

Clinton tries to move past criticism from budget chief



President Bill Clinton

Scott Maurer/DN

WASHINGTON — President Clinton struggled Tuesday to revive his stalled legislative agenda and overcome problems made embarrassingly clear in a candid assessment by his budget director.

Leon Panetta said Monday that his boss' economic program and proposed aid to Russia are facing uphill battles in Congress, and that support is lacking to approve the free-trade agreement with Canada and Mexico.

Panetta also suggested that Clinton delay releasing his health care plan because of problems the president's separate budget package is having in Congress.

His remarks were published in several national newspapers, including The Washington Post, where a front-page headline read, "Panetta: Presi-

dent in Trouble on Hill."

Administration officials scrambled to move past the story, insisting Clinton still expects to secure aid to Russia, a modified free-trade pact and a timely health care plan.

Clinton was asked during his morning jog if he was mad at his budget chief. "What for?" he said.

Communications director George Stephanopoulos said Panetta had not talked to Clinton but was greeted warmly at the senior staff meeting Tuesday afternoon. "No boos," Stephanopoulos quipped.

According to the spokesman, Panetta told his colleagues, "Listen, I don't think that was the right characterization of the way I was talking. I'm sorry for the way it turned out."

A senior administration official,

Hallelujah. The truth has been told.

—Kerrey Senator

commenting on condition of anonymity, said Clinton was "hot at first," but accepted Panetta's explanation.

There were comments that the White House was finally owning up to its problems. "Hallelujah. The truth has been told," Sen. Bob Kerrey, D-Nebr., said. Officials publicly and privately denied theories that Panetta was trying to get a message to Clinton or that the administration was using Panetta to lower the nation's expectations of Clinton's presidency.

Clinton told the National Realtors Association that "the changes we have to make won't be easy. It hasn't been easy so far. It's not going to be easy in the future."

He met with Democratic leaders of Congress to plot strategy for his economic package and to discuss progress on health care changes.

Clinton told the real estate group that he had spent his first 100 days trying "to overcome inertia, ideology and indifference."

Costa Rican justices taken hostage by armed terrorist group

SAN JOSE, Costa Rica — Four gunmen barged into the Costa Rican Supreme Court on Monday and took 19 of the 22 justices hostage, officials said.

The gunmen, who called themselves members of "The Commando of Death," entered the four-story building through a basement entrance, said Jose Gerardo Gonzalez, an Interior Ministry spokesman.

Rafael Brenes, deputy director of the judicial police, told reporters there were four gunmen, and he didn't know their nationality. He said one of the judges held hostage was a woman.

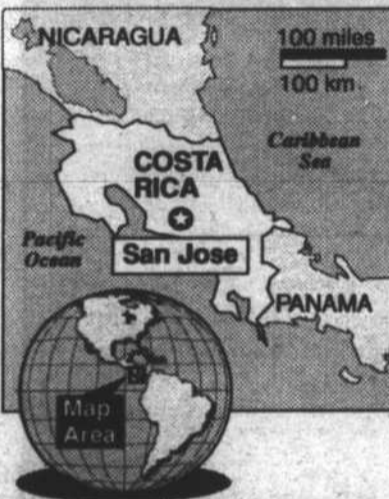
He didn't say how the government knew the attackers called themselves "The Commando of Death," nor if officials had had any contact with them.

"The situation is very critical. We believe it involved kidnapping," Gonzalez said.

He said he had no immediate details concerning the group or its demands. The number of gunmen involved was not known.

Costa Rican Supreme Court

In San Jose, four gunmen hold 19 of the 22 Supreme Court justices, demanding \$20 million and the release of an unspecified number of prisoners.



President Rafael Angel Calderon called an emergency meeting of his Cabinet to determine what to do.

Dozens of police armed with assault rifles surrounded the building, while people caught inside were seen leaving the building. Gonzalez said the judges were being held on the second floor.

Serbs ignore sanctions; challenge Muslims, U.N.

SARAJEVO, Bosnia-Herzegovina — Rebel Serbs thumbed their noses Tuesday at new sanctions meant to break their resolve, pounding one



Bosnian Muslim enclave with gunfire and challenging U.N. peacekeepers in another.

U.N. officials said the Bihac region in northwest Bosnia was under Serb artillery attack and an infantry company backed by 10 tanks had moved into the area from a Serb-held sector of Croatia to the west.

The offensive and the defiance of U.N. authority in Srebrenica were the latest signs of Serb refusal to bend to tougher sanctions against Serb-dominated Yugoslavia that went into effect Tuesday.

Threats of foreign military intervention against the Bosnian Serbs heated up Tuesday when Russia joined in.

The time has come for decisive measures to stifle the conflict.

—Yeltsin Russian president

Russian President Boris Yeltsin issued a warning to Serbs and pledged unity with the West.

"The time has come for decisive measures to stifle the conflict," Yeltsin said in Moscow.

At the Pentagon, Adm. David Jeremiah, vice chairman of the Joint Chiefs of Staff, spoke of difficulties of using force to end the conflict.

"Hitting tanks spread out against the desert is one thing. . . Hitting artillery pieces hidden near barns, . . . schools and civic centers is another," he told reporters.

The Bihac fighting appeared more a show of defiance than the beginning of another land grab before the West

and the United Nations can decide on anti-Serb military action.

"The force (of 100-150 troops backed by tanks) . . . is certainly not one that would be expected to take the Bihac pocket," said Gen. Lars Eric Wahlgren, commander of U.N. peacekeepers in Yugoslavia and its former republics.

"The action is a mystery," said Cedric Thornberry, the chief civilian U.N. official in Yugoslavia, adding it was possibly a "local and crazy initiative."

The Bosnian Serb army later issued a statement dissociating itself from "provocative attacks" by "an unorganized group of people."

Italian old guard takes yet another political hit

ROME — Italy's political old guard took another hit Tuesday when a Senate committee recommended lifting the parliamentary immunity of Giulio Andreotti so that prosecutors can pursue suspicions he had secret ties to the Mafia.

A full Senate vote on Andreotti, senator for life and a seven-time former premier, was scheduled for May 6.

Italy was set on its ear when three Mafia turncoats in the United States talked of meetings between mob bosses and Andreotti.

In one purported encounter in the late 1980s, Sicily's "boss of

bosses," Salvatore "Totò" Riina, was said to have greeted Andreotti with a "kiss of respect." Former mobsters say the Mafia counted on Andreotti to influence appeals courts to reverse mob convictions.

Tuesday's decision was one more sign of crumbling support for a scandal-ridden ruling class.

Premier-designate Carlo Ciampi sounded out political leaders in Rome to see if he could forge a government strong enough to guarantee reforms.

If he succeeds, the 72-year-old governor of the Bank of Italy would be Italy's first premier to come from outside politics.

Yeltsin renews pro-Western policy

MOSCOW — Bolstered by a nationwide vote of confidence, President Boris Yeltsin revived his pro-Western foreign policy Tuesday and top aides began pushing for a new constitution to strengthen the presidency.

The first official results of Sunday's referendum showed that 58 percent of the voters expressed confidence in Yeltsin and 52.9 percent endorsed his economic reforms.

Hard-line lawmakers had expected Yeltsin to lose on the economic question. Instead, the results appear to have emboldened the 62-year-old president and his team of reformers. Yeltsin on Tuesday revived two foreign policy initiatives that had angered Russian nationalists and were put on hold before the referendum.

First, he issued a sharp warning to militant Serbs in the former Yugoslavia, despite howls of protest from lawmakers who consider the Serbs to be ethnic and religious brethren.

Russia "will not protect those who stand in the way of peaceful accord," Yeltsin said. "The U.N. will stand against Serbian nationalists and any other warring parties who are gambling on force."

Yeltsin also pushed ahead with plans to visit Japan, ignoring hardliners who fear he may agree to give back four islands that the Soviet Union seized from Japan at the end of World War II.

Yeltsin had planned to visit Japan last fall, but the trip was canceled because of the dispute over the Kuril Islands, which Japan calls its Northern Territories.

Two of Yeltsin's legal advisers also called Tuesday for the convening of a "constituent assembly" to adopt the proposed constitution that Yeltsin released on the eve of the referendum.

Deputy Prime Minister Sergei Shakhrai said the draft version would make Russia a presidential republic, making the president Russia's "su-



Boris Yeltsin

Brian Shelton/DN

preme authority" with power to dissolve parliament under certain circumstances.

Shakhrai and the other adviser, civil rights lawyer Sergei Alexeyev, told a news conference that the new constitution also would provide a strong legislature and independent judiciary.

Conan O'Brien a surprise NBC choice

NEW YORK — Did NBC choose unknown comic Conan O'Brien to take "Late Night" in bold, new directions? Or did a panicked network merely cast him into the void that David Letterman created and Garry Shandling refused to fill?

Shandling's manager, Brad Grey, says the "Late Night" job was Shandling's if he wanted it. NBC says negotiations never got that far.

Those and other matters were still hanging after NBC's West Coast brass announced their unexpected choice in an unexpected way: On Monday's "The Tonight Show with Jay Leno," What viewers saw was a gangly,

fair-haired, 30-year-old who told Leno he had been "eating a big sandwich" when he got word of his selection earlier in the day.

NBC's prime-time lineup sits in third place in the ratings. Its news division has suffered numerous embarrassments, including the "Date-line NBC"-GM pickup truck scandal that led to the April resignation of NBC News President Michael Gartner.

And after the network gave Johnny Carson's crown to Jay Leno, an angry David Letterman defected to CBS, where he goes head-to-head against "Tonight" starting Aug. 23. "I would have expected them to try

a lot harder to keep David Letterman," said Betsy Frank, media analyst for the Saatchi & Saatchi advertising agency. "And I really thought they would sign someone who had a background in performing."

The network insists that O'Brien, a writer-producer for the Fox Broadcasting Co. animated sitcom "The Simpsons," was the network's only choice to replace Letterman.

O'Brien had recently been mentioned as leading several young comedians vying for the prize.

"Saturday Night Live" creator Lorne Michaels was said to be pushing for O'Brien to be host.

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