

Thundershowers
High 89, low 70
Details on 2A

Arkansas Gazette.

THURSDAY
Final

168th Year—No. 211

© 1987 ARKANSAS GAZETTE COMPANY

LITTLE ROCK, THURSDAY, JUNE 18, 1987

68 Pages—6 Sections ★ ★ ★ 25 Cents

In the News

■ **President Reagan**, at a White House ceremony honoring 140 high school seniors chosen as Presidential Scholars, credited a return to classroom basics and the "three F's" of "faith, family and freedom" with increasing student achievement.

■ **Representative Richard Gephardt** of Missouri, a Democratic presidential hopeful, told several hundred steelworkers meeting at Washington that Congress would pass a get-tough trade bill even in the face of a veto by President Reagan, declaring, "If Reagan doesn't want it we're going to try to force it down his throat to give the American people what we demand and deserve."

■ **Gary Hart**, 50, who withdrew as a Democratic presidential candidate after he was accused of engaging in extramarital affairs, is meeting with veteran publicity agents, including Norman Brokaw, who heads the powerful William Morris Agency, in an attempt to develop a new media image for the former Colorado senator, Hart aides disclosed at Los Angeles.

■ **Roger M. Loneran**, 78, a civil engineer who has worked at a reservoir intake station at Barre, Mass., for more than 50 years and hasn't taken a vacation in 37 years, was honored by state environmental officials at a ceremony at Barre in which the station was named in his honor.

■ **Agnes R. Hill**, the principal of William Pace Elementary School at Baltimore, was honored by the city school system for not missing a day of work in 27 years, and said that student attendance is her pet peeve and she has used incentives such as savings bonds and gifts certificates to keep students coming to school.

■ **Mayor Walter R. Hagedorn** of Tell City, Ind., which has been under a water emergency for a week because of a dry well, said that new wells should be on line this weekend, but "in the meantime we asked people to conserve *** not to use water unnecessarily. We told them to drink beer."

■ **Michael S. Byers**, 45, president of the failed First Commercial Bank of Texas, was indicted by a federal Grand Jury at Houston in what the FBI said is the first "in a number of prosecutive actions involving fraud against federally insured institutions."

■ **President Kurt Waldheim** of Austria, the former United Nations secretary general who was barred from the United States under allegations that he lied about his role in Hitler's army, will meet with Pope John Paul II at Vatican City next week on his first official visit abroad as president.

■ **Governor Richard Bryan** of Nevada signed at Carson City legislation making wearing of seat belts mandatory, joining 27 other states and the District of Columbia in passing such legislation.

■ **Gen. John A. Wickham Jr.**, the Army's retiring chief of staff, said at Washington that he sees no need to increase the size of the Army or to reinstate the draft, but that more money must be spent on new equipment — particularly if a nuclear arms control agreement is negotiated with the Soviet.

■ **Wayman Camille Jr.**, 50, who spent 12 years in prison bars for a rape his alleged victim recanted on her death bed, was released from Sussex Correctional Institution at Georgetown, Del., after the state dropped charges against him.

■ **Susan Murphy Erickson**, 28, of South Boston, who contended she was brainwashed by the Hare Krishna religious sect in the 1970s, and her mother, **Mary Murphy**, 59, were awarded a \$1.3 million judgment at Dedham, Mass., in a suit they filed against the International Society of Krishna Consciousness of New England.

INDEX

- Ann Landers 3B
- Bombbeck 3B
- Bridge 7B
- Business C
- Comics 6-8B
- Editorials 20-21A
- Fashion E
- Horse Sense 6B
- Markets 4-7C
- Movies 3B
- Obituaries 14A
- Opinion 7B
- Postcard 2B
- Sports D
- Today 2A
- Television 4-5B
- Traveler 1B
- Weather 2A



Senators Daniel Inouye (right) and Warren Rudman discuss North's refusal to testify.

North won't testify privately before hearing, attorneys say

WASHINGTON — Attorneys for Marine Lt. Col. Oliver L. North, in a surprise move, told congressional investigators Wednesday that the former National Security Council aide would refuse to testify privately before his appearance at the Iran-contra hearings in mid-July.

Leaders of the Senate investigating committee said they would recommend that legislators reluctantly accede to North rather than seek to cite him for contempt of Congress. Senator Daniel Inouye (Dem., Hawaii), chairman of the Senate panel, said court consideration of a contempt citation could delay North's appearance for months.

But House committee Chairman Lee Hamilton (Dem., Ind.) pointedly refrained from making a recommendation, saying that Demo-

cratic members of his committee were unsure about how to proceed. He ordered staff lawyers to prepare a list of options for the committee.

Senator Warren Rudman (Rep., N.H.), vice chairman of the Senate committee, speculated that North's attorneys might be hoping that Congress would seek a contempt citation that would get bogged down in the courts for months, thus keeping North out of the witness chair altogether.

Tactics raise questions

The tactics by North raised questions about whether the former White House aide would indeed testify when called as a witness in mid-July. None of the other witnesses in the inquiry have adopted such an adversarial stand; in fact, even as the controversy over North mushroomed Wednes-

day, former national security adviser Rear Admiral John M. Poindexter was being deposed privately for the second time.

But senior lawmakers said they had been assured by North's attorney, Brendan Sullivan, that North intended to answer questions at the hearings. North himself said in December, when he invoked the Fifth Amendment at a House Foreign Affairs Committee hearing: "I don't think there is another person in America who wants to tell his story as much as I do."

The committee has voted to grant North limited immunity from prosecution to compel his testimony.

The controversy was touched off when investigators subpoenaed North to appear today and give a deposition, a routine procedure.

(See NORTH on Page 16A.)

Pact reached by Democrats on '88 budget

Plan calls for \$19.3 billion tax rise

WASHINGTON — House and Senate Democratic leaders reached agreement Wednesday on a \$1 trillion budget for fiscal 1988, a plan that challenges President Reagan to approve a tax increase to maintain his military buildup.

The spending plan calls for \$19.3 billion in new taxes next year as part of \$65 billion in new taxes during the next three years, Senator Lawton Chiles (Dem., Fla.), chairman of the Senate Budget Committee, said.

Veto promised

Mr. Reagan has repeatedly said he would veto tax increases of the magnitude called for in the latest budget plan. Democrats maintain some taxes are needed to help reduce the record deficits that have occurred during the Reagan administration. Even with the new revenues, their plan would fall short of meeting the Gramm-Rudman law's deficit-reduction goals.

In a related event, more than 230 congressmen, including Representative Tommy Robinson (Dem., Ark.), introduced a balanced budget amendment Wednesday.

Mr. Reagan had repeated his call for a constitutional amendment requiring a balanced federal budget in a speech Monday.

But House Speaker James C. Wright of Texas, at his daily news conference Wednesday, called the amendment "a meaningless charade, *** a pious platitude."

Wright also said Mr. Reagan can submit a balanced budget but hasn't in seven years in office.

The latest proposal would require the president to submit a balanced budget to Congress and stipulates the national debt could not be increased unless a three-fifths majority of both houses agree.

Linked to tax approval

The Democratic spending plan, drafted after Republicans refused to join in the process, would tie part of its military spending to approval of the new taxes.

If Mr. Reagan signs the tax bill, the Pentagon budget would be about \$296 billion, with estimated cash outlays of \$289.5 billion —

enough to keep pace with inflation. If the taxes are not enacted, the defense program would be essentially frozen at about current levels, with \$289 billion in spending authority and outlays of \$284 billion.

Some detail work left

Wright said the budget plan still required some detail work and approval by the House-Senate conference committee.

(See BUDGET on Page 16A.)

Overbilling estimated at \$4 billion

Knight News Service

WASHINGTON — The nation's biggest defense contractors may have overcharged the Pentagon by \$4 billion, and potentially much more, using computerized accounting systems that do not adequately protect the government's interests, Defense Department auditors said Wednesday.

The Defense Contract Audit Agency, in its first written assessment of the excess charges, released a document Wednesday estimating that improper overcharges ranging from \$20 million to \$500 million may have been realized by each of 200 contractors in recent years. Earlier auditors' estimates of potential overcharges were about \$1 billion.

William H. Reed, director of the audit agency, signed the report in which the new estimate appeared. The report was prepared by the agency and forwarded recently to the Federal Office of Management and Budget in an effort to win required budget office approval for a nationwide contractor survey of the problem. Lawyers representing defense contractors have protested that the Pentagon survey.

(See BILLING on Page 16A.)

Clark stand on G&FC raises debate

Removal asked

By Scott Van Laningham
GAZETTE STAFF

Attorney General Steve Clark's recent response to a lawsuit over the Game and Fish Commission's constitutional independence has left the state legislature without a legal defense and Clark should remove himself from the case, a legislative committee said Wednesday.

After about an hour of spirited debate, during which Clark stood firmly behind his position that parts of the Game and Fish Commission appropriation act are unconstitutional, the legislative Joint State Agencies and Governmental Affairs Committee unanimously approved a motion asking Clark to withdraw from the case.

Clark said later he wanted to think overnight about the request and would respond today.

The committee also approved on a voice vote — in which a few "no" votes were heard — a request that the Legislative Council take steps to hire a private lawyer to represent the legislature in the suit.

(See CLARK on Page 10A.)

'Have only \$37,000 to our name,' sobbing Tammy Bakker declares

Gazette Press Services

TEGA CAY, S.C. — Tammy Faye Bakker said Wednesday she and her husband "have only \$37,000 to our name" and will fight to keep their \$1.3 million parsonage. She complained that she and her husband had been "hunted like a scared animal" since Jerry Falwell took over the PTL ministry.

She spoke in a weeping, rambling, often-contradictory talk with reporters outside the deposed PTL founders' million-dollar lake-side parsonage.

It was the first time she or her husband, Jim, who resigned from the television ministry March 19 over a 1980 sexual encounter with a church secretary, had talked to reporters since arriving at Tega Cay a week ago. Bakker remained out of sight.

Mrs. Bakker said her husband would never have permitted the \$18,000-member ministry to end up in bankruptcy court, a move taken Friday by PTL's new management.

"He just never would have done that. And we're so sad it happened," she told reporters while standing in the driveway of the parsonage that PTL's new officers have asked the Bakkers to leave.

The ministry, under Falwell's leadership, filed for protection



Tammy Faye Bakker: Hunted like a 'scared animal.'

Alexander takes heat on printing

He asserts value

By Maria Henson
GAZETTE WASHINGTON BUREAU

WASHINGTON — Despite criticism, Representative Bill Alexander (Dem., Ark.) Wednesday stood by his decision to insert 403 pages of debate on the Boland Amendment into the Congressional Record at an estimated cost to the government of \$197,382.

"Whatever the cost, it is little price to pay for the American people to be advised on such a matter of importance to them and to the preservation of the Constitution of the United States," Alexander said.

Dorothy English, executive director of the Arkansas Republican Party, and House Minority Leader Robert H. Michel of Illinois criticized the expense and Representative Tommy Robinson (Dem., Ark.) called it "a real mistake."

Michel announced Tuesday that he had instructed GOP leaders and his House floor staff to object to including extraneous material in the Record if it cost more than \$10,000 to print.

"I would like to look at such inclusion to make sure that these are monies well spent," Michel said. "I have noted that we have gotten

(See ALEXANDER on Page 15A.)