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**Salvadoran general:
Killings charge 'smear'**

SAN SALVADOR, El Salvador — The former air force chief alleged to have instigated the 1989 massacre of six Jesuit priests says the accusation is part of a smear campaign intended to quash his budding political career.

Retired Gen. Juan Rafael Eustillo rejected charges by U.S. Rep. Joe Moakley, Massachusetts Democrat.

A staunch right-wing nationalist of Prussian bearing and gray eyes, Gen. Bustillo, 56, was a linchpin of the armed forces in the decade before his 1989 retirement.

A sector of the right is promoting him as political heir to Roberto D'Aubuisson, who is dying of throat cancer.

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intelligence suggests that North Korea would be able to process uranium into weapons-grade plutonium within a year, and to build a bomb one to two years after that. That is at least two years shorter than a Central Intelligence Agency estimate of five years recently disclosed by a U.S. Embassy official in Seoul.

U.S. intelligence has identified two adjacent facilities in North Korea that it says can be used to refine plutonium to weapons grade from uranium reactor fuel. North Korea denies that it is building nuclear weapons, but says it won't agree to international inspection unless the U.S. and South Korea allow inspection of U.S. nuclear weapons in the South.

"Our country doesn't have a single nuclear weapon and has neither the intention nor the capacity to develop nuclear weapons," Rodong Sinmun, the newspaper of North Korea's ruling Workers Party was quoted as saying yesterday. Other North Korean officials have said the North won't allow inspection until all nuclear weapons have been withdrawn from the South.

South Korean President Roh Tae Woo early this month called the North's bluff by announcing the South would soon be free of nuclear weapons. South Korea's Yonhap news agency, quoting an unidentified government source, said yesterday that Seoul and Washington have agreed to withdraw all U.S. tactical nuclear weapons from the South by year end.

Attack on Facilities Discounted

Mr. Lee said at the Seoul news conference that U.S. and South Korean military planners hadn't discussed contingency plans to attack the North Korean nuclear sites. Such an attack is considered a last resort if North Korea doesn't allow international inspection of its nuclear facilities. Instead, the two sides committed themselves to using diplomatic pressure on Pyongyang, particularly from Japan and China. North Korea desperately needs economic help for its faltering economy from Japan, while China has become Pyongyang's major Communist ally following the collapse of Soviet communism.

"If North Korea disregards this international pressure, that will in turn entail strong countermeasures," said Mr. Lee. But he added, "We are trying to avoid rash measures that would hurt diplomatic efforts."

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pon's U.S. subsidiary, Gould Inc. of Ohio, and Encore Computer Corp., a financially troubled supercomputer builder that reported losses of \$22 million in 1990.

The department is reviewing whether Nippon sold a division of Gould to Encore in 1989 with a game plan of ultimately controlling Encore and thus gaining access to advanced computer technology.

"It's something that has been brought to our attention that warrants further review," said a senior Pentagon official, speaking on condition of anonymity. "There was sufficient smoke to ask DIS to look into it. It's quite conceivable that a domestic defense enterprise may in fact be owned by a foreign entity, which is contrary to the law."

A spokesman for Gould-Nippon, Andy Opila, said yesterday that the company has no intention of taking control of Encore Computer. Mr. Opila declined to discuss any of the financial arrangements with Encore because "Gould is not a publicly traded company." A spokesman for Encore also denied his company is controlled by Japanese owners.

The Nippon case emerges amid a heated debate in this country over the amount of access foreign firms should gain to American technology, especially in the field of advanced aerospace, where the United States is a world leader.

Two years ago, some in Congress blasted the Pentagon for approving a deal to let Japan and General Dynamics Corp. co-produce Japan's next-generation fighter, the FSX. Lawmakers claimed the United States gave up too much technology. They predicted the data would ultimately be used against America as the Japanese aerospace industry grows and competes in the global market.

"The Japanese are superb at finding, copying and enhancing U.S. technology," said the senior Pentagon official.

The official worried that if Nippon Mining does in fact control Encore Computer it may set a "dangerous precedent" for other foreign firms to seize financially strapped U.S. defense companies.

Nippon's involvement with Encore Computer began in 1989, shortly after the Japanese conglomerate bought Gould Inc. for \$1.1 billion. It was the fourth-largest U.S. manufacturing acquisition by the Japanese.

The U.S. government required Nippon to place two Gould divisions in a trust because they deal in sensitive government business. One of those units, Navcom, was sold to its workers. The other, Computer Sys-

The U.S. has 39,000 troops in South Korea and still plans to reduce that number to 36,000 by the end of 1992, as previously scheduled. But a second phase, involving about 6,000 troops that would have begun pulling out in 1993, has now been delayed indefinitely. The bulk of South Korea's defense is left to its own 655,000-person military. North Korea is said to have an army of almost one million persons.

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in South Korea, it is widely known that it has kept more than 150 at an American air base here. All those weapons are now being withdrawn, American and South Korean officials say, including those not covered by President Bush's decision in September to remove American ship-based and ground-based tactical nuclear weapons. Officials say an agreement has also been reached with South Korea to remove air-launched weapons as well.

The practical effect of the moves will be minimal, however, because North Korea would still be in easy reach of American nuclear submarines.

Mr. Cheney and military officials took pains today to say that for the time being, they are considering only diplomatic and economic actions to force Mr. Kim's Government to comply with the Nuclear Nonproliferation Treaty, which Pyongyang signed in 1985. But they also said that by halting the military reduction here and mounting a much larger military exercise than usual, they wanted to send a clear signal to Mr. Kim.

"If they missed Desert Storm," a high-level American military official said today, "this is a chance to catch a re-run."

Taken together, the series of moves appear to reflect a growing fear in the Administration, based more on new analysis than any surprising new evidence, that North Korea may be far closer to developing a crude nuclear weapon than first believed.

"We are convinced that North Korea is developing the capability to build a nuclear weapon," Mr. Cheney said at a news conference today with his South Korean counterpart, Lee Jong-koo. Until today, the reduction of American forces in South Korea was scheduled to take place in several stages. The first, now under way, has already cut the American presence to about 39,000, and a reduction of about 3,000 more is expected. But the second phase, a reduction of roughly 6,000 more that was supposed to begin at the end of 1992, will now be delayed.

Mr. Cheney used his trip here to step up recent pressure on North Korea considerably, in hopes of derailing its nuclear program before the completion of a fuel-reprocessing plant at a nuclear complex at Yongbyon. Mr. Lee estimated that the plant, which would be able to produce weapons-grade plu-

tanium from spent nuclear fuel, will begin production within a year. "After that," he said, "is a one- or two-year period to put weapons into production."

Pentagon officials said the complex arrangement suggests that Nippon effectively controls Encore. Encore's spokesman, Charles Anderson, denied this.

"Nippon is a stockholder and investor, not controlling owners," Mr. Anderson said. "There are laws to prevent Nippon from controlling Encore. They are fully knowledgeable of the business. They're our partners."

Mr. Anderson declined to describe the company's defense programs, saying most of them are "black," or secret, projects.

An official of Northrop Corp. confirmed this week that Encore does B-2 work but said he was not at liberty to discuss details. The Air Force confirmed that Encore builds the mission-planning computer for the F-117A, the plane that bombed Baghdad in the Persian Gulf war.

BOOTS...from Pg. 1

Logistics Agency, which is responsible for outfitting the military services. The Army, which gets the bulk of every order of combat boots, is expected to shrink from 710,000 soldiers to 618,000 by the end of 1993.

The final version of the 1992 defense appropriations bill, which heads to the White House in a matter of days, emerged from a House-Senate conference committee this week with a new provision requiring a \$70 million purchase of "direct molded sole combat boots," for which there are only four U.S. suppliers.

They are Welco Enterprises Inc. of Waynesville, N.C.; McRae Industries of Wadeville, N.C.; Belleville Shoe of Belleville, Ill.; and Altama Delta of Darien, Ga.

"The conferees remain concerned about the fragile industrial base to support the production of combat boots," said a conference report prepared by members of the House and Senate defense appropriations subcommittees. "Even though combat boots are essential to the readiness of our forces, the [Defense] Department continues to order them in a [sic] irregular manner which creates uncertainty in the industry and results in unnecessarily high costs to the taxpayer."

Lawmakers demanded "no less than" \$70 million in boot purchases and required defense officials to devise a buying plan by April to keep production lines going "over the next several years."

Horace Auberry, chairman of Welco Enterprises, said yesterday that the boot makers all use unusual machinery that makes it difficult to vary their product line. The firms employ a total of 1,500 workers, he said.

Despite a brief surge in orders during the Persian Gulf war, military budgets have been reduced and sec-

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