

White proposes temporary increase in sales tax

AUSTIN (AP) — Gov. Mark White, gambling with his political future three months before the election, on Wednesday asked the Legislature for a temporary sales tax increase to help close the state's \$3.5 billion budget deficit.

"Some say this might cost us our jobs — and it might," White told the first day of a special legislative session. "I know what I'm asking for when I call for a tax increase."

However, he said, the need to save essential state services should rule out spending cuts alone, the path many conservative lawmakers say they prefer.

"It's not a question of want, it's a question of need," White said. "We must do our job for the people of Texas — regardless of the consequences."

White's proposal called for the tax hike to be combined with \$1.4 billion in spending cuts, an action he said would be "agonizing."

The one-year tax increase would take effect Sept. 1 and expire automatically on Aug. 31, 1987, the end of the state's current two-year budget cycle.

The plan would boost the sales tax rate from 4.125 percent to 5.25 percent. The hike would raise \$810 million, said White's budget aide, Bill Hamilton.

Calling layoffs of state workers the last resort, White proposed eliminating the 3 percent pay raise they were supposed to receive Sept.

1 and asked that their salaries also be rolled back 3 percent for the 1987 budget year.

White also pledged to continue full spending for public schools, saying the sweeping improvements passed in 1984 and funded with a tax increase then are too important to drop.

"We didn't build public education in 1984 to tear it down in 1986," he said.

White, a Democrat, faces a reelection battle against the man he ousted in 1982, former Gov. Bill Clements. Clements, the only Republican to hold the state's highest office in this century, quickly attacked White.

"His plan for Texas is taxes," Clements said, adding that White has been making no-tax statements since last spring. "Mark White has done it again. He promised not to raise taxes and then he proposes a \$810 million tax increase with the promise for more increases next January."

Apparently to head off some criticism, White asked the Legislature to endorse a constitutional amendment prohibiting imposition of either a personal or corporate state income tax. Clements has charged that if White is re-elected, he would impose an income tax.

White asked for bipartisan support. It would be mandatory, since Republicans hold 54 of the 150 House seats and 100 House votes

House speaker pronounces tax plan 'dead'

AUSTIN (AP) — Speaker Gib Lewis on Wednesday pronounced Gov. Mark White's tax-plan dead in the House, and said many lawmakers would prefer pari-mutuel gambling or a lottery if more state money must be raised.

Lewis and House Ways and Means Committee Chairman Stan Schlueter promised to block any tax hike, including the one-year sales tax increase White proposed Wednesday in opening the special session.

"We can balance the budget without any tax increases," Lewis said.

White's decision to open the session to revenue measures could clear the way for consideration of pari-mutuel gambling or lottery measures.

"I favor pari-mutuel," Lewis said. "I'm a little softer on lottery than probably some are. But I'm for giving the chamber an opportunity to vote on either one of those proposals."

He said either measure has a better chance of passing than does a tax hike.

But House leaders like Schlueter are persuaded no new revenue measures are needed.

"I think we're going to make the cuts, resolve the cash flow problem and go home," he said. Any tax bill would have to begin in Schlueter's committee.

The House mood showed on the lapels of many members who wore buttons bearing a picture of scissors. Appropriations Committee Chairman Jim Rudd, also unimpressed with White's plan,

convened his committee after the speech to begin swinging the budget ax.

"We are going to start hatching and butchering," Rudd said.

White's combination tax-and-cut plan appeared to find more favor in the Senate, where Lt. Gov. Bill Hobby has offered a proposal similar to White's except that the tax increase would be permanent.

Hobby would not critique the White plan, saying only, "The process is underway and in a few weeks it will produce a good result."

Sen. Chet Brooks, D-Pasadena, said the tax hike is unavoidable.

"You can't balance the budget with the kind of shortfall we have by just cuts," he said. "You have

to do something about the revenue side of it."

Senate Finance Committee Chairman Grant Jones, D-Abilene, said Texans would reject the size of program cuts it would take to balance the budget without a tax hike.

"If you look at what it would take through spending cuts alone, we would be dismantling programs that would take years and many more dollars to bring back in years to come," he said.

On the House side, pro-tax hike sentiment came from members who fear the budget ax could fall heavily on their constituents.

Rep. Bob Bush, D-Sherman, said it is a fight between two groups — "The ones who depend on the state for income and the ones who don't."

would be needed for the tax increase to take effect on Sept. 1.

White blamed the budget deficit and the tax hike on falling worldwide oil prices.

"We would not be here today if oil were \$26 a barrel," White said.

Comptroller Bob Bullock last month estimated a total state deficit of about \$3.5 billion, a figure which

included loss of some federal funds, lost interest payments and contingency factors such as the possible outcome of various lawsuits.

White's proposal would erase \$2.23 billion, which his aides said would cover the governor's estimate of the deficit total without the contingencies.

The governor's long-awaited bud-

get plan met with skepticism from many legislators.

On Tuesday, House Speaker Gib Lewis vowed to block a tax increase. Since any tax legislation must start in the House, Lewis's support is crucial.

"I'm still holding firm. No new taxes," Lewis, D-Fort Worth, said after White's speech.

Lt. Gov. Bill Hobby, who has been pushing his own plan for \$650 million in cuts and a permanent sales tax hike, called White's proposal "the beginning."

White told the Legislature their 30-day special session will be the most difficult they have ever seen.

"We've never had to face anything like this in our lives," he said.



Photo by Tom Ownbey

The Reel Thing

Scott Kirkham threads a reel of the film "Animal Crackers" through a projector at The Grove Wednesday night. Kirkham, a senior theater arts major from Dallas, has worked as a projectionist for Aggie Cin-

ema for the past two years. Aggie Cinema will end its Wednesday night summer film series next week with a showing of "Best Little Whorehouse in Texas."

Rehnquist memos show no evidence of wrongs so far

WASHINGTON (AP) — Confidential documents from the Nixon administration have not revealed any "smoking gun" to undermine Supreme Court Justice William H. Rehnquist's confirmation as chief justice, members of a Senate committee said Wednesday.

Sen. Charles Mathias, R-Md., said the memos, dealing with Rehnquist's role as a Nixon administration lawyer from 1969 to 1971, revealed nothing to threaten his nomination.

Meanwhile, as Democrats continued to study the memos, partisan wrangling erupted over whether information from the papers was leaked to the news media.

Sen. Strom Thurmond, R-S.C., Judiciary Committee chairman, charged that there were unauthorized disclosures and said he is asking the FBI to investigate whether any laws have been broken by the alleged leaks.

"I will not tolerate these kind of disclosures," he said. "This is a serious breach of the agreement we reached on the review of these documents. It's also a breach of trust."

Thurmond did not identify what news organizations obtained the information or what was disclosed.

Sen. Patrick J. Leahy, D-Vt., told reporters he had seen nothing to contradict testimony by Rehnquist last week denying any wrongdoing in his role as a legal adviser in the Nixon administration. But Leahy later said he had only glanced at the memos and intended to study them more carefully.

Sen. Orrin Hatch, R-Utah, said he had "looked at every page of the documents the Justice Department had released." He added, "I don't think any true lawyer would find fault with the memoranda themselves."

President Reagan named Rehnquist to succeed the retiring Warren E. Burger as the nation's 16th chief justice.

The Reagan administration, relinquishing claims to executive privilege, agreed to allow the Judiciary Committee to see the memos to head off a constitutional confrontation threatening to derail Rehnquist's nomination.

Two Republicans joined the eight Democrats on the 18-member panel in requesting the documents.

Airman convicted of spying

BEALE AIR FORCE BASE, Calif. (AP) — An airman was found guilty of espionage Wednesday for passing classified Air Force documents to undercover FBI agents posing as Soviet spies.

Airman 1st Class Bruce Ott was convicted by Lt. Col. Howard Sweeney, who deliberated over two days after testimony ended in the courtroom.

Ott, 26, faces up to 32 years in prison. A sentencing hearing began Wednesday afternoon.

Ott was arrested Jan. 22 in a Davis, Calif., motel when he allegedly passed a copy of an Air Force Strategic Air Command regulation relating to the SR-71 spy plane to two FBI agents posing as Soviets.

Ott was charged with contacting the Soviet Consulate in San Francisco without obtaining permission and with taking the Strategic Air Command regulation with reason to believe the information would be used to injure the United States.

He was also charged with passing a copy of an Air Force unit recall roster to an FBI agent Jan. 13 during another clandestine rendezvous.

Military prosecutors contended that Ott, of Erie, Pa., hoped to be paid up to \$160,000 for his work as a spy, and offered to work for the Soviet Union.

In summaries Tuesday, Ott's lawyer, Lt. Col. William K. At Lee Jr., said his client was a terribly mixed up young man on a course to self-destruction.

South African truck inspections slow traffic for 'statistical survey'

JOHANNESBURG, South Africa (AP) — Customs agents stalled truck traffic from Zambia and Zimbabwe on Wednesday, one day after the two countries endorsed tough economic sanctions against South Africa.

Both black-ruled nations transship exports and imports through South Africa.

Customs said the lengthy border inspections were for purposes of a statistical survey. They followed imposition of a levy on all goods passing through South Africa to Zambia.

"The screws are undoubtedly being tightened," said Allan Cowell, executive director of the South African Association of Freight Forwarders.

Zambia and Zimbabwe were among six countries which voted at a Commonwealth mini-summit this week to impose sanctions because of South Africa's apartheid race policy.

Trade Minister Dawie de Villiers said in a speech Wednesday night that businessmen and officials should be careful what they say about the country's responses to sanctions.

"If an economic war is to be waged against us, then we are bound, just as would be the case in other warfare, to become less talkative about the issues lest we jeopardize our position," he said.

Cowell and freight agents in Zimbabwe said customs agents at the South Africa-Zimbabwe border crossing at Beit Bridge were unpacking trucks from Zim-

babwe, Zaire and Zambia. All use South African ports for exports.

Freight agents said some trucks were being delayed 24 hours.

Similar checks of export cargo were reported at the border with Botswana.

The import levy on goods bound for Zambia takes the form of a cash deposit equal to 125 per-

cent of the customs duty, which must be paid before South Africa will release a cargo for shipment.

Afrikaanse Handelsinstut, the main business federation of white Afrikaners, pledged support for government action against neighboring countries that "create difficulties for South Africa."

Sanction proposal caught in partisan Senate fighting

WASHINGTON (AP) — Senate leaders worked Wednesday to untie a legislative knot that threatened to delay votes on imposing sanctions on South Africa and approving President Reagan's aid package to Nicaraguan rebels.

Majority Leader Bob Dole, R-Kan., told reporters "I think we have the seeds of an agreement" that would resolve the impasse and permit the Senate to go ahead with consideration of an unrelated bill authorizing the Pentagon's budget for fiscal 1987.

"My hope is that you can work out an agreement to have both votes freestanding," he said, referring to goal of having the two issues removed from the defense bill.

The two issues did remain formally tied to the defense bill Wednesday, but the Senate sim-

ply ignored them as it plowed through the measure. Sources had said a likely compromise would permit the Senate to go ahead with the bill and consider the two issues later.

The specific issues involve whether to impose sanctions on Pretoria's white-ruled government, a move Reagan opposes, and whether to approve the \$100 million package of aid to Nicaragua's Contra guerrillas, which the president and Republicans strongly support and which many Democrats oppose.

But the fight was complicated by partisan politics in a chamber where Republicans hold a 53-47 edge.

Both sides are trying to win their issues and block their opponents before that recess date.

But Sen. Joseph Biden, D-Del., the ranking minority committee member, said it was all "a tempest in a teapot."

He said if any leaks occurred it would not be illegal. Unless there was a breach of national security, it is a matter for the Senate Select Committee on Ethics to investigate and not the FBI, he said.

Biden later told reporters the reports of alleged leaks prompted Justice Department officials to seize the documents from a Senate office building. But he said the memos were returned after what Biden called the "misunderstanding" over the leaks was resolved.

Artificial heart patient, 54, dies after strokes

LOUISVILLE, Ky. (AP) — William J. Schroeder, the longest-living recipient of a permanent artificial heart, died Wednesday after suffering multiple strokes that crippled his ability to breathe. He was 54.

Schroeder, whose 620 days of life on the plastic-and-metal Jarvik-7 pump were beset by strokes, was the last survivor among five patients given the device as a permanent substitute for a human heart.

Doctors determined that Schroeder had suffered the strokes after he became lethargic and was having trouble breathing Tuesday, implant surgeon Dr. William C. DeVries said.

Schroeder stopped breathing for a few minutes and was resuscitated, DeVries said. The family made a decision not to revive Schroeder when he suffered the next episode of breathing problems.

Schroeder's wife, Margaret, and

all six of their children were with him when he died at 1:35 p.m. Wednesday, said Donna Hazle, a spokeswoman at Humana Hospital Audubon.

The family had decided several months ago they did not want Schroeder put on a respirator, DeVries said.

The surgeon said he was not giving up on the artificial heart program and doctors were "ready to go and move on again . . . We're very anxious to find another patient."

Schroeder, the first of the artificial heart patients to live outside the hospital, was hailed by DeVries as a medical pioneer.

"Bill set many milestones during his 620 days with the heart," DeVries said. "But the main one, the one we'll remember, is the way his indomitable spirit lit the path for those who will come after."