

World and Nation

Bush proposes S&L recovery plan

From Associated Press reports

WASHINGTON — President Bush on Monday recommended requiring banks and thrift institutions to pay higher deposit insurance premiums as part of a plan to bail out the troubled savings and loan industry but recommended no direct fee on individual depositors.

"We intend to restore our entire insured deposit system to health," the president said at a meeting with reporters at which he outlined a comprehensive program to save the troubled S&L industry.

"In all the time since creation of the deposit insurance, savers have not lost one dollar of insured deposits, and I am determined that they never will," he added.

The president recommended changes in the federal supervision of the savings and loan industry, which is struggling to resolve the difficulties of an estimated 350 faltering institutions. The president also said he would recommend increased Justice Department investigation of alleged wrongdoing in failed thrifts.

An estimated \$100 billion is needed

to restore all troubled savings and loan institutions to health. Bush said the government should raise \$50 billion in bonds to finance the cost of failed institutions, to go along with \$40 billion committed last year by regulators.

He said the interest on the bonds would be financed by higher insurance premiums. Separately, Treasury Secretary Nicholas Brady outlined a plan for members of Congress that called for higher premiums paid into the deposit insurance fund. The proposals outlined by Bush and Brady need congressional approval.

The banks and savings and loans can be expected to pass on at least a portion of their costs to consumers, possibly in the form of lower interest rates on savings accounts.

But Bush said, "I will not support any new fee on depositors."

The announcement marked Bush's first attempt as president to deal with a major problem, and he appealed for support.

"We've got a major problem and something has to be done, and this

is the fairest system that the best minds in this administration can come up with," he said.

Bush said the difficulty in the S&L industry was caused partly by economic conditions. But, he said, "unconscionable risk taking, fraud and outright criminality have also been factors."

Specifically, Bush proposed:

- Increasing the insurance premium paid by banks from the current 83 cents per \$1,000 of deposits to more than \$1.50. He did not specify the increase for S&Ls. The money would pay the interest on an estimated \$50 billion in government bonds that would be sold to raise funds to rescue troubled S&Ls.
- Making the Federal Deposit Insurance Corp., which oversees the nation's 13,000 banks, the insurer for S&Ls as well. Bush stressed that the deposit insurance funds raised by the two industries would not be mixed.
- Regulatory changes, including steps to reduce the type of risky investments that got the industry into difficulty, and an expanded role for

the Treasury Department in supervising S&Ls.

- Placing insolvent savings and loan institutions under the joint control of the FDIC, which oversees banks, and the Federal Savings and Loan Insurance Corp., which holds regulatory authority over the S&Ls.
- Increasing Justice Department funds by \$50 million for investigation of wrongdoing within the industry.

Before Bush spoke, an industry official said banks have received assurances that the money raised by the higher premiums will go into their insurance fund, the FDIC, and will not directly pay for the problems of the Federal Savings and Loan Insurance Corp.

Sources said the money raised by the premiums will count as revenue. Thus, in an arrangement envisioned by Budget Director Richard Darman, the government will be able to spend several billions of taxpayer dollars a year without adding to the budget deficit, said a government official, who also spoke on condition of anonymity.

Military leader announces election date in Paraguay

From Associated Press reports

ASUNCION, Paraguay — Gen. Andres Rodriguez, who seized power in a violent coup last week, denied links with drug trafficking and announced Monday that elections will be held May 1, with only Communists excluded.

Four cronies of ousted President Alfredo Stroessner, who ruled Paraguay for nearly 35 years until the coup, were accused of using public funds and graft to obtain "luxurious mansions, expensive apartments abroad and sumptuous automobiles."

Reporters asked the general about casualties during eight hours of fighting Thursday night and early Friday that ousted Stroessner.

"Believe me, total casualties — dead plus wounded — do not exceed 50," Rodriguez replied. Earlier estimates by embassies and civilian witnesses put the number of dead alone at nearly 300, but no official figures have been released.

Rodriguez also said Congress has been dissolved and that the new president would take office immediately upon election.

Stroessner was given asylum in neighboring Brazil and was staying in Itumbiara, a remote city 270 miles southeast of Brasilia.

News in Brief

Mrs. Dukakis was not known to be dependent on alcohol until the governor's statement, but she has had a history of addiction to diet pills. She entered a Minnesota treatment center in 1982, where she said she conquered her dependency.

"Until shortly after Election Day on Nov. 8, Kitty had never had a problem with alcohol," Dukakis said in a statement.

He said that since the presidential campaign Mrs. Dukakis, 52, used alcohol "in excessive quantities . . . on a limited number of occasions while at home."

Dukakis, who does not smoke and rarely drinks even a glass of wine, said his wife had entered the Edgell Newport facility in Newport, R.I., on Sunday and will stay there about a month.

Gray quits family business

WASHINGTON — In an abrupt reversal, President Bush's counsel and chief ethics adviser, resigned as chairman of a multimillion-dollar communications company Monday to avoid any appearance of conflict of interest while working in the White House.

Spurred by publicity about his finances, C. Boyden Gray announced he was stepping down as chairman of the family-owned Summit Communications Group Inc. and putting his personal assets — estimated at \$10 million — into a blind trust.

Solidarity legalization offered in Polish talks

From Associated Press reports

WARSAW, Poland — The government's top delegate to historic talks with the opposition opened the first session Monday by offering to legalize Solidarity if the union agrees to economic and political reforms.

Interior Minister Gen. Czeslaw Kiszczak, seated opposite Solidarity leader Lech Walesa, called for the opposition to participate in Poland's government.

Fifty-seven delegates from the government, the opposition and the Roman Catholic Church gathered for the talks at the ornate Council of Ministers Palace, the building where the Warsaw Pact was created.

The delegates met for about three hours and issued a short communique that said talks by three "working groups" would resume Wednesday. One group will consider economic and social policies, another political reforms and the third the issue of allowing more than one union to exist.

character of transformations," he said. "As it goes for trade union pluralism, there is no question if, but the point is how."

"We demand Solidarity. We have the right to it," Walesa said in his speech, PAP reported.

Walesa blamed Poland's economic and political crisis on a lack of freedoms, but said he sensed the government was ready for change, state-run television reported.

"We know the country is in ruins. But it has not been ruined by gnomes, but by the system of carrying out power which has been depriving people of their rights and wasting the fruits of their labor," Walesa said.

"The time of social and political monopoly is ending. We need a restructuring that will turn the one-party state into a state of the nation and the society," he said.

Known as the round table, the talks are the first between Solidarity and the government since the union was suppressed by the martial-law crackdown in December 1981.

"If we work out at the round table . . . a confirmed consensus on the idea of non-confrontational elections as well as support for planned political and economic reforms, there will be an immediate possibility" to allow more than one trade union to

exist at a given factory, Kiszczak said.

Kiszczak called for changes in electoral laws and a new parliament that would "represent a coalition of forces."

Solidarity has expressed willingness to see the opposition enter parliament. But it is reluctant to endorse opposition participation in a Cabinet that, despite reform, is likely to be dominated by the Communist Party.

Kiszczak, a member of the ruling Politburo, said if Solidarity were legalized, it "cannot return to old ruts,

becoming the source of anarchy and tensions."

Walesa "accepted all of Kiszczak's suggestions in the name of the side he represents," Polish TV reported.

"We are saying words, but Poland needs facts, new, brave actions. . . . All Poles will take account of our every word and every decision and also, and maybe first of all, our lack of decisions," Walesa was quoted as saying.

"The biggest problem we have to fight now is the catastrophe of the Polish economy," he said.

"We were brought together here by the sense of responsibility for the future of our motherland. We are all responsible for the Poland to be," Kiszczak told the participants, the state-run news agency PAP reported.

"We must accept the philosophy of necessity alongside that of the gradual

Committee) recommended it." The TPAC proposal suggested limiting parking lot use to drivers with permits, he said.

"I don't agree with that (proposal) either, but at least some students could use the lot," he said.

hours for students, much less so for faculty.

"The Ad Hoc Committee proposal significantly impairs free, safe access for commuter students to computing and library facilities during evening hours, making any available parking

pricey or dangerously distant."

The Student Government proposal recommends putting a gate up at one lot for use by holders of all valid campus parking permits and monitoring which group uses the lot the most: faculty, staff or students. The

remaining two lots, it says, should remain ungated and open for anyone to use at night.

Martin said, "It's not safe for them (students) to be parking far away. It's not even the way the TPAC (Transportation and Parking Advisory

Children are routinely immunized and cannot legally start school unless they have been vaccinated against measles on or before their first birthday, she said.

In addition, no employers in Orange County have taken any special actions to immunize their workers.

Jim Huegerich, crisis counselor for the Chapel Hill Police Department, said the department has not considered the problem yet.

"It's not something we've needed to get involved in," he said.

Fred Marricks, sheriff's supervisor and assistant chief of the fire department, said his department has not had any problems with measles and has not received any special information from the town.

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VACCINATION INFORMATION

Shots available at Woollen Gym: 9 a.m.-9 p.m. today and Wednesday. Students should present identification or student I.D. number. Avoid driving to gym because of traffic congestion.

Student Health Service will notify by mail students who need the vaccination.

Symptoms include: fever, red eyes, runny nose and a cough. 24-48 hours after these symptoms develop, a rash will appear, starting behind the ears and on the neck and then spreading all over the body.

Vaccine

weekend, he said.

Twenty nurses from SHS, UNC's School of Nursing and the county Health Department administered the shots Monday. UNC Pharmacy School students loaded the syringes used in the vaccination.

Ginger Sandlin, director of nursing at SHS, said she expected the vaccination process to move quickly. During the last student inoculation at NCSU, she said, nurses were able to perform three injections per

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ON CAMPUS INTERVIEWS WILL BE HELD ON TUESDAY, FEB. 7TH. TO SCHEDULE AN INTERVIEW, CONTACT THE PLACEMENT OFFICE.

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