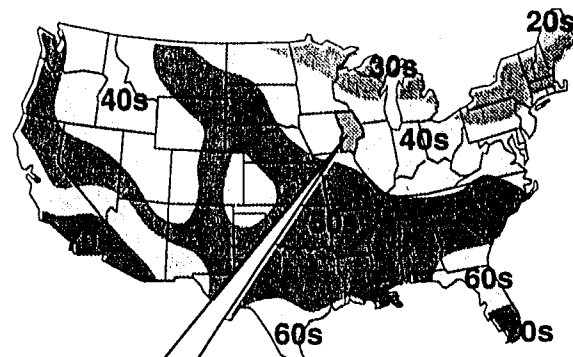




# The Gazette

A regional newspaper serving Eastern Iowa



**FORECAST:** Warmer today, but cloudy skies. Highs 43-47; lows 29-33. Today's daylight: 9 hrs., 54 min. See 12C.

**WEDNESDAY** Jan. 29, 1992

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CEDAR RAPIDS, IOWA  
VOL. 110 NO. 20 50 CENTS



## NEIGHBORS

They learned value of freedom

Page 6

## MONEY

Which credit card is best for you?

Page 5C

## BRIEFLY

### Change of address

Linn voters return cards

Moved since 1980? You may want to check with the Linn County Auditor's Office: 13,000 residents returned their voter ID cards, and some may be in different precincts. **Details on page 1B.**

### Objection!

#### 4 abstain on funding vote

The four women on the Iowa Senate Appropriations Committee abstained from voting to increase funding at the Iowa Veterans Home. They said the state can't afford the extra \$504,857, which was approved 17-0. **Details on page 5B.**

### Decisions, decisions

Hawk thinking about leaving

Paul Lusk had little to say Tuesday about his future with the Iowa men's basketball team. "I wouldn't make too big a deal out of it," Coach Tom Davis said. Lusk apparently is frustrated with some of his on-court performances. **Details on page 1C.**

### No surprise

#### School districts OK merger

Last night's vote to permanently merge districts was overwhelming: 452-32 in Center Point, 224-51 in Urbana. They've been in a whole-grade sharing pact for 2½ years. **Details on page 1B.**

### Happy birthday

#### Virus found in some PCs

WESTBORO, Mass. (AP) — As many as 500 personal computers shipped between Dec. 10 and 27 by Leading Edge Products Inc. contain "the Michelangelo virus," which will erase the user's files on March 6, company officials say. March 6 is the artist's birthday. The manufacturer is scurrying to send out special software programs designed to chase down and eliminate the virus. Company officials said it originated in equipment provided by a subcontractor for its IBM-clone personal computers and installed at a Leading Edge assembly plant in Compton, Calif.

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## TODAY'S CHUCKLE

Recession: when the amenities are beyond your means and the necessities have such high priceties.

## TOMORROW

### Sunlight power

Sugar House electricity

Solar equipment will soon be swinging into action to provide electricity for the Indian Creek Nature Center's Sugar House. **Bonus in Thursday's Gazette.**

# Bush spells out tax, defense, health plans

## Economic hard times 'will not stand,' he says

**WASHINGTON (AP)** — President Bush proposed election-year tax cuts and business incentives to revive America's economy last night and vowed, "We're going to lift this nation out of hard times." Bush also outlined dramatic cuts in the U.S. nuclear arsenal.

In his State of the Union speech, the president challenged the Democrat-controlled Congress to back his economic programs by March 20 or face a political fight. Invoking gulf war rhetoric, he vowed the recession "will not stand."

The centerpiece of his economic plan was a bid to put more money in people's paychecks by lowering tax withholding rates — even though it would mean smaller refunds a year from now. Bush said it would pump \$25 billion into the economy. It would increase take-home pay by an average of \$300 for more than 90 million wage-earners, the White House said.

In a nationally televised address, Bush discussed the benefits of a reduced military

■ Do you think Bush's anti-recession plan will work? Tel•Us, 2A

threat from the disintegrated Soviet Union. "The American taxpayer bore the brunt of the (Cold War) burden, and deserves a hunk of the glory," he said.

Bush said he would ask Russian President Boris Yeltsin on Saturday to agree to eliminate all land-based multiple warhead ballistic missiles. If Yeltsin agrees, Bush said, the United States will eliminate all MX missiles, reduce the number of



**President Bush**  
"Can defeat hard times"

warheads on Minuteman missiles to just one and cut the number of warheads on sea-based missiles by about one-third.

The arms proposal would mark the first time since 1945 that the United States has no nuclear weapons in production.

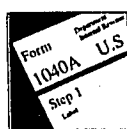
Over six years, the president proposed to cut defense spending by \$50 billion and use the savings to finance tax reductions.

Bush's plan also would freeze federal spending on most domestic programs at current levels.

**THE PRESIDENT** openly acknowledged that his election-year message to the nation would be read by many as a partisan theme for his campaign — an aside that drew groans from the assembled Democrats. The White House

## STATE OF THE UNION

★★★★★ Highlights of Bush's speech ★★★★★



### Taxes

- Immediately adjust income-tax withholding tables to boost Americans' take-home pay. It would reduce the size of next year's refunds, but pump \$25 billion into the economy over the next six months, according to administration estimates.
- Increase in take-home pay would range from around \$175 for single taxpayers to more than \$600 for two-income families.
- Raise the personal exemption for dependent children, now \$2,300 per child, to \$2,800. It would take effect next Oct. 1.
- Cut the capital gains tax, or the tax on profits from the sale of stock, real estate and other assets, from its current top rate of 28 percent to a maximum rate of 15.4 percent for assets held at least three years.
- Let businesses take an extra 15 percent depreciation allowance to encourage them to invest in more equipment and machinery.



### Homebuying

- Give first-time home buyers a tax credit of up to \$5,000 for homes built this year, with the credit spread over two years.
- Allow first-time home buyers to withdraw up to \$10,000 from Individual Retirement Accounts without penalty.



### Health

- Provide tax credits and vouchers to help low and middle-income families buy health insurance, up to a maximum of \$3,750 per family.



### Defense spending

- Cut defense spending by \$50 billion over this and the next five years. If Russians agree to scrap all land-based multiple warhead ballistic missiles, the United States would eliminate all MX missiles, reduce to one the number of warheads on Minuteman missiles and cut the number of warheads on sea-based missiles by about one-third.

### also:

- Freeze federal spending on most domestic programs at current levels. Benefit programs like Social Security would be excluded.
- Student loan interest would be deductible for all families.

AP/Mantha P. Hernandez

also hopes it will arrest his slide in the polls.

"I am doing what I think is right; I am proposing what I know will help," Bush said.

The historic House chamber was standing-room-only, packed with lawmakers and members of the Bush Cabinet. In an unusual opening, Bush began with a joke about the

high expectations for his speech: "I wanted to be sure it would be a big hit — but I couldn't convince Barbara to deliver it for me."

The major elements of Bush's program:

- Income-tax withholding tables will be adjusted at once by

■ Turn to page 7A: Bush

## Robert Ray: Need health cost control

By Dale Kueter  
Gazette staff writer

**F**ormer Iowa Gov. Robert Ray says President Bush must come up with a plan to control health costs "if you truly want to achieve health care reform."

"You can't achieve health care reform by just putting more money into the system. You must also control costs," Ray said last night following the president's State of the Union address.

Ray, president of Blue Cross and Blue Shield of Iowa, is chairman of the National Leadership Coalition on Health Care Reform. He met several weeks ago with Bush and other administration officials to discuss health care reform.

"He said last night that he would have more details on his plan," Ray said. "I'll wait for the details, but if he wants to build on an employer-based health insurance system then we must control costs and help small employers."

The president acknowledged that health care costs would reach \$800 billion this year and double that by the end of the decade. He made no suggestion to stem health care inflation.

Bush proposed a \$3,750 tax credit to allow health insurance coverage for all families. At the same time the president shot down a so-called "play or pay" system that would have employers provide coverage or pay into a pool arrangement.

Ray, who heads a similar health care reform coalition in

■ Turn to page 7A: Health

# Deaf school chief defends 'extravagant' spending

By Rod Boshart  
Gazette Des Moines Bureau

**DES MOINES** — The superintendent of the Iowa School for the Deaf said Tuesday he is the target of a "vindictive and personal" attack by state auditors intent on redefining how agencies can spend private gifts.

However, a lawmaker differed with Superintendent William Johnson's response to a state audit questioning several "extravagant" expenditures.

Rep. Raymond Lageshulte, R-Waverly, suggested that Johnson take a \$10,000 pay cut to repay funds spent on private maid service, country clubs and other items.

"It looks to me that we've got a superintendent who

doesn't understand the value of taxpayers' money," Lageshulte said during an education budget subcommittee discussion.

But Regent John Fitzgibbon and the State Board of Regents' executive director, R. Wayne Richey, defended the superintendent's management record. Johnson assumed the top post at the Council Bluffs school in 1987.

The superintendent accused the State Auditor's Office of attempting to "cast suspicion on my ability as a fiscal manager" by making "spurious suggestions of fiscal impropriety" after he challenged the \$30,000 cost of the state audit.

The superintendent said more than \$16,000 in purchases cited as extravagant in the audit had regents'

approval and were deemed as "appropriate and viable use" of gift funds until the Auditor's Office questioned them.

Deputy State Auditor Kasey Kiplinger said his office challenged whether a number of purchases at the school fell within the standard that considers private gift funds as public money to be expended in a "reasonable" manner.

"You translate this to the universities and this has profound implications," Richey said. "You're certainly going to dampen enthusiasm for fund-raising."

Sen. Richard Varn, D-Solon, said lawmakers may have to revamp the gift law to clearly spell out appropriate uses.

## 9 'Joe Citizens' tip off police on video robber

By Rick Smith  
Gazette staff writer

Nine "Joe Citizens" called police detectives by mid-morning Tuesday to suggest the identity of the gun-toting robber captured on videotape Monday while holding up the Coastal Mart in Marion.

The videotape, from a camera required of all Marion convenience stores, was shown on the Monday evening TV news programs, and a still photo of the robber in action appeared in Tuesday's Gazette.

"Is there a difference between an ex-friend and an enemy?" asked Marion police Capt. Joe Neuhaus on Tuesday in characterizing those who had called to point the finger.

Neuhaus said each of the nine possible suspects had a criminal record, which allowed detectives to quickly assemble an array of mug shots taken during prior arrests. One suspect, in particular, seemed to

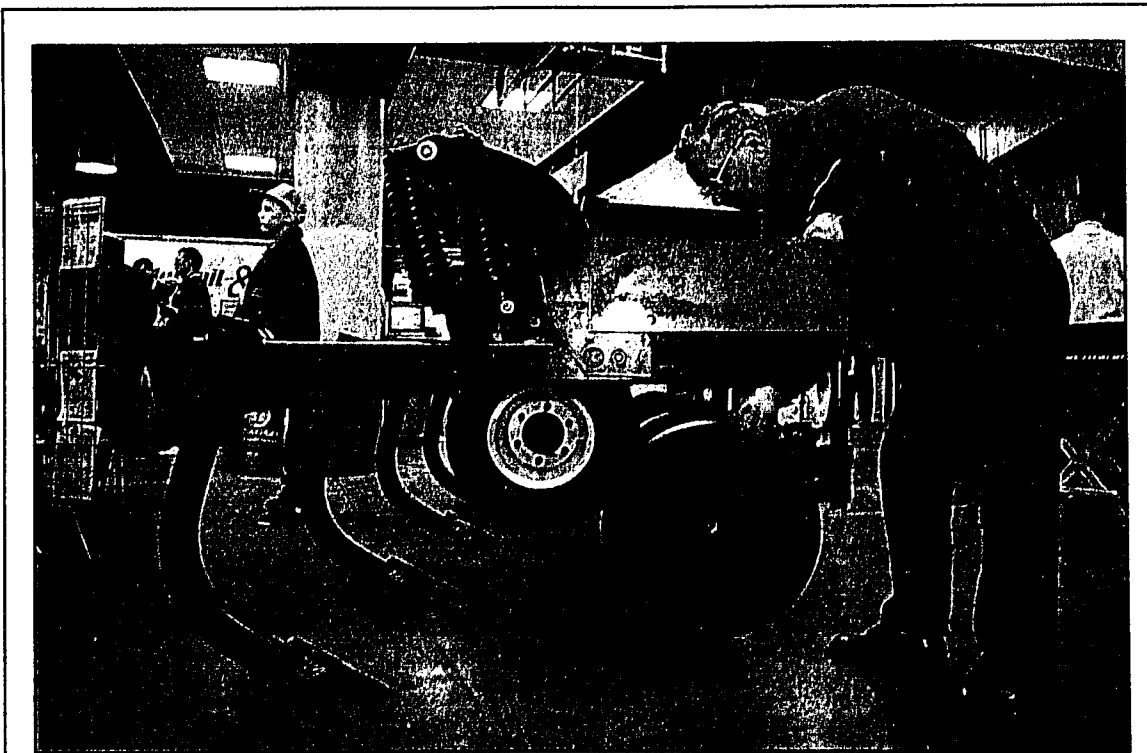
look like "our" man, Neuhaus said.

He did not know if the robber had been savvy enough to phone to suggest someone else pulled the robbery.

**WITH THE HOLD-UP** just a day old and detectives hot on the trail of a suspect, Neuhaus once again applauded the Marion city ordinance that makes video cameras mandatory for convenience stores.

"What would we have without the videotape?" asked Neuhaus. "Without it, all we'd have is a description. And there are a lot of 5-foot-10-inch, skinny guys with ball caps and sunglasses. That could be anybody."

Marion adopted the camera ordinance after the murder in Cedar Rapids of convenience store clerk Brian Schappert on Sept. 8, 1989. The murder remains unsolved.



Gazette photo by Todd McInturf

## Looking deeply into tillage

Family farmer Ivan Walker of Oxford examines a deep-tillage machine Tuesday at the 13th Annual Eastern Iowa Conservation Tillage Show at the Five Seasons Center in Cedar Rapids. The show continues today. Another photo on page 5C.