

World and Nation

Reagan trying to revive tax bill

Associated Press
 WASHINGTON — Congressional negotiators reported substantial progress on "must pass" year-end spending legislation Thursday, while administration officials cajoled Republican lawmakers to help revive President Reagan's proposal for major overhaul of the tax laws.

The president's men devoted their attention to the tax bill, searching for ways to reverse Wednesday's 223-202 House vote that sidetracked the issue, a revolt led by Republicans. White House Chief of Staff Donald Regan and Treasury Secretary James Baker met privately with GOP lawmakers, while O'Neill said

the issue rests squarely with the president.

"If the president can deliver 50-75 Republican votes... a guarantee on the bill, we'll bring it up," O'Neill said. Only 14 Republicans supported Reagan on Wednesday's vote.

House Speaker Thomas P. O'Neill Jr., D-Mass., said he hoped Congress could wrap up work by the end of the week, even if that meant an unusual Saturday meeting.

But Senate Majority Leader Robert Dole, R-Kan., said the session should be extended into next week to assure passage of both a long-term farm bill and a measure to rescue the financially ailing Farm Credit System.

Dole added it would be an "abdication of everything we've done all year" if Congress left town without finishing work on legislation to cut spending by up to \$80 billion through 1988.

Weary lawmakers looked forward to the end of the session as Reagan, acting without ceremony, signed landmark legislation designed to force a balanced budget by 1991. That bill was cleared by Congress on Wednesday after months of wrangling.

But the controversy lingered as O'Neill blistered the plan as a "fake and a fraud" and Rep. Mike Synar, D-Okla., announced plans to file suit

in U.S. District Court challenging its constitutionality.

The bill signed by the president also raised the debt limit above \$2 trillion in time to avoid serious disruption of federal borrowing practices.

Lawmakers faced yet another deadline on the spending bill, with funding for most federal programs set to expire at midnight.

Officials reported an informal agreement to spend \$15 billion during the current fiscal year on foreign aid — including \$3 billion for Israel — nearly the level Reagan is requesting. There was progress on defense spending, as well, although no agreement was reached.

Jury still deliberating in racketeering trial

Associated Press
 NEW ORLEANS — Jurors deliberating for the second day in Gov. Edwin Edwards' racketeering trial appeared to focus Thursday on the major charge against him — that he plotted illegally to make millions of dollars on hospital investments.

Gov. Edwards, his brother Marion, and business associates Ronald Falgout, James Wyllie Jr. and Gus Mijalis went on trial almost 13 weeks ago, each charged with violating the conspiracy section of the complicated federal Racketeer Influenced and Corrupt Organization act.

All but Mijalis also faced 49 counts of mail and wire fraud. Mijalis was charged with three counts of mail fraud.

The indictment accused the defendants of scheming illegally to obtain state certification for hospital and nursing home projects in which they held interests. They sold five of the projects for \$10 million.

Edwards acknowledged that before he took office in March 1984 he made almost \$2 million on the deals. But he insisted the deals were legal and that he broke ties with the venture when he became governor.

Prosecutors said the \$2 million constituted a bribe from Wyllie and Falgout. They never produced a witness who said Edwards conspired with the others. But they showed that Edwards, after he took office, approved or had a role in approving projects owned by Wyllie and Falgout.

Defense lawyers said the nursing homes and hospitals were needed in the areas for which they were approved. And, they said, there was no evidence that anything improper was done.

Each conspiracy count carries a maximum penalty of 20 years in prison, a \$25,000 fine and forfeiture of all property acquired in the criminal enterprise. Each mail and wire fraud count carries a maximum punishment of five years in prison and a \$5,000 fine.

Jurors began deliberating Wednesday morning and by the end of the first day, appeared to have been bogged down over procedural matters.

About noon Thursday, after 11 hours of deliberation, jurors sent U.S. District Judge Marcel Livaudais a note asking whether they could consider the conspiracy count first. Livaudais said they could consider the counts in any order they wished.

Alcohol-related traffic deaths over New Year's decreasing

Associated Press
 ATLANTA — The number of alcohol-related traffic deaths over the New Year's holiday has decreased steadily in the 1980s, apparently due to increased awareness of the drunken driving problem, federal health officials said Thursday.

Nevertheless, alcohol-related traffic deaths occur more frequently over the Christmas and New Year's holidays than during the rest of the year, the Center for Disease Control said in its weekly Morbidity and Mortality report.

For the New Year's holiday, there were 71 alcohol-related traffic deaths per 24 hours in 1980, 67 in

1981, 60 in 1982, 55 in 1983 and 48 in 1984, the CDC said.

At Christmas the number of alcohol-related traffic deaths fluctuated, with 68 alcohol-related traffic deaths per 24 hours in 1980, 62 in 1981, 63 in 1982, 45 in 1983, and 77 in 1984.

The center used statistics from the Fatal Accident Reporting System for 1978-1984.

Darryl Bertolucci, a statistician with the National Institute on Alcohol Abuse and Alcoholism in Washington, said the declining New Year's figures are largely the result of increased awareness of the drunken driving problem.

Crackdowns by law enforcement

on drunken drivers, educational programs and the increasing responsibility placed on hosts and bartenders not to send drunken drivers onto the streets may be helping to lower the fatality rate, he said.

"Ideally, we can say that some of these things are working," said Bertolucci, who contributed to the study.

He said officials are still trying to determine what is responsible for the inconsistent Christmas figures, particularly the "shocking" 1984 figure.

Bertolucci suggested that perception may play a part in the fact that alcohol-related Christmas fatalities

are not declining as rapidly as New Year's deaths.

People don't perceive Christmas as a "get drunk" holiday, and therefore may not drive as carefully, he said.

Also, families tend to travel in large groups for Christmas, while couples usually go out for New Year's Eve.

So the chances of more people dying in a single accident increase at Christmas, Bertolucci said.

Until 1984 the total number of traffic deaths per 24 hours during the New Year's holiday and during the full year declined during this decade, according to the CDC.

GE executives sure merger with RCA will be approved

Associated Press
 NEW YORK — General Electric Co.'s proposed \$6.28 billion purchase of RCA Corp. represents "an excellent strategic fit," but it is too early to say whether GE will sell off any RCA assets, GE's chairman said Thursday.

However, John F. Welch Jr. said he does not expect the merger to run afoul of federal antitrust rules that would force GE to sell assets in order to win government approval of the deal.

"We have all the confidence in the world that this merger violates no guidelines and will in fact be approved in a speedy and effective

manner," Welch said at a news conference.

RCA Chairman Thornton F. Bradshaw, meanwhile, said he would step down once the merger was completed, probably in late 1986, but that he would remain a GE consultant for three years.

And the New York Stock Exchange said it launched an investigation into the surge in price and trading of RCA's stock prior to the merger announcement Wednesday night. RCA's stock soared \$10.37 1/2 a share to \$63.50 Wednesday.

In late trading Thursday, however, RCA's stock skidded \$4.12 1/2 a share to \$59.37 1/2 in continued

heavy trading as some investors apparently decided to take profits rather than wait for the merger to be completed in a year. GE's stock was off 25 cents at \$67.62 1/2.

The NYSE routinely reviews the trading of stocks involved in subsequent merger proposals in an attempt to find out whether any of the trading stemmed from actions such as trading on "inside information," or the use of information about a company not available to the public. Such trading is a federal crime.

In citing the RCA surge, the exchange said it was "concerned about this kind of market activity," and that once its review was finished, it

might take disciplinary action itself or turn its findings over to the Securities and Exchange Commission.

The proposed merger calls for GE to pay \$66.50 cash for each of RCA's 94.4 million shares. It would be the largest non-oil corporate marriage in U.S. history and produce a company with annual revenue of \$40 billion.

The deal was approved by both companies' directors, but remains subject to approval by RCA's stockholders and regulators, including the Federal Communications Commission, which must approve the transfer of broadcast licenses.

GE, which is based in Fairfield,

Conn., is a diversified company and a major defense contractor. New York-based RCA also is a defense contractor, and the companies share interests in consumer and commercial electronics, broadcasting and satellite communications.

RCA, the parent of the National Broadcasting Co., which operates the NBC television and radio networks, also owns five television stations and several radio stations. GE operates one TV station, the NBC affiliate KOA-TV in Denver.

Welch and Robert F. Frederick, RCA's president and chief executive, repeatedly said it was "premature"

for them to respond specifically to questions about what shape the combined company would take.

Welch did say RCA would help GE attain its goal of relying more on services and technology, rather than manufacturing, for its earnings. And he said NBC would retain the independence it has under RCA.

In addition, Welch emphasized that the addition of RCA would help GE's progress in global markets.

"(Broadcasting) is a domestic business, it is not battered by imports," Welch said. "We need all the resources we have here to support us as we move around the world to win world markets."

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