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The Battalion

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Manufacturing, construction industries rise out of recession

WASHINGTON (AP) — Two hard-hit sectors of the economy got upbeat news Monday as a key manufacturing barometer climbed out of recession territory in February and the construction industry enjoyed its best showing since last spring.

The Commerce Department reported that consumers boosted their spending a lackluster 0.2 percent in January, while their incomes actually fell by 0.1 percent.

Private economists said the mixed reports were typical of an economy at a turning point with some sectors doing better than others and supported the prevailing view that the country should be launched into a sustained recovery sometime during the spring.

Analysts were particularly impressed with the increase in the National Association of Purchasing Management's monthly index, which jumped to 52.4 percent, up from 47.4 percent the month before.

A reading below 50 percent is viewed as indicating a recession in manufacturing while a reading above 50 percent signals an expanding manufacturing sector. It marked the first time the index has been above the 50 percent mark since last November.

Economists said the closely-watched manufacturing survey was good news for the one-fifth of the economy engaged in manufacturing, a sector that had appeared to be leading the country out of recession last spring only to falter during the summer.

In a separate report, the Commerce Department said that construction spending increased 1.3 percent in January, the first advance since October and the strongest gain since last April.

The strength was centered in residential construction, a sector considered crucial to leading the country out of recession.

Analysts pointed to other statistics Monday showing that personal incomes edged down 0.1 percent in January, the first decline since November.

Because of the weak income growth, Americans were hesitant to boost spending, especially for big ticket items. Personal consumption spending grew a tiny 0.2 percent in January, the poorest showing since an outright decline in October.

Among the highlights of Monday's economic reports:

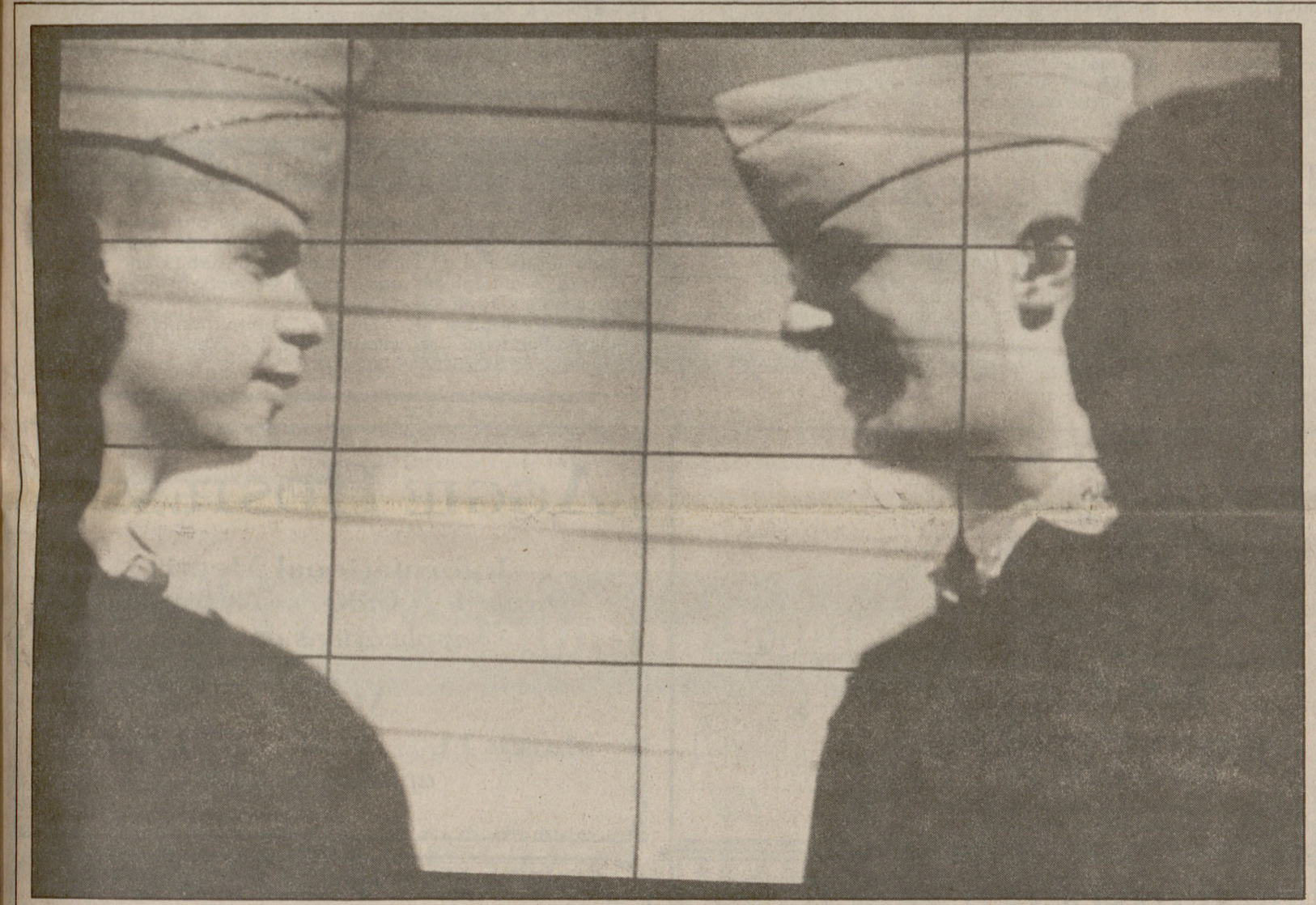
—The individual impact of the economy's troubles last year was illustrated by a report showing that bankruptcies hit an all-time high of 944,000 in 1991, up 20 percent from the previous year.

According to the American Bankruptcy Institute, the new record included 92 percent individual bankruptcies and 8 percent business bankruptcy filings.

—America's merchandise trade deficit, measured on a balance of payments basis, shrank by almost one-third last year to \$73.6 billion as a record level for exports and the recession helped to give the country its best trade performance since 1983.

—The small increase in personal spending, coming at a time when incomes were falling, meant that Americans' savings rate dropped to 5.3 percent in January, down from 5.5 percent in December.

The February purchasing managers survey showed a big jump in new orders with strength also noted in production. Manufacturing employment was down according to the survey but not as sharply as in previous months.



ORTRUN GINGERICH/The Battalion

Larger than life

The "Recruiting Video" on the first floor of Rudder Tower was opened on October 26, 1991. Leslie Appelt donated the money

as part of a program to update Texas A&M University. There is also a sports video, and more videos are being put together.

Cold War budgeting continues

Proposed intelligence spending stays high despite demise of former U.S.S.R.

WASHINGTON (AP) — Despite the demise of the Soviet Union, the Bush administration is proposing a secret intelligence budget near Cold War levels, according to sources inside and outside the government.

Spending is estimated at \$30 billion for next year — about where it stood when Soviet communism was considered a major threat.

Some members of Congress, which will eventually vote on the intelligence budget without revealing its contents, think the spies and analysts ought to be taking cuts along the lines of those faced by the military. But the White House counters that intelligence activities will be all the more vital after the armed forces are cut.

Officials won't comment publicly on the intelligence budget. But Defense Secretary Dick Cheney, asked recently whether intelligence cuts would equal those in defense, responded: "Let's just say (CIA Director)

Bob Gates is a happy man."

The administration's proposed budget for next year does take a bite from intelligence spending. But it is nowhere near as much as the 7 percent cut in the defense budget of which it is a part, according to indications from official and private sources. And that's not sitting well with some lawmakers.

"The intelligence budget has got to reflect developments in the world," said Sen. Howard Metzenbaum, D-Ohio.

"There's a general consensus that there should be some cuts," added Metzenbaum, a member of the Senate Intelligence Committee.

Democrats believe the intelligence budget, which doubled during the 1980s, should be shaved at least another 2 or 3 percent, bringing it closer to the defense cuts.

Spending on spy satellites is a likely target, now that the former Soviet Union is dismantling many of its nuclear weapons and consolidating the rest.

George Bush Jr. lauds father during CS visit

By Jayme Blaschke
 The Battalion

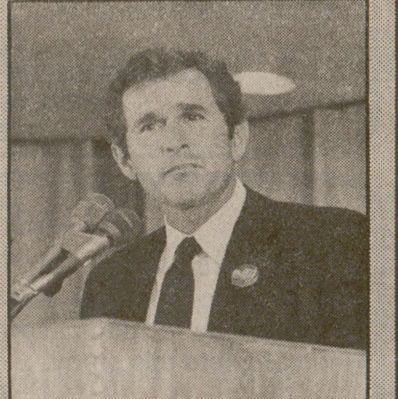
George Bush Jr., son of President George Bush, made a brief campaign stop in College Station Monday, urging the crowd at Easterwood Airport to vote for his father in Texas' March 10 primary.

America was experiencing a mid-life crisis, which caused the nation to question the country's leadership, Bush said. If America were to change leaders now, the Democrats' effect on the economy would be disastrous.

"The President needs our help, not our doubt," Bush said. "Things are getting better in Texas, but we can't let congress tinker with the economy."

"We've bottomed out and are heading back, and we can't stand to have any of these Democrats elected president," he said. "We need to put George Bush back in the White House for another four years."

Bush downplayed polls showing the President's approval rating was at an all-time low, and insisted George Bush would win big in Texas.



George Bush Jr.

"The President hasn't been embarrassed in the primaries, he won (New Hampshire) 2 to 1," Bush said. "A person can only come in second in a two person race so long before he's considered out of the contest."

"We fully intend in Texas to win every single delegate," he said.

Bush also stressed his parents' fundamental values as major

See President's/Page 5

Rodeo funds provide scholarships

By Ursula J. Burrell
 The Battalion

Spending at the 1992 Houston Livestock Show and Rodeo is over, yet the money raised continues to change hands year-round in the form of scholarships.

"This year's auction purchases raises the cumulative total to over \$25 million that the HLS&R has acquired for scholarships," said Leroy Shafer, assistant general manager for the HLS&R.

The top animals are sold at four junior auctions sponsored by the show, but the participants who have animals in the show receive

Participants receive fraction of money raised from auction

only a fraction of the money raised during the auction.

Shafer said the maximum prices a junior exhibitor receives ranges from \$50,000 for the grand champion steer exhibitor to \$5,000 for the lower placing broilers (chickens) and turkeys in the poultry auction.

"Any amount over the maximum prices go into the HLS&R Educational Fund to endow scholarships in the name of the buyer," he said.

Youngsters from across Texas arrive each year hoping they have produced champion animals.

"The four junior market auctions are for youngsters ranging in age from nine to 19," said Suzi Brown, assistant manager for the HLS&R.

This year two regular HLS&R buyers, Tom and Mary Steele, bought the grand champion steer for \$200,000 at the junior market steer auction. Jim and Linda McIngvale of Gallery Furniture of

Houston paid \$82,000 for the reserve grand champion steer.

Jim McIngvale, better known to television viewers as "Mattress Mac," also bought the grand champion pen of broilers for \$75,000 at the junior market-poultry auction.

Shafer said the recession did not have any negative effects on livestock bidding this year.

"A recession does not mean anything to people who have a lot of money and are secure," he said. "If I am person who has the money to give someone \$200,000 for... an animal worth \$1,000 then... a recession does not bother me one way or the other."

Democrats strive to keep senator's seat

OLYMPIA, Wash. (AP) — Democrats scrambled to save Sen. Brock Adams' seat Monday after he dropped his re-election bid amid allegations he sexually harassed eight women. Popular Democratic Gov. Booth Gardner said he would not decide whether to run for more than a week.

Adams resisted continued calls for his resignation from Democrats and Republicans alike.

Gardner told a news conference he would not decide whether to seek Adams' seat until after the state Legislature adjourns March 12.

Gardner also declined to immediately call

for Adams' resignation.

"I think... he can make the judgment as to whether he is, in fact, serving effectively and if he is not, I think he'll be the first to know," Gardner said. "But on speculation that he doesn't see that and others of us do, then I would talk with him by private phone before making a public statement."

Asked if he believed the allegations against Adams, Gardner replied, "I'm not going to make any judgment."

Adams dropped his bid for a second term Sunday, hours after The Seattle Times published accounts from unidentified former em-

ployees and associates.

Adams, 65, told reporters: "I have a job to do and I'm not resigning this office."

Adams didn't return a telephone call Monday from The Associated Press, but he told KING-TV: "I'm not going to step down. I'm working."

On Monday, the Times quoted the woman who alleged she was raped as saying she was happy Adams was out of the race.

"I feel sorry for his wife and daughter. They had to know about it," the woman said. "I don't have any regrets (about speaking out) because it needed to be done."