

World and Nation

Reagan OKs bill to add money to loan deposit insurance fund

WASHINGTON (AP) — President Reagan signed into law Monday legislation to pump \$10.8 billion into the troubled savings and loan deposit insurance fund, even though he complained that portions of the banking bill were "anti-competitive and anti-consumer."

The legislation capped a two-year effort to provide relief for the country's savings and loan industry, which includes hundreds of insolvent institutions losing an estimated total of \$10 billion a day for lack of federal money to close them and pay off depositors.

The Competitive Equality Banking Act will allow the depleted Federal Savings and Loan Insurance Corp., the fund that insures deposits in 8,200 S&Ls, to borrow up to \$10.8 billion over the next three years to subsidize the takeover of failing S&Ls by healthier institutions.

The law also institutes requirements that consumers get their checks cleared quicker, bans creation of new limited-service banks and imposes a moratorium until March 1 on granting banks authority to expand into areas such as insurance, real estate and securities underwriting.

Reagan had repeatedly threatened to veto the legislation, calling the FSLIC rescue fund insuffi-

cient and objecting to the other provisions which blunted the administration's banking deregulation efforts.

However, Treasury Secretary James A. Baker III reached an 11th-hour compromise with congressional leaders. Administration officials were concerned that a protracted veto struggle could have triggered a crisis of confidence in the savings and loan industry.

Reagan signed the bill during a ceremony in the Oval Office. In a statement, he praised the rescue package for avoiding a "taxpayer bailout" of the S&L industry, but he attacked other sections slowing deregulation.

"These new anti-consumer and anti-competitive provisions would hold back a vital service industry at a time when competition in the international capital markets increasingly challenges U.S. financial institutions and they should be repealed," he said.

Both the House and Senate passed the bill, the first comprehensive banking legislation in five years, by lopsided votes last week.

One noticeable benefit to consumers is a requirement for faster clearing of depositors' checks. The legislation requires banks to make

funds available to depositors for checks written on local banks after two intervening business days, starting in September 1988, and after one intervening business day starting in 1990.

Banks would be able to hold funds for checks written on out-of-town banks for a maximum of six business days starting in September 1988 and four intervening business days in 1990.

As for the savings and loans themselves, one-fifth of such institutions are unprofitable and some are insolvent. The problems at these institutions are undermining the entire industry.

The Federal Home Loan Bank Board, which regulates S&Ls, has been forced to keep bankrupt institutions open because sufficient money wasn't available in the insurance fund, FSLIC, to close them down and pay off depositors.

The problems have drained FSLIC's resources from \$6 billion two years ago to a negative \$6 billion currently, according to a congressional audit. Critics have said the \$10.8 billion infusion of new money will fall far short of the \$45 billion that may eventually be needed to put the industry on a sound footing again.

Iacocca attacks rampant litigation at ABA convention

SAN FRANCISCO (AP) — Chrysler Corp. Chairman Lee A. Iacocca told the legal establishment on Monday that the willingness of Americans to sue "at the drop of a hat" is killing the nation's ability to compete in the world marketplace.

"Unbridled advocacy is the problem today, and it's getting out of hand," Iacocca said in a speech to the American Bar Association's annual convention.

"We've been going a little crazy, and we have to stop, even if we have to compromise some of our rights to do it," Iacocca said. He warned the final judges there "will always be laymen like me."

"We're simple-minded," he said. "We will always ask ourselves the simple questions, 'Does this make sense?' and 'Is this fair?'"

In this 200th anniversary of the nation's Constitution, Iacocca said, the best way to honor the document might be to develop ways of reducing lawsuits through compromise.

He denounced the proliferation of personal injury suits, stressing that all products have risks and only irresponsible conduct by manufacturers should be grounds for suing.

"Automobiles are getting safer and safer, yet lawsuits keep going up and up," he said.

Singling out the \$10.3 billion award to Pennzoil Corp. in its legal battle with Texaco as an example of excessive awards, he compared the size of the judgment to capital punishment.

"Someone got the chair at

those prices," Iacocca said. "One of these days we're going to wake up and say, 'The hell with it. It's too risky to compete.'"

Iacocca joked that the best thing lawyers in America can do for their country is to go to Japan to practice.

"There are about as many lawyers there as we have sumo wrestlers," he said. "I don't want to

"Someone got the chair at those prices. One of these days we're going to wake up and say, 'The hell with it. It's too risky to compete.'"

— Chrysler president Lee Iacocca

sound facetious, but this is your chance to serve your country. Just get them to buy the idea of punitive damages."

Iacocca added that if someone is irresponsible, he should pay for it, but he said lawsuits should not be "used to punish normal risks that can't be avoided."

"We sue each other at the drop of a hat," he said, adding that he has seen estimates that Americans spend \$30 billion a year suing each other.

Later, in a separate session, Supreme Court Justice Byron White warned that increasingly expensive state judicial elections leave judges potentially "subject to dictation," but stopped short of calling for elimination of such elections.

6 sightseers killed, 16 others injured as boulder smashes into side of bus

WINTER PARK, Colo. (AP) — A huge boulder dislodged by state highway workers rolled off a mountainside Monday and smashed into a moving sightseeing bus, killing six people and injuring 16 others, authorities said.

Dan Hopkins, spokesman for the Colorado Highway Department, said a crew was clearing rock above the roadway and that a front-end loader dislodged a large rock.

"The rock proceeded over the edge of the large flat area down through several hundred feet of

trees onto the highway below where it collided with the bus," he said.

At least five of the 28 people aboard the bus were seriously injured, but six passengers were not hurt.

Teri Maddox, a reporter for the weekly *Winter Park Manifest* and one of the first people on the scene, said, "The right side of the bus was completely torn off, so the seats were completely exposed. Three bodies were on the pavement, and the rest of the people were either standing around, sitting or lying down. Most

were pretty cut up, even those not injured seriously."

The victims were American and foreign tourists on a one-day sightseeing tour of the Rocky Mountains. Their names were not immediately available, but authorities said three of the dead were women and three were men.

The boulder, which authorities said weighed several tons and measured 17 feet across and 6 feet high, struck the Gray Line tour bus just before 11 a.m. as it neared the foot of the heavily traveled 11,314-foot-high Berthoud Pass on U.S. 40.

Mark Thornton of the Grand County sheriff's office said the boulder hit the bus several miles south of this resort community in the Rocky Mountains. The accident site is about 60 miles northwest of Denver.

The bus, driven by nine-year Gray Line veteran Rod West, remained upright in the middle of the highway.

West, who was injured, apparently saw the boulder rolling down the mountain and swerved, but couldn't avoid it, passengers told Maddox.

Police warrant charges man with corpse abuse

PHILADELPHIA (AP) — A warrant was issued Monday for the arrest of a man recently evicted from a blood-spattered apartment where the decomposed and skeletal remains of six or seven people were found over the weekend.

A canvas bag containing bones of possibly yet another person was found under a mattress Monday on the floor below the third-floor apartment where the bodies were found Sunday.

"I've never seen anything like this in my 24 years as a police officer," said police Lt. James A. Hansen, after he emerged from the stench-filled apartment to get fresh air.

The building in north Philadelphia is considered a drug users' "shooting gallery," and drug paraphernalia was found in the apartment, authorities said. A neighbor suggested the bodies were of people who had overdosed on drugs.

The Philadelphia medical examiner conducted autopsies on the remains Monday in an effort to find out how they died and who they were. Authorities said it could be days before they have results.

A warrant was issued for the arrest of the man evicted from the apartment, identified as Harrison "Marty" Graham, 30, on a charge of corpse abuse, Homicide Capt.

Robert Grasso said. He said any other charges have to await autopsy results.

Police also searched nearby buildings and said they were considering digging up a nearby vacant lot.

A teen-ager who identified himself only as a 10th-grader at Daniel Boone High School said he had seen Graham digging in a lot nearby several times and once asked him what he was doing. "Burying dogs," he said the man replied.

The neighborhood of vacant or abandoned buildings and dilapidated homes is only a few blocks from the 22nd Police District but residents say it always has had a

reputation as a hangout for drug pushers and junkies.

"You can get anything you want — cocaine, heroine, capsules, jam (needles) — everything, you name it," a woman who refused to give her name said.

Graham, who occupied the apartment for four years, had nailed his door shut from the outside and stalked out of the building after the landlord's nephew ordered him out Wednesday or Thursday, police said.

The bodies were discovered after building owner Nathaniel Choice, who lived on the first floor, called police Sunday, saying a stench from the apartment "was getting

worse and the guy hadn't returned," Detective Robert McGarry said.

Through a crack in the door, police saw bodies and blood splattered on one wall, McGarry said. An initial search produced two women's bodies, one naked and the other partially clothed, he said.

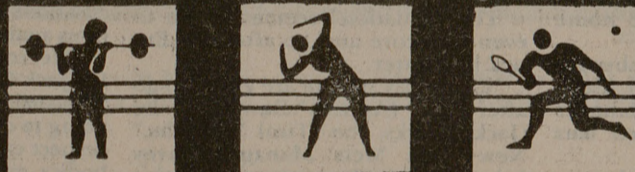
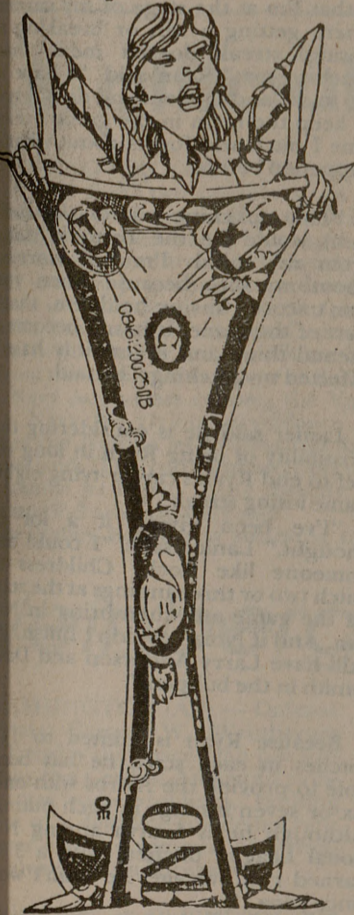
Buried under garbage were the skeletal remains of three more bodies, one wrapped in a sheet, police said.

Inside a closet were the skeletal remains of another body, which appeared to have been tied up, and beneath that was debris that appeared to be a seventh body, McGarry said.

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