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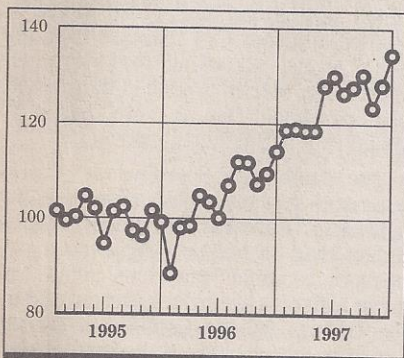
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75 CENTS

Consumer Confidence

Index (1985=100)



CONSUMER CONFIDENCE index rose to 134.5 in December from a revised 128.1 in November, the Conference Board reports. (Article on page A2)

Tax Report

A Special Summary and Forecast Of Federal and State Tax Developments

WALL STREET MOBILIZES against Clinton tax plans expected next month.

Securities-industry leaders are upset by reports that President Clinton will renew his attack on several Wall Street products that the Treasury views as designed mainly to avoid taxes. They are especially irked because the Clinton budget is expected to reintroduce some proposals that Congress has rejected in recent years.

The Securities Industry Association already is moving to shoot down these ideas. "Innovative financial products play an important role" in reducing the cost of capital for U.S. businesses, SIA officials said in a letter late last week to President Clinton, Treasury Secretary Rubin and others. "Altering the tax treatment of certain of these products could restrict access to capital for many businesses and create costly market uncertainty."

If the White House "decides to send up the same old list of things rejected in last year's budget, that list will be DBA—dead before arrival," says Kenneth Kies, chief of staff of Congress's Joint Tax Committee.

THE MILLIONAIRES' CLUB gets more members, a new IRS report says.

How many people earn \$1 million or more a year? About 87,000 individual income-tax returns reported adjusted gross income of \$1 million or more for 1995, the latest year for which statistics are available, according to an article by Therese Cruciano in the IRS's latest Statistics of Income Bulletin. That was only a fraction of 1% of the 118.2 million individual returns for that year. But it was a 24% increase from 1994.

For the upper-upper crust, 1995 was a very good year. The group's adjusted gross income soared 25% to \$227.6 billion. That was far greater than the 7% increase in income reported for all individual 1995 returns. The millionaires paid total income taxes of \$71.5 billion for 1995, up from \$56.6 billion the prior year. Other high-income groups also enjoyed a good year. The number of returns reporting adjusted gross income of less than \$30,000 was essentially flat.

EFFORTS GROW to help separated and divorced spouses battling the IRS.

When Congress returns late next month, one long-simmering issue likely to attract renewed attention is how to change the rules that generally require each spouse to be jointly liable for all taxes.

Trimming Down

In the New Mergers, Conglomerates Are Out, Being No. 1 Is In

So Westinghouse Sells Off Power and Defense Lines Expands in Broadcasting

CEO Personalities Play Role

By BERNARD WYSOCKI JR.

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—As waves of consolidation sweep through one industry after another, top executives are facing a big question: Should they buy up other companies or sell their own?

It is a question that Michael H. Jordan has faced repeatedly since taking over at Westinghouse Electric Corp. in 1993.

Mr. Jordan has decided to be a buyer in broadcasting. First, he acquired CBS Inc.



Michael H. Jordan

for \$5.4 billion in 1995. Then he piled on a cable-television network and made two big acquisitions of radio-station chains, trying to capture the No. 1 or No. 2 position in every major U.S. radio market.

Meantime, he sold off just about everything else in the old Westinghouse, both the good businesses and the bad. He began by unloading the defense business, a winner. But that was just the start. Most recently, he decided that the company, battling bigger, better-financed rivals, couldn't hack it in the intensely competitive power-generation business, which is plagued by excess capacity, slow demand and price cutting. In November, he agreed to sell the power-generation unit to Siemens AG of Germany for \$1.53 billion.

"There are the big dogs, there are the ankle-biters, and then there are those caught in the middle," such as Westinghouse and Siemens, he says. The midsize companies have to combine, he adds.

Mr. Jordan's deal-of-the-month style is controversial, and many in Pittsburgh, the

As Debate Simmers, Walls Fall at Jericho, And Ahab's a Hero

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In the 'Finkelstein Correction,' An Archaeologist Recasts The Biblical Pecking Order

By AMY DOCKSER MARCUS

Staff Reporter of THE WALL STREET JOURNAL

The Bible says King David ruled one of the most powerful empires in the Middle East. Archaeologist Israel Finkelstein says he was a tribal warlord with good P.R.

Solomon as a wise king and great builder? Think again. Solomon, Mr. Finkelstein says, built only a few unimpressive buildings. Meanwhile, Ahab, that weak charlatan married to the adulterous Jezebel, may not have been so bad after all.

Mr. Finkelstein, head of Tel Aviv University's prestigious archaeological institute and one of Israel's leading archaeologists, is the man whose field work put Israelite settlements on the archaeological map in the first place. Now he wants to take them back off. His argument: He and other archaeologists misdated crucial evidence.



Israel Finkelstein