

Friday, May 4, 1990

## Bush: 'A new era in history'

# President calls for NATO summit

WASHINGTON (AP) — President Bush scrapped plans Thursday for a NATO summit to re-write political and military strategy for "a new era in history."

"As democracy comes to Eastern Europe and Soviet troops return home, there is less need for nuclear systems of the shortest range," Bush said.

His decision, canceling modernization of the Lance missile, amounted to a recognition of political realities both in Europe and in Congress.

West Germany, where most of the new weapons would be based, had fiercely opposed the deployment since the warheads would be targeted on their countrymen in East Germany.

Congress, doubting that the new missiles would ever be installed, had balked at Bush's request for \$112 million for modernization.

Bush made his announcement at a wide-ranging news conference during which he also said "I sometimes do worry" that military hardliners in

the Soviet Union might oust President Mikhail S. Gorbachev and try to reverse democratic reforms in Eastern Europe.

It was Bush's most direct statement ever about Gorbachev's grip on power.

Bush said Gorbachev is under "extraordinary pressure" at home

from Barbara Bush" anyway.

Bush welcomed statements from Lithuanian President Vytautas Landsbergis indicating a willingness to compromise with the Soviets. "I think that is very, very positive and let's hope it goes forward," Bush said.

Later, he met with Lithuanian

Prime Minister Kazimiera Prunskiene at the White House.

On other subjects:

— Responding to questions about the freeing of two American hostages in Lebanon, Bush said the United States could not claim credit for their release.

— "There were no behind-the-scenes negotiations that will come out that show that we pulled this off," said Bush, who previously has

applauded Syria and Iran for their roles.

The president said he would be willing to make any gesture of appreciation to Iran that would not be viewed as negotiating for the release of hostages.

— Bush announced he had invited top congressional leaders to a meeting Sunday in an effort to "move forward" the budget process. The full House and the Senate Budget Committee have passed Democratic budget versions that cut defense spending far more than Bush sought.

— He said he was not trying to oust the man who oversees the nation's beleaguered savings and loan industry, L. William Seidman, chief of the Federal Deposit Insurance Corp.

Bush also said he was canceling further modernization of U.S. nuclear artillery shells in Europe.

**"As democracy comes to Eastern Europe and Soviet troops return home, there is less need for nuclear systems of the shortest range,"**

—President Bush

because of unrest over Lithuania's drive for independence and the ailing Soviet economy.

In a lighter moment, Bush defended his wife Barbara against complaints by Wellesley College students who oppose her as their graduation speaker.

He said the students may be right in saying her recognition comes from his success, but declared "these young women can have a lot to learn

of the major events in modern Chinese history. The protesters' demands for democracy and modernization sparked an intellectual movement that helped produce the Communist revolution.

The movement also inspired later generations of students to political activism, including last year's protesters. "May 4th" was a rallying cry of the tens of thousands of students who marched through Beijing streets last April and May to the same spot as in 1919 — Tiananmen.

Jiang praised the 1919 movement as a "great anti-imperialism and anti-feudalism movement as well as a mind-opening and new cultural movement in pursuit of democracy and science."

But he said patriotism in the 1990s should be expressed through "devotion to building and safeguarding the cause of socialist modernization."

## Leader praises students

BEIJING (AP) — Communist Party chief Jiang Zemin gave a qualified vote of confidence Thursday to the loyalty of China's students at a rally commemorating the country's first student protests in 1919.

"Young intellectuals as a whole are good and can be trusted," he told 3,000 youths invited to hear him in the Great Hall of the People.

But much of his speech, intended to honor the student protesters of May 4, 1919, condemned students who protested last year with the same demands for democracy.

"They bound themselves with foreign hostile forces and conducted activities harmful to the motherland," the official Xinhua News Agency quoted Jiang as saying. "They lost all sense of national dignity and personal dignity. What qualifications do they have to talk about patriotism, democracy and human rights?"

The May 4, 1919 protest by a few thousand college students at Tiananmen Gate in Beijing is one

of the major events in modern Chinese history. The protesters' demands for democracy and modernization sparked an intellectual movement that helped produce the Communist revolution.

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## Oilman warns of Japanese practices

Trade commission will investigate price-fixing

WASHINGTON (AP) — A collusive business practice has kept U.S. businesses out of Japan for years and may hurt even more as Japanese firms grow in the United States, oilman investor T. Boone Pickens told a House panel Thursday.

Pickens, the largest shareholder in the Japanese auto parts manufacturer Koito Corp., said alliances between major manufacturers and their suppliers in Japan keep competitors out and raise consumer prices.

"American auto suppliers are at a disadvantage," Pickens told the subcommittee on economic and commercial law of the House Judiciary Committee.

"The Japanese utilize a system which was long ago dismantled in the United States," Pickens said, likening the practice to the trusts of the robber barons nearly a century ago.

The Federal Trade Commission plans to investigate the potential impact of such alliances as more Japanese firms expand to the United States, FTC chairman Janet

Steiger told the panel.

Each company in the alliance, known as keiretsu, owns a piece of the other member companies, and places the interests of the principal member first.

Pickens warned keiretsus have the potential to violate U.S. antitrust regulations prohibiting group boycotts and predatory pricing.

He cited Koito's relationship as Toyota's primary supplier of auto lights as a perfect example of the system.

"Toyota, as the keiretsu parent, virtually dictates the pricing policies of Koito," said Pickens, who owns 26 percent of Koito but has been repeatedly denied a seat on its board of directors.

A Koito spokesman in the United States called Pickens' allegations "baseless."

"His testimony was just another part of his cynical effort to ensnare the U.S. government in the greenmail scheme he is conducting against Koito," the spokesman said.

## House issues technology study

WASHINGTON (AP) — The United States could lose its leadership role in superconductivity research because U.S. companies are investing less in the technology than those in other countries, according to a congressional study issued Thursday.

The Office of Technology Assessment used high-temperature superconductivity, discovered in the United States in 1986, as a test of the nation's ability to sustain a long-term research and development effort, said study director Gregory Eyring.

"We have had a large government investment," Eyring said of superconductivity research. "But if you look at the industry side, the situation isn't as encouraging."

"The primary interest is whether

we're ahead of the Japanese," he said.

Physicist Paul Chu, who discovered high-temperature superconductivity, said he agreed to a certain extent with the study's conclusions.

"U.S. industry's involvement is certainly not as great as that in Japan," Chu said. "We'd like to see more."

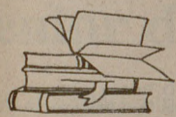
The U.S. government spent \$130 million on superconductivity research in 1989 while Japan spent less than \$70 million, the study said. But Japanese companies in late 1988 and early 1989 invested about \$107 million in such research compared to about \$73 million by U.S. firms, it said.

Cooperative research programs among European countries are also expected to challenge U.S. dominance in the field, the study said.

"The OTA report confirms my old fear that, despite our breakthrough discoveries ... U.S. companies may not be doing enough to remain competitive in this new technology," said Sen. Lloyd Bentsen, D-Texas, a member of one of the four congressional committees that asked for the study.

Rep. Bob Torricelli, D-N.J., said high-temperature superconductivity could join videotape recorders and other electronic innovations that were developed first in the United States but capitalized on by Japan.

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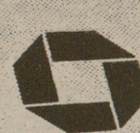
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