

Federal reserve reduces interest rates

■ The Bush administration is using the spreading economic weakness to sell Congress on its \$1.6 trillion tax cut.

THE ASSOCIATED PRESS

WASHINGTON - The Federal Reserve, pledging a "rapid and forceful" response to the economy's dramatic slowdown, cut interest rates on Wednesday by another half percentage point.

It was the second rate reduction in January and was viewed as a strong signal the central bank plans to move as aggressively as it can to fight the growing threat of a recession.

The widely expected rate cut drew a far more muted response on Wall Street than the Federal Reserve surprise announcement of its first half-point reduction on Jan. 3. That move had triggered the biggest one-day rally in Nasdaq's history.

On Wednesday, the Dow Jones industrial average ended the day up just 6.16 at 10,887.36 while the Nasdaq fell by 65.62 to 2,772.73, a reaction analysts attributed to

profit taking.

The Federal Reserve said it was lowering its target for the federal funds rate, the interest that banks charge each other, to 5.5 percent. It had been at 6.5 percent at the beginning of this month, reflecting six rate increases from June 1999 to May 2000 as the central bank pushed rates higher to slow growth and combat inflation.

The two half-point cuts marked the first time in Federal Reserve chairman Alan Greenspan's 13-year tenure that the central bank has reduced the funds rate by a full percentage point in a single month.

The Federal Reserve's action meant a further drop in borrowing costs for millions of Americans as commercial banks immediately announced reductions in their prime lending rate, the benchmark for many business and consumer loans, by one-half point to 8.5 percent.

The Federal Reserve statement cited a long litany of economic troubles that had caused it to act.

"Consumer and business confidence has eroded further, exacerbated by rising energy costs that continue to drain con-

sumer purchasing power and press on business profit margins," the Federal Reserve said in its statement. "Taken together, and with inflation contained, these circumstances have called for a rapid and forceful response of monetary policy."

Analysts viewed the back-to-back half point reductions and the Federal Reserve's strong language as a clear signal more rate cuts are coming.

"The Fed is telling us that they are going to do whatever they possibly can to keep us out of a recession," said Martin Regalia, chief economist at the U.S. Chamber of Commerce.

The Federal Reserve's action came after the government reported Wednesday that economic growth slowed to just 1.4 percent at an annual rate in the final three months of 2000, the weakest increase in the gross domestic product in more than five years.

Greenspan had told Congress last week that growth in the current quarter could be "very close to zero." He said whether the economy averts a full-blown recession would be determined by how much worried

consumers cut back on spending.

The Conference Board on Tuesday said that its closely followed consumer confidence index fell for a fourth straight month in January, dropping by the largest amount in four years.

Allen Sinai, chief economist at Decision Economics in New York, said factors such as how much businesses cut back on production and the impact of the California energy crisis will determine whether the GDP turns negative in the first quarter. He said he was currently forecasting a 0.5 percent growth rate.

"For sure, we are going to have a recession-like environment. That is already here," Sinai said. "The hope is that this aggressive easing of monetary policy will limit any downturn and shorten its length."

The Bush administration has used the spreading economic weakness to sell Congress on the need to act quickly on its \$1.6 trillion tax cut. President Bush told reporters Tuesday that he would refrain from any further direct comments on federal reserve action in order to respect the central bank's independence.

World/Nation

The Associated Press

Arkansas

Third-grader suspended for using chicken finger as gun

JONESBORO - An 8-year-old boy was suspended from school for 3 days after pointing a breaded chicken finger at a teacher and saying, "Pow, pow, pow."

The incident apparently violated the Jonesboro School District's zero-tolerance policy against weapons. The boy was suspended last week.

Kelli Kissinger, mother of first-grader Christopher, said she believed the punishment was too severe.

"I think a chicken strip is something insignificant," she said. "It's just a piece of chicken. How could you play like it's a gun?"

South Elementary principal Dan Sullivan said he was prevented by law from discussing Christopher's suspension.

Sullivan said the school has zero-tolerance rules because the public wants them.

Washington, D.C.

New camouflage uniforms modeled by Marine Corps

One year in the making, the Marines are test-wearing a new uniform with a computer-designed camouflage pattern that has more brown tones to keep troops better hidden on the battlefield.

Marine Corps Commandant Gen. James L. Jones modeled a version of the new uniform on a trip to San Diego last week.

Marines at bases in Twentynine Palms and Camp Pendleton, Calif., and on the island of Okinawa, Japan, have begun wearing the new uniforms to test several optional features such as zip-off sleeves and Velcro pocket closures.

Capt. Pete Mitchell, a spokesman at Marine Corps headquarters in the Pentagon, said the new camouflage pattern will make Marines harder to spot by the enemy while also distinguishing Marines from members of other services. There will be a desert pattern and a woodland pattern.

The Marines also are testing a new desert boot made of "rough out" suede that requires no polishing.

Bush pledges justice in Lybia case

THE ASSOCIATED PRESS

WASHINGTON - President Bush pledged Wednesday to keep pressure on Libya to admit responsibility for the 1988 terrorist bombing aboard Pan Am Flight 103 and compensate survivors of those who were killed.

"Nothing can change the suffering and loss of this terrible act, but I hope the families do find some solace that a guilty verdict was rendered," Bush said.

A Scottish court on Wednesday convicted a Libyan intelligence officer of murder in the bombing that killed 270 people. The court sentenced Abdel Basset Ali al-Megrahi, 48, to a minimum of 20 years in prison. Al-Megrahi maintained his innocence, an indication he will appeal.

A second Libyan, Lamen Khalifa Fhimah, was acquitted.

State Department spokesman Richard Boucher told reporters Wednesday that al-Megrahi was a high-ranking agent of Libya's Jamahiriya security organization.

"The verdict established quite clearly the personal responsibility of an individual who is a Libyan government security service agent. The Libyan government, as a whole, therefore, bears responsibility for the actions that were taken," he said.

Libya's U.N. ambassador said his government respects the verdict but denies it was involved in the crime. Ambassador Abuzed Omar Dorda said Libya would honor any financial penalties assessed as the result of civil action in Scottish courts.

But he said the government had been cleared of any link to the crime when prosecutors dropped conspiracy charges against the defendants.

President Bush earlier Wednesday said, "I want to assure the families and victims the United States government will continue to pressure Libya to accept responsibility for this act and to compensate the families."

The families called for Bush to support U.N. sanctions, which have been suspended, and to support their pending lawsuits against Libya and Libyan leader Moammar Gadhafi.

Skier convicted for recklessness

■ The California man was found guilty of negligent homicide and sentenced to 90 days in jail.

THE ASSOCIATED PRESS

EAGLE, Colo. - A skier was sentenced to 90 days in jail Wednesday for a deadly collision on the slopes at Vail four years ago, which prompted a crackdown on reckless skiing.

Nathan Hall, 21, who was convicted of negligent homicide, wept in court as he apologized to the family of Alan Cobb, the 33-year-old Denver man who was killed in the collision.

"I stand before you guys knowing I've taken a human life, a life obviously very special and valued by a lot of people," said Hall, who stopped several times to compose himself. "In no way feel I've suffered even a small fraction of what I've put you guys through."

"Now that I've had a chance to explain my feelings and express my apologies. I feel like I can finally start a new beginning with my life."

Hall, who had faced up to six years in prison, remained free on \$15,000 bond.

Hall also must perform 240 hours of public service - about a month's worth of eight-hour days - and is barred from drinking alcohol and recreational skiing as part of a proba-

tionary term.

Hall's lawyer promised to appeal, saying the judge should have given jurors the option of convicting his client of a misdemeanor.

"I was absolutely appalled and shocked at their decision to appeal," said Christi Neville, Cobb's fiancée. "I was very satisfied with the sentence of 90 days and probation, but their decision to file an appeal negates everything they said today."

The case has been closely watched by the ski industry. Ski safety experts said Hall was the first person to be convicted at trial of killing another skier. In 1989, Texas skier Howard Hidle hit and killed an 11-year-old girl at Colorado's Winter Park resort. Hidle, who pleaded no contest to criminally negligent homicide, later committed suicide.

Vail earlier settled a lawsuit by Cobb's family for about \$300,000.

Hall had just ended his shift as a lift operator and was heading down the mountain when he struck Cobb on April 20, 1997. Hall, who was 18 at the time, admitted he was skiing too fast.

Hall, of Chico, Calif., said he remembers losing control and trying to regain it, but doesn't recall the collision itself. He said it was an accident, and criminal charges were unjust.

"I never had any intent or made a conscious decision to endanger the

"I was absolutely appalled and shocked at their decision to appeal."

Christi Neville
victim's fiancée

life of another person," he told "Dateline NBC" for an interview aired Tuesday night.

"If I was aware of those risks, there's no way I would have been skiing that fast."

Two courts had thrown out the case, but the Colorado Supreme Court ordered it to trial. Hall was charged with reckless manslaughter, which carries up to 16 years in prison, but jurors instead found him guilty of the lesser charge.

Cobb's death and the subsequent deaths elsewhere of Michael Kennedy, Sonny Bono and several other skiers were followed by a crackdown on reckless skiing at several major resorts.

There were 30 skiing or snowboarding deaths last year compared with 39 the year before.

"You're surrounded by safety messages at every single ski resort," says Jim Felton, a spokesman for Breckenridge, the nation's busiest resort for two-straight years.

Concealed guns bill debated

HANDGUN from page 1

over to citizens who plan to hide them can't possibly lead to safer communities, he said.

"I don't believe concealed weapons are the answer," he said. To holster their undercover pistols, citizens would have to file for a permit with the sheriff of the county where they live.

When they apply, the candidates would have to show several forms of identification, fork over a set of fingerprints and prove they are at least 21 years old. The paperwork would then shuffle to the Nebraska State Patrol for background checks.

William Woods, a spokesman for the Nebraska Council of Sportsmen's Clubs, said if the bill passes, Nebraska would join the ranks of 43 states that let citizens carry concealed weapons.

Ron Grapes, a spokesman for the Nebraska Shooting School Association, said these other states have been brave enough to protect their citizens.

Police officers can enforce the law, but he said, they can't guarantee the safety of every citizen because they are tremendously outnumbered.

"They can't be every place all of the time," he said.

Steve Grabowski, a spokesman for the Nebraska Fraternal Order of Police, agreed police can't be everywhere.

But, he said, tossing more weapons into the mix, especially if they are hidden, doesn't improve safety.

In fact, he said more weapons jeopardize the safety of every person, including police officers.

All afternoon, proponents and opponents clashed over whether more guns can be equated with greater safety.

Sen. Ernie Chambers of Omaha wrapped up the attitudes of the anti-concealed weapon crowd.

"I don't believe in craziness," he said.

Meth lab busted, more may come

BY CHARLIE KAUFFMAN

There's one less methamphetamine lab in Lincoln thanks to a tip that came to Crime Stoppers this week.

But police say the fight to shut down all the labs in Lincoln has just begun.

A tip from the Crime Stoppers line led police to a suspected methamphetamine lab and its suspected operator Wednesday morning.

The Lancaster County Narcotics Task Force raided the suspected lab at 332 W. Rio Road at 3 a.m. Wednesday morning.

Police arrested Robert Steven Anderson, 36, who is accused of operating the lab. Police anticipate more arrests in the case.

"We are continuing to actively investigate this case," Lincoln Police

Chief Tom Casady said, "but this is just the tip of the iceberg."

Casady confirmed police did seize meth and meth ingredients from the lab, which he said was operational. Casady said he didn't know how much of each were seized.

Police had been monitoring the lab for months and finally had enough information to apply for and serve a search warrant early Wednesday morning.

"Like many good criminal investigations, this one began with a tip to Crime Stoppers," Casady said.

"We need the public's help in providing us with information."

Casady encouraged the public to call Crime Stoppers to report any illegal activity, pointing out that informants are monetarily rewarded for tips resulting in arrests.

Casady said this marks the third such lab discovered in Lincoln this year, with a fourth lab discovered just outside the city limits.

Casady said there are probably more meth labs in Lincoln that have not yet been raided.

"The problem of methamphetamine labs is here," Casady said.

"We have been expecting meth labs to pop up."

Casady said meth labs are extremely dangerous because of the volatility of the ingredients - especially anhydrous ammonia.

"Any time a meth lab is operating inside a building, everyone inside the building is in danger," Casady said.

People with information about suspected drug labs or other criminal activity can call Lincoln Crime Stoppers at (402) 475-3600.

It's that time again: The tax man calls

BY LAUREN ADAMS

A college student with extra money is about as uncommon as predictable weather in Nebraska.

Keeping your checking account out of the red can be especially difficult this time of year. Tuition bills, spring break and that special Valentine's Day gift all compete for the last few dollars sitting in your bank account.

Donating plasma, getting another job or reducing spending aren't the only options to get some cash.

Filing an income tax return could actually get you some extra money.

Although most students have a negative perception of taxes, they can be done easily and bring financial benefits, said Kim Norrie, a spokeswoman at the Nebraska Department of Revenue.

Not only could filing your income tax get you some quick cash, but you don't even have to leave home. The Nebraska Department of Revenue has three different tax programs that can be done from the comfort of your residence hall room, greek house or apartment.

The Nebraska TeleFile system allows taxpayers to file income tax returns over the phone. All the necessary information can be entered on the telephone keypad.

Eligible taxpayers will receive a Nebraska TeleFile booklet in the mail that contains all the necessary instruc-

tions. Norrie said the department sends the booklet to all taxpayers who qualify - anyone who filed taxes last year.

The Electronic Filing program can be used to file both federal and state income taxes. For a fee of about \$10, taxpayers are guided through an online tax return form. Because of the simple layout, no tax knowledge is necessary to fill out the form. The returns are received within six to ten days, Norrie said.

"The real benefit of filing your taxes online is that you get the return faster, and it's all electronically done," Norrie said.

Norrie said there is less than a 1 percent error rate when filing taxes online.

The Quicken Tax Freedom Project is a free option for taxpayers who make less than \$25,000 a year. The Quicken Project is the same as the Electronic Filing, except it's free. The Quicken Tax Freedom Project can be accessed at www.quicken.com/freedom.

Students can get more information on TeleFile and Electronic Filing at www.nol.org/revenue.

Freshman pre-veterinary major Laura Krause said even though it sounded convenient, she felt she lacked the knowledge to file taxes online.

Some students may feel more comfortable hiring professionals to do their taxes.

Krause gets her taxes done by H&R Block.

Deb Freese, a tax consultant at H&R

Block, said the biggest benefit of hiring a professional is the guarantee they send out with each return.

"We have a computer system that will check the accuracy of each return, and we know exactly when the IRS receives the paperwork," Freese said.

Not only is it accurate, she said, but the tax consultants try to make the process as simple as possible.

"Students can call in and make an appointment to come in and discuss their situation with a consultant," she said.

Freese recommended students wait until after Feb. 10 to call for an appointment.

"The last week of January and the first two weeks of February are our busiest times," said Freese.

It only takes about a half hour to get all the information filed and sent out, Freese said. The return may qualify in as little as two to three days. An IRS check will take approximately two to three weeks.

Freese advised students to begin gathering records of expenses to bring into an appointment. Freese said she encouraged students to ask any questions they may have. H&R Block representatives will answer questions for free.

"If a student has any questions about their taxes, they can come in, and we'll be happy to answer them," Freese said.

DailyNebraskan

Weather

TODAY	TOMORROW
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