

North-South Split

With Cold War Over, Poorer Nations Face Neglect by the Rich

Aid Programs Are Dwindling, And the Disappointment Could Blight Democracy

Playing the Ecology Card

By ROBERT S. GREENBERGER
Staff Reporter of THE WALL STREET JOURNAL

The New World Order is beginning to look like a bad place to be a poor nation.

The end of the Cold War spelled relief for Washington, Moscow, Berlin and other cities at ground zero. But the view is less pleasant from the economic hinterlands of Islamabad, Havana, Kingston and dozens of other Third World capitals.

For four decades after World War II, the two superpowers vied for the affections of poor nations. They showered the poor with military hardware, projects such as dams and steel mills and boatloads of subsidized food and other goods.

Now, as the dust settles on the East-West struggle, the world is dividing into the industrialized North and underdeveloped South — and the poor nations are being left to fend for themselves.

Some Major Shifts

Among the major shifts under way:

- Ideology is out, and economic interests are paramount. Third World nations watch warily as North America, Japan and Europe lead emerging trade blocs, each dominated by one major currency. After years of being urged to lift themselves by their bootstraps, the poor fear that they and their products will be locked out of the new global trading patterns.
- Slumping economies and the inward-turning moods sweeping the industrialized world are drying up overseas investment capital. The U.S. is trying to step up its economic growth and deal with domestic ills. Germany has all that it can handle absorbing the former East Germany, and Japan is deeply shaken by the plunge in its stock market. What's more, much of the limited aid and private capital that are available for overseas purposes is going to the North's own poor — the former Soviet republics and Eastern Europe.
- Looking for levers to pry money out of the North, the South has turned to the environment. At next month's global environmental summit in Rio de Janeiro — featuring more than 100 heads of state, a pop music concert, and even its own theme song — the poor will try to play on the guilt of the rich. But pre-summit negotiations at the United Nations suggest that this gambit won't produce much more for the Third World than get-lost money.

Immigration Threat

Indeed, the main leverage that the poor now have over the rich is the threat that they may drop in — indefinitely. As disparities among nations grow, pressures to migrate are rising. According to the U.N., 75 million people are migrating illegally every year, skipping from country to country in search of work or food.

"Poor people can be stopped at borders, but poverty can't be stopped," warns Mahbubul Haq, Pakistan's former finance minister and now an adviser to the United Nations Development Program. "Poverty travels in the form of drugs, terrorism, global warming and AIDS."

In Jamaica, a tiny island nation caught in the shifting tide from East-West to North-South contention, Peter Phillips, a cabinet minister without portfolio, waxes almost nostalgic about the good old days of superpower rivalry. Aid, trade and environmental assistance "were a lot easier to pry loose in the bipolar world," he says. "The peace dividend isn't being directed here."

Out of Strategic Fashion

Once jealously protected by the U.S. from encroachment by Fidel Castro's Cuba, Jamaica is learning the hard way what it's like to fall out of strategic fashion. In the past, the military machines of the U.S. and the U.S.S.R. wanted Jamaican bauxite. The Pentagon paid dollars and stored the bauxite, the raw material for aluminum, in its strategic stockpile. The Soviet Union used the metal to build MIG fighters and paid with Ladass, the boxy little Soviet cars that weave through the streets of Kingston, Jamaica's capital. Now the Soviet Union is gone, and the U.S., to cut costs, may soon compete with Jamaica by selling its stockpiled bauxite.

At La Moda, an apparel factory near Kingston's waterfront, Dorothy Over senses disaster. Right now, business is brisk, she says above the din of 160 sewing machines stitching red fabric into blouses for Kmart shoppers in the U.S. But Ms. Over worries that the impending free-trade agreement between the U.S. and Mexico could silence her factory. The agreement would end a competitive advantage; U.S. law now permits La Moda and other Caribbean firms to finish U.S. goods and ship them back to the U.S. at preferential duties. And rumors that several big American textile companies will soon pull out and head for Mexico are racing like tropical squalls across Kingston. "If we aren't put on an equal footing with Mexico, we'll be wiped out," Ms. Over laments.

Ironically, this storm cloud is gathering just as Jamaica, like dozens of other Third World countries, has taken the harsh medicine prescribed by the West to build a free-market economy. Last September, the government loosened foreign-exchange

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What's News—

Business and Finance

CONSUMER PRICES edged up 0.2% in April, easing worries of renewed inflation that followed bigger increases in February and March. The report led to speculation that the Fed would cut interest rates next week, but remarks by two Fed officials gave no indication it would do so. Separately, retail sales climbed 0.9% in April.

The dollar slid to a three-month low against the mark on the price data, but stock and bond prices moved little.

(Stories on Pages A2, C1 and C13)

Nynex is leading a group that plans to build a \$1 billion undersea fiber-optic cable, the world's longest, between Japan and Britain. Japanese and Mideast investors are taking part in the venture, which seeks to act as a carrier for other phone concerns.

(Story on Page A3)

American Express disclosed it told merchants more about its cardholders' spending habits than the company previously acknowledged. American Express promised state officials it will give customers the option of keeping their data confidential.

(Story on Page A3)

Intel slashed prices 58% on certain versions of its flagship 486 microprocessor for personal computers, in response to growing competition from Advanced Micro Devices and Cyrix.

(Story on Page A3)

McDonnell Douglas got extraordinary financial help from the Air Force, which tried to hide the fact from Congress and some Pentagon leaders, the Pentagon's inspector general alleged.

(Story on Page A4)

IBM said it won't sell a low-cost, non-IBM-brand personal computer, despite suggestions by company executives that such a step was planned.

(Story on Page B6)

RJR stemmed a series of sharp declines in sales of its three key cigarette brands. Sales of Camel surged 6% in the first quarter as criticism of an ad campaign featuring "Joe Camel" generated publicity about the brand.

(Stories on Page B1)

McDonald's sued to block a new Iowa law designed to give franchisees added protection. The fast-food giant says the law violates its rights.

(Story on Page B2)

Time Warner won a commitment from a group of banks to refinance \$6.2 billion of debt, clearing the way for an affiliation with Toshiba and C. Itoh.

(Story on Page B5)

Exxon is withdrawing from the Los Angeles gasoline market, the world's largest, continuing a series of moves by oil companies to quit markets where they lack a strong presence.

(Story on Page A4)

The Wall Street Journal's executive editor, Norman Pearlstine, is resigning June 30 to start a media company. Managing Editor Paul Steiger will assume overall responsibility for the Journal's news department.

(Story on Page B1)

Sales of U.S.-made cars remained flat in early May compared with April results, mainly due to weak sales of models built by Japanese companies.

(Story on Page A2)

Stocks: Volume 171,610,000 shares. Dow Jones industrials 3391.98, up 6.86; transportation 1405.27, off 2.24; utilities 213.95, up 0.50.

Bonds: Lehman Brothers Treasury index 4288.63, up 7.33.

Commodities: Oil \$20.76 a barrel, off 20 cents. Dow Jones futures index 119.66, up 0.82; spot index 118.85, up 0.80.

Dollar: 129.53 yen, off 1.07; 1.6091 marks, off 0.0144.

World-Wide

MORE LOANS WERE PLEDGED for Los Angeles amid riot-related legal actions.

The Bush administration said it would make \$600 million in loans available to rebuild homes and businesses damaged in riots. The new loans are in addition to \$800 million in previously announced aid. In Los Angeles, the district attorney and local U.S. attorney filed criminal charges against suspects in connection with the beating of a truck driver during the riots. The district attorney also said he would request a new trial for one of four policemen acquitted in the 1991 beating of black motorist Rodney King. (Stories on Pages B8 and A14)

National Guard troops began pulling out of Los Angeles. About 4,000 of some 10,000 troops were sent home, with the remainder to be withdrawn gradually.

Three shuttle astronauts captured a stranded Intelsat satellite in a last-ditch attempt to rescue the spacecraft. The maneuver, in which the trio grabbed the satellite with their gloved hands, marked the first three-man spacewalk ever. The Endeavour crew unsuccessfully had tried to snare the satellite for two days.

Cancer researchers found evidence that certain patients have, in effect, inherited their disease, suggesting that a blood test of their close relatives might indicate whether they also have a genetic susceptibility to cancer. (Story on Page B6)

The archivist of the U.S. said that he will quickly certify as part of the Constitution an amendment banning midterm pay increases for members of Congress. However, Senate leaders said the Judiciary Committee should examine the issue to decide whether a ratification that takes 202½ years is valid.

Philippine officials barred reporting of unofficial presidential vote tallies in an effort to halt conflicts on whether anti-corruption candidate Santiago or former defense chief Ramos was leading in the seven-way contest. Election officials in Manila predicted that the count from Monday's balloting will take several days.

A Serb truce brought peace to Bosnia-Herzegovina's capital, Sarajevo, but the U.N.'s secretary-general urged the withdrawal of most U.N. staff from the city, devastated by 12 days of shelling. In a report to the Security Council, Boutros-Ghali said Bosnia was too dangerous and unstable for the peacekeepers to be of any help.

Libya's Gadhafi has agreed to denounce terrorism, but U.N. sanctions won't be lifted until two airline bombing suspects are extradited to Washington or London, diplomats said. A U.N. official met Monday in Tripoli with the Libyan leader.

An open-ended aid plan was approved for former Soviet states by the Senate Foreign Relations Committee. The plan calls for the U.S. to contribute unspecified amounts to a \$24 billion international aid program.

Palestinian delegates asserted they had an inherent, natural right to return to their homes in what is now Israel, as a conference on Mideast refugees began in Ottawa. Israel is boycotting the meeting because Palestinians from outside the occupied territories were invited to take part.

Iraq denounced as illegal Sunday's scheduled vote in rebel-held Kurdistan but ruled out the use of force to derail them. Kurdish leaders said Iraqi soldiers warned the Kurds their villages would be shelled if they voted. (Related story on Page A9)

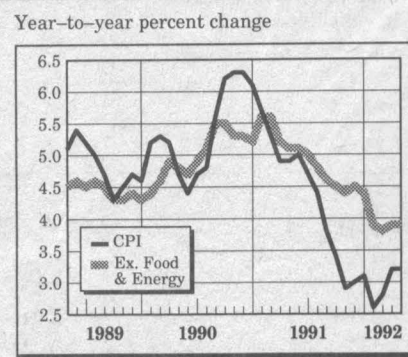
Former top aides to Savimbi accused the U.S.-backed Angolan rebel leader of preparing a "holocaust" in the African country and announced the establishment of a dissident faction aimed at taking over Savimbi's organization, Unita.

Italian parliamentarians traded insults and punches as they convened to elect a president. The scuffling between neo-Fascists and Christian Democrats came as some legislators were facing new allegations in a widening bribery scandal.

Lebanese President Hrawi asked Parliament member Rashid Solh, a Sunni Muslim, to form a cabinet amid the nation's worst economic crisis in 48 years. Solh succeeds Omar Karami, who quit last week.

Ukraine's Parliament annulled last week's declaration of independence by the Crimea and gave President Kravchuk authority "to restore constitutional order" in the mainly Russian-speaking peninsula.

Consumer Prices



CONSUMER PRICES rose 3.2% in the 12 months ending in April 1992. Excluding the food and energy sectors, the increase was 3.9%. (See story on page A2.)

A Harvard Doctor Offers Trauma Relief For UFO 'Abductees'

Extraterrestrials Play Rough, So There Are Many Injuries For John E. Mack to Heal

By DAVID J. JEFFERSON
Staff Reporter of THE WALL STREET JOURNAL

Just in time for the May ratings contest, CBS is offering another one of those implausible but titillating miniseries starting Sunday. This one is about a psychiatrist who helps people overcome the trauma of abductions by extraterrestrials.

More sensational fantasy lifted from supermarket tabloids? Not quite.

The fictional psychiatrist in this show, called "Intruders," is based on a real psychiatrist at the Harvard Medical School named John E. Mack. And the abductees are based on people who claim they were abducted, such as Randy Nickerson, a 24-year-old mechanic in Massachusetts, who warns in commercials for the show: "You've got no place to hide."

Traumatic Television

Indeed, Dr. Mack says the show could set off a "War of the Worlds" type of hysteria, as unsuspecting viewers suddenly start remembering past abduction episodes.

"I'm quite concerned about the miniseries," says Dr. Mack. "I told CBS I'd be willing to be listed on the show" to help viewers through any trauma. The network declined the offer.

"I think it's a disaster in the making," says David E. Pritchard, an abduction expert and physics professor at the Massachusetts Institute of Technology, as he sits peeling an orange with a razor blade.

Drs. Mack and Pritchard are only two of the many academics studying accounts of abductions by aliens these days. They are putting on an abduction conference, by invitation only, next month in Massachusetts, and they expect attendance to approach 150. Temple University history professor David M. Jacobs is making the talk-show rounds with self-described abductees to plug his new book, "Secret Life." It puts abduction cases into a "theoretical framework" by finding such common threads as "physical probing, alien bonding and the breeding program."

Extent of Phenomenon

Just how many people may have been abducted by extraterrestrials? One of every 50 American adults — some 3.7 million people — indicate they may have had an abduction experience with an unidentified flying object, according to Roper Organization polls sponsored by the Intruders Foundation and the Fund for UFO Research.

"It's not mass hysteria," insists Dr. Mack, 62 years old, who has studied some 50 alleged abductees and conducts monthly support-group meetings for them. "These are people who have no reason to lie, and they've come forth with great reluctance."

Of course, most academics scoff at the notion of abductions by extraterrestrials. "There's no evidence that even a grand jury in a DA's pocket would take seriously that UFOs have visited the Earth, much less abducted somebody," says Timothy Ferris, a science writer and professor at University of California at Berkeley.

Yet universities have been quite tolerant of the abduction researchers' efforts. "Many great ideas sound offbeat at the beginning," says Malkah Notman, acting head of Harvard's psychiatry department at Cambridge Hospital in Massachusetts. "There is some concern, but by and large I think the department feels it's useful to encourage creative work, as long as it

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Business Bulletin

A Special Background Report On Trends in Industry And Finance

FOOD PRICE FIGHTS rumble in the grocery store — and beyond.

As supermarkets continue battling the recession, many grocers spend more on direct-mail couponing, stock bulk items to compete with shopper clubs, and discount until it hurts. Dominick's in Chicago gave up months ago on traditional Thursday newspaper ad inserts in favor of mailing coupons to make sure "the sales message gets across to more people's homes and hands." Chicago-area Cub Foods steps up its coupons and redeems competitors' coupons, too.

Grocers say margins have also been hit by a surge of shopper clubs and no-frills discounters. In New Jersey, Supermarkets General's Pathmark stores promote "Big Deal" jumbo packages in order "to fight the clubs." Pathmark, Great Atlantic & Pacific Tea Co. and D'Agostino hit the East with more coupons. And in the Southeast, Winn-Dixie Stores recently slashed prices. Meanwhile, Food Lion Inc., a Salisbury, N.C., chain says its prices are always low and hasn't responded in kind to the cuts.

But a Food Lion spokesman says the chain ran TV ads noting "the consumer has pretty much Food Lion to thank that Winn-Dixie is lowering prices."

A FLAT FLAP simmers as Zenith fights NEC's "flat-screen" claim.

Flat's where it's at in terms of the latest cathode-ray-tube technology. But what exactly qualifies as a "flat" monitor? Zenith Electronics Corp. brags that it has the only truly flat screen. So, Zenith recently challenged NEC Technologies' use of the term "flat" in computer monitor ads. But the National Advertising Division, a unit of the Council of Better Business Bureaus, agreed with NEC that "flat" isn't an absolute and that the word has developed a "secondary meaning." Zenith is appealing.

NEC concedes its monitor screen (and the rest of the computer industry's for that matter) has a two-degree curve while Zenith alone has a zero-degree monitor face. "It's not a meaningful difference," says NEC. Don't tell that to Zenith, which in its 1991 annual report lauds the flat screen (which allows higher resolution) as the center of its "most significant development programs."

TAKE A SPIN and pick up a putter. Or a paperweight. Auto promotions abound.

Auto makers dangle gifts to lure prospective buyers into taking test drives. General Motors Corp.'s Cadillac division gives away \$100 savings bonds, putters, answering machines or subscriptions for folks who accept Cadillac's invitation via a recent mail campaign. So far, responses vary. The biggest draw: 8% of targeted Golf Magazine subscribers went for the putter. But only 1.1% of small-business owners bit for a subscription to Fortune Magazine.

Italian auto maker Alfa Romeo offers a paperback version of its signature hood ornament to the 120,000 or so drivers it invited to test drive its Alfa Romeo 164 luxury sedan. So far, 37 people respond. Meanwhile, Nissan Motor Corp.'s Infiniti dealers hope to attract women by offering professional forums. About 72 of the 100 invited women attended a recent session in Grand Rapids, Mich. A New Jersey forum will deal with "Surviving Business in the '90s."

A forum draws women to a "non-threatening" dealer environment to show off the car, says Infiniti.

PRIVATE GIFTS to U.S. colleges and universities rose a modest 4% to \$10.2 billion in the year ended June 30, 1991, and a similar small gain is expected this year, says the Council for Aid to Education, a nonprofit group funded by corporations. In the 1991 year, corporate gifts rose 3%.

CONCRETE TEST: The Precast/Prestressed Concrete Institute makes mandatory its voluntary quality-certification program for members. Why? Partly because more end-users require the certification. By making plant inspections a must, all members are known to be certified. Members of the institute make products used in structures such as bridges and highways.

TENNIS, LITTLE ONE? Sales of junior rackets (for players 12 and younger) last year rose 42%, far outpacing the 6% overall sales gain — a pace that's continuing in the current spring selling season, says the American Tennis Industry Federation.

WOBBLY STATE BUDGETS spur better revenue-forecasting tools.

Many states still rely mainly on the executive branch for predicting revenue, says the Council of State Governments. But a recent survey finds that fiscal crises hastened the rise of "consensus" estimating, which includes the legislative arm plus business leaders and academics. Some 17 states currently employ consensus forecasting (two more mull the method), up from eight in 1980, says Douglas Oberding, a council official who conducted the study.

Delaware, an early advocate of consensus forecasting, began using it after a fiscal crisis in the '70s. It's "probably no better or worse than other forecasts" in terms of accuracy, says Robert Scoglietti, an official in the state budget office. The biggest benefit: removing politics from the revenue-forecasting process, he says. Currently, some 34 states face deficits.

Consensus forecasting "is definitely less political, definitely less volatile," says Mr. Scoglietti.

BRIEFS: Fore! Or maybe Five? Real-estate appraisers and consultants form the Society of Golf Appraisers. . . . Graduating seniors at the University of North Carolina hoisted a banner proclaiming the UNC class as "Unemployed in North Carolina."

Numbers Game

How MiniScribe Got Its Auditor's Blessing On Questionable Sales

Coopers & Lybrand Allowed Computer Firm To Make Suspicious Adjustments

Coopers Says It Was Misled

By LEE BERTON
Staff Reporter of THE WALL STREET JOURNAL

On the last Friday of March five years ago, Raymond MacFee, a partner at the giant accounting firm of Coopers & Lybrand, was looking forward to a quiet weekend. He had finally finished the audit of MiniScribe Corp.'s 1986 financial results — or so he thought.

But then Mr. MacFee's boss unexpectedly called him to a meeting in their Denver office on Saturday. To help overcome a cash crunch, MiniScribe, a Longmont, Colo., computer disk-drive maker, was rushing to finish a prospectus to sell \$97.7 million in bonds the following month. The company needed Coopers' approval on some unusual last-minute adjustments to its 1986 financial report. Mr. MacFee, who already had reservations about some of MiniScribe's numbers, was struck ill at the meeting and didn't return to work for three days. By that time, MiniScribe had its adjustments and a clean opinion from Coopers.

Behind the Good News

As it turned out, MiniScribe's financial report was anything but clean. The company actually had deep financial, operating and marketing problems. The highly-inflated MiniScribe had announced seven consecutive record-breaking quarters, and its stock had rebounded in the past 18 months. But MiniScribe's superlative record was actually fabricated: Some shipments were booked as sales; reserves were manipulated; and growth figures were grossly exaggerated.

The company had "perpetrated a massive fraud," according to an investigation by its outside directors two years later. MiniScribe then restated its 1986 profits, slashing them to \$12.2 million from the \$22.7 million that Coopers, one of the nation's most prestigious accounting firms, had certified.

For the investors who had bought MiniScribe's bonds, it was too late. In early 1990, the struggling MiniScribe sought bankruptcy-court protection and sold its assets. Many bondholders lost more than half their investment. Some of them joined in filing suit in Texas against MiniScribe's former chairman, Q.T. Wiles; the company's investment bank, Hambrecht & Quist; and Coopers & Lybrand.

Investors Seek Revenge

Malpractice suits against accounting firms have become increasingly common in recent years, with investors complaining that auditors protected those paying their bills at the expense of investors. Earlier this year, Ernst & Young paid \$63 million to settle a negligence suit involving a predecessor firm's audit of collapsed Lincoln Savings & Loan. Last year, KPMG Peat Marwick in England paid \$67.9 million for an allegedly faulty audit of a former Peat client.

Recent settlements over accounting malpractice "call into question the entire audit process," says John Shank, an accounting professor at the Amos Tuck school of business at Dartmouth College. "If an accounting office is also under financial stress — as former auditors at Coopers's Denver office say it was — the pressure for an auditor to overlook irregularities may be even greater."

"The red flags at MiniScribe . . . were so numerous that only a blind man or someone in on it could miss them," says Paul Regan, a forensic accountant from San Francisco hired by Hambrecht & Quist. (Forensic accountants specialize in finding fraud in business ledgers.)

Coopers denies any wrongdoing in the MiniScribe audit, saying that it was a victim "of a massive and collusive fraud" and that "any failures on its part were based on information deliberately misstated by MiniScribe." Indeed, the 1989 investigation by MiniScribe's outside directors concluded that Coopers had been victimized by management's fraud.

Furthermore, James P. Linn, an attorney for Coopers, says that because audits involve subjective tests by accountants, "there isn't an audit ever done that a good lawyer or the experts he hires couldn't take apart later in court."

Punitive Damages

Nonetheless, last February, a jury in Texas awarded MiniScribe's bondholders more than \$50 million in damages. Of that, \$20 million was punitive damages for Coopers & Lybrand's negligence. (Coopers later settled for between \$45 million and \$50 million, according to people familiar with the settlement.) Coopers is also a defendant in a suit in federal court in Denver, where MiniScribe common shareholders, bankers, suppliers and a bankruptcy trustee are asking for more than \$500 million for alleged fraud from Coopers and other defendants.

Documents, testimony and work papers of Coopers obtained from the Texas bondholders' suit suggest Coopers made several judgments on MiniScribe's financial reports that other accountants say are questionable under standard auditing procedures. For example, Coopers appears to have overlooked MiniScribe's improper recognition of sales, to have glossed over

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A Harvard Psychiatrist Is Offering Trauma Relief For Those Once 'Abducted' by Extraterrestrials

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doesn't get in anybody's way or do any harm."

Temple University, in Philadelphia, even lets Dr. Jacobs teach a course called "UFOs in American Society." "Temple believes in academic freedom," says Dr. Jacobs. "Besides, I also have tenure, so there's not much they can do about it."

The career of Dr. Mack, a 35-year veteran of Harvard's psychiatry department, has been peppered with projects that aren't in the mainstream, including studies of the psychology of nuclear war and a 1977 Pulitzer Prize-winning psychoanalytic biography of Lawrence of Arabia. But none has been so out-of-this-world as his work with people claiming to have been kidnapped by little gray humanoids.

It all started when a psychologist friend in New York suggested that Dr. Mack meet Budd Hopkins, a Manhattan artist. When Mr. Hopkins isn't busy creating large geometric paintings he calls "guardians," he hypnotizes people to recapture their past experiences with UFOs.

"I said to myself that if he believes this is real, there's got to be something wrong with him," recalls Dr. Mack. But after meeting dozens of self-proclaimed abductees through Mr. Hopkins, Dr. Mack was intrigued. "What struck me as a psychia-

trist was that the stories from these people, who did not know each other, were so similar in detail," he says.

Linda Nap, a client of Mr. Hopkins, tells this story: She was awakened by "a presence" in her bedroom one fall night in 1989 and floated in a bluish light out the window of her 12th-floor apartment to a hovering spacecraft. Once inside, the 44-year-old housewife — who is using a shortened version of her last name for fear neighbors will call her crazy — was subjected to a physical exam where a humanoid poked at her vertebrae "with something that looked like a turkey baster."

It was just a bad dream, Ms. Nap thought. Then one day, she stumbled upon one of the books by Mr. Hopkins on abduction and found its descriptions of encounters frighteningly similar to her own.

Helen Wheels, 42, who sports a black leather jacket and Harley-Davidson sweat-shirt, says she had unexplained nosebleeds after a childhood encounter in which she was strapped to a floating table and "had an implant put up the right side of my nose" by alien medical technicians. She says the implant later fell out.

Most professed abductees have little, if any, recollection of their experiences, just vague notions that they have experienced something traumatic. Only through hyp-

nosis do they reveal detailed accounts of close encounters. One of Dr. Mack's patients had an odd memory about a seven-foot kangaroo that visited her as a child; during hypnosis, that episode turned into an alien abduction.

"Sometimes, the beings are represented as animals or birds. You have to get into the shamanic interpretation," Dr. Mack explains.

Many mental-health professionals are skeptical about such regression hypnosis, claiming it is too easy for a hypnotist to lead the subject on with suggestive questions. But UFO researchers say it is the only way to unlock memories the aliens have forced their victims to repress.

During a meeting of an abductee support group at Mr. Hopkins's Manhattan studio, Mr. Nickerson is undergoing hypnosis. Mr. Nickerson, one of Dr. Mack's subjects, returns to an incident when he was nine years old.

"Bike trip to Aunt Hazel," he mumbles. "I tell my uncle there's a flying saucer. Two people come down the hill. Dark. Little. They take me in."

"What's it like inside?" asks Mr. Hopkins.

"Not supposed to tell. I'm scared," says Mr. Nickerson, thrashing about.

"Do you like these people?" Mr. Hop-

kins asks.

"Uh uh," Mr. Nickerson responds. "They take me away and do things." He is being strapped to an examining table, Mr. Nickerson recounts. His captors are scraping skin samples and sticking tubes into his right nostril and left ear.

Mr. Hopkins draws him out of the hypnotic state. Mr. Nickerson awakens with tears in his eyes. "Those bastards," he says.

"Nobody has a right to do any of this," Mr. Hopkins assures him.

General Electric Co.

General Electric Co.'s GE Aircraft Engine unit said it plans to streamline its manufacturing operations over the next few years in response to reduced military sales and a sluggish airline market.

The move, scheduled for completion by June 1994, will eliminate 750 jobs at the aircraft engine unit, which is based in Evendale, Ohio.

The restructuring is aimed at eliminating excess capacity and improving inventory management, the company said.

As part of the program, the unit will assemble GE90, GE's newest high-thrust jet engine, at a partially renovated site in Durham, N.C. In another part of the plan, GE Aircraft intends to consolidate manufacturing of its rotating parts operations from Evendale to other facilities in Wilmington, N.C., and Lynn, Mass.

BICC PLC

BICC PLC announced a £154 million (\$279.3 million) rights issue, primarily to expand the engineering company's power-cable business through acquisitions in the U.S. and continental Europe.

BICC said it's in talks to buy a "significant" U.S. power-cables business. A BICC spokesman declined to identify the possible U.S. acquisition, except to say that the company had a particular target. He said the acquisition cost could total £40 million to £50 million.

In continental Europe, BICC said it would modernize the KWO group, the eastern German cables company it has agreed to buy, and was "having preliminary discussions with a number of small- and medium-sized power-cable companies which are available for purchase."

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