

# Historic American-PLO meeting held in Tunisia

TUNIS, Tunisia -- U.S. Ambassador Robert H. Pelletreau Jr. opened historic talks with the PLO on Friday, and both sides said they hoped the dialogue would lead to a comprehensive Middle East peace.

The meeting, coming just two days after Washington reversed a longstanding policy of refusing to deal with the PLO, inspired hope in many quarters that the Middle East peace process soon will become more than just an empty phrase.

"Our discussions were very practical and characterized, I would say, by seriousness of purpose," Pelletreau told reporters after the 90-minute meeting with a four-man PLO delegation led by Yasser Abd-Rabbou, a member of the group's executive committee.

The ambassador implied there would be other meetings but did not say when. Abd-Rabbou said the next session probably would come in the next few weeks.

"It is our hope that this dialogue, as it develops, will help bring about direct negotiations that will lead to comprehensive peace," said Pelletreau, who was accompanied to the talks by Edmund Hull, political counselor at the U.S. Embassy in Tunis.

Each side made separate statements to reporters after the meeting at Dar Maghreb, an official Tunisian government guest residence in Carthage, a suburb just north of Tunis. Neither side gave substantive

details of the talks.

"We hope this dialogue will continue, and we think it will continue," said Abd-Rabbou.

"This beginning of the dialogue shows that the whole world now is approaching the peace process with a more objective approach, and only the rulers of Israel are insisting on a policy of arrogance and terrorism, and the continuation of the rejection of all United Nations resolutions," he said.

"That's why we hope the application of this change in the policy of the United States will be practiced through a real pressure on Israel in order to change the policy of occupation, the policy of terrorism, the policy of oppression against our Palestinian people."

Since the announcement Wednesday in Washington, the United States has emphasized that the new contacts are merely a "dialogue" and do not represent real peace negotiations.

# Bush finally appoints Tower as national defense secretary

WASHINGTON -- President-elect Bush Thursday named former Texas Sen. John Tower to be the nation's next defense secretary, capping an extraordinary semi-public debate over the retired lawmaker's personal and professional fitness for the post.

In making the announcement before reporters, Bush hailed "my friend Sen. Tower" as a man of "great experience, expertise and commitment to peace and freedom." He said the former lawmaker is committed to reforming the Pentagon.

Tower thanked Bush for the appointment and said the nation must have "as much if not more defense for less money." He said that would require reforming the defense pur-

chasing system as well as installing biennial budgeting. He said both depended on close cooperation with Congress.

Bush dodged but did not deny a question of whether he intends to appoint outgoing GOP Rep. Jack Kemp -- a rival in the 1988 presidential campaign -- to head the Department of Housing and Urban Development. Sources say that decision has been made, and that the incoming president also intends to make Chicago transportation official Samuel Skinner his secretary of Transportation.

Bush met on Thursday with Dr. Louis Sullivan, a medical school president and top contender to be-

come secretary of Health and Human Services and the first black in the Bush Cabinet.

With Bush rushing to complete his Cabinet by the end of next week, sources also said Gary MacDougal, a Chicago business executive and Bush transition adviser, has emerged as a leading contender to be secretary of Labor.

Tower has held a variety of sensitive posts since leaving Congress, including as a negotiator in arms control talks with the Soviet Union and as head of a review board, popularly known as the Tower Commission, appointed by President Reagan to probe the Iran-Contra affair.

Bush made the announcement of

Tower's appointment in the customary style, at an appearance before reporters that quickly turned into a question-and-answer session.

Asked about a possible meeting with Soviet leader Mikhail Gorbachev, Bush said, "There is no expectation that we will or won't" have a summit session. "I don't want to send out a signal that signals recalcitrance or unwillingness to think anew or unwillingness to try to build upon progress," he said. But he said he didn't want to "send out the other signal" and seem to be acting hastily.

He said Gorbachev and other Soviet officials understand his viewpoint.

The president-elect said he

"wouldn't overstate the importance" of the United States beginning meetings with the Palestine Liberation Organization. He stressed that the Reagan administration has embarked on a dialogue and not a negotiation.

As for Tower, some conservatives have complained that he is not a strong supporter of the proposed Strategic Defense Initiative, known as Star Wars. However, Bush said, "Senator Tower and I agree with... the position I took in the campaign, which is strong support for SDI."

Tower himself said the proposed system would not only be a useful deterrent to attack but also "a very valuable negotiating tool."

# Inflation fears dampened by increase

WASHINGTON -- Despite large November increases for gasoline and heating oil, wholesale prices continue to rise at an annual rate of less than 4 percent, the government said Friday, confounding predictions of a mounting inflation problem.

Wholesale prices edged up just 0.3 percent in November as food costs at the wholesale level showed no increases for the second straight month, the Labor Department said.

The November increase, if it persisted for 12 months, would amount to an annual inflation rate of just 3.3 percent, lower than the 3.8 percent

annualized rate for the first 11 months of 1987.

"Inflationary fears exceed inflationary reality at the present time," said Donald Ratajczak, director of economic forecasting at Georgia State University in Atlanta.

Those fears were aggravated earlier this week when the government reported that industrial production rose another half a percentage point in November and that factories were operating at a nine-year high of 84.2 percent of their capacity.

Dirk Van Dongen, president of the National Association of Wholesal-

ers-Distributors, said he sees no indication from the association's 45,000 member companies that they are building inventories in anticipation of future price spikes.

Van Dongen called the inflationary fears a "manifestation of tribal rites in Washington and on the New York financial circuits" with the changing of presidential administrations.

"Let's keep the debate a little bit honest," he said. "I don't see an inflationary psychology taking root, but Washington can talk itself into all sorts of things."



Brian Shellito/Daily Nebraskan

# Armenians can now call U.S.

MORRIS TOWNSHIP, N.J. -- Armenians can now make collect phone calls to the United States for the first time, under an agreement reached between the American Telephone & Telegraph Co. and Soviet authorities.

In a statement Thursday, the company said the agreement covers only the Armenian Republic, which has spent the past 10 days digging out from a devastating earthquake.

"This is the first agreement of its kind between AT&T and the

Soviet Union, and marks a dramatic lessening of restrictions for Soviet citizens seeking to call the United States," the company said.

The volume of calls to and from the Soviet Union rose to eight times the normal level following the Dec. 7 quake, said Rick Matthews, spokesman for Morris Township-based AT&T International.

AT&T said it is also sending 10 facsimile machines to Armenia to help rescue teams coordinate relief plans with organizations around the world.

# Two experiments suggest cancer and brain disease treated by gene change

WASHINGTON -- Experiments in two California laboratories suggest that genetically engineered cells may offer promise for suppressing the growth of some cancers and for correcting brain disorders such as Alzheimer's disease.

The studies, in two different laboratories at the University of California, San Diego, involved the use of cells that were genetically altered and then injected or grafted into laboratory animals, according to reports published Friday.

In a study of cancer, Wen-Hwa Lee, a professor of pathology at UCSD, said a cancer-suppressing gene was inserted into the altered genetic pattern of a retrovirus, a type of virus that controls the genetic pattern of a normal cell.

The retrovirus carrying the cancer-suppressing retinoblastoma gene, or RB, was then transplanted into cancer cells.

To serve as a comparison, another type of gene, called luciferase, or LUX, was processed in the same way.

Lee said both types of altered cancer cells then were injected into nude mice, a type of laboratory rodent that lacks an immune system and is highly susceptible to developing cancer. Each of seven mice received both kinds of the altered cells, one type in each rear flank, he said.

After a month, said Lee, the flanks injected with the LUX-infected cells developed tumors. No tumors, however, grew on the flanks that had

received the RB-infected cells.

Lee said it appears that the virus carrying the cancer-suppressing gene is able to prevent the formation of malignant cells. It suggests that this technique could be used to genetically convert malignant tumor cells, which grow very rapidly, to cells that grow normally, he said.

"After the tumor cell received this virus," said Lee, "the tumor cell would lose its malignancy. Therefore, it would stop growing, or phase into a normal cell."

He said the technique using the RB gene theoretically could work in treatment of breast, bone and lung cancer, and a rare type of eye cancer in children. The absence of the RB gene has been linked to all these types of cancers.

In another UCSD experiment, Theodore Friedmann, professor of pediatrics, said he and a group of researchers grafted genetically altered cells into the brains of rats to produce a special protein called nerve growth factor that prevented damaged brain tissue from dying.

Friedmann said the researchers disarmed a retrovirus by removing part of its genetic pattern. A gene that carries instructions for the production of nerve growth factor was then put into the pattern of the retrovirus.

Next, the team put the altered retrovirus into cells called fibroblasts. These fibroblasts now had the genetic instructions for producing nerve growth factor.

The scientists then made surgical lesions in the brains of 16 rats, cutting the connection between the forebrain and the hippocampus. Normally, this would cause the degeneration of cholinergic cells, a type of brain tissue that requires the nourishment of nerve growth factor.

Eight of the rats received brain grafts containing fibroblasts altered to produce nerve growth factor. The other rats received grafts of unaltered fibroblasts.

After two weeks, both groups of rats were killed and autopsied.

Friedmann said the rats that received the unaltered fibroblasts experienced a loss of 51 percent of their cholinergic cells. But the rats that had received the fibroblasts carrying the nerve growth factor gene lost only 8 percent of their cholinergic cells.

"The result is that cells that were destined to degenerate and die and disappear because of the injury did not degenerate and die and disappear," the scientist said. "They were spared by the presence of the cells producing nerve growth factor."

Among the disorders that may one day benefit from this type of therapy, he said, are Alzheimer's disease, some types of mental retardation and cerebral palsy, and genetically based degeneration diseases.

Both studies are published Friday in *Science*, the journal of the American Association for the Advancement of Science.

**Daily Nebraskan**

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The Daily Nebraskan (USPS 144-080) is published by the UNL Publications Board, Nebraska Union 34, 1400 R St., Lincoln, NE. Monday through Friday during the academic year; weekly during summer sessions.

Readers are encouraged to submit story ideas and comments to the Daily Nebraskan by phoning 472-1783 between 9 a.m. and 5 p.m. Monday through Friday. The public also has access to the Publications Board. For information, contact Tom Macy, 475-9888.

Subscription price is \$45 for one year.

Postmaster: Send address changes to the Daily Nebraskan, Nebraska Union 34, 1400 R St., Lincoln, NE 68588-0448. Second-class postage paid at Lincoln, NE.

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