

# Funds in question

Rose's campaign treasurer denies knowledge of violations

By **CARRIE DOVE**  
Staff Writer

Charges of misuse of funds leveled against Rep. Charles Rose, D-N.C., by the U.S. House of Representatives Wednesday call into question the actions of N.C. Senate Majority Leader Tony Rand, who served as Rose's campaign treasurer, Republican leaders said.

Rand, who is running for lieutenant governor, relied on the accountant who prepared the disclosure reports for all details of campaign financing, and denies knowledge of the violations, said John McArthur, Rand's campaign director.

Last fall the N.C. Republican Party discovered loans made to Rose, totaling \$63,599, from his campaign funds in public financial disclosure forms, said Robert Bradshaw, who was then chairman of the Republican Party.

"(The loans) are not something you usually see," Bradshaw said.

Republican officials said they thought it unusual that a campaign treasurer would not know about such loans.

"When money is being borrowed from the campaign funds, I cannot imagine the campaign treasurer being unaware of that," said Robert Jones, director of communications for the N.C. Republican Party.

When the Republican Party investigated the loans, they found that Rose had paid \$10,000 cash for a Jeep Wagoneer the day after receiving a loan of \$9,600 from the campaign, Bradshaw said.

On further investigation, public records in New Hanover County revealed that Rose, his wife and two other couples invested \$65,000 10 days after receiving almost \$20,000

from the campaign funds, Bradshaw said.

The House ethics committee statement listed loans totalling \$63,995 from 1978 to 1985. The loans may breach a House rule prohibiting the personal use of campaign funds.

The statement also charges Rose with using \$75,000 in campaign assets as collateral for a personal loan from Southern National Bank, and with failing to report nine bank loans between 1979 and 1984, totalling more than \$100,000. The Ethics in Government Act requires that all bank loans over \$10,000 be reported to the House.

N.C. Republican leaders said the allegations profoundly affect the races for both lieutenant governor and Rose's congressional seat.

"If the Republican Party can produce a good candidate, it would

open the door for us to win that (Rose's) race," Jones said.

Rose must respond to the allegations by the House ethics committee within 21 days. Within 30 days of receiving Rose's reply, the committee must schedule a disciplinary hearing.

Democratic officials, however, said they discounted the impact of the allegations on both campaigns.

"I don't think that it will affect Senator Rand," said Margaret Lawton, a spokeswoman for the N.C. Democratic Party.

Voters are happy with Rose's performance, Lawton said, and his record will carry more weight than the allegations.

"(The Republicans) are using this for political gain," Lawton said.

She said the Democrats plan to monitor Republican disclosure reports for possible ethics violations.

## House members reject parts of Democrats' deficit bill

From Associated Press reports

WASHINGTON — The House on Thursday temporarily scuttled a \$12 billion tax increase and other parts of a Democratic deficit-reduction bill, insisting that congressional and White House negotiators first be given a chance to produce a plan for attacking the government's debt.

After losing a 217-203 vote, Speaker Jim Wright, D-Texas, said the House will have to face the issue again, but without an attached welfare-overhaul provision. He acknowledged that the welfare section, which has nothing to do with reducing the deficit, caused several Democrats to desert the vote.

By the vote, House members simply refused to consider the Democratic bill, since the procedures under which they were operating offered no realistic chance to amend the tax or welfare sections.

That forced the House Rules Committee, which the leadership controls, to reconvene and lay out new procedures under which the bill would be considered.

### Stocks make small comeback

NEW YORK — Wall Street regained a measure of its lost vitality Thursday, drawing a second wind that blew the Dow Jones industrial average up more than 90 points in its third largest gain ever.

Traders cited increasing signs that confidence was returning to Wall Street in the aftermath of last week's historic plunge, but many cautioned that the market could resume its downward trek.

The broader market also improved with four stocks making money for every one that lost.

The market moved steadily higher despite a drop in the dollar and losses on stock exchanges in the Far East.

### Alcohol-related deaths rise

WASHINGTON — Traffic deaths involving drunken drivers increased markedly last year after steady decline, suggesting motorists, especially young ones, may no longer be as concerned about drinking and driving as they once were, a researcher said.

The statistics from 32 states showed a 7 percent increase last year in the number of deaths among drivers who were legally intoxicated and a similar increase in the number of single-vehicle

nighttime fatalities.

"Even though you can't put it all together, the indicators seem to be going in the same (upward) direction," said Professor Ralph Hingson, chief of social and behavioral sciences at Boston University's School of Public Health. "It's reason for concern."

Last year, 46,056 people were killed on the nation's roads and highways, about 5 percent more than the 43,795 killed in 1985, the U.S. Transportation Department said. About 40 percent of those fatalities were in accidents that involved alcohol in some way, according to the Insurance Institute for Highway Safety.

### Nuclear plant may get fined

CHARLOTTE — The Nuclear Regulatory Commission announced Thursday it has proposed a \$100,000 civil penalty against Duke Power Company for alleged violations of commission regulations at the McGuire Nuclear Power Plant.

The NRC said the action was taken following an event that occurred between July 26 and July 30, in which a diesel generator became inoperable for 90.5 hours. Plant workers had dismantled equipment while taking oil samples and failed to properly reinstall it when they were finished.

The NRC requires that a plant shutdown must be started within 72 hours when such equipment is inoperable.

### U.S.-Soviet summit imminent

MOSCOW — The superpowers agreed on a summit agenda and cleared the way for Soviet leader Mikhail S. Gorbachev to meet President Reagan in the United States later this year, a Soviet spokesman said Thursday.

No date was announced, but one official said privately that the Soviets are proposing the two leaders meet the first week in December.

U.S. officials said the third meeting between Reagan and Gorbachev could be arranged for late November or early December.

Foreign Ministry spokesman Boris D. Pyadyshv told reporters the leaders would sign a treaty to scrap intermediate-range nuclear missiles and discuss cuts in long-range strategic arsenals.

## Republican candidates define differences

By **MATT BIVENS**  
Staff Writer

A debate among the six Republican presidential candidates in Houston Wednesday night allowed the candidates to define their differences, Republican officials said.

The forum, aired live on "Firing Line," was moderated by television journalist William Buckley and attorney Robert Strauss. Each candidate gave a 90-second speech before the forum began.

Vice President George Bush, Kansas Sen. Bob Dole, former Delaware Gov. Pete Du Pont, former Secretary of State Al Haig, New York Rep.

Jack Kemp and Rev. Pat Robertson presented their views and programs to a vocal crowd.

Some disagreements arose among the candidates as each sought to distinguish himself from the others.

"There were areas of confrontation," said Mark Berry, Kemp's deputy press secretary. "(Because) everyone was able to get together in one place, the candidates could define differences."

Du Pont spokeswoman Liz Noyer said she expected confrontations.

"Bill Buckley didn't invite them there for a tea party; he invited them

for a debate," she said.

The debate demonstrated that the Republicans have a better grasp of the issues than their Democratic counterparts, said Barbara Pardue, Bush's press secretary. Press officers for Kemp and Du Pont echoed her view.

But the Democratic Party criticized the forum, saying the candidates failed to present a realistic program. A statement from the Democratic National Convention began, "We have seen a preview of Halloween Night," and accused the Republicans of using "rhetoric which disguised the reality of what the country must do."

Bush and Dole, the frontrunners, were the targets of several attacks by the other candidates.

Bush, who called himself the "co-pilot" of the Reagan administration, was criticized for not having his own agenda and for supporting the unin-

ished Intermediate Nuclear Forces (INF) treaty between the U.S. and the Soviet Union.

But Bush acquitted himself well, Pardue said.

"The vice president made it very clear that loyalty (to the president) is not a character flaw," she said.

Bush won the debate, Pardue said, because he was able to take all of the criticism a frontrunner must face and still come out of the debate untouched.

Kemp's spokesman called Bush's view of victory distorted.

"His expectations (for the debate) were so low," Berry said. "The fact that he didn't make an error means he did well."

Berry said Dole also lost ground at the forum.

"(Dole) was very flat and very nervous," he said. "He didn't look like the Senate majority leader."

## Youth group plans fund-raiser

Operation Raleigh and Sanka Decaffeinated Coffee will hold a 10 kilometer (6.2 mile) walk through Raleigh Sunday to raise money for Operation Raleigh's youth programs.

Operation Raleigh, a youth development organization, sends students on worldwide expeditions, to promote leadership.

For more information call Sally Faust, 733-9366.

### For the Record

Thursday's article, "Hearing delayed for students charged with rape," incorrectly reported that the defendants were arrested Aug. 14. The men were arrested Oct. 14 and charged the next day. The Daily Tar Heel regrets the error.

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