop on Cambodia and the promise of dialogue with Hanoi raised hopes of a peace settlement Wednesday but also sparked criticism that the policy is a "tragic mistake" that abandons non-communist forces in Asia.

Rep. Solarz...welcomed the move "as a timely and constructive adjustment to U.S. policy." ...

At the U.N., Vietnamese Ambassador Trinh Xuan Lang said that Vietnam and the U.S. share the same interest in preventing the Khmer Rouge from regaining power in Cambodia. "Vietnam welcomes the U.S. action, but it might be too late," he said, a reference to recent battlefield gains by the Khmer Rouge.

(Edward Nielan, WASHINGTON TIMES, A8)

Fear Of Khmer Rouge May Have Prompted U.S. To Talk To Vietnam

PARIS -- Fear of a victory by the Khmer Rouge guerrillas, whose name still conjures up images of Cambodia's "killing fields," may be behind the U.S. decision to open talks with its old enemy Vietnam....

Prince Norodom Sihanouk...said U.S. talks with Vietnam to resolve the Cambodian war "simply means you kill your own friend."

Son Sann, leader of the Khmer People's National Liberation Front, said: "For the last 11 years, the West has helped Cambodia to keep Cambodia from the Vietnamese invaders. And now, the Vietnamese, who want to pull out, are about to receive help."

Vietnam's U.N. Ambassador, Trinh Xian Lang, said his government "welcomed all efforts at preventing the return of the (Khmer Rouge) to power."

(Simon Haydon, Reuter)

Domestic Politics a Factor in U.S. Shift

White House Feared Hill Support for Cambodia Policy Was Ebbing

By Al Kamen
Washington Post Staff Writer

The timing of the administration's major policy shift on Cambodia, although months in planning, was dictated largely by domestic politics and concern that congressional support was fast eroding for what has been U.S. policy for the past decade.

The decision, made in the secret and intensely political style that has become the administration's hallmark, was made Friday afternoon in a meeting attended only by President Bush, Secretary of State James A. Baker III and White House national security adviser Brent Scowcroft, sources said.

The timing of Bush's decision, made after months of internal discussions over the policy among White House, State Department and other administration officials, "was dictated by Hill politics," one senior official said. It was aimed at ending the erosion of support in Congress for the U.S. policy of giving aid to two noncommunist Cambodian resistance groups headed by former ruler Prince Norodom Sihanouk who are allied with the Khmer Rouge.

Several high-level White House and State Department officials apparently were unaware of the precise change agreed to in the long-standing policy until early this week. The administration did not tell its major allies in Southeast Asia until Tuesday afternoon and it did not alert its congressional supporters until early yesterday morning.

Assistant Secretary of State Richard Solomon, in Paris for a meeting on Cambodia of the Permanent Five U.N. Security Council members, was notified formally in a cable sent Tuesday evening, sources said. Solomon briefed his Chinese counterpart yesterday morning.

Representatives of the six-country Representative of Southeast Asian Nations (ASEAN) were upset by the U.S. move, the official said.

Several representatives from the ASEAN six—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—are staunchly pro-Sihanouk or anti-Vietnamese. In addition, Washington has maintained that its Cambodia policy reflects the wishes of its allies in the

region. "This time we told them what we are going to do," the official said. "But they are going to have to move with us . . . they can't split with us now."

Administration officials said yesterday there had been no change in the goal of an overall settlement to the 11-year-old war in Cambodia through free elections.

The announced changes, they said, had been drafted and reworked for months by Robert Kimmitt, undersecretary of state for political affairs. Elements of the new approach, one source said, had been "shot down" before by Scowcroft and his senior aides.

But Baker and several close aides had been growing more and more uncomfortable as negotiations in Paris stalled, and the Khmer Rouge's battlefield and political strength grew while the Phnom Penh regime continued to weaken.

If the Khmer Rouge, believed responsible for the deaths of more than one million Cambodians from 1975 until Vietnam invaded in 1978, won and the killing started again, the political blame likely would fall on the administration, several administration officials have said.

Congressional support for the policy of overt and covert aid to the noncommunist resistance, headed by Sihanouk, was weakening, especially in the Senate. The Senate intelligence committee voted last month against any further covert aid and a bipartisan group of 11 influential senators circulated a letter to their colleagues last week asking Bush to change the policy.

Finally, critics of the policy, growing in number since Vietnamese troops withdrew last fall and after a highly critical ABC-TV documentary in April, said aid to Sihanouk was only helping the Khmer Rouge by diverting Hun Sen's forces.

The Washington Post _____
The New York Times _____
The Washington Times A-28
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 19 July '90

Baker, when he outlined the Cambodia policy proposal at the White House on Friday, cited eroding congressional support as another argument in favor of change. This time Bush agreed, sources said, although he did not agree with a Baker suggestion to open direct talks with the Hun Sen regime for the time being.

One senior aide, explaining Friday's move, said, "The Hill was getting restless. That gave it [the ef-

fort to alter the policy] an extra added push." After the Senate intelligence committee vote and with the House intelligence committee set to vote this week, the aide said, "we said there is no better time to do this. Kimmitt had been trying to do this for a couple of months . . . trying to bring the bureaucracy along. We said, 'Let's just do it.'"

The administration hopes the moves, several of which had been suggested by the 11 senators last week, will "buy some time," as two senior officials said, to see if a negotiated settlement can be reached.

Asked why Baker's move for direct talks with the Phnom Penh government was shelved, one official said "we're hedging our bets on that one. Baker would like to do that, to deal with Hun Sen directly" but "we're looking for a favorable response" to the latest moves. "I think it will happen sooner rather than later," the official said.

Another senior official said "we are considering direct negotiations with Hun Sen but we don't want to give him something that could be seen as a blessing that would give him a leg up in the elections process."

A third official said such direct talks could occur "only if it could be done in a manner to advance us toward our goal of free and fair elections in Cambodia."

Rep. Stephen J. Solarz (D-N.Y.), the administration's chief ally in the House, called the move "a welcome and constructive adjustment which should help solidify support on the Hill for continued assistance to the noncommunist resistance." He said the "change in policy . . . will significantly advance the prospects" for ending the war "in a way that will effectively prevent the Khmer Rouge from battling their way back into power."

But Rep. Chester G. Atkins (D-Mass.), a leading critic of the policy, said the move was "only a first step and will not make any difference until or unless Secretary Baker is willing to terminate" assistance to the noncommunist resistance.

Atkins said the administration "finally recognized that support for the coalition at the U.N. is undermining our ability to" stop the Khmer Rouge. That move "eliminated the rationale for the aid program," he said.

U.S. policy shift just 1st step in Asia

By George de Lama
and Liz Sly

Chicago Tribune

WASHINGTON—After months of intensive diplomacy in Europe, the Bush administration is taking a fresh look at Asia with a mixture of anxiety and grand historical designs.

Partly underlying President Bush's decision last week to open talks with Vietnam and try to head off a Khmer Rouge victory in Cambodia was a desire for eventual normalization of relations with Hanoi.

Building on recent U.S.-Soviet cooperation in resolving regional wars from Namibia to Nicaragua, Secretary of State James A. Baker III hopes the policy shift can finally put to rest a long, bitter chapter of American history in Indochina, senior administration officials said.

"This is just a first step, but just think what it would mean if we could finally put the Vietnam War and its consequences behind us and move on in Southeast Asia," said one official.

But Baker kicks off a 12-day Asian trip Wednesday amid fears that, in the short run, the administration's reversal of policy in the region came too late to forestall the Khmer Rouge guerrillas' military gains.

With Soviet backing, Baker hopes to enlist Vietnam's aid in persuading its client, the Cambodian government of Prime Minister Hun Sen, to accept a major United Nations role in organizing internationally monitored elections.

The elections, it is hoped, would help isolate the Khmer Rouge, a Chinese-backed force that is blamed for the deaths of more than 1 million people and effectively wiping out the nation's intelligentsia when it ruled Cambodia between 1975 and 1979.

But with Khmer Rouge guerrillas reported less than 40 miles outside the Cambodian capital of Phnom Penh, U.S. intelligence sources and outside experts indicate time may be running out for diplomatic solutions.

"We don't have another 10 years. We have three months at the most," said Bill Herod, director of the Indochina Project, a Washington research center.

The administration faces another quandary resulting from its move to withdraw recognition of the three-part Cambodian guerrilla coalition that is dominated militarily by the Khmer Rouge.

Bush wants to continue aid to the coalition's two non-communist factions in hopes of bolstering them in eventual elections. But a number of witnesses told a congressional hearing Friday that Washington's assistance to the non-communist rebel groups and its economic embargo of the Hun Sen regime are indirectly helping the Khmer Rouge.

Recent CIA reports show the two non-communist guerrilla groups have linked their supply lines and increased their military cooperation with the Khmer Rouge in recent months, congressional sources said.

The non-communist groups, headed by Prince Norodom Sihanouk, Cambodia's former ruler, and former Prime Minister Son Sann, say they have been fighting independently of the Khmer Rouge.

Some congressional critics predict the administration will be forced eventually to go further and open a dialogue with the Cambodian government. Hun Sen's regime has been shunned by Washington ever since it was installed by Hanoi. Vietnam invaded Cambodia in 1979 to overthrow the Khmer Rouge.

Sen. Frank Murkowski (R-Ala.), a member of the Senate Intelligence Committee, called on Bush to seek a three-way coalition between Hun Sen and Sihanouk and

Son Sann—though they have been his bitter enemies—to fend off a Khmer Rouge return to power.

Last week's shift had been the subject of intense debate within the administration for more than a year, officials said.

Baker had pushed for an opening to Hanoi, but was opposed by National Security Adviser Brent Scowcroft and Defense Secretary Dick Cheney.

Now that the vast majority of Vietnamese troops are reported to have left Cambodia, though many Asian sources say Hanoi has thousands of military "advisers" still there, and with the Khmer Rouge on the march, Bush decided the time was right to open talks with Hanoi.

The recent rebel advances on the ground were an unsettling reminder that the Vietnamese troops in Cambodia were the only force capable of preventing a Khmer Rouge takeover, presenting a Catch-22 dilemma for Washington.

Complicating the chances of a quick diplomatic settlement, China last week condemned the U.S. policy change and vowed it would continue to arm and supply the Khmer Rouge. China is seen as acting on its historical rivalry with Vietnam over domination of Southeast Asia.

The defiant Chinese reaction marked another embarrassing setback for Bush, who has insisted his policy of rewarding Beijing with most-favored-nation trade status despite the army's bloody crack-

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 P4

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down on protestors in Tiananmen Square last year was in the U.S. interest.

"The administration's policy is based on the mistaken premise that Vietnam holds the answer to the Cambodia problem. But it's not up to Vietnam, it's up to China," said Maureen Steinbruner, executive vice president of the Center for National Policy, a liberal Washington think tank.

"If they want to solve this, they have to put pressure on China to stop sending arms to the Khmer Rouge."

At the recent Houston economic summit, Bush urged Japanese President Toshiki Kaifu to pressure China to cut off its support of the Khmer Rouge in return for Tokyo's planned \$5.6 billion aid package to Beijing, officials said. The U.S. repeatedly has asked China to end its aid.

Richard Solomon, assistant secretary of state for East Asian and Pacific affairs, told the congressional panel Friday that Beijing has pledged to cut off aid to the Khmer Rouge and seek a comprehensive settlement. This is at odds with what China publicly declared the day before, and officials say that in any event the Khmer Rouge is believed to have sufficient arms and supplies to prolong its war for months to come.

"At a time when China is trying to reach out and needs new commercial ties and credit, we don't think they would very much want to be blamed as the ones directly

responsible for bringing the Khmer Rouge back to power," said one senior official.

But some critics say that is precisely what most motivated last week's change in U.S. policy, a tardy awakening to the prospect that Washington was inexorably paving the way for a Khmer Rouge return.

"The administration finally understands the U.S. government could have on its record, if not on its conscience, the death of a nation," said former Secretary of State Edmund Muskie.

Mounting congressional criticism also helped to force the shift in policy, officials admit.

Now Baker hopes that despite the obstacles, with Soviet and Vietnamese cooperation the new U.S. stance can be a first step towards a comprehensive settlement in the region.

In the long run, a successful outcome to negotiations with Cambodia and the restoration of U.S.-Vietnamese relations could help resolve another problem racking the region: the plight of hundreds of thousands of Cambodian and Vietnamese refugees and their threat to stability from Hong Kong to Thailand.

"The only way you're ever going to resolve the refugee problem is to change the conditions within Vietnam that leads them to flee," said one senior official. "The only way you're ever going to do that is to open up the country to normal relations."