

# Group wants soda kept from children

WASHINGTON (AP) — They say the danger is real, even if it fizzes when you pour it over ice.

Soda pop has long been the dentist's scourge, but now a consumer group wants it banned from schools, taxes placed on its sale and an end put to ads for it that target children.

Industry groups say it's just the "food police" up to their old tricks.

The Center for Science in the Public Interest on Wednesday sought to pop the lid off the sugary drinks it says make up a dangerous portion of the American diet.

"The average American is drinking twice as much soda pop as in 1974," said the center's executive director, Michael Jacobson. And one-fourth of the teen-agers who drink soda get 25 percent or more of their calories from it, he said.

"Those calories, of course, come from sugar, and teens consume two to three times as much sugar as government guidelines recommend," Jacobson said.

Standing next to a wall of gleaming red, blue, green and silver aluminum cans, Jacobson urged states to tax soda sales to pay for health education campaigns. He called on soft drink makers to end their marketing to young people and denounced deals that soda companies with schools, such as the University of Nebraska-Lincoln, to place vending machines on campuses.

Soda industry executives were quick to accuse the group of promoting "unfounded consumer alarm."

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**JIM FINKELSTEIN**  
National Soft Drink Association.

nutrition claim," said Jim Finkelstein of the National Soft Drink Association. "Consumers are smart enough to make their own choices."

Another industry group, the Grocery Manufacturers of America, dismissed the anti-soda campaign as "another tiresome tirade" by the center, which has previously decried the dangers it sees in Big Macs, eggs, saccharin and the fat substitute olestra, as well as Chinese food and theater popcorn.

Jacobson said he's not "telling people that they will die if they ever drink a can of soda pop."

But he linked soda consumption to obesity, kidney stones, heart disease and calcium deficiency in teenagers, although he offered little scientific evidence. The statistics on how much soda people drink came from surveys by the Agriculture Department, he said.

# Hurricane aid tangles Puerto Rico's politics

SAN JUAN, Puerto Rico (AP) — When Hurricane Georges demolished thousands of Puerto Rican homes, it also handed supporters of statehood a valuable gift: a chance to prove that it pays handsomely to be part of the United States.

The federal government's mighty relief effort — at \$1.5 billion and counting — has been caught up in a political storm, with critics accusing Gov. Pedro Rossello of exploiting it to boost the statehood side in an upcoming vote on the island's status.

Statehood supporters, meanwhile, dismissed opposition calls that the Dec. 13 vote be put off until the island recovers.

Asked about the charges and countercharges during visit last week, James Lee Witt, the head of the Federal Emergency Management Agency, said relief efforts always are susceptible to use by politicians in their propaganda, but cannot be a factor in his agency's actions.

The Sept. 21 hurricane — considered the worst to hit Puerto Rico in 70

years — came as the island is preparing for a referendum on whether to continue its current status or opt for statehood or independence.

The United States, which has controlled Puerto Rico since driving out the Spanish a century ago, is not bound by the vote, but President Clinton has said Congress should honor the result. The current lawmaking body, however, appears unlikely to approve of expanding the union.

The last referendum, in 1993, was narrowly won by supporters of the current "commonwealth" status, whereby Puerto Ricans are U.S. citizens with limited rights and duties. Only a tiny minority supports independence.

Statehood supporters deride being a commonwealth as a colonial status, noting that islanders cannot vote for president or for Congress, which has ultimate control here.

Commonwealth supporters fear statehood would dilute their Hispanic culture and make English the dominant language.

# Toy-maker recalls cars prone to catching fire

WASHINGTON (AP) — In one of the biggest toy recalls ever, Fisher-Price is telling Power Wheels owners their battery-operated hot rods could burst into flames if not repaired.

Fisher-Price, the toys' maker, has agreed to make free repairs on up to 10 million Power Wheels cars and trucks sold in the last 14 years.

The Consumer Product Safety Commission said the flawed electrical systems have sparked 150 fires that burned nine children and caused \$300,000 in property damage to 22

homes and garages.

The safety agency also has another 700 reports of electrical components failing or overheating, causing smoke or melted parts, and complaints about the toys failing to stop when the foot pedal is released.

Parents were told to remove the 6-volt batteries and take the toy to a Fisher-Price repair shop for a free overhaul. Sold since 1984, the toys are designed for children ages 2 to 7 and carry such names as Barbie Jeep, Big Jake and Extreme Machine.

# IRS may create tax on tips

Restaurant owners protest law they say infringes on code of honor

WASHINGTON (AP) — Uncle Sam doesn't serve the food or the wine, but the government is insisting on its share of the tip.

The Internal Revenue Service has won another round in its long court battle to force restaurants to cough up payroll taxes on tips, even if they're not reported to employers as required by waiters, waitresses, busboys and bartenders.

Although the IRS insists its new focus is a voluntary program based on educating restaurant employees, the recent U.S. Court of Appeals decision marks the second time a federal appellate court has certified the government's authority over tips.

The National Restaurant Association promised Thursday to continue the fight, both in court and in Congress, to shift the IRS tax burden to the employees.

"They shouldn't be able to go after the employers for something that is clearly the employees' responsibility," said Kathleen O'Leary, lobbyist for the 175,000-restaurant organization.

At stake are billions of dollars in cash tips plunked down on tables at eateries and taverns that do \$250 billion in business each year. No one is sure how much people dole

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out in cash tips, because unlike in credit card transactions, few records are kept.

In 1996, the most recent year complete records are available, \$6.2 billion in tips were reported to the IRS from food and beverage establishments — an amount the agency believes is less than one-third the real amount.

Employees are supposed to report all tip income to their employers each month so that both can contribute their proper shares of payroll taxes into the Social Security fund.

"The tipped employees are, in effect, bound by an honor system," observed a three-judge panel of the U.S. Court of Appeals for the Federal Circuit in its decision last week.

When the employees fail to

keep their end of the bargain, however, the judges said the law still makes employers liable for payroll taxes. The panel upheld the IRS' power to use a formula to estimate what the business should owe, without trying to track down the employees first.

"Congress specifically contemplated the assessment of an employer-only (payroll) tax when employees do not accurately report their tips," the judges wrote.

But representatives from the National Restaurant Association said the IRS is overstepping its boundaries.

"We believe Congress never meant to give the IRS a way to force restaurant owners to become the tip police," said Herman Cain, chief of the National Restaurant Association.

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