

LINCOLN, NEB.

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THE LINCOLN STAR

\$4.2 billion tax hike OK'd

WASHINGTON (AP) — The House Ways and Means Committee Wednesday approved \$4.2 billion in tax increases, fulfilling its mandate for raising new revenues set in the 1981 budget.

The tax-writing panel approved the package of tax changes during a day of closed-door meetings. It also agreed to \$1 billion in reductions in spending under its jurisdiction.

The bulk of the new tax money — \$4.1 billion — would be raised through a version of a Carter administration plan to speed up payments of estimated taxes by large corporations.

However, the panel altered clear of President Carter's controversial plan to raise \$4.2 billion by imposing withholding on some interest and dividends.

The panel also rebuffed Carter's proposed hospital cost containment plan in its package of savings.

Its major savings would be achieved by forcing a bookkeeping change in the Medicare program and by denying special trade adjustment

unemployment benefits to workers whose firms supply parts to another company hurt by foreign competition.

By restricting eligibility to the so-called trade adjustment assistance program, the government would save \$822 million. By paying Medicare benefits to hospitals only after bills are received, instead of on an estimated basis, the health program for the elderly would cut costs \$875 million.

Besides the change in taxing large corporations, other proposed tax revisions would raise:

- \$400 million through a House-passed bill to restrict tax-exempt mortgage bonds for single-family housing.
- \$400 million by keeping the telephone excise tax at 2 percent in 1981, instead of reducing it to 1 percent as was decided 10 years ago as part of a phaseout of the tax.
- \$500 million through a new tax on oil and hazardous chemicals to create a fund to clean up oil spills and chemical dumps.

- \$100 million by taxing profits by foreigners on the sale of U.S. real estate.
- \$100 million by taxing a worker's Social Security payroll deductions if it is paid by an employer, removing the advantage of this practice to the worker.

Added to the committee said the total comes to more than \$4.2 billion because of rounding off the figures.

The Senate Finance Committee, which has yet to complete work on its package of proposed revenue-raising measures, is considering a similar mix of tax increases although the mortgage bond proposal is not included.

The Ways and Means Committee voted to require corporations with taxable income exceeding \$1 million for any of the three preceding years to pay an estimated tax of at least 40 percent of their current year's tax liability.

The administration had proposed that large corporations be required to pay an estimated tax of at least 40 percent of its current year's

tax liability in 1981 and at least 60 percent thereafter.

The Finance Committee proposal would set the estimated tax at 30 percent in 1981.

Currently, corporations with no tax liability in the previous year do not have to pay any quarterly estimated tax during the next year. They would be required, however, to make their tax payments at the end of the year.

The Finance and Ways and Means committees were ordered to propose \$4.2 billion in new taxes as part of the drive to balance the \$814.4 billion budget for fiscal 1981, which starts Oct. 1.

Under the order, known as reconciliation, the tax proposals must be forwarded to the Senate and House budget committees by July 2. They will then be put in a package of proposed spending cuts and tax increases for a vote by the full House and Senate.

News Digest



'Empire Strikes Back' better than 'Star Wars'

By the way, the Empire Strikes Back is better than Star Wars. Page 11

Carter to OK N-fuel for India

(c) New York Times
WASHINGTON — India would receive U.S. nuclear fuel under an executive order that President Carter has decided to sign, White House officials said. A major congressional effort to block the sale is expected because India has refused to promise not to detonate nuclear devices.

Public works program agreed to

(c) New York Times
WASHINGTON — A \$2 billion local public-works program has won the reluctant acquiescence of the Carter administration, according to administration and congressional sources.

Jogger going strong at 111

PEKING (AP) — A 111-year-old Chinese man proves you're never too old to jog, according to a Sports News report here Wednesday.

"Life depends on exercise," Tang Taosheng was quoted as saying.

Silkwood's roommate is OK

OKLAHOMA CITY (AP) — Sherry Ellis, the missing former roommate of nuclear safety critic Karen Silkwood, reportedly as made at least two phone calls saying she is all right.

She was reported missing Monday by relatives who had last seen her Saturday night.

Miss Ellis told an unidentified friend in Oklahoma City Wednesday she "needed to get away for a few days" because she was under a lot of pressure in connection with the recent completion of her book about the Silkwood case, according to her sister, Linda Ellis.

World entering perilous time

LONDON (AP) — Both the United States and the Soviet Union have switched their attention from deterring to developing their military force, and the world is "entering a period of real danger," the International Institute for Strategic Studies said Thursday.

Planes collide; 10 die

ASPEN, Colo. (UPI) — Two light planes collided head-on over the summit of 14,155-foot Maroon Pass Wednesday afternoon, killing all 10 people aboard.

Four Aspen-area residents were aboard one of the planes, a Cessna 172, and six people were aboard the other, a Cessna 310, authorities said.

One plane was found about 50 feet below East Maroon Pass, while the other was spotted about a half-mile from the first.

'Hazzard' crewman killed

LAKE SHERWOOD, Calif. (AP) — A camera truck for the "Dukes of Hazzard" television series flipped over during a dry run of a high-speed chase Wednesday, killing one crewman and injuring eight others, officials said.

A CBS spokesman said none of the show's stars was involved in the accident.

Scattered thundershowers

LINCOLN: Scattered thundershowers Thursday. Highs near 80. Winds becoming east to northeast 5 to 15 mph. Lows Thursday night in upper 50s.

More weather, Page 16

Today's Chuckle

A real-estate bargain is when you get good neighbors.

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ERA flunks Illinois test

SPRINGFIELD, Ill. (AP) — The Illinois House on Wednesday failed to ratify the Equal Rights Amendment, failing a surprising five votes short of the 107 needed to pass.

The vote was 107-11 in favor of ERA. It came after more than 14 hours of debate and a day of feverish pro-ERA lobbying that included telephone calls from President Carter to two wavering black lawmakers.

Sponsors had said all day they felt they had lined up the 107-vote three-fifths majority needed to approve a proposed constitutional amendment.

It was the seventh time the Illinois House has defeated the ERA since 1972; the Senate has defeated it four times. It has been approved by each chamber once, but not in the same year.

The galleries were packed with spectators wearing pro-ERA green and anti-ERA red as legislators debated the controversial issue.

Supporters argued ERA was needed to assure women equal pay, job opportunities and financial credit.

"I've heard it said women ought to be put in their place," said Rep. John McHenry, D-North Chicago, a chief ERA sponsor. "I don't believe it. I think women and men belong everywhere in the great country."

But opponents argued ERA would cause federal interference in states' rights and promote homosexuality, abortion and a military draft of women.

"I am a soldier, and you don't know what you're doing," said Webster Borchers, R-Decatur. "You people up there that are for the ERA are condemning your daughters, your granddaughters to death (in military) units."

Rep. William J. Laurito, a Chicago Democrat recently hospitalized with a heart condition, flew in specially to vote on the amendment, but wound up casting no vote at all.

Reps. Douglas Hart Jr. and William C. Henry, both black Chicago Democrats, voted in favor of the amendment after receiving calls earlier in the day on behalf of ERA from Carter.

The amendment can still be called for another vote in the House.

Illinois, the only major Northern industrial state not to approve the amendment, was targeted by the National Organization for Women and other pro-ERA groups for a major ratification drive this spring.

Scores of "ERA Action Teams" have combed the state for support, and more than 20,000 persons showed up in Chicago on May 19 for a pro-ERA march and rally.

On Wednesday, ERA lobbyists clad in Kelly green wandered through the Capitol, mixing with agitating opponents wearing bright red.

'Flash' darkens city

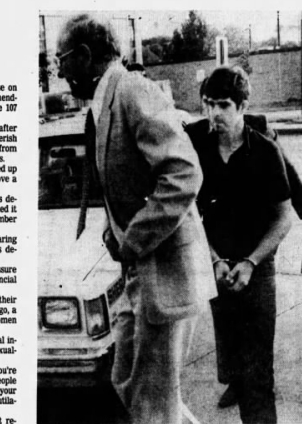
Lightning knocked out two major electrical substations, darkening southeast Lincoln late Wednesday night and a 6 p.m. storm caused other outages, a power company spokesman said.

Early Thursday morning Lincoln Electric System crews worked to restore an outage in an area bounded generally by A Street and Old Cheney Road from 4th Street to 70th Street, LES representative Frank Grant said.

Two substations feeding that area failed when lightning struck a 115,000-volt transmission line.

Waverly, Neb., had a late-night outage because of lightning, Grant said, but the extent of damage there was unknown.

The 6 p.m. storm blew three tree lines, each in a 12,000-volt line, and caused a loss of power for about an hour, Grant said.



Lahnens (left) escorts Benes into jail.

Hallam man held in death of sister

By Mike Goff
Star Staff Writer

HALLAM — Deputies arrested a 29-year-old Hallam man Wednesday night in connection with the shooting death of his sister, Lancaster County Sheriff Dale Adams said.

The suspect, Dale Benes, allegedly shot the woman from a barricaded position in the basement while she stood on the back porch of the home where he lived alone.

Killed by a 12-gauge shotgun blast through the porch floor was Betty Jo Gagner, 31, 204 S. St., Lincoln. She is believed to have gone to her brother's home earlier Wednesday afternoon to talk him out of the house, deputies said.

Deputies began observing the man's house, one block south of the Rusty Buck Tavern, about 4 p.m. after receiving a telephone call notifying them of a possible hostage situation, County Attorney Ron Lahnens said.

About two hours after a mental health warrant had been issued for Benes to pick up his sister, telephone conversations with his father suggested a hostage situation had developed, Lahnens said.

"In fact, there never was a hostage situation, but we did not know that until later," he added.

Benes, who refused to answer the telephone in the white, two-story house, did call his father at 7:30 p.m., deputies said.

"Just after that, while the sheriff and I were enroute to Hallam, radio transmissions said the suspect had talked with his father and had surrendered," Lahnens said.

Neighbors said Benes, who lived across the street from the home of his son and his estranged ex-wife, had failed to report to work this week at the Lincoln Electric System Hallam plant.

However, deputies added that it was unknown whether the man was simply using days off.

Deputies had been in contact with the man's relatives earlier in the week about other mental-related problems, but he had been unable to contact him, Lahnens said.

Lahnens said he intends to consult with medical personnel before filing charges.

Experts testify Guatney competent to stand trial for 2 boys' murders

By Paula Dietrich
Star Staff Writer

"Three out of four expert witnesses Wednesday testified that William Guatney, accused of the 1973 deaths of two Lincoln boys, is competent to stand trial."

Lancaster County District Judge Samuel Van Pelt continued the hearing until a time yet to be assigned for sometime Friday or early next week.

Guatney, a 30-year-old, transient, nicknamed "Fright Train" because he traveled by rail to fare and livestock shows across the Midwest, has been charged with first-degree murder for the deaths of Jacob Suter, 13, and Jon Simpson, 11, when bodies were discovered days after they disappeared at the 185 Nebraska State Fair.

Defense attorneys Dennis Kende and Rodney Balen of the Lancaster County public defender's office requested the hearing when Guatney advised them he wanted to stand trial.

In February, he was described as psychotic with an organic brain disorder and found incompetent to stand trial. Authorities transferred him from the City-County Jail to the Lincoln Regional Center.

Regional center Dr. L.C. Woyansek called Guatney fragile and said his condition varied daily with outbursts.

Although Guatney understood the charges against him and the nature of a trial, he probably would not cooperate if placed on the witness stand and probably would not assist his defense attorneys, Woyansek added.

Dr. Emmet Kenney of Omaha, who has examined Guatney four times within the last year, said Guatney's present mental condition was the best it has been since he was arrested in August.

Kenney, head of the psychiatric department of Creighton University, said Guatney "is strong enough to participate in a lengthy trial" of from four to six weeks if left on medication and allowed to continue living in the regional center.

Omaha psychiatrist William C. Bruns and University of Nebraska-Lincoln psychology Professor James E. Cole testified that Guatney's mental status could diminish rapidly if he was subjected to stress through courtroom examination or if he was banned from jail during the trial.

Cole noted Guatney has a history of rapid breakdowns and rapid recoveries and he presented medical records which indicated Guatney has been committed to hospitals 17 times since 1967.

He accused Guatney of previous mental condition prompted occasional outbursts from him during the day-long hearing. At one point, Guatney, about being in jail and being told he would be dragged behind a car.

Later in response to Woyansek's testimony about arguing with regional center staff, Guatney said, "You can do whatever you want to, send me to the electric chair or do whatever you want to. I don't care."

All witnesses testified that Guatney constantly has denied any involvement in the murders. Woyansek added that he believed Guatney carries a "do what you will with me" attitude that might lead him to make decisions not necessarily in his best interest.

Brunes said he believed the outbursts would not subside — Kelen, Cardin, YSL.

25 to 300; Off. Hitchin Post — Adv.

necessarily interfere with Guatney's competence to stand trial. Rather, they demonstrated anger or a desire to make sure people understood events as Guatney understood them, Bruns said.

He added that such outbursts were likely if Guatney were to be placed on the witness stand.

Guatney's attorney, Attorney Robert Gibson, has questioned Guatney's ability to remember what happened five years ago. Kenney described Guatney as mentally unstable, adding, "alcohol, blackouts and convulsions had left some gaps in his memory of events years ago."

All witnesses Wednesday agreed that Guatney's memory probably would not improve with more time or treatment. Bruns noted Guatney's memory may also be restricted by his IQ of 68.

Kenney and Bruns agreed that Guatney would be able to remember things which had seemed important to him at the time. For instance, Bruns said Guatney could recall his life's history or the details of the slayings should he be wanted while traveling the trails from show to show and fair to fair.

Lahnens asked, "Would it be more important to him where he showed cattle in 1963 than whether he killed somebody in 1973?"

Brunes responded such a recollection depended upon whether Guatney was guilty and whether he had suffered a blackout about his alleged involvement.

Assuming he was innocent, Bruns noted that the time of the slayings might not have been significant enough for Guatney to remember what he had been doing or where he was at the time.

Guatney has also been charged with the death of 10-year-old Jack Bierman of Topeka, Kan., who disappeared on May 29, 1976.

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