

White House outlines aid program for college students



President Bill Clinton

WASHINGTON — Students who perform community service could work off \$13,000 in college tuition, get a modest stipend and qualify for health care and day-care benefits under President Clinton's national service program. According to a White House outline of the program, the plan to be unveiled Friday also includes a more controversial component to make higher education affordable: a \$25 billion federal government takeover of the college loan program. Clinton said during the cam-

aign he would like to have the IRS collect loan money from students, but Deputy Education Secretary Madeline Kunin said Thursday that the Department of Education would hire private contractors to collect debts for now. Neither the community service program nor the loan overhaul would be fully in place before 1997, but Clinton promised last month that the program eventually would "change America forever and for the better." Clinton sketched the broad outlines of this program March 1; he

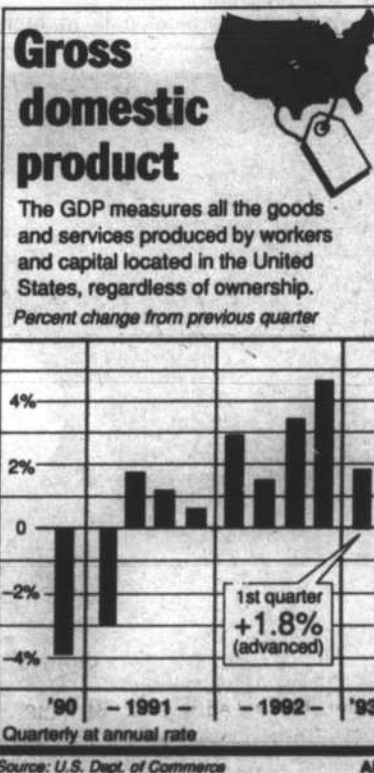
scheduled a speech Friday to students at the University of New Orleans to promote it now that draft legislation is ready to send to Congress. Some 150,000 students would join the National Service Corps by 1997, when the program is fully phased in. Students could work full-time for up to two years, earning \$6,500 a year in tuition credits. Payments would be made directly to schools. The \$13,000 is substantially less than the average cost of tuition but equals the average debt among

graduating students. Students, age 16 or older, could serve after high school and before, during or after they attend a college, university or vocational school. The White House outline also says participants "without access to health insurance will receive health coverage." Federal money would pay up to 85 percent of these costs. Participants also could get "child day-care benefits was not specified in the outline."

Economy slumps to 'anemic' rate

WASHINGTON — Consumers turned cautious and military spending plummeted during the first three months of the year, dramatically slowing the economy's growth rate to just 1.8 percent, the government said Thursday. President Clinton and top Cabinet officers immediately seized on the number in their fight to salvage parts of the \$16 billion jobs bill blocked by Senate Republicans last week. The latest increase in the gross domestic product was less than half the robust 4.7 percent annual rate of the fourth quarter, the Commerce Department said. Clinton said the report "proves we were right" and supports "implementing the budget commitment that the Congress has made to reduce the deficit and to increase targeted investments that will generate jobs." His budget director, Leon Panetta, said, "Right now this is an anemic, no-jobs recovery... It should be obvious that the recovery needs a significant

boost." Senate Republican Leader Bob Dole of Kansas said the president's tax-and-spend policies depressed the economy by scaring business executives, consumers and investors. "The American people are grading the president with their pocketbooks," he said. Economists had anticipated a somewhat better first-quarter rate of between 2 percent and 2.5 percent. Some attributed the slowdown to temporary factors, including a severe East Coast storm in mid-March, smaller-than-usual tax refunds and an inevitable retreat by consumers' after a holiday spending spree that pushed the fourth-quarter growth rate to a five-year high. Other analysts, pointed to longer-lasting drags on the economy, including slumps in Europe and Japan, which are depressing U.S. exports sales, and continuing defense cuts. Stock prices dipped after the report's release. Bond prices rose be-



cause the disappointing news made it less likely the Federal Reserve would raise interest rates.

Governors want freedom to spend federal dollars

WASHINGTON — Money alone won't buy happiness for the nation's governors. They'd like to see more federal spending on education, health, transportation, housing and other programs. According to an Associated Press survey of governors, what they covet even more is the freedom to spend federal dollars however they choose. "Rarely does money come from Washington with no strings attached, even though the states are in the best position to determine how best to implement programs that benefit their own residents," said Illinois Gov. Jim Edgar, a Republican. President Clinton already has told the Department of Health and Human Services to give states more flexibility in administering Medicaid. Oregon has been given a waiver that will allow it to treat more people, but reduce the number of covered treatments.

And Vermont has gotten administration permission to cut benefits for people who don't find jobs or accept public service work after 2 1/2 years on the Aid to Families with Dependent Children welfare program. The costs of AFDC is shared by the states and federal government. The AP survey of dozens of governors found that many would like to see that freedom extended beyond health and welfare programs. Said Vermont Gov. Howard Dean, a Democrat: "The truth is, I would tell them to keep their money and just give us our flexibility, particularly in the areas of education, health care and housing."

Search of compound turns up 70 bodies

WACO, Texas — Investigators ended their search for bodies in the charred Branch Davidian compound Thursday after finding more than 70. That would be at least a dozen fewer people than cult leader David Koresh had claimed were with him. There was no immediate word of whether Koresh's body was among those found. Thirty-two of the victims were found in a fortified first-floor room. Officials gave conflicting reports Thursday on whether three or seven of the bodies examined so far had gunshot wounds. The wooden buildings were leveled in an inferno April 19, ending a 51-day standoff between the cult and

federal authorities. The fire began after FBI tanks punched holes in the buildings and pumped in tear gas; authorities say cult members started the fires, but some survivors dispute that. Four more bodies — all of cult members who died in shootouts Feb. 28 after the federal raid that began the siege — remained in underground tunnels at the compound, said Mike Cox, a spokesman for the state Department of Public Safety, which is heading the cleanup. Investigators saw those bodies during an initial search of the tunnels but couldn't immediately remove them because the tunnels were flooded from heavy rains and contained human

waste dumped there during the standoff. Workers had hoped to enter the area by Thursday, but overnight rains forced them to spend the day pumping water out of the tunnels, Cox said. At midday Thursday, officials removed what they said were the final victims of the standoff's sudden conclusion. The bodies were found in the same cinderblock room where 25 other victims and about 1 million rounds of ammunition were located, said David Pareya, a McLennan County justice of the peace. Another nine bodies were on top of the structure, he said.

Ohio officials cited the 1990 Clean Air Act as one area in which the federal government has directed how federal funds should be spent. Oklahoma Gov. David Walters said the federal government provided no money to implement the Safe Drinking Water Act.

Bosnian factions agree to one last peace effort

UNITED NATIONS — With the threat of U.S. air strikes imminent, Bosnia's warring parties agreed Thursday to a last-ditch effort to resolve the conflict with weekend peace talks in Athens. U.N. diplomats said they considered the Saturday-Sunday talks to be a final chance to reach agreement on an international peace plan that only Bosnian Serbs had rejected. Muslims and Croats have signed. U.S. Ambassador Madeleine K. Albright said it could be the Bosnian Serbs' "best opportunity to reach a peace agreement. Let's hope they are wise enough to take advantage of it." She earlier refused to say if air strikes would be launched if Serbs persist in rejecting the plan. She said the United States had not decided its course.

The meeting... will give all parties a chance to discuss how the plan meets the various security concerns of all parties. —Eckhard spokesman for international mediators

Strike

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Woodward said 17 workers crossed the picket lines and returned back to work since the strike began, but the rest are without jobs, at least temporarily. "Technically you can't be fired for striking because you have the right to do so," he said. Greer, a 17-year union member but now a management member, said production inside the plant was running at less than 20 percent. He said it was hard to go to work when his co-workers were outside picketing.

"It's very stressful," he said. "They are hollering and yelling at you, but that goes along with the strike." A negotiating team from American Signature met with representatives of the three local unions Tuesday and Wednesday. The company submitted five new proposals that include a two-year contract, a \$250 bonus, a 2 percent across-the-board wage increase effective in March 1994 and keeping health care contributions at present levels. Woodward said the negotiations were unproductive and wouldn't continue until next Tuesday in Atlanta.

"The \$250 signing bonus was a slap in the face," he said. "Money is not the issue, we haven't gotten a raise, and we're not asking for an increase." When the strike eventually ends, Greer said it would be difficult to go back to work. "I really don't know how that will be," he said. "I imagine it will be a bitter pill for both of us to swallow, but if we want to make the company grow and a success, we'll just have to set some of this stuff aside and get back to business."

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In Washington, Secretary of State Warren Christopher said the resumption of talks would not affect President Clinton's consideration of tougher steps, such as military strikes. Fred Eckhard, spokesman for international mediators, said all three parties — Muslims, Croats and Serbs — accepted the offer to meet in Athens Saturday and Sunday. "The meeting... will give all parties a chance to discuss how the plan meets the various security concerns of all parties, especially the Bosnian Serbs," Eckhard told reporters.

Bosnian Serbs said Thursday that their self-proclaimed assembly would reconvene May 5 to re-examine the plan it rejected Monday. The Croats and Muslims, the other warring parties in the yearlong conflict, have signed the plan. The assembly's decision came after Bosnian Serb leaders met in Belgrade, Yugoslavia with Serbian President Slobodan Milosevic, their main backer. The U.N. announcement, on behalf of mediators Cyrus Vance and Lord David Owen, said the decision to reopen the talks was influenced by the apparent Bosnian Serb concession.