

MARIANNE Triplitt

late night phone call - Thurs 6-28-90

After talks with Al Adams + Paul Vreck

SCENARIOS (planned with Paul)

last day - Cooper + Diamond ASK MARIANNE to
step aside - then in surprise Fashion talk to press
conference (called for budget purposes) - DHD to let for speech
to bring my party together - praise Man for operations
& praise Ramsey for representing "little man" - Now
time for ~~My Party~~ my party to write go into the
future - recommitting + budget demand D's to
be written - I ^{CAN} ~~can~~ do that! (First announce
that ~~he~~ DHD + Cooper had really asked MARIANNE to
step aside + he refused!

Budget collapse shows go coalition isn't working
& division within caucus shows need for
unity

★ NOTES

Behind the SCENES
Spring 1990
Diamond +
Cooper

DH, Diamond ✓
WALTER JONES ✓

2:15
Wed.

must have

20



DAN DE VANE ✓
- PETER HASTY ✓
- JO GANHAM FOSTER ✓
- ~~JOE MAURITIO~~ (NO PH)
- JOHN McLAUGHLIN ✓
ROY COOPER
JIM CRAWFORD ✓
DOD DANKIN ✓

Fred POWMAN

Alex HALL

Gene RAGAN ?

Sam HURT

DON BEARD ?

John CHURCH

DAN LILLEY

Bruce ETHRIDGE (NO PH)

Ed BOWEN

Joc HUCKLEY

~~XXXXXXXXXX~~

John KEEN ^{CA} ?

Alex WARNER ?

Harry PAYNE ✓

TART ?

* Pick 3 who you trust & test waters!

- Time for a change!

- VETO

- 2nd run-off

- single member districts

- no pack or
limits

- open budget process
more involved

- out in 5 mos.

9
5?

5 {
Hasty
Dismont
JONES
DELANE
Dawkins

Pete Thompson
Dan Lilley

5 {
Beard
PAYNE
KERR
McLaughlin
Bowen

5 {
Tart
Rogers
FOSTER
WARNE
REDWINE

5 {
Hackney
CRAWFORD
Barnhill
JERALD
Church

State budget enacted

Legislature may adjourn today

By **VAN DENTON**

Staff writer

After two months of legislative wrangling over spending cuts and taxes, the state has a new budget.

The General Assembly gave final approval Friday to a \$7.2 billion revised operating budget designed to overcome an estimated \$336 million revenue shortfall without raising taxes.

Enactment came on a unanimous vote in the Senate and a 91-10 vote in the House, as the two chambers overwhelmingly accepted a compromise worked out by negotiators late Thursday.

After the vote, House Speaker Josephus L. Mavretic, D-Edgecombe, said the 94-page bill contained "hundreds of compromises" worked out as legislators struggled to balance the budget.

"It is certainly impossible to make everybody happy," Mr. Mavretic said. "It is not intended to make anybody sad. It was a job well done."

Late Friday, House and Senate negotiators reached an agreement on a smaller, \$182.5 million capital budget to fund construction projects and other one-time expenses.

With the operating budget out of the way, the House and Senate are expected to wind up the session today by approving the capital budget.

The compromise contains a provision giving local school boards the authority to approve the Channel One news program, overriding the state Board of Education's efforts to ban it.



Staff photo by Robert Willett

Sen. J.K. Sherron Jr. finds there is no way to skim over the \$7.2 billion operating budget.

Legislature could end today

Continued from page 1A

The House agreed to accept the Senate-passed provision on Channel One, but got the Senate to agree to a study by the state Board of Education on the impact of such commercial arrangements on the schools.

Rep. David H. Diamont, D-Surry, the House Appropriations chairman, said the study would give legislators the chance to reconsider the matter next year.

Earlier Friday, approval of the operating budget came on what had been expected to be the next-to-last day of a session dominated by debates on spending. When legislators began work May 21, they faced the task of overcoming a \$336 million revenue shortfall after years of surpluses.

The operating budget makes cuts totaling \$342 million, a reduction of about 4 percent from spending levels set last year.

One item that was not cut was a 6 percent pay raise scheduled for teachers and state employees, an expense that will cost the state about \$320 million.

The budget calls not only for a sharp cut in spending for the Basic Education Program, an initiative begun in 1985 to improve the public schools, but also stretches its implementation from eight years to 10 years. The legislature provided only \$44.5 million of the \$116 million scheduled for the program this year.

Although most legislators voted for the budget, some didn't do it happily.

"I don't think we faced the real issue," Rep. H.M. "Mickey" Michaux Jr., D-Durham, told the House. "We are going to have to have significant increases in taxes. We could have started that this year and avoided some of this heartache."

Under the budget, the state fund that pays for abortions for poor women will be kept at its current level of \$424,000, but some restrictions will be placed on eligibility.

Legislators also debated the impact of cuts in planned education spending.

In the House, Rep. J. Arthur Pope, R-Wake, said that with spending approved this year for schools, the state would have increased education spending by \$400 million over two years.

But Rep. Martin L. Nesbitt Jr.,

Highlights of state budget

Here are the key provisions of the state's \$7.2 billion operating budget for the 1990-91 fiscal year. They would:

■ Provide a 6 percent pay raise for teachers and state employees. The pay raises will cost about \$320 million.

■ Cut planned spending for most state agencies by \$244 million. The cuts could result in layoffs in agencies that were not scheduled to get budget increases.

■ Authorize the heads of state departments to reduce spending by another \$98 million through management cutbacks made during the fiscal year.

■ Provide an additional \$44.5 million for the Basic Education Program. That is far less than the \$116 million increase originally scheduled. The funds would allow the hiring of 1,123 more teachers and 290 support personnel.

■ Spend \$39.4 million for extra salary money for teachers. The money would go to school districts that set and meet tangible goals for improving student achievement.

■ Transfer \$17 million from the state Highway Fund to the education budget to help finance the driver's education program.

■ Provide \$10.3 million in new funds to fight infant mortality.

■ Expand alternatives to imprisonment to handle an additional 3,000 non-violent offenders in electronic "house arrest" and 3,038 offenders in intensive probation programs. The cost of the expansion is \$9.4 million a year plus a one-time expense of \$2.9 million for equipment.

■ Provide \$4.6 million to expand drug education and treatment programs.

■ Delay for one year the purchase of new school buses, except to replace those bought before 1977, a saving of \$22.5 million.

■ Raise tuition for community college students from \$90 to \$105 a quarter for in-state students and from \$840 to \$981 a quarter for out-of-state students.

■ Eliminate 206 full-time teaching positions at state universities, a spending reduction of \$11.3 million.

■ Provide \$8 million for early intervention services for handicapped children and their families.

■ Fund abortions for poor women up to a total of \$424,000, but put new restrictions on eligibility.

■ Provide \$315,000 for liability insurance for teachers.

D-Buncombe, disagreed.

"I don't think you can go home bragging you raised school funds by \$400 million over the last two years," he said. "Most of that money is cost-of-living increases for teacher pay."

On Friday night, negotiators reached agreement on the capital budget after learning the public schools had returned an unexpected amount of unspent funds from the previous fiscal year.

Of that money, the negotiators used \$14 million to resolve the differences between the House and Senate on capital spending. In most cases, each side simply agreed to fund items sought by the other.

For instance, the House agreed to \$1 million for a new basketball arena at N.C. State University that the Senate had approved. And the Senate agreed to \$1.1 million for a health education building at Wake Technical Community College that the House had sought.

W-5
Journal
Sunday
July 29,
1990

House Speaker Josephus L. Mavretic said that Rep. David H. Diamont's entry improved his chances of being re-elected because it further divided Democrats who want to elect a speaker from within their own party.



AP WIREPHOTO

TURF WARS: Diamont Wants to Be Speaker

By Ken Otterbourg
JOURNAL RALEIGH BUREAU

RALEIGH

Like Gen. Douglas MacArthur, House Speaker Josephus L. Mavretic, D-Edgecombe, said he will return.

But will he?

On the last frantic day of the 138th General Assembly, Rep. David H. Diamont, D-Surry, a member of Mavretic's flock of dissident Democrats, broke ranks and announced that he would also campaign for the the powerful job of speaker.

Diamont, an eight-term representative from Pilot Mountain, is the fifth Democrat to announce against Mavretic.

Mavretic said that his close friend's entry improved his chances of being re-elected because it further divided Demo-

crats who want to elect a speaker from within their own party.

Diamont made his announcement yesterday afternoon, before the General Assembly adjourned, triggering a 30-minute recess while representatives gossiped about his move and talked about Mavretic's job as speaker.

The House Republicans, who helped elect Mavretic, quickly called a caucus, where Jonathan L. Rhyne, R-Lincoln, warned his members about sticking together and voting in a block.

"We're very satisfied with how we've been treated by Mavretic," Rhyne said.

Mavretic's term as speaker was a remarkable chapter in the history of the General Assembly.

MORE INSIDE

■ The General Assembly's "short" session lasted 46 days, but the legislature ended up cutting back on state spending. **Page C1.**

■ A look at what was done and what wasn't this session. **Page C8.**

■ The dispute over hazardous waste was one of the highlights in a session full of statewide environmental issues. **Page C9.**

See ASSEMBLY, Page A4

ASSEMBLY

Continued From Page A1

For the past two years, a coalition of Democrats and Republicans has shared power in the House. In return for their votes, the Republicans, who are a minority, received key committee appointments. They gained clout but lost the freedom to be vocal critics of a legislative process that had ignored them.

An uneasy task in the best of times, the coalition was strained further by a tough fiscal climate that forced legislators to cut spending for many prized programs.

Rep. Judy F. Hunt, D-Watauga, said, "Under no circumstances will Mavretic be speaker." Her father, Rep. John J. Hunt, D-Cleveland, is one of the candidates for speaker. The others are Rep. Daniel T. Blue Jr., D-Wake; Rep. Joe Hackney, D-Orange; and Rep. Robert C. Hunter, D-McDowell.

Rep. Frank J. Sizemore, R-Guilford, says he believes in the coalition but feels a little bruised by the late-night wheeling and dealing on the budget, where the coalition seemed to collapse.

Most galling, Sizemore said, was the House's reversal on cutting the State Abortion Fund. In a late-night agreement, House budget negotiators accepted a Senate plan not to cut the fund.

"We were sold out," Sizemore said.

Diamond cast the tie-breaking vote, which Republicans won't forget, Sizemore said.

Even if the Democratic Caucus elects a speaker, the Republicans will more than likely retain a substantial voice in the legislative process.

In the Senate, Republicans are still looking for that voice. With only 12 seats, they lack the one-third of the votes to block many parliamentary maneuvers by Democrats.

Donald Beason, a top aide to Lt. Gov. James C. Gardner, said, "When you get more than a third, then they have to deal with you."

For his first term as president of the Senate, Gardner was largely silent as he tried to figure out what to do after the Democrats in that chamber took away many of his legislative powers. This year, however he became a forceful, if sometimes awkward, speaker on legislative issues, hammering away at tax-increases.

That placed him at odds with Gov. James G. Martin who wanted legislators to pass a resolution announcing their intent to raise taxes next session.

In late January, Martin said he was leaving politics and wouldn't run for the U.S. Senate, as had been widely rumored.

With Martin appearing to take himself out of the political game, much of the Republican party's momentum shifted to Gardner, who's made no secret of his desire to be governor.

Sen. Ted Kaplan, D-Forsyth, said, "The lieutenant governor will be campaigning for governor."

Kaplan said that Gardner didn't become more involved with the legislative

process but did increase his visibility with the media.

Still, said Kaplan, Gardner and the Democrat-controlled Senate were able to work together to approve \$4.3 million in spending for the N.C. Drug Cabinet.

Like many in the Senate, Kaplan was exasperated by the plodding pace in the House that he blames for the drawn-out short session. "We've had to deal with a House divided," Kaplan said. "It was an experiment that just didn't work."

But Mavretic said that the coalition did govern successfully and that the length of the session, 46 days, was a result of the open nature in the once closed House of Representatives.

"The first time you move in that direction, you expect people to talk a lot," he said.

A six-term legislator, Mavretic is known for his often unique political logic. During the session, for example, he said that the House's rejection of Martin's tax resolution meant that his chamber was moving toward backing a tax increase. They didn't.

Yesterday, Mavretic said that the five challengers for his job wasn't a criticism of his performance. Instead, he said, "it validates and reinforces my original position that the House ought to be the place where future leaders of North Carolina are developed."

"When I first became Speaker, I said I wanted people to grow and I would be less than a supporter of my own philosophy if I didn't say good luck and best wishes."

Carolinas

Section

and left a family he loved, partly to avoid the homework and leaky faucets and trips to the emergency room.

He swirled the dregs of his drink in the bottom of his glass.

He looked at me and then back at the melting ice cubes.

"Yes...."

In Columbia

An inmate sentenced to die for killing a Rock Hill couple tried to arrange a helicopter escape with the help of a correctional officer, officials say. **Next Page**

In Myrtle Beach

A banner-towing plane crashes along the Grand Strand, killing its pilot. **Page 9D**

Diamont Vows To Challenge Mavretic For Speaker

By JOHN DRESCHER
and GREG TREVOR
Raleigh Bureau

RALEIGH — Democratic State Rep. David Diamont, a popular 16-year legislative veteran, said Saturday he would seek to become speaker of the House when the legislature returns in January.

Diamont wants to unseat Speaker Joe Mavretic, D-Edgecombe, whom he helped put in power last year in a dramatic coup.

His surprise announcement, coming hours before the legislature adjourned for the year, was further evidence of a major battle for control of the House when it returns in January.

In 1989, Mavretic and Diamont joined with 18 other dissident Democrats and House Republicans to overthrow longtime Speaker Liston Ramsey, D-Madison.

Diamont stood by that action Saturday. But he said House Democrats were divided and that he could bring them together.

"It's a unifying effort. We need to move forward." Diamont said



Diamont

at a press conference held just before the legislature adjourned for the year.

At his own news conference, Mavretic said Diamont's candidacy should further splinter House Democrats, strengthening Mavretic who still enjoys the support of Republicans and some Democrats.

"I suspect that the events of today improve my chances," Mavretic said. "I start off with well over 50 (votes), and you only need 61. That's a pretty good head start."

During the Mavretic reign, Diamont said, "There were a lot of folks that simply didn't trust each

other."

Mavretic has feuded openly, sometimes in a personal manner, with many supporters of Ramsey.

Democrats had a majority in the House but struggled to build consensus on major tax-and-budget issues as the legislature limped through record-length sessions last year and this year.

Diamont, 44, is the legislature's only active school teacher. He was chairman of the important House Appropriations Committee this session.

He supported raising taxes to avoid cuts in planned education funding, but neither he nor Mavretic was able to garner a majority.

Mavretic and several other Democrats have said they will run for speaker next year.

Minutes after Diamont's announcement, House Republicans emerged from a caucus saying they are still behind Mavretic.

"We are particularly united. They (Democrats) are so divided, and there is so much deep-rooted difference of opinion," said House Minority Leader Johnathan Rhyne, R-Lincoln.

Several Democrats still loyal to Mavretic predicted he will be reelected speaker in 1991.

"The coalition's strong," said Rep. Harry Payne, D-New Hanover.

Legislators Finally Go Home

N.C. Assembly Saved Hard Questions For '91

By GREG TREVOR
And JOHN DRESCHER
Raleigh Bureau

RALEIGH — Wait 'til next year.

The 1989-90 N.C. General Assembly finally limped home Saturday. They stayed 9½ weeks, breaking the short-session record by 3½ weeks.

But like frustrated fans of the old Brooklyn Dodgers baseball team, legislature watchers are already looking ahead. That's because the legislature avoided making the tough calls on most of this session's major issues.

Facing reelection this fall, most lawmakers preferred to postpone decisions until the 1991 session, which starts in January.

"Next session is going to be a tough time," warned Senate Minority Leader Don Kincaid, R-Caldwell. "It's going to be fun

■ Surry Democrat David Diamont, chairman of the N.C. House Appropriations Committee, says he will try to unseat House Speaker Joe Mavretic. **Page 1D**

— for reporters. You're going to have a lot to write about."

On top of the difficult issues, there could be changes in leadership.

On Saturday, Rep. David Diamont, D-Surry, chairman of the important House Appropriations Committee, announced that he would try to unseat House Speaker Joe Mavretic, D-Edgecombe.

Diamont, a school teacher with broad support in the legislature, said he would bring together the splintered House Democrats.

See LEGISLATORS Page 16A

News Capsule

Diamont vies for Speaker post

All. News 7-2-90

Rep. David Diamont, D-Surry, announced during the last day of the General Assembly short session that he would campaign for the top spot in the State House of Representatives, the Speaker's post, it was announced in Sunday's Winston-Salem Journal. The eight-term House member becomes the fifth Democrat to announce plans to seek the post held by Edgecombe County Representative Joe Mavretic.

Diamont was active in the coalition that helped elect Mavretic. He has served as the powerful House Appropriations Chairman under Mavretic's leadership. His candidacy may get a boost from Diamont's ranking as the most effective House member in the annual poll of legislators. Mavretic was ranked second.

Also seeking the Speaker's post are Representatives Dan Blue,

Jr., D-Wake; Joe Hackney, D-Orange; John Hunt, D-Cleveland; and Robert Hunter, D-McDowell.

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See **LEGISLATORS** Page 16A

Winners And Losers

Winners

■ **Senate President Pro Tem Henson Barnes, D-Wayne.** Facing a tough reelection bid this fall, Barnes accomplished his main goal for the session — a balanced budget without a tax increase. And he's refined his arm-waving, good ol' boy style.

■ **Rep. David Diamont, D-Surry.** As House Appropriations chairman, Diamont couldn't win a tax increase to prevent massive budget cuts. But the high school history teacher was an advocate for education and open government. Saturday, he declared himself a candidate for next session's House Speaker.

■ **Lt. Gov. Jim Gardner, Republican.** His anti-tax TV commercials enraged big-city editorial writers, Democrats and Martin staffers. But hard-line Republican legislators ate it up. Did the voters? The 1992 governor's race isn't far away.

■ **Rep. Johnathan Rhyne, R-Lincoln.** The cool and calm 35-year-old House minority leader with the Jos. A. Bank suits managed to remain an ally of Gov. Jim Martin and avoid supporting Martin's tax hike — a political home run. The kid was born to run.

■ **Standard & Poor's.** Legislators wanted to hang onto the state's prized top-level bond rating. So when these bond-raters spoke, lawmakers listened to the most influential voice of the session. Can a New York-based company run for governor of North Carolina?

Losers

■ **Gov. Jim Martin, Republican.** He negotiated a big prison-building package. But his let's-agree-to-raise-taxes-next-year proposal was dead on arrival. And despite a record number of Republicans and friendly Democrats in the House, he couldn't get a veto bill through. His time is running out.

■ **House Speaker Joe Mavretic, D-Edgecombe.** He backed new taxes. Few followed him. He backed the veto. Few followed him. He suggested leaving town without a budget. Few followed him. His tough-guy rhetoric isn't winning him friends.

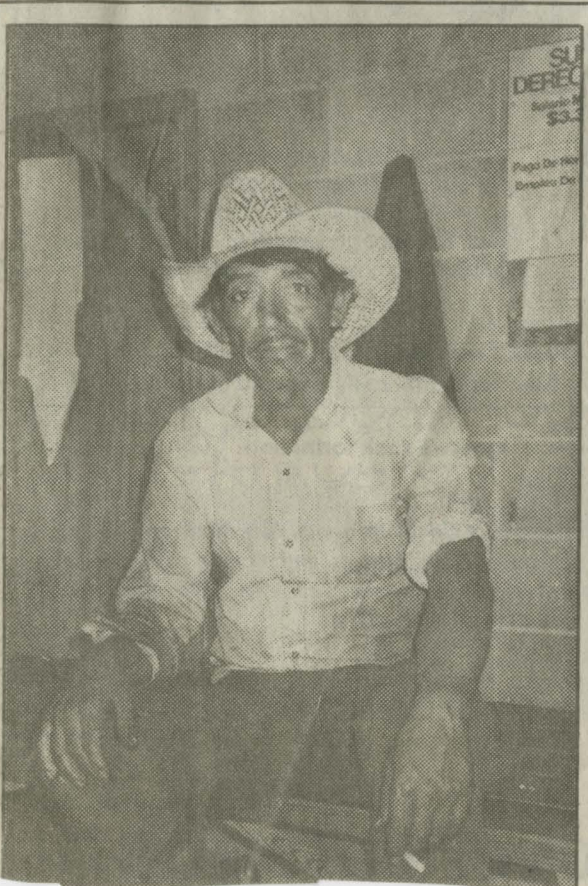
■ **House Democrats.** The Gang That Couldn't Vote Straight is still smarting from last year's bitter coup that ousted Liston Ramsey as speaker and installed Mavretic. This divided group couldn't build a consensus on taxes — or their own veto package.

■ **N.C. Schoolchildren.** While most new education money in the 1990-91 budget goes for teacher salaries, legislators took students to the woodshed, cutting more than \$100 million in promised money for programs and new teaching positions. This summer's lesson: Adults don't always keep their promises.

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Legislature wraps up

- Why so long? 1C
- A look at the issues, 3C

Associated Press

RALEIGH — The 1989-90 General Assembly adjourned Saturday just as supporters of a state lottery tried to bring it to the House floor for debate.

Rep. Toby Fitch, D-Wilson, asked the House to take the lottery bill from the House Rules Committee, where it has languished for the entire session.

"I live in an area 60 miles from the Virginia border and I watch millions of dollars go into the state of Virginia (which has a lottery), I believe to the detriment of North Carolina," Fitch said. "We can't even get a bill out of committee to let people have a say on the lottery. What have we come to?"

Rep. John Kerr, D-Wayne, made a motion that the House adjourn instead,

stranding bills raising the minimum wage and a few other measures that were for consideration before the legislature left town.

The adjournment motion was approved 50-23, and at 6:40 p.m. House Speaker Joe Mavretic, D-Edgecombe, and Lt. Gov. Jim Gardner officially brought the legislature to a close.

Mavretic, who was elected speaker in a revolt when the current General Assembly convened in January 1989, told members he had tried to live up to his pledge of more openness and sharing power with the 120 House members.

"I hope that over the last several months, many of you have gained more power, more experience and more ability in handling legislation," Mavretic said. "I have tried to give away many of the concentrations of the power of the speaker.

"I believe we now have a free and open

process and I hope that will continue."

Mavretic gained the speaker's post through a coalition of House Republicans and 20 dissident Democrats who combined to unseat four-term House Speaker Liston Ramsey.

On the legislature's closing day, however, the coalition appeared to unravel as House Appropriations Chairman Dave Diamont, D-Surry, announced he would oppose Mavretic for speaker next year.

Diamont said he supported the coalition in electing Mavretic as speaker to open up the legislative process.

"We have been successful," Diamont said. "However, the costs to my party have been high. Many times this session, Democratic House members have been unable to build consensus on crucial issues.

"Events of the past few months have

Please see ADJOURN, 7A

Bomb kills 1 in Tel Aviv

6A A homemade pipe bomb explodes on a crowded Tel Aviv beach, killing a 17-year-old Canadian tourist and injuring 19.

Johnston in second

1B Wilmington's Cathy Johnston is in second place going into today's final round of the Ladies Professional Golf Association Championship in Bethesda, Md.

No funds for Masonboro

1C A House panel denies a request for \$1 million in federal funds to buy land at

Adjourn

Continued from 1A

convinced me that the people of North Carolina will best be served by a united House Democratic majority," Diamont said. "It is important for the future of North Carolina that my party, the majority party, be strongly united behind the next Speaker of the House."

Diamont and Rep. Roy Cooper, D-Nash, both members of the coalition, said they would support the candidate nominated by the Democratic caucus if Diamont did not win the nomination.

But Mavretic said after adjournment that Diamont's announce-

ment would further splinter his opponents in the House and improve his chances for a second term as House Speaker. At least three other Democrats so far have announced they will seek the speaker's post.

Rep. Sam Hunt, D-Alamance, one of Mavretic's chief lieutenants, said Diamont would be welcomed back to the coalition if he loses.

"He has climbed up to the mountaintop with Mavretic and decided he wants to try his wings," Hunt said. "If he flies, that's fine. But if he doesn't, we'll be glad to have him back.

"If I were a betting man, I'd put my money on Mavretic," he said.

Earlier Saturday, legislators approved a \$182.5 million construction budget, the last major hurdle to adjourning the 10-week session that

wrestled with projected revenue shortfalls of \$340 million this year.

Adjournment was set for 2 p.m., but the clocks in the legislature were stopped at that time so legislators could continue voting on a late flurry of bills.

The session, which included 45 working days in the House and 42 in the Senate, has been the longest budget-adjusting "short" session since the state began holding them in 1971.

The compromise budget was approved on a 90-6 vote in the House and unanimously in the Senate.

The construction budget includes \$3 million for construction at community colleges around the state, along with \$6 million for new equipment at those schools.

The state parks system will get

\$1 million for repairs and renovations under the compromise, while \$18.5 million for a new SBI complex and \$4.9 million to complete the North America phase at the state zoo will be provided only if extra funds are available.

The compromise also includes a Senate-backed provision that local schools have the authority to contract for Channel One, a controversial daily newscast to classrooms that includes two minutes of advertising.

The State Board of Education and local schools have argued all year over the service, with the State Board contending it sells off part of the school day and local school boards insisting they have the authority to select supplemental materials for schools.

June 23,
1990

Independent-minded governor finds himself isolated by budget



Staff photo by Chris Seward

Gov. James G. Martin finds his fellow Republicans have deserted him on his proposed budget plan for the coming year

By **STEVE RILEY**
Staff writer

Gov. James G. Martin stood Friday as a man alone.

His fellow Republicans, stunned by a proposal they hadn't been warned about, refused to support his proposal for a 1-cent sales tax increase in 1991. Democrats, who were looking for a bold stroke of leadership, offered him little backing.

And Standard & Poor's Corp., which also had no advance notice of the governor's plan, said the proposal wouldn't keep the state's treasured triple-A bond rating out of jeopardy.

It was a subdued, soft-spoken Mr. Martin who met with reporters Friday afternoon in his Capitol office.

The governor didn't cause the state's budget woes, which add up to a revenue shortfall of \$886 million over two years, including \$336 million for the coming year. Estimates of tax collections were made during the 1989 session of the General Assembly and they have fallen flat.

But it is Mr. Martin's job to help deal with the troubling results. And some observers, inside and outside the administration, think the governor is adding to his own miseries, particularly in making major decisions on his own.

Analysis

After sounding out several advisers and legislators generally on the budget, the governor stepped down at his personal computer in the Executive Mansion and pounded out a 13-page speech, which took 45 minutes to deliver Thursday. He had briefed Republican legislators and leading Democrats earlier in the day, but long after his mind was made up.

Before the speech, he argued with Lt. Gov. James C. Gardner, a

See **BUDGET**, page A

Budget plan isolates governor

Continued from page 1A

fellow Republican, who tried in vain to talk Mr. Martin out of the tax-increase proposal.

Insiders say the lieutenant governor — who opposes any tax increase — told the governor he was listening only to his budget director, C.C. Cameron. Mr. Martin didn't agree.

"He frequently does not solicit enough advice," complained one administration member. "He did not bring the Republicans up there to solicit their advice. He brought them up there to inform them of his decision."

The governor, a former professor at Davidson College, long has frustrated more conventional political types with his desire for deep detail and description. He might seek out advice on a given subject, then learn everything he can about it and make up his own mind.

"You've got to look at his background: he came out of academics," said Sen. James C. Johnson, a Cabarrus County Democrat who was a Republican until last year. "He was never questioned about whether his premise was right, his thesis was right, or whether the experiment was going to work."

Mr. Martin says he actually expanded his "circle of advisers" before making the tax decision. But he didn't get specific about taxes, and he didn't share his specific thoughts until he was ready to announce his plan.

The governor said he wanted a chance to give a similar explanation of his plan to Standard & Poor's, the very organization he had hoped to impress with his Thursday proposal. But he said he didn't know if he would be able to deliver many votes for any tax plan.

"There is a group that feels very strongly that they will not support any tax increase whatsoever," Mr. Martin said. "There is a group that insists there has to be a tax increase. There's another group that knows we need to raise taxes, but doesn't want to do it this year. There's another group . . . no, I'd better not say it . . ."

"You've got all those different factions going in different directions."

Mr. Johnson, although now a Democrat, said he admired the governor's courage. He thinks the sales tax should be raised immediately, and he excoriated Republicans who have shunned Mr. Martin's budget plan.

"His speech was on the money, and correct," Mr. Johnson said. "His own troops cut his throat. In the campaign, Jim Gardner said he'd be there when hell froze over to stand with the governor, and the first time it looked like a snowstorm, he took off."

Mr. Martin acknowledged he was surprised at the lack of GOP support.

"I've read clippings from many

Republicans who have said to their local newspapers that next year we're going to have to have a tax increase who yesterday morning told me they would not vote for a resolution saying we had to have a tax increase," he said. "To that extent, I'm surprised."

Did he feel betrayed?

"No."

Could he campaign for those Republican candidates again?

"If they want me to."

Was he surprised by Standard & Poor's?

Silence.

"I'd ask you not to try to interpret my silence," he said.

Look, I can't afford to be

critical."

Diamont to bid for speaker

By A. JOY GOLDEN
Staff Reporter

RALEIGH — Surry's long-time representative in the state House will make a bid for the most powerful post in that chamber next legislative session, he announced at the close of the General Assembly short session here Saturday.

Stepping out from a pack of dissident Democrats, David Diamont, D-Surry, announced that he would campaign against his close friend, House Speaker Joe Mavretic, D-Edgecombe, for that position. Just a year ago, Diamont joined a group of Democrats who were displeased with the House leadership and Republicans to oust Speaker Liston Ramsey and elect Mavretic.



David Diamont

Diamont could not be reached for comment this morning, but he told a Tribune reporter before the short session started in June that he would not make a bid for the speaker's post as long as Mavretic wanted it. He said he's made a commitment to Mavretic and wouldn't turn back on that.

Now Diamont, an eight-term representative from Pilot Mountain, joins four other Democrats who have announced campaigns against Mavretic.

The other candidates include: John Hunt, D-Cleveland; Daniel Blue Jr., D-Wake; Joe Hackney, D-Orange; and Robert Hunter, D-McDowell.

Mavretic contends that the opposition does not indicate any criticism of his performance as speaker and that it enhances his chances of being re-elected because it divides the Democratic vote.

Two of the immediate obstacles that Diamont faces are easing tension with the former Ramsey supporters whom he left to support Mavretic and winning over the Republicans, who since his an-

Please see Diamont, page 3

Southern legislators reel in gifts

July 25, '90

Corporate largesse funds mementos to conference participants

ASHEVILLE — Christmas in July?

Not really, but people attending the Southern Legislative Conference have received a bounty of gifts.

North Carolina, as the host state, is passing out a handful of goodies, including an insulated cooler and a cloth tote bag.

Stashed in each cooler are a decorative pin, a coupon for a First Class upgrade on a USAir flight, a small box of chocolates, a small bag of potato chips, a package of peanut butter crackers, Goody's Headache Powders, microwave popcorn and several other snacks.

In the tote bag are a towel bearing the state seal, a wall thermometer and a print by artist Bob Timberlake.

Rep. John J. "Jack" Hunt, D-Cleveland, a co-chairman of the host committee, said the gifts were a chance to showcase North Carolina to out-of-state legislators. About 1,300 of the gift packages were distributed, all at the expense of corporations.

"If you had a function at your house, you'd give somebody a favor," Mr. Hunt said.

The state also gave the 72 members of the conference's executive committee a book of works by Mr. Timberlake — at a cost of almost \$50 each.

And Louisiana, which is hosting

SLC Notebook

the conference next year, got into the gift-giving spirit. Members of the Executive Committee were given a ceramic alligator and alligator egg to remind them of the 1991 meeting.

• • •

School may be out for the summer, but the people attending the conference are going on their share of field trips.

On Monday, a committee took a trip on the Great Smoky Mountains Railway, a 67-mile run through the southwestern part of the state. North Carolina recently purchased the line from Norfolk Southern Railroad in an effort to preserve the route.

On Tuesday, an agriculture panel took a tour of the Western N.C. Farmers Market and the Western N.C. Agricultural Center.

Today, a group is traveling to Mount Mitchell to take a look at N.C. State University's air pollution and climatological monitoring observatory.

• • •

For U.S. solicitor general Kenneth W. Starr, a trip to the legislative conference had to be a little bittersweet.

Mr. Starr reportedly was one of

the few candidates given serious consideration by President Bush for the vacancy on the U.S. Supreme Court. When Mr. Starr, who spoke Tuesday, showed up for lunch, a Texas legislator asked him how it felt to be an also-ran.

"It feels like being a bridesmaid," Mr. Starr responded. "Now I have to keep arguing cases rather than hearing them."

• • •

House Speaker Josephus L. Mavretic, who hosted a luncheon Tuesday for other speakers at Asheville's Richmond Hill Inn, wants Southern states to join in opposing a new tax recently approved in New Jersey — a 7 percent tax on interstate telecommunications services.

In a letter to his counterparts, Mr. Mavretic said that Southern states should band together and oppose the telecommunications tax as part of an economic development move to lure high-tech industries dependent on telephone service to the region.

"Through our state and regional economic development efforts, we can demonstrate to those New Jersey corporations that the South stands ready, willing and able to structure our public policy so as to encourage, not discourage, business development in our region," Mr. Mavretic wrote.

— BILL KRUEGER
and VAN DENTON

Legislators take five-day recess for conference

Budget agreement still hanging

By STEVE RILEY

Staff writer

The General Assembly, unable to finish a budget after 43 days in Raleigh, left town Friday for five days to allow about 120 of the 170 members to attend the Southern Legislative Conference in Asheville.

Legislators had hoped to adjourn for the year this weekend, but rising tensions between House and Senate leaders over abortion funding for poor women and a handful of minor issues derailed those hopes.

They left as a frustrated bunch. And they left behind a partly complete operating budget, which they will finish — along with other business — after they return Thursday from the legislative conference, at which North Carolina will host about 2,400 guests.

Budget negotiators had agreed Thursday on a cluster of major items, including \$330 million in budget cuts that would reduce new funding for the Basic Education Program from \$116 million to \$44.5 million. The reductions are necessary to match spending for the fiscal year that started July 1 with revised forecasts for a \$336 million shortfall in state revenues.

But the House and Senate, weary after the longest-ever "short session" of the legislature, made little headway Friday on two roadblocks: state-funded abortions and liability insurance for teachers.

The two issues are important to a pair of ex-Marines with a reputation for stubbornness: Sen. Kenneth C. Royall Jr., D-Durham, the powerful Senate Appropriations chairman, and House Speaker Josephus L. Mavretic, D-Edgecombe.

Mr. Royall and his Senate colleagues want to keep the annual allocation for state-funded abortions at \$424,000, the amount left last year after the fund was cut in half. But the House, agreeing with Gov. James G. Martin, wants to slice the fund to \$100,000 and limit abortions to pregnancies caused by rape or incest, or cases in which the mother's health is in jeopardy.

Mr. Royall, a veteran of budget negotiations, staked himself out on the issue in May, declaring that paring the budget by further cuts to the abortion fund was "like trying to reduce the weight of an elephant by trimming its toenails."

"We have to protect the health and freedom of women," he said. "We will not forsake people for budget politics."

The House, however, has held the line on abortion funds during the on-again, off-again budget negotiations. House members also are holding out for a \$300,000 appropriation for liability insurance for 60,000 public school teachers, an item pushed by Mr. Mavretic.

See LEGISLATURE, page 2B

Legislature recesses for 5 days

Continued from page 1B

The N.C. Association of Educators, which provides liability coverage for its 45,000 members, says the provision is a slap at the organization, which opposed Mr. Mavretic in his May primary election.

The emotions from those issues, along with other minor budget provisions, boiled over Friday morning at a joint meeting of the 31 budget negotiators from both chambers. As usual, the session started late, after a closed-door meeting of House members.

Mr. Royall was impatient.

"We sit here every day, waiting for them to do something," he said of the House negotiators.

During the brief meeting, it became clear that informal agreements reached Thursday evening on issues such as inspections of housing for migrant farm workers and various economic-development programs were coming unglued.

Rep. Daniel H. DeVane, D-Hoke, said the Senate was backing out of a deal.

"All the work in the subcommit-

tees seems to be coming unraveled," he said. "Is that the format we're going to follow?"

Shortly afterward, House Appropriations Chairman David H. Diamont, D-Surry, left to take a phone call from Mr. Mavretic. He returned, walked to the microphone, declared a "time out," and unplugged the microphone. He and Mr. Royall then walked into a back room.

When he returned, Mr. Diamont said: "The conferee committee is in recess."

Someone asked how long the break would be.

"Forever," Mr. Royall replied.

That blowup led to a lunchtime summit in Mr. Mavretic's office involving the speaker, Mr. Diamont, Mr. Royall and Sen. Henson P. Barnes, D-Wayne, the Senate president pro tempore. The group made no deals on specific issues, but agreed to work into the night Friday in an attempt to finish the operating budget.

But their work could not have wrapped up the operating budget Friday, because the legislative staff would need 24 hours to proof-read and print the document after an agreement was reached. So legislative leaders agreed to adjourn until Thursday, wrap up adoption of the operating budget and then move on to a capital budget as well as other leftover issues.

Mr. Mavretic said he would leave the issues to the negotiators.

THE
JEFFERSON POST
Editorial Page

FRIDAY, July 27, 1990

Page 4A

Write or call Rep. Privette

You will probably recall the editorial concerning Rep. Coy Privette and the controversy involving this county, Rep. Gene Wilson, and the issue of holding a state lottery referendum.

To recount briefly, Wilson had received 3,000 signatures from Ashe County supporting a lottery referendum, and had been asked in a general conversation with Privette what would he think if he had twice that many in opposition. Wilson said it would be interesting. Privette is executive director of the Christian Action League, a group that later mailed a letter saying Wilson would oppose *a gambling bill* if he received 6,000 names showing their opposition, to churches in Watauga, Ashe, Alleghany, Surry and Stokes counties.

That incident brought Privette under fire from his fellow legislators because of the manipulative manner of the letter and a plain distortion of the facts surrounding the issue. Privette was also accused in meddling in the affairs of a district other than his own.

Privette is back under fire, again with the lottery referendum issue.

And once again, the controversy surrounds a letter that legislators in question say misrepresents their positions on the issue.

This recent letter accuses some House members of supporting a state lottery, although several have said this isn't true. One of the legislators involved, Rep. Charles "Monroe" Buchanan, has requested N.C. Attorney General Lacy Thornburg investigate the letter, and for the House Ethics Committee to investigate the league's activities as to whether Privette's connection is a conflict of interest. Under state law, legislators are prohibited from working as paid lobbyists.

Several of the legislators listed in the letter oppose a lottery but support letting the voters decide. Another legislator supports Privette but was listed in the letter as being for legalized gambling.

Privette is more than a nuisance. He is an elected official who confuses public service with a private mission. He should hear from the people —and not just the voters of his district.

Write or call Rep. Coy Privette at Room 510, Legislative Office Building, Raleigh, NC 27611, phone 919-733-5868.

Legislature To Adjourn At Last

Leaders, Tough Calls, Egos Blamed For Long Short Session

Continued From Page 1A

sessions, which grew longer and longer during the 1980s.

"I don't see why we can't enforce some discipline on ourselves," said Sen. Bill Goldston, D-Rockingham.

Goldston recently introduced a bill that would limit the length of sessions to three months each year. After that, legislators wouldn't receive a daily allowance, which is now \$81 a day.

The Senate approved the bill, but the House didn't.

Legislators and lobbyists offered several reasons why this year's session has dragged on:

● **Lack of leadership.** The Senate passed a budget in mid-June, but the House squabbled until July 10 before it passed a budget.

Neither House Speaker Joe Mavretic, D-Edgecombe, nor Majority Leader Dennis Wicker, D-Lee, could gain majorities behind their proposals, despite being leaders of the majority party. Mavretic and Wicker have often feuded.



Thompson

"In the House, there's no combination of vision and anyone with enough influence to garner enough votes," said Rep. Sharon Thompson, D-Durham. "There are still too many factions here."

● **The rise of democracy.** Not everyone thinks it's bad that the

■ The General Assembly Friday adopted a revised budget plan that will cut \$227.7 million from state agencies this year, including \$71.5 million from the expansion of the Basic Education Plan.

Page 1B

session has been long. Lobbyist Margot Saunders said there was more debate in both the House and the Senate than a few years ago, when each chamber was dominated by a few people.

"It used to be a few people made the major decisions," Saunders said. "It takes longer for a lot more people to arrive at a cohesive decision. This is democracy at work."

● **Tight budget.** During this year's session, legislators faced the biggest budget problems since the mid 1970s.

For weeks, some House Democrats and lobbyists tried to build support for raising taxes.

"We delayed and delayed and delayed, hoping some coalition would come together, and that didn't happen," said Jay Robinson, who lobbies for the University of North Carolina system.

Also, several legislators said it's easier to add new spending than to make cuts. This summer's session was full of cuts.

● **Lack of discipline.** "It's just human nature to fill time with debate and to keep introducing bills," said House Minority Leader Johnathan Rhyne, R-Lincoln, who supports a bill to limit the length of sessions.

During the 1989-90 session, leg-

islators introduced 4,000 bills — about 23 per lawmaker.

"The more cameras in the chamber, the longer the speeches are," said Sen. Goldston. "Everybody wants to be reelected. They'll speak when they really don't have anything to say."

● **Many legislators like Raleigh.** The \$81-a-day allowance, for seven days a week, is "pretty damn good money," said Goldston. "They eat off the lobbyists. . . . I heard one legislator tell me he'd rather be down here than on vacation."

Goldston called it "an ego trip."

Said Thompson: "The people who are retired, the people who love politics, that's often the leadership. This is their avocation."

More than 30 states, including all states in the Southeast except North Carolina, limit the length of their sessions.

Taxpayers pay \$40,000 a day to keep the N.C. legislature in session. That pays for legislators' daily allowance, one round-trip a week to Raleigh and the cost of temporary staff.

This year's session, which covered more than 60 calendar days through Friday, cost more than \$2.5 million. The 1988 "short" session covered 41 calendar days.

Goldston also worries that unless sessions are limited, the legislature won't be able to attract citizens from various backgrounds.

"Can any business allow one of their employees — the president or the vice president or head salesman — to come up here for 7½ months a year?" Goldston asked.

N.C. Legislature Makes Short Story Longer Than Ever

SAT. July 28, '90
By JOHN DRESCHER
Raleigh Bureau

Chas. Closeman

RALEIGH — The N.C. legislature is poised to finish its work and leave town this weekend. Finally.

This year's "short" budget-adjusting session of more than nine weeks is the longest short session in history.

It follows last year's regular session of more than seven months, which was the longest regular session ever.

Why won't this beast, which costs taxpayers \$40,000 each day it's in Raleigh, just go home? People who watch and participate in the process cite everything from lack of leadership to complexity of issues — such as the budget — to the "ego trip" lawmakers can get while in Raleigh.

On Friday, the House and Senate each approved the state's 1990-91 operating budget, but they were still negotiating Friday night about the separate capital fund.

The record-length sessions of the past two years — which cost taxpayers millions of dollars — have some legislators wondering what they can do to shorten the

See LEGISLATURE Page 4A

State Finishes Budget

CHAM
Observed
Sat.
July 28
1990

Schools Take Brunt Of Cuts

By DENNIS PATTERSON
Associated Press

RALEIGH — The General Assembly Friday adopted a revised budget plan that will cut \$227.7 million from state agencies this year, including \$71.5 million from the scheduled expansion of the Basic Education Plan.

The state abortion fund — which had snarled negotiations between the House and Senate — drew the most attention in House debate.

“To me, it’s not a question of negotiating or bartering,” said Rep. Frank Sizemore, R-Guilford. “It’s a question of destroying human life. That’s what the state abortion fund is about.”

The House originally had agreed to cut the abortion fund to \$100,000 and limit its use to women who were victims of rape or incest, or whose physical health was threatened by pregnancy. The Senate had voted to leave the fund at \$424,000 without creating new restrictions.

The compromise reached Thursday night keeps the fund at \$424,000 and limits poor women to using the fund only once each. The abortion also must be performed in the first 112 days of the pregnancy.

“It’s an issue that will not go away,” Sizemore said. “Until North Carolina stops funding abortions, we are going to have social problems we don’t even realize yet.”

But Rep. Sharon Thompson, D-Durham, said the original House language would have prevented doctors from considering a woman’s mental state in deciding whether her health was threatened.

“I really resent it when we have \$360 million going into the budget for mental health that when it comes to this issue, the area of mental health is not a factor,” she said. “I commend those who have been courageous enough to have compassion for the women of this state.”

After 45 minutes of debate, the House approved the compromise budget, 91-10. It slid through the Senate 42-0.

Diamont wants job as speaker

From AP and Staff Reports

RALEIGH — House Appropriations Chairman David Diamont has taken aim at House Speaker Joe Mavretic's job.

On the final day of the legislative session Saturday, Mr. Diamont, D-Surry, announced he would join a crowded field of Democratic candidates hoping to unseat Mr. Mavretic next year.

Mr. Mavretic, D-Edgecombe, became House Speaker on the opening day of the 1989-90 General Assembly when he led a coalition of Republicans and 20 dissident Democrats to unseat four-term incumbent Speaker Liston Ramsey, causing a deep rift among Democratic legislators. Mr. Diamont, a member of the coalition, was elevated to the appropriations chairmanship last year when Mr. Mavretic rose to power.

Mr. Diamont, a school teacher whose district includes Watauga County, said he would bring together the splintered Democrats.

Mr. Diamont and Rep. Roy Cooper, D-Nash, another coalition member, said they would support the nominee of the Democratic caucus for speaker next year if Mr. Diamont does not win the nomination.

At least three other Democrats have publicly announced they are running for speaker and others have indicated they may seek the Democratic nomination.

"I suggest that the events of today improve my chances rather than the other way," Mr. Mavretic said Saturday. "I start off with still well over 50 (votes) and you only need 61. That's a pretty good head start."

Mr. Mavretic said the new openness in the legislature was a factor in the number of candidates seeking the top post.

Watauga Democrat

Capitol

Troopers keep leaders of conference on time

ASHEVILLE — State troopers as chauffeurs?

Troopers were available this week to help people like House Speaker Josephus L. Mavretic and Senate Democratic Leader Henson P. Barnes get around Asheville during the Southern Legislative Conference.

"I've used him two or three times," Mr. Mavretic said. "He's available to me if I have to go some place on short notice."

Most of the conference took place at the Grove Park Inn, but some meetings and events were held throughout Asheville. Shuttle buses ran regularly among the hotels where people attending the conference were housed.

But Mr. Mavretic and Mr. Barnes said that as legislative leaders and hosts of the conference, they often had little time to spare between events they needed to attend — thus, the need for the troopers.

On one evening, Mr. Barnes said, he had four meetings to attend, including two at which he spoke. He said a trooper drove him to ensure that he arrived at all the meetings.

Mr. Mavretic said the trooper assigned to him helped him get to a luncheon he hosted for speakers from other Southern states. An accident had tied up traffic along the route they had planned to take, but the trooper knew an alternate route.

"I got there in time to greet the other speakers," he said.

While they may agree on the need for troopers, Mr. Mavretic and Mr. Barnes did not see eye-to-eye on accommodations.

The speaker asked House members not to sign up to stay in the Grove Park Inn — a grand resort hotel with a panoramic view of Asheville and the surrounding

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mountains — in order to leave space for out-of-state legislators. That left many House members across town at the Quality Inn.

"I thought it was good manners to give your guests the best rooms," Mr. Mavretic said.

Many senators, however, stayed at the Grove Park, and Mr. Barnes said that was by design.

"We're here to be the host," he said. "To be a host, I should be where the action is. I'm not going to hide the members under a basket."

On Wednesday, the conference chose Rep. Robert C. Hunter, D-McDowell, as its chairman for the next year. Mr. Hunter served as chairman-elect during the past year, and his selection as chairman was largely a formality.

"I want to continue the fine tradition the Southern Legislative Conference has," he said in an interview. "The main thing is the continued exchange and sharing of ideas, so that we can learn from other states."

Don't let it ever be said that legislators are not sporting folks.

Many of those attending the conference spent their time on Wednesday competing in either the R.J. Reynolds "Scramble" Golf Tournament or the Virginia Slims Tennis Tournament.

Mr. Mavretic tried to provide a "family" feel to the stay of House members in Asheville. His efforts also had a rather corporate feel to them.

Mr. Mavretic hosted House



Josephus L. Mavretic

members at "Sundowners" at the Quality Inn every evening, giving them an opportunity to discuss the conference. It also gave them a chance to win door prizes that had been contributed by companies such as Southern Bell, AT&T Communications, the N.C. League of Savings Institutions, the N.C. Bankers Association, the N.C. Dental Association, and the N.C. Cable Television Association.

Among the prizes given out were several telephones, a 20-inch television set, and a portable compact disc player. Rep. Leo Mercer, D-Columbus, won a VCR, and Rep. John C. "Pete" Hasty, D-Robeson, won a microwave oven.

Sen. Kenneth C. Royall Jr., D-Durham, was recognized at the conference for his longtime interest in providing services for the mentally ill.

Some corporations and groups interested in mental health services have established a scholarship foundation in Mr. Royall's name. The foundation will fund scholarships for students studying community mental health at the University of North Carolina at Chapel Hill.

Mr. Royall started the legislative Mental Health Study Commission, and has been a co-chairman of the commission since 1973.

— BILL KRUEGER

Southern legislators restate support for Super Tuesday

By BILL KRUEGER
Staff writer

ASHEVILLE — By the time the presidential campaign rolls around in 1992, "Super Tuesday" might become "So-so Tuesday."

In 1988, 14 Southern and border states held their primaries on the same day — shortly after the early contests in Iowa and New Hampshire.

The Southern Legislative Conference on Wednesday approved — by unanimous voice vote and with no debate — a non-binding resolution reiterating its support for same-day primaries across the region in 1992. The conference served as a driving force in creating the 1988 Super Tuesday.

Nevertheless, some Democrats are reconsidering the regional primary concept, and several states appear likely to shift their primaries to alternative dates in 1992.

Arkansas, Alabama and Kentucky already have indicated they will not take part in 1992. Virginia, Maryland and Missouri are widely seen as likely to pull out as well.

That would leave just eight states — North Carolina, Florida, Georgia, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas — holding primaries on the same day in 1992.

Those reduced numbers, as well as the prospect that California will hold its primary before the Southern states, could sap much of the event's strength.

"It's not going to be quite as big," said state Rep. Charles W. Capps of Mississippi. Mr. Capps served on a committee of the Southern Legislative Conference that considered whether Southern states should continue the same-day primaries.

But while acknowledging that Super Tuesday wouldn't have quite the force it had in 1988, Mr. Capps said Southern states don't have a better alternative.

"We don't have anything to lose," he said. "Why should one little state break off as long as Texas and Florida stay in?"

Supporters said in interviews this week that Super Tuesday successfully attracted presidential candidates to the South, caused candidates to moderate some of their stands on issues, and increased voter interest.

The collection of Southern primaries resulted from an effort by conservative and moderate Democrats to improve the chances of a like-minded candidate to win their party's presidential nomination in 1988.

By that standard, the effort failed. Massachusetts Gov. Michael S. Dukakis won the nomination, defeating more conservative candidates such as Tennessee Sen. Albert Gore Jr. and Missouri Rep. Richard A. Gephardt.

"What you have to look at is what we had before," said N.C. Rep. Robert C. Hunter, D-McDowell, chairman of the legislative conference's Super Tuesday committee.

"We had almost no impact in '84. It's the best alternative available to allow North Carolina and the South to have an impact."

Sen. Douglas Henry Jr. of Tennessee, a past chairman of the conference, said Southern states need patience.

"If we don't do it together, no one of us is big enough to get all the attention," he said. The results of 1988 were disappointing, he said, but, "We can't have everything."

Critics say that simply looking at 1988 shows the failings of

scheduling Southern primaries on the same day.

"Super Tuesday was not as effective as it should have been," said Rep. Albert Tom Collier of Arkansas. "We did not have the impact on the national election that we thought we should have."

Georgia House Speaker Tom Murphy said the lack of impact may be due, in part, to the changing political landscape in the South.

"The sad truth is the South is not as conservative as it used to be," Mr. Murphy said.

N.C. House Speaker Josephus L. Mavretic, while going along with the effort to support Super Tuesday, questioned how effective it was for North Carolina. He noted that Mr. Gore placed first in the state's Democratic primary, yet failed to win the Democratic nomination, while Mr. Dukakis finished third in the state, and went on to become the nominee.

"If Super Tuesday was supposed to give us some clout, it didn't work," he said.

Mr. Mavretic and others also questioned how effective the event would be with fewer states involved. They said an earlier California primary could blunt the South's impact in selecting the nominee.

Budget talks

By **BILL KRUEGER**

Staff writer

ASHEVILLE — The mountain air seems to have done little to cool the rancor between House and Senate leaders, as the General Assembly returns to Raleigh today to try to reach agreement on the budget.

Speaker Josephus L. Mavretic said Wednesday that he might replace some or all of the House negotiators on a conference committee that has sought for weeks to work out a compromise with the Senate on the budget.

"That's what we have to do if these conferees can't reach an agreement," Mr. Mavretic said during the last day of the Southern Legislative Conference meeting in Asheville. "If that's what it takes to get a budget agreement, we'll do whatever's necessary."

Appointing new House negotiators could mean the committee would return to issues that appeared to be settled, or it could mean stretching out negotiations.

That approach drew a strong reaction from Senate Democratic leader Henson P. Barnes, who said the current negotiators should be allowed to continue working toward an agreement.

"His move would cause us to plow the same field that we've plowed before," said Mr. Barnes, a Wayne County Democrat.

Mr. Barnes said that rather than replacing the House negotiators, Mr. Mavretic should simply consider adding a couple of members. He said the House conferees failed by one vote to reach a compromise last week.

The conference committee has settled most differences between the House and Senate. Two large sticking points remained when lawmakers recessed last Friday for the legislative conference.

The Senate wants to retain the state fund that provides abortions for poor women at \$424,000 a year — the current level — while the House wants to cut it to \$100,000 and restrict the use of the money.

The House, meanwhile, has been holding out for about \$315,000 to finance liability insurance for public school teachers, an item pushed by Mr. Mavretic and widely perceived as a slap at the N.C. Association of Educators. The association opposed Mr. Mavretic, an Edgecombe County Democrat, in the May primary.

During the conference, there have been informal discussions about the budget logjam among legislators. But it does not appear that much progress was made.

Mr. Mavretic and Mr. Barnes talked for about an hour Wednesday at a table next to a tennis court at the Grove Park Inn.

Legislators say their goodbyes as session lurches toward close

By **BILL KRUEGER**
and **JOE DEW**

Staff writers

The farewell speeches began Friday at the General Assembly.

They were at least a day early.

Legislators, slogging toward a finish line that seems to keep moving farther away, are returning to work today for what they hope will be the last day of the longest "short session" on record.

"I've never been so abused in my whole life and I've never enjoyed it so much," Sen. Connie K. Wilson, R-Mecklenburg, said during a farewell speech to the Senate. She was defeated in a Republican primary in May.

Having reached agreement on the state's operating budget, legislators appeared poised to finish their work today. House Speaker Josephus L. Mavretic said legislative leaders were planning to adjourn for the year at 1 p.m., but noted they might have to employ some tried-and-true legislative tricks to meet that goal.

"That's a clock-stopper," Mr. Mavretic told House members, referring to the often-used practice of turning off the clock to "meet" adjournment schedules.

With the end of the session in sight, legislators continued to work on several measures during a day of stop-and-go activity. They are still trying to reach agreement on measures to:

■ Open up meetings of the executive and legislative branches to greater public scrutiny. The proposal would toughen the state's Open Meetings Law by removing a broad exemption for the General Assembly, as well as by extending it to meetings between the governor and his Cabinet and top budget advisers.

■ Require people between the ages of 16 and 18 to have a drug-free record to obtain driver's licenses. The Senate gave tentative approval to the measure on Friday, but several questions were raised during the debate. A final vote could come today, after which it would have to go back to the House for approval of Senate amendments.

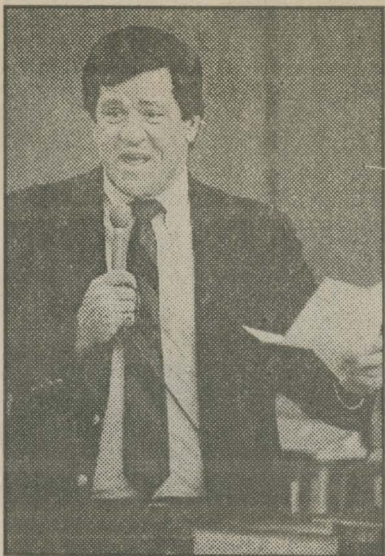
■ Require that state inspectors be stationed at commercial hazardous-waste facilities in the state. The measure was approved by the Senate on Friday, but still must be considered by the House.

Supporters of the bill said requiring full-time inspectors at such facilities would help restore public confidence in the state's ability to ensure that hazardous-waste facilities are operated safely, especially in light of the health hazards left by a now-closed commercial treatment plant in Caldwell County.

One measure that did get final approval on Friday would make some environmental violations felonies.

"We want to send a message to the midnight dumper and the intentional polluter that North Carolina won't stand for that type of activity," said Rep. Roy A. Cooper III, D-Nash, a sponsor of the bill. "Our aim is to prosecute those who knowingly and willfully pollute the environment."

Some companies have violated state laws against such activities because the penalties were rela-



Staff photo by Robert Willett

Rep. Martin L. Nesbitt Jr. tells colleagues to work carefully during closing hours of session

tively light, he said.

In addition to action on those bills, legislators who are leaving said their goodbyes to colleagues.

In the Senate, Sens. Thomas F. Taft, D-Pitt, and William H. Barker, D-Pamlico, urged senators to work harder to protect the environment.

Mr. Taft, who is leaving after six years in the Senate, said he regretted that he had been willing to compromise so easily on environmental issues.

"If we don't begin to see that our coast needs to be protected in a radical sort of way and if we don't protect our mountains in a radical sort of way, they're going to be gone," he said.

The day also saw Sen. Robert S. Swain, D-Buncombe, make an emotional appearance. The senator, who is battling cancer, has missed several of the last days of the session.

"When I left here Wednesday a week ago, I didn't know whether I would be coming back," Mr. Swain said, his voice weak.

After the Senate gave him a standing ovation, Mr. Swain said: "Contrary to what some people may have deduced from what I said, I am going to be back next fall."

Rep. Alexander M. Hall, D-New Hanover, who is not seeking reelection, gave each House member a Venus fly trap. "I heard they will eat Republicans," he said with a chuckle.

At one point during the Senate session, Lt. Gov. James G. Gardner, who presides over the Senate, turned the podium over to Sen. Henson P. Barnes, the president pro tempore, so Mr. Gardner could pose for a picture signing into law a bill toughening drug and drunken-driving laws.

The so-called "short session," designed primarily to make adjustments to the two-year budget the General Assembly approved last year, dragged on throughout the summer as legislators had difficulty reaching agreement on how to address a \$336 million revenue shortfall.

Since the session began May 21, the Senate has worked on 41 days and the House has worked on 44 days, breaking previous records for the "short sessions" held in even-numbered years.

But, "We are going home tomorrow," Mr. Barnes said late Friday.

Budget accord reached

State abortion funding intact

By VAN DENTON
Staff writer

Fri.
July 27, '98

House and Senate budget negotiators broke a prolonged deadlock on the state's operating budget Thursday night, clearing a major obstacle toward adjournment of this year's session.

Returning after a five-day recess, the negotiators worked into the night before resolving the two key issues that had stalled the budget for the fiscal year that began July 1: state-funded abortions for poor women and liability insurance for public school teachers.

"It clears the way," said Sen. Henson P. Barnes, D-Wayne, the Senate president pro tempore. "We stand a very good chance of being done Saturday."

The House negotiators agreed to retain the state abortion fund at \$424,000 a year but to impose two restrictions. The Senate had been adamantly opposed to reductions, but the House had sought to cut the fund to \$100,000 a year and to impose stricter conditions for state funding.

The first restriction adopted by the negotiators would prohibit state-funded abortions for women who are more than 112 days pregnant — current law allows abortions up to 135 days. The negotiators said the second restriction would allow women one state-funded abortion for "health impairment" reasons. Those involve situations in which a doctor thinks that a woman's health would be impaired by pregnancy, not those in which a woman's life would be endangered.

The Senate, in turn, agreed to accept a House proposal that would provide \$315,000 for liability insurance for teachers.

House Speaker Josephus L. Mavretic, D-Edgecombe, sought the insurance funding in a move that some say is aimed at the N.C. Association of Educators, which had opposed him in the May Democratic primary. The NCAE offers insurance to its members as part of their dues.

The full House and Senate are expected to vote on the budget agreement today. Meanwhile, negotiating teams will work to iron out differences between the House and Senate bills to fund construction and other capital needs.

When talks on the operating budget resumed Thursday, the negotiators appeared to have picked up exactly where they left off last week — deadlocked.

The Senate budget negotiators stood firm on abortion funding and rejected a proposed compromise put forth by Mr. Mavretic.

The speaker's offer involved reducing the fund to \$300,000 a year, instead of the \$100,000 the House had sought, and dropping House-proposed restrictions limiting state-funded abortions to pregnancies caused by rape, incest or to pregnancies that endanger the life of the mother.

The Senate negotiators wasted no time in rejecting the offer, contending that when the abortion fund was cut in half last year, to its current level of \$424,000, there had been an understanding that no

Budget accord reached

meeting to begin while their House counterparts met privately. When the House members emerged, the Senate members left the room to hold their own private meeting.

Continued from page 1A

additional reduction would be made this year.

"The Senate is upset they [House members] are not keeping their word," said Mr. Barnes, the Senate Democratic leader.

Mr. Barnes was not one of the budget negotiators. But he received the offer in a private meeting with Mr. Mavretic and Rep. Paul B. "Skip" Stam Jr., one of the House negotiators and the strongest opponent of the abortion fund.

The Senate Appropriations chairman, Kenneth C. Royall Jr., D-Durham, had been adamant in his opposition to further cuts in the abortion fund.

During earlier talks, the Senate negotiators indicated they would accept the House push for teacher liability insurance if House negotiators would accept the Senate's position on abortion funding.

On Thursday, Senate negotiators waited 90 minutes for the first

Diamont Vows To Challenge Mavretic For Speaker

By JOHN DRESCHER
and GREG TREVOR

Raleigh Bureau

RALEIGH — Democratic State Rep. David Diamont, a popular 16-year legislative veteran, said Saturday he would seek to become speaker of the House when the legislature returns in January.

Diamont wants to unseat Speaker Joe Mavretic, D-Edgecombe, whom he helped put in power last year in a dramatic coup.

His surprise announcement, coming hours before the legislature adjourned for the year, was further evidence of a major battle for control of the House when it returns in January.

In 1989, Mavretic and Diamont joined with 18 other dissident Democrats and House Republicans to overthrow longtime Speaker Liston Ramsey, D-Madison.

Diamont stood by that action Saturday. But he said House Democrats were divided and that he could bring them together.

"It's a unifying effort. We need to move forward," Diamont said



Diamont

at a press conference held just before the legislature adjourned for the year.

At his own news conference, Mavretic said Diamont's candidacy should further splinter House Democrats, strengthening Mavretic who still enjoys the support of Republicans and some Democrats.

"I suspect that the events of today improve my chances," Mavretic said. "I start off with well over 50 (votes), and you only need 61. That's a pretty good head start."

During the Mavretic reign, Diamont said, "There were a lot of folks that simply didn't trust each

other."

Mavretic has feuded openly, sometimes in a personal manner, with many supporters of Ramsey.

Democrats had a majority in the House but struggled to build consensus on major tax-and-budget issues as the legislature limped through record-length sessions last year and this year.

Diamont, 44, is the legislature's only active school teacher. He was chairman of the important House Appropriations Committee this session.

He supported raising taxes to avoid cuts in planned education funding, but neither he nor Mavretic was able to garner a majority.

Mavretic and several other Democrats have said they will run for speaker next year.

Minutes after Diamont's announcement, House Republicans emerged from a caucus saying they are still behind Mavretic.

"We are particularly united. They (Democrats) are so divided, and there is so much deep-rooted difference of opinion," said House Minority Leader Johnathan Rhyne, R-Lincoln.

Several Democrats still loyal to Mavretic predicted he will be reelected speaker in 1991.

"The coalition's strong," said Rep. Harry Payne, D-New Hanover.

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Sting's Key Player: 'Perception Of Power'

By ELIZABETH LELAND
Staff Writer

COLUMBIA — Ron Cobb's loud laugh carried down the wide marble steps of the State House. His reddish-brown hair towered above the crowd, smoke from his trademark cigar curling behind.

"Hey, buddy," he would say in his friendly way, and slap a legislator or fellow lobbyist on the back, lower his voice and whisper in a conspiratorial tone.

Long before recent revelations that he went undercover as an operative in an FBI sting of the S.C. General Assembly, people talked about Ron Cobb and the

way he operated as a legislator, then as lobbyist.

"He was kind of different," said fellow lobbyist Bart Cox. "You just wondered how he lived so high."

Cobb drove fancy cars, joined high-stakes Tuesday night poker games between legislators and lobbyists at The Town House hotel and enjoyed a reputation for popularity with women. In the first six months of 1990, he reported nearly \$90,000 in lobbying income.

But what made Cobb a player in 14 years in Columbia was his friendship with Sen. Jack Lindsay,

D-Marlboro, one of South Carolina's most powerful and most colorful lawmakers.

As a former associate put it: "If the word's out that he has access to one of the two or three most powerful people in South Carolina — i.e., Jack Lindsay — then the perception of power is there."

Court records show Cobb, 41, reached beyond his means. As a S.C. House member from 1976 to 1984, and a lobbyist since then, Cobb lived on borrowed money and bad debts.

A couple of years back, the law caught up.

State and federal agents began

investigating Cobb for possible cocaine use. It may have been because of that, sources say, or it may have been his money problems, but in the end Cobb became the key player in an FBI investigation of his colleagues.

Over the past year, sources say, Cobb gave away stacks of \$100 bills to legislators, while agents secretly videotaped the deals to build a cash-for-votes case.

Today Cobb is in hiding — some say in Charlotte — as the state reels from the undercover sting he starred in.

His videotaped payments illus-

trate the unhealthy relationship of easy money and power in South Carolina, where for years lobbyists have cozied up to legislators with virtually no regulation. The exploits of the legislator-turned-lobbyist are the latest episode in a scandalous year featuring investigations at the University of South Carolina, the highway department and now the General Assembly.

"It's pretty much a Wild West show the way they conduct themselves," said retired Rep. Malloy McEachin of Florence.



Ron Cobb

See KEY FIGURE Page 12A

Key Figure In S.C. Sting Liked To 'Maintain That Edge'

Continued From Page 1A

Ron Cobb always liked being the center of attention.

It came easy in the 1960s in the tight-knit textile community of Welcome in Greenville County, S.C., where he was tallest in his high school class, biggest on the football team, best under the basketball hoop — in many ways a freckle-faced, All-American hero.

"Any coach would have loved to have had him," said Ted Yakin, who coached Cobb as a freshman at Carolina High School in 1963-64. "He was a good kid."

When he graduated in 1967, Cobb stood about 6-foot-3, a burly former linebacker.

"His size gave him a presence," a longtime associate said. "He was always stronger and faster. I think what he did, consciously or subconsciously in adulthood, was try to maintain that edge over everybody else. I think he never stopped trying to be intimidating."

Cobb helped his father in the real estate business. His mother ran a garment-manufacturing plant called E.C. Industries.

In 1976, Cobb won a seat in the S.C. House as a Democrat from Greenville, a proud feat for a favorite son of the blue-collar community of Welcome.

The gregarious newcomer impressed fellow first-year lawmakers, and they elected Cobb chairman of the freshman caucus. He exuded success and confidence and seemed full of promise.

Cobb also cultivated the friendship of lobbyists and became a favorite in the so-called "good time crowd," who gathered after the daytime sessions for drinks and spent some weekends on trips to football games and Las Vegas.

But he also made enemies. Former friends say he hardly ever volunteered to pick up a check, that he seemed willing to do anything to make a buck.

In 1979, Jamie Huff, a Greenville builder, formed a partnership

with Cobb. He saw in Cobb an up-and-coming state legislator, driving a Cadillac and eager to launch into a \$500,000 land deal for a classy subdivision.

"He's got a super personality," Huff said. "He seemed to be on the face an honest person, a very good salesman. The project would have made some good money if he had carried it out like he started. He spent more than he was making. That's just the type of person he is, happy go lucky."

After a frustrating first year, Huff quit Cobb Builders Inc. He still holds a \$38,000 court judgment against Cobb.

Says William Schwiers Jr., who sold Cobb and Huff the land: "If you're going to do something big, you got be able to do something big. Cobb couldn't ... He did everything on borrowed money."

Cobb admitted as much to Huff's lawyers in November 1984.

He said he earned \$10,000 in 1982 from his legislative salary, and \$15,000 in 1983 from the state and from selling insurance.

"I was living on borrowed money at the time," he said.

Cobb juggled second and third mortgages on property, trying to avoid bankruptcy. He said he owed more than \$100,000 to five different banks, and \$124,000 to individuals, including \$40,000 to his parents.

In 1983, he divorced his wife, Diane, committing to pay \$400 a month in alimony and \$600 a month in child support for their son and daughter. He said his new wife, Terry, paid their \$577 monthly house mortgage in Greenville and the \$300 monthly payment on his Chrysler New Yorker car from her job as a hairdresser.

All he had left, Cobb said, was \$300 in a checking account and a \$7,500 legislative retirement account.

Cobb Builders Inc. still owes the state \$1,278 in back corporate taxes and penalties.

By 1984, Cobb's business was basically defunct. He placed third in a primary election that year, and colleagues say his defeat was because he neglected his constituency.

"He started getting a bad reputation back home in his conservative Greenville district as somebody who didn't care about what was going on back home and was more interested in having good time down here," a legislator said.

The lure of state politics captivated Cobb. He returned to Columbia as a lobbyist.

"I'll never forget a night or two after the primary," the legislator said. "His political career had just been done in. I was in Beau's (a bar) and I saw Cobb come in, looking real fresh. He didn't care. He wasn't bothered by it."

In Columbia, Cobb stayed at The Town House, a comfortable

\$65-a-night brick hotel four blocks from the statehouse. Lobbyists and lawmakers regularly gathered there, for drinks in the restaurant/bar, for poker in someone's room.

One politician said: "Poker parties, women, the whole thing — all that was common knowledge. To anybody who lived down here and didn't have a blindfold and earplugs, this would not be shocking."

For the last 18 months, the hotel manager said, Cobb rented two connecting rooms in the hotel's 6-story tower section. No longer with his second wife, associates said, Cobb kept regular company with another woman. Gossip about his personal and professional life dogged him.

"He appeared always to be on the make or something," a fellow lobbyist said. "You would hear about all his financial problems,

then he would come zipping around in a big Mercedes or something like that."

In September, the state dissolved the incorporation of Cobb's lobbying business for failure to file corporate tax returns for 1987 or 1988.

Still, Cobb kept lobbying, working out of an 18th-floor office in the posh AT&T building across from the capital.

In documents filed with the state this month, Cobb said he lobbied for 11 companies, including Hitachi, Cray Research, the Grand Strand Water & Sewer Authority and The Alpha Group.

It is widely speculated that The Alpha Group — supposedly a Georgia company interested in running horse-racing tracks in South Carolina — was a front for the FBI sting, and that Joe Williams, the company's officer who

sometimes accompanied Cobb, was an undercover agent.

At the Heritage Classic golf tournament in Hilton Head in April, Cobb and Williams entertained lawmakers and lobbyists aboard a yacht.

"What is happening now is not the Ron that all of us have known," Smith said. "Ron's personality was that of a very loyal, friendly individual, and a very likable kind of guy. And most everyone who knows him is very shocked at this moment."

"I thought I knew him, but I guess I didn't," said Cox, another lobbyist. "He will be remembered for doing in the people who had been good to him."

Staff writer Henry Eichel and the Associated Press contributed to this article.

Sun. July 1, 190

Maybe a Kid Could Write a Better Budget Than the Senate

RALEIGH

Rep. Dave Diamont's desk was only a rumor beneath a pile of paper last week. But Diamont, a Pilot Mountain Democrat and chairman of the House Appropriations Committee, actually spends little time in his cramped, two-room office suite as he dashes among assorted meetings, consultations, floor sessions and caucuses.

His clerk, Nancy Green, remained behind to field the incessant flow of phone calls and visitors as House leaders scrambled — and ultimately failed — to assemble a budget package in time for the start of the new state fiscal year today. Within one five-minute span Thursday, Green took three calls in what was apparently a coordinated campaign by members of a mental-health advocacy group seeking state funds.

Meanwhile, Rep. J. Fred Bowman of Burlington dropped by with a provision he wanted to see included in the budget.

Diamont wasn't in at the time, though he would return within moments after Bowman left. The former football coach at East Surry High School displayed a nifty move to elude an onrushing lobbyist from the Department of Transportation and reached the relative anctity of his office.

"Did you see this?" Diamont asked a visitor, gesturing toward a piece of stationery ped to his inner door. The paper was filled



ART EISENSTADT

with gibberish pounded out by Diamont's 4-year-old daughter on the office typewriter. An annotation, added in an adult's hand, stated, "Senate Budget. By Ashley Diamont. (Balanced)." Unlike Ashley's proposal, the real \$12.6 billion budget adopted last summer for the 1990-91 fiscal year is out of balance by \$336 million.

The Senate's revision, adopted more than two weeks ago, is not much of an improvement over Ashley's. In fact, it may even be worse. Ashley's doesn't hurt anybody.

To avoid a tax increase, the Senate cut \$86 million of \$110 million in previously promised new spending for schools under the Basic Education Plan, imposed an across-the-board 3 percent cut on all state agencies and authorized a variety of revenue windfalls, fund transfers and accounting tricks. It also

neglected to appropriate matching funds for at least four mandatory federal-aid human services programs, instructing administrators in the Department of Human Resources to shift money from other programs that were left unspecified.

The House budgeteers had been under marching orders from Speaker Joe Mavretic for four weeks to limit spending cuts, if possible, to no more than roughly half the deficit and make up the balance with tax increases. House Democrats were close Thursday to reaching agreement on a tax package that would raise roughly \$126 million through a half-cent increase in the state sales-tax rate effective Jan. 1, tightening of existing loopholes and higher levies on mixed-drink sales.

But the deal collapsed during a long party caucus, much to Diamont's disgust. Most rank-and-file Democrats were unwilling to proceed without bipartisan support, and Republican legislators have openly signaled their preference to campaign on a no-new-taxes platform this fall instead of seeking responsible solutions to the fiscal crisis.

This has even put Republican Gov. James G. Martin in a bind, as he tries to convince the Wall Street bond houses that are threatening to downgrade the state's AAA credit rating that the legislature is serious about meeting its obligations. But House Republi-

cans are taking strength from Lt. Gov. James C. Gardner, who went on statewide television last week to deny that any budget crisis existed. Gardner accused Democratic legislators of overspending and said he favored 6 percent cuts for all state agencies.

However, Gardner has refused to elaborate publicly on where or how such severe cuts could be made. Diamont sent a memo to the lieutenant governor's office, seeking whatever private enlightenment Gardner was willing to provide. He said Gardner sent back copies of his news releases.

Last summer, the House vowed to reject the Senate's smoke-and-mirrors budget plan for 1989-90, but caved in after four weeks of wheel-spinning could not produce a consensus for any alternative. This year, Diamont says, "We will have a budget," — but without any real sense of conviction.

"It's an election year, and Jim Gardner's out there beating everybody over the head with his simplistic solutions to very complex problems," Diamont said.

Cool heads in particular are taking a beating these days. Green tries not to influence Diamont's decisions, but she did confide: "I really hope those mental-health people get their money. I might need their services soon, if you know what I'm saying."

Eisenstadt is a Journal editorial writer.

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THE BUDGET COLLAPSE

Explanations, but No Excuses

Here's what your legislators can tell you without stretching the truth when they're campaigning for re-election this fall: They didn't raise taxes.

They will not be able to tell you, however, that they passed a balanced budget in any honest sense of that term. Nor will they be able to tell you that they made a reasoned judgment on how best to balance the state's tax burden with the needs of education, human services and the other areas of state government.

They will not be able to assure citizens that the state's fiscal affairs are in good enough order to avoid a tax increase in the next legislative session. And they won't be able to offer their word that the Wall Street bond-rating services trust them enough to maintain the state's AAA credit rating, which saves taxpayers millions each year by allowing the lowest-possible interest rates on the state's bonds, notes and obligations.

As the 1990-91 fiscal year begins today, the \$12.6 billion state budget adopted by the legislature last year is out of balance by \$336 million. The N.C. Constitution prohibits deficit spending, and legislators are scrambling to find a way to stanch the red ink. It is now likely that they will choose the path of least resistance, which is also the path of least respectability.

The last realistic hope that a responsible solution could be found for the state's fiscal woes disappeared late Thursday, when efforts by the House Democratic leadership to develop a consensus for a modest tax package collapsed behind the closed doors of a party caucus. Speaker Josephus L. Mavretic, Majority Leader Dennis A. Wicker, and Appropriations Committee Chairman David H. Diamont concede that they have no choice but to throw in the towel.

Given what's at stake, duty would seem to require the leaders to keep trying. But experience dictates otherwise.

The revenue packages under discussion were hardly examples of high-tax, profligate government. Mavretic's goal was to raise only about \$150 million — less than half the deficit — with the balance to be made up through spending cuts. Nor were the proposals on the table particularly bold. Most of them were modest and largely regressive hikes in sales and excise taxes, with a little bit of loophole-plugging thrown in.

Even that was too much, apparently, for the Democratic rank-and-file, who with only a handful of exceptions abandoned all pride and followed the questionable lead of Senate Democrats in cowering before Republican political threats that Mavretic described as "fiscal McCarthyism."

That's acceptable only as an explanation. As a justification, it is worthless. Republicans in both chambers, with the encouragement of Lt. Gov. James C. Gardner, have clearly signaled their preference to damn the state and campaign on a no-new-taxes pledge in this fall's midterm elections, rather than participate in serious efforts to address the state's obvious fiscal deficiencies.

A solution as painful as new taxes should not be chosen lightly. And if the Republican opposition were firmly rooted in a conservative, if hard-hearted, ideological base — with facts and figures and an awareness of the trade-offs involved — it would at least be a respectable, though largely indefensible, option.

But the Republicans aren't even going that far. Gardner, who bought television time last week to present a cynically named "report to the people," denied that the budget crisis existed, accused Democrats of overspending and called for 6 percent across-the-board cuts in appropriations for all state agencies.

Gardner might as easily have chosen 7 percent, or 10, or 25, or any other arbitrary figure. The lieutenant governor has remained silent, at least to the public ear, both as president of the Senate and within the administration of Republican Gov. James G. Martin during budget deliberations. He has offered no explanation for how the unrealistically deep and simplistic budget cuts he proposed should be made.

With midterm elections approaching, the Senate Democratic leadership — most notably President Pro Tem Henson P. Barnes and Majority Leader Ted Kaplan — blinked first. Meeting behind closed doors (could it be shame?), the Senate caucus banged out a ludicrous budget plan that can be defended only in the most Orwellian language, then rushed it to passage with the eager assent of much of the Republican minority.

No, it doesn't raise taxes. But the Senate budget does gut all but \$30 million of the proposed \$116 million in promised spending on the sixth installment of the Basic Education Plan; fails to appropriate matching funds for certain mandatory federal-aid human-services programs; arbitrarily cuts 3 percent of the budget for all state agencies; employs a variety of questionable fund transfers and windfall tax-law changes; and — worst of all — balances the whole mess on paper through the use of an accounting trick called "negative reserves," meaning monies the state doesn't now have or necessarily expects to collect.

Martin, caught in a political wringer and with little influence in the General Assembly, actually offered to endorse this absurdity 10 days ago if the legislature would pass a resolution of intent to raise the sales tax next year. But that less-than-bold approach inspired few people and impressed almost no one — certainly not the financial analysts whom Martin met with in New York last Monday.

The House Democratic leadership — Mavretic, Wicker and Diamont — along with a few other members who worked hard to find an acceptable alternative are about the only ones who can hold their heads up with pride after this debacle.

Voters owe the other players in this tawdry drama little, but we as a society should also save some scrutiny for ourselves. Only a selfish and apathetic electorate can allow this sorry excuse for legislative vision to thrive.

W-5 July 4, '90

STATE &

House Members Spend Holiday Continuing the Budget Struggle

By Ken Otterbourg
JOURNAL RALEIGH BUREAU

RALEIGH

House members celebrated the Fourth of July, chowed down on a flag-shaped cake and heard the Bill of Rights, but made little headway in passing a budget yesterday.

It was the fifth time in the past 10 years that the House has met on Independence Day.

Struggling to produce a balanced budget, the House has been hamstrung by internal divisions. Many members are reluctant to cut vital spending programs but now lack the clout to push through a tax increase that would ease the cuts.

The Senate, which didn't meet yesterday, has already passed a budget that closes a \$336 million shortfall with spending cuts and the use of one-time windfalls.

The budget being reviewed by the House Appropriations Committee balances the budget by forcing deep cuts across state government but, in a break with tradition, lets the agencies and not the legislature determine where to make those cuts.

Members are still waiting for the legislative staff to supply them with a fiscal comparison between the House and Senate proposal.

In other action, the House:

□ Passed a resolution honoring the life and memory of Rep. William T. Watkins, D-Granville, who died last year. Watkins was the former chairman of the House Appropriations Committee. The House delayed action on a resolution honoring Nelson Mandela.

□ Passed legislation requiring fire-sprinkler installers to be licensed by the state. The Senate had already approved the bill.

□ Passed a bill allowing tax credits for insurance companies that invest in start-up businesses in North Carolina. The Senate has passed that bill as well.

House members debated that bill at length. Rep. David H. Diamont, D-Surry, proposed an amendment allowing

the credit only if the businesses pay wages that are better than the county average, but the amendment failed.

In other action, the House Judiciary Committee gave a favorable report to a bill creating a 22-member commission to study prison sentences. Rep. Annie Brown Kennedy, D-Forsyth, voted against the bill, because she said that there wasn't any mechanism to ensure that the board would have adequate minority representation.

Also, the House Finance Committee favorably reported two bills authorizing a total of \$275 million in bonds for prison construction.

Today promises to be a grueling session for House members. They're scheduled to vote on a package that would give the governor the veto, establish four-year terms for legislators and set limits on legislative sessions. Democrats are predicting that the bill will fail, but the vote is expected to be close, and the debate is expected to be long.

Charles Cromer, Gov. James G. Martin's legislative liaison, told a meeting of House Republicans yesterday: "There is a lot of pressure being put on, and we're losing votes. The vote is going to be close. If we carry it, it's going to be by one or two votes."

House Democrats, in a closed caucus Tuesday, indicated that the veto package would have little chance of passage. The Senate last year approved a bill that would give the governor veto power.

North Carolina is the only state that does not give its governor some form of veto.

Cromer asked the House Republicans to let him know privately if they have changed their minds about supporting the veto plan.

"I assume the legislative ethic still remains that if you promise a vote, then that holds unless you tell the sponsor otherwise," he said.

Material from The Associated Press was used in this report.

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Friday, July 6, 1990

Editorials

'Fiscal McCarthyism'

It's Time To Stand Up And Be Counted In Raleigh

The anti-tax rhetoric from Lt. Gov. Jim Gardner, both parties in the N.C. Senate and assorted legislators in the House may be good politics, but it's terrible government.

North Carolina's needs are great and obvious. The state ranks dead last in national infant mortality rates and horribly low on a variety of indicators of the social health. North Carolina boasts some of the nation's finest colleges and universities, but our school dropout rate is alarming and our students' average score on the Scholastic Aptitude Test is the nation's lowest.



Mavretic

Yet in Raleigh, the anti-tax fever has scared legislators into considering drastic cuts in a budget already too small to meet the state's needs.

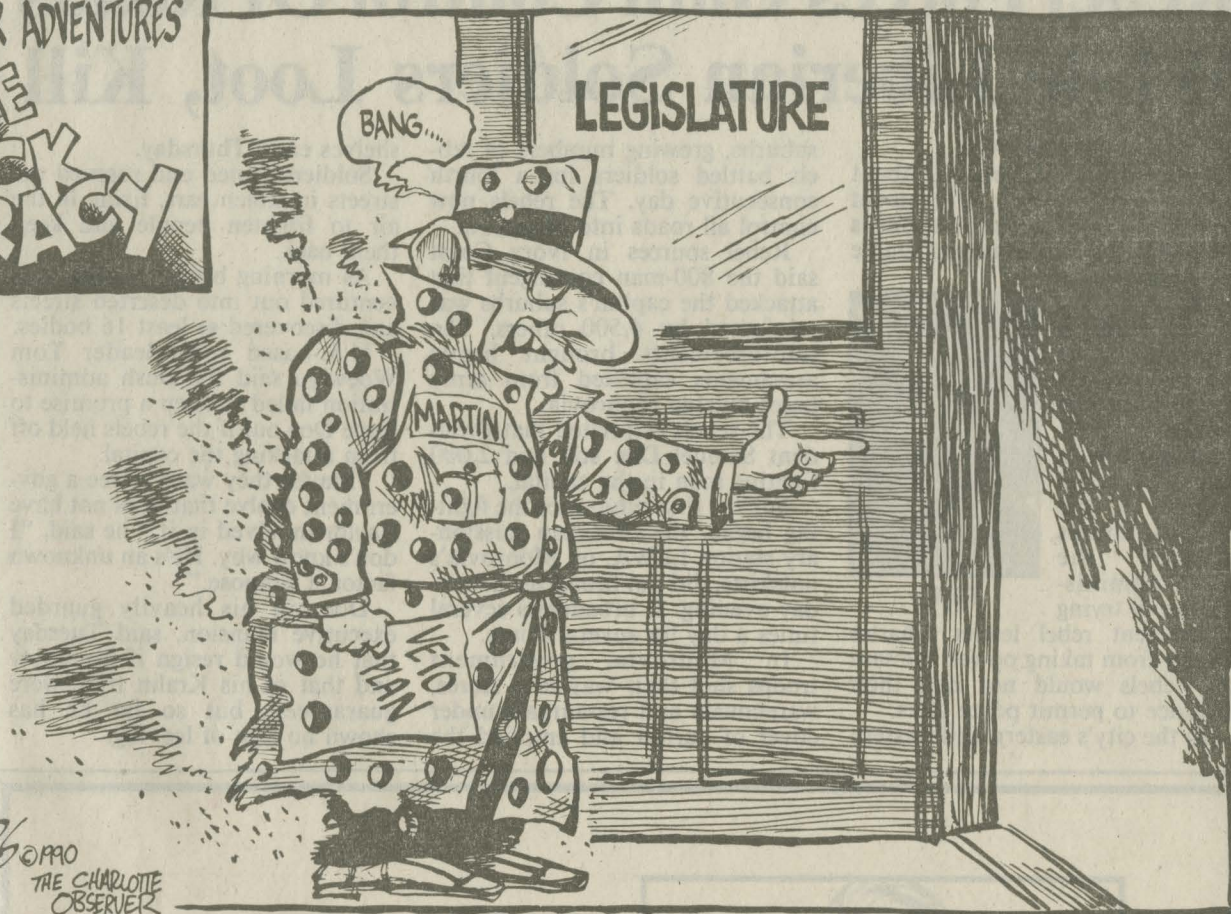
House Speaker Joe Mavretic bluntly calls it "fiscal McCarthyism." He's right. It's worth remembering that Sen. Joe McCarthy was able to inflict his "red scare" on the nation only because people who knew he was full of baloney were scared to say so.

To their credit, some legislators have the guts to say that progress costs money. House Speaker Mavretic, House Majority Leader Dennis Wicker, House Minority Leader Johnathan Rhyne and House Appropriations Chairman David Diamant all have pushed for new revenue as well as spending cuts. But the Senate has said no, the House thus far is going along. Gov. Jim Martin has been beside the point.

Not all politicians — and not all Republicans — have succumbed to anti-tax demagoguery, however. Even George Bush finally has acknowledged that a responsible federal budget will require new taxes as well as spending constraints. Republican governors from Florida to California have campaigned for big tax increases to meet their states' needs. In Mecklenburg County and across the state, county commissioners have been willing to raise taxes to pay for their counties' needs.

In Raleigh, however, legislators tremble in fear at mention of the "t" word. Legislators who know new taxes are needed but won't vote for them are putting their political comfort ahead of the state's welfare. Those whose priorities rank in that order should signify by saying "I resign." It's time to stand up and be counted.

THE FURTHER ADVENTURES
OF
LAME
DUCK
TRACY



WAT. DEM.
July 4, 190

N.C. Sierra Club honors people for environmental contributions

The North Carolina Chapter of the Sierra Club recognized several of North Carolina's outstanding environmental leaders at its recent annual meeting at Montreat Conference Center.

David Howells of Raleigh was presented the chapter's highest award, the LeConte Award. Mr. Howells, a retired professor at N.C. State University, received the award for his many contributions to the protection of the state's streams and water supplies.

Rep. Charles Rose of Fayetteville of North Carolina's 7th District was awarded the Congressman of the Year Award for introducing and

supporting legislation to protect the North Carolina coast from threatened oil and gas development.

Sen. Lura Tally of Fayetteville and Rep. David Diamont of Pilot Mountain were recognized as Legislators of the Year.

"Senator Tally has an excellent environmental record, has sponsored numerous environmental bills and chairs the Senate Committee on Environment," said Bill Holman, lobbyist for the Sierra Club. "Rep. Diamont also has an excellent record and has sponsored numerous environmental bills, including the Bottle Bill."

Tom Perlic of Blounts Creek received the Sam Thomas Memorial Public Lands Award for leading the Sierra Club's effort to protect the North Carolina coast from off-shore oil and gas drilling.

The Greenville Daily Reflector received the Media Award for excellence in environmental reporting. Mary Schulkin of the editorial staff was responsible for more than 70 environmental editorials during the past year. Reporter J. Ward Best was also recognized for his contributions in providing numerous educational articles on environmental issues facing eastern North Carolina.

Your Veto Is A No-Go, Legislature Tells Martin

By GREG TREVOR

Raleigh Bureau

RALEIGH — Republican Gov. Jim Martin's hopes to get the veto this year died with a whimper Thursday.

And it's unlikely now that he'll ever get veto power, legislators said.

Hours before the N.C. House was expected to begin a highly partisan debate on a Martin-backed veto package, House leaders in both parties agreed to send the plan back to the House Rules Committee — killing it for this legislative session.

"The bill will not come up again, by agreement of all parties," said House Rules Chairman Harry Payne, D-New Hanover.

Martin, who had made the veto

July 6, '90 CHR.

Observer

Veto Power

- North Carolina is the only state whose governor cannot veto bills passed by the legislature.
- With veto power, a governor could reject legislation and force the House and Senate to muster a three-fifths majority to override.

his top legislative priority, was vacationing Thursday on Lake Norman.

Martin blamed the veto's

See LAWMAKERS Page 9A

House splits along party lines on measure honoring Mandela

By VAN DENTON
Staff writer

Nelson R. Mandela won a belated welcome to the United States from the state House on Friday. But many Republicans voted against the gesture after one GOP legislator assailed the black South African as "evil in the flesh."

By a 64-33 vote, the House adopted a resolution welcoming Mr. Mandela and honoring those who have died fighting for freedom in South Africa.

The resolution was approved after the House, in a series of votes, rejected procedural moves to block it. But the legislation generated little debate, other than a strongly worded attack from Rep. Stephen G. Arnold, R-Guilford.

"Primarily, this resolution grants and invests . . . legitimacy to Nelson Mandela and the African National Congress, who are actually nothing less than evil incarnate, evil in the flesh," Mr. Arnold said. "For us to give legitimacy to Nelson Mandela and his band of communists and thugs would be a mistake."

Supporters of the resolution did not respond to Mr. Arnold's criticism on the House floor. But in an interview afterward, Rep. Daniel T. Blue Jr., D-Wake, said the opposition had racial overtones.

"I think it makes a very profound statement," said Mr. Blue, one of the black leaders in the House. "Tragically, they apparently don't see the direct connection between the attitudes displayed by that vote and assertions that they are racially insensitive — or even more emphatically — racists."

Action on the resolution came days after Mr. Mandela completed his tour of the United States, including a visit with President Bush and a speech to Congress. Mr. Mandela, who was imprisoned for 27 years by the South African government, is deputy president of the African National Congress, the leading anti-apartheid coalition in that country.

All 64 votes for the resolution came from Democratic lawmakers, while the 33 votes against it all were cast by Republicans.

Several legislators who were present and participated in the procedural votes failed to vote on the resolution itself.

House Speaker Josephus L.



'For us to give legitimacy to Nelson Mandela and his band of communists and thugs would be a mistake.'

— Rep. Stephen G. Arnold,
R-Guilford

Mavretic, D-Edgecombe, asked whether the resolution had been properly introduced under House rules, but ruled it was eligible for consideration. He also cast a vote in favor of the resolution.

In the debate, Mr. Arnold first tried unsuccessfully to amend the resolution, saying his proposed change would correct what he called inaccurate statements about the situation in South Africa and the efforts of Mr. Mandela and the African National Congress to overthrow apartheid.

Objecting to language that said Mr. Mandela wanted to establish a "new free, non-racial unitary, and democratic South African nation," Mr. Arnold asserted that Mr. Mandela's real goal was to "destabilize and destroy the Republic of South Africa and establish a new Marxist oriented classless one-party state."

He contended that "Nelson Mandela has not at all renounced terrorism or violence" and compared the anti-apartheid leader to Cuban Premier Fidel Castro and Libyan leader Moammar Gadhafi.

After the vote, Rep. H.M. "Mickey" Michaux Jr., D-Durham, said that Mr. Arnold's statements about violence showed that he did not understand the situation in South Africa.

"Our revolutionary leaders never renounced violence," Mr. Michaux said. "We became free through violent means. I don't personally support violence, but I understand the frustrations of people who are suppressed and who even though they are in the majority are being ruled by a minority."

Here is how House members voted on the resolution:

In favor: Charles W. Albertson, D-Duplin; Anne C. Barnes, D-Orange; Howard C. Barnhill, D-Mecklenburg; Charles M. Beall, D-Haywood; R. Donald Beard, D-Cumberland; Daniel T. Blue Jr., D-Wake; Edward C. Bowen, D-Sampson; J. Fred Bowman, D-Alamance; Logan Burke, D-Forsyth; Howard B. Chapin, D-Beaufort; John T. Church, D-Vance; Marie W. Colton, D-Buncombe; Roy A. Cooper III, D-Nash; Narvel J. Crawford, D-Buncombe; W. Pete Cunningham, D-Mecklenburg; Donald M. Dawkins, D-Richmond; David H. Diamont, D-Surry; Ruth M. Easterling, D-Mecklenburg; C.R. Edwards, D-Cumberland; W. Bruce Ethridge, D-Carteret; Milton F. Fitch Jr., D-Wilson; Ray C. Fletcher, D-Burke; Jo Graham Foster, D-Mecklenburg; Aaron E. Fussell, D-Wake; Pryor A. Gibson, D-Anson; Herman C. Gist, D-Guilford; James P. Green, D-Vance; Gordon H. Greenwood, D-Buncombe; Joe Hackney, D-Orange; Thomas C. Hardaway, D-Halifax; John C. Hasty, D-Robeson; Bertha M. Hoff, D-Alamance; John J. Hunt, D-Cleveland; Judy F. Hunt, D-Watauga; Howard J. Hunter Jr., D-Herford; John W. Hurley, D-Cumberland; Vernon G. James, D-Pasquotank; Luther R. Jeralds, D-Cumberland; Walter B. Jones Jr., D-Pitt; Annie B. Kennedy, D-Forsyth; John H. Kerr III, D-Wayne; Daniel T. Lilley, D-Lenoir; Albert S. Lineberry, D-Guilford; Edith L. Lutz, D-Cleveland; Josephus L. Mavretic, D-Edgecombe; John B. McLaughlin, D-Mecklenburg; H.M. Michaux Jr., D-Durham; George W. Miller Jr., D-Durham; William D. Mills, D-Onslow; Martin L. Nessbit, D-Buncombe; Edd Nye, D-Bladen; Harry E. Payne Jr., D-New Hanover; Beverly M. Perdue, D-Craven; Liston B. Ramsey, D-Madison; E. David Redwine, D-Brunswick; R. Eugene Rogers, D-Martin; Margaret M. Stamey, D-Wake; Raymond M. Thompson, D-Chowan; Sharon A. Thompson, D-Durham; E. Alexander Warner, D-Cumberland; Edward N. Warren, D-Pitt; Dennis A. Wicker, D-Lee; Betty H. Wisner, D-Wake; Barney Paul Woodard, D-Johnston.

Against: Stephen G. Arnold, R-Guilford; David G. Balmer, R-Mecklenburg; Bobby H. Barbee, R-Stanley; C. Robert Bowley, R-Iredell; John W. Brown, R-Wilkes; Harold J. Brubaker, R-Randolph; Billy J. Creech, R-Johnston; Arlie F. Culp, R-Randolph; Michael P. Decker, R-Forsyth; Lawrence E. Diggs, R-Mecklenburg; Jerry Dockham, R-Davidson; Theresa H. Esposito, R-Forsyth; David T. Flaherty Jr., R-Caldwell; Charlotte A. Gardner, R-Rowan; Lyons Gray, R-Forsyth; Harry C. Grimmer, R-Mecklenburg; Joe H. Hege Jr., R-Davidson; George M. Holmes, R-Yadkin; Julia C. Howard, R-Davie; Doris R. Huffman, R-Catawba; W. Sline Isenhower, R-Catawba; Larry T. Justus, R-Henderson; Marty E. Kimsy, R-Macon; Doris L. Lail, R-Lincoln; Bradford V. Ligon, R-Rowan; H. Clayton Loffin, R-Union; Coy C. Privette, R-Cabarrus; Frank E. Rhodes, R-Forsyth; George S. Robinson, R-Caldwell; John H. Weatherly, R-Cleveland; Peggy Wilson, R-Rockingham; William E. Wilson, R-Watauga; Stephen W. Wood, R-Guilford.

Not voting: J. Vernon Abernethy, R-Gaston; Gerald L. Anderson, D-Craven; Joanne W. Bowie, R-Guilford; Charles F. Buchanan, R-Mitchell; James M. Craven, R-Moore; James W. Crawford Jr., D-Granville; Daniel H. DeVane, D-Hoke; W.W. "Dub" Dickson, R-Gaston; Larry E. Etheridge, R-Wilson; Robert Grady, R-Onslow; Alexander M. Hall, D-New Hanover; R. Samuel Hunt III, D-Alamance; Robert C. Hunter, D-McDowell; Sidney A. Locks, D-Robson; Leo Mercer, D-Columbus; J. Arthur Pope, R-Wake; Johnathan L. Rhyne Jr., R-Lincoln; Frank J. Sizemore III, R-Guilford; Paul B. Stam Jr., R-Wake; Clarence P. Stewart, D-Harnett; Timothy N. Tallent, R-Cabarrus; John L. Tart, D-Wayne; Lois S. Walker, R-Iredell.

Under the DOME

Legislators fraying from long session

When legislators meet at night, strange things can happen.

And they did Thursday evening, when the House Appropriations

Committee settled in for three hours of work aimed at adopting a budget.

Members, tired of a session marked by wrangling over spending and taxes, were nearly giddy at times.

It started with the chairman, Rep. David H. Diamont, D-Surry.

Mr. Diamont, an affable school-teacher, issued a tangible warning against amending a budget plan he had recommended to the committee: He put a steel, small-game trap on the floor behind a lectern.

"That's for people who want to amend the proposal," he said as the meeting started.

Before the meeting, he showed the trap to reporters, setting it and triggering it with a pencil. The pencil was snapped in half.

The mood spilled over to other committee members. Charles L. Cromer, a lobbyist for Republican Gov. James G. Martin, lost a big battle earlier in the day when a constitutional amendments package that included gubernatorial veto was shelved for the year.

Rep. Frank J. "Trip" Sizemore III, R-Guilford, walked up to Mr. Cromer in front of a group of reporters.

"Good job today," he said with a straight face, sparking laughter from the reporters.

Former House Speaker Liston B. Ramsey, ousted in a coup last year, got in a jab of his own on another topic. Mr. Ramsey, often

See DOME, page 3B



N.C. Infant Death Rate Lowest Ever; Battle 'Not Over'

By KAREN GARLOCH
Staff Writer

Sat. 14.
July 1990

RALEIGH — After increasing two years in a row, infant deaths in North Carolina declined in 1989 to the state's lowest rate ever.

Early calculations indicate North Carolina's 1989 rank among the states won't be 50 but will still be among the 10 worst.

In announcing the statistics Friday, Gov. Jim Martin credited the state's expansion of Medicaid for pregnant women — in a program called Baby Love — with saving infants' lives. He also praised the federal Women, Infants and Children nutrition program.

And he praised the news media for raising public awareness.

"The publicity surrounding our last-place ranking may have been a major factor in the turnabout, by helping pregnant adolescents recognize the need for prenatal care," Martin said.

See INFANT DEATH Page 6A

Infant Deaths Down?

July
13,
1990

Martin To Release '89 Figures Today

By KAREN GARLOCH

Staff Writer

Gov. Jim Martin is expected to announce today that North Carolina's infant mortality rate dropped between 1988 and 1989.

Martin's office refused to release 1989 statistics before this morning's news conference in Raleigh, but sources Thursday said infant deaths decreased from 1988, when the rate was 12.7 deaths per 1,000 births.

North Carolina's 1988 rate — which rose for the second straight year — was the worst of any state. It's too soon to tell whether the 1989 decrease will change that rank.

A source also said the 1989 statistics show that even though the infant mortality rate went down, more babies were born prematurely and fewer pregnant women got medical care in 1989 than in 1988.

Infant mortality is most severe among premature or tiny infants whose mothers received little or no medical care during pregnancy.

Poverty, poor nutrition, unsanitary conditions, lack of education, teen pregnancy and drug abuse all contribute to infant mortality. The infant death rate is an indicator of people's overall health.

In a series of articles in The Charlotte Observer last year, some legislators and health care officials criticized Martin for not making infant mortality a priority.

But after Martin learned the N.C. rate ranked 50th in the nation, he took the offensive.

Vowing that the infant death rate would not remain the worst among the states, he appointed a 27-member Commission on Reduction of Infant Mortality to attack the problem. As a start, he asked the General Assembly for \$4.5 million for medical care for pregnant teens who live with their parents and can't qualify for Medicaid.

Martin also supports the proposal by numerous legislators to spend \$10.3 million next year on programs to cut infant mortality.

Staff writer Greg Trevor contributed to this article.



The News and Observer

I advise and enjoin those who direct the paper in the tomorrows never to advocate any cause for personal profit or preferment. I would wish it always to be "the tocsin" and to devote itself to the policies of equality and justice to the underprivileged. If the paper should at any time be the voice of self-interest or become the spokesman of privilege or selfishness it would be untrue to its history. — JOSEPHUS DANIELS, Editor and Publisher 1894-1948.

Splurging and purging

North Carolina this year is close to broke. Schools and human services are hurting and will hurt more. Crammed community colleges need room to educate the well-trained workers whom the princes of Tar Heel industry are always pleading for. The last things in the world the state needs to splurge millions on just now are a new sports palace for N.C. State University and a fancy new home for the business school at the university at Chapel Hill.

But given this legislature's record to date, only a fool would have expected members to see the obvious conflict between their misplaced priorities and the public's needs. And sure enough, in the Senate Appropriations Committee's proposed capital spending budget, \$1 million for NCSU's sports arena and \$5 million for UNC-CH's M.B.A. factory have bobbed up again.

What the senators heaved overboard to keep these nine-lived luxuries afloat is a whole string of items they apparently consider mere optional extras for North Carolina. Among the casualties is the \$4.9 million capital request of the Department of Community Col-

leges. Every penny of that was deep-sixed without a bubble, which means no new buildings. Again.

The \$6 million earlier promised for NCSU's new graduate engineering center was slashed in half. Yet that would have been an investment with a payoff for North Carolina's economic future infinitely better than a dozen sports facilities.

Lest anyone think the senators don't know a frill when they see one, they jettisoned a \$2.4 million request for repairs and land acquisition for the state's stepchild parks system. For that bedraggled Cinderella, a pumpkin coach is always promised and never shows up.

But nothing is too good for basketball and businessmen. That's how the senators see the state's priorities, and that's their privilege. Voters have their own privilege: registering their disgust in November.

Diamont Vows To Challenge Mavretic For Speaker

By JOHN DRESCHER
and GREG TREVOR
Raleigh Bureau

RALEIGH — Democratic State Rep. David Diamont, a popular 16-year legislative veteran, said Saturday he would seek to become speaker of the House when the legislature returns in January.

Diamont wants to unseat Speaker Joe Mavretic, D-Edgecombe, whom he helped put in power last year in a dramatic coup.

His surprise announcement, coming hours before the legislature adjourned for the year, was further evidence of a major battle for control of the House when it returns in January.

In 1989, Mavretic and Diamont joined with 18 other dissident Democrats and House Republicans to overthrow longtime Speaker Liston Ramsey, D-Madison.

Diamont stood by that action Saturday. But he said House Democrats were divided and that he could bring them together.

"It's a unifying effort. We need to move forward," Diamont said



Diamont

at a press conference held just before the legislature adjourned for the year.

At his own news conference, Mavretic said Diamont's candidacy should further splinter House Democrats, strengthening Mavretic who still enjoys the support of Republicans and some Democrats.

"I suspect that the events of today improve my chances," Mavretic said. "I start off with well over 50 (votes), and you only need 61. That's a pretty good head start."

During the Mavretic reign, Diamont said, "There were a lot of folks that simply didn't trust each

other."

Mavretic has feuded openly, sometimes in a personal manner, with many supporters of Ramsey.

Democrats had a majority in the House but struggled to build consensus on major tax-and-budget issues as the legislature limped through record-length sessions last year and this year.

Diamont, 44, is the legislature's only active school teacher. He was chairman of the important House Appropriations Committee this session.

He supported raising taxes to avoid cuts in planned education funding, but neither he nor Mavretic was able to garner a majority.

Mavretic and several other Democrats have said they will run for speaker next year.

Minutes after Diamont's announcement, House Republicans emerged from a caucus saying they are still behind Mavretic.

"We are particularly united. They (Democrats) are so divided, and there is so much deep-rooted difference of opinion," said House Minority Leader Johnathan Rhyne, R-Lincoln.

Several Democrats still loyal to Mavretic predicted he will be reelected speaker in 1991.

"The coalition's strong," said Rep. Harry Payne, D-New Hanover.

July 21, '90



Staff photo by Rob Cross

Budget break

From left, Sen. Russell G. Walker, House Appropriations Chairman David H. Diamont and his Senate counterpart, Sen. Kenneth C.

Royall Jr., discuss matters during a break in negotiations on a revised operating budget for the state. They conferred Friday.

Legislators Adjourn Record-Length 'Short' Session

Continued From Page 1A

Despite their majority, House Democrats have feuded since Mavretic rode a Democratic-Republican coalition to power last year, with Diamont's support.

In the session completed Saturday, legislators deferred long-term decisions until next year on two of the toughest, most emotional issues — the state's ailing budget and proposed abortion restrictions.

They delayed action on what analysts agree is inevitable to save state programs — higher taxes. They also continued last year's debate about funds for abortion without tackling the toughest questions of abortion policy.

Several other major issues, put off this summer, are expected to resurface next year:

- **Veto.** There was no floor vote this summer on granting the governor veto power — which would have a major impact on the balance of power between the governor and legislature.

- **Judges.** There was no vote on whether judges should be appointed instead of elected.

- **Lottery.** The House did not consider a Senate bill to schedule a referendum on

a state lottery.

- **Prisons.** While lawmakers approved a \$275 million prison construction package, they put off deciding where to build them.

- **Drunken driving.** Legislators took no action on a year-old bill to toughen drunken driving laws. Senate negotiators refused to lower the legal blood alcohol level for drivers from 0.10% to 0.08%.

Also next year, lawmakers will have the added pressure of redistricting — redrawing congressional and legislative districts based on the 1990 census. That's expected to generate unprecedented partisan battling.

"The next session is going to be even more intense," said Diamont, the House Appropriations Committee chairman.

When the session opened in May, legislators faced a fiscal crisis — a projected \$336 million shortfall in the 1990-91 budget.

Although revenues were up, they were not as high as lawmakers predicted when they approved the budget back in 1989.

The shortfall threatened massive state education and highway-construction programs. It also threatened the state's prized AAA bond rating, which could cost the

state millions of dollars in higher bond interest rates.

Most legislators agreed that raising taxes was the simplest way to balance the budget. But few lawmakers were willing to travel that path in an election year.

"It's been frustrating," said Diamont, who backed higher taxes. "Sometimes, I felt like just throwing my hands up and leaving."

Lawmakers did add some money to the budget — including \$10 million to fight infant mortality and more than \$4 million to combat illegal drugs.

But without higher taxes, they had to find that money elsewhere in the budget.

After weeks of finger-pointing, House and Senate leaders struggled to cut promised spending for education and human services.

They also plugged holes in the budget with one-time revenue windfalls — such as forcing utilities to accelerate their tax payments.

"North Carolina's budget looks more like grandma's patchwork quilt, with pieces of Uncle Bert's shirt here and Aunt Bessie's blouse there," N.C. Agriculture Commissioner Jim Graham said last week.

And it's expected to get worse next year.

Some analysts say North Carolina will face at least another \$400 million shortfall in the 1991-92 budget — caused by sluggish revenues and higher costs for education, health care and state employee salaries.

"We're going to have the same fight in '91," Diamont warned. "The same argument, the same debate about whether we increase taxes or whether we cut programs."

"It's going to be much worse next time. Much worse."

Martin, who has proposed raising the state sales tax 1 cent during the last two sessions, is expected to call for another tax increase next year.

"It's how much," Martin said.

But Rep. Walter Jones, D-Pitt, who has opposed raising taxes, said: "I frankly do not think there will be a strong consensus for taxes."

"You don't have to go far back home to see citizens having trouble making ends meet. How can you raise their taxes?"

Legislators also didn't aggressively tackle the abortion issue as some had thought they would.

A year ago, when the Supreme Court gave states more leeway to regulate abortion, many thought this summer's session would be a battleground over the issue.

It wasn't.

There were mostly unsuccessful efforts to cut the state's abortion fund for poor women and to require unmarried girls younger than 18 to get a parent's or a judge's permission to get an abortion.

But there was no push to enact the kind of broad restrictions permitted by the Supreme Court.

In that Missouri case last year, the Court said it was legal to ban abortions in public facilities and to require doctors to test the viability of a fetus at 20 weeks.

Why didn't anti-abortion legislators, who generally are Republican, push for more restrictions?

"The Republican Party is seeing the issue is not on their side," said House Majority Leader Dennis Wicker, D-Lee.

Not so, said House Minority Leader Johnathan Rhyne, R-Lincoln.

He said Republicans fought for the funding cuts and consent bill but lost.

"If those won't pass, the chances of a Missouri-type bill passing probably aren't good," he said.



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 Raleigh 27611

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 ROOM 635
 TEL. 919-733-5829

COMMITTEES
 APPROPRIATIONS COMMITTEE
 CHAIRMAN
 EDUCATION
 SUBCOMMITTEE ON ELEMENTARY AND SECONDARY
 EDUCATION

STATEMENT BY REPRESENTATIVE DAVID DIAMONT (D-SURRY)

"his"
 I have been a member of the legislature for sixteen years. During that time I have served under four speakers, each with their own leadership style. As you know, two years ago I was a part of an effort which provided opportunities for new leaders to serve North Carolina. Our goal was to strengthen the legislative process by making it more open, competitive, and responsive to the public. We have been successful!! However, the costs to my party have been high. Many times this session, Democratic House members have been unable to build consensus on crucial issues.

Events of the past few months have convinced me that the people of North Carolina will best be served by a united House Democratic majority. It is important for the future of North Carolina that my party, the majority party, be strongly united behind the next Speaker of the House. I am convinced that such unity will only come from strong competition between strong candidates within the Democratic caucus.

I intend to initiate that move toward unity today by

"more"

announcing my candidacy for Speaker of the House. I have just informed Joe Mavretic of my decision.

The Democratic Party has a long tradition of fine leadership. Liston Ramsey fought for the common man. Joe Mavretic had the courage to open the process. As Speaker I intend to continue our great Democratic tradition by providing solutions to the difficult problems that face North Carolina.

1. I will provide leadership by being the Democratic members together as a unified caucus.

2. I will continue to emphasize the role of the majority and minority leaders. "###"

3. I will work with the Senate to shorten legislative session.

4. I will respect each member's right to open debate and full participation in the legislative process.

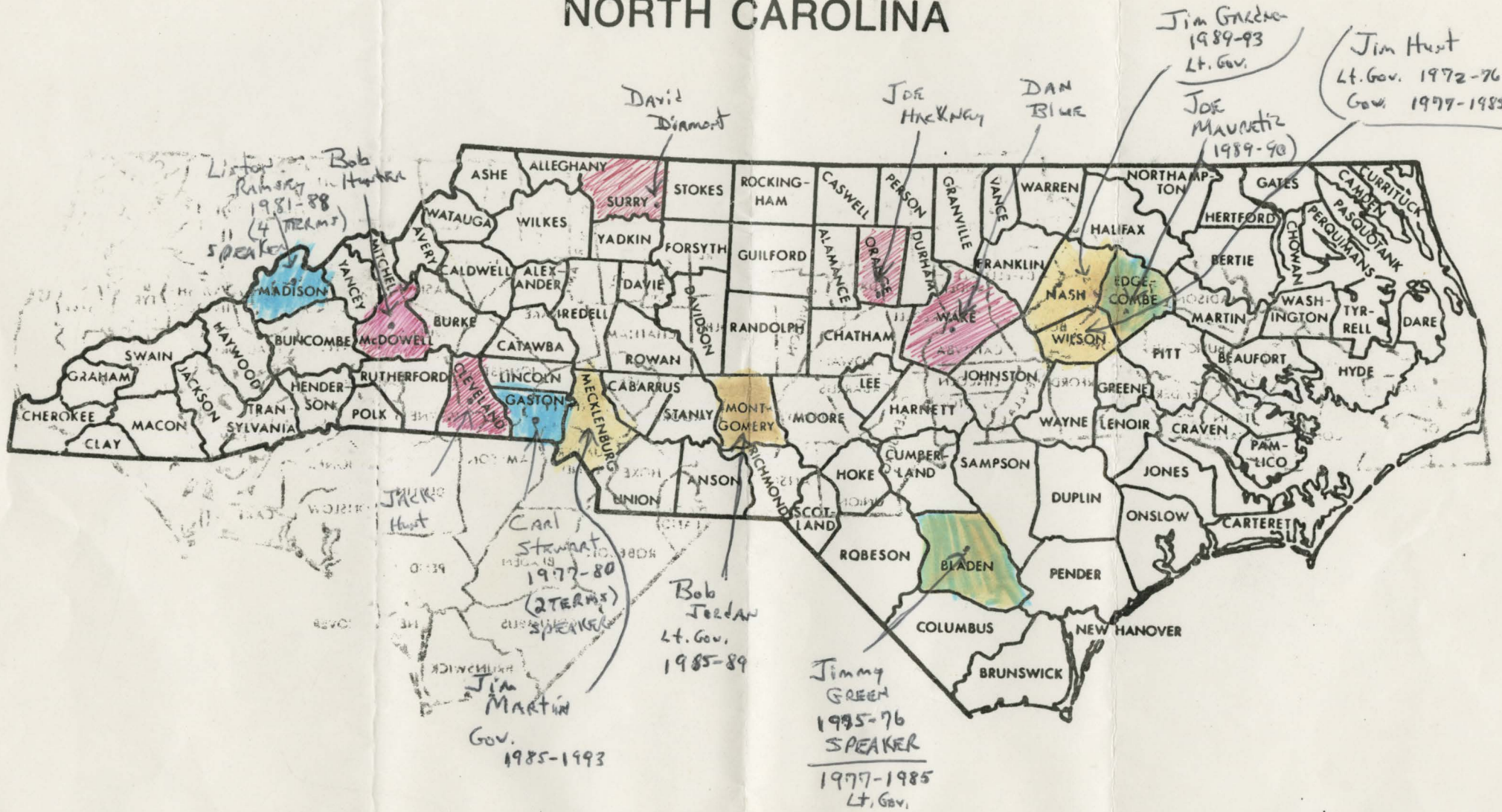
I look forward to a healthy and competitive contest for the Speakership.

As Speaker:

1. I will seek and serve only one term.
2. I will maintain the openness which has been brought to the legislative process.
3. I will work with the minority party to insure their full participation in the process. Committee structure would be based on a proportional representation with ranking minority members on each committee.
4. I will have the current committee system re-examined and revised.
5. I will provide leadership to bring the Democratic members together as a unified caucus.
6. I will continue to emphasize the role of the majority and minority leaders.
7. I will work with the Senate to shorten legislative session.
8. I will respect each member's right to open debate and full participation in the legislative process.

I look forward to a healthy and competitive contest for the Speakership.

NORTH CAROLINA



14

Beard
 Bowman
 Cooper
 ✓ Crawford
 DeVane
 Disimont
 Hasty
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 ✓ Husky
 ✓ Jones
 ✓ McLaughlin
 Payne
 Weaver
 Muretta

6

* Keen
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 Mary Jaxwell
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 Nelson Cole

15 HUNTER

Albertson
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11 Wick

Ramsey
 Stewart
 Nesbitt
 Bell
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 Miller
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 Bowen

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