

MONDAY



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The Arizona Daily Star

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Vol. 151 No. 69*

Final Edition, Tucson, Monday, March 9, 1992

35¢ U.S./50¢ in Mexico 46 Pages

5-year economic boom in Japan could be over, experts say

By James Stenoged
C1992 The New York Times

TOKYO—A series of unexpectedly bleak indicators in recent weeks is signaling the end of Japan's five-year economic boom, causing business leaders and politicians to plead for action to avoid a severe recession.

A survey by the Bank of Japan released Friday showed that business confidence is at its lowest in nearly 4½ years. Based on the government's early estimates, economists are projecting that industrial production will decline 4 percent in the first three months of this year, the steepest drop since the recession of 1975.

Capital investment by manufacturers in the fiscal year beginning April is projected to tumble nearly 11 percent, the worst decline since 1977.

Corporate profits are plummeting, consumer demand is slack and the flood of money Japanese investors sent overseas in recent years, particularly to the United States, is drying up.

Had as the statistics may sound, this is expected to be a very different kind of slump than the one the United States has been grappling with. Corporate Japan used much of the profits it earned during the boom to build more efficient plants, move some production

overseas and upgrade the quality of its goods.

As a result, industry here multiplied its ability to compete, creating an advantage that is unlikely to be eroded much now, economists say.

In addition, few expect the alarmingly low unemployment rate of 2.1 percent to rise significantly. Japan's labor market has been excessively tight for several years. The shortage of unskilled workers has, in fact, been filled by several hundred thousand illegal aliens. An economic slowdown is thus not expected to result in large numbers of layoffs or dislocations for the average Japanese.

"This could be severe for corporations, but not for individuals," said Yoshitaka Kitai, the chief economist at the Long-Term Credit Bank. "That's what makes this a little difficult to defuse."

Politicians from the ruling Liberal Democratic Party are still alarmed about the economy because they face a tough set of elections in July. They have called for lower interest rates and accelerating government spending to spur expansion.

But even more worrisome are signs that the slowdown, coming just as the United States is recovering from a recession, could cause Japan's politically sensitive trade surplus to surge, as manufacturers look to over-

see markets to make up for slow sales at home.

In February, for instance, exports were estimated to have risen 4.5 percent from the year earlier and imports slid 11.1 percent, producing a surplus estimated at nearly \$9 billion, 78 percent higher than in February 1991.

Economists are ratcheting up their forecasts for Japan's trade surplus for the year to well over \$100 billion. That is precisely what President Bush and Prime Minister Kiichi Miyazawa were seeking to avoid when Miyazawa agreed during Bush's visit in Japan in January to

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Clinton wins delegate race in Arizona

By Kim Kellner
The Arizona Daily Star

Former Sen. Paul Tsongas claimed a bitter-sweet caucus victory here Saturday. He won the popular vote but lost the race for delegates.

Tsongas, of Massachusetts, took a solid 35 percent of the vote in Arizona's Democratic presidential preference caucus to Arkansas Gov. Bill Clinton's 29 percent. Former California Gov. Jerry Brown ran a close third with 28 percent of the vote.

But because of idiosyncratic party rules that favor rural areas and Phoenix, 15 Arizona delegates will represent Clinton at the party's national convention in July, while just 14 will go for Tsongas. Twelve are reserved for Brown.

Even most party officials were unable to explain the bizarre system over the weekend, while Tsongas supporters expressed confusion and dismay.

"It's a party gerrymander," charged M.J. Munday, a volunteer Tsongas aide in Tucson. "There's going to be a tug and cry about that one."

Arizona's delegate selection system favors regional victories rather than the state vote as a whole. So because Clinton ran strong in rural areas, the state's largest voting region, he won more delegates there than Tsongas or Brown.

Clinton also took more delegates in west Phoenix than the other two top candidates, while Tsongas won only a single regional delegate victory—in central Phoenix.

Even in Pima County—where Tsongas took 38 percent of the vote to Brown's 29 percent and Clinton's 28 percent—the area's six delegates were split evenly among the three candidates.

The phenomenon also occurred in Maricopa County's East Valley, where Tsongas won the popular vote by a 10 percent majority over Clinton, but the area's six delegates went to Brown.

"This process is an outrage because it's a caucus run like a primary," said Tom Masner, Davis, who is running for U.S. House in Arizona's 1st district.

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Michael Hale, 9, provides some vocal and visual support for his candidate at a rally in Austin, Texas. The Associated Press

Bush, Clinton look ahead to Super Tuesday

Harkin is expected to quit; Brown wins Nev. caucuses

By Tom Raun
The Associated Press

WASHINGTON—President Bush and Democrat Bill Clinton headed toward delegate-rich Super Tuesday races claiming big boosts from weekend victories. The Democratic field was expected to narrow by one, with Iowa Sen. Tom Harkin deciding to call it quits.

Meanwhile, former California Gov. Jerry Brown managed to capture Nevada's Democratic caucuses yesterday. He easily outpolled both former Massachusetts Sen. Paul Tsongas and Clinton. With 86 percent of the caucuses reporting, Brown had 35 percent, Clinton had 24 percent and Tsongas had 29 percent.

Another 17 percent were uncommitted. Harkin had 1 percent. In the delegate race, Brown had six; Clinton, five; Tsongas, three; and uncommitted, three.

But Clinton savored his Saturday victories in South Carolina and Wyoming and hopes that the South Carolina victory would presage his showing in tomorrow's mostly Southern caucuses.

Clinton was Wyoming on Saturday with 28 percent of the vote. Tsongas narrowly outpolled Clinton in Arizona in the overall vote, but Clinton won more delegates there.

Bush extended his winning streak with the South Carolina contest. The president comes on stronger and stronger, and the important thing is he's winning them all," Bush's campaign chairman, Robert Moebercher, said yesterday.

Interviewed on CNN's "Newsmaker Sunday," Moebercher said Bush "should be gone" from the GOP race by now, noting that Bush has yet to do as well as the 37

campaign... it about more than piling up delegates," he said in a TV interview.

However, Bushman strategists are now looking beyond Super Tuesday—where they are not optimistic of scoring wins—to the March 17 showdown in Michigan as a make-or-break state for the conservative TV commentator.

Political momentum

Bush drew 67 percent of the vote in defeating Buchanan and David Duke in South Carolina. Clinton took 63 percent in his South Carolina victory. These dominating showings are likely to carry over to Super Tuesday.

There are 11 Democratic races and eight Republican ones tomorrow, most of them in the South.

"We've got a good victory out of South Carolina and Wyoming and Arizona. But I need Texas on Tuesday," Clinton said while barnstorming across Texas yesterday.

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Bush's winning streak

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No joke now

Brown's showing could make him a force

By Robert Reinhold
The New York Times

SANTA MONICA, Calif.—Former California Gov. Jerry Brown, the butt of so many Republican jokes in the Democratic National Convention in New York with enough delegates to play a pivotal role. That could happen, the experts say. If neither front-runner Arkansas Gov. Bill Clinton or former Sen. Paul E. Tsongas of Massachusetts have enough votes to win the nomination.

Just what Brown might want in exchange for his support remains uncertain. All this has been achieved by one of the most unlikely major political campaigns in many a year.

Brown, who will turn 74 on April 7 and has been in politics for more than 20 years, has portrayed himself as an "outsider" outsider against the established system.

As of March 3, he had raised only

\$1,077,108, most of it through a toll-free telephone number, from 19,406 small contributors. This is less than a fifth of what Clinton has raised.

"Because Jerry is so irritating to many people, offensive to many in the press area as a precursor to say he's a jerk," said Richard Masulla, a Los Angeles political strategist who Brown appointed chairman of the California Energy Commission when he was governor. "But there is a segment of the electorate that is a natural constituency for him."

That constituency, according to recent exit polls conducted at state primaries, leads to be those voters who have grown up in the post-Vietnam, post-Watergate era of political cynicism.

"It tends to be a person who has not voted before," said Brown's campaign manager, Julie Evans. See BROWN, Page 4A

Menachem Begin, ex-Israeli chief, dies

TEL AVIV, Israel (AP)—Former Prime Minister Menachem Begin, the pugacious Israeli leader who made peace with Egypt but led his nation into war in Lebanon, died early today. He was 78.

Begin died in Tel Aviv Ichilov Hospital, where he was on a respirator in the intensive care unit following a heart attack on Tuesday. Doctors installed a pacemaker Thursday but his condition worsened Friday.

The hospital's director, Dan Michaeli, said Begin died at 3:30 a.m. Begin's two daughters and son were at his bedside, Israeli army radio said.

The government announced the news in a statement on Israel Radio 1½ hours later, and said it would hold a special session to decide funeral arrangements.

Begin was a giant of the Jewish state.

A Polish Jew whose parents were killed by the Nazis, he came to political power labeled by many as a terrorist. For his part in the underground that helped found the state of Israel.

Begin shared the Nobel Peace Prize with Egypt's President Anwar Sadat for leading his country to its first, and so far only, peace treaty with an Arab country.

For near 1978 treaty, he sacrificed the Sinai Desert, one of the most precious prizes of the 1967 Middle East War. But he clung tenaciously to other territories captured by Israel, annexing the Golan Heights of Syria and filling the West Bank with Jewish settlements.

He took an aggressive posture toward Israel's enemies, bombing Iraq's nuclear reactor in rubble in 1981. The following year, he sent the

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WEATHER



Breezy and cool. Today is expected to be partly cloudy, breezy and cool with a slight chance of showers. Northwest winds of 10 to 15 mph. Look for a high from 58 to 63, and low tonight from 28 to 43 degrees. Yesterday's high was 60, and the low 43. Details, Page 11A.

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With glory days fading, many lawyers find themselves in rat race for clients

By Harriet Chang
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Recession-battered lawyers, accustomed to high rates and fat incomes, are finding themselves in competition for clients who are enjoying the first buyer's market in years.

The legal economy has taken a sharp downturn from the 1980s, when fees soared to an average of \$130 an hour, compared with about \$28 an hour in the early 1980s.

But these days, there are too many lawyers and not enough clients to pay their high salaries. Clients who once considered themselves at the mercy of their attorneys now are demanding budgets and discounts.

For Bank of America and other big corporations seeking legal services, "It's a buyer's market out there," said Iry Grubman, who recently left the banking giant after 30 years as associate general counsel. "It's give me a deal or I'll find someone else."

The era of lawyers sending monthly bills that simply states "for services rendered" are gone, say both lawyers and clients. Throughout the nation, a new consumer consciousness has arisen.

It's a very fundamental change in the way people

buy legal services," said Blane Prescott, vice president of Hildebrandt Inc., a nationwide consulting management firm that specializes in legal services.

So far, those enjoying the buyer's market are the most sophisticated clients—corporate in-house lawyers who hire outside lawyers for business deals and lawsuits.

Among the signs of the buyer's market:

• Some businesses that typically pay \$500,000 a year in legal bills are getting 5 to 15 percent discounts, according to Hildebrandt surveys.

• Firms' legal fees have risen 10 to 15 percent, but it will pay no more than 15 cents a page for photocopying. Some law firms had been charging up to 50 cents a page—in a practice that sometimes resulted in substantial costs, because even minor disputes can produce mountains of paperwork.

• Bank of America will no longer pay for overtime secretarial work.

• Kravco, a private toy manufacturer in San Francisco, asks lawyers for separate budgets for the work done before and during a trial.

As John Ewert, administrative manager for Wells

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