

had been captured in engagements with the (Mozambique) army."

Foreigners have become a favorite target of the movement, and all aren't as lucky as Mr. Burlison. Last month a Portuguese construction worker was ambushed and killed a few miles across the border from this eastern Zimbabwe town.

As a result, 50 other foreign construction workers from a forestry project were evacuated to Zimbabwe and are cooling their heels in Mutare until the security situation improves. "We have no idea when we'll be going back," says one. "We've been told to sit tight and wait."

### South African Aid?

Other favorite MRM targets are the road and rail links between Zimbabwe and the Mozambican ports of Beira and Maputo. Two major bridges between here and Beira were blown up late last year and an oil pipeline from the coast that has its terminal in Mutare has been sabotaged twice in six months.

Such attacks add credence to Zimbabwe's contention that the guerrillas are being aided by South Africa to destabilize the region and maintain neighboring black states' economic dependence on a country whose racial policies they abhor.

Landlocked Zimbabwe, formerly Rhodesia, is anxious to develop its links with Mozambique to reduce its historical dependence on South Africa. About 80% of the country's external trade currently goes

Mozambican government has so far given no public or private indication that it is considering such a move.

### Meeting With Castro

But the recent visit to Maputo of a high-ranking Soviet military delegation and a meeting in Havana late last month between President Machel and Cuba's Fidel Castro have heightened Western concern. Cuba has long maintained troops in Angola and Ethiopia, two other African countries with ties to Moscow and Havana that are similar to Mozambique's.

Cuban intervention in Mozambique would heighten the already high level of tension in southern Africa and would put new strains on American relations with the Soviet Union. While Western diplomats in the region conclude that such a development is unlikely in the immediate future they are much less categorical about the longer term prospects.

"It depends basically on how hard South Africa pushes the MRM and how successful the Mozambican government is in containing both the level and extent of MRM activity," says a Western diplomat in Maputo.

President Machel's immediate hopes of regaining the initiative in the bush war rest on retraining large sections of his army with the help of Portuguese instructors, which makes for an ironic twist because President Machel's own guerrilla forces fought the Portuguese for control of Mozambique.

WST 6/10/82

## REVIEW & OUTLOOK

### Democracy When It Suits

President Reagan wants to launch a new Crusade for Democracy as a counterforce to Soviet imperialism. We suggest he start in the United States Congress. A lively movement is afoot there to thwart a democratic experiment in El Salvador that has already given substantial support to the principle Mr. Reagan is espousing.

As everyone knows, El Salvador had a popular election in March. The turnout was unexpectedly large, with some Salvadorans trudging long distances and braving Communist bullets to exercise their franchise. But in the opinion of some U.S. Congressmen, the Salvadorans didn't vote for the right people. They leaned very heavily towards law and order, free enterprise candidates often described as "right-wingers." And these elected representatives have been tampering with socialist economic policies that were thrust on Salvador by the Carter administration.

The centerpiece of that program was a so-called "land reform." If you believe Bob White, the Carter ambassador who crammed this policy down the throats of the Salvadorans, land reform was the only thing that saved El Salvador from communism. It may even be true that some dramatic policy move was needed to show ordinary Salvadorans that the government was friendly to their interests. But the land reform—however fine in theory—has been a mess in practice. It desperately needs alteration if the Salvadorans are to repair the enormous damage it has inflicted on their agricultural economy. American Democrats, however, are trying to block U.S. economic aid to El Salvador if its elected representatives so much as lay a finger on Bob White's land reform.

There is a colossal arrogance in this, as well as a colossal contempt for democratic processes. A group of Salvadoran business leaders who have been visiting the U.S. under the auspices of the Center for Inter-American Relations think they even see contempt for the Salvadoran people themselves. One of the ringleaders of the congressional campaign against El Salvador, Sen. Christopher Dodd of Connecticut, recently said on the McNeil-Lehrer Report that Americans don't want their money spent "in a rat hole." Eduardo Menendez, president of the Salvadoran Industrial Association, asks "How would you like to

have your country described as a rat hole?"

El Salvador, of course, has had the misfortune of not only being attacked by Fidel Castro's guerrillas, but of becoming a rag doll to be fought over by political factions in this country. Politicians who would never have dared advocate seizure of farms, banks and trading companies in the U.S. think such takeovers are just great for Salvadorans. The assumption seems to be that Salvadorans are a benighted race of people who must experience socialism before they can evolve to something better.

In truth, Salvadoran agriculture was not so much different from U.S. agriculture before it was set upon by the U.S. State Department. There were indeed some very large farms. But most of the production was from medium-sized farms and they were for the most part highly efficient. A lot of land was worked by tenant farmers, just as was once the case in the U.S. before farmers began to migrate to industry or accumulated enough capital to buy their own farms.

Indeed, before coming under attack by Castro, Salvador was experiencing a development pattern not much different from the U.S. of an earlier era. It was industrializing rapidly, providing jobs for rural people and developing a middle class. Its businessmen act and talk much like their counterparts in the United States.

The election results suggest that this pattern was much to the liking of Salvadorans. Since the election, the touring Salvadorans say they have noticed a decline in support for the guerrillas in the hills. El Salvador still is a long way from law and order, but the countryside has become safer. Giving people a vote has done in El Salvador what it does in other democratic lands; it provides government with a legitimacy it can't achieve any other way.

In other words, democracy does work, just as President Reagan said in his speech to Parliament. But now the newly elected government wants to run its own country, changing land reform under the highly plausible rationale of giving land owners and tenants enough assurance about the future to plant their new crops. Affronted by this change in Washington-dictated policies, Senator Dodd and his followers want to write off the country as a rat hole and in effect turn it over to Castro. A fine example to the world of American trust in democracy.

# Spain's Military Challenged by Civilians Over Mild Sentences for Coup-Try Leaders

By ANA WESTLEY

Special to THE WALL STREET JOURNAL

MADRID—The autonomy that Spain's military has long enjoyed is being challenged by civilian leaders because of the lenient sentences handed down by a military court last week on participants in the attempted coup of February 1981.

The government of Prime Minister Leopoldo Calvo Sotelo and the opposition Socialist Party are united in their indignation at the sentences. They have declared their joint support for a fundamental change in the country's system of military justice.

"Spanish democracy hasn't yet definitively overcome the phenomenon of an autonomous military," said Felipe Gonzalaz, the Socialist leader. "The armed forces must obey civilian power."

The government said Friday it would propose changes in the law to give civilian courts jurisdiction over acts of military rebellion and other offenses against the state. Passage of such a change appears certain. Its intent, clearly, would be to put the military on notice that any future coup attempt would be dealt with more severely.

Only Lt. Gen. Jaime Milans del Bosch and Lt. Col. Antonio Tejero Molina, the two principal leaders of the attempt, were given the maximum 30-year sentences. The court recommended that the sentences be reduced to 20 years, for personal reasons.

## Others Acquitted

Ten participants were dishonorably discharged from the military, but 11 officers received jail terms of between two and three years and 11 others were acquitted.

Among those acquitted were eight Civil Guard lieutenants who stormed the Chamber of Deputies, firing machine guns at the ceiling and holding the legislators hostage for 17 hours. The court concluded that they were merely following the orders of superiors.

Most surprising was the sentence of only six years given to Gen. Alfonso Armada, who was accused by the prosecution of being a third ringleader. Gen. Milans del Bosch testified during the 3½ month trial that it was Gen. Armada who had convinced his fellow officers that King Juan Carlos had approved the idea of a plot.

Prime Minister Calvo Sotelo said immediately after the sentences were pronounced that the government would appeal them to a civilian court. The ability to mount such an appeal was the one addition to civilian powers successfully made two years ago in another effort by the government to gain greater control over military justice.

The verdicts have come at a particularly uncomfortable time for Spain's civilian leaders. Terrorism is on the rise again in the Basque country. Since the verdicts were made public last Thursday, the Basque terrorist organization has claimed responsibility for two new attacks, the murder of a retired military officer and the shooting of a tavern owner.

## Government Party Defeats

At the same time, the government's ability to deal effectively with terrorism may have been hammered by politics. Govern-

general elections against the Socialists. Elections are expected to be called for the fall. Until then the government is, in effect, a lame duck.

In the past, terrorists have tried to goad the military into a takeover, hoping for a violent left-wing reaction. The military has willingly obliged. Since Spain's first free election in 1977, the military has seen itself as the one force in the country able to fill the power vacuum when governments aren't in a position to act decisively.

There was little in last week's sentences to dissuade the military from trying to play this role again, and politicians of all persuasions are plainly aware of that. "On present showing," said the liberal newspaper *El Pais* in an editorial, "the price to be paid for playing a subordinate role in a military rebellion comes out pretty cheap."

Political conditions in Spain may not be as strained as they were prior to the coup attempt, but they are similar. Just before the attempt, terrorism was also on the rise and Prime Minister Adolfo Suarez had been pressured by his party to resign.

Mr. Suarez ended a long public silence after the coup trial ended last week. "In Spain," he wrote in a newspaper article, "a civil power and a military power cannot co-exist. One cannot govern in fear, in an atmosphere of continuous anxiety about the possibility of a coup."

## 'Spark for Democracy'

# Mexico's Ruling Party, by Tolerating Opposition In July Election, May Herald Political Pluralism

By LAWRENCE ROUT

Staff Reporter of THE WALL STREET JOURNAL

GOMEZ FARIAS, Mexico — The campaign bus stops at the edge of town, and a small crowd gathers to listen to a socialist party presidential candidate.

On the sidewalk about 100 yards away sits Alfredo Ortiz, his legs stretched out into the dirty, unpaved street. He looks toward the candidate and spits.

"Politicians promise roads, but they don't give them," says the 58-year-old farmer. "They promise schools, but nothing happens." Still, he adds, "I've never heard of this guy, and I guess it's good we have a choice. Maybe I'll go hear what he has to say."

But 20 minutes later, as the campaign bus leaves town, Mr. Ortiz hasn't budged. He is still sitting in the dirt, spitting.

Although political apathy and cynicism distress all Mexican politicians, they are especially vexing for those who aren't in the broad-based Institutional Revolutionary Party, or PRI. The PRI has won every presidential race since 1929, and almost certainly will win again this July. For its opponents, the campaign is thus a hopeless fight against momentum and an overwhelming political machine; against apathy and a widespread feeling that the opposition offers criticism without solutions.

But the odds belie the importance of today's opposition campaigns. Recent political changes make this the first presidential election in at least 30 years in which parties from the right and the left legally are challenging the PRI. Their campaigns do reflect the futility of today's battle. But they also may be seeds of change for a country that has known little, if any, political choice.

### The First Real Opposition

"It's a spark for democracy," says Jose Woldenberg, a political scientist at the National University of Mexico. "People in villages see the PRI candidate campaigning in their main squares—just as they always have. But now they see communist and right-wing candidates in the exact same places soon after. That awareness is totally new for Mexico, and it has to make a difference eventually."

Ideally, it will spur more people to vote. In a 1977 survey, 67% of Mexico City residents said that they didn't take part in politics, and 89% felt that they had no freedom to participate. Little wonder that between 1961 and 1979, the percentage of registered voters who actually voted dropped steadily to 49.2% from 68.5%.

The lack of democratic choice reached its nadir during the most recent presidential election, in 1976, when PRI nominee Jose Lopez Portillo ran unopposed. Mr. Lopez Portillo had been chosen, as are all PRI

nominees, by his predecessor. Two "opposition" parties gave their usual support to the PRI candidate. And the one true opposition party—the rightist National Action Party—didn't run anybody.

Fearing a deterioration of its political legitimacy, the government in 1977 passed a law that makes it easier for new parties to get official recognition. The ruling party hoped also to better control its opponents by having them work within the system.

The result is that in this year's election, PRI candidate Miguel de la Madrid Hurtado will face six opponents. On the right: the National Action Party and the newly formed Mexican Democratic Party.

The left dreamed of presenting a single candidate, and last year formed the Unified Mexican Socialist Party, or PSUM. But personality conflicts split the coalition, and the party now primarily consists of former members of the Mexican Communist Party, which itself isn't fielding a candidate. Political experts still rank the PSUM as the strongest party of the left, but it will face candidates from the Social Democratic Party, the Socialist Workers Party and the Revolutionary Workers Party.

The PSUM nominated 57-year-old Arnoldo Martinez Verdugo, the former secretary-general of the Mexican Communist Party. A quiet man; he wears ill-fitting clothes and dirty shoes. He is careful to distance himself from the "authoritarianism" of the Soviet Union, although his campaign aides fairly gush about the Soviets, and he describes himself as a Communist. His goal is to double the 5.5% share won by the Communist Party in the 1979 congressional election.

So from the campaign's onset last December till now, the candidate has traveled to cities, towns and villages throughout Mexico. A recent tour took him to the northwest state of Chihuahua, visiting such cities as Chihuahua and Ciudad Juarez, and such villages as Madera, Gomez Farias and Zaragoza. The campaign swing shows the opportunities, and the difficulties, that confront all opposition candidates.

Those opportunities are few, but growing—thanks to Mexico's deepening economic crisis. People in Chihuahua remember government promises, remember the euphoria that rode into every part of Mexico on the coattails of oil five years ago. But now, before many of them have had a chance to taste the oil riches, the government tells them that boom times are over.

### Seeking an Alternative

In the town of Zaragoza, three old men, with no more than a full set of teeth among them, sit on a bench listening to Mr. Martinez Verdugo's words explode over the main square. The owner of a burrito stand behind them posts new prices as they talk; 12 pesos (about 25 cents) for a burrito, up from nine pesos (19 cents).

"We've been loyal PRI members all our lives," says Manuel Ruiz, a 67-year-old farmer who earned \$1,000 last year—a typical year. "But we're here because we want to go against the PRI. The economy is col-

to count on such soft support at the polls.

Meanwhile, apathy plagues all the candidates, for many Mexican peasants who do understand the platforms complain that it doesn't make any difference. "They're all the same," is a common refrain heard along the PSUM campaign trail.

The political predicament of the other parties is compounded by the nature of the PRI. The ruling party, whose great strength is with the peasants and the labor unions, has survived in part by trying to be all things to all people. And, indeed, it has support (and some opposition) in all sectors of the population. Mr. Martinez Verdugo proposes actions that differ from PRI beliefs—for instance, calling for foreign-exchange controls and less foreign investment in Mexico. But often, much of what he and other opposition candidates say already has been said by the PRI.

If the left assails big business, Mr. de la Madrid has done so too; if the right defends big business, the PRI candidate has also.

"The PSUM fights for a national forestry policy that promotes businesses directed by the (owners) of the forests," Mr. Martinez Verdugo says in Zaragoza. Yet last March, Mr. de la Madrid said: "The operation of (forestry) businesses will only succeed where there is participation . . . by the owners of the forest."

Differentiating the parties on the left poses similar problems. When a top PSUM campaign aide is asked what differences his party has with another leftist party, he calls another aide to his side. Together, they can't come up with an answer.

But Mexicans demand sharp differences, for the loyalty to the PRI, while diminishing, is still strong.

"The PRI has it failings," says a teacher in Zaragoza, who isn't listening to the PSUM speech. "But it has ruled in peace for 52 years. Opposition parties live off criticizing the PRI. But I don't think they could do nearly as well."

Still, recognition may be the opposition's biggest hurdle. The PSUM attracts small

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crowds; on a sunny weekday afternoon in Ciudad Juarez, a city of 735,000 across the Rio Grande from El Paso, Texas, Mr. Martinez Verdugo speaks to only 150 people in the city's main plaza. A woman at the Chihuahua airport, asked to page the PSUM, has never heard of the party. And an operator at the Ciudad Juarez hotel in which Mr. Martinez Verdugo is staying doesn't recognize his name.

Some reasons for the lack of recognition are obvious: The PSUM campaign-entourage includes 10 to 15 reporters, while the PRI brings along 150 journalists. On a recent typical campaign day for the PRI and the PSUM, a Mexican City newspaper gave the PRI 13 feet of type and the PSUM about six inches.

Then, too, when the PRI comes to a town, it gets a police escort, and schools and businesses close. But the PSUM campaign bus (sporting a hammer and sickle) gets stuck in traffic, and the rallies lack the cheers of children.

Even in towns to which the PSUM travels, huge PRI wall slogans are omnipresent: "We will build an equal Mexico," reads one; another says, "Government of all and for all." But only occasionally does one see a PSUM slogan: "The people will never support tyrants and oppressors" or "Against injustice in the country."

"The PRI paints over our slogans; they tear down our posters," complains Carlos Juarez, a Martinez Verdugo aide.

And indeed, looking closely at some of the PRI posters, one sees a trace of Mr. Martinez Verdugo's face underneath. And pieces of PSUM posters litter the road.

Yet the opposition posters are more widely spread than in the past and press coverage more extensive. The crowds may be small, but people are listening, many for the first time, to a leftist officially campaigning for the presidency.

In the main square of Juarez, Roberto Olivas, a six-foot, five-inch construction worker, listens to Mr. Martinez Verdugo. He has never heard of the party or the candidate, he says; but happened to be walking by and saw the crowd.

"I have eight children, and things aren't getting easier," he explains. "I might as well hear what he has to say."

Mr. Olivas has always voted for the PRI and probably will again this year. Would he ever vote against the PRI? he is asked. He listens to Mr. Martinez Verdugo for a minute and shrugs. "I guess I never thought about it until today," he says. "Maybe someday I will."

# Afghan Refugees Burden Pakistan

## Settlements Overflow In North-West Region

By JUNE KRONHOLZ

Staff Reporter of THE WALL STREET JOURNAL  
NORTH-WEST FRONTIER, Pakistan—  
This is a story about people who have very little, sharing it with people who have even less.

The people with little are the Pakistanis. There are 84 million of them, and for the most part they live in mud houses and earn an average of about \$300 a year. The people with less are the Afghan refugees. There are 2.6 million of them in Pakistan, the government here says, and for the most part they survive on donated food and good will.

The United Nations says there are 10 million refugees adrift in the world, most of them in Asia and Africa, overpopulated, undernourished continents. In the spare societies of the Third World, refugees are an expensive burden, a drain on resources—and a fact of life.

### A Crowded, Muddy Refuge

Kacha Garhi refugee camp takes its name from the stony mud that people in Pakistan's North-West Frontier use to build their huts and houses. In the rain, Kacha Garhi loses all color: It is dull mud huts, dull mud walls, mud-splashed tents and oozy puddled mud underfoot.

There are perhaps 2.1 million refugees in the North-West Frontier, which shares a long mountainous border with Afghanistan. Perhaps 34,800 of them live in Kacha Garhi on 200 acres of flat, open land 30 miles from the border. Three-quarters of the refugees are women and children. Their young men cross back into Afghanistan for months at a time—to fight in the resistance, they insist, but just as often to tend the family's herds of sheep and camels hidden in the mountains.

The refugees began coming here after a 1978 coup in Afghanistan; the trickle turned to a flood with the Soviet invasion in 1979. Now, Kacha Garhi is full, and new refugees are being sent deeper into the North-West Frontier. A few months ago, new camps opened in the Kaghan Valley, a six-hour drive east. Some 80,000 refugees arrived, and now those camps are full too.

After all these years, Kacha Garhi has taken on an air of dismal permanency. Mud huts are replacing the U.S.-supplied tents, which don't keep out either the blazing summers or the cold mountain winters. High mud walls stake out family compounds and shield the Afghan women, conservative Moslems who live in seclusion, unseen by any men except their own.

The U.N. is laying a water pipe to Kacha Garhi; until now, water has been trucked here in tankers donated by the West Germans (a sign on each side says as much). There is a canvas-covered boys' school and a canvas clinic, a gift of the Saudis (a sign on the side says that too).

Pakistan runs 252 primary schools for the refugees in the North-West Frontier. They can accommodate 30,000 children, but there are 225,000 children in the area.

camp. Pakistan has clinics in all the camps too: There are 46 doctors in the frontier camps and, to tend the women, 40 female health workers. It isn't that things are better for the Pakistanis. In the 100-mile-long Kaghan Valley on the northern tip of the frontier, one child in four goes to school and there are four female health workers.

### One Doctor; 193 Patients

When clinic hours ended in Kacha Garhi one afternoon recently, an Afghan doctor who fled Kabul with his mother, his uncles and his cousins, says wearily that it has been a fairly typical day: 193 patients. He worries about tuberculosis—the Afghans have brought it with them—and in the close quarters of the refugee camps there is the danger of epidemics. Pakistan's immunization program has a backlog of 15 million children; there wasn't any immunization program in the hills and mountain passes of Afghanistan.

The U.N. gives the camp refugees a monthly supply of wheat, dried milk, cook-



ing oil, tea, sugar and salt; it has a food value of about 2,000 calories a day. Pakistan has said it will give each refugee \$5 a month, a maximum of \$50 a family, to buy meat and cloth and whatever else they need. It is a costly offer in a poor country: a school teacher earns about \$30 a month here, and the refugee program is costing Pakistan \$120 million a year, which is equal to about one-third of its export earnings from rice, its most lucrative crop.

Running the refugee program has parched Pakistan's shallow management pool as well. There aren't enough bookkeepers to run the cash program. "My boys are trembling dealing with this money," says the head of the refugee program in the frontier, a man who uses just one name, Abdullah. As a result, the monthly payments went out only four times last year.

There's little to do in Kacha Garhi to pass the days. There aren't any fields nearby for grazing sheep and there isn't any land for agriculture. U.N. cottage industries, mostly carpet factories, can accommodate only a few. Kacha Garhi is near enough to Peshawar, the capital of the North-West Frontier, that the men stream daily into town to look for work, to sell off the carpets they have smuggled from Afghanistan, or to doze in the afterglow of a pipeful of hashish.

though, and the flood of Afghans has driven down wages to \$1.50 a day from \$1.80, the Pakistanis complain. They complain too that there is a glut of carpets on the market now. But they don't complain about the hashish: They say there is too little to fill the days here and too much to forget.

### Nomads Still Roam

Not all the refugees live in government camps. Some of them, nomadic and independent, roam Pakistan the way they roamed Afghanistan. From early spring, with the first thaw in the Karakorum Mountains, they have been moving their herds of sheep north through the Kaghan Valley to high pastures beyond.

The U.N. has been planting trees on the slopes above the valley for four years; they are all that keep the spare topsoil from washing into the rivers. On a chilly spring afternoon, the supervisor of the U.N. project, Sardar Wazir Mohammad, stands on a high cliff path looking at the thousands of U.N. saplings and worrying about the 150,000 sheep likely to pass this way by summer.

"The browsing, the trampling, the subsequent erosion. It's frightening," he laments. "Four years of hard labor taken care of in a matter of weeks."

For generations, the Pakistanis of the valley have herded their sheep and goats up this path to the high pastures. They have small herds and small sheep, but still, there was barely enough grazing land for them then. Now there are five times as many sheep in the high rangelands—the refugees brought three million animals with them to Pakistan, U.N. workers estimate, and they have eaten even the roots of the alpine grasses.

Runnels are opening, erosion has begun, and after a light rain recently, the Kunhar River, just below this mountain path, is running muddy red to the Mangla Dam downstream. The Mangla supplies irrigation and electricity to the valley, which in turn grows what food the North-West Frontier can produce from its ungenerous soil. But because of erosion upstream, Mr. Mohammed says, the Mangla dam reservoir is filling with silt. Its life expectancy, 120 years when it was built in the 1950s, has dropped to perhaps 60 years.

### A Well Runs Dry

By any measure, life is lean in the Kaghan Valley. The young men have left to find work in the Persian Gulf states. A local politician named Ghulam Rasool introduces his family: 30 persons, none of whom can read. A minute village called Bissian built its first-ever water line to a mountain spring this year; already it has gone dry.

Since the arrival of the refugees, though, what little the valley has—its soil and its trees—is fast disappearing. Only about 4% of Pakistan is forested, and much of that is in this valley. Government logging operations have nibbled at the forests for years; the Pakistanis have poached trees for generations. But now the refugees are cutting them too, selling the logs to earn money, burning the branches for fuel.

To stop some of the cutting, the U.N. is

the government is putting hiring forest guards. But ways have burned wood chewy bread, tastes better say.

So in the valley's 9,000 bullah forest range, 500 acres destroyed last year. In the kot range, 460 acres were trees have had their branches have been uprooted. The guards were killed last tried to stop refugees from fry's trees, says Amjad, est officer.

Tempers are short, wful and customs clash in Frontier. To minimize t stan doesn't prosecute woodcutting—or for murder. Still, tensions sometimes, a quarrel over both sides sell as constant billowed into a religious ni Moslem refugees and kistanis. U.N. workers were killed.

But scarce as resource turning back the refugee brothers, we have a religiously bound to give says Brigadier Said Azhar, ge commissioner. And there are tribal links: M North-West Frontier mi ghanistan only a few g the refugees did.

"We are kith and kin Azhar. In this spare part little they have, they hav

the government is putting up fences and hiring forest guards. But the Afghans always have burned wood: their *naan*, flat chewy bread, tastes better that way, they say.

So in the valley's 9,000-acre Garhi Habibullah forest range, 500 acres of trees were destroyed last year. In the 11,000-acre Balikot range, 460 acres were leveled. Acres of trees have had their branches cut off or have been uprooted. And three forest guards were killed last year when they tried to stop refugees from cutting the valley's trees, says Amjad Ali, the area's forest officer.

Tempers are short, weapons are plentiful and customs clash in the North-West Frontier. To minimize the friction, Pakistan doesn't prosecute the refugees for woodcutting—or for murder, for that matter. Still, tensions sometimes ignite. In December, a quarrel over river shale, which both sides sell as construction material, billowed into a religious feud between Sunni Moslem refugees and Shiite Moslem Pakistanis. U.N. workers say 100 persons were killed.

But scarce as resources are, there's no turning back the refugees. "As Moslem brothers, we have a responsibility. We are religiously bound to give them refuge," says Brigadier Said Azhar, Pakistan's refugee commissioner. And beyond religion, there are tribal links: Most people of the North-West Frontier migrated from Afghanistan only a few generations before the refugees did.

"We are kith and kin," says Brigadier Azhar. In this spare part of the world, what little they have, they have to share.

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## REVIEW & OUTLOOK

### Global Potlatching

The American Indians of the Pacific Northwest had a strange, elaborate custom of handing out huge amounts of wealth at public gatherings known as potlatches. The donor would try to increase his prestige by giving away as many goods to as many people as possible. In a competitive potlatch, two rivals would go so far as to destroy their own property. At its height in the late 1800s and early 1900s, the Southern Kwakiutl Indians expanded the potlatch to include interest-bearing loans and pieces of copper that served as negotiable checks for credit and property.

The potlatch died out among the Indians, more because of financial bankruptcy than waning tradition. But the practice lives on today among Western industrial nations in the form of export credits. One country after another is trying to better its rival by offering ever more attractive financial terms on exports of such items as aircraft, machinery and electrical equipment.

These export credit schemes involve loans at below-market interest rates, easy repayment schedules, government guarantees of private bank loans and credit insurance at uncommercial premiums. This all amounts to protection for domestic industries competing in the international export market and subsidies to purchasers in the Third World, the Eastern bloc and even in other industrial countries. The citizens of the most generous countries wind up footing the biggest bills.

Export credit policy was a topic at the Versailles summit, where U.S. officials believed they had scored a victory in getting agreement on more stringent trade credit terms for the Soviet Union and the Eastern bloc. But broader issues remain to be settled. A meeting in Paris Friday by representatives of the U.S., Canada, Japan and the European Economic Community failed to reach agreement on broader interest rate minimums for trade credit. The present agreement was extended until the end of this week while talks continue.

There is no guarantee that an effective agreement can be reached or that it would last very long. Similar talks broke down last month after Europeans balked due to pressure from their ailing export industries and deficit-ridden nationalized companies. Moreover, the leading industrial coun-

tries are under the auspices of the Organization for Economic Cooperation and Development, which pegged credit interest rates for countries ranging from "relatively rich" to "relatively poor." But that agreement fell flat on its face after countries started finding loopholes to undercut the financial terms of their competitors.

Sen. John Heinz thinks he has found a way to stop all of this by threatening a bigger potlatch than anyone else. He proposes to endow the U.S. Export-Import Bank with a \$2 billion "war chest" to "combat the official export subsidies of our trade competitors." A similar proposal for a \$1 billion "war chest" was stalled in Congress last year after getting the approval of the Senate Banking Committee.

In addition, Sen. Heinz proposes to restructure the Ex-Im Bank to make it more independent of the White House and Congress alike. His plan would change the terms of office to give the president less influence over the bank's activities and would also take the bank's net lending authority out of the federal budget. The Ex-Im Bank must now get congressional approval in the federal budget in order to get additional funds from the Treasury. Sen. Heinz maintains this accounting practice is misleading because the Treasury is really gaining an asset in the Ex-Im Bank loans and that should not be considered a normal expenditure.

We have an even better idea. Since so many Ex-Im supporters have been insisting for so many years that the Ex-Im costs the taxpayers nothing at all, let's simply make it a private bank. With the earnings it claims to have, it could even repay, over time, the capital the taxpayers have invested in it, or it could do that even more immediately with money raised by selling stock to the public.

If Sen. Heinz & Co. think this proposal unreasonable, the only reason we can imagine is that they know full well that Ex-Im could not function as it does without the Treasury. It follows that it should be in, not outside the federal budget. Even if you ignore federal capital infusions and interest subsidies, it represents yet another form of federal credit allocation.

The senator is arguing that we can bluff our competitors into cutting back on export credits by threatening to outdo them. It's a nice theory until you remember how long potlatching



# Lebanese Civilians Caught in Middle

## Scene in Sidon Is One Of Death and Anger

By DAVID IGNATIUS

Staff Reporter of THE WALL STREET JOURNAL

SIDON, Lebanon—We came here to try to find the missing children of a Palestinian friend in Beirut. We went away with one indelible image—of corpses crowded together in the basement shelter of a local school—that tells the story of what the war here has meant for the civilian population of southern Lebanon.

The school is near the center of Sidon, off the road that leads to the town of Jezzine to the east. During the early days of the Israeli invasion, Palestinian guerrillas took refuge near the school and opened fire on Israeli jets bombing the town. The Israeli planes then attacked the Palestinian anti-aircraft guns. The school got in the way.

In the basement are the decaying bodies of about 100 persons, mostly women and children, according to local residents who took us to the school. The corpses have been covered by white powdery disinfectant and look, even in the heat, as if they were frozen in snow, and in time.

The bomb must have made a direct hit because the walls of the school have mostly been blown away. On a blackboard is a last French lesson: "*La mere d'Edde a mal a la tete.* (Edde's mother has a headache)."

A Lebanese man who has taken us through the school is asked who he is angriest at, the Palestinians who used the school as cover or the Israelis who bombed it? "Both," he says.

Another Lebanese resident sums up the battle of Sidon this way: "The men who were fighting are free, and the ones who were innocent are dead."

### Messages for Beirut

When this reporter and two colleagues visited here Friday, Sidon was still digging out from the rubble. Communications have mostly been cut off since the invasion and as we searched for our friend's family, half a dozen people gave us messages for relatives in Beirut or abroad. The messages tended to be one simple line: We are still alive.

Sidon, a former Palestinian stronghold, has been badly damaged. In the central areas of town, about one in every three buildings has taken a direct hit from Israeli bombs or artillery. The Palestinian guerrillas, it seems, fought everywhere. So the Israelis fought everywhere.

Local Red Cross officials estimate that between 1,500 and 2,000 persons in Sidon were killed during the invasion. There isn't any breakdown of the dead between Palestinians and Lebanese, between fighters and civilians. Another 200,000 residents may have fled the city, although many of them are beginning to return.

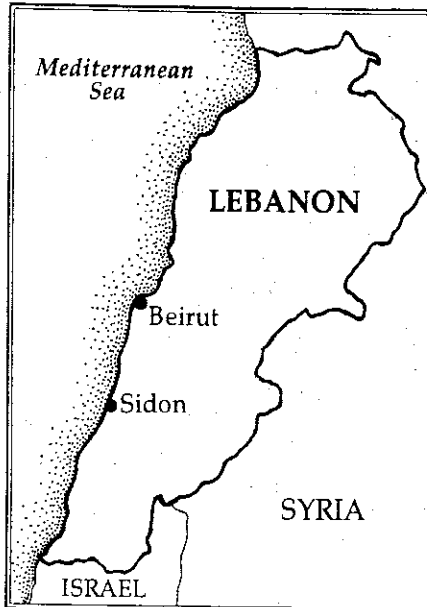
With so many dead, there have been some expedient decisions. The mounds of freshly dug earth at a traffic intersection

in the Abu Zhar district of Sidon cover a mass grave where about 40 bodies were buried last week and ploughed over by bulldozers. The only tombstones are the shattered buildings that surround the intersection.

Though some of the war's heaviest fighting was here in Sidon, the scene is nearly as bad in other areas of southern Lebanon. Along the coast road south from Beirut—in Khalde, Naameh and Damur—the wreckage of homes, hotels, shops, apartments and refugee camps attests to the heavy fighting.

### Frantic Diplomacy

Now, with Israeli forces surrounding the remaining Palestinian forces in West Bei-



rut, there are frantic diplomatic efforts to avert a final bloodbath there. The great worry is that the civilian deaths in Sidon will be repeated on a much larger scale in Beirut.

The great surprise of the war has been that despite all the suffering the Israeli invasion has meant for Lebanese civilians, many of them express relief that someone has taken on the Palestinian guerrillas. That is especially true here in Sidon, which armed Palestinians controlled in recent years as a kind of ministate in which they fought bloody battles against Israelis and Arab foes alike.

"We have many problems, but we are beginning to breathe again," says Ghassan Haider, a top Lebanese government administrator for southern Lebanon. "People were humiliated in the past" by the Palestinians, says Col. Ali Ashour, the local police chief, adding that "everyone accepts what has happened."

These generous remarks doubtless reflect in part the fact that the Israeli army is occupying the streets of Sidon. But they also indicate the reservoir of Lebanese anger here at what has been 12 years of Palestinian armed struggle on Lebanese land.

Lebanese civilians seem especially an-

gry that their homes, schools and shops were used as shields by the Palestinians. "The Palestinians were hidden between houses with their guns," explains one Lebanese rescue worker in Sidon. "We tried to tell them, 'Don't fight here, don't make them bomb here.'" These pleas mostly went unheeded.

### 'We Want Peace'

"This is the feeling of the Lebanese," says a housewife in Sidon. "We don't want any armed people around us. We want to live in peace."

The Israelis also are strongly criticized here for being as indifferent to Lebanese civilians as the Palestinians. What infuriated several local residents most was the way the Israelis herded Lebanese men into prison camps along with the Palestinians.

Joseph, a young Lebanese Christian teenager, was imprisoned by the Israelis even though he is a civilian rescue worker. In an interview, he explains what happened. All the men of Sidon between the ages of 16 and 60 were gathered together by the Israelis. They stood in long lines while Arab men in hoods—apparently Israeli collaborators—pointed out the ones they thought were terrorists. Joseph says he was erroneously fingered.

Joseph says that he was held at a prison camp near a local high school for four days. The prisoners, he says, were given water only, and several who asked for food were beaten in the stomach by Israeli soldiers. He thinks that some prisoners died during captivity. Like many accounts of wartime atrocities, his story can't be confirmed. Joseph eventually was released.

The last straw for one Lebanese woman came last week when an Israeli truck came down Riyadhsohl Street, the main street of Sidon, distributing bread to hungry civilians. The woman was overjoyed until she saw that accompanying the truck was an Israeli camera crew, filming the scene for home consumption. The bread truck, she says, hasn't been back in her neighborhood.

### Many Stay to Help

What is remarkable is that so many Lebanese have stayed on, despite the destruction and the growing danger of epidemics, to help treat Lebanese and Palestinian casualties.

Samia Junblatt, for example, is the head of the local chapter of the Lebanese Red Cross. She is a delicate, refined woman, and a member of one of Lebanon's great Druze Moslem families. Her son came to Sidon from Beirut on June 7, the day after the Israeli invasion began, and pleaded with his mother to come to Beirut. She refused. "I feel obliged to stay here," she says. "I can leave my children alone, but not these people."

Our own rescue mission came to a happy end Friday afternoon, when we arrived at the house where our Beirut friend thought his children might be staying. Upstairs was his son, 12 years old, dressed in a Boston Red Sox T-shirt. His daughter, 14, was taking a nap. She emerged later smiling, as if she had been mercifully asleep for the last two weeks.

## Election-Period Nerves Plague Mexico, Even Though Outcome Isn't in Question

By LAWRENCE ROUT

Staff Reporter of THE WALL STREET JOURNAL

MEXICO CITY — These are nervous times in Mexico. Uncertain futures, lame-duck rulers, dwindling confidence—this is the stuff of Mexico these days.

The nervousness plagues the country each time it elects a new president, which is every six years.

The next election is July 4, and the outcome is just about a sure thing. Miguel

### Foreign Insight

de la Madrid Hurtado is the candidate for the Institutional Revolutionary Party, or PRI, which hasn't lost a presidential election in 52 years. Even his opponents admit they don't have a chance.

And yet, the transition is difficult.

\* \* \*

Nervousness begins at a personal level. Just about all medium-level and high-level government officials are worrying about their fates. When a new Mexican president comes in, few officials keep their old jobs. Some move up, some down, and some out.

So in the months prior to the July election and the December succession, government workers spend much of their time currying favor with Mr. de la Madrid or those advisers thought to be close to the future president. Political backstabbing, government officials say, takes on a new meaning in Mexico.

A coveted job is to get on the campaign with Mr. de la Madrid, perhaps serving as an expert at the campaign meetings that the candidate attends. If they can be one of those experts, government officials figure, the candidate will see them and offer them a job.

#### 'Applying for Jobs'

"I see it on the campaign," a de la Madrid aide says. "When the peasant leader makes a speech to the candidate, he clearly represents the peasants. He makes an impassioned speech about injustices. But when somebody from the campaign staff talks, or when city lawyers or businessmen speak to the candidate, they represent nobody but themselves. They are applying for jobs."

\* \* \*

The sixth year of a presidential term in Mexico is lame-duck government in its extreme. The government can't start anything because it knows it will be powerless in a short time. People who deal with the government complain that nothing gets done, that decisions on such things as foreign investment are put off by bureaucrats afraid to stick out their necks. The Mexican public fills the power void with rumors of military coups and leftist uprisings.

The country survives such political paralysis every six years, and most likely will do so again. But it does have its costs.

The economic crisis that began with the February decision to float the peso, which has since fallen 43% against the dollar, required that strong actions be taken quickly.

But for weeks, little was done. Then the government took steps that may have done

This transition also was supposed to be different because the PRI heralded Mr. de la Madrid as the "architect" of Mexico's development plan. They said that the usual transition disruption would be minimal. "You won't see a great change when Mr. de la Madrid takes over," one of the candidate's aides said in December. "He and Mr. Lopez Portillo think alike."

They don't say that anymore. At every opportunity, Mr. de la Madrid's "people" tell you that Mr. Lopez Portillo alone is responsible for the current problems, and that real changes will take place when their man takes over in December. They say that although Mr. de la Madrid was responsible for government spending in the Lopez Portillo administration, he was only following the boss's orders.

\* \* \*

Lately, government sources say they are starting to take some control of the situation. An austerity plan exists, they say, that will bring down inflation.

But the government's credibility has been so hurt since February that it is having a hard time convincing people of its sincerity. Mexicans still are sending money out of the country and exchanging pesos for dollars. The outflow has slowed in recent weeks, but it hasn't stopped, and the government's reserves to back the peso remain uncomfortably low.

The continuing credibility problem is partly of the government's own making. People don't know if officials are being honest with them. Businessmen, for instance, applauded a recent speech by the treasury secretary in which he frankly conceded that the country's austerity program would mean zero economic growth over the subsequent 12 months.

But about a week later, Mr. Lopez Portillo said that the economy would grow 4% this year, and other government officials have been quoted giving optimistic forecasts on growth and employment. "It makes you wonder how committed they are to austerity," one Mexican businessman says, "or if they have any idea what they are up to."

#### Lack of Confidence

Similarly, at an April conference on U.S.-Mexican affairs in San Diego, Calif., many Mexicans and Americans anxiously awaited a speech by a presidential adviser to see if he would talk openly about the economic difficulties. But the only problem he discussed was a water shortage, and he attributed that to Mexicans flushing their toilets too often.

A sign of the lack of confidence in the government is the number of Lopez Portillo jokes that are circulating in the city. Before February, such jokes were rarely, if ever, heard. The most common ones involve a speech that Mr. Lopez Portillo made a few weeks before allowing the peso to float. "I will defend the peso like a dog," he swore. Now, the joke is that Mexicans buy U.S. dollars inscribed with: "In Dog We Trust."

Furthermore, Mr. Lopez Portillo's insistence that he wouldn't devalue the peso makes it tough for the government to convince the public that it means anything it says. In fact, the more the government in-

## Nicaragua Says It Paid \$36 Million Of Foreign Debt

MANAGUA, Nicaragua (AP)—The Nicaraguan government paid off \$36 million of its \$2.5 billion foreign debt and called on international banks to reestablish credit lines, Finance Minister Joaquin Cuadra said.

Mr. Cuadra said Nicaragua is determined to pay "the last cent of this debt, despite the economic difficulties aggravated by the recent floods" caused by a tropical storm. The storm caused an estimated \$200 million of damage.

The leftist government that deposed the rightist regime of the late Anastasio Somoza in July 1979 said it inherited a \$1.6 billion foreign debt that has increased by \$900 million, to a total of \$2.5 billion.

Credit from private international banks has been difficult to obtain since the revolution.

"Many hoped with glee that Nicaragua wouldn't pay, but we have paid, even though it means a serious sacrifice for our economy and our foreign exchange situation," Mr. Cuadra said.

The payment included \$30.5 million from the inherited debt and from autonomous entities to international banks; \$5.1 million from the debt of nationalized private banks to international banks, and \$700,000 from the debt of private enterprises confiscated from alleged supporters of Mr. Somoza, Mr. Cuadra said.

# Arms Sales and the Spread of Violence

By American government count, there are three significant wars under way and eight minor ones. The virulence has been immeasurably heightened by the sophistication of the weapons being used. That is not the result of insanity, however, but of the developed nations' near-criminal greed and myopia.

Today's conflicts should be put in context. Since World War II, there have been more than 130 wars of one level of intensity or another. Over 95% have involved devel-

## Viewpoint

by Hodding Carter III

oping nations exclusively. None has involved the superpowers in direct fighting with one another. Only one has required the sustained use of Soviet troops. But virtually all of them have been proxy wars in one important respect: They have been fed by weapons supplied by the developed world, and the lethal intensity of the wars and, in many cases, their duration have depended on those weapons.

That has been the case despite the fact that until the last few years, the major arms manufacturing nations used the Third World as the dumping ground for their military castoffs. Today the picture is radically different. The U.S., by far the leading arms exporter, sells advanced weaponry with promiscuous abandon. There have been times when the recipient of our largesse (or hard sell) had more of the new and best in a particular form of military technology than our own forces. The Soviet Union and France, the second and third-ranking arms salesmen, have similarly moved their wares up to the high-tech category.

Nor do many arms distributing nations have discernible scruples about the nature of their customers or the use to which the weapons may be put.

All that is really required of the buyer

is hard cash or professions of undying friendship to accompany soft conditions. The U.S. will sell to virtually any regime that says it is anti-Communist or anti-Soviet. Israel, another major arms merchant, has sold arms to governments run by anti-Semites.

Then the deep thinkers in charge of such things in Washington, Paris, Jerusalem and elsewhere sit back and tote up points in the vicarious game of "my weapons are better than yours." There was poorly disguised glee in France when Argentina used French air-to-sea missiles so effectively against British ships off the Falklands. The American press reflected the official Pentagon reaction by openly gloating about the relative effectiveness of our equipment in Israeli hands as opposed to Soviet equipment in Syrian hands. It's wonderful to have a tidy little war in which to test your newest military toys. The only people who suffer are the natives, and they are far away, foreign, unimportant.

Which is immoral nonsense as well as extraordinarily dangerous. "Little" wars, particularly among clients of big powers, hold the potential for larger conflagration. The most apt historical analogy for the current period is the years preceding World War I. Everyone agreed then, as they do now, that conflict between the great powers was unthinkable. Unfortunately, those powers' client states hadn't heard the message, and war became inevitable. The Balkans of the 1980s could be the Middle East or Africa or Southeast Asia.

This is not an apparent concern of the Reagan administration. This year, total American arms sales abroad will double, from \$15 billion to about \$30 billion. The U.S. offers arms to Communist totalitarian states such as China and to non-Communist authoritarian nations such as South Korea. Washington wanted to resume a military relationship with Argentina prior to the Falklands war and has taken the first, tentative steps toward resuming a military re-

lationship with South Africa. We Arabs and Israelis. American arms have been used on both sides of conflicts on the Earth.

All of this in the name of a *raison d'être* that is wrong in its premises and tenuous in its effects. The underlying rationalization for selling arms on denials that the weapons relationship gives leverage over the recipients and prevents their turning to other suppliers. A primary rationalization is that external arms are necessary to provide enough production in bulk to bring unit costs down to acceptable levels.

The first premise doesn't withstand serious examination. The Israelis do not wish with American arms. So did the Greeks on Cyprus. So do and have dozens of other nations.

As for precluding other sales, in most cases what we offer is unique and cannot be matched by anyone else. In other cases our arms that spark reactive buying are those threatened by our purchase strength. And in others, where the market is willing and the resources infinite, as in Iran of the late shah or in Saudi Arabia today, the buyers will stock up from a variety of suppliers. Argentina went to the United States using equipment from at least four other countries.

Finally, if the mass production of arms is acceptable in conventional fields, why not in other fields as well, in space or nuclear? It isn't and shouldn't be, of course, because our arms are produced to guarantee our security, not to provide a cash crop for export or to lower costs.

And that is the final argument against the wretched game in which we find ourselves engaged with such a venality. Arms sales do not increase our security. By increasing the level and frequency of warfare in other lands, they diminish our own.

Mr. Carter is chief correspondent for "Inside Story," produced for PBS.

## REVIEW & OUTLOOK

### Setting the Natives Free

The war in the Falklands is over now. The territory has reverted to its former owners, and the conflict produced little but enraged mobs in Buenos Aires and needless deaths among British and Argentinian troops. When we started looking for the causes of this sad war, we quickly found one organization under the rug that we didn't expect to see there: the United Nations.

It's the United Nations that has been pushing against British rule in the Falklands for years, fueling irredentist Argentine claims that would otherwise seem silly. The British have ruled the Falklands, after all, longer than the U.S. has ruled Texas. The inhabitants of the Falklands are quite satisfied with these arrangements. Yet the U.N. encouraged the British-Argentine negotiations that allowed the two nations to drift into war. And on closer inspection, we discover that under the rubric of "decolonization" the U.N. has developed a whole hit list of Falklands wars waiting to happen.

The U.N.'s interest in decolonization is as old as the organization itself. The U.N. charter specially mentions non-self governing territories and requires member states to report to the U.N. on their stewardship of such territories each year. Nowadays these reports go to a U.N. group known as the Committee of 24.

The committee keeps an official list. Bermuda, you will be happy to know, is "non-self governing," as are the Falklands, Gibraltar, the Cayman Islands and other remaining specks of the British empire. Also non-self governing are Guam, the U.S. Virgin Islands, American Samoa and the Pacific Territorial trust. (Puerto Rico managed to escape the list when it became a commonwealth in 1954.) The list also included the Western Sahara, inducing Spain to withdraw its claims and leave behind a war between Morocco and the Algerian-based Polisario guerrillas.

To be non-self governing, you had to be owned by a 19th century colonial power. The Soviet Union has no dependencies on the list. In the world of the U.N., the self-governing include Poland and Afghanistan. Or for that matter, the Ukraine and Byelorussia, voting members of the General Assembly.

The U.N. is proud of its decolonization activities, especially those that came after its adoption in 1960 of a strongly worded declaration proclaiming every nation's right to independence.

probably had a major effect. U.N. literature lists some 70 non-independent territories that have attained independence since World War II. We now have a U.N. populated not only by the Frances and Germanies of the world but by Kiribati, Nauru, Tuvalu and Vanatu.

The people who recognize this power most clearly are our fellow-U.N. members, the Cubans and the Soviets. For some years now, they have been trying to have Puerto Rico put back on the U.N.'s list of non-self-governing territories. For these same years the U.S. has had to use the most concerted efforts to prevent them from succeeding.

But the U.N.'s decolonization efforts also present dangers of another kind. The U.N. has been pushing the idea that life in a separate, sovereign state is the only fit condition for the world's peoples. But in some cases—as with the Falklands—the U.N. ends up simply favoring the transfer of hegemony over a territory from one country to another, ignoring the wishes of the inhabitants. In other cases, the U.N. works for the establishment of a new state to represent some ethnic minority even though the new little state will have minorities of its own.

The people of the Falklands did not want or need the U.N.'s ministrations. Indeed, it was their resistance that prevented an earlier negotiated transfer of hegemony from Britain to Argentina. Argentina's costly mistake of seizing the Falklands by force was no doubt prompted in part by the reinforcement its irredentism had received from muddled anti-colonial rhetoric at the U.N. A similar, and larger problem exists in Namibia, where a very large proportion of the population does not want to submit to a U.N. initiative that threatens to put them under Marxist rule.

Decolonization was, for much of the world, an evolutionary process that raised political consciousness, began a process of cultural improvement and contributed on balance to a greater sense of dignity. But the U.N. has turned it into a kind of extremism as silly and harmful as were some of the old colonial practices. Moreover, a double standard has emerged that ignores new forms of imperialism being practiced in places like Ethiopia by the Soviet Union.

The senseless deaths in the Falklands will no doubt receive much attention.

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to western Samoa. It vigorously pressed Portugal to let go of its African colonies. It hounded the white rebel government of Rhodesia and stripped South Africa of its mandate over Namibia.

What is more, all this activity has

serve that all wars are testimony to the folly of mankind. But this particular war owes a special debt to that particular brand of folly and hypocrisy institutionalized in the gleaming structures on New York's East River.

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"They escaped with the .30-caliber  
the cannon," said German.

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materialized. By noon, German dect  
guerrillas from the other camps to re

Each squad yelled a farewell to th  
yet departed. "Adios, companeros! We  
next battle!"

answered a soldier. "You'll give you death!"

"You're surrounded by more than 200 men," shouted German. "Surrender!"

"Your mother's a whore," another soldier replied.

The battle lasted from 11:30 p.m. Feb. 19, until 4 a.m. the next day. The soldiers and villagers fled the village, leaving 18 dead soldiers behind. One guerrilla, a former Salvadoran air force pilot and paratrooper, was wounded, although not seriously.

At 3:30 a.m. the guerrillas set fire to the military garrison, the mayor's office, the army pharmacy, a lieutenant's house, the headquarters of the National Guard and several homes of people identified as members of ORDEN, a government-sponsored, paramilitary organization made up of anti-leftist peasants.

The Roman Catholic Church in El Salvador has claimed that ORDEN is responsible for the slaughter of thousands of peasants suspected of being sympathetic to the guerrillas.

At 4:30 a.m. the guerrillas left San Antonio de la Cruz. They took with them...

mountainous province that borders Honduras. They move at will along the rivers, hills and mountains during the day and night, often passing government troops less than 100 yards away.

Chalatenango, where some of the peaks reach 7,000 feet, is the backbone of El Salvador's guerrillas. It is the fortress.

"If we got wiped out everywhere else in the country, we could retreat here and stay in Chalatenango forever," said a veteran guerrilla who has fought in these mountains for nearly seven years.

Clouds hid the moon as the guerrillas approached San Antonio de la Cruz. They stopped about a half-mile from the village. Its street lights flickered in the dark but the village was shrouded in silence.

Evita, an 18-year-old woman with an automatic pistol tucked into her waistband, and a young man armed with an FAL stayed behind while the others crept into the village. She was the medic. Her companion would protect her and any injured guerrilla she might treat.

After two hours of silence, a dog began barking in the village. Another bark followed, then silence again. A half hour later, a high-powered rifle shot echoed in the night.

Fifteen minutes passed before another shot pierced the silence. Dogs were barking wildly now. The street lights went out, followed quickly by a burst of automatic-  
weapons fire — the rat-tat-tat of the .30-caliber machine gun. Volleys came from every direction. The loud "boom" of the 105mm cannon and its flash lit up the village for nearly a second.

"Revolution or Death!"

"Come closer, you scum. We'll give you death!" answered a soldier.

"You're surrounded by more than 200 men," shouted German. "Surrender!"

"Your mother's a whore," another soldier replied.

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At 4:30 a.m. the guerrillas left San Antonio de la Cruz. They took with them six prisoners: three men and two women identified by villagers as members of ORDEN, and a guerrilla arrested by his companions for raping one of the village women.

The four male prisoners walked silently with their heads bowed and their hands tied behind their backs. The two women wrapped their shoulders in towels as protection against the early morning chill.

Asked what would happen to the ORDEN prisoners, a guerrilla pointed his finger to his head in the universal image of a gun. They would likely be executed, he said.

Guerrilla leaders later explained the policy toward prisoners. They said they spare the lives of captured army personnel because they are peasants like themselves who, in their view, have been forced to assume the life of professional soldiers.

They also believe they can win many of the captive soldiers over to their side once they have the opportunity to explain to the captives the revolutionists' point of view. By converting soldiers to their cause, the guerrillas said, they gain compatriots already trained who have inside information on the ways of the enemy.

With prisoners identified as belonging to ORDEN or as members of the National Guard or Treasury Police, the policy is clear. None are considered to be soldiers. To the guerrillas, they are mercenaries who kill for profit and not for ideals.

They are tried for their crimes before villagers who know them, and unless there are mitigating circumstances they are usually convicted and executed.

The guerrillas, however, admit they do not capture



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## WORLD

Compiled from news services

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# Gas stations target for El Salvador fire bombs

SAN SALVADOR, El Salvador — Presumed leftist terrorists fire-bombed two gasoline stations here yesterday, exploding thousands of gallons of gasoline and destroying the two buildings, the government said.

No injuries were reported, and no group immediately took responsibility for the incident.

Meanwhile, the government said four leftist terrorists were killed late Monday when they tried to bomb a petroleum-product warehouse on the outskirts of the city. The police said security guards at the facility raked the terrorists' car with machine-gun fire, killing the four attackers.

Fighting between leftist guerrillas and government troops is still reported in various parts of the country, but a guerrilla offensive appears to have dwindled in the cities to hit-and-run attacks. Two other bombs exploded late Monday in the capital, one in front of a government medical complex and the other at the Ministry of Education.

The government said the guerrillas were trying to disrupt the country's electrical-supply system and possibly the gasoline supplies.

Hainer Giessler, the secretary of the West German Christian Democratic Party, told newsmen here that his party supported El Salvador's ruling junta, led by its Christian Democrat President Jose Napoleon Duarte.

Giessler is here for a brief visit and he urged the public to support its government. He said the leftists have lost their battle for power, but he urged leftist leaders to seek dialog with the junta.

He said a negotiated settlement would help create a broader-based government and end terrorism.

The government has repeatedly offered amnesty to all guerrilla fighters.

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## Contaminated sand found at California nuclear plant

**S**AN ONOFRE, Calif. — About 300 cubic yards of mildly radioactive sand was discovered by workmen on the grounds of the San Onofre Nuclear Power Generating Station, but a plant spokesman said there was no danger to the public or the workmen.

The sand, apparently contaminated from water that came from a drain, was removed Friday. The drain was sealed five years ago and the sand was underground until excavation work uncovered it Thursday.

A spokesman for Southern California Edison, which owns the coastal plant, said the sand was put in 50-gallon drums for shipment to a disposal site in Hanford.

## Leak eludes workers at T.V.A. plant for 16 hours

**S**ODDY-DAISY, Tenn. — Only small amounts of radiation escaped into the atmosphere because of a leak at Tennessee Valley Authority's \$2 billion Sequoyah Nuclear Plant Friday, a spokesman said yesterday.

However, John Schlatter of T.V.A.'s information staff said it took technicians 16 hours to find the source of the discharge that forced the federal power agency to send 230 construction workers home for the day and to seal off a utility building at the Southeast Tennessee plant.

It was the fifth reported leak at Sequoyah since the nuclear generating facility was given a license to operate last fall. Officials have said all were insignificant in terms of radiation amounts.

The spokesman said no employees received significant amounts of radiation exposure, and only slight amounts of radioactive gas were released into the atmosphere.

The escaping gas contained three radioactive elements — iodine, xenon and cesium.

*Seattle Times 5/31/81*

# Seattle Post-Intelligencer

THE VOICE OF THE NORTHWEST

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B2

Wed., Mar. 4, 1981

## What Can In El Salv

It's hard to figure out what President Reagan and Secretary of State Alexander Haig hope to gain from the tempest they've stirred over El Salvador.

The nation is small. It's the size of Massachusetts and has an estimated 4,750,000 population. Its principal crops are coffee, cotton, corn, sugar and beans. It is the smallest of the Central American countries and one of the poorest. It has a history of brutal economic repression; an oligarchy has dominated and has used the army to repress dissidents.

A mixed civilian-military junta, supported by the Carter administration, undertook land reforms — that's what brought Seattle's Mark Pearlman to that country. He was slain there, one of 12,000 murdered by terrorists (some from the left, but most from the far right.) The government itself is not blameless. A Brooklyn, N.Y., priest has reported on a massacre of 300 peasant refugees — women and children among them — in a remote village last May.

Though the civil strife in El Salvador is heart-tearing, one fact remains: No matter what the eventual outcome — right or left or centrist — the regime could not be remotely construed as threatening to this nation.

Still, with an insistence that amounts to a crusade, the secretary of state has made the nation his central focus. In the State Department's

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# They reject PA native lobby

OTTAWA (CP) — About 500 native men, women and children were welcomed with drums and chanting as they disembarked here yesterday to lobby for the entrenching of native rights in the new constitution.

But leaders of the group, whose Constitution Express had just completed a five-day trip from Vancouver that included a bomb scare and a controversial route change, brushed past Indian Affairs Minister John Manro, National Indian Brotherhood president Del Riley and other Indian leaders who stood waiting to greet them.

The group was led by Bob Manuel, national representative for the Union of British Columbia Indian Chiefs, who told reporters at a stormy news conference that Indians demand that Prime Minister Pierre Trudeau guarantee their rights in the constitution before he asks Britain to send it home next year.

Organizers said there are no plans to hold a demonstration on Parliament Hill or occupy any federal buildings. They plan to co-operate with RCMP and city police to ensure there

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# Actually, E you're not

by M.R. Montgomery  
Boston Globe

**E**DWARD Teller is not a funny person. The putative father of the hydrogen bomb, the inspiration for Peter Sellers' role as Dr. Strangelove, is now a fellow of the Hoover Institution of War, Revolution and Peace (not necessarily in that order) at Stanford University.

The institution is providing a number of high-level (it is not the sort of place that has many low-level) thinkers to the Reagan administration.

Teller has been thinking the unthinkable for years, and has just emitted a book called "The Pursuit of Simplicity." It is not published by the Hoover Institution, or by the Stanford University Press. It is the product of the Pepperdine University Press.

**While you and I** have been worrying about the meaning of pounded chicken breasts and the high price of designer roller skates, Teller has been worrying about what will happen if the governments of the world decide to set off several hundred of his awesome children.

Not much, he concludes. Oh, some tragedy, some rather astonishing loss of life and so forth, but life will go on.

Not only that, but life will not revert to some stone-age existence with people whapping one another with rocks and chewing on raw clams and doing other unedifying things. He concludes that it is not in the interest of governments to wipe out the opposition, and that some inherent restraint will keep them from doing so.

He points out that in spite of Genghis Khan's best efforts, he could kill only 90 per cent of the population of Persia, and that after World War II, despite great destruction, both West Germany and Japan recovered rather nicely. thank you

Seattle Times 3/2/81  
file Hoover Inst

# 13 Overcome By Toxic Gas In Tacoma

By Joe Frisino  
P-I Staff

TACOMA — A cloud of chlorine gas escaped from a trouble-plagued chemical plant here yesterday, killing 13 employees of a barge-building firm and forcing the firm to close down.

It was the third incident involving releases of gases or chemicals at the Hooker Chemical Corp. plant in the past 16 months.

His eyes still burning and throat sore, Vincent took off his oxygen mask yesterday at General Hospital and described the bleach-like gas that overcame him and 12 fellow workers.

"I was back by Hooker's fence and I started coughing this stuff," he said. "It began to burn my eyes and smelled like bleach. It was getting hot when somebody yelled, and we all ran out."

Vincent is employed by Zidell Disposal, which builds large steel barges for wheat, bulk cargo.

Carl Virgil, Hooker plant manager, said about 10,000 cubic feet of chlorine escaped from the plant at 10:30 a.m. when a momentary electrical power loss caused chlorine to back up into a seal. The gas escaped from a room where two men were working then and leaked outside through the plant's ventilating system.

Virgil said the gas normally dissipated within 15 minutes and that the 10,000 cubic feet of gas was lost in the five to 10 minutes the system was out of control.

Several Hooker employees were treated at the hospital but none needed hospitalization.

A 50,000-gallon hydrogen tank exploded at the plant Oct. 26, 1979, causing damage to nearby businesses. Four persons were injured in the blast. Last May, the Love Canal near the plant was closed and the firm was accused of allowing toxic waste into the water.

Two weeks ago, Hooker was ordered to bury about 2,000 cubic yards of soil contaminated with chemicals from tideflats near the plant.

Of the 13 Zidell employees affected by the gas, 11 were to be kept overnight at Tacoma General Hospital. One man was transferred to Lakewood Hospital and another was sent home.

## Acid Discharge

## Into Columbia River

Seattle P.I. 2/13/81

# **Reagan Cancels Thermostat Controls**

WASHINGTON (UPI) — President Reagan yesterday canceled Jimmy Carter's energy-saving restrictions that held all public buildings to a maximum of 65 degrees in the winter and cooling to no lower than 78 in the summer.

In a proclamation, Reagan said that although temperature restrictions "may result in reduced consumption of fuel, I have concluded that the regulatory scheme designed to accomplish that objective imposes an excessive regulatory burden and that voluntary and market incentives will achieve substantially the same benefit without the regulatory cost."

During his presidential campaign Reagan ridiculed the twice extended order, saying it made buildings "too hot in the summer and too cold in the winter."

An Energy Department aide said the temperature restrictions resulted in fuel savings of 300,000 to 400,000 barrels of oil a day.

*Seattle P.I. 2/18/81*



# B.C. loses on timber

A minimum of \$2 billion is lost in provincial forest revenues annually, the Sierra Club's conservation chairman Bob Nixon said Thursday.

In a prepared statement, Nixon said the principal cause is the virtual elimination of competitive timber sales in B.C.

The club's claim is based on a review of numerous technical documents which analyze the comparable aspects of the province's timber appraisal systems, as well as those of Washington and Oregon during the past 17 years.

In absolute dollar terms, an average stumpage price comparison, using 1978 fig-

ures, shows that the loss to B.C. is \$2 billion annually including the loss in specific timber products manufacturing. The Sierra Club estimates that the total loss is \$2 billion a year.

While the loss is annual all over the world, the difference between the real cost of timber to the province has remained steady and declined.

In the free market system of Washington, the average stumpage price rose all



El Salvador

# Salvadoran

By Alan Riding

New York Times

MEXICO CITY — Salvadoran opposition leaders yesterday renewed their offer to negotiate a political settlement in El Salvador with the Reagan administration, but warned that stepped-up U.S. military involvement threatened to prolong and regionalize the country's bloody civil war.

"Sooner or later, the United States will have to talk," said Guillermo Manuel Ungo, president of the Democratic

*Seattle P.T. 3/3/81 pg. 1*

# U.S. to Send Salvador More Military Aid and Experts

P-I News Services

WASHINGTON — The State Department, declaring that leftist guerrillas in El Salvador may launch a new offensive, announced yesterday a \$25 million increase in military aid and a 20-man increase in U.S. military training experts for that country.

Spokesman William Dyess said the aid package will include the delivery of additional helicopters, vehicles, radar and surveillance equipment and small arms.

The additional training personnel would raise to 54 the number of Americans serving in military-related capacities in El Salvador.

Dyess said the U.S. personnel will not go beyond the garrison area or take part in combat operations.

"The insurgents are regrouping and massive quantities of arms remain in their hands inside El Salvador, or they have reason to expect that additional arms are waiting to be smuggled in," Dyess said.

"We want to improve as much as possible the government's ability to deal with this problem."

He said the \$10 million in military aid authorized in mid-January by the Carter administration was not designed to cope with the level of external arms assistance that now confronts the Salvadoran government.

He said the new military personnel being assigned to El Salvador will be divided into four five-man teams. They will train the Salvadoran military in communications, intelligence, logistics and other skills to stop infiltration and to respond to terrorist attacks, he said.

The leftist rebels launched a ma-

...or offensive January 10, which the State Department has said was carried out with the help of at least 200 tons of weaponry supplied by Vietnam, Ethiopia and other countries and shipped through Cuba and Nicaragua.

Army officers in El Salvador claimed yesterday that at least 300

leftist guerrillas were killed and others jumped to their deaths down 900-foot gorges in a government rout of 1,500 leftist insurgents on the sides of a steep volcano.

President Jose Napoleon Duarte

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Seattle P.T., 3/3/81 pg. 1

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President Jose Napoleon Duarte

Back Page, Column 1

# Salvador

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From Page A-1

said he was ready to talk peace anywhere with the leftists but warned that El Salvador "is on a war footing and will stay that way as long as Russia and Nicaragua continue sending arms in here."

Duarte said on nationwide radio that the beleaguered military-civilian junta would continue to need U.S. military assistance "so long as the Cubans, Russians and other nations continue sending arms to the guerrillas."

Dyess said there is no conclusive evidence that a new offensive is planned but "the best way to prevent one is to prepare for it." He said the Salvadoran military performed well in confronting the January offensive.

The administration also is examin-

ing El Salvador's economic needs and may increase the \$63 million already planned for the current fiscal year.

The New York Times reported today that the Reagan administration is considering a Salvadoran request for an emergency economic aid package of between \$200 million and \$225 million, including \$80 million from the International Monetary Fund. The report, quoting government sources in San Salvador, said the request was sent to Washington on Sunday with a plea for an immediate decision.

The announcement on military assistance represents another escalation in American military involvement in El Salvador. But the administration has said there are no plans to send combat forces nor to establish a Vietnam-type involvement there.

Canada

# Not consulted, NDP votes against B.C. charter move

By Jim Hume

Premier Bennett failed Thursday to win unanimous support from the Legislature in his constitutional fight with Ottawa.

On the vote taken shortly before 6 p.m., 29 government members voted in favor of a special constitutional motion basically asking for the renewal of talks between Ottawa and the provinces and for the patriation of the constitution without amendment until it is returned to Canada.

All 22 NDP members present voted against the motion. Missing were Chris D'Arcy, Emery Barnes, Ernie Hall and Dave Barrett. After the vote, Government House Leader Garde Gardom explained that Barrett's mother is ill.

Energy Minister Robert McClelland was missing from the government benches fulfilling a speaking commitment in Dawson Creek.

Although Bennett failed to win the support he was looking for, he gave the NDP a severe last-minute tongue-lashing for their failure "to understand your country".

"You are a party of followers," he said. "When a few weeks ago the polls showed it was popular you jumped into bed with Trudeau. Now you fail to realize your mistake."

When Graham Lea (NDP—Prince Rupert) attempted to heckle Premier

"That we, the members of the Legislative Assembly of the Province of British Columbia, re-affirming our allegiance to the Crown, our commitment to a united Canada within the Canadian Confederation and asserting the sovereign status of Canada as a free nation, support (1) early patriation of the Constitution of Canada from the United Kingdom, (2) a formula for amendment of the constitution of Canada in respect of matters affecting federal-provincial relationships, with the consent of the legislatures of all of the provinces and of the Parliament of Canada."

Opposition Leader Barrett immediately took Bennett to task for introducing what he termed a confused motion and for failing to consult with the opposition before the motion was drafted.

"If there was a genuine desire on the part of the government to have unanimity in this house on this single question of patriation, why not pick up the phone and call the leader of the opposition and say, 'Mr. Leader, this is above politics . . . come down to my office, (and) let us work out the wording of a resolution to show that we are above politics and that we can have unanimity. Let us both sign a resolution and bring it to this house.'"

"And to have an amending formula upon which we all agree, which will preserve and protect the heritage of the people in every province, while ending the rigidity of unanimity of a desirable change."

In appealing for support from both sides of the house the premier said "future British Columbians will judge us all by what we say and how we vote . . . their future is in our hands."

Barrett did not let the premier off lightly. At one point in his reply to Bennett's opening statement he reminded the house that the premier had failed to vote in the last federal election. (Bennett was out of the country on voting day but could probably have arranged to vote at an advance poll.)

"In part of his argument he says we're under-represented in Ottawa," Barrett said. "Could it be that part of the reason is that some people don't even care enough about the Canadian government to bother to vote? Could it be that some people have such disdain for the democratic process in the selection of government that when it comes time to act in civil responsibility . . . Hawaii calls more than the ballot box?"

Consumer and Corporate Affairs Minister Jim Nielsen said he couldn't understand Barrett's failure to understand what he was saying.

no.

"Will it continue to be the duly elected governments of British Columbia, who can continue to develop that heritage for the betterment of our citizens?"

"I say, yes."

Bennett was the lead-off speaker in the debate on a motion which reads:

foreign and unworkable in our country."

Bennett listed the "hidden" qualities of his motion. It was designed, he said, "not to escalate the confrontation initiated by the Trudeau government, but to stop it; to return to the conference table; to maintain the historic practices of the country to patriate our constitution in a spirit of unity."

pears, has already embroiled why is the official opposition out? I don't think they can think they will."

Intergovernmental Affairs Minister Gardom described the speech as "ill prepared, ill and full of contradictions. A lamentable lack of research. The weakest speech he has in his entire political career."

# Clark reveals his formula

**KITCHENER, Ont. (CP)** — The federal government could defuse the threat of Western separatism by immediately withdrawing its proposals for patriation of the constitution and a national energy policy, Progressive Conservative Leader Joe Clark said Thursday.

Speaking to about 400 in the safe territory of Kitchener's Tory Confederation Club, Clark said negative public reaction to the proposals shows "we have been right on two important questions" and Canadians "have significant reservations about the unilateral way Prime Minister Trudeau" is acting.

He said Western separatist sentiment is unlike that of Quebec, where people saw separatism as the means to protect their culture.

"In Western Canada, people are turning to separatism because they feel they have no choice. It is not a positive choice, it is a

choice caused by frustration."

Clark said federal Tories are "not satisfied because we were right (on the issues of energy and the constitution), but concerned that so much is going wrong."

He reiterated his party's proposal that the constitution be patriated immediately, but with the amending formula agreed on during the summer at the first ministers' conference in Vancouver.

"We should not ask the Parliament of Westminster to make decisions that should be made in Canada."

The Vancouver formula called for amendments upon agreement by the federal government and any seven provinces. But, in specified areas, provinces could opt out of amendments affecting them.

Clark said a recent Gallup poll showing 58 per cent of Canadians are opposed to the patriation proposal, as well as Alberta's refusal to negotiate energy prices until the government rescinds its budget measures, show that "the government has not been able to force these measures through."

"We have them in re-

veal," he said. "They wanted to ban television and radio from constitution committee hearings. But we wouldn't let them. They wanted to cut off debate on the constitution Dec. 9, but we have extended that until at least Feb. 9.

"If we have been able to achieve change in the question of process, we will also be able to change the substance of the proposals."

Clark said the federal energy policy abandons the capacity for energy self-sufficiency and "ignores Canada's real economic needs."

## Schreyer pleads for end to feuding

**ST. THOMAS, Ont. (CP)** — Speaking in unusually forceful terms, Governor-General Edward Schreyer called Wednesday for Canada's disputing factions to make peace and keep the country together.

The former Manitoba premier said the more affluent areas of the country should help the poorer ones, adding that the precedent for mutual aid has been set throughout Canada's 113 years.

"It is a fact that, at one time or another, probably every single region of Can-

ada has been helped out by other regions," he said in an off-the-cuff address at St. Thomas city hall.

"If one region of the country or another is undergoing a period of adversity, the odds are that another part will be doing considerably better and be able to help."

The Weekly  
2/11/81

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**FOREIGN POLICY**

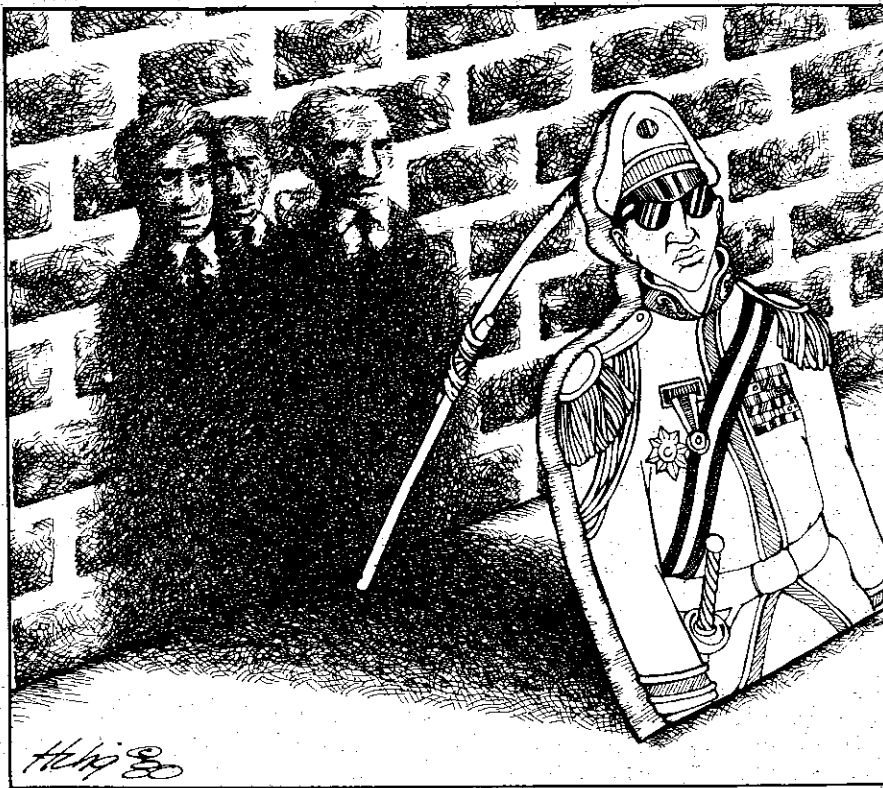
**At the U.N.**

Will Jeane Kirkpatrick rise to defend dictators?

**T**here is a nice historical symmetry in the fact that Jeane Jordan Kirkpatrick became the U.S. Ambassador to the United Nations in the same month that one of her predecessors, Daniel Patrick Moynihan, unloaded a blast at the Carter Administration's U.N. performance in the pages of *Commentary*. For if Dr. Kirkpatrick is likely to resemble any previous U.N. Ambassador, it is the combative Moynihan, with his penchant for what Donald McHenry deplors as "confrontation politics," and what others of us call "telling the truth."

The parallels between Moynihan and Kirkpatrick are fetching. Both are lifelong Democrats in the service of a conservative Republican President. Both are academics. Both are founders of the Coalition for a Democratic Majority (now called "neoconservative"; in reality, the group comprises traditional Democratic liberals with a distaste for totalitarianism in general and the Soviet Union in particular). Both got the U.N. job through an article in *Commentary*: Moynihan's famous 1975 "The U.S. in Opposition"; Kirkpatrick's 1979 "Dictatorships and Double Standards."

Moynihan's essay was an application of the history of ideas to current policy dilemmas, asking how to deal with the so-called



*Supporting right-wing strongmen: what should U.S. policy be?*

world view had overtaken a majority at the U.N., the U.S. would be permanently a "loyal opposition," the loyalty being derived from what Moynihan perceived to be a shared interest in the basically democratic values that the Third Worlders would have absorbed at the L.S.E. along with their redistributionist economics. Although he later came to under-

combat in world affairs was a combat of it that our were better than the totalitarian and that this would be recognized eventually we would just stop apologizing for our vi to our moral inferiors.

Kirkpatrick's "Dictatorships and D Standards" was a similar exercise in anal the impact of ideas on foreign policy.



# Rebels Bomb U.S.-owned Plant

in a heavy shootout that left two dead, apparently passersby walking near the installation at the time of the fighting, they said.

U.S. companies in El Salvador have been the target of frequent attacks by rebels, who view the U.S. government and its former ambassador, Robert White, as the only forces propping up El Salvador's military-civilian junta.

Meanwhile, a senior State Department official in Washington said yesterday that the Reagan administration removed the U.S. ambassador to El Salvador because he used the press and not private channels to voice policy disagreements with Washington.

Ambassador Robert White, who is in Washington "for consultations," is the first career ambassador to be removed from his post by the new administration.

State Department officials said White, 54, was not fired from the foreign service but was offered another senior position in the department at Washington.

However, they said the 25-year Latin American specialist declined the offer and also turned aside an opportunity to return to El Salvador temporarily to make farewell calls on that nation's senior officials.

This leaves White without an official assignment.

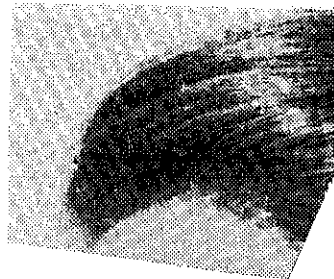
Department officials said it is presumed that if White does not accept an offered post within a relatively short period of time, he would probably resign.

In another development in El Salvador, army troops ambushed 200 guerrillas attempting to occupy a town and killed an undetermined number of rebels in a six-hour gun battle, residents reported yesterday.

Residents of Tenancingo, 15 miles east of the capital, said government troops apparently had been tipped off about a guerrilla attack on the town and were waiting for the attackers Sunday night.

*Seattle PI*

*2/13/81*



# Sometimes it's OK to lock up resources

by Colman McCarthy  
Syndicated columnist

WASHINGTON — Of all the Reagan cabinet nominees, none was more wildly inaccurate in his assessment of things than James Watt, who seeks to head the Interior Department. He used the occasion of his introduction to the public to denounce "environmental extremists."

Watt defined extremists as "those who would deny economic development" and who seek "to lock up from utilization our resources for one specific purpose."

Watt, who is president of the Mountain States Legal Defense Fund, a reactionary group whose financial angels include Joseph Coors, the brewer and Reagan adviser, didn't name any particular extremists. I wish he had. The public would be able to judge for itself whether the alleged extremists really are the menace that Watt claims they are.

I confess to knowing some environmental extremists, though my definition differs from Watt's. To them, extreme means being extremely confident that laws like the 1977 Strip Mine Control Act will eventually be enforced, even though coal companies are waging an intense attack against it.

They are extremely hopeful that no more Love Canals will be allowed to happen, even though a superfund cleanup bill was passed that was neither super nor much of a fund.

They are extremely dedicated to turning the hesitating environmental advances of the 1970s into major policy shifts of the 1980s, so that what clean air and water and unexploited land we have left won't be degraded by the powers that Reagan and Watt are eager to front for.

By coincidence, the day that environmentalists were being polluted by the secretary-designate, I had a letter from one of them. She is Marie Cirillo, who organizes communities in central Appalachia to defend themselves against the environmental abuses of ener-



James Watt

gy companies.

Ms. Cirillo, who has worked in the mountains for 25 years and has often had death threats from coal-industry goons, wrote in a circular letter to her family and friends that "the more I live in the mountains of Campbell County, Tennessee, the more I realize

what the absence of desire for the sacred can do." She continued:

"We have been strip-mined to death for an energy-hungry world. Our inhabitants were forced to leave here in the '50s and '60s. By 1975 these same people were being forced out of the cities they migrated to. Now there are many more people living in the county. They are home but with no land to call their own, no job to support the family, and no government that cares for its people. In the midst of all this . . . the company that owns 25 per cent of the land in the county just received a \$5 million grant to study the feasibility of a synfuel plant. Such a plant will give us jobs but will continue to destroy the very environment we want and need for our mountain society to survive."

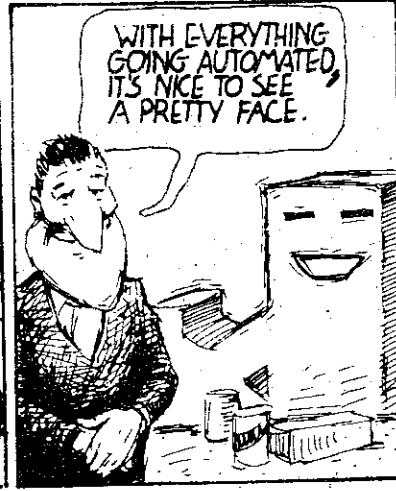
The fact that Coors money is behind the foundation Watt heads has a noticeable twist. For several years, the Colorado beer company has been buying options on 2,000 acres of rich farmland in the Shenandoah Valley in western Virginia. The plan is to build a gigantic brewery, with access to the pure waters of a local spring. Coors would then have an East Coast base from which to open the tap for more beer and greater profits.

The arrogance of the Coors company was in its deliberate invasion of a community settled by Mennonite families. Mennonites, holdouts from rural materialism, remain steadfast in the belief that abstention from alcohol is one of the basic Christian virtues. But here is Coors, corporate power with the East Coast to choose from, and moves ahead with plans to build a beer factory amid the Mennonites. Some environmentalists are trying to buck the proposed industrialization of their agricultural community. For daring to raise questions they have been labeled, of course, "extremists." And now, as an insult, they must listen to preachments of James Watt, Coors man who says, don't lock up our resources for "one specific purpose."

It's all right, though, if "one specific purpose" is a factory. Or a synfuel plant in Tennessee. Or a new strip mine in the Great Plains. Or anything that conforms to current dogmas of right-wing republicanism, as we have seen repeatedly in the past 10 years, inevitably means environmental retrogression.

(Copyright, Washington Post Co.)

## PLYMPTON



Bill Plympton

# AN ARGUS INTERVIEW: Mike LOWRY



## How to Succeed as a Vanishing Species

By DOUG HONIG

**T**HE CLEAN-SHAVEN LOOK is back in style, but for the first time in his life Mike Lowry is sporting a beard. The facial hair seems fitting for a man at odds with many political fashions.

The U.S. Congressman from the Seventh District (south Seattle and King County) remains an unrepentant liberal. He boasts that last fall he ditched a slickly designed campaign brochure for one with less gloss and more ideological meat. While other candidates on the left backtracked furiously toward the center, Lowry stood his ground in championing Indian fishing rights. When conservative challenger Ron Dunlap denounced him as a big spender Lowry blasted across-the-board tax cuts and reaffirmed his commitment to social programs.

His commitment survived the acid test of the polls. As pundits proclaimed the liberal Democrat a "vanishing species," and such stalwarts of the breed as Frank Church, George McGovern and Birch Bayh were bounced from office, Lowry won handily what was expected to be a nip-and-tuck battle with a darling of the Republican right.

In what must now seem the innocent days of 1975, County Council aspirant Lowry proclaimed, "I'm not afraid of the word 'tax.'" But where do stagflation and the sweeping conservative victories of 1980 leave bread-and-butter liberals

like Mike Lowry? How can they justify their programs in an uptight, tight-budget decade? In a recent interview with ARGUS, Lowry discussed his prescription for liberal recovery.

**ARGUS:** In light of last fall's conservative victories, how can liberals now appeal to the public?

**LOWRY:** We need to stand for economic viability. Forget this thing about being anti-business—we should not be anti-business. We should be pro-rebuilding the American economy.

There are some definite political messages coming across, many of which I agree with. The important message is about the growth of the federal government and its interference with our economic system. There's too much coming from the federal government. With 230 million people, our ability to deliver from that large a government is less than from smaller, more accountable units.

As much as possible we have to return to a competitive market system. For years we've been muddling along with growing government subsidies. An easy example is the Chrysler loan guarantee, which is a mistake because the market simply is not going to allow that company to make it. Or take energy policy. Instead of supporting certain options such as nuclear power, we should just let the market work. Then we'd be able to evaluate alternatives by their real cost

Continued on Page 10

## LOWRY INTERVIEW

Continued from Page 1

cheapest, most efficient ones. Let's stop sub-  
regulating the market.

ound like you're echoing Reagan's call to get  
the backs of the people.

I want is for us to develop more wealth in this  
that make me a conservative, liberal, or what?  
ger economic base to support social programs.  
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omy operating well. But when I talk of over-  
ways, underline the word *economic*. I still  
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policies should seek to build up the supply  
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changes in our depreciation laws to give more  
ace outmoded, energy-inefficient machinery.

be linked with programs that recognize  
d education, that there are *poor* people who  
we *need* nutrition and health programs. I see  
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lk of the need for social programs. But didn't  
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in the defense budget.

ves want to go after the social and education



*“What I want is for us to develop more  
wealth in this country. Does that make me  
conservative, liberal, or what?”*

programs, which is a lot, lot less. I think the proposed reduction of the food stamp program, for example, is ridiculous. They want to balance a \$60-billion deficit, and they keep talking about this program which costs \$8 billion maximum and provides nutrition in some form for 21 million people. What I'm for is cutting expenditures where they're really spending the money, not a bunch of malarkey about how it's these other programs that cost money.

ARGUS: Yet part of Reagan's appeal was the sense that we need to get tougher in foreign relations. One key Reagan appointee has even talked of the need to support “moderately repressive” regimes when it's in the national interest.

LOWRY: Sure, we need a strong national defense for our security, with the world the way it is. The question is not how much we spend, but what we buy with the defense dollars we spend. How many dollars can we keep wasting on defense expenditures? And for dollars expended, we produce more jobs by spending in areas other than defense. I'd like to see us do much more in housing, in rebuilding rail transportation systems.

In this region we have a lot of defense contracting jobs, but a lot more non-defense jobs. With Boeing's commercial sales

and our Port's facilities, the Seventh District has more international trade jobs than any other Congressional district in the United States. These jobs depend on friendly, progressive relations with the rest of the world.

How can it be in our interest to support governments dealing in the same kind of repression that gave birth to this country? It will never be in the national interest to support dictatorships. Period. I've held eight community meetings in the district the last few days, and at every one people have asked about El Salvador. They want to know what we're doing providing aid to a government which has clearly suppressed a vast majority of its people economically.

I intend to keep bringing up this problem of weapons sales in the world. There were \$450-billion worth of weapons sold worldwide last year. Combined with the problems of increased population, depleted resources, and increasing human misery, that provides significant tensions—we have too many weapons available. In talking of this problem I've gotten a tremendous response from people. They want to see us do something about multilateral disarmament and lowering of the tensions.

ARGUS: How do you see the Democratic Party regrouping?

LOWRY: By aggressively addressing the needs of this country. Liberal politicians have got to stop reading the polls and start taking positions we think are right on issues. Whatever group meets the need to reduce overconsumption of resources, to provide education and health opportunities, will be rebuilt. If the Democratic Party will have the courage to step forward on these programs, it will come back in spades. Otherwise it won't deserve to come back.

ARGUS: From where in the Democratic Party do you see new leadership coming? Is being out of power forcing rethinking by Democrats in Congress?

LOWRY: Some, though I am not encouraged by comments of a vast majority of parts of the party. Democrats in Congress are too worried about getting re-elected. Too many politicians are underestimating the public intelligence. They think people have gotten selfish and don't want to help others. They're wrong. In community meetings the overriding thing I've seen is that people are more willing to work on solutions than they're being given credit for. You check the way elections go in the next few years—you're going to see a big reversal.

It's not that the party structure has shown a lot of capacity to change. It's that the public is going to do what's necessary for us. I mean throw out those of us who should be thrown out. The public will just plain do it.

# U.S. energy policy: 1

By Bill Stall  
The Hartford Courant

## WASHINGTON — Just as Ronald Reagan promised during the 1980 election campaign, the President has moved swiftly to inaugurate a policy that gets the government off the backs of the energy companies and sets them free to chart the course of America's energy future.

"What energy policy?" ask Reagan critics with

not just a little sarcasm.

But the policy is there, even if much of what it

does is decontrol, deregulate and throw open vast

stretches of public lands for energy development.

One of Mr. Reagan's first acts as President was

to cancel Jimmy Carter's highly publicized thermo-

stat controls. And just eight days after taking office,

Mr. Reagan removed all federal price controls from

petroleum products, including gasoline.

With the oil companies free to set prices, the

administration argued, the cost of fuel would rise to

a world-oil-market level and induce Americans to

conserve. This, in turn, would promote a decline in

U.S. oil imports, particularly from countries in the

politically unstable Middle East. And some of the

increased profits that the companies received would

be plowed back into development of more domestic

production and alternative fuels.

That is the key to the Reagan policy, but not the

only action taken so far. One by one, other Carter en-

ergy initiatives have been repealed or rolled back:

mandatory allocation and standby gasoline rationing

to deal with emergencies; direct federal subsidies to

promote synthetic fuels from coal and oil shale;

federally-supported conservation programs, and the

development of commercial solar-energy systems,

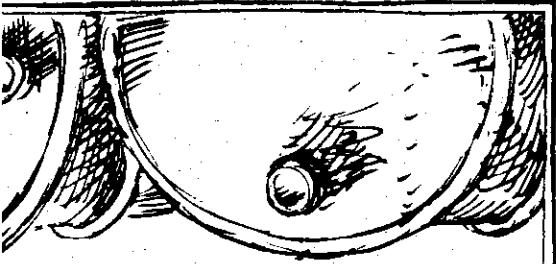
geothermal energy and other renewable sources of

energy.

The administration has taken bold initiatives to

open up vast stretches of public lands in the West to

coal, oil and shale development in line with Mr. Reagan's frequent campaign argument that, if given the chance, the oil companies could find more oil at home.



Most of the Reagan energy proposals have been made without fanfare and in the shadow of a dramatic administration action dealing with budget and tax cuts. But taken as a whole, Reagan actions amount to a major reversal of energy initiatives taken by the Nixon, Ford and Carter administrations since the first energy summit brought on by the Arab oil embargo of 1973-74.

### In their debate in Cleveland last October President Carter scoffed at Mr. Reagan's energy policy, saying: "He wants to put all our eggs in one basket and give that basket to the oil companies. That may have sounded like harsh campaign rhetoric at the time, but it is essentially what Reagan has done."

In a summation of the Reagan policy to the Senate committee recently, Secretary of Energy James B. Edwards, who presides over a department that Mr. Reagan has pledged to eliminate, said the keystone is a free market in which the energy companies, and not the government, determine the United States is to overcome its energy problems.

# Big Oil jumps for joy



Illustration by Geoffrey Moss

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In the presentation to the Senate Energy and Natural Resources Committee on March 12, Edwards said: "This policy recognizes the resourcefulness of the American people, delegates to them decisions on how energy can be produced and saved most effectively, and rewards them accordingly, unfettered by second-guessing from government planners."

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The new energy policy has been instituted at a time of declining U.S. oil imports, when there is a relative surplus in world oil supplies and prices are dampened.

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So the new Reagan program has been undertaken at a time when there is no air of crisis at the American gasoline pump, in contrast to four years ago when Mr. Carter donned his cardigan sweater, called on Americans to sacrifice and declared that the energy crisis was the moral equivalent of war.

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But just as Mr. Reagan used to claim that the Department of Energy spent \$10 billion a year and did not create a barrel of oil, neither has his new program created any new energy. So far, the Reagan plan has not lessened OPEC's grip on the world market or significantly eased American dependence

on foreign oil.

Even with the administration's speedup of leasing public lands to the oil companies, domestic oil supply may continue to decline from the peak it reached in 1970 of 11.3 million barrels a day. Production in 1981 is expected to be about 10 million barrels even with record drilling brought about by price decontrol.

And while OPEC-set prices may be at something of a plateau, and U.S. imports this year are forecast to decline to 6.1 million barrels a day — down from a high of 8.4 million barrels several years ago — those imports in 1981 are expected to cost \$96 billion compared with \$79 billion in 1980. The Department of Energy forecasts are based on an assumption that imported oil will rise to \$42 a barrel by early 1982 and that assumption may turn out to be too high.

Charles J. DiBona, president of the American Petroleum Institute, said that all the signs point toward a reinvigorated domestic oil program and he particularly emphasized the importance of access to public lands for oil and natural gas exploration and

Continued on next page

in an interview. The decline in domestic production was virtually halted last year and America's petroleum output may even increase slightly this year, he said.

**Some experts say** the world is now awash in oil, a glut that has undercut OPEC's ability to determine supplies and prices. Others are more cautious, pointing out that the existing surplus is roughly equivalent to the combined daily output of Iran and Iraq and that a new flareup of their war, or some other unforeseen event, could plunge the world back into a crisis virtually overnight.

To guard against that, the Reagan administration is moving ahead with the long-planned filling of the nation's Strategic Petroleum Reserve in underground salt domes in Louisiana and Texas. The proposal is to store at least 750 million barrels that could be withdrawn during a future embargo or other sudden interruption in supply.

But even though filling is scheduled to proceed at at least 300,000 barrels a day, the reserve would not reach the 750-million-barrel level until 1989. Even then, it would only equal about 120 days' worth of imports at 1980 levels.

In promoting the advantages of giving the American oil companies a free rein, Energy Secretary Edwards does not ignore the ongoing seriousness of the world oil situation. While Ameri-

decide who's going to be a high-priority customer'."

The major oil companies, in their profit-rich 1980 annual reports just off the presses, generally applaud Mr. Reagan's election and his free enterprise, deregulation approach to energy, but at least one has been openly critical.

William P. Tavoulaareas, the president of Mobil, told his corporation's annual meeting in New York earlier this month that it is only realistic to have some plan for allocating supplies in an emergency.

"We still need a long-term energy program," Tavoulaareas said. "Decontrol, by itself, is not a comprehensive energy program."

With decontrol and abolishment of federal allocation rules, however, DiBona of the American Petroleum Industry claims that shortages such as occurred in the past would not trigger the sort of gasoline station lines that the nation had in 1973-1974 and in 1979.

"Those shortages were trivial," he said. "We were never short more than 7 per cent. The reason it looked so big was government policies that made it worse than it had to be."

On the other hand, the present surplus in world supply is only a tiny slice of total production and a minor adjustment, for whatever reason, could quickly turn surplus into shortage, he said.

DiBona said the public now understands the world energy situation better than it did during the

## The public now understands the world energy situation better than it did during the 1970s, but most Americans are not too worried about energy now. There is a danger of complacency.

can imports have declined from a 1979 high of 8.4 million barrels a day, a variety of forces are at work to limit available supplies even without a severe disruption.

"Even with further progress in energy supply and energy efficiency, the free world will continue to be dependent upon a few key oil-producing nations located in unstable areas of the world . . . the free world's dependence on the Persian Gulf countries is unlikely to change significantly during the 1980s," Edwards told the Senate in March.

**Just what the administration** might do in a new international oil crisis has not emerged, although Edwards has said he favors letting the market adjust for shortages unless there is no choice but federal intervention. Mr. Reagan has scrapped the gasoline rationing plan that Mr. Carter finally got after a fierce battle in Congress and has junked the federal fuel-allocation system that attempted to cope with the gasoline shortages of 1979 that developed after the overthrow of the shah of Iran.

Since January, there has been little public argument about Mr. Reagan's decontrol action. Under the phased program adopted before he became President, full decontrol would have occurred this October anyway. But the lack of any institutionalized system of dealing with another Mideast oil interruption, other than the Strategic Petroleum Reserve, is alarming to administration critics and even to some of the oil companies.

1970s, but that most Americans are "not too worried about energy now." There is a danger of complacency in this respect, he added, because "you wouldn't need a lot of trouble in the Mideast to create a terrible shortage."

**The Reagan administration** is retaining tax credits for solar and conservation efforts, saying that this should be enough incentive for Americans, for example, to insulate homes to save on fuel bills. But the Reagan approach is that commercial solar and conservation ventures now are attractive enough on the open market that they should not receive direct federal assistance.

Likewise, Mr. Reagan has proposed elimination of direct Energy Department aid to commercial synthetic-fuel plants, such as those which extract natural gas from coal. Again, the belief is that, with higher prices, the plants should be financed by the energy companies or through the independent Synthetic Fuels Corp.

Under legislation passed during the Carter administration, after a monumental struggle, some natural gas will be decontrolled in 1985 but much of the nation's supply will remain artificially priced. Edwards said the administration now is studying gas prices and whether to propose an earlier decontrol. But billions of dollars are at stake and such a move would trigger a monumental battle in Congress.

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# lives around world Peace only dim memory for millions of citizens

Charles J. Hanley  
Associated Press

**W**hile great nations jockey to keep their powers in balance and the world "at peace," nearly two dozen small wars flicker and rage around the globe, conflicts taking untold thousands of lives.

Peace, for millions an everyday commodity, is just a precious memory for others in faraway battle zones with forgettable names — Chalatenango, Abeche, Kandahar.

There are wars rooted in age-old enmities — between Christian and Moslem political factions, for example, in Lebanon, one of the battlegrounds of the Crusades. And there are wars born in the clash of 20th Century creeds — as in the conflict between leftist guerrillas and a right-wing military in El Salvador.

Only one is an outright battle between nations — the Iran-Iraq war. In six other lands, foreign forces have in effect taken sides in local civil wars: Cubans in Ethiopia and Angola, Russians in Afghanistan, Libyans in Chad, Syrians and Israelis in Lebanon, Vietnamese in Cambodia.

No one can know just how many are killed each day, but the figure is certainly in the many hundreds. They die little noted by the world at large; journalists often are kept from battle areas and information sources.

The disruption of war also drives tens of thousands of others from their homes, to struggle on or die in jammed refugee camps.

Here is a region-by-region look at the wars being fought today in a world ostensibly at peace:

## Western Asia Iran, Iraq in hottest conflict

**T**he world's hottest and bloodiest conflict rages along a 300-mile border battlefield between *Iran and Iraq*. Iraqi air, armor and infantry struck

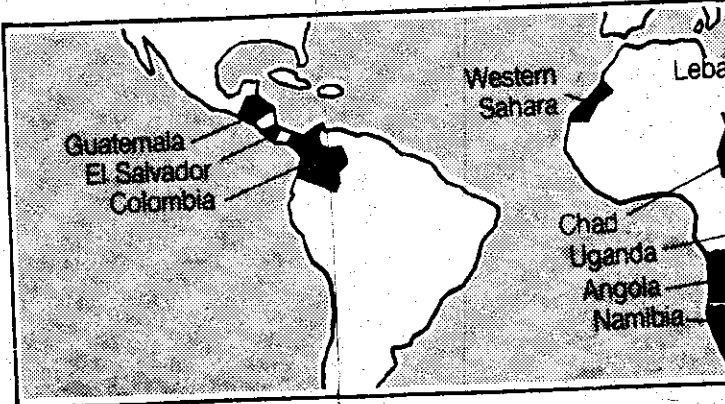
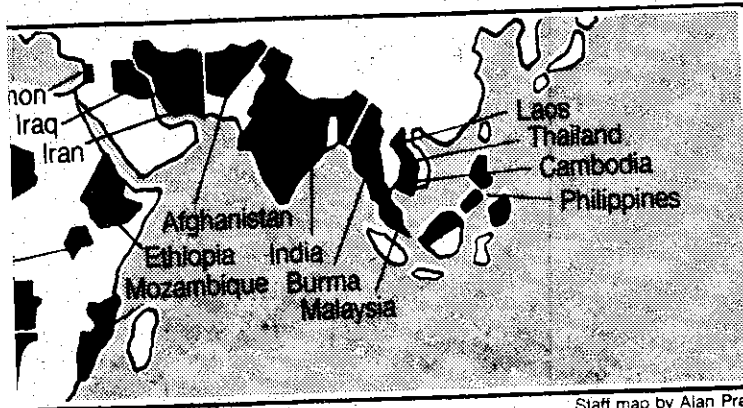






Illustration by Dan Hubig, Pacific News Service



Staff map by Alan Pratt

The Ethiopian troops reportedly are poised for a major assault against the hard-pressed Eritreans in the western mountains.

The central government forces are grappling with another rebellion in Tigre, the province just south of Eritrea, and low-level resistance apparently continues among the autonomy-seeking ethnic Somali tribesmen of the Ogaden.

Black Africa's newest war is growing in **Uganda**, where the government of President Milton Obote is under attack from guerrilla groups fighting for various political factions.

## Southeast Asia

### Nearly all nations fighting

**A**lmost all the countries of Southeast Asia are embroiled in war to one degree or another — conflicts over nationalist, ethnic, ideological and religious causes.

In **Cambodia**, more than two years after 200,000 Vietnamese troops drove Pol Pot's Communist regime from Phnom Penh and set up another Communist government friendly to Hanoi, some 30,000 of his Khmer Rouge fighters hold out in the countryside.

Vietnamese troops have pulled back from a range of guerrilla-held hills near the Thai border, but they still control all major population centers and food-producing areas.

An estimated 10,000 or more Communist guerrillas appear to be making little headway in their 20-year-old insurgency in **Northern** and **Southern Thailand**. The Thai military reported 310 guerrillas killed last year and 502 deaths among soldiers, police and civilians.

**Malaysia's** pro-Western government is also grappling with Communist insurgents — in the northern jungles near the Thai border, and in its Sarawak section of Borneo island.

Other, small-scale uprisings continue in **Laos**, **Burma** and **India**, generally among traditional tribal people defiant of central government control.

The **Philippines'** government is fighting two insurgencies — against an estimated 3,000 guerrillas of the Communist New People's Army in various parts of Central and Southern Philippines, and against 10,000 members of the Moro National Liberation Front in the south. The Moros are fighting for Moslem Filipino autonomy from the Roman Catholic-dominated central government.

The government reported to have killed 442 Communist guerrillas and supporters in the year ended September, 1980. Dead and wounded on both sides, including civilians in the summer of 1980.

that settled a longstanding border dispute. The Iraqis' principal goal is complete sovereignty over the Shatt-al-Arab waterway separating the two countries. They have seized 6,000 to 8,000 square miles of territory previously held by Iran.

The fighting has stepped up recently as the Iranians seek to drive the Iraqis from positions in Iran's western highlands.

Western diplomats in the Mideast estimate Iraq has lost 6,000 to 10,000 dead, and the Iranians 20,000.

The "mini-war" being waged in the Hindu Kush mountain valleys and dry plains of *Afghanistan* has made the Central Asian nation a stress point of East-West tensions.

At least 85,000 Red Army troops are helping the forces of Afghanistan's Marxist leadership fight tribesmen, fervently Islamic and anti-Communist, who have rebelled against stronger central-government control.

The rebels last month were reported largely in command of Kandahar, Afghanistan's second-largest city. They are said to be better equipped than ever. But an ultimate rebel victory appears unlikely — there remain deep divisions in their ranks, and the Russians are just too strong.

The Soviet dead have totaled at least 2,000, according to one conservative estimate. The number of Afghans killed is believed to be in the tens of thousands.

**Lebanon** remains at war with itself.

The dead from the all-out civil war of 1975-76 and the periodic bloodshed since then total at least 42,000. The same

casualty ratio projected over the United States population would produce 3 million dead.

The latest explosion of fighting began in early April, pitting the Phalangist Christian militia against a 22,000-man Syrian force enforcing the 5-year-old civil-war truce in Lebanon.

The clashes began in the Eastern Christian city of Zahle and spread to Beirut, where the old hostilities reignited — Moslem Lebanese leftists and Palestinians against right-wing, Israeli-supported Christians. The fighting has sharpened tensions dangerously between Syria and Israel.

## **Africa**

### **Guerrillas battle in many corners**

In the continent's southwest corner, a 16-year-old bush war between South Africa's formidable military machine and black nationalist guerrillas of SWAPO — the South-West Africa People's Organization — escalated in the past year.

In this hit-run war of sabotage and occasional guerrilla mortar attacks, the South African military reports to have killed 1,467 guerrillas in 1980 and reported 82 of its own soldiers killed. The heaviest casualties have occurred when South African forces strike across the northern

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against SWAPO bases in **Angola**. Black nationalists are fighting to oust a minority South African-controlled, diamond-rich territory called **Namibia**. South Africa is at a United Nations-approved independence for the territory.

Angolan guerrilla war grinds on in Angola at the same time.

Units of the National Union for the Independence of Angola (UNIPA) fought five years ago in a civil war to hold out in the countryside forces of the Marxist Angolan government, which is supported by 20,000 Cuban troops stationed in Angola.

UNIPA campaign is generally including sabotage bombings and assassinations. The guerrillas deny Angolan charges that their ranks are filled with mercenaries paid by the Cubans.

Angola is also accused by the U.S. Marxist government of training an estimated 4,000 Marxist rebels who have been sent to the Mozambican regime.

Thousands of miles to the north, rivaling the edge of the Sahara, the landlocked **Chad**, a remote country, has been a kaleidoscope of political vicissitudes.

Under the leadership of Col. Moammar Khadafi, 10,000 or more of his troops are engaged in a long-simmering civil war late last year, which ensured victory by President Idriss Deby over his foes.

Chad was announced in January he would merge Chad with Libya. But the nationalists resisted Libyan domi-

nation, and in late April fighting broke out in Abeche, in the scrublands of Eastern Chad, between the Arab Chadian troops of a strongly pro-Libyan Ahmad Al-Harithi, a former foreign minister, and Goukouni's forces, made up of Touabous, a northern tribe.

**T**housands still are dying in little-remembered wars at opposite ends of Northern Africa, in the former Spanish territory of **Western Sahara**, and in **Ethiopia**, on the Eastern Horn of Africa.

Guerrilla war has raged since 1975 over the sands of the Western Sahara, where nationalists of the Polisario Front are fighting to establish an independent Saharan Arab Democratic Republic.

Spain withdrew from the colony in 1976, leaving it to be divided between Morocco and Mauritania. The Polisario guerrillas, based deep in the desert and assisted by Algeria, turned their lightning attacks against the outposts of the Mauritanian and Moroccan armed forces. Impoverished Mauritania pulled out of the fight in 1979 and gave up its claims to the territory, which has huge phosphate deposits. Morocco's King Hassan II vows to fight on.

The brushfire wars burning across the Ethiopian landscape include Africa's longest, the 19-year-old struggle for secession in the Red Sea province of Eritrea.

The Ethiopian government of Lt. Col. Mengistu Haile Mariam, supported by an estimated 15,000 Cuban troops and by Soviet advisers, faces secessionist challenges in 70 per cent of its territory.

The Mengistu forces and their foreign allies scored major victories in 1978, defeating Somali troops and separatist

uprisings are estimated at 60,000.

## Latin America

### U.S. sending aid to El Salvador

**I**n **El Salvador**, the smallest republic in Central America, a half-dozen leftist guerrilla groups have been fighting for more than a year to oust a junta that overthrew a right-wing military government in October, 1979. The junta has enacted a land-redistribution program, but the leftists call it a fraud and denounce the government as a front for the country's extreme right.

The United States administration, saying the guerrillas are being supplied with Soviet-bloc arms, has sent \$35 million in military aid and more than 50 military advisers to El Salvador this year.

The El Salvador Human Rights Commission estimates 18,000 people have been killed in the left-right violence over the past 19 months. Many more die at the hands of midnight "death squads" who scour cities and villages for their political foes, than in the guerrilla-military fire fights that flare in Chalatenango province and other embattled areas.

In neighboring military-ruled **Guatemala**, clashes between the army and an estimated 2,000 leftist guerrillas seem to be increasing, especially in the north.

And in South America, a 15-year-old left-wing insurgency continues at a low level in **Colombia**.

*SECRET*  
*Time 5/31/81*  
**No nationalization of mines**

SALISBURY, Zimbabwe —  
(AP) — Zimbabwe's year-old socialist government will not nationalize the nation's mines, most of which are owned by foreign companies, Mining Minister Maurice Nyagumbo said yesterday.

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# U.S. Sues State to Take N-waste

## P-I News Services

Raising what Gov. John Spellman called a "grave constitutional question," the Justice Department filed suit in Spokane yesterday to overturn a Washington state law prohibiting the shipment of radioactive wastes into the state for storage.

The Radioactive Waste Storage and Transportation Act of 1980 takes effect July 1 and would bar storage in Washington of non-medical radioactive waste produced outside the state. The act was approved by Washington

voters as Initiative 383 last November.

The federal government sought a declaration that the Washington law is unconstitutional on grounds that it impermissibly regulates federal activities and interferes with national defense activities, use of federal property and interstate commerce.

The federal government also argues that the regulation of radiological waste has been reserved to Congress and seeks an injunction against the state enforcing the law.

Spellman, state Atty. Gen. Ken Eikenberry and the State of Washing-

ton are named as defendants in the suit.

Spellman said the action was no surprise. He said the state will continue pushing for a regional compact under which other Northwest states could dump their radioactive wastes at Hanford.

"There isn't any surprise that there is a grave constitutional question involved in Initiative 383," Spellman said. "Everyone knew that from the beginning.

"The state will defend the right of the state to make its own decisions

(about limiting nuclear waste). This is one reason we have been urging interest in Washington state and in our neighboring states in the region to develop an interstate compact.

"We have tried to act independently (on the regional waste issue) and we will continue to act independently."

Spellman said he hopes the compact-writing process won't be halted by the federal lawsuit.

In Richland, center for the state's

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## N-waste

From Page A-1

nuclear industry, the chairman of the Tri-City Nuclear Industrial Council, newspaper executive Robert F. Philip, said he agrees "absolutely" with the federal government's action.

Philip said that Washington state's economy and national defense interests could be damaged by the cutoff of waste shipment to Hanford.

"It would cut off jobs here," he said. "And, what happens to wastes that will be produced in the years to come?"

He said Hanford handles nuclear wastes as "something that is of necessity to the United States of America. They've been taken care of here for 35 years, without incident."

Supporters of last year's initiative took a different view.

Peter Jenkins of Seattle, a coordinator for the initiative campaign, said the suit's claim of state interference with interstate commerce is "ridiculous."

He said the new state law is "a valid exercise of the state's police power in preserving the health, safety and general welfare" of its citizens.

"The (nuclear) industry's position is that (waste) is not harmful. If it's not harmful, then what is the problem with putting a radioactive waste dump in every single state in the

country? They're saying it's not harmful but nobody else wants to take the waste."

Michael Gendler, the initiative campaign's attorney, said he was "surprised" at the suit.

"I thought the president's policy was to get the federal government off our backs," he said. "The State of Washington has enacted a law and now the federal government is trying to get rid of it."

He said that about a month after the state initiative was approved, Congress passed a low-level radioactive waste policy act that encourages states to "recognize their own responsibility for managing radioactive wastes and authorizes states to enter compacts along the lines (Initiative 383) proposes.

"I'm somewhat surprised that the federal government didn't challenge those policies before the voters of the state enacted Initiative 383."

Hanford is one of only three commercial sites in the nation for low-level radioactive wastes. The others are in Nevada and South Carolina. Gendler said he knows of no legal actions against those states, though each regulates nuclear waste disposal.

The Justice Department also moved to have its suit consolidated with a civil suit filed March 27 by the

Washington State Building & Construction Trades Council of the AFL-CIO. That labor suit also seeks to block the new state law.

The suit said the United States has spent about \$1.8 billion developing plants and facilities at the 562-square-mile Hanford site, which contains a reactor and a variety of other nuclear-related activities in addition to waste storage function facilities.

The federal government employs 360 people there and federal contractors employ about 12,000 people at the site.

Several federal agencies now store such wastes at either the Department of Energy's (DOE) facilities on Hanford Reservation near Richland, or at a commercial facility on the federal reserve.

Directly affected by the Washington law would be DOE's atomic energy programs and national defense programs. The Defense Department stores radioactive waste at Hanford.

Also affected would be research activities of other federal agencies which store low-level radioactive waste from outside Washington at the commercial facility.

During 1981, DOE expects to receive at Hanford about 110 shipments totaling 65,000 cubic feet of radioactive waste.

*Seattle P.I. 4/19/81*

# Senate Pumps Up Pipeline Bill

By Stephen Ponder  
P-I Olympia Bureau

OLYMPIA — The Senate voted last night to limit court challenges of a state ruling permitting the Northern Tier Pipeline Co. to build an oil pipeline from Port Angeles to the Midwest.

The bill, which passed 35-14, was called "corporate welfare" by its opponents, but supporters said it was necessary to speed a final decision on needed energy facilities like the pipeline, nuclear power plants and other energy facilities.

Northern Tier Pipeline Co. was not mentioned in the bill but the measure was part of a package of bills the firm has lobbied for heavily in recent legislative sessions. It already has passed the House but was returned there for consideration of Senate amendments.

"Make no mistake about it, we're talking about the Northern Tier Pipeline Co.," said Sen. Phil Talmadge, D-Seattle, who tried unsuccessfully to exempt the project from the bill.

However, Sen. Sue Gould, R-Edmonds, chairman of the Senate Energy Committee, said the bill didn't interfere with the state permit-granting process, now under way, but with legal challenges when and if Gov. John Spellman gives the \$450 million project the go-ahead.

"We're trying to say let's get a decision," said Gould. Under the bill, any legal challenges to state granting of the firm's application would have to be combined and filed in Thurston County Superior Court. Any appeal of that

court's ruling was go directly to the State Supreme Court, accelerated "in every possible way."

The pipeline firm has applied to the state's Energy Facilities Site Evaluation Council for a state permit and the council's recommendation is not expected to reach Spellman until later this year at the earliest.

The pipeline, if built, would carry Alaskan oil from a port somewhere west of Port Angeles to the Midwest via a pipeline that would cross Puget Sound to Whidbey Island and proceed through Snohomish and eastern King counties across the mountains to the east.

Legislators from the area involved oppose the project and Sen. Jack Metcalf, R-Whidbey Island, said the bill would help the firm override local governments' objections.

Senate Minority Leader Ted Bottiger, D-Graham, said, however, that further delay in the pipeline project may mean federal intervention because of the need to develop more energy producing facilities.

Similar legislation was lobbied by the company last year and the Northern Tier issue dominated the closing days of the 1980 Legislature. The most controversial bill last year, which would have granted Northern Tier condemnation powers over public and private property for the right-of-way, died in the House and is at least theoretically dead this year.

In other action last night — the first of what probably will be a long series of late-night

sessions as legislative adjournment nears — the Senate passed a bill raising the penalties for people who are late in paying their property taxes.

The measure, which passed on a 25-23 party-line vote, would raise from 8 percent to a floating 12-20 percent rate the interest penalty that delinquent property taxpayers must pay the state and local governments.

The bill is one of the measures legislative Republicans are counting on to balance the 1981-83 budget. Sen. George Scott, R-Seattle, said it will provide \$17 million in additional revenue for the state and \$40 million more for local governments.

Prompting the measure were reports, particularly in the Seattle Post-Intelligencer, that many prominent property owners were holding back their tax payments and using the money as a low-interest loan because of the limited penalties involved.

Scott, chairman of the Senate Ways and Means Committee, said the delinquency period would be moved up from five years to three years.

Opposing the bill were Democrats who tried unsuccessfully to exempt senior citizens from the penalties.

"This puts \$17 million on the back of those least able to afford it," charged Sen. Ruthe Ridder, D-Seattle. "This puts the state into a usurious position."

SEARCHED  
P.T.  
4/7/81

# Avalanche of Projects May Bury the West

DENVER — The federal government is preparing to press down on the brow of the Mountain West an avalanche of simultaneous energy and defense projects virtually unprecedented in history.

Some clear doubts remain about the controversial MX missile system, pushed by the Pentagon but unpopular among many of President Reagan's own Western supporters. But oil shale synfuels development, despite early opposition from Budget Director David Stockman, seems to be moving onto a fast track again. The West's worst luck would be to have both projects loaded on top of an already red-hot regional development wave in coal mining, giant power plants, oil, gas, tar sands, uranium, silver, gold and molybdenum mining.

Carried to fruition, the totality of these undertakings would dwarf the greatest public works ever undertaken by man — the pyramids, the Great Wall of China, the Alaska pipeline, the Panama Canal, the interstate highway system. By the end of the decade, 3 million people would inundate a region that now harbors but 5 percent of the nation's population in a desert-like area of such fragile ecology that you can still see the tracks of the Oregon Trail laid down by stage wagons over a century ago.

It is not difficult to perceive a profound American tragedy in the making. In the supposed interest of national energy and defense prepar-

edness, the priceless inheritance of the Mountain West's open spaces, its big skies and clear air, its fresh-flowing waters and small, neighborly mountain towns, could be placed in dire jeopardy.

Yet there is almost zero indication, say Utah Gov. Scott Matheson and other regional leaders, that the federal departments involved — defense, energy and interior — have ever sat down to assess the cumulative impact of what they are preparing for this single region of the nation.

"We face phenomenal growth rates — I call them cancerous," says Colorado's Gov. Richard Lamm. "When you get places growing by more than 20 percent a year, that's beyond the absorptive capacity of municipal governments. We won't be building permanent communities. We'll be building boom towns that rip apart the social structure, the fiscal structure of the West."

For energy production alone, Lamm estimates, the Mountain states will require in this decade 108 new high schools, 38,000 additional police and firemen, 26,000 hospital beds, 11,000 doctors and medical personnel, 400,000 new dwelling units, massive amounts of new commercial and business space and \$5 billion to \$10 billion worth of roads and railroad grade separations.

To this, military planners would add the \$36 billion to \$108 billion

(depending on whose figures you believe) MX missile system; a gigantic fishnet pattern of underground missile launchers linked by 10,000 miles of rail track and roadways in an area of the Utah-Nevada Grand Basin the size of Pennsylvania. The Air Force's own environmental impact statement acknowledges the MX would trigger "rapid, large-scale changes in the character of the human environment," including a drop in water levels, possible land subsidence, dust restricting visibility in Zion and Bryce Canyon National Parks, destruction of 160,000 acres of vegetation, compromise of wilderness areas and "irreversible" effects on Indian holy lands.

Washington policymakers, reflecting the ferocious pro-development and anti-regulatory mood of the West's new conservative politics and "sagebrush rebellion," seem not to comprehend the massive cumulative effect of all these undertakings.

Interior Secretary James Watt, in an interview with National Journal's Lawrence Mosher, brushes aside any federal responsibility to redress a coming plague of mobile home-filled boom towns with their familiar social pathologies of alcoholism, depression and suicide. "Artificial" government regulations spawn boom-town problems, he says, and adds: "If we allow the marketplace to work, it will take care of these needs." One wonders.

Water scarcities loom even larger. The West's subsurface aquifers are

in a serious look at the navy buying ships abroad and



fast depleting; the once bountiful Colorado River is oversubscribed. Over its lifetime, the MX would suck up 121 billion gallons. Oil shale, power plants, coal-slurry lines, coal gasification — virtually every energy development “consumes vast quantities of water,” notes University of Arizona political scientist Helen Ingram. Even less understood are the severe looming materials and manpower shortages. MX construction will consume virtually all cement production west of the Mississippi. Energy programs and the MX will compete against each other for manpower — including a potentially acute shortage of engi-

neers. Regional hyper-inflation, rivaling or surpassing the worst Alaska experienced at the zenith of its pipeline development, is likely.

Synfuels and the MX will be “eclipsing economies and be greater than the sum of their parts” as they drain capital, water and manpower from the farms, businesses and gov. When the regional economy starts expanding at “an explosive rate,” warns Denver-based, small business leader Duane Pearsall, the cost of capital will shoot up and small firms — the backbone of the region and its insurance against boom-and-bust cycles — will be unable to keep pace. They may see their business swept

away by major national chains.

No one pretends the West's development can — or should — be halted. But careful, phased development would ameliorate many of the worst impacts. Congress could start with support of more pilot synfuels plants, so the technology can develop logically. National and local energy conservation programs could dampen the country's avaricious energy appetite. Many military experts believe the MX could be moved to submarines at sea.

Without such shifts, the West may see its natural heritage and the genial social structure it knows today irrevocably smashed.





'PERSONALLY, I'M PEOPLE-ORIENTED,' CLAIMS THE INTERIOR SECRETARY.

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# Natural Gas Pipeline Costs Soar, Completion Doubted

Seattle  
P.L.  
4/11/81

By Joel Connelly  
P-I Staff

CALGARY — The future of North America's largest energy project — the \$17 billion Alaska Highway Natural Gas Pipeline — has been thrown in doubt by rising costs and lukewarm endorsements from the Reagan administration.

The project's clouded future comes less than a month after elaborate ceremonies in Spokane marked the opening of construction on the so-called southern leg of the pipeline, linking Alberta with gas markets in the United States.

The pipeline has soared in cost to \$17 billion from initial estimates of \$3 billion. Its builders do not dispute estimates that the eventual pricetag will top \$25 billion.

It is designed to carry natural gas from Alaska and the Canadian Arctic south to markets in California and the Midwest. A segment of the pipeline would pass through Eastern Washington.

"There is a very slim likelihood the northern leg of the pipeline will ever be completed," said Nick Taylor, a Calgary oilman who is chairman of Prime Minister Pierre Trudeau's Liberal Party in Alberta.

Taylor predicted that natural gas will eventually be carried out of the Arctic as a liquid in the hold of container ships. A big Canadian oil company, Dome Petroleum, is already studying liquification.

Bob Pierce, president of Foothills Pipelines Ltd., the consortium formed to build the project, claims the \$17 billion pipeline is "as viable today as it ever was."

But Ed Phillips, president of West-Coast Transmission Ltd. in Vancouver, a firm that is half-owner of Foothills, predicted that the pipeline's hour of reckoning will come later this summer when sponsors ask Wall Street for the money to build it.

A U.S. partner in the pipeline project, the Northwest Alaskan Pipeline Co, has claimed "there is sufficient funds available in capital markets to finance the project."

Undeniably, however, the pipeline has taken a couple hard blows in recent months.

First, the U.S. market for Canadian natural gas has plummeted since a record-breaking increase in the price of export gas early last year. And, Pierce concedes that there is "a wary surplus of gas in the United States."

And, President Reagan talked

about the pipeline during his visit to Ottawa in early March. While endorsing "prompt completion" of the project, he stipulated that its construction be "based on private funds."

In an editorial widely read in Canada, the Wall Street Journal interpreted Reagan's remarks to mean that the pipeline "won't be completed promptly or otherwise." It also said the pricetag could rise to the \$35-40 billion range.

A tall, silver-haired man whose Calgary office looks out at the Canadian Rockies 60 miles away, Pierce argues that the pipeline's detractors lack vision to see that the project is badly needed.

"The time to connect a natural gas pipeline is when you don't really need it . . . before you need it," said Pierce. "It is important that both Canada and the United States be self-sufficient in gas for reasons of their own national security."

The U.S. and Canada will be "throwing away" an opportunity for cooperation that is "absolutely essential" if the two countries fail to develop natural gas resources on both sides of the border in the Arctic, added Phillips from his Vancouver office.

But the pipeline gets much rougher treatment in Ottawa from Ian Waddell, a young member of Canada's House of Commons from Vancouver. Waddell sits on a parliamentary committee overseeing the project.

"I don't think they can get private financing unless the U.S. government guarantees the investment, and such

guarantees are against the philosophy of the Reagan administration," said Waddell.

And, if the pipeline's pricetag does reach \$25 billion, the gas it carries south from the Arctic "is going to be awfully expensive," added Waddell.

The northern leg of the proposed pipeline would run from a point near Fairbanks down the Alaska Highway to a linkup with existing gas pipelines in northern Alberta. The Canadian government has talked of building a second pipeline south from the Arctic along the Dempster Highway in the Yukon to link up with the Alaska Highway line.

If the northern leg isn't built, it will leave Canada in a lurch and saddle Trudeau's government with a major embarrassment.

Last summer, the Canadian government agreed to let construction begin on the pipeline's southern leg. "Canada committed itself on the understanding that the United States would keep its commitment to build the northern leg," said Ralph Toombs, a senior official at Canada's energy ministry.

Trudeau has been under fire from political opponents, who charge that completion of the pipeline's southern leg will simply mean that a lot of natural gas is shipped south to the U.S. — with Canada getting nothing out of deal.

"The southern leg is simply a device to export a Canadian energy resource that should be used by Canadians," said Waddell.

*Seattle P.I. 3/10/81*

# **Firings May Delay Ross Dam Accord**

*File Canada*

VANCOUVER, British Columbia (AP) — Efforts to resolve an international dispute over flooding of the Skagit River Valley have been complicated by President Reagan's decision to fire all three U.S. members of the International Joint Commission, a Canadian spokesman says.

Reagan's decision means that — on both sides of the border — only one of the full complement of six commissioners is now in office. The commission cannot sit, hold hearings or deliver rulings with less than four commissioners.

Plans by Seattle City Light to raise Ross Dam on the Skagit River would flood recreational areas in Canada. Raising the dam is opposed by the British Columbia government and a number of outdoor recreation groups.

Seattle PI. 3/10/81

# Spy Agencies Want Some Of Their Old Powers Back

By Robert Pear  
New York Times

WASHINGTON — The Reagan administration's newly appointed intelligence officials are asking for fresh authority to gather information on Americans in the United States and abroad by using such "intrusive" techniques as searches, physical surveillance and the infiltration of domestic organizations.

The new authority is being sought in a proposed executive order that would, in effect, overturn many of the regulations imposed on intelligence-gathering activities by Presidents Ford and Carter.

An interagency working group led

by Central Intelligence Agency officials has proposed numerous changes in Executive Order 12036, the basic framework for all intelligence activities, signed by Carter on Jan. 24, 1978. The proposals have been circulated within the intelligence community for review and comment.

The draft order, now treated as secret, would become public and would have the force of law if signed by President Reagan.

The proposed order would recast the Carter decree in terms that authorize, rather than restrict, methods used for collection of intelligence information. It would roll back many restrictions imposed by Ford in 1976

on the recommendation of a presidential commission headed by Vice President Nelson A. Rockefeller. The commission had documented extensive spying on American citizens by the CIA.

The draft order would downgrade the role of the attorney general in scrutinizing intelligence activities from a legal point of view; remove the requirement that information be collected in the "least intrusive means possible"; relax some of the restrictions on infiltration of domestic organizations for intelligence purposes; and narrow the definition of "United States persons" entitled to protection under the order.

# Reagan Strategy Dismays Canadians

By Henry Giniger  
New York Times

OTTAWA — American and Canadian flags are giving a festive air to Ottawa's streets, but on the eve of President Reagan's visit to Canada officials here are displaying little joy after a series of decisions and statements by Washington that run counter to Canadian policy on a long list of issues.

The mood here is one of puzzlement and dismay as to what the United States is up to just before Reagan's first visit abroad as president and the

first presidential visit to Ottawa in nine years.

The U.S. decision to scrap a treaty to manage East Coast fish stocks, signed two years ago and held up in the Senate ever since, has caused the greatest concern here; but issues as varied as trans-border pollution, Canadian energy policy, the proposed Law of the Sea treaty and military intervention in El Salvador have all contributed to strong doubts about the success of the visit.

The president will be wined, dined and entertained but he is also

expected to be confronted with demonstrations and protests. One demonstration planned for Parliament Hill today by environmental groups will protest alleged renegeing by the United States on promises to limit fallout of acid rain on Canada. Unless he is held back by Prime Minister Pierre Elliott Trudeau, John Roberts, the minister of environment, plans to attend the rally, along with spokesmen for opposition parties.

Another expected demonstration will protest the shipment of American arms to El Salvador.

Seattle P.I. 3/10/81

# Oil

From Page A-1

posted prices.

These surprising, not to say astonishing, developments are occurring at the peak wintertime period when energy demand is at its highest. They are taking place in a world which was supposedly ravenous for oil and willing to make virtually any sacrifice, financial or political, to obtain it. So what's going on here?

The answer is that all forecasts of how much oil the world and, in par-

ticular, the industrial nations would require in 1980-81 have proved to be wildly off the mark. At the moment — and the outlook now is that it could well turn out to be a lengthy moment — the world is swimming in the stuff.

There is, as an official of the International Energy Agency here confessed to The Hearst Newspapers, "an almost embarrassing surplus. We have been caught off base, seriously misjudging what international consumption would be."

*Seattle P.I. 3/10/81*

## Suddenly, We're Swimming in Oil

By Bernard D. Kaplan  
European Correspondent  
The Hearst Newspapers

PARIS — Whatever happened to the oil shortage?

When Saudi Arabia, the world's biggest exporter, strongly hinted late last month that it might cut its production over the next two years by as much as 50 percent, the potentially alarming news hardly caused a nod in government or industrial circles. Far from giving a fresh spurt to oil prices, prices on the key Rotterdam spot market began to wobble. Traders predicted a downward trend that might well continue for the rest of the year, if not beyond.

Several OPEC producers, including Nigeria and Kuwait, have started trimming their foreign sales. Iranian and Iraqi oil exports had, of course, already dropped substantially because of revolution and war. Meanwhile, production from major non-OPEC areas like the North Sea expanded less rapidly than was widely prophesied only a few years ago.

Despite all of this, both OPEC and non-OPEC producers have been finding it necessary to abandon the "premiums" they had been tacking onto crude prices and, in some instances, accepting contracts at lower-than-

In large part, the fall in demand results from the world recession which has been deeper and longer than expected. But experts here stress that the situation is far more complex than a simple supply-and-demand equation based on ephemeral economic conditions.

"Every time OPEC attempts to strengthen its real earnings against worldwide inflation and falling demand by raising prices, it only succeeds in heightening inflation and cutting demand," according to International Energy Agency official Peter Daniel.

He said that warnings, recurrent since OPEC initially quadrupled prices in 1974, that too-high oil prices would gravely weaken the economies of the Western European countries were now being borne out.

"Until last year, nations like West Germany and France managed, through economizing on consumption and shifting resources, to pay the prices demanded by OPEC without too badly damaging their competitive situation," he explained. "Since the early months of 1980, that has been changing, slowly at first and now more rapidly. Prices have reached a point where the major European economies which are almost completely dependent on imported oil can only pay them at a great sacrifice."

The result is that West Germany recently reported its heaviest commercial deficit in 30 years. French trade has been running deeply in the red for 18 months as a consequence of its ever-higher oil bills. The problem for other European countries is roughly comparable.

The Europeans' "oil debt" will un-

doubtedly lead to even more stringent efforts to economize on consumption, either through straight cutbacks on the use of oil or by accelerated moves to substitute coal, nuclear energy and other alternative energy sources.

Meanwhile, the pressure of U.S. demand on the world oil market is continuing to ease off. According to the American Petroleum Institute, U.S. imports are at their lowest level since 1976. President Reagan's decision to jettison federal price controls will almost certainly mean a further drop in imports. As it is, U.S. officials report that Americans used seven percent less oil last year than in 1979.

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# Senate OKs forest chief despite critics

## P-I News Services

WASHINGTON, D.C. — Sen. Henry M. Jackson, Democrat, and Sen. Slade Gorton, Republican, cast their votes with the majority of the Senate yesterday to confirm the controversial appointment of John Crowell Jr. as assistant secretary of agriculture in charge of national forests.

Crowell has been accused of anti-trust activities and conflict of interest.

He is an anti-trust lawyer who was general counsel to Louisiana-Pacific, whose subsidiary, Ketchikan Pulp Co., was found to have engaged in anti-trust activities in the national forests in Alaska. He was also an officer of the subsidiary.

Louisiana-Pacific is the biggest customer of the forest service. Crowell has said he favors increased cutting in the national forests, and critics have charged his appointment smacks of conflict of interest.

Gorton's press secretary Kirk Smith said Gorton "has taken the position on all presidential appointments that he may disagree 100 percent with their views but he feels the president has a right to have his choices in policy making positions unless there is absolute evidence that the guy is crooked.

"If they are incompetent, it is Reagan who will bear the political backlash and all that, as far as Slade is

concerned, is proper," Smith said.

Rick Cocker, Jackson's press secretary, said, "There were questions raised about his integrity. It was basically a judgment call, and in deciding the vote he relied heavily on the advice of Sen. (Mark) Hatfield (R-Ore.), who is chairman of the appropriations committee and who knows Crowell personally."

Cocker said Jackson believes that senators "ought not be judging the philosophy of an individual" sent up for confirmation, but scrutinize only their competence and integrity.

Cocker said Jackson, acting on that philosophy, also supported the controversial appointment of Wally Hickel for Interior Secretary in 1969.

The strongest reaction to the confirmation came from Rep. Jim Weaver, D-Ore., who said "This goes beyond putting a fox in charge of the chicken coop. It will paralyze the Forest Service because he'll have to remove himself from many matters affecting timber purchases."

Weaver, House forest subcommittee chairman, said he will continue an investigation of Crowell's role in the anti-trust conspiracy. "The Senate has buckled under to one of the most gruesome stories in the history of the U.S. Forest Service," he added.

Crowell was not personally named in the ruling that found the firm had

engaged in illegal practices.

But Sens. Edward Kennedy, D-Mass., and Patrick Leahy, D-Vt., led the attack on Crowell, charging he had advocated anti-competitive actions that drove small logging firms out of the national forests in Southeast Alaska.

The antitrust allegations concerned a federal court ruling in Seattle by Judge Barbara Rothstein. She found in March that Ketchikan Pulp Co. had conspired to fix timber prices and control supplies in the Tongass National Forest. Louisiana-Pacific was named a co-conspirator in the case.

In his testimony to the agriculture committee, Crowell did not reveal that he was assistant secretary of Ketchikan Pulp when the committee gave the pro forma approval of his nomination six weeks ago. Crowell has said that the practices found unlawful by the judge happened before he became involved with the company.

Kennedy disputed Crowell's statement that he was not involved "in the remotest way" with the antitrust violations.

Kennedy charged, "In at least seven specific instances documented so far, it is clear that Mr. Crowell was significantly involved in occurrences, negotiations and contracts found by the court to be violations of antitrust laws."

# 'Banana Diplomacy'

Regarding El Salvador: Before we get taken in by another rendition of the "domino theory" we should take a good look at our country's bizarre and sometimes comical posture towards communism, which I suspect has much to do with economics and vested interest and very little to do with the evils of Marxism except where the latter is needed as window dressing to justify military appropriations or ventures.

Specifically, right wing, free enterprise Americans are having a love feast with Chinese communists. They do not have a vested interest yet, they just hope to get one. So, to hell with ideology. Could it not be that the danger we perceive in Central America has a lot to do with the price of coffee, sugar and bananas and the convenience of doing business with dictators?

But let us assume for the moment that the price of bananas is the only consideration, that our own ideology is not bound to the consideration of murder, rape, thievery and oppression of starving peasants by their country's own military, equipped with donated

U.S. weapons. Is it not true that corrupt regimes eventually self-destruct and that a rebellion stemming from inhumane conditions will eventually succeed even though several generations of peasants must go through a blood bath in the process?

What about the price we will continue to pay for being a much-hated nation? Will the future regime not feel a sense of obligation to whomever helped them? If arm someone we must, it would make more sense and be at least fair to arm the peasants.

Correspondent T. D. Allman (in the March issue of Harper's Magazine) points out that of the seven Central American countries, two, namely Belize and Costa Rica, are truly democratic and give the U.S. no trouble. Though widely different in most respects, neither has an army or a general or a military academy; thus, no coups d'etat, no dictators, no repression of rebellions, thus no need for U.S. military aid. Allman points out that past U.S. administrations have already trained no less than 1,971 Salvadoran officers who cannot keep order in a country smaller than the

state of Vermont, and that we also trained the ORDEN death squads, a sort of cousin to the Peace Corps, which was supposed to build roads while weeding out subversives, but which became part of the over-all plague upon the country.

U.S. non-intervention in the revolutions of certain Central American countries may not solve all their problems like over-population but it may lessen the kind of suffering we have helped to create. These countries are not Cuba, but if we wish to insure against the possibility of one of them mounting a Soviet missile aimed at us we can do two things: first, stop aiding the repression, and second, announce to the world our intention of taking any war-like measures we deem necessary in the event the installation of a missile is in process.

ROGER W. LUTHER,  
Aberdeen

## Goodbye, Democrats

The screams of anguish from the 30th District Democratic party organization over Sen. von Reichbauer's switch are understandable but hardly

*Seattle P.M. 3/10/81 Letter to Editor*



# Uranium mine isn't ticking like before

By Bruce Ramsey  
P-I Reporter

"The uranium situation is bleak," said the president of Midnite Mines Inc., the company that owns a 49 percent interest in the only operating uranium mine in Washington.

Thomas E. Wynecoop told about 35 Midnite Mines shareholders Monday night that their Bellevue-based company cannot make money in uranium this year at present prices, and that the company's mine could shut down two years from now unless uranium prices rise. He said Midnite must rely on a small silver operation for profits.

Midnite is a 17-year-old company with 2,500 shareholders and only four employees. The firm owns a 49 percent interest in the Midnite, an open-pit mine operated by Newmont Mining Corp. on the Spokane Indian Reservation. This mine has been Midnite's only source of dividends.

Midnite also owns the Polaris Silver Mine in Beaverhead County, Montana, a property abandoned in 1912. Three miners are slowly reopening the Polaris, blasting out hunks of ore and sorting rocks. They delivered 476 tons of ore last year, earning revenues of \$237,000. The company plans to deliver 1,000 tons this year.

## Mines have shut down

Midnite moved its one-employee office last year from Spokane to Bellevue, the home of the Wynecoop fam-

ily, which owns 29 percent of the shares.

Wynecoop said six uranium mines nationwide already have shut down, as a result of the "Carter moratorium" on nuclear plant construction. The moratorium followed the shutdown of the nuclear reactors two years ago at Three Mile Island, Pa. by General Public Utilities, an important customer for Midnite.

The Three Mile Island accident clobbered the international market for uranium oxide. In 1976, Midnite Mines was selling uranium oxide for as much as \$40 a pound; the latest bid Midnite has received was \$23. Midnite rejected it.

Reflecting the poor uranium market, Midnite's shares fell 45 percent in 1980, from \$5 bid to \$2.75 bid. Yesterday's price was \$2.63 bid, \$2.88 asked.

## One option left

If oxide prices don't rise above \$30 two years from now, Midnite has one option short of shutting down: Mining its most high-grade ore.

The ore mined today is 0.14 percent uranium. But drill samples have found ore concentrates of 0.63 percent and even 0.8 percent uranium, says Wynecoop, adding that the open-pit mine could get to those deposits by 1983 or 1984.

"The question is this," said Wynecoop to shareholders: "Do we want to sell our reserves at \$23? A miner always hates to do that."

*Seattle P.I.  
5/13/81*

## ANNUAL MEETINGS

# Midnite Mines looks for silver lining

by Boyd Burchard  
Times business reporter

Although the market outlook for uranium from the Dawn mine in Stevens County is cloudy, Midnite Mines, Inc., Bellevue-based 49 per cent owner of the Dawn, is looking for a silver lining these days in its fully owned Polaris Mine in Beaverhead County, Mont.

Samuel E. Wynecoop, chairman, one of four Wynecoops who are officers and directors of the formerly Spokane-based Midnite Mines, told about 40 shareholders

at the firm's first Bellevue annual meeting this week that silver from the Montana mine presently is keeping Midnite going.

Net income for the parent firm in the year ended January 31 was \$2,008,422, or 49 cents a share, highest since 1977. Of that total, only \$183,750, or 5 cents a share, was in dividends from Dawn Mining Co., which is managed and 51 per cent owned by Newmont Mining Corp., British-controlled firm with holdings in South Africa. Actually, Wynecoop noted, prices of uranium and silver, both, are depressed. Most recent quotes on spot sales of uranium oxide (U3O8) are around \$25 a pound, while the national average break-even price for producers is around \$32, and some of the largest producers have closed down. Silver, meanwhile, has been in the area of \$11 per ounce.

Dawn has continued open-pit and mill operations because it borrowed about 500,000 pounds of uranium oxide in late 1980 from a domestic utility and sold it to two European utilities to generate working capital.

Replacement of the lender's

uranium oxide by Dawn from its own diggings is scheduled in 1982 and 1983, and the earlier sale then will be recorded. Proceeds of about \$15 million from these transactions, meanwhile, will help fund continuing operations.

If the price for the oxides, needed for fuel enrichment, goes up as other suppliers' long-term contracts with utilities expire during 1981, the company might be able to make some profitable spot sales from present inventory and replace the borrowed oxides through 1982-83 production.

But Wynecoop said he can't count on such spot sales because he doesn't know the size of utilities' inventories, so Midnite's managers are stockpiling the owed uranium and also pushing ahead with development of Polaris silver reserves.

The Polaris mine goes back to 1912 beginnings and once produced 50 ounces of silver per ton. So even some of the old dumps containing from 5 to 17 ounces a ton are beginning to look interesting.

Midnite, which was formed in the mid-1950s and which acquired

a lease for uranium mining on the Spokane Indian Reservation some 12 miles west and north of Spokane, later assigned that lease to Dawn Mining Co. on an exchange of shares. Dawn is a nonpublic corporation now owned 49-51 per cent by Midnite and Newmont, respectively.

Midnite bought the old Polaris mine for \$100,000 in 1967 and has been high-grading the more accessible areas of the old workings up to about 38.66 ounces of silver a ton with a three-man crew.

Reopening and rehabilitation of the mine has been continued during 1980 in attempts to gain access to the lowest levels previously explored and open up higher-grade silver deposits that old records and test drillings have indicated may be there in commercial quantities.

Wynecoop pointed out that environmental regulations in connection with the Dawn mine have been costly. Some \$2.6 million has been spent for subgrade disposal of radioactive leftovers from the mining operation, and another \$9 million in reserves is held for required future reclamation of the

mining site.

Wynecoop noted that most of the radioactive materials have been removed from such leftovers so that they are less environmentally contaminating than in natural form.

He expressed hopes that relaxation of some of the costly environmental requirements will be relaxed as recommended by President Reagan and thus enable domestic producers to be more competitive in the world market.

Times 5/14/81

### Bad news from Nicaragua

■ *The Economist* reports that Nicaragua's Catholic-backed human-rights commission was closed down in mid-February by the Sandinista government, and its papers confiscated. The commission, which had brought imprisoned Sandinistas to public attention during the Somoza regime, had decided to stay in business after the revolution, and was continuing to document cases of repression,

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including torture, disappearance, and execution. According to the commission's findings, "a score of political prisons have been set up around the country," in which are held "some 8,000 political prisoners—6,500 members of Somoza's national guard who are still in detention, and some 1,500 people picked up since."

*The Economist's* conclusions: "This puts Nicaragua, for its size, at the top of the league of Latin American jailers. And not even Chile's General Pinochet has dared to close his country's local church-backed human-rights watchdog."

It's also worth noting that all this has gone on concurrently with the nomination, by British Labor Party leader Michael Foot and several others, of the Nicaraguan literacy campaign for the Nobel Peace Prize. Now, what was that definition of human rights, Michael?

—George Weigel

FI. 3/5/81

# Mozambique Expels U.S. Envoys for 'Espionage'

WASHINGTON (UPI) — The State Department charged yesterday that Cuba and Mozambique tried to recruit a U.S. diplomat as a spy and when they failed, ordered him and five other Americans expelled from Mozambique.

The State Department said the United States views the incident with "serious concern."

The Mozambique foreign ministry ordered four U.S. diplomats and two dependents to leave the country within 48 hours, charging "espionage, subversion and interference in Mozambique affairs."

The State Department described as a "blatant confrontation" the incident that apparently led to the expulsion, and blamed Cuban intelligence officials for provoking it.

According to the department's version, "Twelve officials of the Cuban government led by two senior intelligence officials, Armando Fernandez and Manuel Martinez Galan, aided by Mozambican officials, forcibly detained a U.S. embassy official for more than four hours while they attempted to recruit him as a spy for Cuba."

"In addition to offering a sizeable

sum of money," the statement said, "the (U.S.) officer and his family were threatened."

The department did not identify the diplomat involved but said the Mozambican government was aware of the details.

U.S. officials also said the State Department is aware that Louis Wolf and other members of the Covert Action Information Bulletin were visiting Mozambique during the period.

Wolf, in Washington-based publications, has identified Americans in other embassies as agents of the CIA. In one case, the American was assassinated in Greece. In another case, in Jamaica, the house belonging to an alleged CIA agent was raked with gunfire.

One State Department official said, "We are convinced that these facts are not coincidental . . . We view this action with the most serious concern."

The four embassy staff members were ordered out for "espionage, subversion and interference in Mozambique's internal affairs," and the two wives were expelled for "carrying out support" for their husbands' work.

JACK ANDERSON

# Baby Doc Loots Economic Aid

WASHINGTON — Haiti's fun-loving dictator, Jean-Claude Duvalier, has systematically looted his impoverished realm. The spoils have included millions in U.S. economic assistance, which have disappeared without an accounting into the palace accounts.

It's easy to understand why Duvalier considers Haiti to be his family estate. He was only 6 years old when his father, Francois Duvalier, was elected president with the backing of a military junta and proceeded to make the world's oldest black republic a personal dictatorship.

Because the old tyrant passed himself off as a doctor, he was called "Papa Doc." His son is still known as "Baby Doc." He became a pudgy playboy, chasing women, roaring around the palace grounds on his motorcycle and otherwise living it up at the expense of Haiti's destitute peasants.

Papa Doc declared himself president for life; on April 21, 1971, his term ran out. The next day, his son became president for life; he was 19 years old.

He has continued in his father's

tradition, milking the meager resources of his poverty-stricken country. He seems determined to squeeze every last nickel out of the Haitian people.

Now, I have learned, Baby Doc has been stealing millions of dollars in loans provided by the International Monetary Fund to shore up Haiti's crumbling economy. Most of this money, of course, was contributed by the American taxpayers.

The wholesale looting is spelled out in a confidential State Department cable reviewed by my associate Bob Sherman. It bears the name of Secretary of State Alexander Haig.

"Unfortunately, instead of being applied to relieve the developing foreign exchange shortage, these (IMF) funds were almost immediately siphoned off by the Presidency," the cable states, adding: "Of the \$20 million total drawn by the Presidency, about \$4 million may have been diverted to the VSN."

The initials stand for Volontaires de la Securite Nationale, the fancy monicker Baby Doc has given to his

father's paramilitary private army of murderous thugs, popularly known as the Tonton Macoute. They are the eyes, ears and iron fist that keep the Haitian populace in line by sheer terror.

The Duvalier government blames Haiti's current financial crisis on the failure of the coffee crop, damaged by Hurricane Allen. While acknowledging the hurricane's role in the fiscal disaster, the IMF puts more blame on Baby Doc. "The Fund's staff attributed excessive unbudgeted spending as the most important cause of Haiti's financial crises," the State Department cable states.

Still the plundering goes on unchecked. Baby Doc's wife, 29-year-old Michelle Bennett Duvalier, for example, reportedly draws a \$100,000 monthly salary for her duties as "Mrs. President." The title distinguishes her from Papa Doc's widow, who is known as "First Lady for Life," even though she is currently on the outs with her son and was arrested and detained briefly a couple of weeks ago by Baby Doc's police.

Baby Doc's father-in-law, Ernst Bennett, is definitely "in," however. According to a confidential cable signed by former ambassador Henry Kimelman, Bennett will make a bundle by taking advantage of last year's worldwide drop in coffee prices. Haitian farmers hoped to hold their crop harvest until prices went up, but will have to sell at ruinously low prices just to buy food.

"In this situation, someone stands to make a great deal of money by buying low and selling high as the international price recovers," Kimelman reported. And that someone is Ernst Bennett, who managed to arrange the financing to buy coffee cheap at a time when credit was virtually impossible to find. "Only Bennett could get away with this, the stories go, because of his palace connections," Kimelman explained.

Haiti still badly needs foreign loans to stay afloat. But the corrupt "president for life" may have killed the goose that laid the golden eggs. In a future column, I'll disclose what the IMF intends to do about Baby Doc.

PI. 4/25/81

HORSEY SEATTLE POST-INTELLIGENCER  
© 1981



" WE MOVED IN ON HIS TURF, BUSH... YOU FIGHT HIM!"

## OTHER VOICES

# Lots of Money In Those Loopholes

By Jan Angoff  
New York Times

WASHINGTON — In his State of the Union Message, President Reagan said that "the taxing power of government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change." But he has said nothing about the provisions of the tax code that in fact are used to bring about social change: tax expenditures.

Tax expenditures — some people call them "loopholes" — are dollars that the government purposely does not collect in order to further certain social goals. They take the form of special exclusions, exemptions, deductions and credits in the tax law that benefit certain classes of taxpayers.

They have grown even faster than direct spending programs and are fast approaching \$300 billion annually. Many of them serve no legitimate policy goals and should be eliminated — for example, the \$2.3 billion depletion allowance for independent oil companies and the \$2.9 billion deduction for intangible drilling costs for all oil companies.

Other tax expenditures may be absolutely harmful. For example, U.S. corporations operating through overseas subsidiaries can avoid paying tax on their foreign income as long as they reinvest it abroad. This not only costs the Treasury \$500 million annually but also, perversely, actually encourages firms to invest abroad rather than in the United States.

Many other tax expenditures are either counterproductive or unnecessary. These include the subsidy to domestic international sales corporations that, according to the Carter administration's proposed budget for fiscal 1982, would cost \$1.8 billion; the \$1.1 billion credit for corporations doing business in U.S. possessions; the exemption of interest from industrial-development bonds, which would total \$1.6 billion; and the exclusion of 60 percent of profits from the sale of timber and certain livestock, which would amount to \$1.1 billion.

Other tax expenditure programs may serve worthwhile goals. But even these tend to be inefficient and unfair, in at least three ways.

First, the amount of a tax expenditure is not subject to any legislative limit but depends solely on taxpayer

some taxpayers for doing what they would have done anyway, while rewarding others even if they don't do what the credit is supposed to encourage them to do. For example, the 10 percent investment credit gives corporations a 10 percent refund on all new equipment they buy, whether or not they would have bought it without the credit. Conversely, although the investment credit is supposed to create jobs, it applies not only to equipment that creates jobs but also to equipment that eliminates them.

Third, tax deductions — the most common type of tax expenditure — are worth much more to the rich than to the poor because they are taken in pretax dollars. A \$1 tax deduction is worth only 14 cents to a taxpayer in the 14 percent marginal tax bracket, because he would have paid in taxes 14 cents of the dollar he deducted. But a \$1 tax deduction is worth 70 cents to a taxpayer in the 70 percent bracket, because he pays 70 cents on the dollar in taxes. Thus, even the few supposedly "middle-class" tax expenditures — such as the consumer-credit and home mortgage-interest deductions — give the 70 percent taxpayer five times more benefit per dollar than they give the 14 percent taxpayer.

But both the Reagan administration and, with few exceptions, Congress have remained silent about tax expenditures. In fact, every day more tax expenditure bills are introduced in Congress.

Bills recently have been introduced, for example, to increase the capital-gains exclusion — the percentage of investment income exempt from tax — to 75 percent from 60 percent; to exempt all income earned abroad by Americans overseas; to provide a credit for the purchase of U.S.-built cars; to provide various credits and deductions to encourage van pooling; and to exempt all dividend income.

Today, the "loopholes" are called "incentives." But whatever you call them, they are still government spending. Notions of equity aside, President Reagan is kidding himself and us about cutting federal spending if he does not look as critically at tax expenditures as he has at direct-grant social programs.

Jay Angoff is a lawyer with Public Citizens' Congress Watch, a public-inter-

# Sohio Eyes Kennecott Merger

CLEVELAND (AP) — Standard Oil Co. (Ohio), flush with cash from its lucrative Alaskan oil holdings, yesterday announced a \$1.77 billion proposed takeover of Kennecott Corp., the nation's largest copper producer.

The board chairmen of both companies jointly announced that the merger will result in payment by Sohio of \$62 for each of Kennecott's 28.5 million shares — a large premium over Kennecott's \$27.125-a-share closing price Wednesday on the New York Stock Exchange.

Rumors about a Sohio-Kennecott merger had been

circulating through Wall Street all day yesterday, and trading in both companies' shares was ordered halted by the NYSE before the market opened. Sohio closed at \$55 a share Wednesday.

In a statement, Sohio Chairman Alton W. Whitehouse and Kennecott Chairman Thomas D. Barrow said completion of the proposed merger would require approval by Kennecott shareholders and satisfaction of other unspecified conditions. They said Kennecott shareholders would be asked to consider the proposal at a meeting sometime in May.

"This merger is an opportunity for Kennecott to move ahead aggressively with its plans to expand its existing operations and to develop its extensive mineral resources," said Barrow, who is to remain the mining company's chief executive after the acquisition.

While "energy will continue to be Sohio's main business," Whitehouse said Sohio plans to modernize Kennecott's facilities and will proceed "with the timely development" of the Stamford, Conn.-based company's "undeveloped mineral deposits."

Sohio, which owns 53 percent of the oil reserves on Alaska's North Slope, bought three coal mines and certain reserves from United States Steel Corp. last December for \$750 million.

Sohio, 53-percent owned by The British Petroleum Co. Ltd., said its board of directors voted unanimously in favor of the merger. BP has three members on the Sohio board.

Kennecott's U.S. mines — mainly in Utah, Arizona and New Mexico — produce 400,000 tons of copper a year, 25 percent of the nation's output.

The company also produces lead and silver, but its failure to diversify in a large scale out of the copper business, where prices are around a two-year low, has posed chronic problems for Kennecott and has left its shares trading near their lowest point in a year.

In 1980, Kennecott reported profits of \$192.4 million on sales of \$2.3 billion, while Sohio's earnings came to \$1.8 billion on sales of \$11 billion.

Although Sohio has diversified into coal, the company also has said it is interested in expanding into synthetic fuels, minerals, information processing, chemicals and other high-technology businesses.

## Chemical Bank Trims Prime Rate to 17½%

NEW YORK (AP) — Chemical Bank, the nation's sixth-largest commercial bank, cut its prime lending rate yesterday by one-half percentage point to 17.5 percent, the lowest among major U.S. banks.

The new rate takes effect today and is the lowest since last November.

Chemical and most other banks had cut their prime rates Tuesday to 18 percent, citing a slowdown in demand for business loans and a decline in their cost of funds. None of its competitors immediately followed Chemical's move to 17.5 percent.

The prime rate is the interest rate that banks charge on short-term loans to their best-risk corporate customers. Most other businesses usually are charged one or two percentage points above the prime for their loans.

The prime does not apply to consumer loans. Rates on those loans are limited by law in most states. The prime, however, is considered a guide to trends in all kinds of interest rates.

Thomas S. Johnson, Chemical's executive vice president, said the rate reduction reflected a sharp drop in the cost of attracting deposits and its effort to stimulate business-loan volume.

"As your costs go down, your price goes down," he said in a telephone interview. He added that he believes the prime will fall further in the weeks ahead.

Seattle PI. 3/13/81



## Local S&L Plans Conversion

Citizens Federal Savings and Loan Association plans to convert to a capital stock savings and loan from a mutual association, said David P. Thompson, president, yesterday.

The board of directors wants to bring in money for more home mortgage lending to expand customer services and to increase the net worth of the institution, he said.

Conversion is subject to approval by the Federal Home Loan Bank Board.

A proxy statement will be mailed to depositors prior to a special meeting to be called for a vote on the issue. Association members, or depositors, of record as of Dec. 31, 1980, will be able to buy stock in Citizens under the conversion plan. The value of the stock offering will be determined by an independent appraisal.

Citizens is the fourth-largest savings and loan association in Washington with assets in excess of \$550 million. It is the second federal savings and loan in the state to announce conversion plans; University Federal Savings and Loan is now involved in making the change.

Thompson said no change will be made in the way the association does business or in the status of any savings account or certificate of deposit under a new charter.

PI 4/3/81

## Titanium Plant to Be Built

A Japanese and American business group plans to build a \$25 million plant at Moses Lake to make titanium sponge, the engineering and planning firm of CH2M Hill, Portland, announced yesterday.

International Titanium Inc., a newly formed company including the Ishizuka Research Institute of Japan and American businessman Oliver Nisbet, will begin construction of the plant this summer. On completion in early 1982, CH2M Hill said, the plant will occupy 16 acres of a site now under option. It will begin production of 8 million pounds a year of titanium sponge, with a capacity

of 10 million pounds.

The plant will employ about 125, said the firm, and will have an annual payroll of \$10 million.

Nisbet, former president of Teledyne Alloys, Teledyne Titanium, said he selected Moses Lake because of the availability of land and labor, a positive local reaction to his plan, and because of closeness of markets.

Titanium sponge is metal widely used in military and commercial aircraft, and is half the weight of steel. There are three producers in the U.S. Stock prices of the only independent producer, Oregon Metallurgical Corp. of Albany, Ore., have tripled in each of the last two years.

## 5th Chrysler Plant to Close

DETROIT (AP) — Chrysler Corp. today will permanently close its 53-year-old Lynch Road assembly plant and will lay off 2,160 employees, marking the end to production of full-sized cars by the nation's No. 3 automaker.

The shutdown raises to five the number of Chrysler factories closed since 1978 and decreases the number of Chrysler hourly employees in the Detroit area to 22,600, fewer than half the 1978 average.

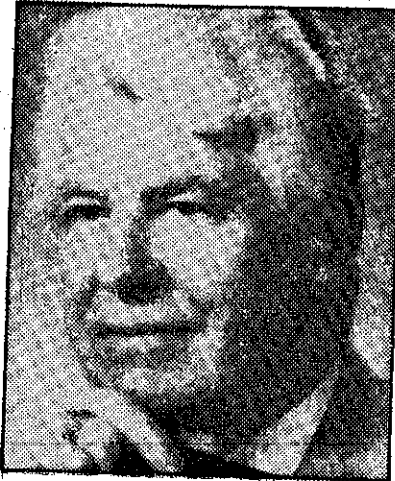
Seattle P.I. 4/20/81

# Economic Council names chiefs

The Economic Development Council of Puget Sound, which strives with the help of private business and government to create new economic activity in the region, has elected new leaders. **Walter B. Williams**, president of Continental Inc., is the organization's new chairman, while **Thomas W. Anderson**, chairman of Concrete Technology Corp., is the new president of the group.

At the EDC's 10th annual meeting last week, executive director **Leland Smith** recapped 1980 activities, stressing the group's role in getting two high-technology firms to set up plants in the area — **Hewlett-Packard Co.** in Snohomish County and **Fairchild Camera and Instrument** in Pierce County.

Outgoing EDC chairman **Gordon Sweany** pointed out that during the past decade the council has helped create \$595 million in capital investments and nearly 10,000 direct jobs in the region. He called it "an exceptional record." About 150 business leaders attended the annual meeting.



**Thomas W. Anderson**



**Walter B. Williams**



**Barry Weston**

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# Reagan Offers Hand, But No Concessions to Canada

By Howell Raines  
New York Times

OTTAWA — President Reagan addressed the Canadian Parliament yesterday with a speech full of pledges of friendship but devoid of concessions for settling the disputes over American military aid to El Salvador and such bilateral issues as fishing rights and pollution.

The speech, in that respect, matched the tone and outcome of private meetings here between Reagan and Prime Minister Pierre Elliott Trudeau and their chief advisers.

Participants said those meetings produced agreement on broad policy goals — the pursuit of a political rather than military solution in El Salvador, for example. But the meetings ended with the Canadian Foreign Minister Mark R. MacGuigan opposing the U.S. decision to send arms and military training aides to the Central American nation, while Secretary of State Alexander M. Haig Jr. insisted that the United States would stick to its plans.

However, MacGuigan said there was "broad common ground" on the goal of self-determination for El Sal-

vador and that Canada was satisfied with the Reagan administration's promise to work in good faith to settle fishing rights and boundary disputes, complete the Alaska pipeline in which Canada has a heavy investment and resolve cross-border conflicts over environmental quality.

Haig, joining MacGuigan at a news conference in Parliament Hall, said the meetings were a success because they set up a "substantive framework" for future discussions. Solutions to "vexing interest issues" must come later, he said. When reporters pressed for details on the El Salvador impasse, Haig complained, "You're doing your best to get a row started, aren't you?"

In their speeches to Parliament yesterday morning, Reagan and Trudeau struck this same balance between cordial agreement on goals, and stout defense, in careful diplomatic language, of their separate national interests.

Reagan used his appearance before a joint session of the Canadian Senate and House of Commons to describe his "near revolutionary steps" to restore conservative economic policies in America and to ask

Canadian support for a stern anti-communist stand. "Across the oceans, we stand together against the unacceptable Soviet invasion into Afghanistan and against continued Soviet adventurism across the Earth," he said.

Trudeau, in a soft, almost whispery voice, suggested that Reagan belonged to an American tradition of hostility to government interference. "But here in Canada," he said, "our own realities have sometime made it necessary for governments to further enterprise. Those realities and that necessity are still with us today."

At one point, Reagan stumbled so badly in his speech that some journalists said later yesterday they feared he might be suffering a physical attack. But aides said that the president was confused by his own notes written in a tiny hand in his speech text, and that his subsequent omission of a reference to the fishing treaty to divide the catch on the Georges Bank was inadvertent.

The Georges Bank begins off Cape Cod and stretches nearly 200 miles to the northeast into the Gulf of Maine.

Trudeau, in remarks to reporters after the speeches, expressed regret that the administration abruptly withdrew that treaty from consideration by the U.S. Senate — a move that surprised the Trudeau government and contributed to the substantial turnout of hostile demonstrators who on Tuesday greeted Reagan on his first state visit to a foreign country.

"The other area, of course, of great concern to Canada was cross-boundary pollution," Trudeau added, citing the problems of acid rain and water pollution in the Great Lakes and other bodies. On these points, he said, Reagan had given him "assurances that the United States has the will and the determination to cooperate with us in preserving the environment for ourselves and for posterity."

To Trudeau's hospitality, Reagan responded with promises of liberalization of trade and a renewed commitment to the pipeline bringing Alaskan gas across Canada to the United States.

## Widespread Sales of DMSO At Inflated Prices Reported

OLYMPIA (AP) — The so-called "wonder drug" DMSO is being sold on the street at inflated prices and possibly with dangerous impurities, Charles James, chief investigator of the Washington State Board of Pharmacy, said yesterday.

Testifying before the state House Human Services Committee, James said the board has received reports that DMSO — widely sold as a solvent but commonly used as a pain killer — is overpriced.

"DMSO is being promoted at an inflated price by unscrupulous individuals," he said. James also said he has received reports the DMSO sold as

a solvent sometimes contains mercury, lead and other dangerous metals.

He urged the committee to oppose HB88, which would allow DMSO to be sold as an over-the-counter drug. He said DMSO has not been adequately tested.

He said, however, that passage of the bill may curb abusive marketing of DMSO.

DMSO — dimethyl sulfoxide — is a byproduct of paper manufacturing and claimed to be useful for treating a variety of medical problems, including arthritis, bruises and glaucoma.

Seattle P.I. 3/12/81

# Big Oil Companies Begin to

New York Times

NEW YORK — In the face of sharply declining demand for petroleum products, the nation's oil companies are closing some refineries, operating others at what is believed to be the industry's lowest level ever and cutting the wholesale price of gasoline.

"I don't know how it can get any worse," said Roger G. Weeks, executive vice president of the Mobil Oil Corporation. "Everybody's kind of on their belly now."

The problems also seem to be showing up on the bottom line. Last week, the Crown Central Petroleum Company said it would report a loss for the first quarter. Both the Gulf Oil Corporation and the Cities Service Company announced they expect to report their earnings for the first quarter would be worse than the comparable period a year ago. And Wall Street analysts expect that the first-quarter earnings of many other oil companies will be equally undistinguished.

"Very few companies are going to have up earnings for the quarter," said Robert LeVine, energy analyst for E.F. Hutton. Partly as a result of this general perception, prices of oil stocks have fallen by more than 30 percent this year.

The precipitous decline in demand, which is hurting profits, has in recent days caused the industry to take the following dramatic steps:

— Gulf, Mobil, Standard of Indiana, Conoco and Texaco have announced the "mothballing" of entire refineries, with other major companies substantially reducing refinery output. A number of smaller companies have also been quietly shutting down capacity, particularly in California.

— Utilization of the nation's refineries has been reduced to 68.7 percent of capacity, the lowest level in the memory of industry veterans, from 78.2 percent a year ago. An operating level of about 90 percent is considered most efficient.

— Conoco, Shell, Sun Oil and Amoco have announced wholesale gasoline price reductions in selected areas. Meanwhile, Sun, Texaco, Atlantic Richfield, Gulf and Cities Service are offering dealers discounts of up to 4 cents a gallon on purchases that exceed 80 percent of the amount sold a year ago.

The industry may be facing problems, but it still accounts for nearly a third of the profits of corporate America, and both the price of oil and industry profits increased sharply over the last two years. Moreover, recent multibillion-dollar moves by some of the largest oil companies to acquire other companies, chiefly in the energy and minerals area, indicate that the industry is hardly destitute.

"A few firms that are dominant in regional markets want to sustain the price," said Edwin Rothschild of Energy Action, a frequent critic of the oil industry. Rothschild theorizes that the companies are reducing capacity in a deliberate move to keep prices up; he predicts that the wholesale price decreases will be rescinded in a matter of months.

Other analysts believe, however, that a more basic change may be occurring. Americans have cut their consumption of gasoline to the level prevailing six years ago, with demand falling by more than 6 percent last year and further declines predicted for this year. This contrasts sharply with the regular 5 percent rise in demand that the industry considered a matter of course

in the 1960s and early 1970s.

"The companies are being caught with their pants down," a Wall Street analyst observed. "They didn't expect the bottom to fall out of demand the way it has." Indeed, a number of the companies' economists now believe that the bulk of the demand plunge is the direct result of conservation rather than the economic downturn, and represents a fundamental turn in the nation's energy picture.

According to a recent study made by the Petroleum Industry Research Foundation, in 1978 United States refineries ran at 86.5 percent of capacity. By 1980, refinery capacity had increased by 1.2 million barrels a day while the amount of crude processed had decreased by almost the same volume. As a result, plant utilization dropped to 74 percent.

## BUSINESS B

### GE Getting into R

NEW YORK (AP) — General Electric Co. announced yesterday it has established an automation business aimed at cashing in on industry efforts to increase productivity and quality.

In a related announcement, GE said it has acquired Calma Co., a Santa Clara, Calif.-based producer of computer-aided design and manufacturing systems, for \$100 million from United Telecommunications Inc. UTI could receive up to \$70 million in additional compensation based on Calma's sales over the next four years, GE said.

GE Vice Chairman Edward E. Hood Jr. told reporters the company has spent nearly \$500 million on advanced electronics and automation technologies in developing its new Automations Systems Business.

The new business is aimed at serving worldwide markets with automated systems, including robots. GE

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# Show Effects of the Glut

By 1985, the amount of crude processed will undoubtedly be still lower while capacity is likely to be higher. Since plant expansion already under way will more than offset the closing of some of the least-efficient plants currently in operation, the study predicts.

Thus, far from the refining industry continuing its historic task of striving to keep pace with increases in demand, it "now has significant overcapacity and it looks like it will be that way for quite awhile, if not get worse," says James H. DeNike, vice president of oil products for Shell Oil Company.

As a result, companies say they find themselves in a position of purchasing more high-priced crude than they can sell at a profit. While this may appear an ill-conceived business strategy, they contend it is necessary to avoid being cut off by foreign suppliers and thus guarantee

tees continued access to crude oil.

Having bought the crude, they can store it at considerable cost, sell it at disadvantageous terms to other companies or refine it, market or not. The fact that many companies have chosen to refine it has caused gasoline inventories to soar to a record 284.7 million barrels.

For consumers, industry analysts suggest that the ample inventories and slack demand will mean somewhat lower pump prices, or at least an end to the rapid price rise that followed President Reagan's decontrol of crude two months ago. But any major price reductions will depend on a drop in the price of crude oil, analysts say. Already, however, there is evidence that domestic crude prices may be falling, as Marathon Oil last week dropped the price it would pay for some grades of crude by \$1 a barrel.

## IEFS

# Robot Business

of the North American market for robot systems grew from \$65 million in 1980 to \$1.5 billion by 1990. It is now accepting orders for delivery later than a multi-armed assembly robot called Allegro, a worldwide licensing agreement with DEA of which developed the technology.

"We expect to be among the major worldwide providers of automation systems by the mid-1980s," said Mirabal, general manager of the new GE

said, "With our factories as laboratories for the development of advanced manufacturing systems, and a base that urgently feels the need for productivity breakthroughs, we expect to be a significant factor in the automated factories of the future — a market that is growing well over 20 percent per year."

**Fred Meyer Stock Soars as To Offer**

NEW YORK (AP) — Fred Meyer's stock price soared on Thursday after the company announced a \$100 million offering of common stock.

PORTLAND, O. — Fred Meyer's statement by the company that the board of directors has authorized the offering of up to \$100 million of common stock in 12 equal installments of \$8.3 million each over the next 12 months.

The offering is expected to be completed by the end of the year.

Deal:

## OVER-THE-COUNTER

Allegro	17 1/2	18 1/2	FIModul	26 3/4	28	FIEmps	15 3/4	16 1/4	GermFdl	5 3/4	6 1/4
Beer	8 1/2	8 1/2	ElecSys	23 1/2	24	FIExec	17 3/4	17 3/4	GilbriA	30 1/2	31
JanFd	38 1/2	39	ElronEl	12 3/4	12 3/4	FIEXec pf	85	86	GilmSy s	5 1/2	5 3/4
scaEn	11	11 1/2	Elscnt	19 1/4	19 3/4	FIIBKs	9 3/4	9 3/4	GlobNRs	26 3/4	27
ecisDat	3 7/8	4 1/8	Emons	4 1/8	4 1/4	FIJcNI	14 1/4	14 1/2	GoldFid	17 1/4	17 3/8
ecisSys	4 3/8	4 1/2	EmpirOG	3 1/4	3 1/4	FIKYNI	40 3/4	41 1/4	GoldFid	48	47
ekbAg	43	43 1/2	EmpCas	33 1/2	34 1/2	FILncFn	9 1/2	10	GoldCyc	14	14 1/4
ellaDri	19	19 1/8	Encore	4 1/4	4 3/4	FIMarIn	12 3/4	12 3/4	GoldTrl	1 1/2	1 1/2
enelcor	14 1/4	15	EnCap	2 1/4	2 1/4	FIMdBn	21 1/2	21 3/4	GoodyPd	18 1/2	19
enismA	41 3/4	42 1/4	EnrDev	17	17 1/4	FIMdWU1	1 1/4	9-32	Golaas	8 1/2	9
enlWorld	1 3/4	1 1/2	EnrMethd	5 1/8	5 1/4	FINBcp	25 1/2	25 3/4	GoldsP	43 1/4	43 3/4
enondInd	10 3/4	11	ENRsy	15 1/2	15 3/4	FINCln	26 1/4	26 3/4	GvIELF	15 1/2	15 3/4
enrvWst	1 1 1/2	1 1/4	EngSrc s	7 1/4	8 1/4	FINBK	17 1/4	18 1/4	Graco	17	18 1/2
elecSy s	16	16 1/2	EnrVent	16 3/4	17	FIKIBh	22 1/2	22 3/4	Granfre	4 3/4	5
elBKC	22	22 1/4	EnxRsc	4 1/4	4 1/4	FISLAsc	26	27	GrasCan	45 1/4	45 3/4
everEx	un 11-16	3 1/4	EnClinic	15-16	17-16	FISeCo	25	25 1/2	GIAMAg	7	7 1/4
agDaf	10 1/4	10 1/2	Enerdne	2 3/4	2 3/4	FITenNI	13 1/2	13 3/4	GrNatl s	14 1/4	14 1/2
acRys	21	22	Enerdn un	3 3/4	4	FIUBcp s	22	22 1/4	GrBavCs	10 1/4	10 1/2
comed	20 1/2	21 1/2	EngAsset	1	1 1/4	FIUnCp	21 1/4	21 1/2	GrSwth	10	10 1/4
CHEx	1 13-16	1 7/8	EngRsc	5	5 1/2	FIUdBc	40 3/4	41 1/4	GrnwdRs	4 3-16	4 1/4
ilog	10 1/2	10 3/4	EnterSy	5 1/2	6 1/8	FIWFin	5 1/2	5 3/4	GreyAdv	62 1/2	64
isw un	7 1/8	8 1/4	EntzBio s	25 1/2	25 3/4	FIWmFin	14 1/4	14 3/4	GrinPir	6 13-16	6 15-16
is	11 1/4	11 3/8	Epsco	13 1/4	13 1/2	Frstbncp	32 1/2	33	GroveExp	6	6 1/4
NY s	45	47 1/2	EqIBcp	18	18 3/4	FveStr h	17-32	36	GuarFin	14 1/2	15 1/4
COL	3 13-16	3 15-16	EqiSL	12 3/4	13 1/4	FlagBks	20 3/4	20 7/8	GuarMI	28 3/4	29 1/4
ufel	25 1/2	26 1/4	EqGid un	2 1/2	2 11-16	FlagBk pf	28 3/4	28 3/4	GHEnd	20	20 1/2
tes	13-16	1 1/4	EqiOil s	17 1/2	17 1/2	FlameIn	8	8 1/2	GHEng Cp	113-16	115-16
Gn	17 1/4	17 1/2	EvSuth	78 1/2	79 1/2	Flexstl	13 3/4	14 1/4	GifIntst	18 1/2	19 1/2
Bsh	14 1/4	14 1/2	Excalib	2 1/2	2 3/4	Flickr	16 1/2	16 3/4	GifsBk	9	9 3/8
nMig	4 1/2	4 3/4	ExcelEn	8 1/2	8 3/4	FightTr	7	7 1/8	HCC	10 3/8	10 3/8
l	1/4	5-16	ExchBcp	17 3/4	17 3/4	FloalPnt un	31 1/4	31 3/4	HLH Pt	5 1/2	6
agp	5-32	3-16	Excoa	11-32	7-16	FlaComl	20 1/2	21	Hadron	3 1/2	3 3/4
DB s	4 3/8	4 1/2	Exidyne	7-32	5-16	FlaGlf s	11	11 1/4	Hadson	2 1/2	2 1/2
elz s	16	16 1/2	ExplrCo	6	6 1/8	FlnFla	21 1/2	21 3/4	HaemOn	23 3/4	24 1/4
irt	19 1/4	19 1/2	ExplvFb	3	3 1/8	Flurocb s	14	14 1/4	HamlPI	24 1/2	24 3/4
rs	27 3/4	28	ExiFuel	3	3 1/2	FdTown	29 3/4	30	Harvins	44 1/2	45
nFn	19	19 1/2	FMI	2 1/2	2 5-16	FhikGp s	17 1/2	17 3/4	HarkenO	14 1/4	14 1/2
	19	19 1/2	FSC	3	3 1/8	ForeAm	26 1/2	26 1/2			
	19	19 1/2				ForestO	33 1/2	33 3/8			

52	15 1/2	1/8
3 1/8	3/8	1/8
31 3/4	1/2	1/8
17 1/4	1/2	1/8
19 3/4	1/2	1/8
18 1/2	1/2	1/8
19 1/2	1/2	1/8
32 1/2	1/2	1/8
20 1/2	1/2	1/8
10	1/2	1/8
27 1/2	1/2	1/8
4 3/4	1/2	1/8
19 1/4	1/2	1/8
36	1 1/4	1/8

# Fish Bill

From Page A-1.

allows tribes to issue licenses for recreational steelhead fishing on their reservations. The congressman predicted that the licenses might generate more income for the tribes than the current commercial steelhead fishery does.

The bill also allows tribes to file with the Court of Claims for monetary losses suffered because of the commercial steelhead ban. Money raised through the licenses, however, would be subtracted from any judgment.

Bonker said that without the bill, "the future of this magnificent game fish is bleak." He added that between

45,000 and 55,000 steelhead are netted each year in Washington and the annual harvest is steadily rising.

The bill allows the state to prohibit commercial steelhead fishing on or off reservations but provides the flexibility to permit Indian steelhead fishing for ceremonial and subsistence purposes.

Sen. Henry Jackson, D-Wash., is co-sponsoring the Senate bill with Gorton. House co-sponsors are Rep. Les AuCoin, an Oregon Democrat, as well as Reps. Norm Dicks and Al Swift, both D-Wash., and Rep. Joel Pritchard, R-Wash.

Smith said the only known opponent in the Washington delegation is

Rep. Mike Lowry, D-Wash., from Seattle, a longtime supporter of Indian fishing rights.

Bonker said the bill is not intended to work a hardship on Indian fishermen. He said he believes that it provides for adequate compensation to the tribes.

But Heckman, speaking for the tribes, said they already have a management plan that "will vastly improve the resource."

"People like Gorton have not been willing to discuss it," Heckman declared. "They're not willing to listen."

Of the bill, Heckman said, "I'd hate like hell to think it would get through."

moved at 23. J.C. Penney ended unchanged  
 at 34%; a 200,000-share block handled by  
 Donaldson Lufkin & Jenrette traded at 35.  
 Smith Barney, Harris Upham handled  
 a 200,000-share block of Medtronic at 38.

In February, the tribe started a 51% trib-  
 al-owned sand-and-gravel company. "We'll  
 gross \$2 million and show a profit," says  
 Wayne Hills, manager and 49% owner of  
 the new company. On the work site, sev-  
 eral 40-foot-high piles of gravel rise behind a  
 rock crusher. The non-Indian Mr. Hills pro-  
 vides the know-how for the joint venture.  
 "Sometimes know-how must be hired,"  
 explains Frank Mertely, a non-Indian who is  
 the community's administrative officer.  
 "But people from the tribe are taking over  
 more and more functions as they are  
 trained."

**Indians Make the Decisions**

Indian leaders emphasize that the devel-  
 opment scheme is being brought to fruition  
 largely through Indian efforts. "We make  
 all major decisions ourselves," says Mr. An-  
 drews, the community president. At \$21,000  
 a year he is the highest-paid Indian in the  
 local government.

A tour of the reservation shows that the  
 managers of the two dozen departments in  
 the tribal government include only three  
 non-Indians. Tribal pride is reflected in the  
 spotless neatness of the community adminis-  
 trative buildings. The prefabricated struc-  
 tures were obtained as castoffs from Luke  
 Air Force Base west of Phoenix. Now they  
 stand on a green, manicured lawn. Inside,  
 wall-to-wall carpeting and sunny colors lend  
 a cheerful aspect to offices and meeting  
 rooms.

Chief Judge Reiman Manuel, 31, is pre-  
 siding in his courtroom. He is a bearded,  
 broad-shouldered Pima with long black hair  
 tied behind his head. He makes an impres-

Pima Road, the reservation boundary,  
 might just as well be a wall.

Green fields of barley, alfalfa and cotton  
 stretch back from the road on the reserva-  
 tion side of the street. On the other side,  
 lots. Choice non-Indian land in this area  
 sells for at least \$60,000 an acre. So as  
 greater Phoenix needs more and more land  
 for development, there is growing pressure  
 on the Indians to accommodate that need.

**Fear of Exploitation**  
 The reservation "is one of the largest un-  
 developed individual tracts of urban land  
 still remaining in the United States. If it  
 isn't the largest," says Robert Lee Clark,  
 the Anglo ex-mortgage banker who serves  
 as tribal development consultant.

The situation does stir some fears about  
 greedy developers outwitting Indians, leav-  
 ing them urban but without their reserva-  
 tion. "I'll confess I worry sometimes," says  
 Alfreita M. Antoine, community vice pres-  
 dent. "The Indian in me makes me worry  
 when something new comes along involving  
 our land." She is one of three women on the  
 nine-member tribal council.

But tribal law prohibits sale of Indian  
 land to outsiders. The development plan is  
 based upon leasing sites, not selling them.  
 Moreover, a Phoenix lawyer, Richard B.  
 Matcopa causes in negotiations and in local  
 courts. A boundary dispute with the city of  
 Mesa was settled with the addition of 1,100  
 acres to the reservation. After another has-  
 sle, Phoenix is paying \$150,000 a year for a  
 water right-of-way across the reservation.

"In the past, the Indians weren't taken seri-  
 ously by people in this area," says the non-  
 Indian Mr. Wilks. "That isn't the case any-  
 more."

So the economic spillover from Phoenix  
 raises hopes that the 3,500 Indians on the  
 reservation can be melded into urban soci-

## The Industrial Reservation

# Plan Seeks to Blend Indians Into Urban Society Without Sacrificing Identity as Tribe Members

By RAY VICKER

Staff Reporter of THE WALL STREET JOURNAL

SALT RIVER RESERVATION, Ariz.— After the urban cowboy, what next? The urban Indian, maybe, and he won't even have to leave the reservation.

This reservation within the environs of greater Phoenix has created an industrial park. Now it aims to convert Indian farmers to such urban occupations as factory hands, office workers and service-industry employees.

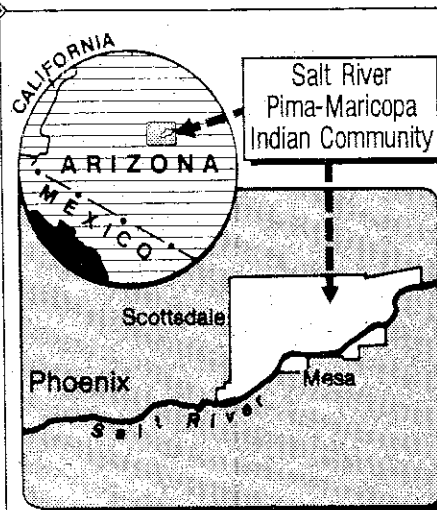
"Industrial and commercial development offers the best possibility for making this reservation self-supporting," says Herschel Andrews, a Pima Indian who is president of the Salt River Pima-Maricopa Indian Community. Mr. Andrews, a former auto mechanic and a longtime community civil servant, likes to talk about "standing on your own feet." That isn't easy on a reservation that gets half its support money from the federal government.

In a small way, industrialization has already been tried on some other reservations. But most Indian lands are in the wilds, far from markets. Transportation costs are high. Such things as suppliers, repair shops and vocational schools are nonexistent. At last count, 38% of the more than one million U.S. Indians lived on incomes below the poverty line. Among the reasons, says a 1976 government study, is "the scarcity of industrial or commercial jobs nearby."

### This Is Different

That bleak assessment doesn't fit the Salt River Reservation of the Pima-Maricopa tribe. Far from being in the wilds, the 51,000-acre reservation is only 12 miles from the center of Phoenix. And greater Phoenix happens to be the second-fastest-growing metropolitan region in the entire country—right behind the Fort Lauderdale, Fla., area—according to the 1980 census.

Greater Phoenix grew by 55.6% in the 1970s. Now a motorist can drive 40 to 50 miles in a straight line and never leave an urban area. Housing, shopping centers and factories are closing around the reservation on three sides. The city of Scottsdale ends so abruptly against the reservation that the



ety without losing tribal identity. Tribal coffers would be replenished. Federal handouts could be eliminated. Indians would prove they can run things on their own, something that a lot of non-Indians in this state might find difficult to believe.

### Motorola Warehouse

Motorola Inc. of Chicago has become the tribe's first major client. A warehouse facility for it will be completed in July. A giant office complex is contemplated as a regional haven for businesses; Midco, a Lincoln, Neb., developer plans to build the 3.2 million-square-foot complex over 10 years at a cost of \$169 million. A related Midco project involves construction of an \$18.8 million shopping center.

"In addition to rentals, the community would be entitled to a percentage of gross revenues from the office complex and shopping center," says Lucille King, Maricopa economic-development director. Long ago, the Pimas offered a haven during tribal wars to Maricopas. The latter were blended into the tribe.

Several Arizona sand and gravel companies have leased rights for some time to take gravel and rock from Indian lands. A few years ago, royalties were five to eight cents a ton. Indians bargained these up to

sive figure as he sits on the raised bench looking down at a hapless defendant. The Indian is a bulky fellow in wrinkled pants and faded T-shirt. He shifts from one foot to the other. Obviously he prefers to be somewhere else. The charge is refusing to take a drunken-driving test when arrested on a highway by a policeman.

"Do you have anything to say?" Judge Manuel asks gently.

"I knew I was drunk, so there was no point in taking the test," says the defendant.

The judge gives him a lecture, says that refusal to take the test could mean suspension of a driver's license and over six months in jail. He settles on 15 days in jail, suspended, and a fine of \$175 payable in 30 days.

"Make that 60 days to pay," bargains the defendant.

"Thirty days," says the judge, "and if you don't pay on time, you will have to serve the suspended sentence."

### Progress Has Price

Later, the judge explains that alcohol is a problem on the reservation. Jobs, more opportunities and better education may help solve it, he says. Judge Manuel, a non-lawyer who was elected to his \$16,000-a-year job, adds: "We have to progress by doing things ourselves, by learning from our own mistakes."

But progress has its price. Filmore Carlos, a Pima who is the community's housing director, says that younger Pimas no longer speak their language. "If we don't have our language and traditional ties," he says, "our tribe will die out. It will be every man for himself. We must be careful or industrialization will destroy us as a tribe."

Cliff Manuel, a Pima computer expert, acknowledges the disappearance of tribal traditions. "But," he says, "we're surrounded. We must compete in all sectors with people in Phoenix. To do that, we must have Anglo educations and we must modernize."

How do you do that and still retain old tribal traditions?

"That's the question," he says. "Maybe you can't turn back the clock."



# Oil-rich Albertans Find C

By Joel Connelly  
P-I Staff

CALGARY — When Alberta officials stretch out maps of their province, the region seems at first glance to be suffering from a strange splotchy skin disease.

But the many colors represent energy deposits: orange for natural gas fields, green for money-making oil wells, brown for coal seams and black for oil sands — the key petroleum source of tomorrow.

Alberta has been nicknamed Canada's Texas, and for good reason. The province took in \$4.8 billion in energy revenues last year, has squirreled \$8 billion for a rainy day and is looking forward to vastly increased revenues to come.

"There are incredible resources here; our problem is one of under-exploitation" said Bill Richard, president of Dome Petroleum, one of Canada's biggest oil producers.

The American stake here is enormous. It was money from the United States that financed the first big Alberta oil strike in 1947, and American oil companies have built the skyscrapers that dot downtown Calgary.

Alberta is the source of natural gas for the Northwest; its oilmen talk about supplying much of North America with gas when and if the Alaska Highway Natural Gas Pipeline is completed.

They are also talking about big coal-fired power plants and transmission lines that would link up with Northern and Northwest states south of the border.

But the oil capital of Canada is in a sour mood these days. The object of its anger is Prime Minister Pierre Trudeau, who wants to impose higher royalty taxes on

the oil industry and hold down oil prices as relief for consumers in the rest of Canada.

Trudeau is also proposing to concentrate Canada's energy exploration in the Arctic, and to give a major share of the action to Petro-Canada, a government-owned oil company.

Petro-Can is building 24- and 50-story office towers in Calgary — symbols to go along with its newfound status as Canada's second-ranking oil company in assets.

The reaction in oil-rich, free-enterprising Alberta has been little short of apoplectic.

The provincial premier, Peter Lougheed, has reduced oil shipments to the rest of Canada. The cover of "Alberta Report" magazine shows an oil driller's head beneath a guillotine.

A small but noisy movement preaches separation of western provinces from the rest of Canada, and supporters of a united country are having a rough time in the Alberta hinterlands.

Jack Horner, a rough-hewn Alberta rancher and former Trudeau cabinet minister, tried recently to argue the case for Canadian unity before 600 people in the rural town of Rimbey. "Ottawa will never stand idly by while the richest part of the country separates," said Horner.

"How would they stop us, with guns?" shouted a heckler. Horner was booed and jeered, and was unable to continue on several occasions. A separatist leader was given a standing ovation by the same group.

A milder form of "Alberta-firstism" encouraging

Will, who recently wrote a piece put it in terms that people in Will's \$11.50 a pound year

# Ottawa a Taxing Partner

complete provincial control of energy resources and the price charged for them is being pushed by such organizations as the Canada-West Foundation.

The foundation's Calgary office features maps showing the four western provinces, but never the whole of Canada.

And the talk is hostile toward oil-consuming provinces to the east, and the Trudeau government in Ottawa.

"We should be given a chance to participate rather than have decisions made in someplace that's way off that damned map," said Dr. Douglas Beck, senior economist with the Canada-West foundation.

While much of western Canada is and has been angry at Ottawa for a number of reasons, Alberta is far louder and more militant in its dissent.

Part of the reason is that the province is so rich, or at least is ruled by people who are.

In the last decade, Calgary's population grew 37 percent — more than double Canada's national average. Its population has passed 520,000 and has been growing at an annual rate of 20,000.

The oil towers are bunched so closely together here that a civic task force recently warned that downtown Calgary could become "a cavernous, dark, cold and windy ugly ghetto."

Its rush hour traffic jams are severe, prices are high and some services are in short supply. This week, a Calgary TV station disclosed that local doctors were sending women as far away as Seattle to have abortions.

The lonely role of defending Trudeau's energy policy here has fallen to an unorthodox oil man who climbs

mountains in his spare time and talks about preserving human rights from assault by big corporations. His name is Nick Taylor and he heads an oil exploration firm while chairing the Alberta Liberal Party.

According to Taylor, greed is the prime motive behind the separatist and Alberta-first movements.

"Separation either comes from the heart, as with the movement with some French Canadians in Quebec, or from fat cats who don't want to be taxed," said Taylor.

"Our separatists have the latter motive. It is very much a movement of the rich."

Taylor scoffs at fellow oilmen's claim that taxes have robbed private enterprise of the incentives it needs to develop Alberta's vast energy reserves.

It's a view radically different from that of Dome's Richard, who argues that taxation in Canada is "intolerable" to an industry that needs money to explore.

At the moment, however, Taylor is probably speaking for a majority of Canadians, if Trudeau's smashing election victory last year on a platform of made-in-Canada oil prices is any indication.

And there are signs that the oil companies have concluded that their image, and that of Alberta, is so tarnished they can't win a confrontation with Canada's federal government.

"We've been incredibly incapable of persuading the public of anything," concedes Richard, who, along with other key oil executives, says he is willing to bite the bullet on many of Trudeau's oil programs if the federal government will only allow higher prices and more profits.

# Barclays of Britain investing in area

by Boyd Burchard  
Times business writer

As an exporter of capital, says Per-Odd Keul, Barclays Bank International, Ltd., which recently opened a branch here, "can only be of benefit to the Pacific Northwest in the long run."

Keul, vice president/branch manager of the London-based, \$70-billion-assets, international banking group, characterizes the federally chartered branch here as strictly wholesale.

It will finance medium and large businesses and two-way foreign trade but will take no domestic deposits.

A major function will be to encourage foreign

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ar-old Keul was with Rainer Natloff

in a related development, a California woman said

... "were skinned before they lost consciousness"

panies to invest in the Pacific Northwest with  
ies, subsidiaries and joint ventures.

effect, the bank is increasing the capital  
le to Northwest industry directly and by  
al participation in loans with other banks. It's  
course, one more major competitor for other  
anks to contend with for income-producing  
s.

one West Coast banker representing an  
organization with a \$100 million loan limit  
nted: "Barclays isn't going to do us that  
ood, but from the standpoint of competition,  
believe in, their being here is good for the

Barclays Bank, Ltd., and subsidiaries is Brit-  
ain's largest international-banking group in terms of  
assets and maybe sixth or seventh largest in the  
world. It has the most branches and other offices  
around the world — 6,000-plus in 85 countries — and  
in 1979 was the most profitable.

It's earnings of some \$1.2 billion were about  
double those of Bank of America.

The annual report in late March is expected to  
show "very good" results for 1980, too, Keul says.

The new branch, temporarily in the Financial  
Center Building until permanent quarters are ready  
in the new One Union Square Building, has eight  
staffers, and will be adding specialists knowledgable

about seafood  
ton, Oregon, I  
"We have  
seafood-indust  
ers," Keul say  
The West  
some 23 per  
world, but I  
mostly on salr  
while foreign  
other specie s  
"We all n  
the largest inc  
says.  
The 37-ye

and other key industries of Washington, Alaska and Montana.

the assets and plan to be innovative in developments such as factory trawlers.

Coast of North America, he notes, has 90 percent of the fishery resources of the North Americans have concentrated on salmon, crab and other "luxury" products, while others have developed bottomfish and shellfish resources.

need to eat, and I feel seafood could be a major industry on the West Coast by 1990," Keul

60-year-old Keul was with Rainier National

Bank's international department 8½ years before his present assignment. He came here from Bergen, Norway, in 1967 and has specialized in European, African and Middle East banking, traveling "too much."

"I've talked for years about the strategic position of the Pacific Northwest for trade with Pacific Rim countries and have been partly responsible for the incorporation of 60 or 70 foreign companies here," he says.

The largest number are from Northern Europe and are involved in the seafood industry.

Derek Thompson, a Scot who was in the London headquarters for a year after four years in Hong

in a related development, a California woman said . . . island, said there were seven  
"were skinned before they

Kong specializing in Southeast Asian affairs, is assistant manager here.

The new branch will have right-now communication ties with Barclays world-wide network of offices and is particularly well placed, Keul says, "to assist in financing the growing trade between the Pacific Northwest and Pacific Basin countries."

The move here is part of an expansion program targeted on key cities of the United States and Canada.

Barclays has had full-service branch banks in New York since 1898 and in California since the 1950s, with some \$1 billion in assets now in each branch system. It opened international offices in

Boston and Chicago in 1973, Atlanta in 1976, Houston in 1977, Pittsburg in 1978 and Miami and Dallas this month.

The international group's total assets of \$18.5 billion in North America include \$1.5 billion in Canada, where there are 10 Barclays Canada, Ltd., offices spread from Vancouver to Montreal.

The overall organization has consumer and commercial financing and leasing and factoring operations in many states and a 60-person, Houston-based energy group financing energy projects ranging north to Calgary. One customer is British Petroleum, which has substantial interests in Alaskan oil.

A 7

st

veral incidents in which seal pups were lost by fisheries officials who tried to ...  
lost consequences ...

# Where's oil money gone?

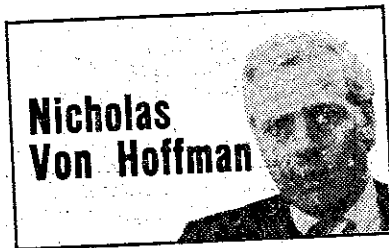
Even when lunging for a buck will make its benefactors look bad, a big corporation will go for the buck every time. Our supply-side president decontrolled the price of oil some time back, explaining that the extra profits would stimulate the oil companies to explore for more oil.

Since decontrol, far from sinking the extra dough into exploration, we find Standard Oil of Ohio spending nearly \$2 billion to buy a copper company (Kennecott); Standard Oil of California is shelling out \$4 billion to buy Amax, Inc., the largest producer of that unpronounceable metal, molybdenum; Seagram, Inc., which sold off its oil holdings, is trying to use \$2 billion of the money it got to buy another metals company, St. Joseph Minerals.

President Reagan may think the only reason that we aren't producing all the energy we need is lack of capital to find and exploit it, but obviously the oil companies don't agree. Regardless of what the ideological goofies in the White House may insist on, the companies are telling us by the way they spend their money that they don't think there is an infinity of oil to be found and pumped.

## Companies ready

They know and they've known for some time that there isn't much likelihood of huge new discoveries. That's certainly why Atlantic Richfield (ARCO) bought the Anaconda Copper



Nicholas  
Von Hoffman

Company a few years ago and why Union Oil did the same with Molycorp, another mineral company.

They're hedging their bets. The oil companies' behavior illustrates a point that supply-side economists haven't grappled with: making more money for investment available doesn't necessarily mean more money will be spent in buying new machinery and erecting the new plant which are to result in the great increases in productivity the administration promises us.

The accumulated capital needed to put the new technologies on the assembly line won't go where the government thinks it's most socially necessary, but where the greatest prospect for profit lies. For an illustration, look at the recent moves by the Prudential Insurance Company, exactly the sort of capital accumulation institution that is supposed to finance our new economic expansion once the tax laws are changed to satisfy the supply-siders.

The Prudential goes out recently and offers to pay \$375 million for the firm of Bache Halsey Stuart Shields,

the stockbrokers. Now how is that expenditure going to make America more productive? How is that going to help us build modern and competitive steel mills?

## No investment

We can't get the steel industry to build them even when it has the money. U.S. Steel has about a billion and a half in its poke that it could use to build itself one of those new, super-duper oxygen furnaces that it badly needs, which it has said it badly needs and which it has no immediate plans to build. Instead U.S. Steel wants to go buy a chemical company for itself. No blame attaches to any of these companies. A steel company has no obligation, legal or moral, to make steel if it can make more money for its owners going into another line of business. Blame does attach to an administration that doesn't understand this and that pursues policies which are likely to discourage industries from modernizing. That has to be the potential effect of the various gimmicks being used to keep foreign steel and autos and who knows what else out of the country.

The re-industrialization of America is not going to happen automatically because the government sees to it companies have more money to invest and it may not happen at all if foggy fanatics in the administration put the dogma of their ideology over the data of the country's day-to-day economic experience.

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# Profits and politics mix

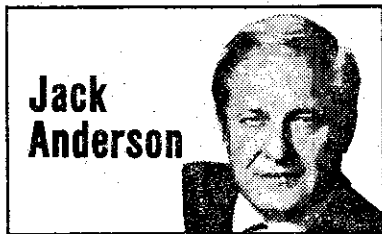
Profits and politics are old bedfellows, and it's not easy to discern the motives behind an elected official who acts in ways that benefit his friends and campaign contributors. It could be a matter of principle, a coincidence or a conflict of interest.

Such an official is freshman Sen. Robert Kasten, R-Wis., a 38-year-old member of the New Right who has been enthusiastically trying to clip the wings of the controversial Consumer Product Safety Commission. Without making a judgment on the senator's motives, I think the public is entitled to know about Kasten's links to corporations that have reason to want the commission weakened or eliminated.

For example, the commission has ordered installation of certain safety equipment on power mowers by next year. Frederick Stratton, president of Briggs and Stratton, a giant in the mower engine industry, is an old friend of the senator. Kasten's father sits on the company's board of directors.

## Insulation links

Furthermore, Kasten received thousands of dollars in campaign contributions from executives and political action committees of Briggs and Stratton, John Deere, Toro and other manufacturers. Kasten insists he



hasn't made up his mind on the safety equipment issue.

Another example: The product safety commission has proposed a ban on the use of formaldehyde in home insulation because the chemical is a suspected cancer-causing agent. Kasten received thousands of dollars from companies that produce either formaldehyde or dependent products. Five of the biggest contributed generously to Kasten's campaign: Georgia-Pacific Corp., \$1,500; Tenneco, Inc., \$3,500; Hercules, Inc., \$500; Getty Oil, \$1,000, and International Minerals and Chemical Corp., \$1,000.

Wisconsin firms that have had products recalled by the product safety commission include John Deere, Briggs and Stratton, Ariens and the Kohler Corp. Kohler, whose executives gave Kasten \$4,050 last year, was the subject of a commission order recalling 3,462 whirlpool tubs for safety reasons.

In all, Kasten received at least \$36,200 from executives and PACs of corporations that would stand to benefit directly if the CPSC is killed or crippled.

## Pressure points

There is another source of pressure that could be brought to bear on Kasten in his role as chairman of the Senate Commerce Committee's Consumer Subcommittee: Wisconsin Republican National Committeeman Ody Fish owns a company that manufactures cellulose insulation. At one point, his product not only flunked the commission's flammability tests, but 24,000 bags of the product were seized to prevent its continued sale.

As I noted earlier, it isn't easy to tell what motivates a politician's activities. And indeed, Kasten has made no secret of his hostility to the Consumer Product Safety Commission.

Footnote: Asked specifically about his father's presence on the board of a company that has had trouble with the commission, Kasten told my associate Tony Capaccio: "It doesn't make any difference at all. It won't affect my vote. The problem isn't in having the relationship. The problem occurs when I use my influence in some way to improperly influence legislation that would be to my benefit or the benefit of others."

Seattle P.I. 5/21/81



# Timber-r-r-r!

The United States Senate dealt another low blow to environmentalists yesterday when it approved President Reagan's appointment of John B. Crowell, Jr., as assistant secretary of agriculture for natural resources and environment.

Crowell will be in charge of the national forest system and the U.S. Forest Service and his background suggests that an appropriate accompaniment to his swearing-in ceremony would be a recital of the poem, "Woodman, spare that tree."

Crowell is the former general counsel of the Louisiana Pacific Corp., which has more tree-cutting contracts in the national forests than any other timber company. Crowell also is on record as favoring making the forests "more productive in terms of output of timber."

Equally disturbing is a recent finding by U.S. District Court Judge Barbara J. Rothstein in Seattle that the Ketchikan Pulp Co., a Louisiana Pacific subsidiary, violated federal antitrust laws by conspiring to monopolize the timber industry in southeast Alaska. Court documents suggest Crowell "approved and advocated" the illegal practices.

Inexplicably, Washington Sens. Henry Jackson and Slade Gorton both voted for Crowell's confirmation. An aide to Gorton explained the senator feels the president is entitled to his appointments, even though the appointees may prove to be incompetent.

An interesting concept, but small consolation when confronted with a denuded forest.

Crowell and new Interior Secretary James G. Watt, the anti-environmentalist in command of the national parks, provide a matched set of worrisome Reagan choices.

*Seattle P.I. 5/21/81*

Seattle P.I. 4/3/81

# Food Circus Tenants Lose Suit to Prevent Eviction

By Jack Hopkins

Center House merchants waging a year-long fight to stay in the former Food Circus at the Seattle Center lost their struggle in Superior Court yesterday to stave off eviction.

The action clears the way for the city to accept new bids for leased space in the center.

King County Superior Court Judge James Noe rejected the merchants' claim that city officials are unfairly and illegally tossing them out of the building to make room for fast-food franchises and other commercial operators who have no longtime ties to the Seattle Center.

Noe said the city acted properly in opening up bidding for business space to all comers and said longtime merchants weren't intentionally misled into believing they wouldn't be affected by major renovations at the Food Circus.

"The court must be slow to interfere with the administrative decisions of governmental agencies unless there has been a violation of law, fraud or interference with a fundamental right," Noe said in a written ruling issued yesterday. Noe presided over a six-week trial on the suit that ended March 19.

The ruling was praised by Jack Fearey, Seattle Center director, who said the decision paves the way for a quick reopening of the Food Circus.

"Construction is right on schedule," he said. "We'll ask the City Council to approve the leases, and we're hoping now to be open around the 23rd of June."

Al Egashira, president of the Seattle Center Mer-

leases as early as next week.

A council committee had planned to vote on nearly 20 proposed leases on Wednesday but deferred action pending Noe's decision. The facility was shut down last October for major renovations.

Eleven former tenants of the Food Circus filed suit against the city last year when a three-member selection panel and Seattle Center officials decided against recommending them to the Council for leases.

Among them were The Hickory Rib Pit, Burger Bar and Kitchen 'N Kids. The Hickory Rib Pit did the largest volume of business at the Center House before it was shut down.

James E. Kennedy, who represented the former tenants, had told the judge during final arguments that "the city led these people down the garden path," causing them to believe they would be included in center plans after the renovations.

He said the city got the merchants to actively support and help pass the bond issue paying for the renovations while not divulging to them that the plans called for them to be "wiped out of business."

Kennedy told the judge the city's selection process for tenants in the renovated structure was "a charade" and charged the procedures used were illegal.

Assistant City Attorney Philip Mortenson said no misrepresentations were made to the merchants.

He said the city acted properly in opening up the bidding for Food Circus space to all those interested and in not giving priority to those who formerly occupied the space.

"The city has a responsibility to its citizens to get the best tenants it can," he said.

# Bill Would Limit Boldt Ruling

By Bruce Sherman

Two members of Washington's congressional delegation introduced bills yesterday that would dismantle part of the monumental Boldt decision by banning Indian steelhead fishing.

Bills introduced by Republican Sen. Slade Gorton and Democratic Rep. Don Bonker immediately drew fire from tribal groups.

The 1974 decision by U.S. District Judge George Boldt reversed an earlier commercial ban on steelhead fishing and allowed Indians to net the anadromous trout at their customary fishing spots.

The bill would "put us where we were before 1974," said Kirk Smith, Gorton's press aide. The House and Senate versions would still allow recreational fishing for steelhead.

The freshman senator, who argued against the Boldt ruling in an appeal to the U.S. Supreme Court when he was state attorney general, has been concerned over the diminishing steelhead population for some time, according to Smith.

Smith said Gorton had discussed the matter with sports fishermen, who have been fighting commercial steelhead fishing by Indians. Commercial steelhead fishing by non-Indians

already is prohibited by state law.

Gorton was on the Senate floor and could not be reached for comment.

Jim Heckman, executive director of the Northwest Indian Fisheries Commission, immediately lambasted Gorton for introducing the bill.

"If he wants to abrogate treaties he shouldn't do it piecemeal," Heckman said. Tribal groups claim that long-standing treaties give them numerous fishing rights, including the right to catch steelhead for commercial sale.

Heckman said steelhead and salmon management efforts have im-

proved to the point where "it looks like we were ready to crest the wave and do something good with the resource."

"It's going to be difficult to deal with the atmosphere created by our senator . . ." he said. "He doesn't seem to have his ear to the ground."

The bill follows by about 18 months a similar piece of legislation sponsored by Bonker, a Democrat. The previous bill died as a result of a tie vote in a House committee.

Bonker, in a prepared statement, said a key feature of the new bill

Back Page, Column 1

# : Increase Aid to El Salvador

ch \$10 million is in military aid. Rep. James C. Wright Jr., D-Texas, p is the House majority leader, said er the Haig briefing, "Central America is probably more vitally imtant to us than any other part of world."

"Our response to what is happen- there requires a bipartisan, uni- approach and I fully expect that t is what the president and the

secretary of state will receive," he said.

Percy was asked if his pledge to do "whatever is necessary" was meant to include the dispatch of American combat troops to El Salvador. He said that such a move "would be highly unlikely" but he declined to "rule out any options."

An informal Associated Press sur-

vey reported yesterday that European governments are unlikely to throw support to the U.S.-backed govern- ment of El Salvador.

Official spokesmen in European capitals say, however, that they are studying U.S. intelligence reports pur- ported to show Soviet bloc nations are arming leftist guerrillas trying to overthrow the El Salvador regime.

## *Priest Is Shot In Guatemala*

GUATEMALA CITY (AP) — A Spanish priest was found shot to death on the highway between Uspan- tan and Cunén in the northern department of Quiche, authorities said yesterday.

The victim, the Rev. Alonzo Fernandez, 47, be- longed to the Sacred Heart order and had been in Guatemala about 20 years. He was the first priest reported shot to death in Guatemala.

Rightists in Mexico consider the Roman Catholic Church to be a major source of leftist activity in Guatemala, especially in the northern departments where guerrilla activity is heavy.

In London, Amnesty International charged the president of Guatemala personally directed a system- atic program of murder and torture that left at least 3,000 people dead in 1980.

Although the government of President Romeo Lucas Garcia blamed groups outside its control for \* deaths, the London-based international human group said, the killings were carried out by t<sup>h</sup> and police.

# Seattle Post-Intelligencer

THE VOICE OF THE NORTHWEST SINCE 1863

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**B2**

Fri., Apr. 10, 1981

## Governor Names Powerful Choices For Power Council

Washington State's interests, and the interests of the region, should be well served by Gov. John Spellman's appointees to the Northwest Power Planning Council, former Gov. Dan Evans and former Metro Transit director Chuck Collins.

The council consists of two representatives from each of the Northwest states — Washington, Oregon, Montana and Idaho. The council will set policy for the Bonneville Power Administration to implement the Northwest Power Bill. The council's perfor-

clear fusion (as opposed to nuclear fission) is worked out, "energy will be an historical problem rather than a current problem." He also said that new power plants would be needed even if conservation is pushed hard.

Collins is not as well known as Evans. His background is not as broad, but he does have administrative experience. During his stint with Metro, he learned to run a system beholden to several different levels of government. He has been closely associated with Spellman since the governor — who was then King County

# Salvador Rebels Halt Fire In Honor of Slain Bishop

SAN SALVADOR, El Salvador (UPI) — Leftist rebels fighting the U.S.-backed ruling junta yesterday announced a 24-hour cease-fire in memory of the late Archbishop Oscar Romero, assassinated one year ago by presumed right-wing extremists.

In a shortwave radio broadcast, members of the leftist Farabundo Marti National Liberation Front guerrilla organization urged its 4,000 to 6,000 rebel members to halt all combat between midnight yesterday and midnight tonight.

Romero, archbishop of San Salvador, was cut down by a single bullet March 24, 1980, while he said Mass at a small chapel in the capital.

The Liberation Front, a coalition of five guerrilla groups fighting the military-Christian Democratic junta, urged Salvadorans to go to church

and "ring the bells at six o'clock, the hour Oscar Arnulfo (Romero) was murdered."

Romero, an outspoken critic of human rights violations by the government, was shot to death by persons presumed to be right-wing extremists only one day after he "ordered" soldiers to disobey commands to commit atrocities.

The ruling junta, headed by its president Jose Napoleon Duarte, has repeatedly claimed it is conducting an investigation into the archbishop's killing but has yet to make an arrest in the case.

In Mexico City, meanwhile, a Salvadoran Catholic Church group accused the United States of aiding terrorism in "incalculable proportions" by sending military assistance to the strife-torn nation.

The Legal Aid Society of the Salvadoran Catholic Church, which has been accused by other churchmen of leftist sympathies, said that government troops have been carrying out the political killings blamed on right-wing death squads.

"In El Salvador ultra-rightist groups do not exist," the legal aid society said in a statement issued in Mexico City accompanying the society's weekly tabulation of civilian deaths.

"It is the army, police and national guard, sometimes out of uniform . . . that are actually committing innumerable repressive actions against the Salvadoran people.

"These are the same armed forces which the president of the United States helps and reinforces in incalculable proportions," the statement said.

Judicial authorities said 12 corpses were found around the war-torn Central American nation at dawn yesterday, including the body of a young man slashed 18 times with a machete in Metapan, 47 miles northwest of San Salvador.

A powerful bomb heard throughout the capital badly damaged the Panamericano Building in downtown San Salvador Sunday night, shattering windows up to half a block away but causing no deaths or injuries, authorities said.

The building houses offices of the Italian government news agency

## Reagan Backs Up 2 Aides' Comments

WASHINGTON (UPI) — The White House said yesterday that President Reagan agrees with two top advisers who said Americans are not

He said if every possible government service were legally entitled — instead of socially obligated — "you have a policy that could bankrupt the

# When Reagan Cuts, Health Hurts

By George Foster

Nurse Nancy Willig sees anywhere from 10 to 20 patients on low incomes a day at the North Seattle Family Clinic, those with sore throats, ear aches, high blood pressure or a cut foot.

At the other end of town, Ann Mitchell, a city community coordinator, oversees a group of disadvantaged girls, ranging in age from 9 to 17. Two days a week they meet, and may attend a concert, exercise or sit around and talk about common problems.

Both Willig and Mitchell may be out of a job and their neighborhood-based programs will be curtailed if Congress agrees to some or all of President Reagan's proposed \$48.6 million in budget cuts for 1982.

Willig, 29, a U.S. Public Health Service nurse

practitioner for seven years, and Mitchell, whose salary is paid by federal Comprehensive Employment Training Act (CETA) funds, are among hundreds of workers in city-sponsored programs using federal assistance that could face a similar fate.

Mayor Charles Royer's staff, as well as city department heads, have attempted over the past couple of weeks to analyze the impact of Reagan's slashing of urban programs and consolidating aid programs through state governments.

At this point, it appears that local health programs would be the most severely hit, with up to 50 percent reduction of services in 20 Seattle community health medical and dental clinics, all with an affiliation with the Public Health Service Hospital here.

The hospital is earmarked to be phased out

under the Reagan budget. Also, the Seattle-King County Department of Public Health fears that 35 CETA-funded medical jobs may also be cut possibly forcing the closure of the Fremont Women's Clinic and the Carolyn Down Medical Clinic in the Central Area.

At the same time, the Reagan administration's recommended change in the amount deductible for Medicaid patients, from \$200 to \$1,000, is expected to dramatically increase the demands on community health clinics, where services are free to those on low incomes.

Said Dr. Jesse W. Tapp, Seattle-King County public health director: "I'm assuming that we do have some massive cuts.

"We are going to have to renew our efforts in working with the private sector in the traditional philanthropic approach to health care."

# WINDOWS AND DOORS

## FACTORY DIRECT





Mrs BRUNDTLAND . . . firm on dam

*Australia 14th Feb 81*

# Lapps protest at dam threat to livelihood

From LYNDALE CRISP: LONDON BUREAU, FRIDAY

**FOURTEEN** Lapp women, most of them in traditional dress, being dragged across the floor of the Prime Minister's office in Oslo is indeed unusual television.

Their sit-in protest last week over the threat to

hundreds of demonstrators chained themselves together in tents at the site and vowed to freeze to death if the scheme was not stopped.

As the temperature dropped to -35 more than 500 police with dogs moved in and arrested 160 protesters. Each was fined \$600. As soon as the money was



Picture: BRUCE POSTLE

Mr Soli Niheu: nothing is impossible.

*ARE 15 March 81*

# A 'child' who loves his land wants





Swinburne Institute of Technology  
 PO Box 218 Hawthorn 3122 Australia  
 Telephone 819 8911  
 Cables & Grams 'Swinburne' Australia  
 Telex 'Swinbn'AA37769

Faculty of Arts

6 MARCH 81

Dear Ellie,

This guy Soli Jan Hawaii is probably your best bet for getting in touch with Pacific Island groups. See the enclosed cutting from the MELBOURNE AGE. His organisation is called:

NA OPIO ALOHA AINA  
 105/B KAWANANA'OA PLACE  
 HONOLULU, HAWAII 96817

Phone 595 6557

Another contact there is GEORGETTE MYERS.

Another useful organisation is

PACIFIC CONCERN RESOURCE CENTRE

PO Box 27692

HONOLULU HAWAII 96827

Phone 521 3861

845 5374

947 8403

This one was set up at the Hawaii Conference and is in touch with independence movements on a number of islands including GUAM.

Names of other people or organisations you can get from the FREE THE PACIFIC article in Chain Reaction and a couple of references in CAA Review.

You might also be interested in my story on the Alaska (Arctic) connection in Chain Reaction.

The AENC has definitely got an invitation to speak with members of the House of Reps Committee on the Pacific...

# BPA's Proposed 53% Rate Hike Blamed on N-p

By Joel Codnelly

The whopping 53 percent rate increase sought by the Bonneville Power Administration is caused in large part by the cost of the federal agency's participation in three nuclear power plants, State Sen. King Lysen charged at a public hearing last night.

The record rate increase will cost the electrical bills of 2 million northwest families whose power, in part, comes from the BPA, which supplies utilities such as Seattle City Light, Tacoma City Light and the Puget Sound Public Utility District.

Lysen, long a gadfly on the energy issue, said, "The biggest single factor in this massive rate hike is the cost of the WPPSS nuclear plants, none of which will be on line for at least 2 1/2 years."

"The management mistakes at WPPSS have delayed the plants to the point where the bonds are coming due before they are producing power," he added. "As a result, the BPA rate hike makes today's customers

pay the cost of tomorrow's power plants."

While thousands of fans cheered at a state high school basketball tournament nearby, less than 50 people showed up for the Seattle Center hearing on the proposed rate increase.

"We Want Your Views On Our Proposed New Rates," said a Bonneville brochure passed out at the door of last night's hearing.

But those who did show up first had to listen through a highly technical hour-long briefing by BPA officials.

Lysen, D-Kent, said he did not believe a word of it and charged that the BPA's proposed increase is "strongly favorable to industrial customers."

Barbara Zepeda, a Seattle businesswoman and leader of the Washington Democratic Council, echoed Lysen's charge that the BPA's rates "discriminate against residential users."

Nor was Zepeda satisfied with the

BPA's talk about "revenue deficiencies, low density discounts, reserve credit and non-firm floor rates."

"I know you put out an enormous amount of paper . . . but you are not giving the ratepayers a clear picture," said Zepeda. "I cannot see how any citizen can react to this rate proposal in a competent way."

Wes Engstrom, speaking for the Boeing Co., said the giant aerospace company is "concerned" because it gets power from utilities that get their power from Bonneville.

Engstrom said Boeing will submit recommendations on power rate development and "the rates themselves" before the BPA makes a final recommendation to the U.S. Department of Energy in June.

A federal agency first created to market power from Columbia River dams, the BPA had only two rate increases through the first 40 years of its history.

However, as nuclear bills began to come due, it boosted wholesale power rates by a whopping average of 88

percent in December of 1979.

When compounded against that increase, the 53 percent boost scheduled to take effect this July is even larger in amount than the increase of less than two years ago.

Nor is the bad news over. Bonneville plans additional increases in each of the next five years, increases which will quadruple wholesale electrical

rates over pre-'79 levels.

Seattle is in a lucky position to be less dependent on Bonneville than other neighboring utilities. Seattle City Light gets only about a third of its power from the federal agency due to the city's network of power dams.

But Seattle still had to raise electrical rates by 37 percent for residential customers and more than 70 per-

cent for ind

rate increa

bigger bill

But Sea

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It boosted

year, impos

last month

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later this

## Anniversary S

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## Last 2 days

# Reagan not so secure in social-security stand

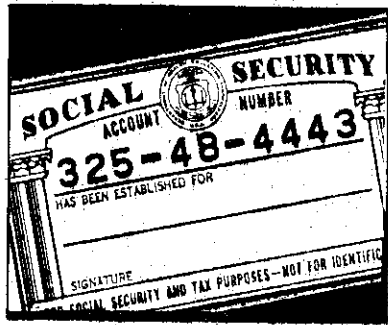
**Knight News Service**

WASHINGTON — Despite his high popularity, there were signs yesterday that President Reagan made his first serious political mistake with his call for cuts in social security.

White House officials, after weeks of hearing little but praise for the President, reported that their telephones have been jangling since Tuesday with messages of alarm from worried citizens.

Karna Small, deputy press secretary, said the White House switchboard had received more than 600 calls questioning or opposing the President's social-security proposals, with 23 in favor.

Uncertainty and anger were further heightened when the besieged Social Security Administration and the Department of Health and Human Services at first denied, then were unable to explain, a report yesterday that the White House was considering postponing an 11.3 per cent cost-of-living increase in retirement payments



**SOCIAL SECURITY**  
Reagan's plan

cause "we were faced with the very stark reality that the social-security trust fund is going broke."

"We have always had to review our campaign statements in light of current conditions and I think we've done the very best we could in light of the current situation," Speakes said.

Despite Speakes' explanations, a White House political operative said, "It doesn't matter why the

Mr. Reagan's program.

Chiles said these workers have had "plans and now somebody is trying to pull the carpet out from under them."

**Chiles' Republican colleague** from Florida, Senator Paula Hawkins, reported that her office had been swamped with calls hostile to the Reagan proposals — and she joined the opposition.

She added that some — more affluent callers — supported the President's program.

Another Southern Republican, Representative Carroll Campbell of South Carolina, who ran Mr. Reagan's 1980 campaign in that state, said the administration should take a second look at its social-security proposals or face a congressional fight "from within their own ranks, which I may help lead."

House Speaker Thomas P. O'Neill, Massachusetts Democrat, whose virtual surrender to the President's forces on the budget proposal has been under fire from fellow Democrats,

Times 5/14/81

Archbishop Oscar Romero  
1918-1980

"I ask that if you truly want to defend human rights, you:

- Prohibit military aid to the Salvadoran government
- Guarantee that your government will not intervene directly or indirectly with economic or diplomatic pressure, in determining the destiny of the Salvadoran people."

—Archbishop Romero  
in a letter to President Carter  
written just three weeks before  
he was assassinated.



# EL SALVADOR. SOME DISTURBING FAC

- Political violence took more than 10,000 lives in El Salvador in 1980. Eighty percent of the deaths, according to wire service reports (Seattle Times, Dec. 11, 1980) are the work of the military or the paramilitary death squads. The number of dead has grown dramatically this year.
- The death squads, as Time magazine (Aug. 18, 1980) understates it, "often operate with the approval of traditional elements within the military." No one has been apprehended for any of the thousands of crimes attributed to these groups.
- Victims of the government forces and the death squads are often tortured and mutilated.

Roberto Cuellar, who served as executive assistant to Archbishop Romero, has declared in a visit to Seattle that, "The Salvadoran people are nothing more than objects for the current government."

- Church leaders such as Archbishop Romero are special targets of these assassins, as are the government's own land reform agents. Many priests have been murdered. The Army has assassinated most of the peasant leaders elected under the land reform law. And the list of such victims recently has grown to include three nuns and a lay social worker from the United States and two U.S. land reform specialists.

- Recently a delegation of trade union leaders from El Salvador, representing 90% of the organized workers there, reported in San Jose, California that every union hall in El Salvador has been bombed in the past year. Mere membership in a union or participation in a strike is often punished by the government with imprisonment or death.
- Opposing the junta is the Democratic Revolutionary Front, a broad popular organization including religious, professional, technical, labor, peasant and student groups and political parties. On last November 27th, while we celebrated Thanksgiving, uniformed members of the Salvadoran Army as well as plainclothes

agents captured, tortured and killed members of the executive branch of the FDR. Among the dead were Enrique Alvarez Cordova and Doroteo Hernandez.

- The United States is a major trigger. Our government's military aid on January 1980, and our on strike in sympathy with the U.S. military. In an ominous reminder of the Vietnam buildup, U.S. military has been sent to El Salvador and has been vastly increasing its administration.

WE HAVE CHOSEN TO COMMEMORATE THE FIRST ANNIVERSARY OF ARCHBISHOP ROMERO BY PUBLISHING HIS APPEAL FOR NON-INTERVENTION.

The signers of this ad have each helped pay for its publication. This is our way of responding to Archbishop Romero's plea, by urging our government to cease aiding the repressive military regime in El Salvador. We ask you to consider the facts we have presented and to join with us in expressing our concern.

Peter G. Antoncich
Mary F. Aldrich
Alice Angeloff
American Friends Service Committee
Peace Education Committee
Sister Sandra Anderson, SFGC
Megan Allen
Lily Anderson
Joseph Andreacchio
Aradia Women's Health Center
Craig Anderson
Trish Arlin
Theresa Ahern
Mark S. Aalfs
AGRECHI (Agrupacion de Refugiados Chilenos)
Reine L. Anderson
John H. Adams
Larry & Gwen Augustine
Ken Arning
Janice Amos
Dona & Bob Anderson
Robert & Patricia Anderson
American Postal Workers Union, AFL-CIO, Seattle, WA Local
American Medical Students Assoc. UW
Paul & Beth Anderson
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Rev. Edward C. Boyle
Rosemary Blakemore
Angela Bartels
David A. Brookbank, Jr.
Herdis Benediktson
Keith & Helen Bradley
Michael Buretta
Steve Bauck
Paul & Marie-Louise Dietrichson
David Bibus
The Boyer Family
Laurie N. Brown
Trude Bennett
Anna L. Burris, SP
Mary Brumbach, OP
Rev. Phillip Bloom
Svhill Bayles

Toby Burton
Mary Neli Bockman
Barbara A. Busby
Gregory J. Beutel
John Burroughs
Rev. Peter Byrne, SJ
Salli Baker
Linda Bell
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William & Virginia Berney
Russel & Virginia Brodine
Hubert & Ann Blalock
Maureen Bo
Rev. David Colwell
Sharon Carson
Beatrice S. Crouse
Kenneth C. Clatterbaugh
Barbara M. Courtney
Rev. Dr. William B. Cate
Community Produce
Frances R. Catto
Marie L. Caivo
Heles Contreras
Faith E. Conlon
Mary & Richard Carbray
Tom & Pamela Cipolla
Ming K. Chen
Caroline Canafax
Rev. L.P. Carroll, SJ
Sr. Julie Codd, CSJP
Sr. Joyce Cox, BVM
Rev. Richard Czajkowski, MM
Rev. Peter Chirico, SS
Rev. James P. Coyne
City People's Mercantile
Marilyn Cardone
Mary Calvin
Joseph F. Conwell, SJ
Central Co-op Staff
Leslie Cossitt
David Chawes
Charles Canada
Steve Cochran
Connie Calvert
Matthew Cook
Anne Cunha
Holly A. Coccoli
Giovanni Costigan
Rev. Patrick Callahan
William J. Con
Joanne L. Craig
Scott Criddle
George & Virginia Clark
Judith Cohen
Geraldine Chase
Li-Fen Chen
Dale Chase
Dow Constantine
Donald S. Creery
Judy Carlsen
David S. Clees
Leanne Clark
Goldie & John Caughlin
Bellarmino Costanzo & Family

Ann Davenport
Joseph F. Donaghiue
M. Louise DuMont, CSJP
Dominican Sisters of St. Helen Convent
Terry DiJoseph-Sears
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Dominican Sisters—Star of the Sea Convent, Bremerton
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Devries
Patricia Dowden
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Catherine Donnelly
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Monica Donahue
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Sue Davidson
Jamie K. Donaldson
Diane de Ste. Croix
Michael Dash
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George DuVall
Dominican Sisters of Mt. Virgin Convent
Janice P. Cate
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Charles Dean
Mrs. Pat Dean
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Sisters of the Holy Cross
Becky Sukovaty
Helen E. Shelton
Sisters of Holy Name Provincialate
Wendy Shaw
Mary Slater
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Shirley Sells
N. Stoy
Wayne R. Smith
Mariel Strauss
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Sisters of the Visitation
Sisters at Immaculate Conception Convent, Everett
Sisters of St. Dominic, Perpetual Help Convent, Everett
Sisters of Holy Cross, So. Bend, Indiana
Sisters of St. Joseph's Faculty House
Sisters of St. Joseph of Peace, Provincial Adm.
Sisters of St. Dominic of Marymount, Tacoma
Sisters of St. Francis of Rochester, Minnesota
Sisters of Providence, Provincial Council
Sisters of St. James Convent
Sisters of Holy Names Provincialate, Spokane
Student Christian Movement
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—Ron Krom
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Sara Singleton
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Michael A. Stanton
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Rev. Tim Sauer
St. Joseph Parish Council

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# Cuba Sends Advisers to Nicaragua, but Counsels Caution

Special to The New York Times

MEXICO CITY, July 6 — A week after overthrowing the Somoza regime, the victorious Sandinist rebels sent a delegation to Havana to thank President Fidel Castro for his help and to seek his counsel. They were surprised by what they heard.

"He warned us not to repeat Cuba's mistakes," a member of the delegation recalled. "He told us to avoid a confrontation with the United States, to maintain good relations with the church, to preserve a private sector and not to impose rationing."

Managua is still listening to Havana. More than 2,000 Cubans are working in education, health, road construction, communications, military training and intelligence. Nicaraguan officials frequently fly to Havana to confer with President Castro and the Cuban leader himself may attend ceremonies marking the first anniversary of the revolution July 19.

## Strong Ties With Nearby Nations

But Nicaragua has also carefully avoided full identification with Cuba and has maintained strong political and economic ties with other nearby nations, notably Mexico, Costa Rica, Panama and Venezuela. The Cubans themselves have kept a low profile after anti-Cuban feelings were stirred by reports that some Cuban teachers had mocked the strong Catholicism of the Nicaraguans.

Close ties between Nicaragua and Cuba were a natural result of the support the Sandinists received from Cuba during their 17 years of struggle. Most top rebel leaders at different times lived and received military training in Cuba. The Castro regime, which never forgave Gen. Anastasio Somoza Debayle for allowing Cuban exiles to leave from Nicaragua for the Bay of Pigs invasion in 1961, also made the Havana radio available for Sandinist broadcasts.

## Cuba Reacted Slowly to Unrest

Strangely, though, with its political and military attention focused on Africa in the late 1970's, Cuba was slow to respond to the growth of popular unrest in Central America. Cuban officials were skeptical of the Sandinists' strategy of forming an alliance with "bourgeois" sectors against the Somoza dictatorship.

As a result, while Venezuela and Panama were financing and arming the guerrillas, United States officials say Cuba only provided some money and weapons on the eve of last summer's final offensive.

After the victory, however, Cuba immediately sent in medical teams, technicians and daily shipments of powdered milk. The Cubans were also trusted to advise the new Government on such mundane but vital questions as how to organize a ministry or how to set up a television network.

Among middle-class Nicaraguans, the arrival of 1,200 Cuban teachers last winter provoked nervousness, but, like the 200 Cuban doctors and nurses, most have gone to remote rural districts long abandoned by the Somoza regime. The Dominican Republic, Spain and Costa Rica have also sent contingents.

United States officials say they are more worried by the Cuban presence in military training, intelligence work and communications. "Intelligence is the most dangerous area," a Western diplomat said. "The Cubans may be helping the Nicaraguans, but an intelligence agent has his own game. It's an area where the Cubans can easily deceive the Nicaraguans."

In the first months after the revolution, Washington also felt that Cuba was virtually dictating Nicaragua's foreign policy, leading the new Government to adopt pro-Soviet stances on such distant issues as the Vietnamese occupation of Cambodia. Nicaragua abstained in the United Nations General Assembly vote to condemn the Soviet invasion of Afghanistan, but has nevertheless repeatedly expressed strong disapproval of the action.

## 'Soviet Domination' Denied

Nothing in fact annoys the proudly nationalistic Sandinists more than the suggestion that they are Cuban puppets. "We didn't go through all this to exchange American domination for Soviet domination," a member of the junta said.

The Soviet Union recently opened an embassy in Managua and inaugurated a weekly flight to Moscow. But it is apparently leaving the Cubans to influ-

ence the sensitive political and military sectors. A Sandinist delegation was reportedly rebuffed by Moscow in a request for economic aid. Instead, the Soviet Union is offering technical assistance in fishing, hydroelectric power and the textile industry.

## Cuban Aid Described

But the Nicaraguan revolution has alerted both Havana and Moscow, as well as Washington, to the political unrest elsewhere in Central America. Some Pentagon officials have charged that Cuba is now funneling arms to El Salvador's guerrillas through Honduras, although United States diplomats concede they have no firm evidence of this.

"We think Cuba is providing some training to the Salvadoran and Guatemalan guerrillas and perhaps helping them acquire arms from third countries, probably the Arabs," a State Department expert said. "But you have to remember that Cuba didn't start the trouble in Central America. I don't think Cuba could have achieved this even if it had tried. The region has its own dynamics."

Though it failed in its own effort to "export revolution" in the 1960's, Cuba is now in a position to reap political benefits from revolutionary processes that it long ignored and barely assisted. "Cuba turned its back on Latin America in the 1970's," a Nicaraguan official said, "but Cuba was always a symbol and inspiration to Latin American leftists."

# U.S. Loses Ground in Central America And Backs Changes in a Bid to Recoup

By ALAN RIDING

Special to The New York Times

MEXICO CITY, July 6 — Caught off-guard by the revolution last year in Nicaragua, the United States has begun promoting radical change in Central America in the hope of averting new leftist takeovers in the region.

But years of neglect have eroded the traditional influence of the United States in countries whose stability and friendship Washington had long taken for granted. Now the United States is finding it is deeply distrusted by both conservatives and leftists while besieged moderate groups see liberal Governments of Western Europe and Latin America as their natural allies.

As with Nicaragua, the Carter Administration's new campaign for change in El Salvador and Guatemala may again have come too late to forestall violent confrontations between political extremes.

## Conflict Continues to Grow

Recent events in El Salvador have underlined Washington's feeling of impotence. In March, the United States sponsored the most radical program of land redistribution Latin America has known outside Cuba and pressed the military regime to nationalize private banks. But the conflict between the army and leftist guerrillas has continued.

In Guatemala, the Carter Administration's recent call for reform has been dismissed by ruling generals and conservative businessmen who are gambling that a victory by Ronald Reagan in the Presidential election in November will lead to a reversal of United States policy.

As recognition of Central America's strategic importance has spread through Washington, pressure has mounted in Congress, the National Security Council and the Pentagon for a hard-line response to the leftist challenge.

## 'Alarm Bells Go Off'

"No one is interested in Central America as such," a State Department official said, "but they look at a map and see Mexican oil to the north, the Panama Canal to the south and of course Cuba to the east. Then the alarm bells go off."

The specter of Cuban control over the region has proved the strongest obsession. "Cuba is clearly not the cause of Central America's problems," William G. Bowdler, Assistant Secretary of State for Inter-American Affairs, told a House subcommittee in May, "but Cuba could just as clearly become a major beneficiary of turmoil."

The State Department has argued that since change is inevitable United States interests are best served by "stealing" Cuba's cause and promoting change. Significantly, Congress backed a \$53.7 million economic aid package for Nicaragua last month only after it was presented as vital to neutralize Cuban influence.

## Left Is Called Main Danger

But conservatives in the United States insist that Washington's first priority should be to help crush leftist guerrillas, even if this means providing political sup-

ported by the United States. Even now, with a total population of only 20 million, it offers a tiny market for United States goods. And as a source of strategic raw materials, it is equally unimportant: The area's main exports are bananas, coffee and cotton.

Washington's interest has only been stirred when the region's stability has seemed threatened. The Marines intervened in Nicaragua in 1911 and left 22 years later after the Somoza family had been installed in power. The Central Intelligence Agency helped oust a leftist Government in Guatemala in 1954, and the United States Army trained Central American soldiers in counterinsurgency after the 1959 Cuban revolution. But in times of apparent tranquillity, such as the 1970's, the region was ignored.

In contrast, the United States has always dominated the lives of the five tiny nations, which regarded themselves as virtual colonies. The United States ambassador in each country was seen as a proconsul with the right to interfere in local politics. The ambassador in turn looked after the interests of major United States investors and picked friends from among the wealthy businessmen and landowners. Few ambassadors spoke fluent Spanish or sought out opposition leaders.

The power of the United States banana companies in Honduras surpassed that of any ambassador. During elections, candidates would compete for their contribu-

## Central America: A Region in Turmoil

*Last of three articles.*

tions and support, while on occasion the companies financed coups against unfriendly regimes. In 1975, United Brands paid \$1.25 million to officials to lower an export tax.

Wealthy Central Americans spoke English, sent their children to college in the United States and frequently vacationed there. They would read Time magazine before their own newspapers, listen to the Beach Boys rather than folk music and prefer barbecues to native food.

Leftist intellectuals deeply resented the political, economic and cultural presence of the United States. Once asked to identify Central America's main problem, a Nicaraguan guerrilla replied without hesitation, "North American imperialism." They dismissed the United States as a monolithic imperialistic power that would tolerate no change in Central America.

Both the ruling elites and their main opponents were surprised and confused by President Carter's human rights campaign. At first neither rightists nor leftists believed it would go beyond verbal admonishments. "It's all cosmetics," a Salvadoran Social Democrat said late in 1977. But conservative governments gradually became more irritated with Washington while leftist democratic

ber being asked, "How can you prove it?"

In Nicaragua, El Salvador and Guatemala the strength of the opposition was underestimated, and when the United States finally intervened diplomatically it found its options virtually limited to supporting the dictatorship, intervening militarily or accepting revolution.

In Nicaragua, unable to persuade General Somoza to hand over power to moderates, Washington called for dispatch of an inter-American peace force. When the Organization of American States rejected the idea, an outright Sandinist victory became inevitable.

In El Salvador, United States officials, increasingly despairing of the junta's ability to restore order, are now said to favor direct negotiations between the Government and the main opposition coalition, the Democratic Revolutionary Front, to take place during a cease-fire supervised by an inter-American peace force. The front, however, has already rejected outside intervention.

But the strongest resistance to Washington's new reform-minded policy has come from conservatives who, in the words of a United States diplomat, "prefer to give nothing and risk losing everything." Washington's success in pushing change through El Salvador's junta, for example, so infuriated local rightists that they laid siege to the residence of the United States Ambassador, Robert E. White, forcing Marine guards to fire tear gas so he could escape.

Complicating Washington's diplomatic efforts is the fact that it is now competing for influence not only with Cuba but also with Social and Christian Democrats of Latin America and Western Europe and with such interested countries as Mexico and Panama.

Foreign support for the Sandinists — mainly money and arms from Venezuela, Panama and Costa Rica — was crucial in bringing them to power. The opposition groups in El Salvador and Guatemala also seem aware that the outcome of their struggles may be decided outside their borders.

Even Mexico, which has traditionally ignored its own backyard, is becoming more active in Central America, strongly backing the Sandinist Government, opposing United States policy and encouraging unity among opposition factions in El Salvador and consciously cooling relations with Guatemala.

The United States is also trying to fit its Central American policy into the broader context of the Caribbean basin, which includes Cuba, the unstable socialist regimes of Jamaica, Grenada and Guyana and several island nations that are overwhelmed by economic and social problems.

"Were we dealing with a series of unrelated crises, we could assume the relaxed attitude of monitoring painful but necessary birth pangs of a new and possibly more just order," Luigi Einaudi, a State Department policy planner, said recently. "But taken together these developments increase uncertainty about the future."

# U.S. Ties With Central America AT A GLANCE

The United States has traditionally dominated the Central American region and sustained its authoritarian regimes. The Carter Administration's support for human rights and social reforms has angered conservatives in Guatemala and El Salvador, but relations with Nicaragua's leftist Government as well as with Costa Rica and Honduras remain good.

## GUATEMALA

After helping to oust a leftist Guatemalan Government that nationalized lands owned by a United States banana company in 1954, Washington maintained good relations with a succession of conservative military regimes, providing them with economic aid and military training even through a fierce wave of repression late in the 1960's. United States investment in light industry grew and the country became a favorite for the retired, for students and for tourists.

Under the Carter Administration, though, relations have soured. The Guatemalan Government rejected United States military aid in 1977 to protest criticism over human rights and has since shown increasing hostility. Conservatives believe United States policy is paving the way for a leftist takeover, while Washington feels social changes are needed to prevent a revolution.

Guatemala is also resentful of United States support for the independence of the British colony of Belize, which Guatemala claims as its own.

## HONDURAS

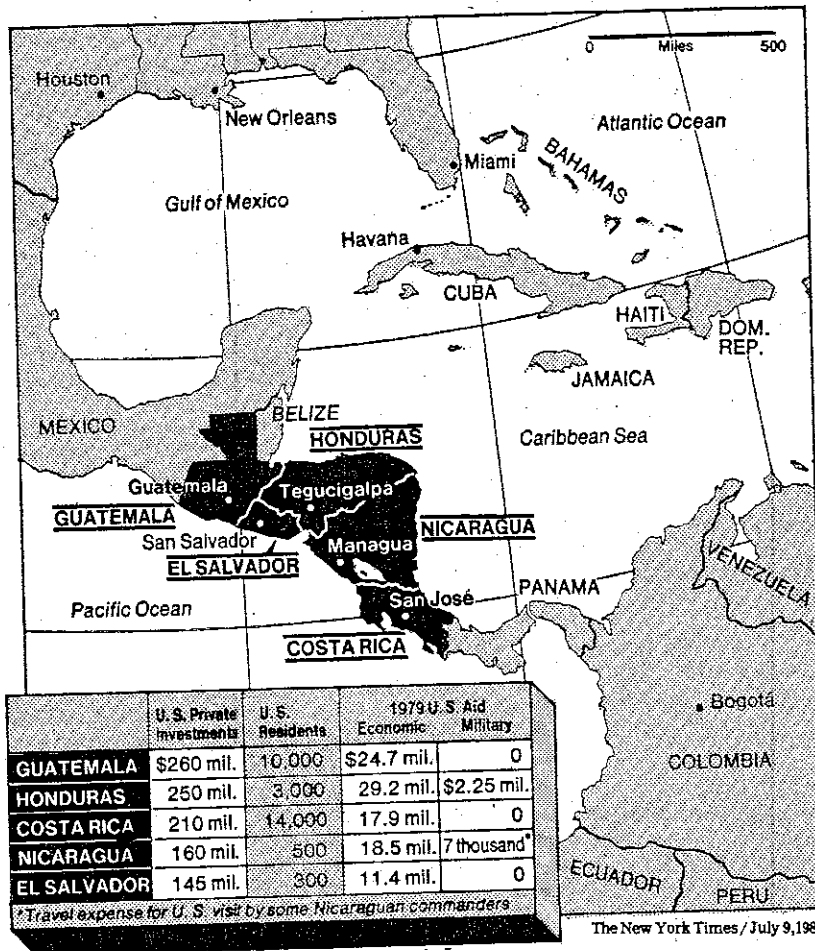
United States policy toward Honduras was traditionally attuned to the interests of the large United States banana companies — United Brands, known locally as the Tela Railroad Company, and Castle & Cooke, known as Standard Fruit. In recent years, the companies have lost influence over Honduran politics, but Washington paid little attention to the country until the revolution last year in Nicaragua.

The United States strongly backed elections for a constitutional assembly last April 20 and has persuaded the army to leave office after general elections, scheduled for next spring, are held. In the meantime, Washington has doubled its economic aid to encourage a resumption of land redistribution and improvement in rural conditions. It has also stepped up military aid to strengthen Honduran military patrols along the border with El Salvador.

## EL SALVADOR

With no United States banana company and no tradition of direct United States intervention, El Salvador has never attracted much attention in Washington.

In 1972, the Nixon Administration ignored a vast electoral fraud that kept the army in power. Even in 1977, a month after President Carter took office, Washington failed to protest a new electoral fraud. Although the Government rejected United States military aid later that year because of criticism over human rights, American economic aid continued. But the Nicaraguan revolution led Washington



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to urge President Carlos Humberto Romero to bring forward the next election to ease political tension. When he refused, he was ousted with United States approval.

The United States has since supported a five-man civilian-military junta, providing economic and military aid in exchange for land and economic reforms. But Washington is fiercely criticized by church, human rights and Social Democratic groups for backing a regime that is maintaining a campaign of brutal repression.

## NICARAGUA

Having supported the Somoza dynasty through all but the final months of its 46-year-long dictatorship, the United States has managed to establish a surprising rapport with Nicaragua's new revolutionary Government.

Washington immediately recognized the guerrilla victory and began sending emergency food shipments. American officials were tolerant of the resentment expressed over Washington's long support for the Somozas and, gradually, some measure of trust was built up with the Sandinist leadership.

Last September, the Carter Administration offered a \$75 million emergency aid package to Nicaragua, but it did not receive final Congressional approval until last week. The delay embarrassed United States officials and irritated Nicaragua's hard-pressed regime. Before passage, however, some \$20 million was advanced by the United States and a further \$53.7

million aid program is planned for fiscal 1981. An agreement was even recently signed between the two governments under which the Peace Corps will shortly return to Nicaragua.

## COSTA RICA

The people of Costa Rica, not just their Government, are genuinely pro-United States. It being largely a middle-class country, United States consumer values as well as Western-style democracy are entrenched there. The United States in turn has always praised Costa Rica's political freedom and commitment to human rights.

Not surprisingly, it is a favorite retirement spot for elderly Americans. But its lax "pensionado" law provoked a rare clash with the United States in the mid-1970's when the fugitive American financier, Robert L. Vesco, fled there. Business ties to successive presidents then saved him from United States extradition requests. But when Rodrigo Carazo Odio won election in 1978, he vowed to expel Mr. Vesco. The financier left the country four days before Mr. Carazo took office and is now believed to be living in the Bahamas.

Some frictions were also evident in relations with the United States over President Carazo's tolerance of Sandinist activities in Costa Rica in the year before General Somoza's ouster. To compensate, perhaps, Costa Rica is among the few countries backing current United States policy in El Salvador.



# Fishing Meets Oil on Puget Sound

First in a series

by Brad Warren

Standing on Front Street in Friday Harbor, you probably won't see the fiercest pitch of battle between oil and fisheries interests on Puget Sound. But you can see the focal point of San Juan Island's tiny branch of the oil industry, and of the county's fishing industry. Nearly all the oil and gas on the island is barged into the Union and Standard oil docks and trucked from there to the island's two filling stations; most of the county's fishing fleet, and many visiting fishing boats too, tie up at or near the same docks.

It is an ironic twist which brings fishermen into what is shaping up as a historic struggle with the oil companies whose local operators are the fishermen's friends — and whose docks hold their boats.

But it is an even stranger twist which makes all the fisheries of greater Puget Sound depend on the seemingly precarious right of Washington's treaty Indian tribes to protect from environmental destruction all lands, rivers and habitats which are crucial for the fish to spawn and survive.

The tribes and the non-Indian fishermen have never been allies; in recent years, they have become jealous and distrustful rivals for a diminishing number of fish. Worse, competition for fish has become treacherous even among different bands of Indians and between groups of non-Indian fishermen. For example, several years ago, trollers secured a state court decision forbidding the state fisheries department from regulating their season; then they sailed out and caught the

coho salmon run returning from open ocean while the gillnetters — who were still regulated by the state — were restricted from fishing. By the time the state opened the gillnetters' season, the trollers had already caught what might have been the gillnetters' share of the run.

But now, fishermen face a more formidable foe than ever before. The oil industry, with enormous clout, is

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**Whether the fisheries survive may depend on how well non-Indian fishermen can cooperate with the tribes.**

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lobbying for a bill to allow oil drilling beneath Puget Sound and the Strait of Juan de Fuca; pushing through permits for the Northern Tier crude-oil pipeline; and planning to increase tanker size and traffic on the Sound. But fishermen also have a legal weapon to fight with: the Indian treaty right to protect the fish stock. Whether the fisheries survive may depend on how well non-Indian fishermen can cooperate with the tribes.

Since 1974, three US District Court decisions have placed the state's fisheries under mounting political and economic pressure.

First, in February 1974, Judge George Boldt ruled that the treaties by which the Indians had granted most of Western Washington to the United States reserved for the Indians a right to catch up to half the harvestable salmon, steelhead and herring in traditional fishing areas. Judge Boldt found that the

state had for years denied this right to the tribes; further, the state had allowed non-Indian overfishing, dam-building, land development and pollution to decimate the once-great salmon runs which the tribes still depend upon. Therefore, Judge Boldt called for scientific management of the diminishing fish runs, and ordered that a long-range management plan be drawn up and implemented to the satisfaction of state, federal and tribal authorities.

But Judge Boldt left two crucial issues unresolved, announcing that he would later issue a "Phase Two" decision. But he retired first, and never settled whether Indians are entitled to half the state hatchery-produced fish as well as half the natural runs; nor did he settle whether the Indians could protect watersheds and environments necessary to maintain the fish stock.

US District Judge William Orrick last September issued what has become known as the "Boldt Two" decision. Judge Orrick ruled that the state, at the Indians' request, must prevent development that would silt spawning areas, pollute streams and habitat or environmentally threaten the fish. Judge Orrick ruled further that the Indians are entitled to half the hatchery-produced fish, since, even though non-Indian taxes finance the hatcheries, such projects are only necessary because non-Indians have decimated the natural runs.

The third decision came only last week, and brought oil into the picture.

US District Court Judge Robert Belloni dismissed all but one of a long list of legal arguments against the proposed Northern Tier crude-oil

pipeline. The only legal challenge he left intact was the claim of two Indian tribes that the pipeline would damage fish habitat, and thereby violate what Judge Orrick had ruled was their treaty right.

Judge Belloni did not say the Indians were correct, but he did decide their argument merits a court hearing. It was, he said, the only legal argument which might prove strong enough to block federal approval of the pipeline, which would run east from Port Angeles beneath Puget Sound, reach across Whidbey Island, and feed Midwest oil refineries.

But the state of Washington plans to appeal the Orrick decision — incidentally dismantling 'the tribes' argument against the pipeline — by next week.

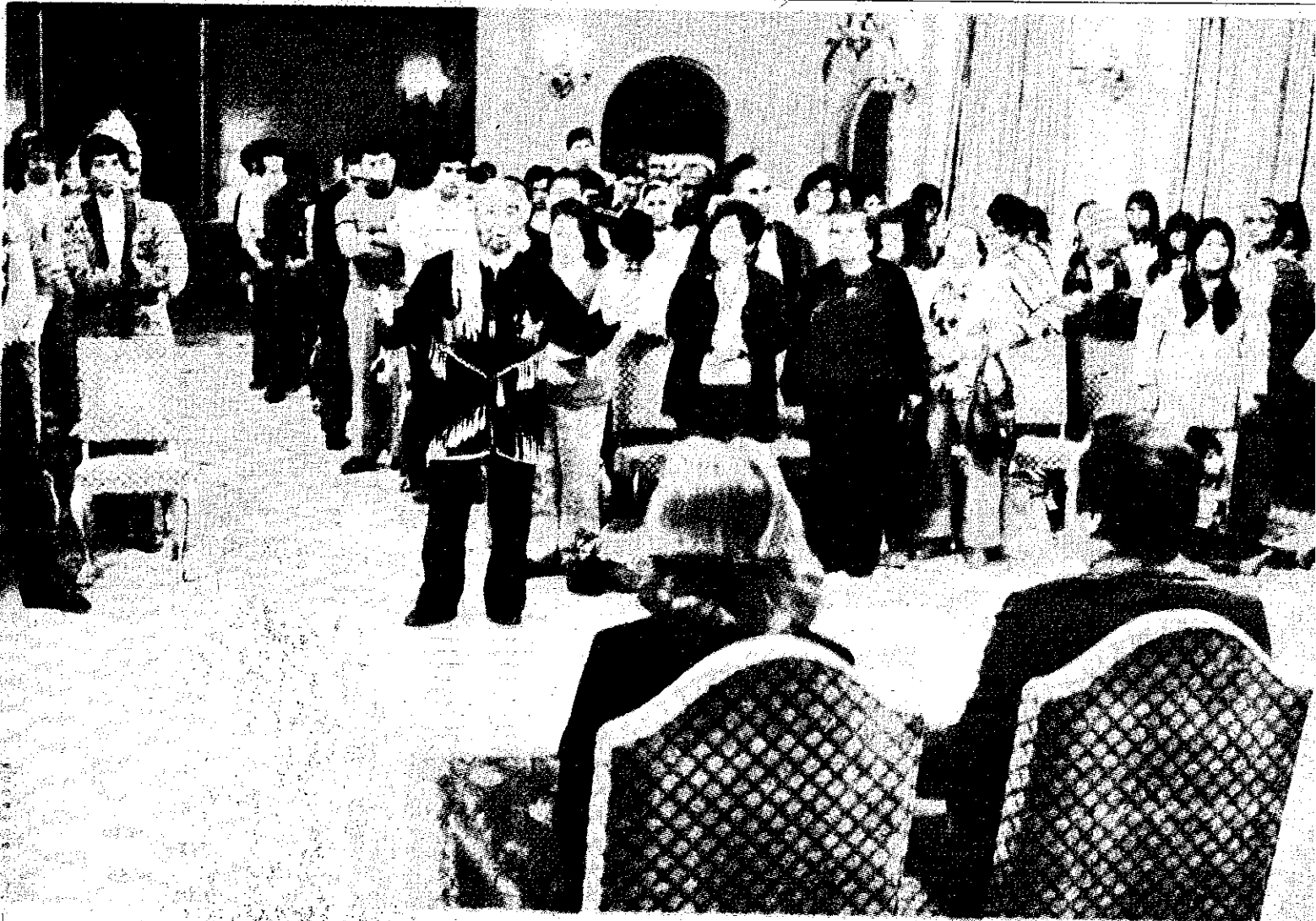
The three decisions have set the stage for a showdown that reflects on some of the major problems of our time. First, because of the Orrick decision, the Indians now wield greater power than ever before over zoning, development, industry and a host of other projects off-reservation. They are treading very carefully so as not to lose that power, but they have issued firm warnings that they will take the oil industry to court if their treaty rights are violated. How the Indians handle their new power may have a lot to do with the course of Indian treaty rights decisions in the future.

Second, the archaic, disorganized fishing industry — in many ways a holdout for the free enterprise ideal — is being forced to face both its own management problems and the powerful political competitor of the oil industry. Although the toxic effects of oil upon fish are poorly understood, they are known to be real. But even if oil pollution posed no threat, the underlying dispute is between the inherited way of life of small-time fishermen, and a modern, centralized industry bent on efficient mining and transport of oil.

Third, both fishing and the oil industry are gaining political momentum because of the scarcity of their resources — fish and oil. The world problems of the next decade are certain to revolve around efforts to manage and allocate such resources. Historically, fishing has given way to energy concerns as hydro-electric dams were constructed on the great salmon rivers of America. On the east coast now, the George Bank fisheries are losing ground to the oil industry's move to set up offshore oil rigs.

It will be a surprising reversal if

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Chief Able Joe makes speech to Gov.-Gen. Schreyer and Mrs. Schreyer at Rideau Hall. — Drew Gragg, Citizen

## Indians sending delegates to UN

By Paula McLaughlin and Tony Cote

*Citizen staff writers*

The tired travellers of the Constitution Express confirmed Friday they will extend their trek to the United Nations in New York City after a week-long stay in Ottawa.

Chief Robert Manuel, of the Shuswap Nation in B.C.'s southern interior, said a delegation will leave for New York Dec. 6, aboard a caravan of buses.

The Indian people must declare nationhood, he told a group of 500 weary but defiant express riders at the Civic Centre.

"It's our intention to go to the United Nations and take our rightful place alongside all the other nations of the world," he told the cheering crowd before they sat down to a feast of goose, duck and turkey.

"When we got off the Constitution Express this morning, we emerged as a strong family, a nation," he said.

There has been talk of extending the Ottawa trip since the first train left Vancouver Monday, he said, but the decision was made after a hurried meeting Friday with Gov.-Gen. Ed Schreyer.

"We presented a brief to the governor-general, saying that

the Canadian government should not be allowed to patriate the parts of the constitution which govern the Indian people," Manuel said. "But the governor-general told us we would have to deal through the Canadian government, we couldn't negotiate directly with the Crown. That made us feel more strongly than ever that we have to be recognized as a nation in our own right."

Manuel said an advance team of Indian organizers will arrive in New York this weekend to set up meetings with UN delegates and officials.

Ottawa deputy police chief Tom Flanagan praised the organization of the express delegation here.

"If other groups acted the same way, our job would be made much easier," he said. Flanagan and other senior officers from Ottawa and the RCMP met for several hours with Indian leaders Friday to discuss potential security problems.

"We were assured that nothing would happen similar to the incident several years ago on the Hill," he said. In 1974, a protest march by Indians occupying the old Carbide mill on Victoria Island turned ugly and resulted in several arrests.

(Police, page 5)

# Police expect no trouble with Indians

(From page 1, Indians)

By Paula McLaughlin  
and Tony Cote

Citizen staff writers

Police don't anticipate any problems with Indians groups who have come to Ottawa to lobby Parliament on reform of the constitution.

City police will be on hand to help in communications and to assist with

traffic during any of the planned marches and demonstrations.

According to deputy police chief Tom Flanagan, a number of splinter groups who didn't believe in the security restrictions on the train, left near the beginning of the trip: "We aren't anticipating any problems, but the possibility is always there, perhaps

from the splinter groups."

The police force hasn't taken any extraordinary security precautions, he said.

Robert Manuel and the group of elders and chiefs who met with Governor-General Schreyer were paraded into the Civic Centre by a group of singing and drumming young Indians. As the chief made his way to a platform, the drummers chanted "we don't need your constitution" and "you'll never steal our love of freedom."

They were soon joined by the bulk of the crowd, chanting and waving clenched fists.

## NATIONAL

After Manuel's speech, they sat down to a feast of fowl donated to the Express from Ottawa area residents.

Organizer Linda Jordan said all the participants have found temporary accommodation, either through private billets or at the YM-YWCA, the Nicholas Street youth hostel or local hotels.

But food committee chairman Lynn Smyth said the Express is running low on food. More than

2,000 meals were served at lunch and dinner Friday, depleting much of the food that had been donated.

Prepared food is desperately needed, she said, and can be dropped off at the Ottawa Native Friendship Centre, 600 Bank St.

For many of the travelers, Friday's feast was the first hot meal they'd had in five days. Many said they were exhausted from sitting up overnight in day coaches on the train.

Mary John from Winnipeg said she had been on the train for two and a half days. "The most important thing for me right now is to get a hot

shower and a good night's sleep," she said.

John said she joined the Express because it was "the first chance for me to really participate in the Indian movement. I really feel a part of my people now."

The trip was long and tiring, she said, "but we're not too tired to keep pushing for our rights."

Although the adults found extra energy to keep going through the dinner which didn't start until after 9 p.m., many of the children had had enough. Youngsters curled up in mothers' arms, on tables or the floor and slept soundly through the unremitting beat of the drums.

The Citizen,



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- high ratio
- 10% pre-privilege

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# Salvadoran Workers Strike

SAN SALVADOR, El Salvador (UPI) — Some 20,000 government workers walked off their jobs yesterday in support of an offensive by leftist guerrillas here that has taken 500 lives in an all-out effort to oust the U.S.-backed ruling junta.

In Washington, government officials said the United States has decided to resume military aid to El Salvador, which will include the training of Salvadoran troops by American advisers.

Heavy fighting between government troops and leftist guerrillas was reported in four provincial cities in the fourth day of the rebel offensive.

A South African journalist died of shrapnel wounds received Monday when a land mine exploded under his

vehicle. He was one of at least 500 people killed in fighting since Saturday when leftist guerrillas launched their major assaults, government radio said.

A spokeswoman for the Public Employees' Association said workers of the Education, Judicial and Interior ministries, about 20,000 employees, walked off their jobs in support of a national strike called to support the guerrilla offensive.

The State Department will announce today a \$5 million military aid package for El Salvador that will include funds for several helicopters, U.S. training of Salvadoran troops and small arms, U.S. officials said.

they teared Mackasey's considerable talent for self-publicity.

His replacement, the intelligent Serge Joyal, has been an impressive success. But whatever wisdom moved the Liberals to give Senator Harry Hays the other chairman's role has been rewarded, as we know, with uncalculated results (i.e. the enmity of 52 per cent of the population.)

The Liberals, looking like fools, were hammered into giving way on televising the hearings which they themselves advertised as so crucial to the fate of the nation. The party supposedly in control again looked clumsy and secretive.

The result has been that never again will they be able to keep the cameras out of such important public business. You can't go backward and some of the committee sessions — for those across Canada getting them on cablevision — have been gripping television, the stuff of which a country is made.

There has been the stupid Liberal decision — again, looking at the calendar — to bar expert witnesses from the hearings, a move that makes the Liberal haste appear even more suspect.

Most important has been the composition of the committee. The Tories have sent some of their lower-keyed best.

Thursday night with the appearance of the lucid and passionate Dr. Manoli Lupul of the Canadian Ukrainians (or, as the ineffable Senator Hays called them, "Uke-keranians."), the Tories had a nice counterpoint in their questioning.

Manitoba's Jake Epp, their constitutional leader, is thorough and considerate. Alberta's Ray Hnatyshyn is cool and polite. Newfoundland's James McGrath is solid and intelligent.

The NDP's Lorne Nystrom has flourished under the spotlight of the cameras. Svend Robinson and Ian Waddell are impressive and probing. There was a nice touch when the party trotted out Laverne Lewycky, a little-known Winnipeg MP, to question the Ukrainian delegation.

Some of the sympathetic exchanges between the brilliant Dr. Lapul, a Ukrainian from Alberta, and Mackasey, the Irishman from Quebec, brought the whole constitutional debate to life and made for brilliant theatre.

But generally, the rubber-stamps sent by the Liberals to man the committee are weak and wobbly, giving the impression they scarcely believe the instructions they're operating under.

Columnist Richard Gwyn had a good point this week in observing that certainly — as Trudeau complains — the politicians have been debating for 53 years on the constitution. But now — for the first time — it is the people who want to talk about it.

And Trudeau wants to cut them off in just 10 days. No way.

PL 5/28/81

# PLAY THE MANAGEMENT GAME JAPANESE STYLE

JUNE 10-12  
JUNE 15-17

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Sony calls this program the *IMG-International Management Game*. The *IMG* is designed to provide five years of senior management experience in a period of three days. Unlike other management simulation programs, the *IMG* does not use a computer to digest and print-out data. The only computer used is a hand-held calculator.

The Sony *IMG* is an exciting, sophisticated, no-nonsense management development program with a minimum of lecturing and a maximum of hands-on business decision making. Each participant plays the role of company president and must make a series of major business decisions according to rules of Japanese business practice.

*Tetsuo Minna*, president of the Tokyo-based Sony subsidiary which developed the *IMG* will visit Seattle with an English speaking staff to conduct all sessions.

**This is a very rare opportunity to learn techniques of Japanese business management.**

Seattle area interest in this program is expected to be very great. Attendance will be very limited. **ADVANCED REGISTRATION AND PAYMENT ARE REQUIRED.** Fee of \$625 includes all luncheons, materials and awards. **If you plan to attend, you should ACT NOW!**

For further discussion:

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*Trudeau leaving country*

# BNA debate deadline may be extended

By Aileen McCabe  
*Citizen staff writer*

Prime Minister Trudeau will spend most of January travelling in Africa and South America which could mean the Liberals plan to let the constitutional debate rage on through January.

It was learned Friday that Trudeau is planning to leave Canada on Dec. 28 for a skiing holiday in the Alps, but has not decided where.

Dates have to be confirmed, but provisional plans call for him to abandon the slopes in early January and head for Algeria, probably on Jan. 4.

He will spend approximately 10 days in Africa visiting Algeria and Senegal and then fly to South America.

He will arrive in Brasilia, the ultra-modern capital of Brazil, on Jan. 14 and spend a couple of days holding meetings and travelling before he moves on for a short visit to Mexico.

Trudeau plans to return to Canada Jan. 17 or 18.

Officials close to the constitutional discussions say Trudeau's absence from the Commons could be a signal that the Liberals intend to let the constitutional debate continue through most of January.

They speculate the Liberals will not

make a move to cut-off the opposition until after Trudeau returns.

If this is the case and the committee does not get its deadline extended beyond Dec. 9, it will mean the resolution will be on the floor of the House for about three weeks before Trudeau comes home.

Trudeau will be pursuing the question of North-South relations with the leaders he meets in Africa and South America.

His talks are a prelude to the seven-nations summit being held in Ottawa next summer and are an extension of the discussions he had with leaders in the Middle East earlier this month.

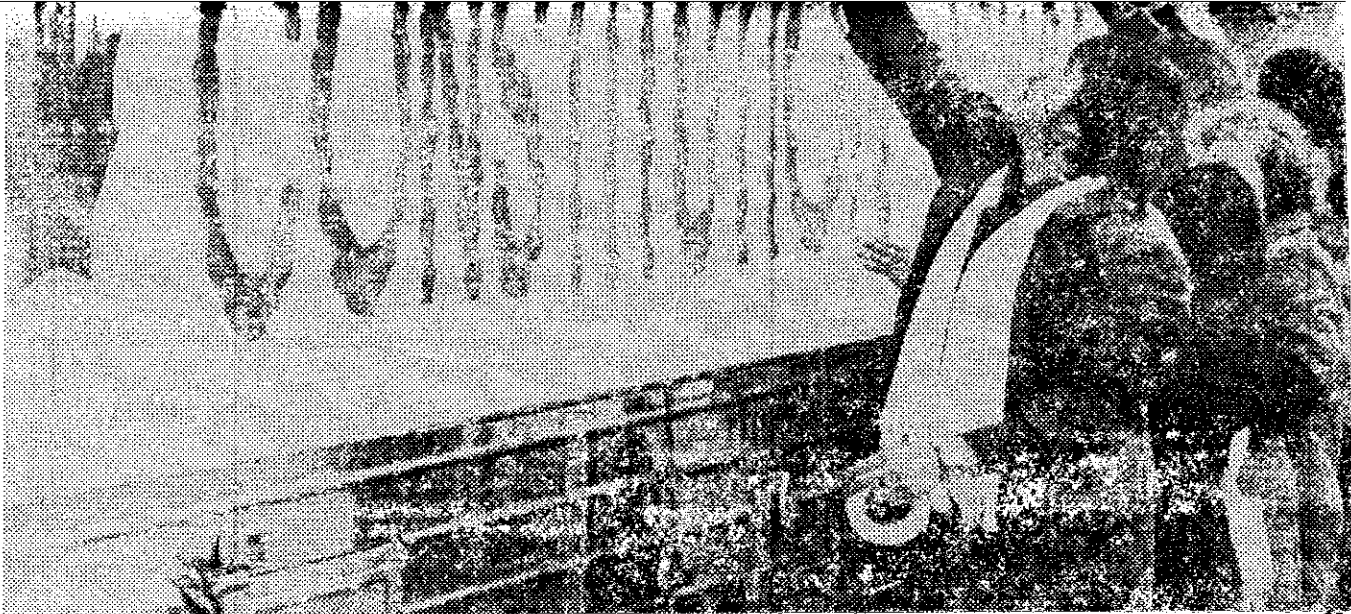
Trudeau is making the relationship between Third World nations and the developed world a personal mission, and officials do not rule out further travelling in the new year.

This will be Trudeau's first official visit to Africa and it will give him a chance to renew his friendship with Senegal's President Leopold Senghor.

Brazil will also be an official first for Trudeau, however he has been in Mexico before during a state visit in 1976.

Sources say it will be a solitary trip for Trudeau—he'll have his officials and he might even take the press this time, but he isn't expected to have one of his children in tow.





Maritime Indians spread banner across one of two buses bringing native activists to Ottawa. CP 1

# Indians 'will declare nationhood unless rights charter changes'

OTTAWA (CP) — A leading Indian chief yesterday said Indians will declare "nationhood" unless Prime Minister Pierre Trudeau amends his charter of rights to include treaty and aboriginal rights.

"We can't keep on talking about (Indian)

nations within confederation," Robert Manuel, a British Columbia chief, said yesterday in an impassioned speech before 1,000 chiefs, delegates and observers at the opening session of a three-day national chiefs' conference.

"We've got to start acting as a nation,"

Manuel shouted. In the crowd were about 400 chiefs, representing 300,000 treaty Indians, who are meeting to prepare a formal declaration of nationhood.

Jabbing his finger toward Indian Affairs Minister John Munro who sat only a few seats away, Manuel, still shouting, said: "Munro, tell Trudeau to answer us within three days."

Manuel said in an interview later that he would table proposals in the next two days clearly stating what nationhood is and how it could be implemented.

Several other chiefs who spoke after some brief opening speeches demanded that Trudeau reply directly to delegates before the conference ends tomorrow night.

Munro said in an interview that he didn't think Trudeau would have anything to say until the committee reported its findings to Parliament Dec. 9.

Trudeau has repeatedly said native groups have not clearly defined what they mean by aboriginal rights or who they should cover. He wants them to work

out their position and negotiate with Ottawa and the provinces next year after patriation.

Meanwhile, representatives of three Maritime Indian groups left Halifax for Ottawa in two chartered buses.

They will join other Indians from western provinces who

arrived in Ottawa day to press for revision of native rights in the constitution.

The groups represent the Native Council of Nova Scotia, the Council of Prince Edward Island and New Brunswick Association of Status Indians.

who tar-

## B.C. chief charges RCMP infiltration

OTTAWA (CP) — An Indian leader yesterday accused the RCMP of infiltrating his organization and shadowing hundreds of Indians who are in Ottawa to lobby for entrenchment of their rights in the constitution.

Wayne Christian, a member of the Union of British Columbia Indian chiefs, claimed "there has been heavy surveillance put on us and we are being followed."

Supt. Jacques Briere, who heads the RCMP's crime operations, confirmed that Mounties have been assigned to the Indian visit, but he said they numbered less than 10.

He denied Indians were under surveillance and said that no RCMP officers had infiltrated the Indian group.

Briere said the RCMP officers were "on the street" looking for "known trouble-makers" who might try to infiltrate the Indian groups and provoke a violent confrontation with either the RCMP or the Ottawa police."

Briere said no RCMP agents will attend the chiefs' conference "unless we are invited."

# Canada, U.S. 'stole' Indian lands: Tribunal

ROTTERDAM, Netherland (AP) — Canada, the United States and five Latin American countries are "guilty" of stealing the land and crushing the cultures of 14 native American Indian peoples, an international tribunal said yesterday.

The 12-member jury of the fourth Bertrand Russell tribunal issued its detailed verdicts, which carry only moral force, after a week of often-bitter testimony on crimes against Indians in North, Central and South America.

"We have been confronted with concrete cases of genocide and ethnocide," the tribunal's final decision said.

It listed: "Massive killings of Indian people, harassment of their traditional homelands and expulsion from their historic territories, plundering of their natural resources, extreme exploitation of their labor and violation of the spiritual foundations of their cultures for which both the land and the living creatures are sacred."

The tribunal was sponsored by the Bertrand Russell Peace Foundation.

The verdicts found the Brazilian government guilty in three cases, the United States in four others, Peru and Canada on two complaints each and Colombia, Panama and Guatemala in single cases. Two additional formal rulings were added during last week to the formal docket of 12. No government accepted the invitation to appear.

The jury based each ruling on international laws and agreements such as the International Declaration of Human Rights, the International Convention on Racial Discrimination and the final act of the Helsinki security and co-operation accords, now under review in Madrid, Spain.

The North American cases charged the Canadian and U.S. governments relied on "illegal" treaties and "puppet" tribal councils to win land transfers and mineral contracts.

Those cases were brought by the Attikamek and Montagnais of Quebec, the Nisnawbe-Aske of Ontario, the Mohawks, who are part of the Haudenosaunee (Iroquois) confederacy of northern New

York State, the Western Shoshone of Nevada, the Hopi and the Navajo in Arizona.

The dozens of Indians who attended the tribunal, speaking Spanish, English and Portuguese as well as native tongues, issued a final statement making 15 accusations aimed at multinational corporations and church missionaries as well as governments. The jury adopted the statement as part of its ruling.

The statement called on the tribunal leaders to keep up pressure on governments in the Americas to recognize Indian sovereignty and culture. It demanded an end to sterilization programs said to be aimed at halting the resurgence of indigenous populations, and specifically blamed Guatemala, Bolivia, Chile and El Salvador for "massacres," kidnappings and other attempts to destroy native Indian organizations.

# in constitution

OTTAWA (CP) — Indian chiefs say they want a "short, sweet and simple" declaration of nationhood that the federal government can't misinterpret or tear apart as it has done in the past with Indian treaties.

About 400 chiefs reached agreement on this yesterday and are expected to formally adopt the resolution today at the First Nations Conference.

## National

### Cons in cells after rampage in B.C. prison

AGASSIZ, B.C. (UPC) — Prisoners at the maximum-security Kent Institute remain locked in their cells following a window-smashing rampage that occurred during a power failure.

Assistant warden Tony Hawkins said about \$4,000 damage was done on the weekend when 80 to 90 prisoners set a fire and smashed windows at the prison about 74 miles (120 kilometres) east of Vancouver.

The inmates were in the courtyard on their way back to their cells following dinner when the lights went out. While the power was off, inmates smashed windows in the courtyard and started the fire.

### 25 die in traffic

Traffic accidents claimed 25 lives over the weekend as a total of 35 people died accidentally in Canada. A Canadian Press survey showed six deaths in plane crashes, two drownings, one hunting death and a fire death as well as the 25 traffic fatalities.

### Kidnap charges laid

MONTREAL (CP) — Four men have been charged in connection with the attempted kidnapping of two Montreal businessmen at Dorval Airport. The suspects, Roger Gelinas, 30, Lavallois Pepin, 33, Georges Pepin, 35, and Claude Joannette, 33, are being held in police cells pending a bail hearing this week.

### Workers end strike

TRENTON, N.S. (CP) — Clerical workers employed at the Hawker Siddeley Canada Ltd. rail car plant here have voted 78 per cent in favour of accepting a new

This has moved Indians closer to a major confrontation with Prime Minister Pierre Trudeau over his refusal to entrench aboriginal and treaty rights in the constitution before it is brought to Canada from Britain.

Trudeau says aboriginal rights must be clearly defined before they are entrenched in the constitution. Treaty rights also must be negotiated because Indian leaders and Ottawa disagree on interpretation.

Trudeau has told Indians to wait until the constitution is brought home and then negotiate amendments with Ottawa and the provinces.

### Not clear

But Indians argue that Trudeau's proposed charter of human rights doesn't clearly state that native rights are protected and contains clauses which might enable other Canadians to challenge in court Indians' exclusive rights to reserve land.

They also contend that provincial premiers are hostile to Indian demands and would never agree to amend the constitution to allow Indians the right to form their own governments to control land, resources and membership.

Three major native organizations are expected to repeat those arguments before the joint Senate-House of Commons committee studying constitution in appearances beginning today.

The National Indian Brotherhood, the Inuit Committee of National Issues and the Native Council of Canada represent a total of 1.3 million natives. Also expected to appear are a national native woman's group and the Council of Yukon Indians.

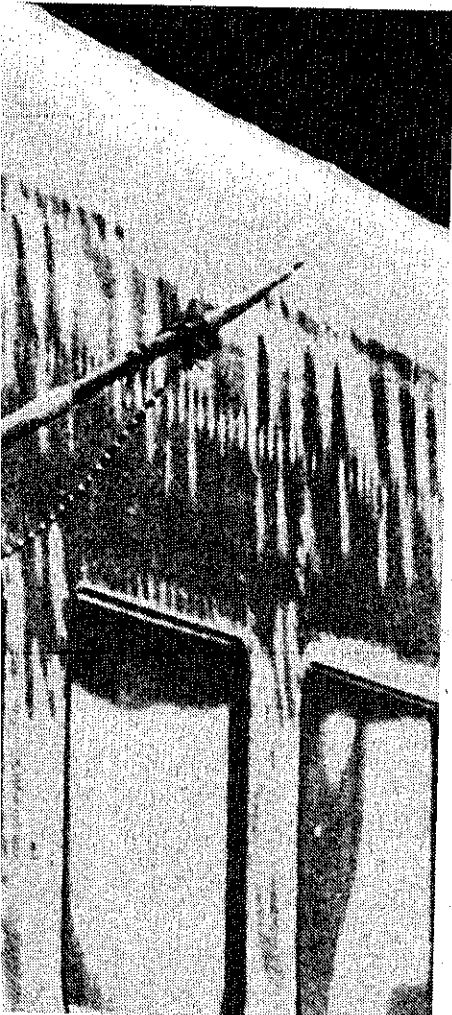
### Foreign government

Lyle Longclaws, from the Four Nations Confederacy in Manitoba said: "The Germans still have a nation even though they were conquered in World War II."

In another development, Chief Wayne Christian accused the Royal Canadian Mounted Police of infiltrating his organization, the Union of British Columbia Indian Chiefs, and shadowing hundreds of Indians here for the conference.

Christian complained: "There has been heavy surveillance put on us and we are being followed."

"The RCMP is paranoid and trying to provoke a disturbance . . . similar to 1974," he said, referring to a demonstration over living condi-



ings out the door of the  
ls into Ottawa on Friday

—UPC photo

## PM hints at meeting

# Express rumbles into Ottawa

By Iain Hunter  
and Jim Robb  
*Citizen staff writers*

The steady rhythm of deerhide drums which has moved across Canada from the Pacific Coast all week filled the Alta Vista railway station here Friday as the Constitutional Express disgorged nearly 500 Indians determined to get recognition of their nationhood.

Led by their traditionally-clad elders, members of bands from Western Canada filed past Indian Affairs Minister John Munro and about 300 of their brothers and sisters from the East who came to welcome them in the afternoon sleet after their historic 7,000-kilometre journey.

Chief Robert Manuel, the leader of the Indian caravan, made up mostly of band members from B.C., vowed to lobby Par-

### THE CONSTITUTION

liamentarians and government leaders during the coming week to fight against Prime Minister Trudeau's constitutional resolution — the resolution which he said will lead to "the destruction of our history, of our lands, and the termination of our aboriginal rights, treaty rights and our right to self-government."

But there were indications the sound of the drums had been heard on Parliament Hill hours before the 10-car train arrived.

The joint Senate-Commons committee studying the patriation resolution decided Thursday night to hear a number of Indian

groups on the issue.

In the Commons Friday the prime minister opened the door a crack to the possibility he would meet personally with groups from the Express.

In answer to a question from British Columbia Tory Frank Oberle, Trudeau said that after the groups have met with the parliamentary committee he would be happy to meet them if "my great skills can help in some way."

But he rejected an early meeting with leaders of the three main native political organizations — the National Indian Brotherhood, Native Council of Canada and the Inuit Committee on National Issues — who called this week for such a meeting to ensure aboriginal rights are guaranteed before patriation.

Trudeau rejected a charge from British Co-

lumbia New Democrat Jim Manley that he was guilty of using a double standard in constitutional action by entrenching language rights but not aboriginal rights before patriation.

The prime minister said language rights have been defined while aboriginal

rights are still in the realm of theory.

A delegation from the train took their position in person to Gov.-Gen. Ed Schreyer on Friday, and today will meet in preparation for a Sunday conference of chiefs from all across Canada on Indian rights and constitutional issues.



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TO PRESS FOR THEIR RIGHTS

# Drums and chants greet Indian train

By HUBERT BAUCH  
of The Gazette

OTTAWA — To the sound of tomtoms booming through Ottawa's ultra-modern train station, 500 Canadian Indians ended a five-day journey across the country yesterday, arriving in the federal capital to press for their rights.

Their "Constitution Express" train rolled into Ottawa in mid-afternoon, four hours behind schedule.

It carried 350 Indian activists from British Columbia and others who joined the train across the country, headed for Ottawa to launch what they regard as an historic defence of their rights.

They were greeted with chants and embraces by local Indian representatives and delegates from an assembly of chiefs who had arrived in Ottawa earlier.

The leaders brushed past Indian Affairs Minister John Munro, National Indian Brotherhood president Del Riley and other Indian leaders who stood waiting to greet them.

Hundreds more Indians have been arriving in Ottawa all week, and by today some 3,000 will be present to hold meetings and lobby against the government's plans.

The new arrivals were led off the train by a solemn delegation of elders in brilliant traditional costume, followed by younger band members, some carrying small children.

For the next week the activists will lobby to gain special recognition in the constitutional reform proposals before Parliament.

The federal government wants to eliminate British jurisdiction over Canada's constitution and to entrench a charter of basic rights.

The Indians say Prime Minister Pierre Trudeau's proposed reforms must be amended to include guarantees of native people's rights.

If their effort fails, the leaders say, they will carry on to New York to seek recognition and help from the United Nations.

In the House of Commons yesterday, Trudeau confirmed that the Indians would be allowed to put their case to a special Senate-Commons committee which is holding public hearings on the government's proposals.

Trudeau also said he may meet the leaders after they had testified to the committee.

But he provoked their anger when he told the Commons he was confused about what they mean by aboriginal rights.

"What we're talking about is self-government," retorted Chief Robert Manuel, leader of the expedition, when the question was put to him at the station.

"We've been talking about it on the way here. What we want is the re-establishment of our language, our self-dignity and pride.

"We want to be able to live off the land and for that we need the right to a land base and a resource base."

Manuel added: "It's clear that our people are not happy with the vision Trudeau has for our future.

"His vision is destructive of our history, of our lands and our rights.

"People are working at the UN right now making arrangements. We'll be here until Dec. 6. If we don't get what we want by then we'll go to New York."

"What we want," said Howard Whale, another of the B.C. chiefs, "is to practise the way of life we had before the Europeans came."

On Parliament Hill work crews set up metal riot fences in anticipation of unruly demonstrations like the one that occurred the last time native people marched into Ottawa six years ago.

But the leaders say they have no plans for any mass demonstrations.

Instead, they plan to pursue their effort in small groups, lobbying officials and members of Parliament individually.

To try to avoid another fiasco, this year's effort is tightly disciplined and carefully organized.

35 Henri Bo  
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SHOE STUDIOS  
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**It's the life**  
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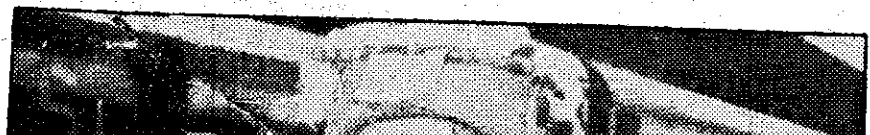
ght not want him at your  
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team. He's Bob Gainey,  
g of the checkers.  
Page 61

## crisis

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real, acute-care hospitals  
to breaking point with as  
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LOOKING, Page 3)

## ir staff



# Taken as Colombia Rebels Mount Largest Raid

PI — More  
a territorial  
bia yester  
ation and a  
ple. It was  
mounted by

miles southwest of Bogota near the  
Ecuadorean border.

The gunmen, numbering more  
than 300, attacked Mocoa police head-  
quarters, an official statement by po-  
lice in neighboring Narino State said.

The guerrillas held the city more  
than two hours, then fled, official  
sources said.

The raid on Mocoa was one of  
several attacks in widely separated  
areas Tuesday and yesterday that left

guns and  
guerrillas  
at attacked  
people and  
territory, 320

at least seven guerrillas and two po-  
licemen dead and appeared to reject a  
government amnesty offer even be-  
fore it was signed into law by Presi-  
dent Julio Cesar Turbay.

In the Mocoa raid, a police chief, a  
bank guard and a 5-year-old boy were  
killed and five others, including two  
police officers, were wounded. The  
guerrillas took three hostages when  
they fled.

The attackers ran off into nearby

mountains with their hostages after  
holding up a bank and delivering a  
propaganda speech to people assem-  
bled in the town.

It was the largest operation ever  
carried out by the April 19 Movement,  
known as M-19, which had previously  
specialized in urban tactics and pub-  
licity-oriented acts such as the 61-day  
occupation of the Dominican Embassy  
in Bogota last year.

The largest previously recorded

attack by leftist guerrillas in the 17  
years they have been active in Colom-  
bia occurred in 1965, when the Na-  
tional Liberation Army attacked the  
town of Simacota in Santander state  
in northeast Colombia. They num-  
bered fewer than 300, but their exact  
number was not established.

A hard-line dissident faction of  
the M-19 kidnapped American Bible  
translator Chester Bitterman and

killed him Saturday after holding him  
hostage 48 days.

The M-19 takes its name from the  
presidential election of April 19, 1970,  
which was lost by former dictator  
Gustavo Rojas Pinilla. His youthful  
leftist followers went underground  
and emerged in 1974 as the M-19 with  
the headline-grabbing theft of the  
sword and spurs of South American  
Liberator Simon Bolivar from a Bo-  
gota museum.

# Salvador Rebels See Church as Pa

*San Diego Union reporter Alex Drehsler recently spent 12 days in El Salvador, where he visited eight guerrilla camps and three towns controlled by revolutionaries in embattled Chalatenango province. This is his second dispatch in a three-part series.*

By Alex Drehsler  
San Diego Union

CHUPAMIEL, El Salvador — Thousands of landless Salvadoran peasants, led by a group of well-armed, disciplined Marxist-Leninist guerrillas, are creating a rigidly ordered new society in the rugged, mountainous province of Chalatenango.

"We want to form a society, a government, that will be more radical than Cuba," said Neto, a guerrilla commander who has been fighting the government in Chalatenango for the past seven years.

But, unlike Cuba, the leaders of the guerrilla cause — many of whom are admitted atheists — foresee a major role for the Catholic Church in bringing about change in the society.

The guerrillas encountered during a 12-day stay in the mountainous province of Chalatenango were single-minded, dedicated members of a revolutionary organization constructing a society concerned with every facet of daily life.

Tatu has been a guerrilla medic for five years. The FPL (Popular Liberation Forces) recently assigned him to the clinic at Almendritas. Before that, he participated in guerrilla activities at other locations in El Salvador.

"The reason I joined the revolution was because, during my last year in medical school, I became aware of the misery and exploitation of our people by this country's Creole oligarchy and by Yankee imperialism. My 'companeros' and I feel obligated by our consciences to work for our people."

Self-sacrifice is a routine daily part of the lives of the guerrillas. They say they are willing to suffer and die for their beliefs. They firmly believe that, although the United States has more and better arms than they, the revolution in El Salvador will triumph "because we have justice on our side."

"We believe in a prolonged war," said Fernando Numero Tres, a tall, lean guerrilla assigned to the Almendritas camp. "We are prepared to fight for as long as it takes to win. We know we cannot win overnight. But the Vietnamese gave us a great lesson."

"This war is just like the Vietnamese war," said Neto. "The United States will become more involved here. They see us as a great threat to them, to their system and to the multinational corporations in Latin America."

The Salvadoran revolution has been especially bloody and fierce, said Douglas, the guerrilla leader in charge of Almendritas, because "the struggle of the classes here has been very polarized."

Among many of the peasants — impoverished and landless for most of their lives — there is a deep-rooted hatred of El Salvador's middle and upper classes.

"The middle class and the oligarchy have exploited us for years. We are now only demanding that which is just — freedom from exploitation and the chance

to determine our own future," said Juan, a young guerrilla.

In Chalatenango, peasant families are fleeing from the government troops, finding refuge in the guerrilla camps.

Many of the peasants have been forced out of their villages and homes by government troops who, hoping to deprive the guerrillas of food and protective covering, set fire to their small cornfields.

"The government's idea of land reform is to burn us out, to starve us out," said a peasant in the guerrilla-controlled town of San Isidro Labrador. "We still have some food left, but in May we'll start to starve. The adults can put up with it, but what do you tell the children when they cry for food? How do you explain all of this to them?"

On any given day, at least a dozen fields are being burned in Chalatenango. The pillars of smoke fill the horizon.

"Look at that," said Juan, clenching his fist. "Those animals! Do they think they can burn down the entire province? They'll never get us out of these mountains. It won't be long now before we'll drive them all out. Then we'll be able to go to Chalatenango on market day in peace."

Rosa Escobar, 46, is a Roman Catholic nun who works with the FPL in Chupamiel.

"If I had not gone out into the provinces to see how the peasants live, I might have supported the government or, God forbid, become a rightist," said Escobar, who left San Salvador, the capital, to work in this guerrilla camp.

She fled here after she was warned that government forces were planning to kill her and her companions.

Escobar said she has no qualms about working with Marxist-Leninist revolutionaries.

"The people here are Catholic," she said. "They don't have a priest but they get together every Sunday and hold a service. The church is still a big influence in their lives."

Several guerrilla leaders said that the Catholic Church in El Salvador will play an important role in the revolutionary government they hope to establish after the overthrow of the civilian-military junta.

"Most of the reactionary clergymen will leave the country after the revolution," said Fernando Numero Tres. "Those priests and nuns who will stay are the progressive members of the church, those who have supported the revolution. We will work together to construct a new society."

"These people," said Escobar, looking around the guerrilla camp at the armed men and the women and children, "now realize that Jesus Christ won't help them to overcome their poverty. They have to help themselves. They can turn to Christ for comfort, but they have to help themselves."

Fernando Numero Uno explained that Chupamiel, like all of the other guerrilla camps, is divided into two groups of people: fighters and producers.

"We have a collective farm down below, about a 15-minute walk from here, where the peasants all work the same plot of land. We grow tomatoes, watermelons, lettuce, cucumbers. For irrigation we use

bamboo pipes. It's very probably the most successful in all of Chalatenango."

Dozens of peasants which clings to the that separates El Sa

The FPL government nearly the

It is in all of on the farm. he mountain n Honduras. revolutionary licaro, and 2,000 par

icipates in the Judging f local populati ety instituted tenango prov Chalatenango least have le radical blue

NEXT:

# Quebec Separatists Come Back With a Big Victory

MONTREAL (AP) — The separatist Parti Quebecois, rebuffed last year in a referendum on independence for Quebec province, bounced back yesterday with a resounding victory in provincial elections.

Voters in the predominantly French-speaking province gave Premier René Lévesque's PQ government

a firm new mandate, apparently with a stronger majority than it won when it first took power 4½ years ago.

Incomplete unofficial returns showed PQ candidates as winners or leaders for 80 seats in the 122-member provincial legislature, to 42 for the opposition Liberal Party. In November 1976 the PQ won 71 seats in a 110-

member house.

The popular vote appeared to be much closer, with about 49 percent for the PQ and 46 percent for the Liberals.

The PQ has put aside the independence issue temporarily, but its reelection may set the stage for yet another showdown, perhaps in three

years, over whether Quebec should secede from the Canadian confederation.

Thousands of "independantistes" jammed into a Montreal hockey arena for a PQ victory celebration. They

roared with joy and waved blue-and-white fleur-de-lis Quebec flags when it was announced the PQ had won a new majority.

In Ottawa, federal officials expressed disappointment at the results.

"Nothing the province's treasury Board President leading member Minister Pierré net.



# Ottawa lost control of \$

## Treasury board boss grasps at silver lining in clouds of fiscal goofs

OTTAWA (CP) — The minister in charge of government spending, Treasury Board President Donald Johnston, managed to find the glimmer of a compliment Thursday in a report calling for tighter controls on the way Ottawa works.

But after a first glance at the 394-page annual report of the auditor-general, opposition party spokesmen said the government and its public servants still have a long way to go in improving financial management.

Johnston said in an interview he is "very gratified" the report, signed by acting auditor-general Michael Rayner, noted the government is making progress in correcting problems.

He admitted that the report, which included a close look at loose spending and management of five government departments, identified "a number of specific weaknesses."

"(However,) on balance, I'm very pleased that he has been able to detect the impact (of control measures), that things are having an effect."

Progressive Conservative Bill Clarke, head of the Commons public accounts committee, which runs a fine-tooth comb through actual government spending, said treasury board does not take adequate steps to make sure its guides are followed.

Clarke, MP for Vancouver Quadra riding, asked in the Commons when treasury board would "display some responsible management."

Clarke replied: "I'm looking forward to progress." He is a New Democrat Stan Ho



Johnston



Sauve

debo, speaking for his party on the report, called it "another chapter in inefficient management by the government."

Referring to Johnston's claim that progress has been made, Hovdebo said the report notes only that some procedures for improving control have been put in place or are being developed.

"Whether they will have any effect remains to be seen in two or three years," the MP for Prince Albert, Sask., said in an interview.

Mention in the auditor-general's report of improvements in controls on government spending was vastly overshadowed by complaints about continuing problems.

For example, it noted that the federal comptroller-general, after his appointment in 1978, initiated a program called IMPAC

Controls — as a start to correcting deficiencies.

But IMPAC's progress "has been slower than initially expected," the report added.

Complaints about the Commons — one chapter in the report — were a heavily-edited version of a secret report made by former auditor-general J. J. Macdonnel more than a year ago.

Some changes have already been made, including forced resignations of senior Commons officials last summer and appointments of new administrators.

The moves have sparked a simmering, mostly behind-the-scenes dispute between the reformers and critics of changes.

Sauve said she must convince "those around me of the necessity of reform". She wants a modern, more efficient administration.

OTTAWA (CP) — The Indian affairs department has lost control of the spending of more than \$300 million, the annual report of the auditor-general said Thursday.

The report added that there is inadequate planning for the spending of another \$362 million. The total of the two figures comes to about one-half of the \$1.2 billion budget of the department last year.

"Systematic methods of control were generally absent across the department," the report said at one stage.

The \$300 million and \$362 million are two parts of a \$762 million total used to provide basic needs, including food, shelter, clothing, health and education, for natives.

A comprehensive study revealed that senior managers aren't sure whether they should establish priorities for the department or whether that should be left up to native peoples.

Although a considerable amount of planning information has been produced at all levels of the department, it hasn't been collected and given to senior managers to formulate policy, the report said.

The resulting confusion and a lack of direction from Parliament has prevented senior officials from developing goals and objectives. They also had not bothered to study the impact of their decisions on Indian and Inuit groups they deal with.

The department, which was warned by the auditor-general in 1967 that it had lost control of its spending, couldn't say whether the \$300 million given to Indian bands had been used for what the Indians said it was intended.

The report also said department officials lost control of an \$81 million economic development loan fund because they couldn't decide whether the money should be used to finance viable business projects,

# \$300 million for natives

The department now has asked permission to write off \$17 million but it hasn't specified what a reasonable loss-ratio for these types of loans would be.

The report sharply rapped senior officials for not setting up basic adequate accounting procedures, updating files, calculating interest properly and establishing policies for administering guaranteed loans.

"A significant portion of the proposed write-offs stems from ... inadequate management."

The report acknowledged that the Indian and Inuit activities program, which deals with 300,000 registered Indians and about 100,000 northern Inuit or Eskimos, administers 22 federal acts.

But the complexity of the environment the department works in "does not justify the absence of basic accounting and financial controls."

"We concluded that the department did not have adequate controls."

The report zeroed in on department plans to transfer more money to Indian bands and to allow them to control their financial affairs. That policy began in 1974 and more than 500 bands now control the \$300 million.

Again department officials were rapped for not forecasting the additional \$36 million it has cost them since the program started.

"At the time of our audit there was no evidence the department was aware of the \$36 million increase."

the report said. The increases were mostly for public servants and allowances provided to bands for salaries.

The report said there had been no forecast prepared on how the 573 bands in Canada would participate in the program, the anticipated rate of transfer, how long it would take or how involved individual bands would be.

The department had not determined who should make decisions about transfers and it hadn't trained natives to take over. And nothing was done to ensure that the level of the services transferred would be maintained.

The report said that nowhere is it specified whether

public funds should be used "to ensure that native people have access to goods and services similar to other Canadians ... or ensure only that income support is provided to natives in the same way it is given to other Canadians in need."

The report also dealt with the Indian band funds which total more than \$265 million in money derived from the sale of surrendered land or the sale of resources such as gravel, and, timber and oil and gas revenues.

The fund was established before Confederation and under the Indian Act, Ottawa dumps the money into its general revenue fund—the government's main bank account.

5	POW Corp	4952	\$17	26	26	—	1/2
1	Pow C 2375	300	\$26	82	82	—	18
1/4	Prado Exp	12700	\$90	7	7	—	3/8
1/4	Precamb	13300	\$77 1/2	31	31	—	3/8
1/4	Procan 294	1350	\$31 1/2	47	47	—	1/2
1/2	Provigo	400	\$49	15 1/4	15 1/4	—	13/4
1/2	QMG Hldg	45750	\$16 1/2	375	375	—	5
1/2	Gasar Pet	5200	\$90	6 1/4	6 1/4	—	—
1/2	Que Sturg	43400	\$7 1/2	8 1/2	8 1/2	—	1/8
1/2	Que Tel B	200	\$8 1/2	7 1/2	7 1/2	—	3/8
1/2	Ram	11410	\$18	17 1/2	17 1/2	—	3/8
1/2	Ram w/	1100	\$7 1/4	7 1/2	7 1/2	—	3/8
1/2	Rchmn A	3948	\$7 1/2	7 1/2	7 1/2	—	3/8
1/2	Ranger	55555	\$21 1/4	20 1/4	21 1/4	—	3/8
1/2	Rayrock	19300	\$6	5 1/2	6	—	1/4
1/2	RealCap A	600	\$5 1/4	5 1/2	5 1/2	—	1/4
1/2	RealCap W	2300	\$120	110	120	—	1/4
1/2	Redpath	2300	\$18 1/4	18 1/4	18 1/4	—	1/4
1/2	Redstone	29100	\$145	132	133	—	1/4
1/2	R 5th A	884	\$12 1/2	12 1/2	12 1/2	—	3/8
1/2	Reichhold	4798	\$15 1/4	14 1/4	14 1/4	—	3/8
1/2	Reitman	200	\$19 1/4	19 1/4	19 1/4	—	3/8
1/2	Reitman A	489	\$21 1/4	21 1/4	21 1/4	—	1/2
1/2	Res Serv	8160	\$11 1/4	10 1/4	10 1/4	—	1/2
1/2	Revelstik	2100	\$9 1/4	8 1/4	9 1/4	—	1/4
1/2	Revnu Prp	46440	\$25	228	240	—	11
1/2	Rlieys D	760	\$230	230	230	—	—
1/2	Rio Algom	1075	\$35 1/4	35 1/4	35 1/4	—	3/8
1/2	Rio 580 pr	200	\$54 3/4	54 3/4	54 3/4	—	1/4
1/2	Rio B.S.	200	\$45	425	425	—	—
1/2	Rio Alto	36800	\$20	465	475	—	25
1/2	R Little	520	\$26	255	256	—	1
1/2	Rolland	300	\$8 1/4	8	8	—	3/4
1/2	Roman	2500	\$72	69	69	—	4
1/2	Ronyx Cor	5900	\$5 1/2	5 1/2	5 1/2	—	3/8
1/2	Rothman	500	\$26 1/4	26 1/4	26 1/4	—	3/8
1/2	Rothm 2p	300	\$11 1/4	11 1/4	11 1/4	—	1
1/2	Royal Bnk	9464	\$58 1/4	57 1/4	57 1/4	—	1
1/2	Ry Trnco A	3675	\$18 1/4	18 1/4	18 1/4	—	1/8
1/2	R T C A p	600	\$26 1/2	26 1/2	26 1/2	—	1/4
1/2	R T C B p	400	\$26 1/2	26 1/2	26 1/2	—	1/4
1/2	RuprInd	14800	\$9 1/4	7 1/2	8 1/4	—	1/4
1/2	Russel 9%	700	\$16 1/2	16 1/2	16 1/2	—	1/4
1/2	Russel 170	300	\$14 1/4	14	14	—	1/4
1/2	St Fabn	122900	\$1	85	88	—	19
1/2	SH Cem A	25	\$24	24	24	—	35
1/2	Scarboro	24300	\$5	475	490	—	35
1/2	Scarboro w	6500	\$25	230	230	—	35
1/2	Sceptre	22985	\$15 1/2	15 1/2	15 1/2	—	1/4
1/2	Sceptre pr	3600	\$26 1/4	26	26	—	3/8
1/2	Sceptre w	4700	\$8	7 1/2	7 1/2	—	3/4
1/2	Scintrex	4200	\$13 1/4	13	13	—	3/4
1/2	Scot Paper	3300	\$20	19 1/4	19 1/4	—	13/4
1/2	Scot York	400	\$7 1/4	7 1/4	7 1/4	—	1/4
1/2	Scotts	530	\$58	68	68	—	1/4
1/2	Scurry Rn	20991	\$71	69 1/2	70 1/4	—	3/4
1/2	Seagram	11800	\$300	286	285	—	15
1/2	Seaway M	200	\$7	7	7	—	—
1/2	Seco 2.25 p	200	\$21	21	21	—	1/2
1/2	Selkirk A	100	\$28	28	28	—	1/2
1/2	Shell Can	43286	\$2 1/2	23 1/2	24 1/2	—	3/8
1/2	Shoerd P	419	\$7 1/4	7 1/2	7 1/2	—	3/8

ly closing the gap, ... said. Canadian rates will climb at a faster pace "because our currency is much weaker."

The price of gold bullion, meanwhile, slumped to \$560 U.S. a troy ounce in London on Thursday, down from \$630 a week ago.

Ing said the gold price may soften to between \$500 U.S. an ounce and \$525.

Stocks volume: Indus. 3,475,000; U.S. 1,452,700; Utilis. 1,063,300; 65 Stk. 8,012,600. Total volume 60.22 million.

ACTIVE STOCKS	
Stock	Sales Close Ch'ge
Texaco Inc	823600 45% - 1/8
IBM	724300 64 1/2 + 3/4
AmerHess	622400 42 1/2
Occident Pet	603100 32 1/2 - 7/8
Amer T and T	589500 45 1/2 - 5/8
Mobil	517800 80 1/4 + 2 1/2
CentSo West	507700 12 1/2
LTV Corp	500600 17 1/2 + 5/8
Gen Motors	488600 42 1/2 + 1/4
FedNat Mtg	482500 10 1/2 + 1/4
K Mart	457500 16
Squibb Corp	454700 24 1/2 - 1
Schlumberg	428000 107 - 2 1/4
Conw Edis	421600 17%
Exxon	413900 77% - 2 1/2

BOX SCORE	
Issues traded	Thurs. Wed.
Advances	794 140
Declines	65 431
Unchanged	573 130
	156 198

ACTIVE STOCKS				
Stock	Sales	High Low	Close	Ch'ge
Gulf Can	248155	\$22 1/2	21	22 1/4 + 1/2
CalPow A	216340	\$18 1/2	17 1/2	18 - 1/8
Noranda	177667	\$29 1/2	28 1/2	29 1/2 - 1/4
Inco Ltd	173124	\$22 1/2	21 1/2	22 - 3/4
Imp Oil A	113307	\$32	30 1/2	31 1/4 - 7/8
Mines and oils				
Dejvor A	209800	170	145	165 - 6
Dom Expl	170600	210	173	180 - 38
St Fabien	122900	101	85	88 - 19
Atlas Yell	118014	150	137	143 - 11
N Kelore	117550	96	82	87 - 10
Cosequa Rs	524930	\$24	22 1/2	23 1/4 + 1/4
Pennant R	106450	400	380	380 - 25
Spooner M	93924	175	151	159 - 26
Deldona GI	91060	285	250	260 - 20
Ulster Pet	56416	450	430	435 - 5

TSE 300 INDEX				
Close	Ch'ge	high	low	
2188.83	-46.72	2402.23	1792.51	
2228.97	-40.27	2494.74	1634.87	
1479.28	-31.76	1576.37	1073.19	
4146.46	-61.74	5155.88	3557.04	
1400.45	-30.95	1506.37	1121.53	
1490.55	-24.90	1598.67	1320.82	
2068.55	-48.01	2400.49	1476.21	
1488.55	-36.49	1569.52	1203.12	
2121.78	-45.06	2272.31	1470.31	
3058.65	-41.22	3466.51	2305.07	
2244.49	-50.66	2461.50	1806.10	
2403.93	-85.63	2640.54	1861.26	

## London

LONDON (Reuter) — The London stock market was sharply lower at the close of trading.

The Financial Times Index of 30 industrials closed at 456.4, down 12.2.

Industrials and gold mining shares declined.

Canadian stocks were also weak.

LONDON (CP) — Closing stock quotations in new pence unless pounds or U.S. dollars are indicated: Associated Brit Foods 125, Babcock and Wilcox 100, Bass Charrington 211, BICC 161, Blyvoors 519, BOC International 88, Boots 237, Bowater 185, Brit Am Tob 245, Brit Assets Trust 94, Brit Petrol 418, Broken Hill Prop 745, P... 551, Burmah Oil 187, Cairn 472, 1676, Charter Cons 212, Stores A 472, Courtalds 51, Dr... 180, Elec 50, 109, Dunlop 309, Hawker Siddeley 228, Inter A 107, ICI 316, Imp Tob, Inft Thom 309, Kioof 530, M...

# Seattleite slain to 'kill land reform'

by Peter Lewis  
Times staff reporter

United States aid to violence-torn El Salvador should be cut off until the government there demonstrates it is serious about following through on a massive land-reform program, Roy L. Prosterman, University of Washington law professor and land-reform expert, urged yesterday.

Prosterman's foreign-policy suggestion came the day after he learned of the death of a former student, Mark D. Pearlman, 36, a Seattle lawyer who moved to El Salvador last spring at Prosterman's urging to help promote land reform.

Pearlman; Michael Peter Hammer, 42, of Potomac, Md.; and the El Salvador president of the Agrarian Transformation Institute, Joe Rodolfo Viera, 40, were shot to death as they sat sipping coffee in a San Salvador hotel late Saturday night.

El Salvador officials said the two gunmen might have been right-wing extremists, but admitted they have no leads.

"They (the assassins) did it to kill land reform," Prosterman said. "If the deaths of these men are to be meaningful, the land reform they died for has to be completed."

Prosterman said United States support to El Salvador amounts to \$90 million a year in economic aid and another \$5 million in "nonlethal military aid."

Aid was cut off following the assassination in early December of four American women

missionaries, including three Roman Catholic nuns, but was restored shortly thereafter.

"I was outraged that we restored aid when we did," Prosterman said yesterday, labeling the decision vacillating, weak and stupid.

He called upon the Carter and Reagan administrations to team up ("because that's what would give it weight") and cut off aid to El Salvador until the government actually issues titles transferring ownership of land from a few wealthy families to 150,000 peasant families.

About eight months ago, Prosterman said, he recruited Pearlman to help lay the groundwork for agrarian reform by joining the El Salvador branch of a world-wide agency known as the American Institute for Free Labor Development, an A.F.L.-C.I.O.-affiliated organization.

Prosterman dismissed as "ridiculous" claims that the organization is connected to the Central Intelligence Agency. If he had any evidence of such a relationship, "I would not have had damn thing to do with what they're doing," he said.

Prosterman said Pearlman was the only student he ever recruited for such work and described him as "one of a kind" because of his legal background, fluency in Spanish and personal knowledge of agriculture from farming in Northern California and in the Philippines as a member of the Peace Corps.

Prosterman said Pearlman's work in El Salvador would have been completed by late winter or early spring of this year but that he

probably would have gone on to similar task in other Central American nations.

The foundation for reform has been laid and "It's now down to a political decision" by El Salvador authorities, Prosterman said. The question is whether the government can proceed or is "paralyzed by various factions among themselves."

United States citizens should care about what's going on in El Salvador, Prosterman said, because "it's a small world."

Prosterman said the alternative to successful land reform is a civil war that could sweep through Central America, including Panama and Southern Mexico and the whole Caribbean region, killing hundreds of thousands and posing a threat to shipping and oil supplies. Civil war in El Salvador also could lead to up to a million refugees descending on the United States as well as the possibility of some voices here calling for armed intervention, Prosterman said.

Prosterman, who has visited El Salvador on several occasions (he last saw Pearlman there last October), said he would stay away from the violence-riddled Central America country and would advise the same for other Americans wishing to help the peasants.

"None of us had any notion that this kind of risk existed," Prosterman said. Up until now when an American was killed in El Salvador it was a matter of being "an unlucky one in random acts of violence." The deaths demonstrate that things are different now, Prosterman said.

## Rite set here for Seattle lawyer slain in El Salvador

A memorial service for a Seattle lawyer, Mark David Pearlman, one of three land-reform workers shot to death in El Salvador Saturday night, is scheduled for 1 p.m. Thursday at Butterworth

Pearlman's body had been scheduled to arrive here tonight, but Anne Morton, yesterday indicated there were complications in getting a death certificate from Salvadoran authorities.

Pearlman, who turned 36 on December 28, attended Shoreline

High School, Western Washington State College in Bellingham and the University of Washington Law School.

He is survived by his mother, Mary H. Pearlman of Seattle, and his sister, also of Seattle.

Remembrances are suggested to a Social Advocates for Youth, Inc., a California organization Pearlman directed for several years before he moved to El Salvador. The address for the organization, which helps youths in trouble, is 600 B Street, Santa Rosa, Calif., 95401.

# Light-Wing Threatens in El Salvador

STON - Jimmy Carter's decision to resume military aid to the junta in El Salvador was based on a mass of intelligence reports that pointed to the junta as the power behind leftist rule in the ravaged little country. Why the Reagan administration, which needs no encouragement from Democrats to take a hard line, will undoubtedly continue to aid the junta.

What worries professional diplomats and intelligence analysts is that the administration's fear of a communist victory in El Salvador may blind it to what they see as an even likelier possibility: That the centrist junta may be overthrown by rightist elements who want a return to the old military-landowner oligarchy.

Allies like Mexico and West Germany, meanwhile, tend to be less fearful of the Salvadoran leftists than of what they regard as a return to the days of U.S. imperialism in Central America.

In the hope of persuading Europe-

an leaders that U.S. fears of a leftist victory in El Salvador are not just anti-communist hysteria, the State Department is considering the idea of sending a team of intelligence experts to brief Western leaders. As the team's mission is described in a secret document, it would be to "show them evidence in our possession ... (to) clarify and support our statements and actions vis-a-vis El Salvador."

In West Germany, the intelligence team "would, of course, hope to make presentation to leadership of the Socialist Party, given their apparent support of the Salvadoran revolutionaries," the document states.

Following the team's visit to Bonn, the intelligence would be made "available" to NATO members and "other select European countries."

Participating in the intelligence roadshow would be representatives of the State Department, the CIA and the Defense Intelligence Agency. What would they have to tell the skeptical foreign leaders? Here is some top-secret information that our

intelligence experts have been gathering since last summer. Much of it sources told my associate Lucette Lagnado, comes from a cache of documents captured from Salvadoran communists:

- With the Kremlin's approval, the Cubans are in charge of smuggling arms to the guerrillas from Eastern Europe and Vietnam.

- The leftist rebels have received several tons of arms from the Soviet bloc, including 57-millimeter rifles and other anti-tank weapons.

- Many of the communist weapons smuggled to the Salvadoran guerrillas come from the stocks that the Americans left behind in Vietnam.

- Despite Soviet attempts to avoid direct complicity, some Russian-made arms are also getting into El Salvador. For example, a shipment of Soviet hand grenades, still in their original crates, was recently captured from the rebels.

- As many as 300 guerrillas at a time are being given military training in Cuba.

- The Palestine Liberation Organization is also providing training to the Salvadoran rebels at PLO bases in Syria and Iraq.

Our experts believe the Soviets' aim in El Salvador is more devious than a straight-out victory for the leftist rebels. What they hope to do is create enough turmoil in Central America to divert U.S. attention from the Russians' activities in Afghanistan and elsewhere - and maybe sucker us into another Vietnam.

The Kremlin "would like nothing better" than to see the United States get deeply involved in the Salvadoran conflict, said a diplomatic source.

The growing communist activity in Central America could also threaten Mexico's vast new oil operation in the Gulf of Mexico.

In the final days of the Carter administration, officials at the Small Business Administration made a covert - and improper - attempt to expand a pilot project. Fortunately, the skulduggery was stopped.

*Seattle P.I. 2/13/81*

But investigators for Sen. Lowell Weicker, R-Conn., new chairman of the Senate Small Business Committee, have discovered several questionable contracts within the pilot program itself. One in particular was a \$7.2 million contract with the Univox-California Co., a Los Angeles electronics manufacturer.

The General Accounting Office reported that the award had been made in March 1979 "despite the fact that this firm had continuously experienced financial difficulties due to questionable financial practices."

In fact, in February 1979, the SBA's district office in Los Angeles had recommended that Univox be barred from certain agency programs. Univox insists the GAO ignored evidence presented in the firm's favor.

The federal government's liberal early-retirement policy was intended to give older employees an incentive to quit and make way for younger workers. According to the General Accounting Office, the program cost the taxpayers at least \$109 million last year. (The Office of Personnel Management claims it was "only" \$78.5 million.) But instead of cutting down on the overall payroll, as was intend-

ed, the early retirements allowed the agencies to hire new people to take up the supposed slack. So the taxpayer gets stuck with the bonuses for early retirees -- and the cost of their replacements as well.

Amtrak officials have been quick to respond to the Reagan administration's announced hostility to free-spending government agencies -- and its perceived Republican affinity for the business world. Though the railroad system in fact gets much of its funding from the government, it is now trying to assume the protective coloration of a non-governmental agency. Its "Public Affairs Office" has been renamed "Corporate Communications."

The General Services Administration is required by law to "Buy American" when it purchases supplies for federal agencies. But, like many individual consumers, the GSA has found that imported items can be a lot cheaper -- and the agency is also required by law to "Buy Cheap." For example, GSA was faulted for buying thousands of scissors that were made in Italy. But officials pointed out that the Italian scissors cost half as much as those made in U.S.A.

# 'Hanta Yo' on television? Not likely

## Los Angeles Times

HOLLYWOOD — ABC-TV is wavering on "Hanta Yo," the long-planned 10-hour mini-series about a band of Sioux Indians. The project has been assaulted by elements of the tribe.

The producers, David Wolper

and Stan Margulies, have been waiting more than a month for word from ABC about its fate. Although ABC won't say so, chances for "Hanta Yo" getting on the air appear dim. At least the signs point that way.

"It's over," one knowledgeable industry source declared. "There

are no production plans. There's no production staff. ABC would just like it to die on its own."

It's been two years since ABC announced plans for "Hanta Yo," which is drawn from Ruth Beebe

Hill's ponderous best-seller about a group of Sioux beginning about mid-18th Century.

passed down from father to

complete reglaze—without removing it"



# Congressmen Agree With Reagan

P-I News Services

WASHINGTON — The Reagan administration won strong support from key members of Congress yesterday for future increases in American aid to El Salvador to help the government counter alleged Soviet-bloc assistance to the insurgents in that country.

"I think those outside forces should be on notice that this nation will do whatever is necessary to pre-

vent a Communist state takeover in El Salvador," Sen. Charles H. Percy, R-Ill., chairman of the Foreign Relations Committee, said after a closed-door briefing from Secretary of State Alexander M. Haig Jr. on the administration's assertions that arms supplied by the Soviet Union, Cuba, Ethiopia and Vietnam have been sent to the Salvadoran insurgents.

Although William J. Dyess, a State

Department spokesman, said the administration had not yet decided on whether or how much additional military and economic assistance would be needed for El Salvador, various senators and representatives appeared favorable in advance to future requests that might be submitted.

El Salvador, which is ruled by a middle-of-the-road junta, is receiving \$73.5 million for this fiscal year, of



# an: Increase Aid to El Salvador

which \$10 million is in military aid. Rep. James C. Wright Jr., D-Texas, who is the House majority leader, said after the Haig briefing, "Central America is probably more vitally important to us than any other part of the world."

"Our response to what is happening there requires a bipartisan, unified approach and I fully expect that that is what the president and the

secretary of state will receive," he said.

Percy was asked if his pledge to do "whatever is necessary" was meant to include the dispatch of American combat troops to El Salvador. He said that such a move "would be highly unlikely" but he declined to "rule out any options."

An informal Associated Press sur-

vey reported yesterday that European governments are unlikely to throw support to the U.S.-backed government of El Salvador.

Official spokesmen in European capitals say, however, that they are studying U.S. intelligence reports purported to show Soviet bloc nations are arming leftist guerrillas trying to overthrow the El Salvador regime.

# Haig Holds Up Treaty to Regulate Use of the

New York Times

WASHINGTON — The Reagan administration announced yesterday that it would not go along with previously agreed-upon efforts to conclude a treaty this spring to regulate the use of the oceans and their

riches at the United Nations Law of the Seas Conference.

The administration said that Secretary of State Alexander Haig had instructed the American representative to the conference "to seek to ensure that the negotiations do not end at the present session of the con-

ference, pending a policy review by the United States." The acting representative is George Aldrich; a permanent representative has not yet been selected.

The conference, which began in 1974, opens its 10th session next Monday in New York.

Elliot Richardson, who had been the head of the United States delegation to the Law of the Seas Conference during the Carter administration, had predicted last summer in Geneva that the treaty would be concluded at the tenth session.

The Reagan administra-

tion statement, issued by the State Department, said that an interagency review of the draft convention had turned up "serious problems" that will be "the subject of a thorough review which will determine our position toward the negotiations."

State Department officials said that the administration's decision to prevent conclusion of the treaty in the forthcoming session was due to a number of factors, including intense pressure from private mining inter-

Seattle Post-Intelligencer

## May Sai

By Joe P  
P-I Sta

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# Oceans' Riches

ests, and a Republican Party platform plank that was critical of the Law of the Seas Conference.

"Multilateral negotiations have thus far insufficiently focused attention on United States long-term se-

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curity requirements," the platform adopted in Detroit last July said. "A pertinent example of this phenomenon is the Law of the Seas Conference where negotiations have served to inhibit United States exploitation of the sea bed for its abundant mineral resources. Too much concern has been lavished on nations unable to carry out sea-bed mining with insufficient attention paid to gaining early American access to it."

The centerpiece of the projected treaty, and the part that has raised the most problems, is a compromise between rich and poor nations under which profits from recovering minerals on the ocean floor are split between the private companies and the world community.

# Do Germans Know Something We Don't?

Los Angeles Times

As President Ronald Reagan and British Prime Minister Margaret Thatcher were comparing notes on the pending economic disaster in the United States and Britain, the West Germans with their prosperous economy were busy increasing both their foreign aid and their export earnings.

The German view of the world today is strikingly different from that of the U.S. government. At the recent meeting of NATO defense ministers in Munich, Deputy Defense Secretary Frank Carlucci issued the U.S. call for an increase in European defense commitments. Other U.S. officials warned of possible U.S. troop withdrawals from Europe if our allies there fail to comply.

The German delegate to the NATO conference spoke of the need to ratify SALT and renew detente, even though Soviet tanks are only minutes away from West Germany and Soviet SS-20 rockets are targeted on West German cities and military installations. Why is it that the Germans are cool and confident in the

shadow of the Soviet threat while the U.S. feels the need to rattle sabers from a distance of 3,000 miles?

If anyone ought to be nervous, it should be those countries bordering the Soviet Union. After all, U.S. hawks admit that we possess adequate nuclear capacity from both land-based and submarine-based missiles to totally destroy Soviet society at least 10 times. Where the U.S. is admittedly weak is in conventional weaponry, especially against Soviet armored divisions parked in Eastern Europe, which presumably could cross the Continent in a matter of days.

Yet the Germans resisted the war scare in their recent elections and returned to power a coalition of Social Democrats and liberals with an overwhelming mandate. Are the Germans more courageous than we are? Or have they become victims of the dreaded "Finlandization" of Europe — that curse of willingly accommodating the supposed reality of Soviet superiority? Are they the European version of Uncle Tom?

Whatever the answer, the reality

is that the German citizens are working; and, although they are paying more taxes than U.S. citizens, they are enjoying a greater range of social services than Americans do. The Germans' rate of inflation is one of the lowest in the world, and their economy is worth about twice as much as it was two decades ago — while the dollar, as President Reagan reminds us, is now worth 36 cents compared to its value in 1960.



*Seattle P.I. March 4, 1983*



The Germans voted to continue their present prosperity through more trade with Eastern Europe and the Soviet Union, and they will be reluctant to follow the U.S. lead of increasing military expenditures. They are also busy producing goods for rapidly growing markets in the developing world. Since they must import two-thirds of their energy needs, including natural gas from the Soviet pipeline, their exports must

expand lest they be forced to absorb the inflation caused by oil price increases.

The West German government will not challenge the Reagan hawks openly and will politely agree in public to maintain the image of Western unity. But they are charting their own course, and quite possibly that of the free world. In the Western hemisphere their economic and political influence is being used to promote a different policy from that of Alexander Haig, the secretary of State, whom they vigorously profess to respect.

Gen. Haig is arming the military junta of El Salvador in spite of warnings from Mexico's President Jose Lopez Portillo and a broad U.S. coalition that no military solution is possible. However, the Germans are attempting to arrange talks on El Salvador in Bonn; the Christian Democrats are inviting the junta leader, Jose Napoleon Duarte, while the Free Democratic Party of Foreign Minister Hans-Dietrich Genscher and the Social Democratic Party are inviting representatives of the insurgent Salvadorian movement.

If they are successful, it could save the U.S. from another futile effort to demonstrate American strength and resolve by accomplishing with reason and diplomacy what we are attempting through an escala-

tion of death, destruction and terrorism.

Meanwhile, the Germans are taking advantage of economic opportunities abroad. In Africa, German construction companies closed down a \$60 million operation in South Africa and won \$6 billion worth of expressway construction in Nigeria. Their aid to Zimbabwe dwarfs ours already, and the U.S. proposes to cut that back even further. The Germans are well aware of the rich resources and great potential for industrial development in Zimbabwe.

I grew up in New Orleans, and as a boy I heard the Nazi cry of "Heil Hitler" in my neighborhood. For a long time I felt justified in some anti-German prejudice because of the Holocaust and the passivity of the "good Germans" while Jews were sent to the gas chamber.

So it is with some consternation that I now see West Germany claiming the leadership of the free world. But they have learned well the tragic lesson of war and fascism. They remember that this heinous period in their history grew out of excessive inflation and economic chaos. They have defeated their demagogues in the last election, and now cling to the postwar experience of peaceful productivity as the best method of winning the battle against enemies within and without.

# Patriation: Trudeau unlikely to

by Paul DeGroot  
Canadian journalist

EDMONTON, Alberta — Canadian Prime Minister Pierre Trudeau's most important personal goal—to become the man who brought Canada's constitution to Canada—is rapidly being swept from his grasp as events both inside and outside Canada conspire against it.

Inside Canada, public resistance is high to "unilateral patriation" of the constitution. In this scenario, not dismissed by Trudeau or his advisers, the British North America Act of 1867, which serves as Canada's constitution, would be amended by the British Parliament to give Canada the right to amend the constitution in any way, thus bringing the document under complete Canadian control. Canada on its own now can amend certain sections involving the federal government, but provisions involving the provinces as well require the assent of the British Parliament.

Bringing the act under Canadian control is known in a phrase coined by Trudeau as "patriation" (it's not repatriation, because the constitution has never been in Canada). Unilateral patriation means the government would bring the constitution to Canada without waiting to see if the provinces or other groups in the country will agree.

If the constitution is going to come to Canada by Trudeau's July 1, 1981 deadline, however, it appears certain that unilateral action will be required, since there appears little likelihood the provinces will agree to it.

What disturbs the provincial governments and many other Canadians is not patriation itself. Few Canadians see any significant advantage in having ultimate constitutional power vested in Britain. They are more concerned about the legal baggage with which the Trudeau government wants to load the patriated document on its way across the Atlantic.

This includes such things as a charter of human rights similar to the Bill of Rights in the United States Constitution; minority-language guarantees; and a formula by which the provinces and the federal government can amend the constitution.

The most immediate obstacle to unilateral action is the body most intimately involved with it: the British Parliament.

Intense lobbying by disarun-

## FROM CANADA

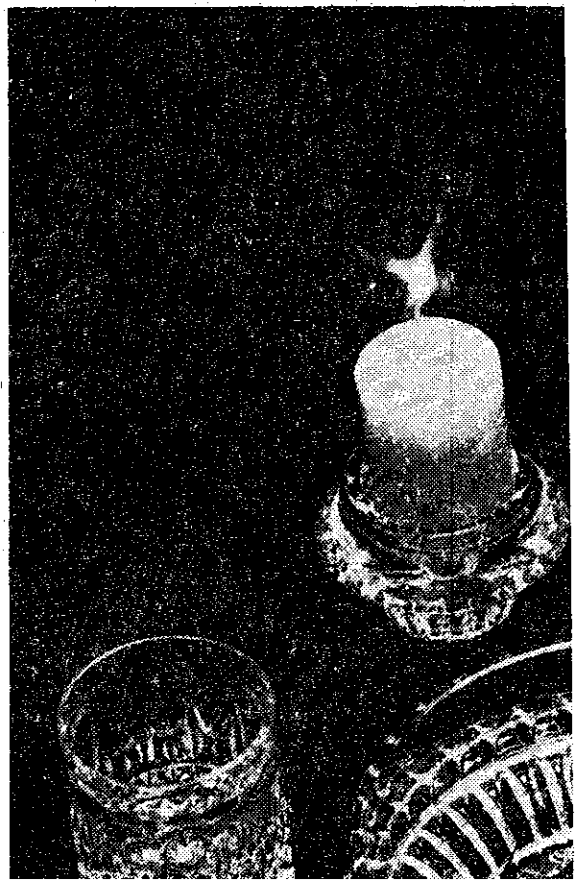
all but blown apart. Under intense pressure, the Trudeau government agreed to extend the deadline for committee hearings on the constitutional proposals by two months, from December to February.

That, British sources say,

makes it all but impossible for the British government to get the matter on the agenda for the British Parliament to deal with by Trudeau's July 1 deadline.

At home, several provinces have begun a court challenge against the government plans, a move which, among other things, gives the British government one more reason not to do anything

# HAVE CHRIS PROSPER



## get way on constitution

until Canadian courts have themselves ruled on the legality of what the Trudeau government is attempting to do.

Parliamentary committee hearings in Canada have heard from a variety of groups, among them natives, the handicapped and women, who oppose the proposed charter of human rights because for one reason or another it does not meet their needs.

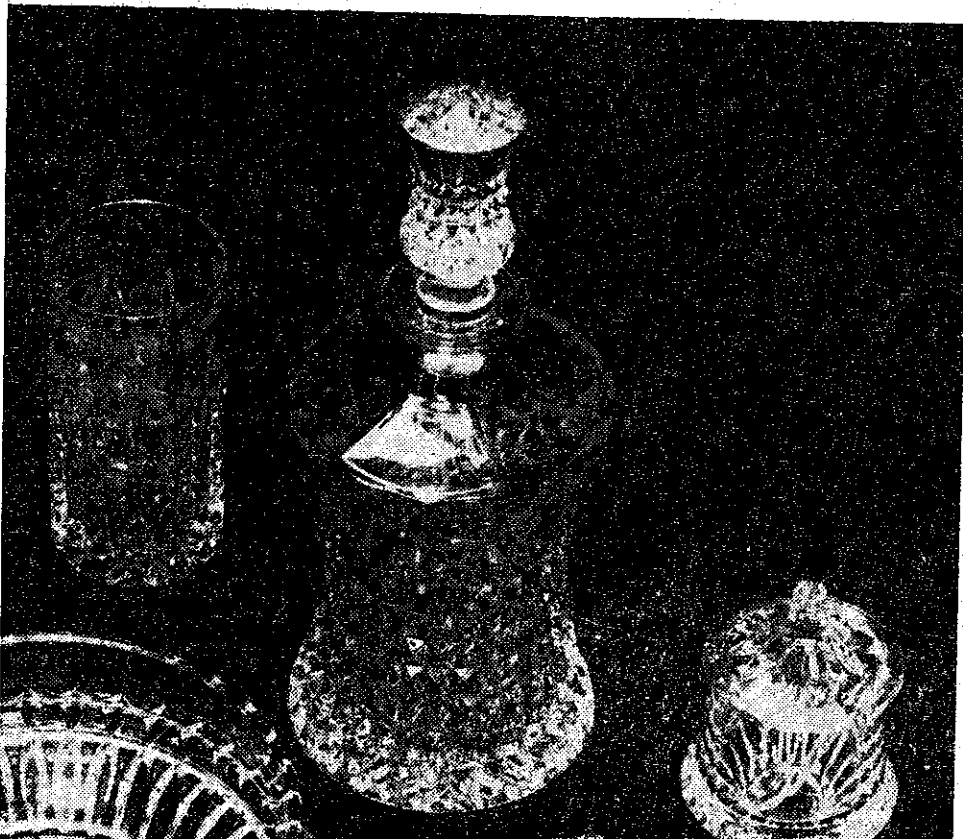
A recent Gallup Poll found that 58 per cent of Canadians disapprove of unilateral patriation, with opposition strongest in the West, but even the majority (52 per cent) in Ontario, generally believed to be the strongest supporter of the plan, opposed.

It now appears likely that the most the federal government can hope for is to bring an unamended constitution home, along with an

amending formula agreed to in Vancouver several years ago, which permits the provinces to opt out of constitutional amendments affecting their jurisdictions.

Trudeau is not happy with the formula, but continued insistence on doing things his way will probably convince Canadians that it would be wise for the constitution to remain in Britain—out of his reach.

# A CRYSTAL EMAS AND A OUS NEW YEAR.



# A Pathologist's Analysis of Yellow

By BERNARD M. WAGNER, M.D.

As a result of reports received since 1975, the State Department has concluded that "lethal chemical agents" have been used by Communist forces in Afghanistan and Laos. Further, the State Department notes that the Russians possess such agents and were responsible for their use in Vietnam as well as using them themselves in Afghanistan. The central question concerns the nature of the evidence.

In clinical medicine, decision making frequently depends on "soft" evidence. Population studies, anecdotal reports, deviations from normal, morbidity and mortality statistics and careful evaluation of clinical data all play a role in defining the presence of disease in a community. We teach medical students and resident physicians that the correct diagnosis of a viral infection is either isolation of the virus or demonstrating the host response to the virus. Yet, in practical terms, the diagnosis and treatment of most viral infections proceed without this kind of information.

## Used Against Pro-U.S. Tribes

Population field studies began with the reports by the Hmong tribes of Laos. The tribesmen participated in support of the U.S. against Communist forces in the mountains of central and northern Laos. Hmong refugees streaming into Thailand told of "poison rains" usually yellow but also red, green and blue. The clinical symptoms usually included skin irritation, dizziness, nausea, hematemesis (bloody vomiting) and melena (bloody stools). Individual cases reported a variety of other symptoms, some quite bizarre. However, the Hmong people have multiple dietary and nutritional deficiencies which may modify their response to external poisons. Also, the toxic materials could have been variable in their composition.

The U.S. government in mid-1981 began

to test samples from Southeast Asia for the presence of toxins. In August 1981, high levels and combinations of tricothecene toxins were detected in samples of foliage from a village in Cambodia. The sample was from a village that had been attacked by aircraft exploding containers of the

the mechanisms of toxicity produced by tricothecenes. This effort must be guided by the assumption: "What if American troops and civilians were exposed to these toxins?" One could take the position that this is a problem for the United Nations or NATO or some other multinational organi-

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*The threat of limited, controlled biological warfare is, at least for me, on a scale with nuclear war. It is clear that the world scientific community must intensify its research efforts concerning the enormous hazard to mankind posed by these lethal toxins.*

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brightly colored toxins in the air. Exposed natives developed toxic symptoms and many reportedly died. Samples obtained in the following months from other villages under attack both in Cambodia and in Laos yielded similar results. Finally, blood samples from victims of a chemical attack revealed tricothecene toxins.

On March 22, 1982, Special Report No. 82, titled "Chemical Warfare in Southeast Asia and Afghanistan," was delivered to Congress by Secretary of State Alexander Haig Jr. This detailed document provided the evidence to establish the fact that chemical toxins, derived from fungi, were used as a form of biological warfare. Tricothecenes are potent, lethal toxins produced by molds growing on a variety of grains. Known as mycotoxins, they have been a health problem for humans and animals in many parts of the world.

The accumulated data, after careful review and scientific scrutiny, lead to one conclusion: Chemical and biological warfare is being conducted by the Soviet Union in Southeast Asia and Afghanistan. What does the civilized world do next?

We need an intensive research effort on

zation. After all, it's not happening to us. This may not be true.

Since February 1981, the U.S. Department of Health and Human Services' Center for Disease Control has been notified of 38 cases of sudden death among Southeast Asian refugees in various parts of the U.S. The highest number of cases was in California. All these sudden deaths were investigated by medical examiners or coroners. Certain common features emerged from the clinical and postmortem studies.

All except one of these refugees were men and all apparently died during sleep. The majority of the deaths, 87%, occurred in Hmong natives from Laos. Available information indicated that they had been in the U.S. from five days to 52 months (average six months) before death. The families of 34 refugees who died were interviewed and this information added to the medical reports.

In this group, 29 deaths were witnessed and occurred between 9:30 p.m. and 7:00 a.m.; 28 persons appeared to be asleep and one was just falling asleep. All were apparently in good health and none had complained of symptoms before going to bed. Witnesses were alerted by unusual respiratory sounds or by a brief groan. All victims were unresponsive when discovered. Paramedical personnel documented ventricular fibrillation in two cases but were unable to resuscitate them.

To date, the results of autopsies and routine toxicology studies have not identified a cause of death in 30 of the 36 cases reviewed by pathologists. A review of nocturnal deaths in young males (20-39 years of age) in an age-matched American population and a statistical analysis of death rates in Laos was done. The estimated rate of sudden, unexpected, nocturnal death among Laotian men ages 25-44 is equal to the sum of the rates of the four major causes of death among U.S. males of the same ages.

Detailed study of all data available suggests that the refugee deaths in the U.S. constitute a distinct syndrome. The syndrome may be defined as follows: Sudden, unexpected deaths without antecedent symptoms occurring during sleep at night in Laotian males who were either from areas where a chemical attack had been



# Rain

who could reasonably be assumed to have passed through such areas in their flight from Southeast Asia.

Given our limited knowledge concerning the effects of tricothecenes in humans, we cannot exclude the possibility that the deaths were indeed related to toxin exposure. Those natives caught in the yellow-rain attacks inhaled the toxins, absorbed them through the skin and probably ingested them as contaminants.

There is serious scientific speculation concerning the potential cardiac toxicity of tricothecene when ingested in small amounts over long periods. The direct effect of those toxins and certain of their metabolites directly on heart muscle is already established. It may be necessary to revise some of our current thinking in cardiology as it concerns primary heart muscle disease. Known as cardiomyopathy, there is one type referred to as "beer-drinkers' cardiomyopathy" and thought to be associated with cobalt toxicity. As the toxic actions of mycotoxins become better understood, it now seems possible that "beer-drinkers' cardiomyopathy" may have resulted from contamination with tricothecene toxins.

Mycotoxins are soluble in fats and may be released slowly in the body from "fat depots." There are highly sensitive analytical methods available for the detection of these toxins in body fluids and extracts of tissues. We need to apply sophisticated techniques to microscopic tissue sections in attempting to elucidate the puzzling syndrome of sudden death experienced by the Vietnam refugees in the U.S.

## Achieving Goal Without Nukes

It is clear that the world-wide scientific community must intensify its research efforts concerning the enormous hazard to mankind posed by these lethal toxins.

The threat of limited, controlled, biological warfare is, at least for me, on a scale with nuclear war. With toxins having both acute and delayed effects, an aggressor can achieve his ends without the problems posed by nuclear blasts. Besides, toxins can be delivered in an insidious, almost undetectable manner defying even late recognition of the act. I am convinced that, until proven otherwise, the syndrome described is related to biological warfare.

The current outcry by civilized peoples against nuclear weapons with a demand that they be outlawed must also extend to chemical/biological warfare. Our government, along with all other nations, must find a way to pressure the Soviet Union and its clients into halting this activity. Until then, prudence dictates that we formulate policies to safeguard populations at risk.

*Dr. Wagner is director of laboratories at Overlook Hospital, Summit, N.J., clinical professor of pathology at Columbia University College of Physicians and Surgeons and president of the U.S.-Canadian division of the International Academy of Pathology.*