

ORANGE COUNTY

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ORANGE COUNTY NEWSWATCH

FOOTING THE BILL: Laguna Beach has a new incentive to cut commuter traffic: free walking shoes to any city employee who will walk to work. . . . The offer is not likely to cripple the city budget, only about a fifth of city employees live within the city. "A lot of people who work for us can't afford to live in Laguna," explained Mayor Lida Lemay.

NAME GAME: Sometimes you just can't win. . . . Customers of Lincoln National Bank in Etnico confused it with infamous Lincoln Savings & Loan of Irvine. Even the institutions' owners had similar names: John Keating at Lincoln National, Charles Keating at Lincoln Savings. . . . Lincoln National announced it would change its name to California United Bank. A simple solution? Not exactly. Now it's being sued by United California Savings Bank of Santa Ana, which won a temporary order this week forbidding the name change.



ANNIVERSARY: Today is Richard and Pat Nixon's 50th wedding anniversary, which they plan to observe with a family luncheon in New Jersey with daughters, sons-in-law and grandchildren. . . . At one point, backers of the Nixon Library & Birthplace in Yorba Linda, scheduled to open July 20, had hoped the facility could open today, "but the construction schedule didn't work out," a spokesman said.

LEVELING OFF: While domestic air traffic in the United States has held steady over the past three years, John Wayne Airport reports a drop in passengers of 6.5% in May of 1990, compared to May of 1989. . . . "I suggest the reason for the drop is related to the construction of the new terminal," said Jan Mittermeier, John Wayne's assistant manager. "Traffic is really backed up. When the new terminal is open, you'll see that trend reversed."

TONIGHT: The Cowboy Junkies, the Canadian band whose hypnotic country-rock has made it a critical favorite, appears with Texas singer-songwriter Townes Van Zandt at the Coach House, 5317 Camino Capistrano, San Juan Capistrano. Show times: 8 and 10:30 p.m. Tickets: \$28.50. Information: (714) 485-8930.

WEATHER: Morning low clouds clearing to afternoon sunshine. High in the 80s; low near 60. (BB) —James S. Granell and Leslie Ebrnett

■ The Top of Today's News is on A2



Nelson Mandela's parade vehicle makes its way along New York's Broadway amid a shower of ticker tape.

Thongs Cheer Mandela as Trip to U.S. Begins

By SCOTT KRAFT and TRACY WILKINSON

NEW YORK—Nelson Mandela, whose sacrifices for black liberation in South Africa have made him a legend at home and abroad, was cheered Wednesday by hundreds of thousands of exuberant New Yorkers, screamed by choirs and showered with a paper blizzard in a historic ride up Broadway's "Canyon of Heroes" as he began his first visit to America.

The emotional outpouring of support for the 71-year-old leader and his wife, Winnie, began the moment they set foot on a red carpet at Kennedy International Airport, where they were embraced by black and white political leaders from three states and applauded by a crowd balled in the black, green and gold colors of Mandela's movement, the African National Congress.

"You, the wonderful citizens of New York, have demonstrated in the most visible manner that we, the oppressed people of South Africa, and the ANC, are admired and respected [and] that it is the dying apartheid system that is totally isolated," Mandela told a crowd on the steps of City Hall, where he



Mandela greets an enthusiastic crowd after his arrival at the airport.

accepted the key to the city from Mayor David N. Dinkins. "We are overwhelmed by the extraordinary reception that we have received," said Mandela, dressed in a blue suit. He was accompanied by his wife, who was wrapped in a traditional red-and-white African dashiki. "No . . . words can ever express the deep emotions I feel at this moment."

■ HAPPY CROWD
Thousands of New Yorkers wait for hours for a glimpse of Nelson Mandela. A18
■ OTHER COVERAGE: A18, 19

New York Gov. Mario M. Cuomo, who rode with the Mandelas on the parade route, described the hero's welcome as "the single most memorable thing I've ever witnessed," and he attributed it to the couple's "strength, their indomitable. It is what they demonstrate that you can do when your heart is filled with righteous passion."

"It was a colossal shout, to say to the world that it's time for the chains to be thrown off. Put an end to apartheid in South Africa. Put an

end to the evil," Cuomo said. Mandela's motorcade from the airport wound through neighborhoods of Brooklyn, some of some of New York's recent racial strife, where throngs lined the roadway and pressed forward to touch the black limousine carrying the man Dinkins later called a "modern-day Moses" for blacks worldwide.

Mandela then climbed into a special vehicle with large bullet-proof windows and, thickly surrounded by dozens of uniformed and plainclothes security officers, moved up the narrow six-lane canyon of lower Manhattan as it rained tons of scraps of paper, including some authentic pre-computer age ticker tape imported from Connecticut.

As Mandela and his wife waved to the noisy revelers, fists shot into the air with the traditional salute of the ANC, the liberation movement

Pew of these ideas will survive beyond the first unsympathetic rejection letters; this is an era of small-scale water management programs and government conservation projects constrained by environmental concerns and budget cuts. But a century ago Southern California's first water prophets laid plans to divert Colorado

Please see WELCOME, A18

Bush Suspends Talks With PLO

■ Terrorism: President assails the organization's failure to denounce a splinter group's raid on an Israeli beach.

By JAMES GERSTENZANG, TIMES STAFF WRITER

HUNTSVILLE, Ala.—President Bush on Wednesday suspended the 18-month-old U.S. dialogue with the Palestine Liberation Organization in response to the foiled Palestinian guerrilla landing on an Israeli beach last month.

"We've given the PLO ample time to deal with this issue. To date, the PLO has not provided a credible accounting," Bush said at a news conference.

White House officials said that Bush is prepared to resume the talks with the PLO once the organization denounces the raid—which a PLO faction known as the Palestine Liberation Front claimed to have carried out—and disciplines the splinter group.

The low-key dialogue with the Palestine Liberation Organization began in December 1988, when U.S. Ambassador Robert H. Pelletreau Jr. met with a PLO representative in Tunis.

The path for that meeting was cleared when Yasser Arafat, the PLO's chairman, acknowledged Israel's right to exist and renounced the use of terrorism. Until he took office in December 1988, when U.S. policy forbade official contact with representatives of the key organization responsible for Palestinian terrorism in the Middle East.

But ever since the terrorist raid on a beach near Tel Aviv on May 30, Bush has been under increasing pressure from Congress, Israel and Israel's supporters to suspend the talks. Israeli forces intercepted the guerrillas on land and in the speedboats they used to approach the shore. Four guerrillas were killed and 12 captured.

The size of the force and the geographical target area strongly indicate that civilians would have been the target," Bush said.

A spokesman for the Palestine Liberation Front, claiming respon-

Please see PLO, A24

Bush's Deficit Plan Relies on Cuts in Benefits

By WILLIAM J. EATON, TIMES STAFF WRITER

WASHINGTON—The Bush Administration Wednesday presented a new deficit reduction package without income tax increases that would cut the deficit \$51 billion next fiscal year by relying heavily on reductions in Medicare and other health benefits.

The proposal, outlined by Budget Director Richard G. Darman at talks with congressional leaders, calls for a staged reduction of \$44 billion in out-of-pocket spending over the next five years.

"I think today we started on serious negotiations," Issues Majority Leader Richard A. Gephardt (D-Mo.), chairman of the talks, said after the three-hour closed meeting at which Darman described his proposal.

Darman also calls for an additional \$17 billion in cuts of benefits mandated by law in fiscal 1991, including Medicare and Medicaid, congressional sources said.

They added that the new plan calls for cutting defense by \$3.5 billion more

Please see DEFICIT, A29

He Could Lose Top Post in Party, Gorbachev Admits

By MICHAEL PARKS, TIMES STAFF WRITER

MOSCOW—President Mikhail S. Gorbachev, who has come under increasingly sharp attacks from communists within the Soviet Communist Party over his reforms, acknowledged Wednesday that he could lose his post as the party's general secretary at a party congress in two weeks.

As criticism of his leadership mounted and calls came for the separation of his two powerful posts as the head of the party and the state, an angry and frustrated Gorbachev told a pre-congress meeting here that the party could soon have a new leader.

"I think that some comrades are treating the general secretary and the president of the country very casually," Gorbachev said as the attacks continued for a second day.

"This is not a question of me personally. Tomorrow or in 10 or 12 days, there may be another general secretary or chairman of the party."

Before passing judgments and, still more, making accusations, you have to know a great deal and understand it, not just speak off the cuff. If this is going to be the attitude . . . toward the people we nominate at such a turning point of history, then we will not get anywhere except to chaos."

Gorbachev's comments, a clear counterchallenge to the conservatives, touched off immediate speculation in political circles here that he will force a showdown at the party congress scheduled to open July 2 by seeking a vote of confidence as a mandate to offset further criticism.

But his warning did little to

Please see PARTY, A12

COLUMN ONE

Deluge of Solutions for California's Drought

■ Ideas for saving or procuring water always spring up during a dry spell. Some sound crazy, but public agencies often check them out.

By STEPHEN BRAUN, TIMES STAFF WRITER

Southern California is caught in another drought, and the mail trays and message pads inside public water agency offices once again are bulging with piles of small ideas and great notions. A caller to the Metropolitan Water District in Los Angeles wants the agency to build underground storage tanks to collect

irrigation water runoff from every household. California's water agencies get thirsty, they will use cash, the law, raw political power and, if necessary, the point of a gun barrel to satisfy their thirst.

Residents could save water, a Los Angeles man writes, if only they would relieve themselves in sinks instead of toilets. There is nothing quite like a drought to send Southern California's thinkers, linkers and dreamers into frenzies of creative thought. Each new dry spell renews an obsession that has haunted corporate and government planning groups for decades—how to develop a permanent method of replenishing the region's transient water supply. "If history has taught us anything," says Idaho state Sen.

Brian Donestey, a former Angeleno, "it is that when Californians get thirsty, they will use cash, the law, raw political power and, if necessary, the point of a gun barrel to satisfy their thirst."

It's a time for big thinkers. Consultants and entrepreneurs are making the usual rounds of water agencies and government boardrooms with grand designs ridiculed during past droughts. Some want to tow huge icebergs from Antarctica. Others favor shipping massive quantities of fresh water in the cargo holds of supertankers. Last month, Los Angeles County Supervisor Kenneth Hahn raised the "very serious" possibility of channeling Columbia River water here—an old idea that prompted Donestey to call him a "crackpot."

And in an office tower in Pasadena, Nathan W. Snyder, director of technology for one of the world's largest engineering firms, quietly holds out hope for the grandest water plan of them all—a 30-year-old quest to harness the rivers of Canada and Alaska and build a \$400-billion water system to drink the thirst of the entire North American continent.

Few of these ideas will survive beyond the first unsympathetic rejection letters; this is an era of small-scale water management programs and government conservation projects constrained by environmental concerns and budget cuts. But a century ago Southern California's first water prophets laid plans to divert Colorado

Please see WATER, A38

Costa Mesa Policy Could Spur Easing of INS Laws

By CARLA RIVERA, TIMES STAFF WRITER

WASHINGTON—Calling a Costa Mesa funding policy concerning "a blessing in disguise . . . because it alerted everybody to the absurdity" of immigration restrictions, Housing and Urban Development Secretary Jack Kemp told city officials and national Latino rights advocates Wednesday that he will ask Congress to amend provisions of the 1986 Immigration Reform and Control Act.

Kemp called a meeting with officials from Orange County to talk about the national implications of the Costa Mesa policy. Later, as he was leaving to brief White House officials, Kemp said he believes President Bush shares his concern over what the secretary considers inequities in the way the federal government provides aid to

immigrants, both legal and illegal.

"The Bush Administration is committed to making sure that laws are not applied in such a way that they are discriminatory—and the way immigration laws are currently working, there is blatant discrimination," Kemp said.

The White House issued no statements about Kemp's meeting or whether the President will support attempts to modify current immigration laws. The Costa Mesa policy—adopted last August and subsequently rescinded—would have denied federal grants administered by the city to public service groups unless they agreed to exclude illegal aliens from their programs. Kemp said that he expects wide support for easing immigration restrictions "once people get a sense

Please see KEMP, A37