

## U.S., Japan talks positive, but trade tensions persist

WASHINGTON — President Clinton emerged from a meeting with Japanese Prime Minister Tomiichi Murayama today pointing to recent progress on thorny trade disputes but insisting that "further progress must be made."

"We are clearly making progress, but not enough and we have to move on auto parts and autos," Clinton said, highlighting one of the biggest sources of the \$62 billion trade imbalance.

Murayama spoke more generally of making "efforts to advance the Japan-U.S. partnership."

Clinton and Murayama spoke with reporters in the White House Grand Foyer after the Japanese prime minister's first official visit to Washington.

Trying to cast the U.S.-Japan trade issue in domestic terms, Clinton said encouraging free trade would bring more high-paying jobs to the United States.

The two leaders pointed to their mutual support for a deal to provide light-water nuclear power reactors to North Korea as a way to head off Pyongyang's suspected development of nuclear weapons.

Working together with our South Korean allies, we have confronted the nuclear threat and stopped it," he said. Murayama said Japan pledged to play a "significant financial role" without being more specific.

Ending on a positive note, Clinton presented the prime minister with a basket of Washington state apples,

since Murayama had left Japan before he had a chance to sample the U.S. apples just now coming on the market there.

In keeping with efforts to project discussions beyond the bitter auto markets dispute, Commerce Secretary Ron Brown today said "it would be irresponsible" to ignore the massive U.S. trade deficit with Japan, but that the leaders' talks "go way beyond issues of trade; they're really about our bilateral relationship generally, security issues, and many other issues will be primary on the table."

Even as the two countries tried to put a new positive spin on their relationship by announcing a financial services deal Tuesday, a separate U.S. proposal to reduce auto trade tensions got a chilly reception in Japan.

The president of Honda Motor Co. said in response to Brown's call for direct U.S. government talks with Japanese automakers that "our job is to do business and we aren't interested in doing anything else."

Brown said today he expects such talks nonetheless to occur.

No breakthroughs were expected today on U.S. efforts to broaden the Japanese market for American cars and parts. But Secretary of State Warren Christopher said Tuesday that "more progress must be made" on the issue when negotiators meet later this month.

Last year, talks between Clinton and then-Prime Minister Morihiro Hosokawa ended in a standoff over Japan's estimated \$62 billion trade

surplus with the United States. This year, neither country has set specific negotiating goals.

Instead, officials from both countries said the leaders would underscore agreements in such areas as agriculture and financial services.

Murayama's visit is in official recognition of the 50th anniversary of the end of fighting in the Pacific during World War II. The Japanese leader has said he wanted to focus on the closeness of U.S.-Japan ties.

Stressing the positive, the countries on Tuesday announced that Tokyo will expand opportunities for foreign financial-service companies in Japan. It opens an estimated 50 percent of Japan's \$1 trillion pension fund market to competition by foreign firms, up from 1 percent of the market. It also liberalizes restrictions on new financial instruments, many of which have been pioneered by American securities firms.

Also on Tuesday, Christopher and Japan's foreign minister, Yohei Kono, discussed common support for a deal to provide light-water nuclear power reactors to North Korea as a way to head off Pyongyang's suspected development of nuclear weapons.

"Japan is going to actively participate in this project," because it enhances Japan's own security, said Kono's spokesman, Takeshi Nakane. But he said it was premature to discuss specifics because the cost might change and because South Korea and potential European contributors must be consulted.

## News... in a Minute

### Airline crashes with 52 aboard

BOGOTA, Colombia — A DC-9 jetliner with 53 people aboard crashed Wednesday en route from Bogota near the resort city of Cartagena on the Caribbean, news reports said.

A 10-year-old girl survived with a broken arm, a witness told radio station RCN.

Rescuers were headed to the site of the reported crash, 10 miles west of Cartagena, news reports said.

The pilot apparently was attempting a crash landing in a swamp but hit a grassy field and the aircraft broke apart, witness Argemiro Vergara told RCN radio.

"The airplane deviated from its course and fell to (an altitude of) about 300 meters (900 feet), but it caught fire and fell to the ground, breaking in two," said Vergara.

"An intense fire started. A girl was thrown clear, about 10 meters (30 feet) away," he said. "The girl didn't say anything. She was in shock."

The plane was cleared to descend to about 25,000 feet to start its landing approach to the airport "when all contact was lost with it," said Alfonso Ramirez, the president of Intercontinental Aviation.

### New testimony in Simpson trial

LOS ANGELES — O.J. Simpson threatened to cut off the heads of any of his wife's lovers he caught driving his cars, an actor who worked with Simpson claimed in court papers released today that graphically describe a history of abuse.

The statement is the most dramatic yet suggesting a motive for the killings of Nicole Brown Simpson and her friend, Ronald Goldman, who was allowed to drive Ms. Simpson's Ferrari.

Eddie Reynoza, an actor on the set of the film "Naked Gun 2 1/2," recounted for prosecutors a conversation with Simpson in which Simpson became agitated and hostile when talking about who could drive his luxury cars.

Reynoza quoted Simpson as saying if he ever caught his wife's boyfriends driving his cars, he would "cut their (expletive) heads off!" according to the court papers.

The papers were filed in an effort to introduce evidence of domestic violence to point to a motive and identity of the killer.

The documents also include a previously unreported statement from a person at Ms. Simpson's funeral who said Simpson uttered over her casket: "I'm sorry ... I'm sorry ... I loved you too much."

Prosecutors said police responded as many as nine times to domestic abuse calls from Ms. Simpson.

## Former HUD Secretary Pierce admits role in housing scandal

WASHINGTON — Former HUD Secretary Samuel Pierce admitted today that his conduct contributed to the federal housing scandal of the 1980s, but the ex-Cabinet secretary in the Reagan administration avoided criminal prosecution.

Independent counsel Arlin Adams released a statement in which Pierce admitted his meetings with personal friends who were lobbying for federal housing funds "sent signals to my staff that such persons should receive assistance."

"These meetings and conversations, and my following discussions with staff members, created the appearance that I endorsed my friends' efforts," Pierce's statement, dated Dec. 15, said.

Pierce also acknowledged that he did not testify accurately on Capitol Hill when a congressional subcommittee began looking into HUD.

"Reviewing my exchanges with Members" of Congress, "I see that I answered certain questions with broad responses that did not always accurately reflect the events occurring at HUD several years earlier," Pierce stated.

While saying that "I never received a single improper benefit for my actions," Pierce said that "I was the guardian of the HUD gates, and I rested on my post when vigilance was most needed."

Adams said he won't prosecute Pierce because of his age - 72 - poor health and "the absence of any evidence that he or his family profited from his actions at HUD."

Prosecutors said the major investigative phase of their probe of HUD is at an end, but they continue to delve into possible perjury and obstruction of justice by others.

The probe of HUD has resulted in 16 criminal convictions of former high-ranking officials and businessmen and \$2 million in criminal fines.

Pierce's two-page statement placed much of the blame on his aides.

"I failed to monitor and control" a HUD program to rehabilitate housing for people with moderate incomes, said Pierce.

"As a result, a number of political appointees, including Deborah Dean and certain other members of my staff, used the program to see that their friends or political allies received 'mod rehab'" Pierce added.

"Many people I trusted with authority clearly were not deserving of either the powers of office or my trust," the former HUD secretary concluded. "I realize that my own conduct contributed to an environment in which these events could occur."

Deborah Gore Dean - Pierce's former executive assistant - was convicted in 1993 of 12 felony counts of defrauding the government, taking a payoff and lying to Congress.

At Dean's trial, prosecutors said she stood at the center of "a partnership in crime" that enriched her family and friends, including Richard Nixon's former Attorney General, John N. Mitchell.

Testifying in her own defense, Dean blamed Pierce and other HUD officials for deciding to funnel housing to developers who hired consultants like former Kentucky Gov. Louie Nunn.

While acknowledging that she was the contact point for politically well-connected developers, she said her boss, Pierce, was the one who made all the decisions on where to send "mod-rehab housing."

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## Daily Nebraskan

FAX NUMBER 472-1761

The Daily Nebraskan (USPS 144-080) is published by the UNL Publications Board, Nebraska Union 34, 1400 R St., Lincoln, NE 68588-0448, 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 472-1763 between 9 a.m. and 5 p.m. Monday through Friday. The public also has access to the Publications Board. For information, contact Tim Hedegaard, 436-9258.

Subscription price is \$50 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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