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Reagan agrees to nuclear pact with China

Associated Press

WASHINGTON — President Reagan, at his first diplomatic ceremony since cancer surgery, lent a guiding arm Tuesday to the frail Chinese President Li Xiannian and told him the United States will sign a long-stalled nuclear cooperation agreement between the two countries.

The nuclear pact would clear the way for the sale of American reactors and other technology that China wants for its ambitious nuclear power electricity program. The accord is subject to congressional review but it is considered highly unlikely Congress will block it.

Reagan, walking somewhat stiffly but appearing otherwise fit, held hands with his wife Nancy and acknowledged cheers from hundreds of spectators as he emerged for the event on the sun-drenched South Lawn.

The 74-year-old Reagan, who walked unaided to a small podium for the ceremony, put his arm around the 76-year-old Li to gently guide him to his seat at the start of the 15-minute ceremony.

The two leaders stood during their national anthems and when they delivered their own brief remarks. Each took a seat when the other man spoke.

Reagan declared the two nations had built a "foundation of good will" that included a joint stand against aggression.

In his remarks, Li told Reagan: "I'm very happy to see you are recovering so fast and I'm deeply touched by your participation in this welcoming ceremony." Li spoke in Chinese and his remarks were translated into English.

At a photo session in the White House Green Room, Reagan was asked how he was feeling and replied, "Fine." He said "no" when asked if he had any complaints.

The president grinned, and chatted with Li through an inter-

preter. Reagan offered brief answers to several reporters' questions without difficulty, but his cheeks were not their normal ruddy red and he walked slowly and stiffly from the room behind his Chinese guest.

Normally the two leaders would have met in the Oval Office, but due to his recovery from major abdominal surgery Reagan hasn't yet resumed normal business in the West Wing of the executive mansion.

White House spokesman Larry Speakes said Reagan told Li during their 30-minute meeting with top aides that the United States planned to go ahead with the pact.

The spokesman said the United States was satisfied with China's assurances that U.S. nuclear materials will not be used for anything other than peaceful purposes.

The pact was first initiated during Reagan's visit to China 15 months ago, but was shelved because of intelligence information that China may have assisted Pakistan in its efforts to develop a nuclear weapons capability. Both countries denied it.

Speakes said the pact was to be signed within the next "day or so" if not at a signing ceremony Tuesday afternoon for other accords on education, cultural affairs and fishing that will make it possible for the

Chinese to fish in American waters.

Li's visit is the first to the United States by a president of China's communist government. Even though his post is largely ceremonial, Li is one of the last survivors of Mao's "Long March" in the 1930s and is a member of the powerful six-member standing committee of the Communist Party's Politburo.

A State Department official, who spoke on condition that he not be identified, told reporters after the session that besides the nuclear pact, the talks focused on relations with the Soviet Union, Taiwan, and trade and economic issues.

Young to run for Hobby's job next year

Associated Press

AUSTIN — David Young, who lost previous bids for governor and U.S. Senate, Tuesday said he will seek the Democratic nomination for lieutenant governor next year.

Young, 41, said he believes incumbent Democrat Bill Hobby, lieutenant governor since 1973, has held the office long enough, noting that Hobby has served for seven regular legislative sessions.

"That's at least two more (regular sessions) than anyone else in Texas history," Young said.

Young also said he opposes the tripling of state college tuition that Hobby helped push through the Legislature this year as presiding officer of the Texas Senate.

"Sure, the big money people deserve their voice in government. But the not-so-rich and not-so-powerful deserve a voice too," Young said.

"There's a time to be angry and there's a time not to be angry," he said. "When I look at a 500 percent increase in state university tuition over a 5-year period, it makes me angry. In my view, that's a very short-sighted piece of legislation," he said.

Young finished fourth in a six-way race for the 1982 Democratic gubernatorial nomination. He also finished fourth of six Democratic Senate candidates last year.



He's No Chef Tell . . .

Photo by Anthony S. Casper

State Fire Marshal Manager Charles Killingsworth creates a fiery scene while demonstrating what can happen when an electrical bulb comes into contact with a flammable liquid. The presentation, which was demonstrated on the second floor of the Memorial Student Center, was presented to visiting firefighters during the Fire Prevention segment of their training.

El Paso plays key role in smuggling

Drug bust spans Mexico, six states

Associated Press

EL PASO — An indication of the key role this border city plays in international drug trafficking was given Tuesday with the arrests in six states of more than 120 people believed to be connected with a major Mexican drug smuggling organization, officials said.

"We're not dealing with small quantities. We're dealing with multi-kilo distributions. We're dealing with the godfathers of organized crime in Mexico who use the Juarez-El Paso area to smuggle their narcotics into the United States," said Phillip E. Jordan, special agent in charge of the Drug Enforcement Administration's Dallas field division.

"This shows the importance El

Paso plays in the Mexican connection," Jordan said, referring to Tuesday's arrests that culminated a two-year investigation by the DEA and the FBI of the activities of the Herrera family of Durango, Mexico.

U.S. Attorney Anton R. Valukas in Chicago said more than 400 law enforcement officials launched raids in Illinois, Texas, Florida, California, Colorado and Indiana and arrested residents of those states and of Puerto Rico and Mexico.

Valukas said 134 people had been indicted on various charges that included conspiracy to violate drug trafficking laws, use of interstate communication facilities to violate drug trafficking laws and interstate travel between Chicago, El Paso and

Mexico for the purpose of acquiring illegal drugs.

Eight of those arrested live in El Paso, said Ron Hoverson, special agent in charge of the El Paso FBI bureau.

Jordan said officials believe the Herrera organization has used El Paso and neighboring Ciudad Juarez, Mexico, for several years to import drugs into the United States.

El Paso is separated from Juarez by the Rio Grande.

"The Herrera organization has been targeted by DEA and other agencies for a long time," Jordan said. "When you talk about the Herrera organization of Durango, Mexico, you can compare it with some of the best organized crime out of Mex-

ico and in the United States."

Jordan said the operation is considered to be a multimillion-dollar drug network.

Agents say that at times the Herrereras have had such control over heroin sales that they were able to set the price, quality and availability of the drug.

In addition to Tuesday's arrests, authorities in Chicago said they seized \$197,000 in cash and large amounts of marijuana, cocaine and heroin.

Hoverson said nothing was seized in El Paso.

Hoverson said the eight men arrested in El Paso appeared Tuesday afternoon before U.S. Magistrate Philip Cole, who denied bond for all.

Toyota to begin producing cars in U.S. by 1988

Associated Press

TOKYO — Toyota Motor Corp., Japan's largest car maker and leader in Japanese car sales in the United States, announced today it will begin producing passenger cars in the United States and Canada in 1988.

About 200,000 cars a year will be built at a U.S. plant in a location yet to be decided, said an official announcement released by Toyota's board of directors after a meeting.

Recent Japanese news reports said the company is focusing on sites in Tennessee, Georgia or South Carolina in addition to Midwestern states, but Toyota officials said a location has not been decided.

The announcement said the U.S. plant will produce medium-size, 2-

liter cars. Kyodo News Service said the plant was expected to produce the Camry series car, but Toyota officials would not confirm the report.

Takaharu Kurasaki of Toyota said, "The Camry will be one of the candidates, but we are not sure which car will be most popular or convenient to produce in 1988."

Toyota also plans to produce about 50,000 1.6-liter passenger cars a year in Canada, at a location yet to be decided, and expand production at a California joint venture with General Motors to include Toyota models, the company announcement said.

Toyota currently makes cars in Fremont, California, in a joint venture with GM begun last year.

UAW welcomes move

Associated Press

DETROIT — Toyota Motor Corp.'s plan to build cars in the United States under its own name is a multimillion-dollar bet that quotas on imported Japanese cars are here to stay, analysts said Tuesday.

The move, while welcomed by the United Auto Workers as proof that quotas are working, may pressure the union to give Toyota's U.S. rivals a break on wages and benefits, analysts said.

ers at the Toyota plant, although labor leaders have had no formal discussions with Toyota officials regarding the new facility.

He said the UAW's work with Toyota in establishing with General Motors Corp. a joint manufacturing venture in Fremont, Calif., provided "the basis for a positive and productive relationship in the best interests of the workers, the employer and the consumers."

"Toyota . . . has taken a constructive approach to working with the UAW," Bieber said.

Bieber praised Congressional pressure on the Japanese to locate production and jobs in the United States, which he said "is beginning to pay dividends." But analysts said the move could backfire by increasing pressure on the union to grant wage and work-rule concessions to make domestic automakers more competitive with Japanese automakers in the United States.

"It's sort of ironic that the Japanese can build cars more cheaply in the U.S. than Detroit can," Healy said. "It puts pressure on the whole employment cost structure in the U.S. industry. Everybody is going to want a deal."

Vacations To Go aids travelers by offering discount rates

Associated Press

HOUSTON — Travelers wanting bargain prices are turning to a Houston-based firm that buys unfilled space on airlines, cruises and hotels and then offers it to clients at discount rates.

It's called Vacations To Go and it's the brainchild of Robert J. Carney and Alan Fox.

Fox, the firm's vice president, says, "At a point and time when operators are able to identify specific departure dates that are not going to fill up, they have one or two options. They can let the space go empty and take a total loss on it or they can mark the price down drastically and reach people through our company."

Airlines have agreed to sell their unfilled

seats only if the name of the airline is not used in any advertisement or promotion, he said.

Fox and Carney decided to venture into discount vacations after market research showed a need for it. The Houston-based firm opened its doors in May 1984 and since has expanded into 25 other cities.

The research, Carney says, found the market would be geared to young professionals. But to their surprise, more than 50 percent of their clients are retired people.

"All the yuppies generally have the money and inclination but work 60 to 70 hours a week," Carney said. "The retired people have the money and time."

To take advantage of the discounts, which can reach 50 percent, Vacations To

Go clients must purchase an annual \$50 membership. The membership applies to all family members living in the same household plus one guest per trip, said Fox, who served in the marketing departments of Continental Airlines and Texas Air International.

Fox says Vacations To Go is geared for "people who are flexible enough in their daily itinerary that they can make plans and leave on just a few weeks notice."

The vacation outlets revolve around a 24-hour hotline number in each branch office that is answered by a recording listing the discount vacations available.

"They can make reservations then or dial another number and get more information or a brochure," Fox says. "We do all the

ticketing and handle all the documents ourselves."

Advanced notice of trips vary depending on the destination. Members are usually aware of cruises four to six months before departure while notice of weekend trips to Mexico and Las Vegas vary from a week to 10 days, he said.

A two-week Orient cruise retailing at \$2,445 was available to Vacation To Go members for \$1,665 during June. A four-day Bahamas cruise was going for \$465, compared to retail \$640.

"We put a lot of people on to those vacations who could not have afforded them before," Fox says. "Now for the amount paid to spend a week at Disney World you can take one of our trips to London or Paris."

Fox and Carney, the firm's president, say they decided to start the business after noticing all the changes the airline industry was going through under deregulation.

Carney serves as director of Texas Air and is president and director of Jet Capital Corp., parent company of Continental and New York Air.

"Realizing that when all was said and done, more and more of the emphasis was on price, this seemed like a very logical place to get going," Carney says about the firm's origin. The venture has nothing to do, financially or operationally, with Texas Air or Continental, he says.

Although Fox and Carney wouldn't disclose the size of their membership, both say business is doing well.