

World and Nation

Bush blasts Social Security tax cut

From Associated Press reports
WASHINGTON — President Bush on Wednesday lambasted a proposed Social Security tax cut as sleight of hand but labeled as "innovative thinking" a plan that eventually would make the retirement system private.

Bush said he was "not prepared to endorse" a plan sponsored by Rep. John Porter, R-Ill., and the House Republican whip, Newt Gingrich of Georgia. "It's worthy, though, of consideration, of some study," he said.

"People are concerned about Social Security, so when you have innovative thinking of that nature, I don't want to

just gun it down," Bush added. "I'm not going to support it."

Under the Porter-Gingrich proposal, Social Security taxes would be gradually channeled into a type of mandatory Individual Retirement Accounts. As workers' IRAs grew, their claim on Social Security would decline. By the time today's workers are retired — about 50 years from now, Porter estimated — Social Security would be fully privatized.

Seldom since Republican nominee Barry Goldwater's losing 1964 presidential campaign has a national GOP

figure spoken publicly of even the remote possibility of replacing Social Security with private retirement plans. The president's refusal at a news conference to reject the Porter-Gingrich proposal was quickly criticized by Sen. Daniel Moynihan, the New York Democrat whose own tax-cut plan was dismissed by Bush.

Moynihan, who is considered one of the government's top authorities on Social Security, said of the Republican congressmen's proposal, "The president described that as 'innovative thinking.'"

"Was it innovative thinking after 50 years of steady payments to start dismantling Social Security? I don't think so."

The subject of Social Security arose at Bush's news conference when he was asked about Moynihan's plan to roll back this year's tax increase and reduce one scheduled next year. The aim of the bill — which has attracted widespread interest, if not support, in Congress — is to halt the use of surplus Social Security taxes to make the federal deficit appear far smaller than it is.

Bush said he sees no need for any major change in Social Security at this time. "I think the system has been, in and out over the years, basically a pretty fair system," he said.

Moynihan's bill is "a disguise for increased taxes around the corner," Bush said. "This is a... sleight-of-hand operation," he added, noting that shortly after Moynihan outlined his plan, Sen. Ernest Hollings, D-S.C., proposed to replace revenues from the reduced Social Security taxes with a national sales tax.

"There is no sleight of hand whatsoever," Moynihan replied, "and I do not

see that there was any need to make such a characterization."

Lawmakers from both parties have expressed displeasure that Social Security surpluses — which are building at the rate of \$1 billion a week — are being used for deficit reduction, rather than being invested solely for the benefit of future retirees.

Moynihan has been speaking on this issue for months. But it grabbed public attention for the first time when, during a slow news period over the December holidays, he called for cutting the taxes if they are not going to be saved for Social Security.

There were these other developments Wednesday:

■ Bush said Congress should wait to see his own proposal for gradually taking Social Security surpluses out of the federal deficit calculation. That long-range plan, starting in 1993, would require that a growing portion of the surplus be used to retire publicly-held debt.

■ House Speaker Thomas Foley, D-Wash., said he has serious reservations about Moynihan's proposed tax cut, which would require Congress to find an additional \$55 billion for deficit reduction this year. He said he fears that instead of raising taxes or cutting spending to make up that loss, Congress and the president would opt for increased borrowing.

■ Reps. Byron Dorgan, D-N.D., and Richard Durbin, D-Ill., proposed to roll back only this year's increase in the Social Security tax rate — which rose from 7.51 percent to 7.65 percent of the first \$51,300 of wages. Congress then could use the rest of this year to devise a plan for ensuring that Social Security taxes are used solely for Social Security.

Romanian protesters accuse government of deception

From Associated Press reports
BUCHAREST, Romania — Hundreds of protesters broke through lines of police and soldiers Wednesday and surged toward government headquarters, demanding the leadership resign and accusing it of being a front for Communist rule.

The crowd of about 1,000 people at Victory Square pushed through two lines of unarmed police and then through a line of armed soldiers who took no strong action to hold them back.

The army moved in tanks very slowly, and the crowd retreated, still chanting "Communists in disguise!" and "Elections without the Front!" — a reference to the National Salvation Front's plans to participate in elections May 20.

The Front, which has been governing Romania since dictator Nicolae Ceausescu was ousted Dec. 22, had said it would not run candidates in the election. On Tuesday, however, it reversed itself.

E. German economy threatened

EAST BERLIN — East Germany's economy may collapse within a year unless the Communist government discards central planning and embraces radical market reforms, a prominent economist said in an interview published Wednesday.

"The house is on fire, and the government is wasting time posturing. Every attempt to shore up a planned economy must be resisted," Siegfried Schiller said in an interview with the newspaper Die Union, distributed by the official news agency ADN.

Schiller, the Communist deputy

News in Brief

director of Dresden's economic research institute, said East Germany must adopt investment incentives that will allow West German businesses to profit from joint projects. He called the government's expressed fear of a sellout "demagoguery."

Pressure for conversion to a market economy has been building in recent weeks. East German economic performance last year was the worst in a decade — growth of only 2 percent, less than half the goal set by planners.

Child-burner on probation

LOS ANGELES — David Rothenberg will never forgive his father for setting him on fire, saying Wednesday's release of the man who disfigured him leaves him terrified despite unprecedented measures to keep the felon away.

"Obviously, he is very concerned, and he has every reason to be," said Tipton Kindel, spokesman for the state Department of Corrections in Sacramento.

Rothenberg, 49, wearing an electronic leash to monitor his movements during his three-year probation, "was escorted out of the prison by motor vehicle" at 12:40 a.m., said Kindel.

"He is out on parole, and he has reached his destination," the spokesman said, declining even to disclose whether Rothenberg was paroled within the United States.

The older Rothenberg "said he was afraid and upset, but he didn't elaborate," Kindel said.

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Congress

cluded in the guide. "There is far more information than can possibly be presented in a guide."

In other business, congress approved a resolution requiring The Daily Tar Heel to return student fees over a three-year period, but with an amendment specifying that the DTH editor must still be elected rather than appointed by members of the staff.

Dula and Mark Bibbs (Dist.12)

expressed concern that the DTH would later privately appoint the editor, limiting its effectiveness as a student newspaper.

Tonya Blanks, acting president of the Black Student Movement (BSM), spoke against the resolution.

She said she questioned whether campus coverage would be fair once the DTH became incorporated. "The

BSM has a question about the coverage it will get," she said. "What will make (the DTH) any different from, say, The Carolina Critic?"

But Buchenau said he believed coverage of student groups would be "basically unaffected" by the change. "Our present level of control (over the DTH) is minimal to begin with. Student government is probably not the best body to exert control over a newspaper."

Congress also passed a resolution to

support efforts of the Graduate and Professional Students Federation (GPSF) to lobby for higher graduate student stipends.

Congress also passed a resolution in favor of a Chapel Hill Town Council proposal to make a portion of the Cameron-McCauley Street area a historic district and a resolution to make the language of the Instrument of Student Judicial Governance more gender-inclusive.

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Middlebury

or six other housing facilities will become part of these "houses."

UNC's Greek system is not moving towards such a drastic change, said Donald Boulton, UNC Dean of Student Affairs.

"I would certainly never move towards this in terms of coeding unless the students were for it," Boulton said.

"I don't know if we want to embark upon human engineering and tell the students how to live."

But because Middlebury requires students to live on campus and the university owns the fraternities' houses and property, it is understandable why the trustees made this decision, Boulton said.

"We don't require students to live on campus at UNC, and we don't own the fraternities' houses," Boulton said. "These things will not happen here because of these facts."

Surprised at Middlebury's decision, UNC Panhellenic Council President Becky Mustard said the type of programs discussed might be limited for these new "houses."

"If the fraternities did go coed, issues such as date rape might not be looked at from the same angle," Mustard said. "I also think both male and female autonomy may be lost in such a move. I wonder why they wouldn't look to bring sororities back into their Greek system first."

Whether or not women will want to take part in the new social/housing organizations is an interesting question, said Ann Hanson, Dean of College at Middlebury.

"The fraternity housing is the nicest on campus, and people have questioned why it has only been available to males," Hanson said. "We hope to make our solution fair to the fraternities and attractive to females as well."

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