

## World and Nation

# Czechs granted economic rewards

**From Associated Press reports**  
 WASHINGTON — President Bush gave investment and trade rewards to Czechoslovakia Tuesday for overthrowing communist rule but told President Vaclav Havel the United States wouldn't retreat from a precautionary "strong military presence" in Europe.  
 Bush gave a warm welcome to the first of Eastern Europe's new reform leaders to visit the White House and praised Havel, a onetime dissident playwright who went from prison to the presidency in a year's time, as "a man of tremendous moral courage, one of the heroes of the revolution of '89."  
 The two leaders talked for two hours, and afterward, Havel said the talks had been "very warm, very open, very friendly," and he invited Bush to visit Prague.  
 Bush announced a waiver of the Jackson-Vanik amendment that restricts trade relations with communist nations that inhibit Jewish emigration.  
 The waiver clears the way for negotiation of a trade agreement and the eventual award of most-favored-nation trading status, which would provide Czechoslovakia the most liberal access possible to American markets. In return, the Czechoslovak Parliament would have to enact a law ending the

former communist government's restrictive emigration policies.  
 Bush also authorized the Export-Import Bank to operate in Prague and said he would support readmission of Czechoslovakia to the International Monetary Fund and World Bank. Bush authorized sending Peace Corps volunteers to Czechoslovakia by autumn to teach English.  
 Regarding military forces, Havel has called for disarmament throughout Europe and has asked the Soviet Union to withdraw the 75,000 Soviet troops in Czechoslovakia. Some Czechoslovak leaders have called for eventual dissolution of NATO, along with the Warsaw Pact, the Soviet-led alliance to which Czechoslovakia belongs.  
 In his public comments, Bush said, "I know I can speak for all Western leaders when I say that the Atlantic Alliance will continue to play a vital role in assuring stability and security in Europe at this great and historic moment."  
 "And America will continue to play its part, including a strong military presence for our security and for Europe's," said Bush, who has proposed that the United States and Soviet Union reduce their troops in Central Europe to 195,000 on each side.

Bush, in the private discussions, talked at length about a need for U.S. troops in Europe and portrayed NATO as a stabilizing factor at a time of great transition, said Assistant Secretary of State Raymond Seitz.  
 Seitz quoted Havel as saying, "There is no doubt about the stabilizing role of NATO and the United States." And he said the Czechoslovak president agreed on a need for NATO and U.S. forces until "new security structures emerge in Europe."  
 Bush said NATO perhaps should have a broader role than at present, Seitz said.  
 Moreover, the official said Bush told Havel "he did not envisage the U.S. presence going on forever and ever and ever ... It was contingently on the U.S. presence being centrally welcomed in Europe and that if the United States were no longer welcomed in Europe, the U.S. forces would come home, forthwith, right away, last one out turn out the lights."  
 The Czechoslovak president said he has no fears about German reunification so long as the new country is a democracy. "I wouldn't be afraid of a democratic country if it had 100 million people, but I would be afraid of a totalitarian country with a million



George Bush

people," he said.  
 Havel, who arrived in the United States on Monday, will address a joint session of Congress on Wednesday before traveling to New York for business, political and cultural meetings. He will return home Thursday night. Next week, he will make his first visit to Moscow.

# Defense secretary in Japan to gain more troop support

**From Associated Press reports**  
 TOKYO — Defense Secretary Dick Cheney arrived Tuesday from the Philippines seeking what the United States hopes will be a "sizeable increase" in Japan's \$2.4 billion annual support for American troops stationed here.  
 Cheney's visit came as Philippine President Corason Aquino signaled a willingness to work out differences over U.S. bases there, despite her refusal to meet with Cheney during his stay in Manila the previous three days.  
 The defense secretary had a warmer reception in Tokyo.  
 "The Japanese are very understanding and are very willing to help us as much as they can," said a senior Pentagon official traveling with Cheney.  
**Ruling to battle abusive parents**  
 WASHINGTON — The Supreme Court ruled Tuesday that parents suspected of child abuse sometimes may be jailed indefinitely for refusing to disclose the whereabouts of their children.  
 Voting 7-2, the justices permitted the indefinite jailing of a Maryland

## News in Brief

woman for refusing to tell authorities where her young son can be found. The boy is feared dead.  
 Society's interest in protecting the boy from harm prevails over the mother's claim that her right against self-incrimination will be violated if she is forced to reveal the child's location, the court said.  
**These bugs eat drugs**  
 WASHINGTON — The Bush administration is pushing research into a possible new combatant in the war against cocaine: a caterpillar with a taste for coca leaves. However, officials said Tuesday the insects won't be deployed in South America unless local governments approve.  
 "We are not undertaking any biological war," said spokesman Martin Fitzwater. "Neither troops nor caterpillars will go in without prior request and consultation."  
 Peruvian and Bolivian growers supply the vast majority of the world's coca leaves, the raw material for cocaine.

# East Germany presses to accelerate reunification

**From Associated Press reports**  
 EAST BERLIN — East German Premier Hans Modrow, pressed by mass emigration and a crumbling economy, appealed Tuesday for immediate reunification talks under a formula worked out with the Allied victors of World War II.  
 Chancellor Helmut Kohl, the West German chancellor, urged Modrow's government to create a social security system as generous as West Germany's as a means of stopping the flight.  
 More than 400,000 people — most

of them skilled workers — have left the East for West Germany in the past year after giving up hope of significant improvement in living conditions at home.  
 Kohl met with West German industrial leaders Tuesday to draft plans for "solidarity with East Germany," and told journalists his government would help finance unemployment benefits and pensions for East Germans.  
 He was vague about the degree to which West Germany would underwrite the costs of East Germany's tran-

sition to capitalism, however, saying only that Bonn could provide "start-up financing" for the benefits.  
 His references to German "social unity" reflected a growing realization among West Germans that they must pay for reunification. Kohl's government has been reluctant to make firm deals with Modrow, a reform-minded Communist whose interim Cabinet will govern until free elections March 18.  
 East Germany's parliament passed a constitutional amendment and legislation Tuesday setting rules for the elec-

tions. The new parliament will have 400 seats, 100 fewer than the current People's Chamber.  
 At a meeting in Ottawa, Canada, last week the United States, Soviet Union, Britain and France agreed with East and West Germany on a two-stage plan for reunification.  
 In the first stage of what became known as the "2-plus-4" formula, German experts would discuss political, economic and legal steps to unity. In the second, the Germans would be joined by the Allies to discuss interna-

tional ramifications.  
 Modrow said parallel plans should be made for a meeting of the 35-nation Conference on Security and Cooperation in Europe.  
 A joint government commission of East and West Germany met Tuesday to discuss ways of achieving monetary and economic unity.  
 Leaders of both countries hope monetary union will stem the flight of about 2,000 people a day from East to West, but no agreement is expected until after the March elections.

# Greenspan says recession may not occur despite inflation

**From Associated Press reports**  
 WASHINGTON — Federal Reserve Chairman Alan Greenspan on Tuesday expressed "guarded optimism" that the country can avoid a recession this year, but his warnings on the dangers of accelerating inflation helped send financial markets into a tailspin.  
 Setting up a potential clash with the administration, Greenspan said the

central bank expected the economy to grow at a rate far below the one on which the administration based its 1991 budget.  
 Wall Street, which has been battered this year by rising foreign interest rates, took Greenspan's inflation warnings and growth forecast as further evidence that the central bank is intent on pursuing a tight money policy to battle infla-

tion and thus will not move anytime soon to lower interest rates.  
 At mid-afternoon, interest rates on long-term government bonds had jumped sharply while the prices, which move in the opposite direction, fell as much as \$18 per \$1,000 in face value. The Dow Jones industrial average of 30 stocks was down more than 38 points at the close of business.

"We're in an area where (inflation) is in danger of accelerating," Greenspan said in his appearance before a House Banking subcommittee.  
 He called the performance of inflation so far this year "horrendous," although he said January's jump in prices was attributable in large part to temporary factors stemming from severe cold in December.  
 But he said the risks of higher inflation in the present circumstances were "larger than we should be willing to tolerate."

central bank had been gradually easing short-term interest rates out of concern that weakness in the economy might spell the end of the seven-year-old economic recovery, the longest in peacetime history.  
 While economic growth did slow to a barely discernible 0.5 percent annual rate from October through December, the worst performance in 3 years, Greenspan in his testimony said that he believed the danger point for an imminent recession had now passed.  
 He cited a variety of January statistics from rising auto sales to a surge in new home construction to bolster his belief that a modest rebound was occurring and that the "weakest point may have passed."

"While we cannot be certain that we are as yet out of the recessionary woods, such evidence warrants at least guarded optimism," he said. The Fed's economic forecast for 1990 represented only a modest change from a preliminary estimate of 1.5 percent to 2 percent GNP growth made last June. But the central bank did significantly alter its forecast on inflation, predicting consumer prices would rise 4 percent to 4.5 percent this year, down from a June forecast of a 4.5 percent to 5 percent increase.  
 Analysts took this revision as another sign that the Fed was toughening its inflation-fighting resolve.  
 "The ultimate objective of economic policy is to foster the maximum sustainable rate of economic growth," Greenspan said, adding, however, that the economy might have to undergo sub-par growth for a period of time to make sure inflation remained contained.  
 On other topics, Greenspan said there was never a desire on the part of federal officials to rescue Drexel Burnham Lambert, the large securities firm that got into financial trouble because of its aggressive marketing of junk bonds.  
 From June through December, the

in the new Fed economic forecast, the central bank projected that the economy, as measured by the gross national product, will grow at an annual rate of 1.75 percent to 2 percent this year, the slowest annual growth rate since the 1981-82 recession.  
 The Bush administration, in a forecast released last month with its 1991 budget request, forecast growth almost a full percentage point higher at 2.6 percent, when measured from the fourth quarter of 1989.  
 The administration also predicted that interest rates would drop sharply from their current levels, a decline that would lower the government's borrowing costs on the \$2.9 trillion national debt. With the Fed expected to keep interest rates high to restrain inflationary pressures, economists said both the administration's growth and interest rate assumptions would prove to be too optimistic, thus ballooning the federal budget deficit by billions of dollars.  
 "The Greenspan testimony is a clear indication of a toughened central bank stance against inflation," said Alan Sinai, chief economist of the Boston Co.  
 "The message is that interest rates will stay high and perhaps go higher as the central bank keeps the economy throttled back to bring down inflation."  
 From June through December, the

**Why Not Own Where You Live While At UNC?**

Your parents will appreciate the return on this leveraged investment and the tax advantages... You'll love the place and where it is. By Finley Golf Course... just 5 minutes from campus.

- From the 60's
- Less than 5% down
- Below market fixed rates
- New - not a conversion
- Guaranteed buyback

Come see the award winning models, clubhouse, spa, pool and tennis courts and get eye-opening facts and figures to send your folks.

Call 967-6076 Open 11-6 Daily  
 Urban Associates of North Carolina  
 Sales by: Cochran & Company, Realtors

**Blue Lights, Big Trouble?**  
 ...not necessarily. Get some good advice.

**ORRIN ROBBINS**  
 Attorney At Law

**968-1825**

- DWI's
- Traffic Tickets
- Personal Injury from Auto Accidents

Free Initial Consultation  
 Protect your legal rights and your insurance premiums!

**Lunch Daily**  
 11:30-5:00

**FRANKLIN STREET BAR & GRILL**

**Wednesday Dinner Specials: 5-9**

**Egg Plant Parmigiana \$5.95**  
**London Broil \$6.95**

Deli Sandwiches • Homemade Soups  
 Large Assortment of Salads

149 1/2 E. Franklin St.

**Pine Tree Antiques Market**  
 Durham

Antique quilts, rare books, glassware, vintage clothing, oak furniture, baskets, fiestaware, primitives, toys, baseball cards, art deco, advertising, folk art, estate jewelry, stoneware, antique tools, comic books, prints, textiles, English furniture, lighting.

• Monthly antiques, collectibles & crafts market • Dealers from 10 states • No new merchandise • 400 Rigsbee Ave., Durham, take Business 15/501 to downtown Durham, turn left at Elliot St., go 3 blocks • Sat., Feb. 24, 12-5 • Sun., Feb. 25, 10-5 • \$1.50 • 919/688-3297

**SAT. 12-5 • SUN. 10-5**

**Break Away to the hottest action in DAYTONA BEACH!**

**\$149<sup>00</sup>**

**DATES: March 11-16**

**CONTACT: John Cloninger 942-9438**

**AMERICANA HOTEL**

- High Rise
- Great Location
- Ocean Front
- 6 block from PENRODS

**CHANCE FOR A TRIP AT 1/2 PRICE!**

**SPRING BREAK**

**Earn A Bundle For Spring Break!**

Receive \$15 TODAY as a new plasma donor with this ad!

**CALL 942-0251**

**SERA-TEC BIOLOGICALS**  
 109 1/2 E. FRANKLIN ST. (above Rite-Aid)

**Bike to Campus**  
 Your Own Apartment. Now You Can Afford It.

Booker Creek 929-0404  
 933-2345 FRANKLIN WOODS  
 967-2234 ESTES PARK  
 968-3983 UNIVERSITY LAKE  
 967-2239 ROYAL PARK  
 967-2231 KINGSWOOD

And Enjoy Our Resort Clubhouse

THE APARTMENT PEOPLE  
 Triangle Communities  
 Mon.-Fri. 9-6 Sat. 10-5