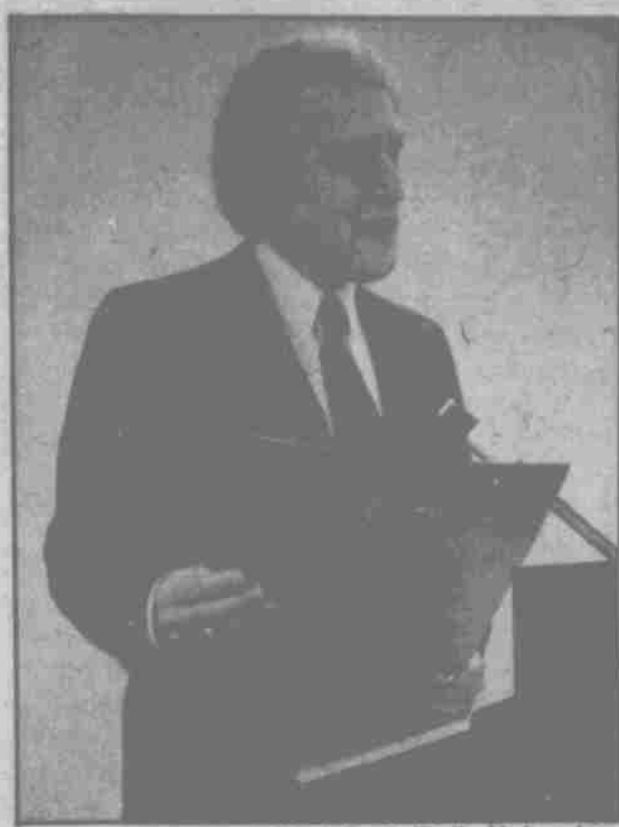


# Daily Nebraskan

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Mark Davis/Daily Nebraskan  
Louis Rukeyser

## Recovery means deficit reduction

By Matt Okerlund

Louis Rukeyser, economist and host of television's Wall Street Week, said Wednesday the nation's economic recovery will falter by 1985 if the federal government does not begin to reduce its deficit.

In a press conference at the Cornhusker Hotel, Rukeyser said the Reagan administration has not met its promise of reducing the federal government's financial share in the overall economy. Instead, it has increased its share from 23 percent in 1981 to 25 percent last year.

If the federal government "continues to run deficits at the projected rates," Rukeyser said, "we are going to see a clash between public and private borrowing that is going to make any sustained, long-term economic recovery in this country impossible."

At the end of fiscal 1983, the deficit was nearly \$200 billion, almost tripling the \$60 billion deficit Reagan encountered when he entered office.

However, Rukeyser said, the federal government must be cautious against pursuing deficit reduction policies that will actually hurt the recovery.

Releasing its 1985 fiscal year budget to Congress Wednesday, the Reagan administration asked for domestic spending cuts of only about 5 percent from last year's figures, despite pressure from many Democrats in Congress for a larger reduction. In his State of the Union address last week, Reagan proposed a bipartisan effort among members of Congress to come up with a plan to cut the deficit in half over the next three years.

Rukeyser said the federal government can reduce the deficit in two ways: through a strong economic recovery or through a reduction in federal spending.

overly or through a reduction in federal spending.

The major stumbling block to reducing the deficit is not military spending, Rukeyser said, but entitlement programs such as Social Security.

As long as the nation had many people working and relatively few in retirement, he said, "there was no problem whatsoever" in financing entitlement programs. However, over the last two decades the federal government has dramatically increased social benefits. And if these increases are not reduced by the end of the next decade, he said, the nation will have "the average working stiff in this country paying half his income to support people in retirement at a higher level than he is living himself."

Rukeyser said he expects the economic recovery to maintain a steady pace through 1984.

## Bills would regulate financial institutions

By Stacie Thomas

State legislators discussed six of 12 bills designed to prevent another insolvency similar to Commonwealth Savings Co. at a public hearing Tuesday night.

Sen. Vard Johnson of Omaha, chairman of the 16-member special legislative committee, called the bills remedial legislation and said they are not intended to be a direct solution to the Commonwealth problem. Instead, the bills are intended to prevent another

insolvency, he said.

LB699, introduced by Sen. Glen Goodrich of Omaha, would prohibit the chartering of new industrial loan and investment companies and would require existing industrials to be federally insured within a year or be dissolved by the Banking Department.

Goodrich said because banks and savings and loans were deregulated, they have absorbed the middle ground that industrials occupied.

"There is no justification for having industrial loan and investment companies anymore," he said.

Sen. John DeCamp's bill, LB899, is similar to LB699 in that it would require the industrials to become federally insured. LB899, however, would give the industrials a six-month deadline, rather than a year as in LB699. DeCamp said the processing time for federally insuring the industrials has been shortened so the six-month deadline is reasonable.

LB899 would allow new charters to be issued, but DeCamp said, "I don't think anybody in the room needs to worry about any new charters being issued."

Former Nebraska Gov. Robert Crosby, 1953-55, testified in support of LB899 and part of LB699. He said he supports the federal insurance proposal. Crosby said the fact that other industrial loan and investment companies have sur-

vived runs since Commonwealth failed proves the industrial's strength.

Crosby said the other industrials have suffered guilt by association since Commonwealth's failure — the only failure in the 50-year existence of the industrials.

DeCamp also introduced two other bills. LB939 and LB940 were based on two recommendations presented by the Miller-Domina report.

LB939 would require any officer or director of a financial institution to report any violation of law or insolvency of an institution to the state banking director. Failure to do so would be a misdemeanor.

LB940 would require the state banking director to take any evidence of possible criminal activity uncovered in examinations of financial institutions to the county attorney or state attorney general. Failure to do so would constitute malfeasance of office.

"I personally think they may be a sample of overkill and may cause more problems than they solve," DeCamp said.

DeCamp said he thought the bills would create panic and too much paperwork because they include too many technicalities. The laws exist to prevent another Commonwealth if properly enforced, he said.

Continued on Page 2

## Union Board continues plans for computer room in union

By Jon Taylor

The Nebraska Union Board voted Tuesday to invite two computer representatives to continue negotiations about locating a computer terminal room in the union. The board also passed a motion requesting Sue Hansen, planning committee chairwoman, to organize a task force to further investigate the proposal to renovate the women's first floor lounge into a computer room.

In opposition to the computer room proposal, Deb Swinton, a senior, presented petitions totaling 170 signatures, 65 of which, she said, were collected in one day without solicitation. She read a letter written by freshman Susan Kadavy who could not attend the meeting, urging the board to reconsider. In the letter, Kadavy cited the lounge as "a popular gathering place...that al-

lows for a wide range of activities."

Swinton described the lounge as a peaceful place to get away from the pressures of school.

As a health and human development major, Swinton said the lounge promotes better mental health, because it allows women a chance to relax and unwind.

"Without the lounge, the university will be a colder place for us," she said.

Laura Williams, a junior, spoke in favor of the computers and said there are many other places to relax in the union, including the smaller second floor lounge that she said was rarely crowded. Williams said the benefits of a computer room in the union would be important because individuals from sororities, fraternities and off campus would not have access to the residence hall computers after hours.

Continued on Page 3

## Thursday

### Inside

- Nebraska's "bong bill" may not be a hit with store owners who allegedly sell drug paraphernalia ..... Page 3
- The Lincoln Jazz Society provides a home for the lovers of be-bop, swing and stride ... Page 7
- The Cornhusker men's and women's basketball teams took on Oklahoma State Wednesday night at the Bob Devaney Sports Center ..... Page 10

### Index

Arts and Entertainment.....	7
Classified .....	11
Crossword .....	1
Editorial.....	4
Off The Wire .....	2
Sports .....	10



Craig Andresen/Daily Nebraskan

"There's supposed to be a lot of them in here but I don't know where they're at," said Bruce Soukup of Strand, as he fished from his ice house Saturday on Branched Oak Lake near Lincoln. Story is in today's Kaleidoscope on page 6.