

News Digest

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U.S. posts record budget surplus in 2000

President Clinton announced the surplus just two weeks before the election. THE ASSOCIATED PRESS

WASHINGTON — Flush with tax revenues from a booming economy, the federal government posted a record \$237 billion surplus for the budget year that ended in September, the Clinton administration announced Tuesday.

It marked the third straight year of surpluses, something that hasn't happened since the late 1940s.

Social Security taxes provided nearly \$150 billion of the surplus.

"This is the third surplus in a row — the first time our nation has

done that in 51 years, since 1949, when Harry Truman was president," Clinton said on the South Lawn during an event to push his education initiatives.

Clinton said that in 1993, the federal deficit was \$290 billion, the national debt had quadrupled in 12 years and economists predicted that this year, instead of a \$237 billion surplus, we would have a \$455 billion deficit.

Then he used the new surplus numbers to plug Vice President Al Gore's bid for the presidency.

"Working together we turned that around — not by chance, but by choice," Clinton said.

The official announcement of the 2000 surplus comes only two weeks before voters elect a new president. A major point of contention between Gore and Texas

Gov. George W. Bush, the Republicans' choice, has been what should be done with surpluses that are projected to total \$4.6 trillion over the next decade.

Bush has proposed a \$1.3 trillion across-the-board tax cut, while Gore has proposed smaller, targeted tax cuts and more government spending.

The government's 2000 surplus surpassed the previous record of \$124.4 billion for fiscal year 1999 and came on top of a \$69.2 billion surplus in fiscal year 1998. The 1998 surplus marked the first time the government had managed to finish in the black since 1969.

The last time the government reported three consecutive years of surpluses was in 1947, 1948 and 1949.

"This is the third surplus in a row — the first time our nation has done that in 51 years, since 1949, when Harry Truman was president."

President Bill Clinton

The record-breaking economy is in its longest-ever streak of uninterrupted growth. Americans are enjoying plentiful jobs, low inflation — outside of the recent burst of energy prices — and rising incomes. The prosperity also is helping to generate more tax revenues.

Economists say one of the cornerstones to the prosperity has been low unemployment.

The surging economy pulled the nation's unemployment rate back down to a three-decade low of 3.9 percent in September from an already low 4.1 percent in August.

Clinton last month had estimated a surplus of around \$230 billion for the recently ended fiscal year and the Congressional Budget Office was predicting \$232 billion.

World/Nation

The Associated Press

■ Maine Religious sect member shows babies' bodies to investigators

BAXTER STATE PARK — A man who stonewalled investigators for months about two children missing from his Massachusetts religious sect led a search team Tuesday to two tiny bodies buried deep in the Maine wilderness.

The remains, believed to be those of Jeremiah Corneau, who investigators believe was still-born or died within minutes of his birth, and 10-month-old Samuel Robidoux, were found in makeshift pine coffins in a remote part of Baxter State Park.

David Corneau, father of Jeremiah and a member of the sect, used a hand-drawn map to pinpoint the site after he and searchers were flown to the area by float plane.

The nearest road is five miles away.

The search in the 200,000-acre park in northern Maine began one day after Corneau agreed to lead authorities to the bodies in exchange for immunity from prosecution for himself and his wife.

■ Washington, D.C. House passes bill to provide research chimps sanctuaries

The United States would establish a network of chimpanzee sanctuaries under a bill passed by the House on Tuesday.

The sanctuaries would care for the animals after they are no longer needed for biomedical research. The measure, which passed on a voice vote, would allow spending up to \$30 million to set up the centers, which would be managed by a nonprofit private entity.

Chimpanzees used by non-government researchers could also be admitted to the preserves, space permitting, for an entrance fee.

The Senate has not yet taken up the measure.

■ Arizona Teen takes classroom hostage at his old elementary school

GLENDALE — An armed teen-ager briefly held a classroom full of children and a teacher hostage Tuesday at his former elementary school before surrendering to authorities. No one was injured.

The former student at Pioneer Elementary School gave up after talking with members of a police SWAT team, police spokesman Matt Brown said. The standoff in the eighth-grade classroom lasted about an hour.

"He came here with a purpose, but thank goodness he didn't carry it out," Brown said.

Brown said the portable classroom was full when the student walked in with a 9mm handgun, but he gradually let students go.

There were still several people in the room when the student surrendered.

■ Washington, D.C. Free-trade deal protects Jordan workers' labor rights

WASHINGTON — The United States and Jordan signed a precedent-setting free trade deal Tuesday that for the first time would protect labor rights and environmental standards, long a goal of two major Democratic constituencies.

The deal, which would remove all trade barriers between the two nations over the next 10 years, is only the fourth such pact the United States has with other countries. The others are with Canada, Mexico and Israel.

Negotiators, working around the clock, completed final review of the document only hours before a White House signing ceremony Tuesday attended by President Clinton and Jordan's King Abdullah.

Clinton called the deal "a landmark achievement" because of its inclusion of labor and environmental safeguards.

Another oil suit settled

THE ASSOCIATED PRESS

WASHINGTON — Kerr-McGee Corp. has agreed to pay \$13 million to resolve allegations it underpaid royalties on oil it took from leased federal and Indian land during the period between 1988 and 1998, the Justice Department said Tuesday.

The settlement brings to more than \$275 million the amount the government has recovered from 10 oil companies as a result of a private whistleblower lawsuit originally filed under the False Claims Act. More cases are pending.

Mike Bradford, U.S. attorney for the eastern district of Texas, said, "This settlement brings us one step closer to restoring to the taxpayers and Indian tribes of the United States the money due for production of oil on public lands."

The settlement agreement was signed by representatives of the Navajo Nation — the largest Native American tribe in the Southwest — and the Assiniboine-Sioux tribe as well as the federal government and Kerr-McGee.

Two private whistle-blowers, J. Benjamin Johnson Jr. and John Martinek, who filed the original complaint in U.S. District Court in Lufkin, Texas, against Kerr-McGee, will share in the settlement.

The whistle-blowers alleged that 17 companies underpaid royalties on oil taken from more than 27 million acres of leased federal and Indian land in 21 states. They alleged that together the companies submitted more than 500,000 false claims and damages and penalties may exceed \$5 billion.

In their 1996 lawsuit, the whistle-blowers accused the companies of paying royalties based on a posted well-head price rather than the fair market value.

The case is scheduled for trial in March 2001, but companies have been negotiating settlements.

Ex-spy chief's return troubles Peru

President Alberto Fujimori says he has control of the military; experts have doubts. THE ASSOCIATED PRESS

LIMA, Peru — As their country sinks deeper into political crisis, worried Peruvians are trying to understand what is happening.

Does the return from exile of Peru's feared former spy chief mean a showdown for power with President Alberto Fujimori? Or are Fujimori and the ex-spy chief working together to try to win impunity for officials tainted by corruption?

The answers were unclear Tuesday. But growing numbers of Peruvians, from retired generals to office workers, were dubious that Fujimori was in control of events.

Fujimori visited military installations Tuesday, seeking to reassure Peruvians that he was in charge of the armed forces and there was no threat of a rebellion by supporters of the powerful former spy chief, Vladimiro Montesinos.

His visits came a day after Montesinos made an unexpected return from exile in Panama, where he fled a month ago after the airing of a videotape showing him apparently bribing an opposition congressman.

A man identified as Montesinos by the Radioprogramas radio station told the station he had coordinated his return with Fujimori. In the interview, conducted by phone after he called the station, he said Fujimori called him on a cell phone when his plane stopped in Guayaquil, Ecuador, for refueling.

Montesinos said he had to abandon Panama because his life was in danger from Peruvian guerrillas and drug traffickers seeking revenge for his role in combating them.

But opposition leaders and analysts say Montesinos has returned to use his influence in a desperate bid for laws granting amnesty from prosecution for himself and cronies who dominate Peru's armed forces.

The government has insisted



Peruvian President Alberto Fujimori, center, speaks with Chief of Special Forces, Peruvian General Luis Arista, at a military base in Lima, Peru. Peru's former spy chief Vladimiro Montesinos left Panama and returned home Monday, deepening a political crisis and further endangering Fujimori's already shaky hold on power. First Vice President Francisco Tudela, one of Fujimori's strongest backers, resigned in protest over Montesinos's return and moved to give the military widespread amnesty.

on the amnesty law as a condition for ratifying special elections next year that would cut short Fujimori's third five-year term. Fujimori, whose re-election this year was tainted by widespread irregularities, announced in September that he was stepping down over the Montesinos bribery scandal.

Independent Congressman Rafael Rey said that regardless of Montesinos' intentions, "his

presence is destabilizing."

Montesinos, whose allies control the army, the courts, the election board, the tax collection agency and many media outlets, is viewed by many Peruvians as more powerful than Fujimori.

He was free to return to Peru because there are no charges pending against him. Before he fled to Panama, a prosecutor ruled there were insufficient grounds to charge him in the

bribery scandal.

Fujimori emerged from the Government Palace after midnight Monday to defiantly declare: "I exercise total control of the armed forces and I absolutely deny the possibility of a breakdown of constitutional order."

Military experts quickly labeled Fujimori's declarations and officer transfers as a charade to convince Peruvians that he was in control of the military.

Clemens disciplined after beaming Piazza with bat

THE ASSOCIATED PRESS

NEW YORK — New York Yankees pitcher Roger Clemens was fined \$50,000 Tuesday for throwing the jagged barrel of a shattered bat toward New York Mets catcher Mike Piazza in Game 2 of the World Series.

Clemens wasn't suspended for throwing the broken bat in the first inning of Sunday night's game, and baseball didn't disclose the amount of the fine. But two baseball officials with knowledge of the fine, speaking on condition of anonymity, told The Associated Press it was \$50,000.

Clemens engaged in "inappropriate conduct," according to a statement by Frank Robinson, baseball's vice president in charge of discipline. Robinson didn't elaborate on his conclusions.

"I have been advised of the fine," Clemens said in a statement issued before Game 3.

"I want to stay focused on the task at hand, helping my team win the World Series, so I do not intend to consider the question of an appeal or respond to questions about the fine or the incident itself

until this series is over."

When told of the punishment for Clemens, Piazza responded: "It's all irrelevant. It doesn't matter. I have no opinion."

The players' association has seven days to decide whether to appeal Robinson's decision to Paul Beeston, baseball's chief operating officer.

"It will all be handled after the World Series," said union head Donald Fehr.

Umpires during Game 2 concluded that Clemens, who beamed Piazza on July 8, didn't deliberately throw the broken bat at the catcher. Clemens wasn't ejected and pitched eight two-hit shutout innings in the Yankees' 6-5 win.

"I think it was handled appropriately," Mets general manager Steve Phillips said. "If they had come back and said they didn't want to do anything, that's fine, too. It wouldn't have broken our hearts either way."

While pitching for Boston in 1990, Clemens was ejected during a game against Oakland in the AL playoffs by umpire Terry Cooney, who said the pitcher was cursing at him.

Weather

TODAY

Thunderstorms
high 66, low 57

TOMORROW

Scattered showers
high 67, low 43

Daily Nebraskan

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