

RNC CALLS SCANDAL A 'TRAGIC SITUATION'

George Archibald and Paul M. Rodriguez The Washington Times; Final Section: A Page: A1 Friday, June 30, 1989

Republican and conservative political leaders reacted cautiously yesterday to **a report in The Washington Times that key Reagan and Bush administration officials are ensnared in a federal probe of homosexual prostitution.**

"There's no reason for cleaning anybody out (of office because they used homosexual prostitutes)," said Leslie Goodman, a spokeswoman for Republican National Committee Chairman Lee Atwater.

"It's a personal situation. It's a tragic situation if people have to resort to prostitutes," the GOP spokeswoman said. "But there's no standard for people in the federal government that's different than for the average Joe on the street."

However, **a top Labor Department adviser to Secretary Elizabeth Dole resigned yesterday after acknowledging to The Times that he had procured male prostitutes and was subjected to blackmail threats by one of the call boys.**

In a letter announcing his resignation as Mrs. Dole's political personnel liaison to the White House, **Paul R. Balach** wrote: "I hereby resign my position this date due to the public disclosure of activities concerning my personal life."

Mr. Balach said in an interview late yesterday he was told by the department's solicitor, Robert Davis, he must either resign or be fired. He said he was not allowed to talk to Mrs. Dole about the matter.

"They said they reached this decision with a great deal of pain because I was a valued employee. But they thought that the cloud surrounding me would not allow me to continue to hold a political job in the administration," he said.

"I think they are protecting Elizabeth, and frankly I would do the same thing," Mr. Balach said. "I live paycheck to paycheck. They promised me that they would try and find me another position somewhere in the government, but I just don't know. . . . Somebody else is going to clean out my office. They didn't want me to come back into the office."

According to documents obtained by The Times, **the homosexual prostitution ring includes not only Reagan and Bush administration officials but military officers, congressional aides and U.S. and foreign businessmen with close social ties to Washington's political elite.**

U.S. Attorney Jay B. Stephens confirmed in a statement yesterday that his office "has been investigating allegations involving credit card fraud" following a Feb. 28 raid on the call boy ring's Northwest Washington headquarters. But Mr. Stephens refused to discuss the matter further.

A Justice Department spokesman said the investigation was being led by the Secret Service.

But the spokesman denied that the government was investigating the possibility that homosexuals who held senior posts during the Reagan administration were compromised by blackmail or by Soviet agents who may have used young male prostitutes for espionage purposes.

The White House distanced itself yesterday from reports that top-level Republican officeholders and Pentagon brass were involved in the homosexual prostitution ring.

"I don't know anything about it," said White House spokesman Marlin Fitzwater. "Nothing at all."

At the Pentagon, spokesman Pete Williams, commenting on The Times' article, said he was unaware of any Defense Department investigation into credit card fraud or homosexual conduct by members of the military.

Democratic National Committee officials declined to comment on GOP involvement with the call boy ring.

But Rep. Barney Frank, Massachusetts Democrat and a self-proclaimed homosexual who several weeks ago threatened to reveal a list of Republican homosexuals in Congress, said he was "not surprised" by the revelations.

Because almost all Republican homosexuals are "in the closet," Mr. Frank said, "there's an impression that there aren't any Republicans. . . . This is the proof of the prejudice in our community."

Bias that forces homosexuals to maintain secrecy about their sexual orientation is an "obvious waste of human talent," he said. "People ought to be judged by their work, not whether they are gay. The whole blackmail issue wouldn't exist if we didn't have this fear of homosexuals."

The National Gay & Lesbian Task Force and the Human Rights Campaign Fund, a gay and lesbian civil rights group, echoed Mr. Frank's remarks.

"The Washington Times story is a rank attempt to sensationalize a fact that should come as no surprise to anybody: that there are gay people in the Republican Party and in this Republican administration," the National Gay & Lesbian Task Force said in a statement. "The story The Times does not tell is the story of the repression and fear that still mars the lives of gay individuals in politics."

The group also challenged the possibility raised in The Times' story of **threats to national security from the blackmail of homosexuals in sensitive government positions**, saying there has never been "even one single documented case of gay-related espionage" in the past 40 years.

In Republican political circles, there is a clear division between those who want to clean out homosexuals from government and "more pragmatic types" who are tolerant of their private behavior but hate any kind of scandal that will hurt the party, said one close adviser to Mr. Atwater.

"The pragmatists want it (disclosures of the homosexual prostitution ring) to go away. They hope there's no more to come," the adviser said.

"I had no idea such stuff was going on," said Morton Blackwell, president of The Leadership Institute, which gives political training to young Republicans.

"I think it is time to sit down and write a paper for young conservatives who are washed over by all of this propaganda saying some people are naturally, genetically irresistibly inclined to this kind of (homosexual) behavior," Mr. Blackwell said.

"We Republicans stand for traditional values and cannot continue to stand if we fall significantly away from them," he said.

"If this (The Times' disclosures) proves to be true, then it would explain a certain resistance to pro-family policies on the part of the Reagan administration which were popular and in the interests of the administration," said Paul Weyrich, president of Coalitions for America.

"You can understand an administration's reluctance to get involved in something if they're going to have to pay dearly to be on the unpopular side of an issue," he said.

"But it is hard to understand why they would resist certain policy decisions which were popular with the public and which were in the national interest: for example, treating AIDS as a public health issue and requiring testing, which was vehemently opposed at the policy level of the administration,."