

state/nation/world

The Daily Collegian
Tuesday, Jan. 11

Reagan considering tax hikes to lower deficit

By OWEN ULLMANN
Associated Press Writer

WASHINGTON — President Reagan is giving serious thought to seeking higher taxes for 1985 and beyond to bring the government's burgeoning budget deficits under control, administration sources said yesterday.

One source, asking not to be identified by name, said the president appeared receptive in general to the tax idea during an Oval Office meeting yesterday with senior economic advisers, and ordered the Treasury Department to develop specific proposals.

Reagan, facing awesome deficits that could swell from a record \$200 billion in 1984 to nearly \$300 billion by 1988, also was considering proposals for reducing his military spending plans, freezing spending for certain non-military programs and helping the unemployed.

Reagan, under intense pressure from virtually all his advisers and political allies to trim his record defense budget, scheduled separate meetings yesterday to deal with that issue. Several aides said they were hopeful the president would approve a modest cut for 1984 and larger reductions in his military buildup plans for 1985 through 1988.

Defense Secretary Caspar Weinberger was reported Monday to be fighting to limit cuts in the Pentagon's 1984 spending to no more than \$1 billion to \$2 billion from a \$247 billion budget proposed thus far. Budget officials, however, had been pressing for cuts of up to \$12 billion. Pentagon spending in fiscal 1983 is expected to reach \$208 billion.

The president and his top advisers are trying to reach final decisions this week on the new budget plan he must send Congress

on Jan. 31. The budget covers fiscal 1984, which begins Oct. 1.

The president already has approved administration plans to ask Congress to cut \$33 billion from domestic programs in 1984 to keep the deficit from growing above \$200 billion.

The administration sources, none of whom wanted to be named, said budget director David A. Stockman has specific programs in mind for cuts, but the president may expand the effort to include a partial non-defense spending freeze to appease congressional Democrats and Republicans who have called for holding 1984 spending at 1983 levels.

Among the targets mentioned for freezes are benefit programs with automatic cost-of-living increases each year, including Social Security, government pensions, veterans' benefits and food stamps.

All together, a freeze on cost-of-living adjustments would save more than \$12 billion a year, of which \$9 billion alone would come from Social Security. But action in this area remains under review.

Still up in the air, sources said, is whether the president will propose Social Security benefit reductions or tax increases in his 1984 budget to deal with the pension system's own deficit problem. A presidential decision on this sensitive matter hinges on whether a bipartisan Social Security commission can agree on a course of action by Saturday's deadline, they said.

One tax-raising plan that could wind up in the 1984 budget plan would require workers to pay taxes on employer-paid health insurance premiums beyond a certain limit. White House health adviser David A. Winston disclosed Monday.

He told a meeting of the National Health

Maintenance Organization, "I think the administration will come forth with something along the lines of a tax cap or a mandatory co-payment," that is requiring an equal — and in some cases greater — payment by employees.

Other officials said a specific ceiling had yet to be decided, but they said the idea is to keep basic insurance coverage tax-free and to impose taxes only on unusually generous provisions.

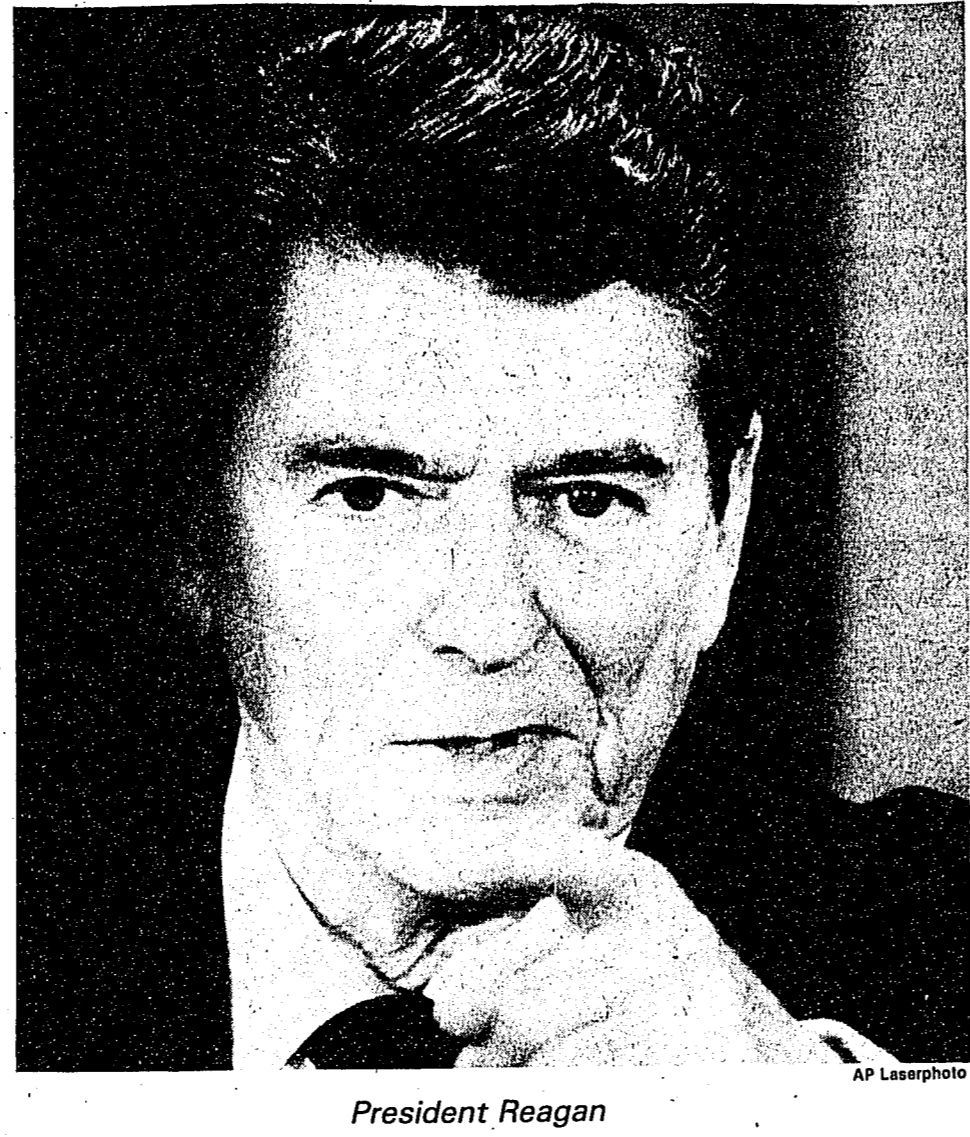
This plan, they said, involves only modest tax increases and is intended primarily to control rising health care costs, not to narrow the deficit.

On the unemployment front, Reagan has vowed to fight massive public works programs proposed in Congress, but he is expected to propose in his new budget several steps for helping the jobless, particularly youthful job seekers and those out of work for a long time.

One possible jobs plan would allow employers to pay less than the \$3.35-an-hour federal minimum wage to teen-agers for summer jobs. Two other options under consideration involve tax credits to businesses that hire people who have exhausted unemployment benefits and the use of unemployment compensation funds to retrain workers whose jobs have been eliminated.

The sources said the president appears adamant against any major tax increases in 1984 as a solution to the red-ink problem that haunts such a course would hurt the economy.

However, he was described yesterday as inclined to agree with warnings from his advisers that without new taxes in later years, the economy would be unable to expand under the weight of the enormous deficits that would result.



President Reagan

MacDonald still serving life Supreme Court refuses new hearing in 1970 murder case

By JAMES H. RUBIN
Associated Press Writer

WASHINGTON — Former Green Berets Dr. Jeffrey MacDonald yesterday lost a Supreme Court bid to overturn his conviction and life sentence for the 1970 murders of his pregnant wife and two young daughters.

Although the Supreme Court denied him a new hearing, his lawyers vowed to return once again to a federal trial court in North Carolina in another effort to gain freedom for MacDonald.

Brian O'Neill, a lawyer from Santa Monica, Calif., said in a telephone interview that the process of appealing to higher courts is "at an end. There ain't no higher than high."

But O'Neill said that within the next year he intends to ask a judge in North Carolina where MacDonald was convicted to grant his client a new trial. O'Neill said he will ask the court to consider new evidence in the case but declined to elaborate.

MacDonald, who is in federal prison in Bastrop, Tex., is not eligible for parole until 1991. He has been behind bars since last March when the Supreme Court reinstated his murder conviction after an earlier reversal.

The Supreme Court yesterday rejected without comment arguments that MacDonald was denied a fair trial.

It marked the fourth time the nation's highest court has acted during the 13-year legal odyssey

of the MacDonald case, one of the most publicized criminal prosecutions in recent U.S. history.

MacDonald's lawyers said the jury should have heard more testimony from a woman who claimed to have seen drug-crazed hippies commit the slayings 13 years ago.

MacDonald steadfastly has maintained that his family was bludgeoned to death at its Fort Bragg, N.C., home by drug-crazed intruders who called "Acid is groovy. Kill the pigs."

MacDonald, now 39, was a captain in the Army Medical Corps and was assigned to the Green Berets, the special forces unit, when Fort Bragg military police rushed to his home Feb. 17, 1970.

Reagan staff ordered not to talk to press

By JAMES GERSTENZANG
Associated Press Writer

WASHINGTON — President Reagan ordered his staff yesterday not to talk to reporters without his approval, a presidential spokesman said.

The president does not appreciate having people who are what I call the freelance artists who come out of a private meeting with him and disclose the contents of the private meeting before he or his advisers even have a chance to reflect on what is going on," Gergen said.

The guidelines say the press office should be "the first stop" for reporters seeking information, and that requests for interviews or comments "should first be referred to the communications department." White House staffers are not supposed to give interviews unless they receive advance clearance or a recommendation from the communications department to talk with reporters.

On occasion, the communications department will designate key staff members to be available to the press to answer questions on a specific subject.

"I've had it up to my keister with these leaks," Gergen quoted Reagan as saying during a staff meeting at which the rules were discussed. Keister is slang for buttocks.

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\$10.5 million award being reconsidered

By RICHARD CARELLI
Associated Press Writer

WASHINGTON — The Supreme Court said yesterday it will consider reinstating at least part of the \$10.5 million won, and then lost, by Karen Silkwood's family in a suit against the Kerr-McGee Corp. She was killed in a 1974 auto crash on her way to see a reporter over a plutonium plant's safety, just days after her own exposure to radiation.

The justices revived the lawsuit, closely watched by the nuclear industry, to decide whether

federal law demands that the bulk of the jury's award be thrown out.

Miss Silkwood, a 28-year-old laboratory analyst at Kerr-McGee's Cimarron plutonium plant near Crescent, Okla., died in an automobile crash Nov. 13, 1974 while on her way to meet with a New York Times reporter.

A union activist responsible for monitoring health and safety matters at the plant, Miss Silkwood reportedly wanted to make public evidence of missing plutonium and falsified safety records. Days before the accident, she had been

radioactively contaminated. Kerr-McGee claimed her exposure resulted from materials that she had improperly removed from the plant.

In the Silkwood case, Kerr-McGee was sued in an effort to collect for injuries — primarily fear and anxiety — sustained by Miss Silkwood during the nine days from her contamination to her death.

A federal trial jury in Oklahoma, using state law, said Kerr-McGee should pay the Silkwood family \$500,000 in actual damages and \$10 million in punitive damages. The

jury also awarded \$5,000 for Miss McGee's contaminated belongings that had to be destroyed.

It said the federal government's exclusive regulation of radiation hazards from the nuclear industry precludes — or "pre-empts" — any punitive damage award based on state law.

In essence, the appeals court said that since state court punitive damages awards are intended to deter future misconduct, the awards conflict with exclusive federal regulation.



Fluffy stuff.
A young girl is lifted over the railing to pet a Dorset sheep while touring the Pennsylvania Farm Show at the Harrisburg Farm Show Arena yesterday. The farm show is slated to run through Saturday.

VW executive commits suicide

PITTSBURGH (AP) — Those who knew Volkswagen executive William B. Brock say he was a thoughtful, reasonable man — a corporate loyalist whom superiors called "an important part of our organization."

But Brock shot himself in the head over the weekend, driven to suicide, his attorneys claim, by company pressure to help end a \$70 million racial discrimination suit.

By all accounts, Brock, 32, was a model citizen in his hometown of Washington, about 27 miles south of Pittsburgh.

"I always had the idea I was going to be someone big," he once told his mother-in-law, Freda Nelson.

He was a fraternity member at the University of Pittsburgh, where he earned a degree in public administration. A fraternity brother, District Justice Dennis Schatzman, recalled that Brock was often too busy to have fun in college because he worked two jobs.

Brock was married, father of three children, a practicing Moslem and president of the NAACP branch in Washington County. He had been an investigator with the state Civil Rights Commission. The Jaycees had named him one of their outstanding young men.

In 1977, he joined Volkswagen's new plant in Westmoreland County near Pittsburgh as equal employment opportunity coordinator.

"(Volkswagen) wanted me, someone with short hair and a suit, who'd be easy to handle," he told The Pittsburgh Press last week.

But, Brock told friends, he was "demoted" to assistant personnel manager in 1978 because "within days after I had joined the organization, I made it clear that I saw discrepancies between what they were saying and what they were doing."

"All I know is that it's painful and agonizing, and I'm sick of it. It's my company. I'm loyal to it," — Volkswagen executive William B. Brock

Recently, Brock became spokesman for the plant employees' Black Caucus. But he resisted a federal discrimination suit against Volkswagen last week, according to friends, believing instead that differences among the caucus and executives could be worked out within the company.

"This has affected my life in general," Brock told The Press last Friday. "All I know is that it's painful and agonizing and I'm sick of it. It's my company. I'm loyal to it."

Late last week, Brock finally decided to add his name to the list of nine current and former Volkswagen plant employees who had filed the suit.

state news briefs

Buehl to 'tell the truth', blame others

NORRISTOWN, Pa. (AP) — Roger P. Buehl, charged with murdering retired Lockheed chairman Courtlandt Gross and two others, will "tell the truth" in his own defense and blame the crime on others, his attorney said yesterday.

"He comes in here cloaked in innocence and he's going to tell you the truth, and the truth is going to get him into a lot of trouble in a lot of places," attorney A. Charles Peruto Jr. said in opening arguments in Montgomery County Court.

District Attorney Joseph Smyth Jr. told jurors he would prove that Buehl, 25, used a borrowed revolver to kill Gross, 78, a co-founder of Lockheed; his wife, Alexandra, 72; and their housekeeper, Catherine VanderVeur, 69, last July 15. Their bodies were found the next day in the Gross' Main Line mansion in suburban Villanova.

Highway closed due to old mine fire

CENTRALIA, Columbia County (AP) — The state closed a section of this town's only major highway yesterday because smoke and steam from a 20-year-old underground mine fire hampered motorists' visibility.

Route 61, a four-lane highway, was ordered closed at 4:25 p.m. from south of here to Ashland, about eight miles away, said officials of the Pennsylvania Department of Transportation.

"The visibility was very poor and we didn't feel we could handle traffic in the evening hours," said PennDOT spokesman Paul Heise. Before the road was closed, officials said the smoke and steam contributed to a minor accident, although no serious injuries were reported.

nation news briefs

More problems delay shuttle mission

CAPE CANAVERAL, Fla. (AP) — A dress-rehearsal launch countdown for the troubled-plagued space shuttle Challenger was postponed a day yesterday because of failure of a component that supplies power to the orbiter.

The latest difficulty was not expected to further delay the start of the five-day mission beyond the latest tentative launch date of sometime near the end of February.

NASA has had to postpone the launch, originally set for late January, because it has not determined the source of a potentially dangerous hydrogen leak into the main engine compartment.

New equipment may aid 'ET' search

BOSTON (AP) — Scientists trying to contact extraterrestrial life have been "searching for a needle in a cosmic haystack" for 20 years without success, two astronomers said yesterday.

However, an equipment breakthrough soon will allow scientists to greatly expand their hunt for radio communication from alien beings, according to the University of California at Berkeley researchers.

And a more sympathetic attitude on the part of lawmakers, NASA and the public — perhaps due to the popularity of the movie hit "E.T., The Extra-Terrestrial" — also is helping the search, they said.

DES lawyer sues former clients

SAN FRANCISCO (AP) — A lawyer for makers of DES, the anti-miscarriage drug that has been linked to cancer, is suing his former clients because he developed testicular cancer and learned that his mother took the drug.

Craig Diamond, 28, was part of a team of lawyers defending Upjohn Co. and E.R. Squibb & Sons in litigation in 1980 over their product, diethylstilbestrol, commonly known as DES.

But in the fall of 1980, soon after undertaking the assignment, he discovered he had four different types of cancer in his right testicle. He learned that his mother had taken the drug while she was pregnant with him.

world news briefs

New engraving of God's name found

TEL AVIV, Israel (AP) — An Israeli archaeologist said yesterday he has unearthed a silver amulet engraved with the earliest Hebrew inscription of God's name ever found in Jerusalem.

The find, along with a trove of jewelry, was described in archaeological circles as an important and unusual discovery in the excavation of ancient Jerusalem.

Gergen, asked if staffers who violate the rule would escape punishment, replied, "I didn't say that." But he added: "Let me tell you something, the president takes this very seriously."

Thatcher's tour gets mixed reactions

LONDON (AP) — Conservative British newspapers yesterday praised Prime Minister Margaret Thatcher's Falklands tour, but opponents accused her of politicking and needlessly provoking Argentina.

Argentina still claims the islands despite Britain's triumphant 74-day war to retake them.

"Maggie Conquers the Falklands" — Again, "headlined the tabloid Daily Star, while the rival

stock report

Market climbs to record highs

NEW YORK (AP) — The stock market climbed to record highs for the third straight session yesterday in an advance inspired by hopes for a broadening economic recovery.

The Dow Jones average of 30 industrials, down about five points at the outset, was up 16.28 at 1,922.35 by the close. Since last Aug. 12, the average has risen more than 315 points.

Volume on the New York Stock Exchange came to 101.25 million shares, against 127.29 million Friday.

Analysts said investors found increasing cause to believe that the economy was beginning to pull out of its slump of the last 18 months.

Volume Shares	119,022,140
Issues Traded	1,978
Up	1,152
Unchanged	307
Down	519
Dow Jones Index	
• S. & P. Comp.	146.78 + 1.60
• Dow Jones Ind.	1,092.35 + 16.28
• N.Y.S.E. Index	94.62 + 0.95

UNIVERSITY CALENDAR Tuesday, January 11

Poetry reading by Steven Dunn, 3:30 p.m., Rare Books Room, Pattee.
ARHS meeting, 6:30 p.m., Room 225 HUB.
Circle K meeting, 7 p.m., Room 314 Boucke.
P.S. Science Fiction Society meeting, 7 p.m., Room 307 Boucke.
Student Performance Organization meeting, 7 p.m., Room 316-317 HUB.
College Democrats meeting, 7:30 p.m., Room 308 Willard.
Equestrian Club meeting, 7:30 p.m., Room 206 Ag. Eng.
Artists Series film, *All About Eve*, Bette Davis, 8 p.m. Schwab.
Sports: women's gymnastics vs. New Hampshire, 8 p.m.

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The USG Dept. of Legal Affairs is accepting applications for staff positions. Applications are available in 213 HUB. Deadline: Friday, Jan. 21st

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Request interview with: _____
Division (if given): _____
Job Title: 1st choice _____ 2nd choice (Optional) _____
Date of Visit: _____ Job Location: _____
Applying for: (Check one) Term Summer Intern
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PRES: _____ (City) _____
AD: _____
CA: _____
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