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## Department of labor fines Chrysler Corp.

### More than \$1.5 million assessed company for 811 violations of health, safety codes

WASHINGTON (AP) — In the largest penalty ever assessed for job health and safety violations, the Labor Department fined the Chrysler Corp. more than \$1.5 million Monday for 811 infractions, including willfully exposing auto workers to lead and arsenic.

Chrysler said it will not contest the fine, but it called most of the alleged violations "relatively minor . . . discrepancies."

All of the violations — including 338 classified as "willful" or knowing defiance of the law — were found during an inspection of the company's Newark, Del., auto assembly plant last January by the department's Occupational Safety and Health Administration.

Since then OSHA also has conducted wall-to-wall inspections at two other Chrysler facilities — an auto assembly line in Belvidere, Ill., and a stamping plant at Twinsburg, Ohio — but the results have not been announced yet.

"Those are still pending cases," OSHA spokesman Terry Mikelson

said. "There should be something pretty soon on Belvidere."

More than one-fourth — 225 — of the willful violations were for instances in which workers in the Delaware plant's paint and soldering shops were exposed to hazardous levels of lead or arsenic.

Penalties of \$8,000 each — or a total of \$1,048,000 — were levied for only 131 of those violations, based on the number of employees exposed, Mikelson said. The Newark plant has about 4,000 workers.

Overexposure to lead can damage the central nervous system and, in sufficient quantities, cause death. Arsenic also is a lethal chemical and a potential carcinogen.

OSHA Administrator John A. Pendergrass called the fine "the only possible response to a totally unacceptable situation" where Chrysler "put workers in jeopardy seriously threatening their health and safety."

"Lack of adequate safeguards and protection for workers dealing with

substances as dangerous as lead and arsenic cannot be tolerated," Pendergrass said. He said the fines should be seen as "clear signal to all employers."

Gerald Greenwald, chairman of Chrysler's Chrysler Motors Corp. subsidiary, said his company had been caught up in "a new vigor" by OSHA in enforcing the law and its focus on Chrysler as one of its first targets.

Greenwald called most of the violations "relatively minor electrical and mechanical safeguarding discrepancies" and said "a majority have been addressed."

He maintained that Chrysler's working conditions "have been the safest in the auto industry and better than heavy industry in general."

In January, Chrysler agreed to pay OSHA a fine of \$284,830 — until Monday the largest ever collected by the agency — for health and safety record violations at the Newark, Belvidere and Twinsburg plants.



### Grin And Bear It

Sarah Hummert, 1, and "Bear" take a break outside the Academic Building. Hummert's parents

are students at A&M and take turns watching their daughter and going to class.

Photo by Robert W. Rizzo

## Bullock: House tax plan won't balance budget

AUSTIN (AP) — An insurance tax passed by the House was described by the Senate's tax-writing chairman Monday as "horrible," and State Comptroller Bob Bullock said the plan won't raise enough money to balance the budget.

Bullock told lawmakers the 6 percent sales tax on insurance premiums would raise \$500 million less than previously expected because of enforcement problems and proposed exemptions from the levy.

Bullock lowered his revenue estimate for the insurance tax collections in 1988-89 from \$1.8 billion to just under \$1.3 billion.

That would drop the total House tax package, which was written to cover a \$38.4 billion spending bill, from \$5.7 billion to about \$5.2 billion.

The Senate on Monday refused to accept the House version of the state budget, and asked for a conference committee to adjust differences between House and Senate bills before the special legislative session ends July 21.

Committee hearings on taxing and spending are scheduled to start Tuesday. Bullock said the insurance tax bill would, in effect, require the comptroller to collect a tax from 10 million individual policyholders through a system "very much like what would be needed to collect a personal income tax from each Texan."

He said the bill lacked sufficient enforcement and collection tools, and exemptions — including for crop insurance; single-pre-

mium whole-life policies; and policies held by the elderly — to raise the original estimate.

Also, Bullock reminded legislators, no state has ever successfully levied an additional sales tax on insurance premiums.

Sen. Bob Glasgow, chairman of the tax policy subcommittee, said the House sales tax bill has "horrible technical problems."

The House voted Thursday to raise the state sales tax from 5.25 percent to 6 percent and to extend it to insurance premiums on a temporary two-year basis. Another bill approved by the House would keep the motor fuels tax at 15 cents per gallon instead of allowing it to roll back to 10 cents on Sept. 1.

Glasgow, D-Stephenville, was asked if he thought the insurance tax was dead in the Senate, and he responded, "My reaction is it would be impossible to pass the tax in the form it came over from the House."

"I think the Senate would be more inclined to expand the base on sales tax rather than that horrible insurance load that the insurance companies have."

He said he thought the Senate would approve extending the 15-cent fuels tax.

Responding to Senate criticism of the House tax proposal, Chairman Stan Schlueter of the House Ways and Means Committee said senators could ruin efforts to write a balanced budget if substantial changes are made in the tax bill. But House

Speaker Gib Lewis said if senators can find another way to raise money, "I'm all for them."

Lt. Gov. Bill Hobby was asked if the House tax package was enough, in his estimation, to pay for necessary state services over the next two years. "No, I think not," he said.

Gov. Bill Clements has vowed to veto any tax increase larger than \$2.9 billion but Hobby said he doubted the governor would do so.

Sen. Carlos Truan, D-Corpus Christi, said about 100 amendments were approved in the House to the spending bill and some were merely "intended to be platforms for re-election."

## Lewis 'eager' to see better methods for raising money than insurance tax

AUSTIN (AP) — Speaker Gib Lewis said Monday that he is eager to see senators who don't like the insurance tax come up with a better way to raise the money the state needs.

Also Monday, House Ways and Means Chairman Stan Schlueter said senators could ruin efforts to write a balanced budget if they make substantial changes in the tax bill approved last week by the House.

The House bill raises the sales tax rate, now 5 1/4 percent, to 6 percent and expands it to cover most insurance premiums. But the insurance tax faces considerable Senate opposition.

"Well, that's just fine," said Lewis, D-Fort Worth. "I just hope they can find some other source of revenue. If they can find a better mechanism, I'm all for them."

Lewis said he has heard little about the tax bill from taxpayers.

"I know that you all have been subjected to all this (talk) all this weekend about how the public was going to just rise up in arms and beat all of us to a pulp, but I want you to know that I did not have one person say anything to me about the tax bill," he said.

Noting the close House vote on the tax plan, Schlueter said, "The Senate is running the potential problem of killing the whole tax program by their hand, which they did in the regular session."

He defended the insurance tax as a progressive one.

"The more property you have, the more valuable your property, the more your insurance is going to cost," Schlueter, D-Killeen, said. "I'm

one of those people. My insurance is going to go up \$20,000 to \$25,000 this next year because of it. And I've gotten a few calls from my parents. But they all understand the money has got to come from somewhere."

Jim Kaster, legislative aide to Gov. Bill Clements, said the governor — who has vowed to veto the kind of tax plan approved by the House — is awaiting Senate action.

And, despite the growing Senate opposition and a decreased projection on how much money the insurance tax would raise, the sponsor of the tax bill offered Monday's most optimistic note.

"I think we're going to have a bill to the governor's desk by the end of this week and I think the governor is going to sign it and I think we're going to go home," said Rep. Dan Morales, D-San Antonio.

### Reagan's knowledge expected topic

## North to be quizzed by Congress

WASHINGTON (AP) — Lt. Col. Oliver North breaks his public silence today, facing congressional questioning that is expected to home in quickly on whether President Reagan knew about the diversion of Iran arms-sale money to Nicaragua's Contra rebels.

North will speak publicly for the first time since the affair broke seven months ago, answering questions from chief House committee counsel John Nields, who also plans to introduce more than 200 documents as evidence during his day-long direct examination.

Sen. Paul Trible, R-Va., who is to be one of the principal questioners at the hearing, said Monday, "Oliver North is the man who made things happen from Iran to Central America. He knows what happened. And, hopefully, he will tell us the full story."

Rep. Dick Cheney, R-Wyo., another designated questioner, added, "He's got a great deal to tell us. I think we'll be able to look back when it's all over, and this will probably have been the most significant week" of the hearings.

The session, beginning the eighth week of Iran-Contra hearings, will be carried live on the major television networks.

Rather than questioning North chronologically about the Iran arms sales and the Contra aid network, Nields plans to focus on specific issues, House committee spokesman Robert Havel said Monday.

Near the top of the list is the one matter seen as potentially the most explosive for Reagan: whether he was aware that money from the sale of weapons to Iran was being shunted to Central America to arm the Contras at a time when such aid was barred by Congress.

Reagan has repeatedly said he didn't know about the diversion. But a weekend poll said a majority of Americans don't accept that. The poll in U.S. News & World Report found that 57 percent of Americans believe Reagan's denials are a lie.

However, another of the principal North questioners, Sen. George Mitchell, D-Maine, said Monday the panels should be careful not to place too much weight on Reagan's knowledge of the diversion.

"I think the White House has, in a skillful political way, narrowed it down to that — as though if the answer to that is 'no,' that's all there is to it," Mitchell said. "The significant questions are much broader than that, and they go to the rule of law. The executive branch must faithfully execute it, not seek to evade it."

Also high on Nields' list of issues is the November 1985 shipment of Hawk anti-aircraft missiles from Israel to Iran, a shipment carried out with heavy assistance by the Central Intelligence Agency but without written authorization from Reagan, according to earlier testimony. And Nields will question North closely about efforts a year later by top Reagan officials to cover up government knowledge of that operation, Havel said.

Last November, in the days just before the situation became public, Attorney General Edwin Meese III was assigned by the president to look into the unraveling affair. Some investigators believe the move was primarily a political damage control effort.

It was during those crucial days that Meese failed to secure documents that North later shredded, tipped North to what his probe had found and decided against bringing in experienced criminal investigators, prior testimony has indicated.

In addition to the central factual questions in the affair, the question of North's own credibility is on the line as he testifies under a grant of limited immunity that prevents his answers from being used against him in any criminal case.

Direct questioning of North by Nields is expected to last all day today and perhaps extend into Wednesday, when House minority counsel George Van Cleve and Senate chief counsel Arthur L. Liman will pick up the thread.

Members of the investigating panels probably will begin their questions on Thursday, with two hours each allocated to the House and Senate principal questioners. Taking the first turns for the Senate panel will be Sens. George Mitchell, D-Maine, and Paul Trible, R-Va.

## U.S. Navy warships sailing throughout entire Persian Gulf

MANAMA, Bahrain (AP) — U.S. Navy ships are cruising the whole Persian Gulf, including the northern off-limits zone declared by Iraq, as they prepare to protect 11 Kuwaiti tankers flying the American flag, shipping officials report.

The exclusion area extends 70 miles from Kharg Island, Iran's main export oil terminal and a regular target of Iraqi air raids in the war that began in September 1980.

Iran has threatened to attack the American warships and U.S. officials will not say where they are patrolling.

A shipping official based in the area, who like the others spoke anonymously, said: "They're everywhere in the gulf."

Lt. Cmdr. Stephen Honda, a Navy spokesman, said only that the warships "operate in the gulf and the Gulf of Oman in international waters."

The fleet is called the Middle East Force and now includes nine vessels.

One U.S. vessel seen inside the exclusion zone, where Iraq's air force also has concentrated its attacks on tankers, is the missile frigate Reid, sister ship of the USS Stark.

An Iraqi warplane hit the Stark with missiles May 17 about 40 miles south of the exclusion zone, killing 37 American sailors.

Iraq apologized, saying the Iraqi pilot mistook the Stark for an Iranian warship.

"We sighted the Reid inside the war zone and each of us was asking the sailor next to him, 'Am I seeing things?'" said a seaman whose tanker was carrying Iranian oil from Kharg to the Far East.

"We saw the Reid through binoculars and then with the

naked eye when it drew closer: an Oliver Hazard Perry-class guided-missile frigate stabbing through the no-go zone," said the seaman, who spoke on condition his name not be used.

Gulf-based Arab diplomats confirmed the Reid and other U.S. warships, which they did not identify, had entered the exclusion zone in recent weeks.

They said the American vessels sailed into the area with Iraq's knowledge under an understanding said to have been reached after the attack on the Stark.

Reflagging the Kuwaiti tankers and giving them Navy escorts

*"We sighted the (USS) Reid inside the war zone and each of us was asking the sailor next to him, 'Am I seeing things?'"*

*— unidentified seaman on a tanker carrying Iranian oil from Kharg to the Far East.*

is intended to protect the emirate's oil shipments from Iranian attack.

The first of the U.S.-registered Kuwaiti ships is expected to return to the gulf later this month.

Kuwait backs Iraq in the war and ships owned by or trading with Kuwait have been prime Iranian targets since last September.

The U.S. Navy's Middle East Force was established in 1949 after Saudi Arabia struck oil with the help of American companies.