

Thursday



Weather

Higher temperatures and occasional night, thin clouds are forecast for today.

Today's high: near 60. Low: mid-30s. Yesterday's high: 56. Low: 30.

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Entertainment

The race for this year's Academy Awards is on with two of the five films vying for Best Picture — "Amadeus" and "Passage to India" — in the lead with 11 Oscar nominations each.

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**Downtown gusher** — Tucson water department employees George Clark and Luis Lopez watch as a broken 16-inch water main sends a jet of water 100 feet into the air. The burst line left some downtown residents without water for 30 minutes or more. *Steve Jilb*

## Reagan asks Congress to simplify taxes in '85

By Michael Putzel  
The Associated Press

WASHINGTON — President Reagan, in his fourth State of the Union address, asked Congress yesterday to pass this year — a tax simplification bill that he said would help untangle "the tremendous post-up power of our economy."

He finished with two introductions he said demonstrate "the axiom: 'Anything is possible in America.' One was Army Cadet Juan Nguyen, "an American hero," who arrived in the United States 30 years ago as a refugee from Vietnam and is now graduating from the West Point Military Academy. Seated next to the first lady was 70-year-old "Mother" Clara Hale of Hartem, whom Reagan saluted for her work with infants born to heroin addicts.

The evening dissolved into a rendition of Happy Birthday for a man who said, "Thank you for making the 35th time I have been 39 the happiest of them all."

See SIMPLIFY, Page 3A

## Grant quits post at TUSD for new role

By Susan M. Knight  
The Arizona Daily Star

Merrill Grant will step down today as superintendent of the Tucson Unified School District, taking a new assignment as special assistant to the school board.

After 5 1/2 years as superintendent of the state's largest school district, Grant said yesterday that the action is "my move, my decision completely."

"I've really finished my work in the Tucson Unified School District. I have accomplished my goals and objectives."

He added, "In terms of time, I have nothing to be ashamed of. It's a proud moment for me."

Grant said considering that he plans to leave TUSD in June, "You have to have someone providing, more stability than I'm providing at this point."

Grant's leadership has been controversial, particularly since last spring when the Coalition for Educational Excellence sharply criticized TUSD planning, finances and leadership.

The coalition called last month for Grant's "immediate removal."

When asked if the coalition had forced his decision, Grant said, "I'd be less than honest if I said so."

The coalition put pressure on district workers, charging them to waste time reviewing to various, unresolvable problems in the district and "the development of information daily," Grant said.

Coalition members have said the information they requested pointed to "excesses" in his planning and problems in district finances.

Grant said that as special assistant his duties will be to assist the board.

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## Military retirement pay

Annual pay based on years of service

| Rank                 | 20 years | 30 years |
|----------------------|----------|----------|
| General (O-10)       | 34,349   | 51,524   |
| Major General (O-9)  | 34,349   | 51,524   |
| Major General (O-8)  | 32,595   | 51,003   |
| Brig. General (O-7)  | 23,840   | 34,813   |
| Colonel (O-6)        | 22,629   | 38,966   |
| Lt. Colonel (O-5)    | 20,400   | 31,793   |
| Sgt. Major (E-9)     | 12,447   | 21,582   |
| Master Sgt. (E-8)    | 10,910   | 19,259   |
| Sgt. 1st Class (E-7) | 9,626    | 17,226   |
| Staff Sgt. (E-6)     | 8,431    | 12,647   |

Retirees' income is taxable. Retirees retain right to military medical care, exchange privileges, military golf courses, social clubs, etc.

## Audit of AHCCCS finds muddle

By Larry Lopez  
The Associated Press

PHOENIX — Arizona's Medicaid alternative was set up too quickly by the Legislature, supervised too little by the executive branch and attorney general, and administered badly by the private company picked to run it, according to an independent audit released yesterday.

But the \$400,000 audit, performed

by Price Waterhouse for state Auditor General Douglas Norton, takes no clear stand on who owes what to whom, the subject of an ongoing court battle and an original reason for seeking the audit.

McAfee Systems Group Inc., the private company that used to run the state's Medicaid alternative, may have overbilled the state by up to 25 percent, but the state itself is partially to blame and won't be able to

recover it all, the auditors said.

McAfee claimed victory at a news conference after the audit's release and said it would sue the document to press for at least \$1.8 million and perhaps as much as \$3.3 million of its unpaid claims.

Deputy Attorney General Kathy Ravel, who is fighting the claims, predicted the state would prevail, however, saying the auditors did not

See INDEPENDENT, Page 2A

## U.S. opens full-scale hunt to find 'Angel of Death' Mengele

By Merrill Hartson  
The Associated Press

WASHINGTON — Attorney General William French Smith said yesterday he has ordered a full-scale investigation into the whereabouts of Josef Mengele, the Auschwitz concentration camp doctor who is called "one of the world's most vicious criminals."

Smith said at a news conference that the inquiry was triggered in part by the disclosure of a declassified military document indicating that U.S. occupation forces may have arrested and freed Mengele in Austria in 1947.

"The allegations have been such, and the public interest has been such, that it seemed to be appropriate" to open the investigation, he said.

"We will use the effective techniques which OSI has used in the past to trace and locate Nazi war criminals," Smith said, referring to the department's Office of Special Investigations.

"We intend to be thorough. We also expect to have a speedy investigation," he said.

Mengele, referred to as the "Angel of Death," was a

physician and former major in the Nazi secret police, and is wanted by the West German government on murder charges.

Among his alleged crimes were experiments on twins and the gassing and cremation of prisoners at the Auschwitz camp, where an estimated million Jews and others were killed.

He would be 71 if still alive. Mengele was reportedly last seen in Paraguay in the 1950s.

Last month, a Jewish group said it had obtained

See U.S. 380B-LIVES, Page 2A

## Military pensions emotional issue

Compiled from wire services

WASHINGTON — The Pentagon is setting aside more money this year to pay retirement benefits than it is for buying Navy ships or Air Force fighter jets.

The retirement cost budgeted at more than \$9 billion, is more than it takes to operate the entire U.S. Army for a year, and could buy all the Army's weapons and the Air Force's missiles with enough left over to fund the MX missile and the "Star Wars" Strategic Defense Initiative.

The average serviceman who draws from this fund is retiring from a non-combat job. He is 42 years old and will draw half-pay for more years than he spent in the service — along with low-cost housing loans, medical service and other benefits. (The average retired officer draws a pension of \$17,500 a year while the average enlisted man gets \$5,000 a year, according to the Retired Officers Association, a private group.)

In most cases the retiree's second-career job will

See MILITARY PENSION, Page 6A

## News analysis

### News

**Parkway still alive.** An area transportation panel declines to kill the Rillito Parkway plan, but says it wants to hire a consultant to find another route. *Page 1B.*

**It's here.** Type A influenza has arrived in Tucson, and if you've got it, you'll know it. *Page 1B.*

**Cat fits.** Animal control officials expect an emotional response from the public to their proposal to require rabies vaccinations for cats. *Page 1B.*

**Liquor accord.** The state says it will end an investigation into whether a company has ties to organized crime when the firm lands in its liquor license. *Page 4B.*

**Winter won't quit.** Snow blankets the Northeast, while torrential rains hit the South and freezing cold breaks records as far south as California's citrus groves. *Page 2A.*

**MX and the Aussies.** Secretary of State George Shultz says the United States will go ahead with MX tests in the Pacific Ocean despite Australia's decision to withhold assistance. *Page 3A.*

**No "Barbie doll."** A Michigan congressman's wife sends a revealing photo of herself to a Washington magazine to emphasize her resentments at being stereotyped as a "dolls Barbie doll." *Page 18A.*

**Return to Rome.** Pope John Paul II is back in the Vatican after a 12-day Latin America visit, during which he was impressed by the strength of the people despite "unacceptable poverty." *Page 7A.*

**Homeward bound.** Exiled opposition leader Kim Dae-Jung is returning to South Korea after two years in the United States. *Page 7A.*

**Neighbors.** On a string, David Totch took his daughter to a kite store to buy a kite and came away with a hobby for himself. *Page 1C.*

### Money

**Losing year.** Phelps Dodge Corp. reports a net loss of \$38.8 million for 1984 after a fourth quarter operating loss of \$23 million. *Page 1B.*

**Having tax problems?** You're not alone — state officials made a mistake on a form that could end up costing extra money for those seeking to claim a "resort" credit. *Page 1B.*

### Sports

**Detroit Darryl.** Darryl Rogers announces his resignation as Arizona State football coach to become the coach of the Detroit Lions of the NFL. *Page 1F.*

**Stanford in town.** The UA basketball team will try to average a 35.5 wins to Stanford when the teams play tonight at McKale Center. *Page 1F.*

### Lifestyle

**Who will be there?** Grandchildren of Southern Arizona Inc. is formed to continue care for the chemically mentally disabled when their families are no longer available. *Page 1D.*

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