

Aspin Outlines Goals in Somalia

By John Lancaster
THE WASHINGTON POST

WASHINGTON

Defense Secretary Les Aspin PhD '68 said Friday that U.S. combat troops will stay in Somalia until calm has returned to its capital, "real progress" has been made in disarming rival clans and "credible police forces" are up and running in major cities.

In a speech here, Aspin offered the most specific explanation yet of the Clinton administration's decision to step up military operations against fugitive warlord Mohamad Farah Aided, whose forces have been waging war on U.S. and other foreign troops in the capital of Mogadishu.

He avoided any discussion of a withdrawal timetable, emphasizing that the decision to bring home the troops would depend on their effectiveness in achieving the goals he described.

"When these three conditions are met ... then I believe the U.S. quick-reaction force can come back," Aspin said in describing what he termed the "endgame" of

U.S. involvement in Somalia.

This week, the administration dispatched 400 Army Rangers to augment U.S. the 1,400 infantry soldiers and 3,100 logistics troops in Mogadishu, prompting criticism that U.S. policy-makers had embarked on a path toward deeper involvement in Somalia's factional violence without presenting a clear rationale.

Aspin sought to answer that criticism Friday, saying the United States has little choice but to go after Aided and his militia in south Mogadishu. Pentagon officials privately acknowledge that the Ranger team includes a covert element that will try to capture Aided.

"The danger now is that unless we return security to south Mogadishu, political chaos will follow," Aspin said. "Other warlords would follow Aided's example. Fighting between the warlords would ensue. And that, of course, is what brought the famine to massive proportions in the first place.

"The danger we're dealing with here is that the situation will return to what existed before the United

Nations sent in its troops."

The emphasis on quelling Aided's militia demonstrates how U.S. policy in Somalia has shifted from its original goal. When U.S. troops landed in Somalia last December, their purpose was to secure food deliveries and U.S. military commanders worked studiously to avoid taking sides in Somalia's factional rivalries.

Aspin emphasized Friday that the U.S. mission remains limited. He defined it in terms of restoring security rather than rebuilding the country's shattered economy and political system. That broader task, he said, was the responsibility of the United Nations, which assumed control of the peace-keeping mission from the United States in May.

First, Aspin said, U.S. combat troops must restore a semblance of calm to south Mogadishu; second, "we must make real progress towards taking the heavy weapons out of the hands of the warlords," and third, "there must be credible police forces in at least the major population centers."

Administration Hits Crunch Time To 'Reinvent Government'

By Ann Devroy and Stephen Barr
THE WASHINGTON POST

WASHINGTON

The Clinton administration has hit crunch time on its massive proposal to "reinvent government," with chapters of a 159-page report being vetted this week by congressional leaders and interest groups, then frantically being rewritten to reflect new decisions.

The proposal designed to make the federal government work cheaper and better has been put together by 200 staff workers under the direction of Vice President Al Gore for a Sept. 7 White House debut that will open the fall legislative season.

The initiative, called the National Performance Review, has a double agenda. It must offer serious, attainable recommendations that actually save money while making government more efficient. But it also is intended to put President Clinton back into more hospitable political waters as the "new Democrat" he said he would be before last spring's budget battles.

White House officials said at least three or four drafts of the proposal are circulating and being rewritten by a team of writers under chief author David Osborne. "It really still is a work in progress," Marla Romash, Gore's press secretary, said Friday.

Even so, Democratic congres-

sional leaders such as Rep. Richard A. Gephardt, Mo., and Sen. George J. Mitchell, Maine, were briefed on the report this week and drafts were distributed to interest groups and at the White House. Extensive congressional consultations are planned for next week.

The package is expected to save several billion dollars by cutting back on programs such as agricultural subsidies and regional field offices; shrinking the government payroll by more than the 143,000 sought through attrition in Clinton's budget plan; and simplifying rules for how and why the government buys things.

Gore aides have talked with the Office of Management and Budget about offering "buyouts" of up to \$25,000 to federal managers and other selected workers as a way of cutting long-term costs, with an eye toward shedding an additional 100,000 jobs.

Procurement and contracting rules also are expected to change, especially at the General Services Administration and Government Printing Office, so that agency managers have more purchasing flexibility.

More functions now done by government may be handled by the private sector. One proposal under debate would replace the Federal Aviation Administration with a

new, quasi-governmental entity to manage and finance air-traffic control, while keeping safety oversight within the Transportation Department, sources said.

While early estimates of the package projected savings of up to \$10 billion, the final estimate will not be known until Clinton and Gore approve the package, which they plan to do next week.

The unveiling of the program will be the first of three major initiatives Clinton plans to roll out, one after the other after Labor Day.

Following the release of the report on Sept. 7, Clinton is likely to travel to various part of the country promoting it. The administration's effort to seek congressional approval of the North American Free Trade Agreement will begin the following week, with the unveiling of Clinton's health-care-reform proposal the week after that.

Administration officials insisted the reinventing government effort will not be pushed aside by the other initiatives, but instead be "returned to periodically, regularly" in the fall. Gephardt, in an interview Friday, said the House is considering setting aside a week in October to consider "reinventing government" initiatives together with additional deficit-reducing spending cuts.

Record 25-Year Low Mortgage Rates Escalate Home Refinancings

By Jerry Knight
THE WASHINGTON POST

WASHINGTON

Mortgage rates dropped to their lowest level in 25 years this week and show no sign of reversing the steady decline that has saved homeowners \$27 billion in interest in the last two years.

With 30-year mortgage rates averaging less than 7 percent, 15-year mortgages available for just over 6 percent and variable rate loans under 4.5 percent, mortgage lenders say they are handling four times as many refinancings as last year and 12 times as much business as they did just three years ago.

So many homeowners are refinancing their mortgages that the lenders, appraisers and settlement companies can't keep up with them, said Washington real estate lawyer Benny L. Kass. "We are having serious problems," he said. "The lenders are promising too much and they just don't have the staff to do it."

"It's brutal," acknowledges Pat Casey, regional vice president for

Crestar Mortgage, one of the biggest lenders in the Washington area. To keep up with the demand, Crestar has added new automated computer and phone systems, streamlined its mortgage application process and farmed out work to processing firms.

Refinancing volume shows no sign of slowing, he added, because the continuing drop in rates means more and more borrowers fall under the usual rule of thumb: If you can reduce your interest rate by 2 percentage points; if you plan to stay in your house for three years; and if your refinancing costs will amount to less than 3 percent of the loan, you'll come out ahead by refinancing.

Millions of American homeowners have never seen mortgage rates this low, said David Berson, chief economist for the Washington-based Federal National Mortgage Association, known as Fannie Mae.

Economists say low inflation, sluggish economic growth and efforts by Congress and the Clinton administration to reduce the federal budget deficit are the main reasons

interest rates have come down. Those factors are likely to keep interest rates on mortgages and bonds low for the next few months, and could push them still lower.

"We could continue to see bond yields and mortgage yields edging down," said David Lereah, economist for the Mortgage Bankers Association, the Washington-based trade association for the home lending industry.

"I don't think the bottom has been reached on rates," said John A. Tuccillo, chief economist for the National Association of Realtors. "We could see another quarter of a (percentage) point knocked off the 30-year mortgage."

Homeowners who have refinanced in the last two years are saving \$9 billion in interest, estimates Lereah of the Mortgage Bankers Association. Homeowners with adjustable-rate mortgages get the benefit of lower rates without refinancing, and their payments have dropped by more than \$18 billion in the last two years.

U.S. Denounces Iraq For Violating Rights of Shiite Muslims

LOS ANGELES TIMES

WASHINGTON

The U.S. State Department denounced the Iraqi government Friday for continued human rights violations in its efforts to drive Shiite Muslims from their ancestral home in the country's southeastern marshlands.

"We have verified extensive draining and burning of the marshes, the burning of villages, and ongoing artillery attacks on civilian centers," the department said in a statement. "The Iraqi government's tactics are designed to eradicate a culture which has been present in the marshes for thousands of years, and eliminate a fragile ecosystem in the region."

The statement came amid new reports of atrocities from recent visitors to the region, which is part of a protected zone patrolled by U.S., French and British fighters.

Yousif Al-Khoei, the grandson of the late Shiite spiritual leader Ayatollah Al-Khoei, spent last Friday, Saturday and Sunday observing the border region just west of the Iranian town of Susangerd.

In an interview from London on Thursday, Al-Khoei described an encampment of 5,000 Shiite refugees who had fled across the border into Iran. Frightened, hungry and weary from the 130-degree heat, many of the fugitives had been injured by the intermittent artillery attacks of the Iraqi army, Al-Khoei said, and most were women and children.

Retroactive Estate Tax Challenged

THE WASHINGTON POST

WASHINGTON

The National Taxpayers Union, an anti-tax advocacy group, Friday filed a lawsuit seeking to invalidate the retroactive increase in estate and gift taxes that was included in the Clinton administration's recently adopted budget bill.

But the group did not challenge the administration's much-larger retroactive increase in income taxes on the affluent, which many Republican lawmakers have argued was unconstitutional. Instead, it sided with the administration's argument that past court decisions support the retroactive income-tax hike.

"We think it's an unconscionable act ... but the courts have upheld it," said Mark Levin, director of Legal Policy for the Landmark Legal Foundation, which helped prepare the lawsuit.

"Every citizen should be concerned about the precedent created by these cynical tax schemes. If the government succeeds in imposing these unconstitutional retroactive tax increases, one wonders what serious limits will remain on Washington's taxing authority."

Critics have lampooned the provision affecting estates as President Clinton's retroactive tax on the dead, because some recently deceased individuals with large estates had no warning that the money and property they left behind would be subject to the higher levy.

'Hero' Producer Target of Probe Linking Studio to Fleiss

LOS ANGELES TIMES

HOLLYWOOD

Steve Roth, a producer of "Last Action Hero," is a target of the ongoing Sony Pictures investigation into possible ties between its Columbia Pictures unit and Hollywood madam Heidi Fleiss, according to several sources.

Sony auditors are said to be poring over financial records from both "Last Action Hero" and Steve Roth Productions. Sources said the company is trying to determine whether any studio funds were used to procure prostitutes or drugs.

In an interview Friday, Roth denied knowing Fleiss and said he has no knowledge of being part of an investigation by Sony.

Officials from Sony and Columbia declined comment when specifically asked if Roth is a target of the investigation. The companies have refused to officially confirm or deny whether they are examining possible links between Columbia and Fleiss.

But sources close to the studio said he was among a handful of people at the center of the internal probe, which began after persistent rumors linked Columbia executives and producers to Fleiss. "He is one of several people tied to the probe," said one high level source.

The names of others under investigation were not divulged. However, those close to the probe said Roth has come under scrutiny at least partly because of his ties to "Last Action Hero," a costly summer movie starring Arnold Schwarzenegger that bombed at the box office.

Police Probe Possible Extortion Plot as Jackson Resumes Tour

LOS ANGELES TIMES

Michael Jackson, fighting off allegations of sexual abuse and a case of what his doctor described as severe dehydration, returned to the concert stage Friday, performing a lively two-hour show before a capacity crowd in Bangkok, Thailand.

Jackson's appearance was greeted enthusiastically by more than 40,000 fans in Bangkok's National Stadium, temporarily quelling speculation that he was preparing to abort his world tour amid allegations that he sexually abused one or more young boys. Although rumors continued to circulate that Jackson was preparing to surrender to authorities, his lawyer vehemently denied those reports.

"There is no plan for him to surrender because there is no reason for him to surrender," said attorney Howard Weitzman in Los Angeles.

In Bangkok, Jackson did not address the international furor surrounding the sex abuse allegations.

Meanwhile, police and social workers in Los Angeles continued to press forward with their investigation on two fronts: opening an inquiry into allegations that Jackson was the victim of a \$20 million extortion attempt and interviewing young people close to Jackson about whether he ever made sexual advances toward them.

Although investigators have the statement of a 13-year-old who says he was molested by Jackson over a period of months, sources say their investigation has been hampered by a shortage of physical or medical evidence directly linking Jackson to sexual molestation.