

## Leaders seek ways to soothe market

By JIM LUTHER  
Associated Press Writer

WASHINGTON, D.C. — Pledging to leave politics at the door, negotiators for Congress and the Reagan administration began searching yesterday for a mixture of tax increases and spending cuts that would reduce the federal budget deficit enough to pacify world financial markets.

The opening session produced little more than an agreement to resume negotiations today. Participants spent two hours discussing how they would proceed but were not asked to consider any specifics, according to several lawmakers.

"We talked for awhile and we all left happy," said Rep. John Duncan, R-Tenn. "Everybody had the right spirit," said Sen. Lawton Chiles, D-Fla., chairman of the Senate Budget Committee. "I considered it progress."

The initial goal for the negotiators is the \$23 billion deficit reduction required by the Gramm-Rudman balanced-budget law. House Speaker Jim Wright, D-Texas, described that figure as a rock-

bottom minimum but some negotiators cautioned against raising expectations of a significantly larger deficit reduction.

President Reagan said the volatile financial markets are signals of potential dangers for the economy. "Anyone who doubted that these threats to our future growth were serious should have been set straight in the last couple of weeks," he said in a written statement.

"We owe it to the nation to get the job done," the president added.

Senate Majority Leader Robert C. Byrd, D-W.Va., said successful deficit-reduction negotiations would "show that the two parties can work together and that the government can respond to the need."

"I just hope the action is bold enough and soon enough to reassure the markets and the American people," added Senate Republican Leader Bob Dole of Kansas. But he agreed that political differences among negotiators would be put aside; "we'll leave politics at the door," he said. Democratic and Republican leaders in the Sen-

ate and House named 14 members to negotiate on behalf of Congress. Treasury Secretary James A. Baker III heads the administration team that includes White House Staff Chief Howard Baker and James C. Miller III, director of the Office of Management and Budget.

Whatever the negotiators come up with will be subject to approval by both houses of Congress and the president.

Byrd said the starting point for the talks should be a deficit-reduction bill awaiting final action in the House on Thursday. The biggest share of the reduction would come from a \$12 billion revenue increase, including several relatively minor tax increases whose biggest impact would be on corporations and upper-income individuals.

Wright said the initial \$23 billion in deficit cuts for the 12 months that began Oct. 1 should be divided about evenly between spending reductions and revenue increases. But if negotiators can go beyond that, the extra reduction could rely more heavily on spending reductions or tax increases, he added.

## Man who shot brokers was relocated witness

MIAMI (AP) — A distraught investor who shot two stockbrokers and then killed himself was a disbarred Missouri attorney relocated here through the federal witness protection program, a U.S. Justice Department spokesman said yesterday.

Arthur Kane, 53, who died of a bullet wound to his head in a Merrill Lynch brokerage Monday after losing as much as \$10-15 million in the last two weeks as the market plummeted, was actually a man who turned government witness after he was convicted in Kansas of insurance fraud in 1978.

"He testified in at least one trial and we think he rendered a great service to his country," said John Russell, a spokesman for the Justice Department in Washington.

Before killing himself Monday while the market plunged 156.8 points, Kane fatally shot the manager of the brokerage, Jose Argilagos, and critically wounded his broker, Lloyd Kolokoff.

Russell said Kane had never been violent, and that the Justice Department believes all the money he invested was earned legitimately.

"We have been in contact with him and as far as we know, he has led an excellent life" since joining the program, said Russell.

Neither Merrill Lynch nor Kane's family would release details on how much wealth he had amassed by playing the market or where the money for his original investment came from.

## New Court nominee GOP, Democrats object to White House's suggestions

By LARRY MARGASAK  
Associated Press Writer

WASHINGTON, D.C. — The Senate Republicans who would be expected to lead the charge for President Reagan's next Supreme Court nominee have objected to about half the potential candidates listed by the White House, GOP sources said yesterday.

Meanwhile, a senior administration official said the announcement of a new nominee was likely to come Thursday.

White House chief of staff Howard H. Baker Jr. submitted a list of 13 or 14 names to five key Republican senators on Monday, then discussed the same list yesterday with Democratic Leader Robert C. Byrd of West Virginia and Judiciary Committee Chairman Joseph R. Biden Jr., D-Del.

The Democrats also were said to have raised objections to some of the names.

GOP sources, speaking only on condition they not be named, said just six names on Baker's list drew no objections from the Republican Senate group. At least seven others were objected to by at least one of the GOP senators, the sources said.

Those said to have received no objections were:

Judge Pasco M. Bowman II of Kansas City, Mo., on the 8th U.S. Circuit Court of Appeals; Judge J. Clifford Wallace of San Diego, on the 9th U.S. Circuit Court of Appeals; Judge William W. Wilkins of Greenville, S.C., on the 4th U.S. Circuit Court of Appeals; Judge Anthony M. Kennedy of Sacramento, Calif., on the 9th Circuit; Ralph K. Winter Jr. of New Haven, Conn., on the 2nd U.S. Circuit Court of Appeals, and New Hampshire State Supreme Court Justice David H. Souter. Souter's name had

not been previously disclosed publicly.

Those who encountered at least some opposition were:

Judge Roger J. Miner II, of Albany, N.Y., on the 2nd Circuit; Judge Lawrence H. Silberman, on the U.S. Court of Appeals for the District of Columbia; Judge Pamela Ann Rymer, a U.S. district judge in Los Angeles; Edith H. Jones of Houston, on the 5th U.S. Circuit Court of Appeals; Judge Douglas H. Ginsburg on the District of Columbia circuit court; Judge Patrick E. Higginbotham of Dallas, on the 5th Circuit, and Cynthia H. Hall of Pasadena, Calif., on the 9th Circuit.

At least one senator requested that Judge Gerald B. Tjoflat of Jacksonville, Fla., on the 11th U.S. Circuit Court of Appeals, be added to the list.

Bowman, Wallace and Silberman have Democratic opposition, according to sources who spoke prior to the Democrats' meeting with Baker.

As for the official White House announcement, the Thursday estimate was given by a senior administration official aboard Air Force One as Reagan flew back to Washington from Phoenix, Arizona, where he and Mrs. Reagan had gone to make funeral arrangements for her mother, Edith Luckett Davis.

At the Capitol, after yesterday's session with Baker ended, Biden spokesman Peter Smith said the Democrats "offered their opinions, to the degree that they know" about particular potential nominees.

It was not immediately known whom the Democrats might have objected to at the meeting.

Baker said, "The president has not yet made a decision" and is not bound to choose someone from the current list. He added that he had briefed President Reagan on the comments Republicans made on Monday.



### Tearful birthday

Peggy Say, sister of Terry Anderson, kisses a participant in a 40th birthday ceremony for Anderson Tuesday at the Jefferson Memorial in Washington. Anderson is the Associated Press Beirut bureau chief who has been held hostage in Lebanon for the last 956 days.

## China, Iran close to new missile deal

WASHINGTON, D.C. (AP) — China and Iran may be close to sealing another deal for Silkworm missiles that could threaten shipping in the Persian Gulf, Reagan administration officials said yesterday.

The officials, who requested anonymity, also disclosed U.S. intelligence agencies had tracked a shipload of Chinese-built artillery shells to Iran within the past week, further undercutting China's denials that it is dealing arms to Iran.

The shells were delivered "within the last few days" and "definitely came from China; no question about it," said one official.

The sources added, without elaboration, that there were "some indications" China was preparing to sell additional Silkworm missiles to Iran, possibly through a Hong Kong trading front.

"It's all very sketchy at the moment," said one official. "But there could — and I emphasize could — be another deal in the works."

In a related development, a spokesman for the Iranian resistance group People's Mujaheddin said yesterday that Iranian military forces had moved a Silkworm missile last Saturday from Sirik on the east side of the Strait of Hormuz to the Faw peninsula at the northern end of the Persian Gulf.

"It is said that the Khomeini regime intends to use this missile in the coming days," added Ali Safavi, the Mujaheddin spokesman.

The Faw region is part of Iraq but is now occupied by Iranian troops. According to U.S. sources, Silkworm missiles fired by Iran at ships in Kuwaiti waters have been launched from Faw.

The United States has pressed China for more than a year to stop supplying arms to the Tehran government.



Lee Shapiro, right, and North Bergen, in an undated file photo.

## American filmmakers killed in Afghanistan

ISLAMABAD, Pakistan (AP) — Soviet-Afghan forces ambushed and killed two Americans as they returned with rebel escorts from making a documentary film on Afghanistan's civil war. U.S. and guerrilla spokesmen said yesterday.

Lee Shapiro of New Jersey-based Shapiro Media Productions and cameraman Jim Lindeloff were killed earlier this month in Paghman, just west of Kabul, the Afghan capital, said American diplomats in Pakistan.

Officials said their film was financed partly by an arm of the Unification Church of the Rev. Sun Myung Moon. An official for the organization said Shapiro had strong anti-communist views and earlier had filmed an anti-Sandinista documentary in Nicaragua.

Qaribar Rehman Saeed, spokesman of the Hezb-i-Islami Moslem insurgents, said word of the Americans' death came in a rare radio report.

Ellen Hori, an employee at Shapiro's North Bergen, N.J., company, said Shapiro was in his late 30s and lived in New York. Ms. Hori said Lindeloff was a 27-year-old Californian.

She said she received a call from the American consulate in Afghanistan early Tuesday with the news of their deaths. U.S. officials said the two had registered with the consulate in Peshawar, Pakistan, last December and March.

Saeed said the Hezb-i-Islami party, one of seven fighting to oust the communists and drive out the Soviets, agreed to escort the team on foot and by donkey to the northern provinces of Kunduz, Takhar and Badakhshan.

The attack came on their return southeast to Pakistan, Saeed said. A Hezb guide and interpreter, Abdul Malik, was wounded but has not yet reached the Pakistan border, he said. He said the radio report placed the attack around Oct. 11.

## Bill would end silence on campus crime

HARRISBURG (AP) — A couple whose daughter was raped and murdered in her dormitory room at Lehigh University are turning to the Pennsylvania Legislature to lift what they call "a curtain of silence" about campus crime.

With the help of Howard and Connie Clery of Rosemont, Pa., a bill was prepared and introduced yesterday that would require universities and colleges to spell out the number of serious crimes and the extent of security. The Clerys said they knew of no other similar legislation in the country.

The legislation, introduced by Rep. Richard A. McClatchy Jr., R-Montgomery, would require schools to publish a brochure updated annually with figures on homicide, assault, rape, robbery and burglary; a list of the number of campus police and security personnel; and answers to 15 security-related questions about dormitory, alcohol and drug policies.

"The vast majority of private and state colleges and universities will not divulge their crime statistics to

prospective students and parents when asked," Clery said at a news conference, later adding, "What are they hiding?"

The new bill is based on a brochure the Clerys have developed and distributed nationwide. The brochure lists security-related questions parents should ask when they submit their children's admission applications.

The Clerys started their drive after their daughter Jeanne, a 19-year-old, nationally ranked amateur tennis player, was murdered on April 5, 1986.

Police said another student, Joseph Henry of Newark, N.J., angry at being rejected by a woman and upset over the loss of a campus political office, went to the Stoughton House dormitory at about 5 a.m. that morning and looked for an open room. He found Miss Clery's door unlocked.

She was beaten and raped; her throat was slashed with a piece of broken glass and she was strangled, police said.

## Penn stabbings prompt students to demonstrate

PHILADELPHIA (AP) — Students demonstrated at the University of Pennsylvania yesterday to demand better security after three football players were stabbed a block from campus.

The most seriously injured, Robert O'Brien, a 20-year-old junior from Shrewsbury, Mass., was listed in stable condition at Presbyterian-University of Pennsylvania Medical Center, where he was recovering from a stab wound in his heart, a hospital spokeswoman said.

Police said O'Brien, the quarterback of Penn's lightweight football team, was stabbed while walking near a fight between two local youths and two other Penn students, who were treated for knife wounds to the back, shoulder and ankles after the attacks early Saturday.

The stabbings provoked angry re-

action from students at the Ivy League school and promises by the university to hire more security personnel to patrol the area around campus, which is near low-income neighborhoods in west Philadelphia.

"People are afraid to walk around at night, even if they have a companion," said Sander Gerber, 20, of Ann Arbor, Mich., vice chairman of the student council. "It's just not safe."

About 200 students held a protest rally in the rain on the steps of the university administration building to press demands for more police patrols, better lighting and upgraded late-night escort service on and off campus.

Muggings and assaults traditionally have been a problem at Penn, an inner-city university with an undergraduate and graduate enrollment of more than 16,000 students.

## House approves minimum wage hike

By ROD SNYDER  
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HARRISBURG — The House approved legislation yesterday that would increase the minimum hourly wage in Pennsylvania from \$3.35 to \$4.65 by 1990.

The 113-80 vote came after about two hours of debate between supporters who said the wage is too low to provide a decent living and opponents who argued the higher minimum would send a negative message to the business community.

"We pay our babysitter more than \$3.35," Rep. Kevin Blau, D-Luzerne, said during the floor debate.

The bill would increase the minimum hourly wage to \$3.85 in January. One year later, the wage would increase to \$4.25. In January 1990, the level would increase again to \$4.65.

The House also approved an amendment to the bill that would raise the minimum wage every year beginning in 1991. That increase would be based on the same percentage increase as the unemployment compensation's maximum weekly benefit rate.

The minimum wage last increased in January 1981, when it went from \$3.10 to \$3.35 an hour, said Rep. Mark Cohen, a Philadelphia Democrat who proposed the new increase.

Cohen said that amount was being "repealed by

time" because inflation has shrunk the value of the wage.

During the floor debate, Rep. Robert Freeman said a large percentage of minimum wage earners are heads of households and the current rate isn't enough to live on.

"It's time we stepped up and did something for the average citizen," Freeman, D-Northampton, said.

Business groups, including the Pennsylvania Chamber of Business and Industry, said the increase is potentially damaging to the state's economy.

Rep. Joseph Pitts, R-Chester, argued the legislation would fuel inflation.