



FAITH WORKS

THE BOOK OF JAMES



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Nobody's Tool RJR Nabisco Board Asserts Independence In Buy-Out Decisions

Deal-Making by the President Ranks Some Directors Who Once Backed Him

'We Feel Used and Abused'

By JOHN HEILYAR
AND RYAN BURROGH

Staff Reporters of The Wall Street Journal

Until recently, a seat on RJR Nabisco's board was almost the Elroy Street: lucrative directors' fees, but consulting contracts and the constant tender loving care of the company's president and chief executive, F. Ross Johnson. "I sometimes feel like the director of transportation," he once remarked, after ordering up a corporate jet for a board member. "But if I'm there for them, they'll be there for me."

And they were at first, when Mr. Johnson attended Wall Street three weeks ago by announcing he was considering the biggest leveraged buy-out in history. But that overtime wasn't to be the last, not even Mr. Johnson's last. The RJR Nabisco case has turned into an auction of staggering scale and one of bitterness and bitterness. Lawsuits and lawsuit-threats are flying. Conflict-of-interest charges are proliferating. Investors in the buy-out deals are grumbling. And now the directors of RJR Nabisco are on the hot seat.

Abruptly, Mr. Johnson's relationship with them has gone from cozy to strained. For him, their growing defection is ominous, turning the contest into one he could well lose. But the directors' shifting attitudes—and evolving views of their legal duties—are crucial, too, for every other man on this widening battlefield.

Rewriting the Book

By taking matters into their own hands,

What's News—

Business and Finance

RJR NABISCO'S BOARD has found itself on the hot seat after taking control of the bidding process for the tobacco and food giant. Once-cozy relations with RJR president F. Ross Johnson have become strained. In addition, the board's eventual position in the takeover battle could affect how directors at other companies respond to takeover bids and how they define "shareholder value."

(Story in Column 1)

Many institutional investors have stopped pumping new money into takeover funds because of worries that leveraged buy-outs are getting too risky. Many say the pullback began even before the battle for RJR Nabisco started three weeks ago.

(Story on Page C1)

Drexel Burnham has asked former White House chief Howard Baker to consider becoming chairman, apparently to help fend off or soften any criminal charges that may be brought soon against the securities firm. Baker hasn't made a decision yet.

(Story on Page A1)

Pillsbury shareholders decided in increasing numbers to tender their stock to Grand Metropolitan, whose \$60-a-share bid ended at midnight. The results are expected today. Some Burger King franchisees said they favor Grand Met as a new owner.

(Story on Page A1)

Oil prices skidded on reports of further price cuts by Saudi Arabia.

World-Wide

BUSH WON the presidency, turning back a last-minute challenge by Dukakis. The Republican nominee held on for a clear electoral victory against a late surge by Democratic candidate Dukakis, who conceded defeat. With returns still incomplete, it appeared as though Bush would capture about 52% to 54% of the popular vote in the presidential election and amass 280 or more electoral votes. He needed 270 for victory.

Democrats retained control of Congress and added to their strength in the nation's statehouses, as voters gave the party an edge even where Bush won handsily. In New Jersey, Ohio and North Dakota, Democratic incumbents turned back GOP challenges. (Stories in Column 6 and on Page A2)

The lighter-than-air protest contest between Bush and Dukakis reflected a lack of a clear consensus among voters about the direction that the new president should take, according to Wall Street Journal/NSC News polls.

POLISH WORKERS DEFIED Walesa and staged strikes at two shipyards.

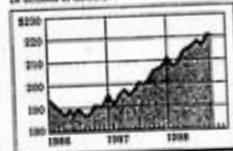
Several hundred workers went on strike at two plants in Gdansk to protest the Warsaw government's planned closing of the big Lenin shipyard, birthplace of Solidarity. They defied an appeal by Walesa to return to work. The strikers at the two smaller shipyards, calling their action "a warning," also said they had waited long enough for Polish authorities to begin promised talks to consider the banned trade union's future.

Walesa indicated he would meet with authorities before the Lenin shipyard question is resolved, and threatened to quit as union leader if strikes spread.

The Soviet Union will release 11 detainees regarded by the West as political prisoners within three years, a Foreign Ministry spokesman said in Moscow. It was the first statement issued by the Kremlin about a prisoner release. West German Chancellor

Factory Shipments

In billions of dollars.



FACTORY SHIPMENTS fell in September to \$21.41 billion after seasonal adjustments, from a revised \$21.72 billion in August, the Commerce Department reports.

Black Colleges Turn Increasingly White In a Fight to Survive

Anger Clouds One Campus, But the Cosby's Huge Gift Cheers an Atlanta School

By RACHEL SWANNO

Special to The Wall Street Journal

JEFFERSON CITY, Mo.—Lincoln University was founded here in 1866 by black veterans of the Civil War. Their dream was to educate future generations of black youths in a setting that celebrated black achievement and potential. For about a century, that dream was a reality.

But today, more white students than blacks stroll the hilly, picturesque campus here. Whites have come to dominate the faculty. In recent years, Lincoln has had to cancel some black studies courses because of a lack of student interest and a shortage of qualified teachers.

Lincoln has become increasingly strapped as black enrollment has declined. Many other black colleges are also suffering, though they hope that actor Bill Cosby's \$20 million gift to a black women's college may spur more gifts.

By Rachel Swann. 1 month ago

Tax Report

A Special Summary and Forecast Of Federal and State Tax Developments

TAKE YOUR PICK of replacement stock, the IRS tells a theft victim.

A brokerage-firm employee stole stock belonging to a woman, we'll call Frisley. The firm reimbursed her in cash at market value—giving her a big gain. Luckily, a victim of an "involuntary conversion" of assets into cash can avoid tax on a gain by putting the proceeds into property similar or related in service or use to the lost property. That generally means similar physically, but for investments, it refers more to factors of risk and management.

Frisley didn't want to have to invest in identical stock, so she asked the IRS if she could broaden her horizons. Now private ruling 8841013 agrees to her request that she be allowed to replace the stock with any publicly traded common, preferred, or convertible preferred of U.S. companies, common of foreign companies traded on U.S. markets, or publicly traded shares of U.S. mutual funds.

For replacing investments, notes Robert Wilens of Shearson Lehman Man- n, the IRS doesn't distinguish between securities involving comparable risk and management.

IRS MANAGEMENT needs all the help it can get to collect \$1 billion a year.

As tax revenue nears that sum, a broad study by the General Accounting Office says IRS managers soon must find long-term solutions to critical problems. But to succeed, the GAO adds, the IRS needs support from the administration budgeters and Congress. The most urgent challenge is to update obsolete computer systems, the GAO says. Others: to attract and keep better workers and managers, bolster financial-system management, create a work atmosphere of "quality," and control field operations better.

Among many recommendations, the study proposes to create the posts of deputy commissioner for technology and chief financial officer. Noting the IRS's inability to compete with the pay levels of business, the study says something must be done to en-

Shaky Mandate

Bush's Clear Victory, Less Than Resounding, Bodes Conflict Ahead

Heavily Democratic Congress Suggests Big Tag of War; Cabinet Takes Shape Soon

Will Darman Get Budget Job?

By JAMES M. PERRY
AND GERALD P. SOB

Staff Reporters of The Wall Street Journal

WASHINGTON — Republican George Bush held on against a late surge by Democratic Michael Dukakis for a clear electoral victory but missed rolling up a massive triumph in the popular vote.

Mr. Dukakis, campaigning finally with fervor, managed a respectable showing by recent Democratic standards, carrying such varied states as New York, Oregon, Minnesota and Wisconsin. With returns still incomplete, it looked as though Mr. Bush would win about 52% to 54% of the popular vote and pile up 260 or more electoral votes. He needed 270. By contrast, President Reagan in 1984 won 59% of the popular vote and 325 electoral votes.

Mr. Bush and his running mate, Sen. Dan Quayle of Indiana, will take office

without a mandate or a strong signal that voters are in command of Republican policies. Those same voters sent another key signal by leaving Congress solidly in the hands of the Democrats. Mr. Bush won this election without any cost.

The Democrats' improved perform-



George Bush

A person wearing a dark jacket and gloves is working on a large, rusty mechanical engine in a workshop. The scene is dimly lit with a greenish-yellow tint. The person's hands are visible, one holding a tool and the other adjusting a part of the engine. The background shows various mechanical parts and tools.

FAITH



WORKS

THE BOOK OF JAMES

In the midst of trials, temptations
and drama, how do you respond
to the insights of God?

My dear brothers and sisters understand this: Everyone should be quick to listen, slow to speak, and slow to anger, for human anger does not accomplish God's righteousness. Therefore, ridding yourselves of all moral filth and the evil that is so prevalent, humbly receive the implanted word, which is able to save your souls.

James 1:19-21

Listen carefully to God's wisdom

My dear brothers and sisters
understand this: Everyone should
be quick to listen.

James 1:19

By his own choice, he gave us birth
by the word of truth...

James 1:18

Humbly receive the implanted word...

James 1:21

...But be doers of the word...

James 1:22

Listen carefully to God's wisdom

My dear brothers and sisters
understand this: Everyone should
be quick to listen.

James 1:19



6:47 PM

44%



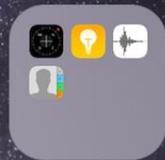
FaceTime



Calculator



Podcasts



Extras



Twitter



Facebook



Music



Chartbeat



Instagram



Gmail



MaddenMobile



Vevo



SundayTicket



Safari



TiVo



Candy Crush



Kindle



Amazon



FIFA 14



Hangouts



Mail



Sunrise



Dots



Vine



SCB



YouTube



Phone

1

—the media saturation of our society has a dulling, deadening effect on us; we are bombarded by visual stimulation, which conditions and diminishes our ability to listen...western society today [has become] an eye-oriented rather than an ear-orientated culture and as this tendency to depend upon the eye has grown, our ability to listen has atrophied from disuse.

-Ken Ramey-

Listen carefully to God's wisdom

My dear brothers and sisters
understand this: Everyone should
be quick to listen.

James 1:19

Don't talk back

My dear brothers and sisters,
understand this: Everyone should be
quick to listen, slow to speak...

James 1:19

Keep your spirit teachable

Everyone should be quick to listen, slow to speak, and slow to anger, for human anger does not accomplish God's righteousness.

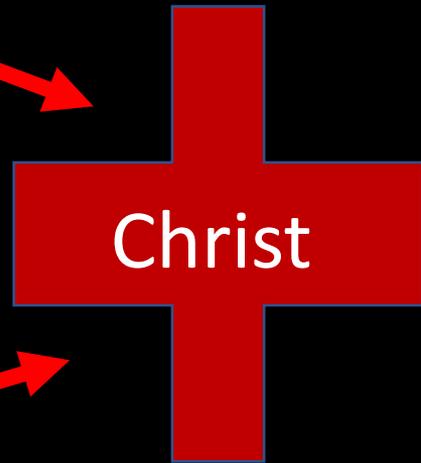
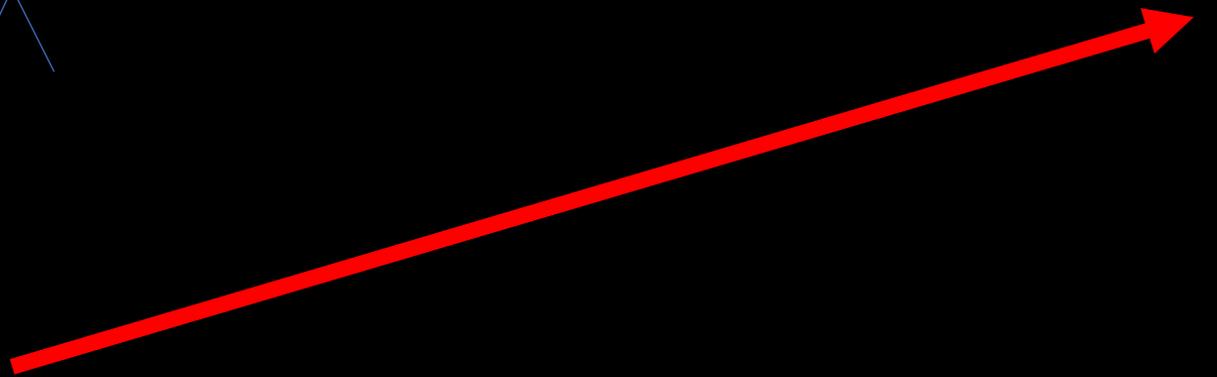
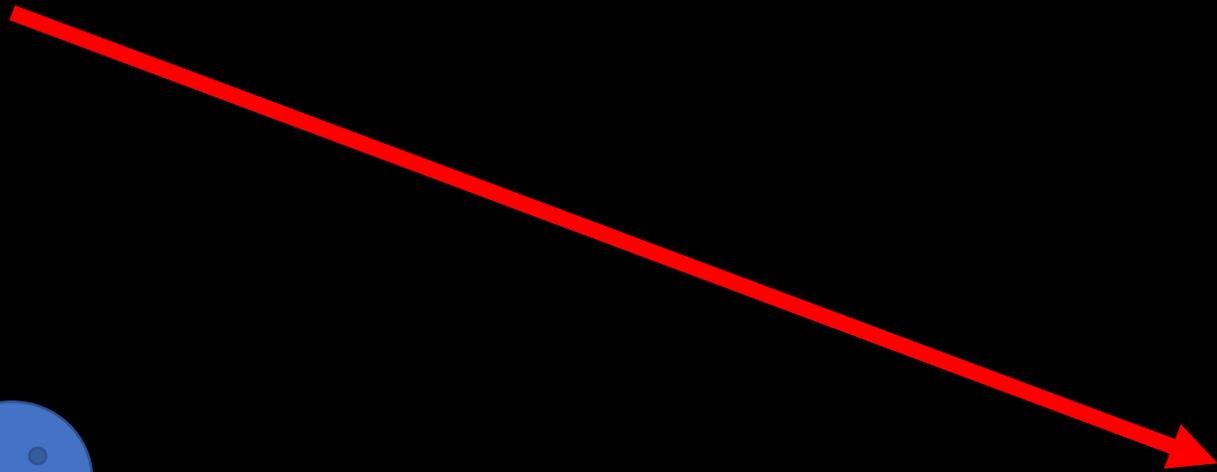
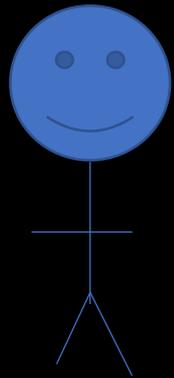
James 1:19



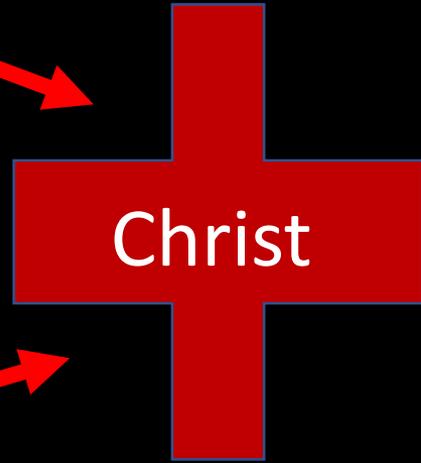
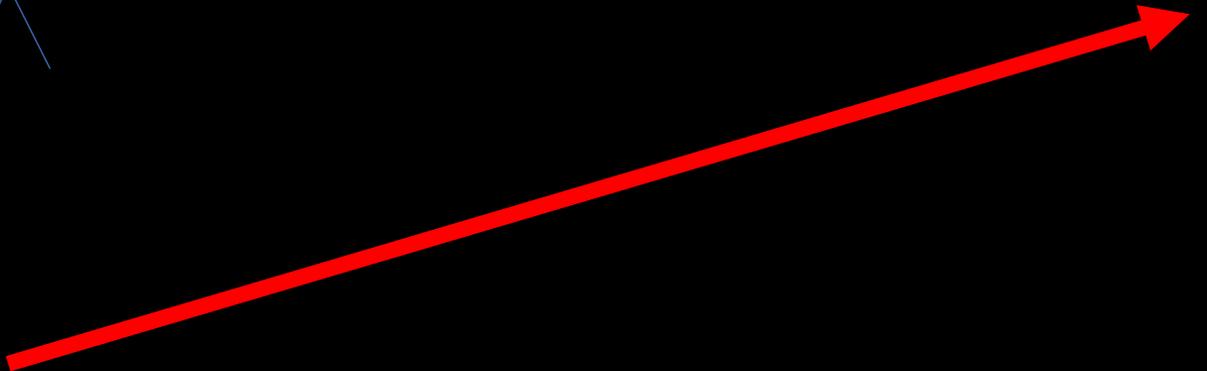
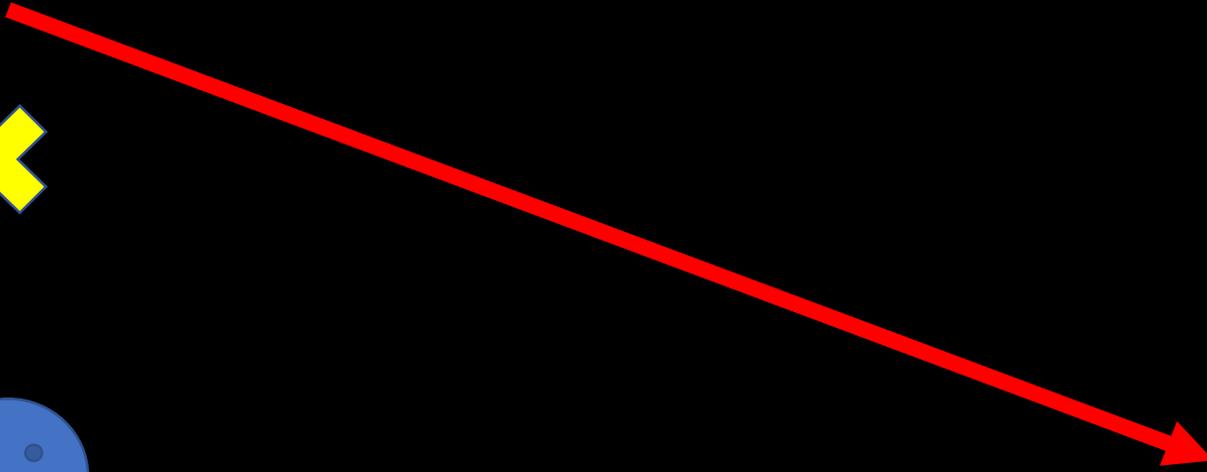
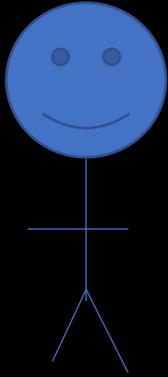
Approach God with a clean heart

Therefore, ridding yourselves of all moral filth and the evil that is so prevalent...

James 1:21

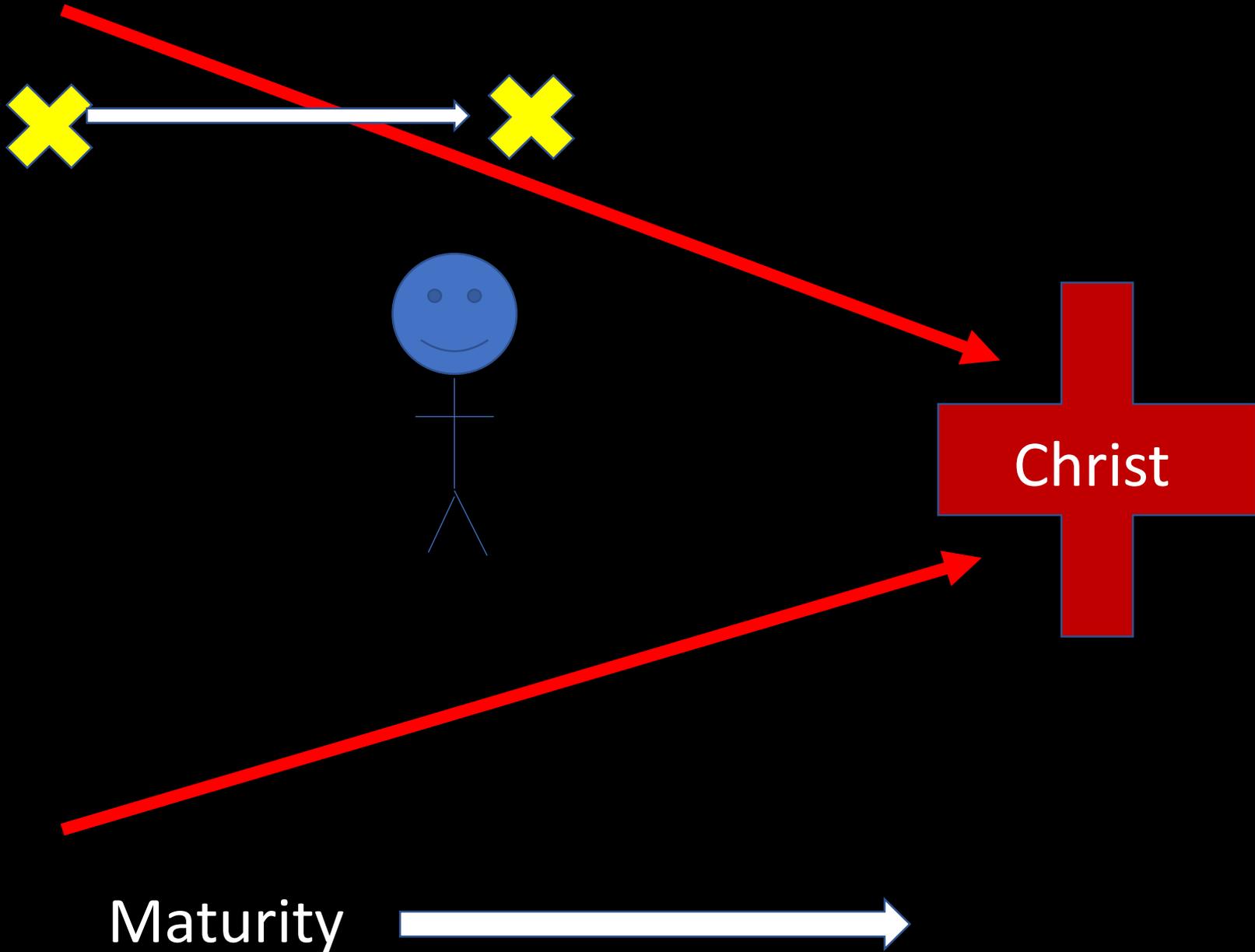


Maturity 



Maturity





Humbly receive God's insights

Therefore, ridding yourselves of all moral filth and the evil that is so prevalent, humbly receive the implanted word, which is able to save.

James 1:21



