

House panel approves landmark banking bill

WASHINGTON (AP) — The most comprehensive banking bill since the Great Depression cleared a House committee Thursday after 16½ grueling hours of debate, but it faces an uncertain future with little time left in Congress' legislative year.

The bill, approved by the House Banking Committee on a 30-20 vote, grants banks broad new securities powers but restricts their ability to enter real estate and insurance and imposes new obligations on them to serve the poor.

The bill now is headed for the House Energy and Commerce Committee, where the chairman, Rep. John D. Dingell, D-Mich., is known to be skeptical of letting banks into the securities business.

Depending on how long House Speaker Jim Wright, D-Texas, allows for Dingell's review, the powerful Michigan Democrat could kill the bill through delay, or exact concessions by threatening delay.

Congress is preparing to leave town for its summer recess on Aug. 12 and won't be back until Sept. 6. Then, it plans only a month-long session before adjourning for the fall election campaign.

"There's a real question whether this bill is going to pass the House. It's a very controversial bill and

there just isn't much time," said Edward Yingling, chief lobbyist for the American Bankers Association, the industry's largest trade group.

Aides to Dingell, who spoke on condition of anonymity, said Wright has not yet decided on a deadline for the Energy and Commerce Committee, but they indicated that Dingell is not inclined to act quickly.

The hodgepodge of compromises struck to get it through has created some odd political coalitions. The banking industry and the securities industry, normally bitter opponents, are both opposing it for different reasons. Consumer groups are supporting it, along with the real estate and insurance industries.

But, the alignment could change — with banks on one side and all of the other groups on the other — if Dingell, as expected, tightens the restrictions on how banks are permitted to exercise the new securities activities.

The bill would, if enacted, represent the first crack in the barrier between investment and commercial banking that was erected as part of the reforms stemming from the 1929 stock market crash. It allows bank holding companies to underwrite virtually every type of security except corporate stock.

Other sections require banks:

- To serve poor people by providing low-cost "lifeline" checking services for accounts between \$25 and \$1,000.
- To offer special accounts for the cashing of government checks such as Social Security and welfare checks, with a cashing charge of no more than \$2.
- To have a good record of serving poor communities in their lending area before getting permission from the Federal Reserve Board to exercise new powers.
- To cease further expansion into the real estate business for two years.
- To stay out of insurance underwriting and to limit the number of additional institutions that can sell insurance underwritten by other companies.

Bush's suite in Houston rented out

HOUSTON (AP) — Someone has rented the luxury hotel suite that Vice President George Bush sometimes calls home for the duration of the presidential campaign, the hotel's management said.

The suite at The Houstonian Hotel has been rented for 100 days by someone connected with Bush, according to the hotel.

But Bush staff members and local GOP officials said they don't know who will be picking up the tab for the \$264-a-night suite, Bush's legal residence in Texas.

"The campaign has not leased the suite and the vice president's staff has not leased the suite," said Mark Sanders, a spokesman for Bush's staff in Austin.

Louis Lanzino, general manager of the Houstonian, confirmed the suite was booked, but he would not say who had rented it.

Houstonian Rob Mosbacher Jr., son of Rob Mosbacher, a key fund-raiser for Bush, said he's heard GOP officials were disgruntled about the attention the hotel residence has been getting.

"There's probably something to be said for the room being kept available for the balance of the campaign," he said. "I think it's a major-league distraction and I admit the Democrats regard it as a kind of a slowball-pitch way to make fun of the vice president."



Feel the heat

Firefighters put out an oil fire during a free demonstration Wednesday. Firefighters from all over

the world have been attending the annual two-week training sessions, which ended yesterday.

Photo by Scott D. Weaver

Gramm to address GOP Convention

WASHINGTON (AP) — Sen. Phil Gramm said Thursday he will share the stage with Senate Minority Leader Bob Dole during a prime-time address to the Republican National Convention.

Gramm has already begun work on his "major address" to the convention next month in New Orleans, and said he and Dole would be comparing the GOP's position on a wide range of issues with the Democratic line.

"The primary focus will be on the differences between the two parties and the two candidates. We will draw those distinctions," the Texas senator said. "It's a good opportunity to present my vision and George Bush's vision for America's future, for the future of the country."

The two are scheduled to speak Wednesday, Aug. 17. Gramm said following a fund-raising breakfast for Texas Supreme Court Chief Justice Tom Phillips.

Gramm, a member of the Senate Armed Services Committee, said he would speak on the economy and defense issues, while Dole would talk about agriculture, foreign policy and domestic matters.

Dole, whose name has been mentioned as a possible running mate for Vice President Bush, the all-but-certain Republican nominee, attended the Phillips fund-raiser briefly and said he would support the 38-year-old Texan's first statewide race.

"This is not an ordinary race for an ordinary position," Phillips said. If it were, "I would not be here. Two members of the U.S. Senate would not be here."

Phillips is limiting campaign contributions to \$5,000 a person or political action committee in his race against Justice Ted Z. Robertson, in the wake of sharp criticism over the practice of attorneys giving huge sums to the justices who hear their cases.

Toy maker agrees to damages

AUSTIN (AP) — A Pennsylvania toy manufacturer has agreed to pay \$7.5 million to the parents of an Austin boy who was hit by a car while riding a dark-colored tricycle that his parents claimed was unsafe because the motorist couldn't see it.

Hedstrom Industries of Bedford, Pa., agreed to the settlement with James and Joyce Smith, whose son George suffered brain damage in the 1983 accident. The boy, now 9, is partially paralyzed.

The Smiths alleged in a 1984 lawsuit that the company was at fault because the tricycle's horn rode into the street wasn't easily visible.

The child was struck about 4 p.m. outside his home while crossing the street on the trike from a shaded area. The driver of the car wasn't charged.

"I feel like we got a real fair settlement out of it," the boy's father said. "What I was concerned about was his future. He's still got some brain damage, and I wanted to make sure he's provided for in case I'm not around," Smith said.

The boy has needed about \$80,000 in medical care since the accident, his father said. Additional eye and ear surgery also is necessary.

David Nagle, the Smiths' lawyer said the settlement, entered Wednesday in state district court in Travis County, means the child will receive escalating monthly payments from the company until he is 72.

Jack Latson, an Austin attorney representing Hedstrom, said the settlement didn't mean the company accepted responsibility for the accident.

"I think this is a statement by Hedstrom that they were simply afraid to try a case in Texas, even when they believed they didn't owe" damages, Latson said.

"Part of the settlement is (that) Hedstrom admits no responsibility. But a decision was made, as a practical matter, to settle the case rather than risk a Travis County jury rendering an award out of sympathy," he said.

Latson said 1987 changes in Texas tort laws place the bulk of responsibility for personal injury on product manufacturers.

"If George Smith's parents were 99 percent at fault for letting him ride the tricycle out in the street, and if a jury believed the dark color of the tricycle was 1 percent the cause for the accident, then the tricycle manufacturer would have to pay for 100 percent of the damages," Latson said.

He said the box containing the tricycle tells parents not to let children ride in the street.

Nagle said his clients accepted the settlement because Travis County juries have been unsympathetic in personal injury cases.

Black officer joins Texas Rangers

AUSTIN (AP) — The ranks of the elite Texas Rangers will be joined in September by a black lawman believed to be the first black to serve in the 165-year history of the storied force, the Department of Public Safety announced Thursday.

"I feel pretty good," said Lee Roy Young Jr., a 14-year DPS veteran who currently is an investigator assigned to the criminal intelligence service in San Antonio.

"It's been an ambition of mine for many years."

Young, 41, will be stationed in Garland when he becomes a Ranger, said DPS spokesman David Wells.

The DPS has been dogged by charges of racial discrimination in recent years.

The National Association for the Advancement of Colored People has threatened to sue the department, charging that black officers have been passed over

for promotion and discriminated against in other ways. Michael Scott, a black state trooper from Houston, last year publicly voiced disappointment when he wasn't selected for the Rangers.

Gary Bledsoe, president of the Austin NAACP branch said, "I'm happy for Mr. Young. This is a step in right direction for him and his career. I'm disappointed for Michael Scott, because he really is the person who brought all this to bear."

"It appears there would be a policy in the department saying we're going to start promoting a few people because we have to, but we're going to promote people who don't complain or stand up for their rights, people who play by the rules of the game," Bledsoe said.

Young and three white DPS officers will join the 94-man Rangers unit in August and September.

Ranger candidates first have to take a written test. High scorers undergo an oral interview before a board of six DPS supervisors, including at least two minority supervisors. Only top scorers are considered for the Rangers, officials said.

A DPS officer also must have at least eight years of law enforcement experience to be eligible to be a Ranger, and at least 60 hours of college or the equivalent education.

Wells said the reason there hasn't been a black Ranger before now is that Young was the first black to reach the required level in the testing procedures.

"They're all treated the same on the testing procedures. There's no difference," he said.

"We only have 94 Texas Rangers for the whole state of Texas. It's not unusual for 100 DPS officers to apply for one opening, or two or three (openings)," Wells said.

Col. Leo Gossett, DPS director, said he is "proud" that Young will be a Ranger.

Gossett said, "There's a certain mystique about the Texas Rangers. It's a highly sought-after job in the department, and many people have to apply many times — most do — before they're successful. The competition is keen."

Ranger hopes to help minorities

SAN ANTONIO (AP) — Lee Roy Young Jr., most likely the first black to become a part of the legendary and once-feared Texas Rangers, said Thursday he hopes his appointment will encourage other minorities in law enforcement careers.

"This is something that I decided I wanted to strive to be years ago as a boy and on Sept. 1, I will receive personal satisfaction on what I've done," said Young, whose ancestors were black Seminole Indian scouts. "But I also think this will mean that the doors of opportunity will be open for other people."

Young, 41, who has been with the Texas Department of Public Safety for 14 years, will join the Texas Rangers Co. B in Garland on Sept. 1.

A ham radio enthusiast who has a bachelor's degree in sociology from the University of Texas at Austin and is fluent in Spanish, Young said he wanted to be a law officer since his days growing up in the tiny town of Brackettville about 30 miles east of Del Rio.

"I was just interested in assisting people and trying to make our state and country a better place to live and this is just something I can do in the attempt to achieve that," he said.

Young, who transferred from a highway patrol trooper in Del Rio to criminal intelligence investigator in San Antonio in mid-January, has gained the respect of his colleagues.

"He is a true professional, as all our investigators are," said Capt. Dennis Stone, head of the intelligence unit.

"Everybody that I know of that knows Lee Roy has the same idea about him. He's a professional and gets the job done efficiently," said Sgt. Dyrle Maples, head

of the Del Rio DPS unit and Young's former supervisor.

"He was very easy to supervise. He was a hard worker and you knew he would take care of the job that had to be done," Maples said.

Young was born Jan. 8, 1947, in Del Rio to parents who worked at Laughlin Air Force Base. His parents divorced when Young was a child and his mother remarried.

Young was raised by his grandmother, who lived in Brackettville, a small border community where Mexican-Americans, black Seminole Indians and whites integrated smoothly. Young played Little League baseball for a few years, but was more interested in radios and communications equipment.

After his stepfather died, he moved to Del Rio with his mother, Abby Nunley. He then joined the Navy, discharged as a petty officer, 2nd class, after seven years touring the world. He worked as an Amistad Dam park ranger upon his return to Del Rio.

He began taking classes at small colleges before his application to join the DPS came through in 1973. He got his first DPS job in Austin, where he also finished his undergraduate degree. Young's other assignments have been in Bryan and Eagle Pass.

Young and his mother said he never suffered racial discrimination because people along the border treated each other with respect.

"We raised him to be honest and fair with everybody and to treat everybody like you would like to be treated," his mother said. "We never thought him there was any difference in race, creed or color."