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Gorbachev and Kohl Agree On Terms for German Unity

Accord reflects Soviet view that perestroika is linked to German reunification

By Daniel Sneider

Staff writer of The Christian Science Monitor

MOSCOW

MIKHAIL GORBACHEV has given Helmut Kohl a long-anticipated present - Soviet acceptance of a united Germany in the NATO alliance.

In exchange, the Soviet leader is looking for a substantial economic aid package - enough, he hopes, to rescue his reform policies from being crushed by the collapsing Soviet economy.

The changes in NATO strategy decided at the recent London summit, as well as Western moves toward providing aid, gave Mr. Gorbachev much-needed evidence of a change in the adversarial attitude of the West.

Still, most observers had expected the Soviet leader to take a little more time to prepare Soviet public opinion for this decision, including overcoming resistance from the military.

Gorbachev's surprising readiness to publicly give the green light to Mr. Kohl's plans reflects his strengthened confidence in his own power following the conclusion of a tumultuous two-

week-long Communist Party Congress.

Though the timing of the move Monday was dictated by immediate political calculations, the outcome of the Gorbachev-Kohl talks is the product of Soviet strategic policy to make an alliance with Germany the determining feature of a new post-cold-war Europe.

For Moscow, Germany is the main route to overcoming the self-imposed isolation of past decades. The Soviets see Germany as not only a source of economic aid but as the Western nation holding views closest to theirs.

This view was openly expressed in a

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Privacy Issue Caught in Credit Network

Information stored in computer databanks may be incorrect and can be misused

By Simson L. Garfinkel

Special to The Christian Science Monitor

BOSTON

CATHERINE SMITH got the surprise of her life when she was rejected for a loan. Her credit record - information in a credit reporting agency's computer files - showed more than 40 notices of outstanding balances and delinquent accounts, but the charges were for things she had never bought. Apparently someone had discovered her Social Security number and used it to apply for credit in her name, listing a post-office box in Texas. When the bills came in, that person hadn't paid.

Privacy in the United States is increasingly being invaded in today's world of computers and interconnected databanks. Never before, experts say, has it been so easy to obtain

detailed information about a person and use that information for legitimate or illegitimate ends.

Trying to correct the record, Ms. Smith learned that the Fair Credit Reporting Act (FCRA), the 20-year-old law that regulates the consumer-reporting industry and is supposed to protect victims of credit fraud, doesn't work very well.

Under the terms of the FCRA, Smith asked CBI (now Equifax) and TRW - two of the agencies that maintain credit files on most Americans - to investigate the information in her file. The agencies wrote letters to the creditors who had filed the reports. "The creditors either didn't reply or simply confirmed that I'm the culprit," Smith says.

Next she contacted more than 40 creditors herself. "They say, "Thank

you, we're putting the information in our fraud file," but despite my requests to remove the inquiries from my credit report, they remain," she says.

Collection agencies started calling Smith at home and work, demanding that she pay the outstanding balances. "This is a nightmare," she says. "This will likely affect my credit - and who knows what else - for the rest of my life."

Perhaps a lot else.

In the past, many employers used credit reports only to screen job applicants who were to handle large amounts of cash, says Jennifer Neu, a spokeswoman for TRW. Some now use them to verify information on application forms. Credit reports are even used to screen applicants for rental housing.

"The marketing strategy for credit

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R. NORMAN MATHENY - STAFF

Chinese Leaders Fall Out Over Political Strategy

The ruling Politburo debates whether to modernize economic activity (as in primitive sawmill, shown here in Sichuan province). **PAGE 3.**

Soviet Jews In Israel

Protests are mounting among Israelis against privileges accorded Soviet Jews in tight housing market **5**

Recycling Redux

Across the country, citizens, communities, states, and corporations get into the act and enthusiastically support efforts to reuse and reduce waste **8**



Circus of the Imagination

Created by a husband-wife team, Le Cirque Imaginaire is a 'minimalist' stage show offering plenty of delightful fantasy **13**



Viet Cuisine Is 'Slow Food'

Take your time to enjoy this French-, Chinese-, and Indian-influenced cuisine, a native chef urges **14**



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News Currents

UNITED STATES

Vice President **Dan Quayle**, who heads the administration's space council, has ordered a **review of NASA goals and objectives**. The space agency has come under criticism following space shuttle fuel leaks, problems with the recently launched Hubble Space Telescope, and growing concerns about a planned space station. Agriculture Secretary **Clayton Yeutter** said Monday he would ask President Bush to veto a five-year **farm bill** scheduled for Senate debate this week unless deep cuts were made in crop subsidies. The **House of Representatives** Monday passed a measure calling for **Federal Aviation Administration** rules requiring thorough inspections of older aircraft if they are to continue to fly.

FEDERAL BUDGET

The **White House** Monday raised its official estimate of the **budget deficit** for the 1991 fiscal year to **\$169 billion**, far higher than the **\$100.5 billion** predicted in January. If a deficit-reduction accord with Congress does not bring the deficit within the **\$64 billion** target of the Gramm-Rudman law, the White House warned of **automatic cuts of \$100 billion**. Compounding the challenge is the additional expected cost of the **thrif bailout**, which would bring the deficit to **\$231 billion**. The **economy** is predicted to grow 2.9 percent in 1991 after expanding 2.2 percent in the current year (story, Page 9).

ECONOMY AND BUSINESS

The St. Louis-based **McDonnell Douglas Corporation**, the biggest US defense contractor and No. 2 producer of civilian aircraft, said Monday it will cut 14,000 to 17,000 jobs, or 12 percent of its work force, within six months. The **Federal Reserve Board** Monday proposed broadening the investment powers of **foreign subsidiaries of US banks** to give them a bigger role in securities underwriting. **Japan** will suspend **driftnet fishing** in the South Pacific beginning when the next season starts in the fall, the Fisheries Agency said yesterday. The practice has been criticized for trapping dolphins.

EUROPE AND THE MIDDLE EAST

West German Chancellor **Helmut Kohl** said yesterday he would like a treaty between a united Germany and Poland recognizing **Poland's western border** and putting relations on a new footing to be signed as soon as possible after German reunification. But Kohl made no mention of Poland's call for the treaty to be negotiated before unification. United States Secretary of State **James Baker III** agreed in principle yesterday with a West German pledge to reduce the **military forces of a unified Germany** to 370,000 troops, and said he believed the troop ceiling would be formally accepted by the four victorious World War II allies. The **Soviet Interior Ministry** announced Monday that a record 107,000 **Soviet citizens** were granted permission to emigrate to **Israel** in the first six months of 1990. But it appears not all went to Israel after emigrating. The number of Soviet arrivals in the first half of 1990 was just over 50,000, an Israeli immigration official said recently.

—Mark Trumbull

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reporting companies is to make it available to anyone that they can sell the information to," says David Dzernik, executive director of the Louisiana Consumers League.

Smith's case shows just how easily a person's financial affairs can be plunged into shambles by an unscrupulous individual who has a few key pieces of information: name, address, and Social Security number. With those keys the nation's databanks open up.

Nor is this an isolated case: Robert Ellis Smith (no relation to Catherine), editor of the Privacy Journal, has assembled more than 500 documented cases of people who have been victimized by invasions of their privacy.

"Many people are never aware that they are the victims of an invasion of privacy, as in the case of an inaccurate credit report that they don't know about, or a wrongful disclosure of a credit report that they never discover," says Mr. Smith.

Victims avoid publicity

Those who know they are victims rarely speak out, says Purcilla Reagan, a professor at George Mason University in Fairfax, Va. "They want resolution of their particular case. Because the nature of their problem involves what they regard as private information, they also don't want their case publicized."

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commentary published by the official Tass news agency on the eve of Kohl's visit. In very authoritative language, Tass "political observer" Alexander Antsiferov linked the fate of Gorbachev's *perestroika* (restructuring) revolution to the reunification of Germany.

"The West German government is interested in the success of *perestroika*, because it is only in this case that more favorable conditions will be created for the process of reunification of Germany," he wrote. "At the same time, the Soviet Union is no less interested in the successful implementation of the reunification plans of Germans, because a single Germany has a good chance of becoming its major partner in political, trade and economic cooperation."

The commentary credited Kohl with being responsible not only for persuading the West to consider assistance at the Houston summit of industrial nations but also for shifting the NATO alliance away from a policy of confrontation toward the East.

Even the Soviet military shows signs of accepting this logic. "It is time to quench our fears as regards a unified Germany and to learn to accept the inevitable as natural," wrote historian A. Borisov in yesterday's issue of the Army's daily Red Star.

Many credit reports contain information that isn't strictly "credit." Credit-card companies often forward consumer addresses and employment information to the credit bureaus, who report it on future reports. Often included are complete account numbers for credit cards, says Neu; numbers that were improperly obtained have been used for fraudulent purposes. Some companies even report arrest records and divorce information, she adds, although TRW does not.

"Information is basically on the public record without the public being aware of it," says Massachusetts state senator Lois Pines, a privacy advocate.

Indeed, most consumers only become aware of the amount of private information stored about them when there is an error. At Congressional hearings last fall, Federal Trade Commission chairman Janet D. Steiger reported receiving 3,862 letters about the FCRA in the first eight months of 1989. "Most of the letters about credit bureaus complain of information in a credit report that the consumer believes is erroneous . . . or that the bureau has failed to reinvestigate . . . in a timely manner," says Mrs. Steiger.

Nevertheless, says John Ford, a spokesman for Equifax, databanks of consumer information play an invaluable role in today's "credit-driven society." Consumers are willing to put up with the occasional invasion of privacy for

the perceived benefits, he says, pointing to a recently completed national survey of American views on privacy conducted by Louis Harris & Associates.

"More than three out of four Americans said they would be upset if they could not obtain credit based upon their record of paying bills," says Mr. Ford. "About half of the public said that it would upset them if they could not use their credit card to buy goods or obtain services."

Privacy threatened

The survey of 2,254 people, sponsored by Equifax, also found that 79 percent of Americans are concerned about threats to their personal privacy, up from 64 percent in 1978. Of those surveyed, 27 percent had refused to apply for something because they had been asked to disclose information that they had considered "too personal."

"It is clear from this survey that the public today is not satisfied with the present laws and business practices," says Alan F. Westin, a professor of political science at Columbia University in New York, who presented the survey's findings this June before the "Privacy in the 1990s" conference held in Washington and sponsored by the National Consumers League and the US Office of Consumer Affairs.

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CORRECTION

In the chart with a story about John Lewis on Page 7 of the July 10 Monitor some statistics about the 1988 presidential election were transposed. Dukakis won 68 percent to Bush's 31 percent.