

# Fate of campus businesses to be decided

By Daniel A. La Bry  
 Staff Writer

Congress views competition between merchants, colleges

The fate of Texas A&M's Micro Center, Copy Center and Photographic Services, along with other services sold on campus that can also be purchased in the local community, lies in the hands of a congressional committee scheduled to meet later this spring.

The Ways and Means Subcommittee on Oversight will hold hearings in March or April to re-evaluate a provision in the Internal Revenue Code that taxes unrelated business income of tax-exempt organizations, a committee spokesperson said.

Unrelated business income includes services offered on a university campus that are not directly related to educational purposes.

Businesses in the private sector are complaining about unfair competition from universities and other non-profit organizations involved in everything from selling computers

to running in-house travel agencies, the spokesperson said.

An example of this occurred in College Station in January 1986 when KLS Computers, a local computer store now out of business, filed a \$4.05 million lawsuit against Bill Wasson, the vice chancellor and system comptroller of Texas A&M. KLS accused Wasson of promoting unfair competition by allowing the Texas A&M Micro Center to use state funds to sell computers at low prices.

John Hawtrey, the attorney for KLS, said the case is still in court.

The committee spokesperson said the committee is not necessarily looking to change the law, but it initially is looking to see how the unrelated business income tax provision is working.

After holding and evaluating the hearings, the Subcommittee on

Oversight will determine whether or not a report should be given to the full Ways and Means Committee on its findings and conclusions. The spokesperson said the subcommittee will make a report to the full committee if it feels there is a problem with the present law.

Any member of the Ways and Means Committee has the option of drafting legislation after the subcommittee reports a problem.

The final decision could range from no action at all to a tightening of the law which would apply it to a broader range of activities to the writing of a totally new provision, the committee spokesperson said.

Although the Small Business Administration discussed the unfair competition issue last summer at the White House Conference on Small Businesses, the impetus for the hearings came from concerns of the

chairman of the Ways and Means Committee, Rep. Dan Rostenkowski (D-Ill.), the committee spokesperson said.

Wes Donaldson, director of purchasing at Texas A&M, said, "Generally speaking, we — by we, I mean the National Association of College and University Business Officers — think at this point it is certain some type of legislation will come out of Congress."

The National Association of College and University Business Officers formed a task force to formulate the policy of NACUBO on the unfair business issue.

William L. Erickson, vice president of fiscal affairs at San Diego State University and chairman of the NACUBO task force, said the outcome may affect a large number of non-profit organizations, including

universities, churches, hospitals and YMCAs.

The task force is made up of a broad spectrum of higher education business officers and representatives from auxiliary services and bookstores around the nation. Erickson said a decision on the task force's position won't be made until after it determines what direction the hearings are taking.

Donaldson said, "Basically, it's the small-business people who are behind this, and they're claiming — with some justification — unfair competition."

Some universities have gone into businesses in which the main purpose is not to serve the university but to make money, Donaldson said.

Concern about unfair competition has already led the State of Arizona to pass a law which took the university bookstores out of the business of

selling items that were not either directly related to the university or the university mission, he said.

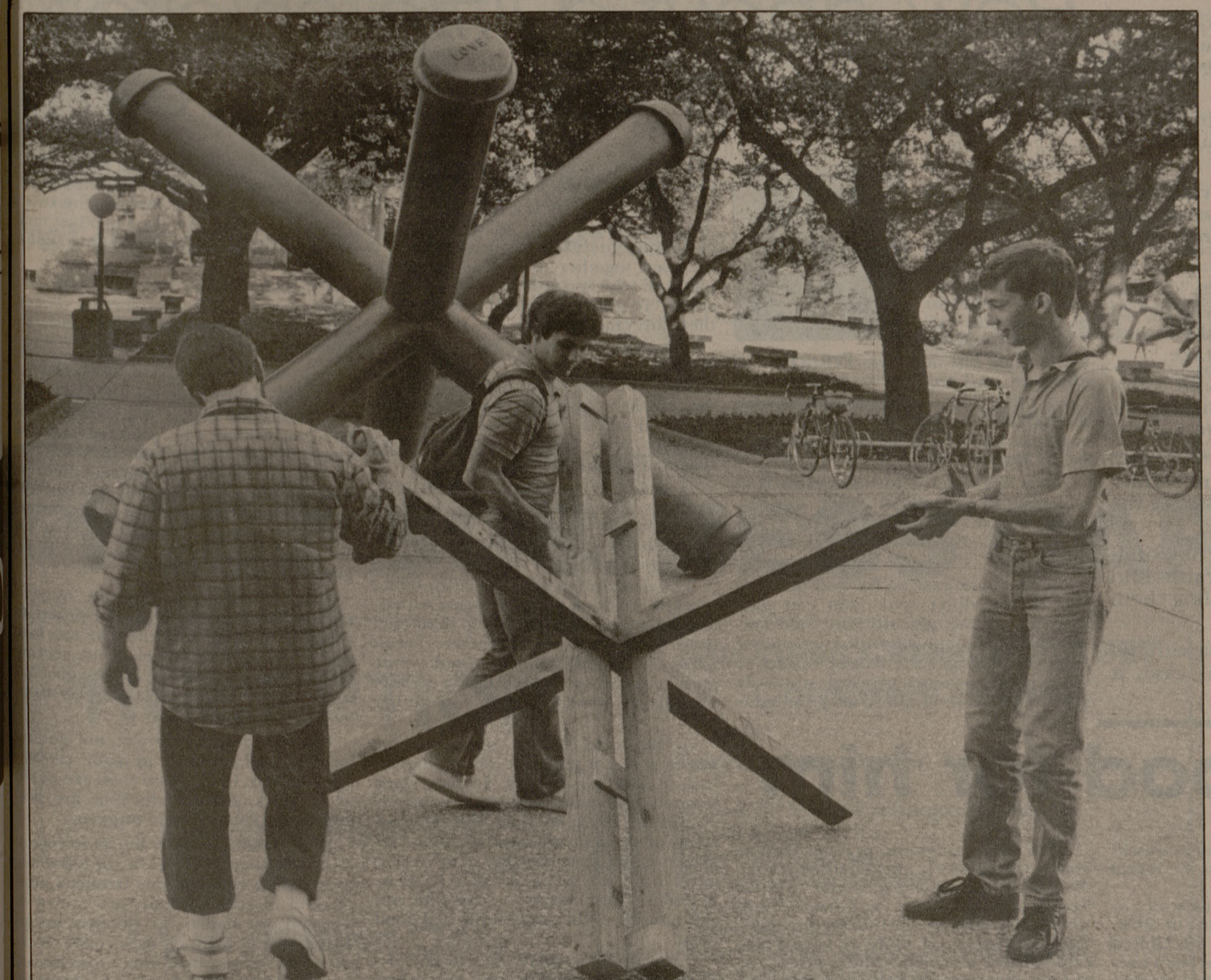
The law Donaldson referred to was House Bill 2148, passed about five years ago. This law prevented universities and colleges from providing goods and services readily available in the local community.

Val Ross, manager of the bookstore at Arizona State University, said, "We can't carry sundries for our students, like aspirin and miscellaneous things they need. If they get a headache on campus, it's too bad for them. They've got to walk off campus to get aspirin."

Ross said students and faculty were the losers in House Bill 2148, not the bookstore.

"We're not here to service the public," he said. "We're here to serve"

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## But Is It Art?

Davis Gary residents (left to right) Stephen Zobel, Bryan Dulock and Chris Rudesill inspect their addition to the campus art scene in front of the Academic Building Friday. Along with another friend, they

built what they call the "Baby Jack" with lumber they found in a dumpster. Their artwork was on display with the original jack on Friday, but had disappeared by Sunday.

Photo by Tom Ownbey

# Clements' plan for state budget may change PUF

By Olivier Uyttebroeck  
 Senior Staff Writer

Although short on details, officials in Gov. Bill Clements' office have suggested that the Permanent University Fund and other public trust funds may be used in unconventional ways to help bridge the state's projected \$5.8 billion budget gap.

Clements will announce a complete budget proposal at the State of the State address Wednesday and may elaborate on his plans for the PUF, the Permanent School Fund and merit teachers' pay, Jay Rosser, the governor's deputy press secretary, said Friday.

"A lot of details will become a lot clearer," Rosser said regarding the fate of the PUF. But when asked if he knew any particulars of the governor's proposal, Rosser replied, "I know, but I'm not going to tell you."

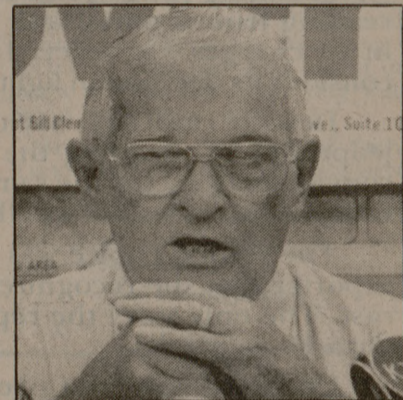
A story in the *Dallas Morning News* Wednesday attributed "the governor's associates" as saying that under one proposal, capital gains from the sale of PUF stocks and securities may be appropriated for other uses such as funding university research.

House Speaker Gib Lewis submitted a similar plan in August as a special session of the Legislature wrestled with the problem of massive future deficits.

But the bill was assailed by public criticism and suffered a quiet death in the House Appropriations Committee.

The PUF has profited handsomely from the rising value of stocks and securities in recent years. Since 1980, the fund has grown over \$1.5 billion and now that hard times have fallen on the state, this capital growth has become especially attractive to the deficit-ridden state government.

The Texas A&M Office of General Counsel responded to Lewis' bill by sending a brief to Attorney General Jim Mattox, arguing that the



Gov. Bill Clements

Texas Constitution — which created the PUF — prohibits the Legislature from using the funds directly. The brief also argued that any capital growth in the fund is similarly off-limits to the Legislature.

For the Legislature to appropriate funds directly from the PUF, the brief argued, a constitutional amendment would have to be approved by popular vote.

Rosser said any questions concerning the constitutionality of Clements' plan would be resolved before it is proposed.

"It will be a plan that will be considered by the Legislature and not dismissed," Rosser said. "This governor does not really care about criticism."

Jerry Cain, Texas A&M associate general counsel, said Friday his office hasn't formulated an official response because no proposal has been announced by the governor's office.

The *Dallas Morning News* story also reported that one of the governor's proposals would have the Permanent School Fund purchase surplus state lands, possibly as much as \$400 million worth, which the state has been unable to dispose of in the depressed real estate market. The proceeds would be used in other areas, such as to build new prisons.

# Filipino voters 'test' Aquino's strength with ballots cast on new constitution

MANILA, Philippines (AP) — Filipinos cast ballots Monday to approve or disapprove a new constitution. The voting was seen as a crucial test of strength for President Corazon Aquino's 11-month-old administration.

Small explosions within 20 minutes occurred at three locations in Manila the night before the plebiscite, but no one was injured, private radio station DZRH said.

The explosions, apparently from homemade bombs, were at the San Roque Roman Catholic Church, a bookstore and in a vacant lot about 200 yards from the DZRH studios, according to the broadcast. Police said they had no suspects.

Also Sunday night, Manila police arrested two men and seized 120 sticks of dynamite after learning of a plot to disrupt the voting.

The military put 79 battalions on alert to prevent trouble during the nationwide voting, which came days after the government put down a military coup attempt by supporters of former President Ferdinand E. Marcos.

Polls were open from 7 a.m. to 3 p.m. (6 p.m. Sunday to 1 a.m. today EST). Nationwide results were not expected for days, but the private National Movement for Free Elections said it expected definitive results from the Manila area by midnight (11 a.m. today EST).

Ramon Felipe Jr., chairman of the Commission on Elections, predicted an 80 percent turnout of the 25 million registered voters.

The plebiscite marked the first time Aquino went to the electorate for a show of support since the "people power revolution" swept her to power in February 1986 following contested presidential elections. That uprising forced Marcos to abandon the presidency after 20 years and flee into exile in Hawaii.

Marcos said Sunday in Honolulu that "I have been informed that massive cheating and fraud has already happened." He claimed lower level government workers had been offered 100 pesos (about \$5) each to vote for the document.

The proposed 20,000-word charter was completed in October by a 48-member commission Aquino appointed despite opposition from both leftist and rightist critics.

The plebiscite asks voters to respond to the question: "Do you vote for the approval of the Constitution of the Republic of the Philippines as proposed by the Constitutional Commission?"

The constitution would sharply reduce the power of the president, re-establish a two-chamber legislature, guarantee civil rights and ban the military from political activity other than voting.

It would confirm Aquino in the presidency for a six-year term.

Presidential spokesman Teodoro Benigno has said the plebiscite was a "vote of confidence in Corazon Aquino" and an approval margin below 60 percent would spell trouble.

Former Defense Minister Juan Ponce Enrile campaigned against the charter. His Coalition of Democratic Action predicted a 60 percent "no" vote unless the government "rigs the election."

It was unclear what would happen if the proposal is rejected. Aquino's opponents say she should then resign and call new elections, but there is no legal requirement to do so.

Right-wing criticism has centered on a provision which extends Aquino's term to June 30, 1992, and affirms her as the winner in the Feb. 7, 1986, fraud-tainted election in which both she and Marcos claimed victory.

Election officials admit no accurate count was ever made.

Leftists, including the May 1st Movement labor federation and the Communist-dominated National Democratic Front coalition, charge the proposed constitution does not go far enough in changing the country's social, political and economic institutions.

# American journalist detained by Iranians

TEHRAN, Iran (AP) — An American reporter has been detained in Iran, the Swiss Foreign Ministry said Sunday, and, hours after his detention, the Iranian news agency said a person posing as a journalist had been accused of spying.

Iran's official Islamic Republic News Agency (IRNA) said Saturday night a "spy of the Zionist regime" had been arrested after entering the country with a false passport and disguised as a journalist. It did not identify the person by name or nationality.

In New York, a spokesman for the *Wall Street Journal* said a reporter for the newspaper was being held in Iran.

"We have learned through diplomatic channels that Gerald F. Seib, staff reporter for the *Wall Street Journal*, has been detained in Iran," Managing Editor Norman Pearlstine said. "We have not been informed of any reason for this detention."

"Jerry Seib is a highly respected foreign correspondent and there can be no basis for his detention. We are seeking explanations through Iranian and other diplomatic channels. We hope any confusion will be cleared up and we are requesting his immediate release from detention and from Iran."

Seib, 30, has been a *Journal* reporter since 1978, and has covered the Middle East from Cairo since 1985.

State Department spokesman Bruce Ammerman said in Washington: "The Swiss government has confirmed the detention of Gerald F. Seib, a U.S. citizen. . . . From official diplomatic sources, we do not know why he has been detained."

Ammerman said Seib "should be released immediately and allowed to depart Iran forthwith."

Ammerman said the United States was "in close communication with the Swiss, who are our protecting power in Iran."