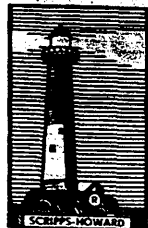


# Bankrupt Women's Center Feels Crunch Hit Home

— Page A-8



# The Knoxville News-Sentinel

Final  
HOME  
Edition  
Price 25 Cents

Copyright © 1982, The Knoxville News-Sentinel Company

Issue No. 30,968 — 523-3131

Knoxville, Tenn. 37901, Wednesday Evening, November 24, 1982

# Trucks Win, Lose in Gas Tax Bill

Treasury Secretary Donald Regan is no longer bullish on Reaganomics. Story by Scripps-Howard Staff Writer Ted Knap on Page B-7.

By DOUG HARBRECHT  
Scripps-Howard Staff Writer

WASHINGTON — The Reagan Administration's nickel-a-gallon gas tax legislation will allow bigger trucks on Federal highways, but heavy rigs will have to pay as much as \$1 billion more per year in excise taxes.

That would mean that most motorists would really pay only about four more cents per gallon while the trucking industry picks up the difference to reach the anticipated \$5.5 billion in increased revenues.

After endorsing the massive highway repair and jobs program, President Reagan is considering additional proposals that he will send to Congress to curb unemployment and give the economy a "fresh boost."

Before flying to Santa Barbara, Calif., yesterday for a six-day Thanksgiving vacation, Reagan gave his backing to the increase in the gasoline tax to finance the \$5.5 billion in highway and bridge reconstruction projects.

The program will produce an estimated 320,000 jobs. Raising the gas tax to 9 cents a gallon would cost the average motorist \$30 a year, Reagan said.

Announcing his support of the highway plan, Reagan said he also was considering "a series of other measures that would help to give our economy a fresh boost as we head into 1983."

"It is my hope," he added, "that this package can be high on the agenda when the Congress returns to Washington next week."

White House spokesman Larry Speakes said Reagan likely will decide on the components of the package during the vacation trip, but probably will not announce it

until early next week. Speaking with reporters on Air Force One, Speakes said the proposals under review include accelerating next July's income tax cut so that it would take effect in January. The proposal is designed to stimulate the economy by putting more money in the hands of consumers.

Speakes said the package also includes "unemployment measures dealing with the structural unemployment — such as joblessness among teen-agers and transitional workers."

Department of Transportation officials yesterday confirmed details — specifically those pertaining to truck size and cost burden per vehicle class — that will be in the legislation sent to Capitol Hill, probably next Monday.

One DOT source said the legislation drawn up by Secretary Drew Lewis will propose more uniform weights, lengths and widths on Interstates and new Federal

rules to allow large double-trailer trucks on Interstate highways. In exchange, the bill will call for higher taxes on big truck sales, truck parts and registration fees.

But that could pose a stumbling block for the gas tax plan.

The trucking industry will lobby to dilute the bill if it incorporates the recommendations of a three-year DOT cost allocation study submitted to Congress last June.

The study found that trucks over 70,000 pounds are "severely underpaying" for the wear-and-tear such big rigs inflict on the roads. Medium and light trucks were greatly overpaying and cars, pickups and vans were paying about their fair share.

The DOT solution: Drop minor across-the-board truck taxes on sales of inner tubes, lubricants and tread rubber, and increase taxes at the big-truck end for sales, parts and registration.

The American Trucking Association es-

timates the changes would cost the trucking industry an extra \$1 billion a year. It has vowed to try to trim this added burden to \$320 million a year.

"Right now, we don't know what they are talking about," said Edward Kiley, the group's senior vice president. "But if Secretary Lewis is talking about an equivalent 5-cent-a-gallon tax increase, we will be very interested. We want to see what we are going to pay."

Heavy trucks have been the center of highway tax fights for years, mostly over how much road damage they cause and what safety hazard they represent.

Twenty-six states have their own weight and length limits, many below Federal maximums, and 38 states ban trucks wider than 96 inches.

The industry has been trying to get a Federal width standard of 102 inches, and Lewis has held that out as a way to win support for his gasoline tax plan.



Staff Photo by Michael Patrick

## Colors of Christmas

Steve Heifner, a senior at Halls High School, gingerly sprays water on a crop of poinsettias grown at the Knox-Union Vocational Center, beside Halls High off Maynardville Highway. The school has more than 300 poinsettias in its greenhouse. They are available for \$4.50 each at the greenhouse from 8 a.m. to 3:30

p.m. on school days until Dec. 17 or until they are sold out. The center's ornamental horticulture students have grown the poinsettias and sold them for 12 years. Proceeds will be used for greenhouse operating expenses. The center also offers garden plants in season for sale to the public.

## New Jobless Claims Dip to 3-Month Low

WASHINGTON (UPI) — New claims for unemployment benefits dropped to 599,000, the lowest level in more than three months, during the week ended Nov. 13, the Labor Department reported today.

The seasonally adjusted report by the department's Employment and Training Administration showed a decline of 29,000 in new claims from the previous week's revised level, the fourth straight week the number has decreased.

The 599,000 new claimants was the lowest since 566,000 were recorded for the week ended Aug. 7, and was the first time since then the figure had dropped below 600,000.

For the week ended Nov. 6, the department said, 4,619,000 Americans were collecting benefits, the third consecutive week of a decline in that figure and the lowest total since an identical figure in early October.

The steady drop in both new claims and overall unemployment benefit recipients could signal a forthcoming reduction in the nation's 10.4 percent unemployment rate, if those leaving the rolls are returning to work and not simply exhausting benefits.

The overall recipient total was 53,000 below the previous week's revised level.

The insured unemployment rate reflects the percentage of the 87.6 million workers covered by unemployment insurance who are collecting benefits. The seasonally adjusted 4.6 million figure for total recipients under regular state programs does not include nearly 1.4

million others, in unadjusted data, that received benefits under the Federal supplemental program, extended unemployment benefits, or were Federal employees, newly discharged veterans or railroad workers.

Of that 1.4 million figure, 924,400 received benefits under the Government's new supplemental benefit programs passed by Congress this year, while 351,300 were on extended benefits beyond the normal 26-week maximum for regular state programs.

## Mail, Buses, Offices Halt for Holiday

Federal, state and local government offices will be closed tomorrow for Thanksgiving, as will most retail establishments, including supermarkets.

Mail will not be delivered and K-Trans buses will not run. K-Trans will resume normal operations Friday.

Several restaurants, convenience stores and service stations are expected to be open.

Government offices are expected to reopen Friday, as are retail businesses. However, schools and UT will remain closed through the weekend.

## Faculty Unit Protests Nude Art Removal

By LISA HOOD  
News-Sentinel Staff Writer

UT's Faculty Senate executive committee has protested the administration's decision to relocate a controversial art exhibit from the University Center to McClung Museum.

Dr. Ken Walker, Senate president, said the Senate committee held a special meeting Monday to draft the letter, which was sent to UT Chancellor Jack Reese. Walker said removal of the exhibit left the community with an "impression of censorship."

Walker added the Senate "wants to go on record that we felt it was a bad decision to move the exhibit, and we wanted to commend the students responsible for bringing the exhibit to campus."

Lorayne Lester, president of the UT chapter of the American Association of University Professors (AAUP), said today some graduate art students have talked of leaving the school "in embarrassment" over the moving of the art.

She said she met yesterday afternoon with Howard Aldmon, vice chancellor of student affairs, and the meeting was a "disappointment." She said the AAUP would claim First Amendment violations if the works are not returned to the University Center.

The exhibit of lithographs by painter Philip Pearlstein, which depicted nude women and a few men, drew a protest last Monday from Nancy Cuskaden, a resident of the YWCA. Later last week, after UT's Exhibits Committee met with Ald-

See FACULTY, Page A-3

## Today's Index

Editorials	B-6
Entertainment Calendar	C-7
Financial	C-5
Forum	B-6
Health	C-11
Horse Sense	B-1
Knox Happenings	C-7
Living Today	A-8-10
Obituaries	C-6
People	B-4
Shows	B-2, 3, 5
Sports	C-14
Tennessee Today	A-3
TV/Radio	B-4
Want Ads	C-7-10, 12
Marvin West	C-1

## Weather

Fair and Colder.		
	Highs	Lows
Tomorrow	50*	28*
Today	65*	48
Yesterday	69	57
*Forecast		

(Other weather information on Page A-2.)

## Thanksgiving Dawn To Be in Upper 20s

Thanksgiving Day hunters of quail, rabbits, squirrel, grouse and deer will find zestfully cold weather when they head for the fields and woods early tomorrow.

Weatherman Mike Propst said the low near dawn tomorrow will be in the upper 20s, quite a contrast to the 50s of the past week. Look for the afternoon high to be near 50, with plenty of sunshine.

## Higher Taxes, Fewer City Services Feared If Congress Drops Revenue Sharing Plan

By RICHARD POWELSON  
News-Sentinel Washington Correspondent

WASHINGTON — Knoxville probably would have to reduce services or raise the property tax by about 70 cents if Congress does not extend its \$3.69 billion share of annual Federal revenue-sharing funds before Sept. 30, city planners say.

The National League of Cities, which obtained the information from Knoxville and about 1000 other cities, is "quite concerned" that the country's \$4.6 billion general revenue-sharing program will get bogged down next year with other legislation, such as President Reagan's New Federalism proposals, said league spokesman Randy Arndt.

League officials are gathering statistics from many cities to show the importance of the revenue-sharing funds — "our most important program for cities" — in local budgets.

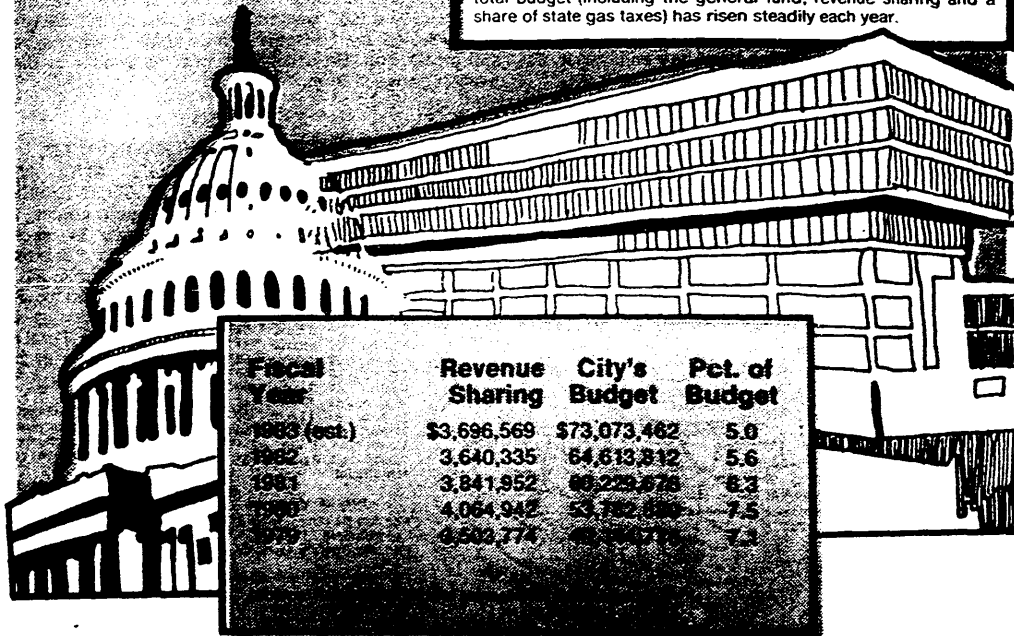
Knoxville's \$3.69 million in Federal revenue-sharing funds this fiscal year, which can be earmarked any way city officials want, is being used for the expenses of the city school system. The city also contributes an extra \$1.37 million to the school system from the general fund, Joe Walsh, Knoxville's budget analyst, said.

"We wouldn't look kindly on losing our revenue-sharing funds," Walsh said. More than likely, he said, the city would propose a combination of property-tax increases and reductions in city services if Congress fails to extend the program next year.

City officials are trying to decide how to handle a \$1.8 million short-

## Revenue Sharing: Knoxville's Shrinking Slice

The City of Knoxville's revenue sharing funds from the Federal government vary each year based on a formula which considers population, per capita income, the local tax effort and fund transfers from county and state governments. The figures show that the city's share has declined somewhat since 1980, while the city's total budget (including the general fund, revenue sharing and a share of state gas taxes) has risen steadily each year.



fall in revenues from the tax on admissions to the World's Fair. Several options are being considered to enable the city to balance its budget. The city raised property taxes last year by 64 cents, Walsh said, bringing the total to \$6.74 per \$100 of assessed value.

National League of Cities' delegates will meet this weekend in Los Angeles to discuss the impact of revenue-sharing funds on cities and to vote on a proposal to lobby Congress for "a substantial increase" in the program, which the league wants to extend for five years.

Congress has been appropriating the same level of funding for the revenue-sharing program — \$4.6 billion — since 1976. Legislation extended the program in 1980 for three years, ending Sept. 30, 1983.

The Federal revenue-sharing — See REVENUE, Page A-3