

# National

## Despite Reagan economic warning

# January consumers increase buying

WASHINGTON — Consumers are surprising financial experts by significantly increasing retail purchases despite interest rates and uncertainty about President Reagan's still-secret economic plan.

A Commerce Department report released Wednesday showed retail sales for goods ranging from cars to garden supplies rose to \$184 billion in January, a 9 percent increase over December.

It marked the eighth straight monthly increase. But what startled the experts was the size of the jump, considering recent talk of economic gloom and doom.

Just last week, Reagan said the country was in "the worst economic mess" since the Great De-

pression and was threatened by an economic calamity of tremendous proportions.

Next week, Reagan unveils specifics of his plan to remedy an economy that — despite higher retail sales — remains in trouble.

The Commerce report showed sales of automobiles and related items rose 14.1 percent in January. Excluding these purchases, retail sales increased 3.56 percent.

"This definitely was stronger than expected," said Dave Ernst, vice president of Evans Economics, Inc., an investment counseling firm.

He said a poll by his firm found most experts anticipated an increase in January, but only about half of what the Commerce De-

partment found.

However, Jeff Edelman, an analyst who follows retail trade for the brokerage firm of Dean Witter Reynolds, appeared unimpressed.

"During this period of the year, when you're going from the biggest month, December, to the smallest month, January, you quite often get quite a bit of statistical distortion," he said.

Edelman said auto sales, which fueled the overall surge in retail sales, was due not to demand but rebates.

Even with the increase in sales, last month was the auto industry's worst January, in terms of sales, since 1975.

U.S. automakers sold 469,832 cars, down 20.1 percent from

January 1980. Imported car sales dropped even more, by 20.7 percent, to 170,000.

Ernst said the most significant Commerce Department finding was a 2.87 percent increase in sales of durable goods. He said this was further evidence of a resumption in credit purchases — a possible indication of renewed consumer confidence in the future of the economy.

A Federal Reserve Board report, meantime, showed Americans added about \$1.6 billion, or about 6 percent, to their outstanding installment debt in December

despite high interest rates. Ernst said the figures show interest rates "did a lot less damage to the credit-sensitive sectors of the economy than was expected."

John McGillicuddy, chairman of Manufacturers Hanover bank, said he expects interest rates to remain high throughout 1981 regardless of what Reagan does.

Major banks have been reluctant to lower their prime rate to 19 percent from 19½ percent, as Morgan Guaranty Trust and Manufacturers Bank of Los Angeles did Monday.

## Reagan promises to put Hispanics in top positions

WASHINGTON — President Reagan promised national Hispanic leaders Thursday he'll soon name five Latinos to top-level administration posts — a pledge one White House aide said should smooth some "understandably miffed" feelings.

Speaking with reporters after a lunch hosted by the president for leaders of 20 Hispanic organizations, Raul Yzaguirre, president of the National Council of La Raza, said Reagan is "clearing" five Latinos for sub-Cabinet appointments.

Reagan gave no details on the appointments, Yzaguirre said.

"The substantial dialogue was quite minimal," he said of the White House lunch.

Other sources said later Latinos likely will be named to the Immigration and Naturalization Service, the Small Business Administration, and the Commerce and Treasury departments.

Yzaguirre, one of 12 Hispanic leaders who told Reagan in a letter last month that his failure to appoint a Latin to the Cabinet was a "very negative signal," said Thursday the president now seems "more sensitive."

Although he said none of the lunch guests asked Reagan why he waited so long to meet with Hispanics, a delay pointedly noted in last month's letter,

Yzaguirre said Reagan "indicated his concern for continuing access."

Ernie Garcia, staff aide to Reagan's public liaison assistant, Elizabeth Dole, said Hispanics and other special interest groups will be handled through Dole's office.

He said Dole "has long been trying to arrange" Thursday's luncheon. Garcia, who worked on Reagan's presidential campaign, said Hispanics have been "understandably miffed. It's been so long and they hadn't heard anything from the president."

Garcia said Thursday's lunch, opened briefly to photographers, marked the start of cooperation between the administration and the nation's fastest-growing minority.

"Not in a symbolic way, but substantially," he said.

But not all the guests gushed optimism. David Montoya, president of the Mexican-American organization IMAGE, said Reagan tried to reassure Hispanics his administration will cut only welfare programs that overlap each other.

"One example he used was the school lunch program," Montoya said. "But I find it hard to believe that someone who is eating a free breakfast and a free school lunch is eating too much."

## Cabinet members accept Reagan's sweeping budget cuts

WASHINGTON — President Reagan is reviewing his proposed budget cuts with Cabinet members who thus far have voiced no opposition — apparently, having accepted cutbacks as part of their jobs.

White House press secretary Jim Brady said a "spirit of consensus" has prevailed during meetings between Reagan and Cabinet officials who have echoed his concern for bolstering the economy with fiscal restraint.

Reagan may hear some protests today, however, while meeting with the heads of independent agencies whose spending he apparently is determined to cut deeply despite mounting opposition.

Among them were the chiefs of the Appalachian Regional Commission, the Tennessee Valley Authority, the Environmental Protection Agency, the Veterans Administration, the National Aeronautics and Space Administration, the Postal Service, the National Science Foundation and the Export-Import Bank.

At a budget session Wednesday, Reagan decided on final figures for the Departments of Health and Human Services, Agriculture and Interior. Labor and Commerce were to be reviewed today.

The president will disclose these and other proposed cutbacks in an address to Congress Feb. 18.

Brady declined to say whether any of the federal programs under scrutiny are targeted for extinction. He said Reagan's address to Congress will answer that question.

Included in Reagan's economic package will be an annual 10 percent tax cut for three years. Reagan appears to be leaning toward a reduction retroactive to Jan. 1.

Besides examining budget costs, Reagan today planned to go to the Lincoln Memorial to place a wreath at the base of the Abraham Lincoln statue commemorating the birthday of the Great Emancipator.

Later in the day, he planned a luncheon for Hispanic leaders and meetings with Italian Foreign Minister Emilio Colombo and Qais Abdul Munim alZawawi, the foreign minister of Oman.

On Friday, Reagan is to go to Camp David for an extended holiday stay and to work on his speech to Congress.

Meantime, the Washington

Post reported the administration has scaled back its forecast of how much the actions to be announced next week will benefit the economy.

It said new projections suggest slower recovery and higher inflation than the optimism previously expressed by Reagan advisers. It quoted administration sources as saying inflation next year is forecast at 7 percent to 8 percent, rather than the 6½ percent rate projected earlier.

The White House has suc-

ceeded in keeping media attention focused on its domestic program. However, Reagan did confer Wednesday with his top diplomatic and military advisers on rising tensions in Poland.

Reagan also tapped two friends for top diplomatic positions.

William Wilson, a member of Reagan's "kitchen cabinet," was chosen as his representative to the Vatican, and Leonore Annenberg, wife of millionaire publisher Walter Annenberg, was named chief of protocol.

**CAMPUS THEATRE**  
210 University 846-6512  
NOW SHOWING:  
GOLDIE HAWN & CHEVY CHASE  
"SEEMS LIKE OLD TIMES"  
Showtimes: 7:40 & 9:50  
FRIDAY AND SATURDAY  
MIDNIGHT:  
"SEX WORLD" XXX

**2000 SKYWAY TWIN** 822-3300  
E. 29th ADULTS \$3.00 BOX OFFICE OPENS 6:45  
WEST 7:15 10:50  
**FEAR NO EVIL**  
AT 9:05  
THE FOG EAST 9:00 10:40  
7:15  
ANGELS FROM HELL! Their credo is violence. Their God is hate!  
DON'T MUCK AROUND WITH A GREEN BERET'S MAMA!  
Mad Max  
PETER FONDA NANCY SINATRA  
THE WILD ANGELS  
CHROME AND HOT LEATHER

**THE SUPER SPUD**  
SPECIAL  
50¢ OFF ANY NACHOS WITH ANY POTATO PURCHASE (with coupon)  
GOOD THRU 2-21-81 775-4775  
UNDER NEW MANAGEMENT  
• WE ALSO SERVE DELICIOUS SALADS AND  
• 3 DIFFERENT SUPER SANDWICHES!  
• 10 DIFFERENT SUPER POTATOES AND  
• 4 KINDS OF NACHOS!  
NOTHING OVER \$2.69!  
OPEN 11 AM-9 PM MON-SAT. CLOSED SUN.  
LOCATED AT 403 VILLA MARIA — 1 BL. WEST OF TEXAS AVE.

**MANOR EAST 3**  
Manor East Mall 823-8300

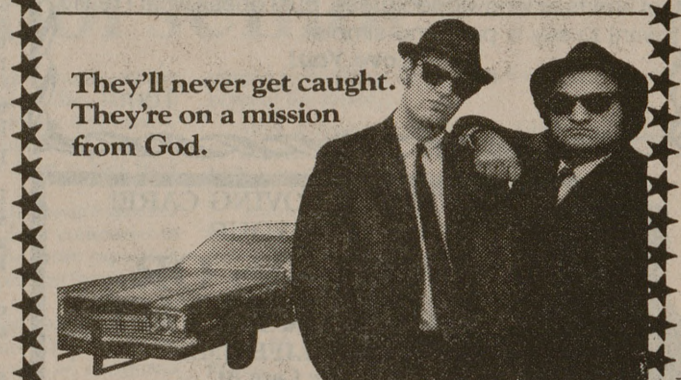
NO COWBOYS, NO INDIANS, NO CAVALRY TO THE RESCUE, ONLY A COP.  
PAUL NEWMAN in **FORT APACHE, THE BRONX**  
7:20 9:40

ZIP-A-DEE-DOO-DAH!  
Walt Disney's **Song of the South**  
TECHNICOLOR  
7:15 9:35

PETER USTINOV AND ANGIE DICKENSON IN  
"Charlie Chan and the Curse of the Dragon Queen"  
7:25 9:45

SPECIAL FRIDAY THE THIRTEENTH MIDNIGHT SHOW! FRIDAY & SATURDAY AT 12:13 — A NEW MOVIE TO THE CINEMA'S MIDNIGHT SHOWS! "WALK OF THE DEAD" (R) THEY LIKE THEIR MEAT RARE — BLOOD RARE!  
LL SEATS JUST \$1.50 ON SALE AT 11:15.  
**Held Over!**  
GENE WILDER and RICHARD PRYOR  
Together Again in...  
**STIR CRAZY**  
TODAY AT 7:30 & 9:55  
SAT. & SUN. 2:45-5:05-7:30-9:55  
\$2.00 FIRST 30 MIN. FROM OPENING SAT. & SUN. OPEN 2:15

**MANOR EAST 3**  
FRIDAY AND SATURDAY  
MIDNIGHT MOVIES:



They'll never get caught. They're on a mission from God.  
**JOHN BELUSHI DAN AYKROYD**  
**THE BLUES BROTHERS**  
a musical comedy  
R  
CHEVY CHASE IN  
**CADDYSHACK**

All Seats \$1.50  
PLITT THEATRES  
CINEMA I & II  
Skaggs shopping center/Across from A&M

Friday & Saturday Midnight  
**WALK OF THE DEAD**



You made it through the Night. You saw the Dawn. But are you ready for...  
They like their meat rare...  
**bloodrare!**



PLITT THEATRES  
CINEMA I & II  
846-6714 Skaggs center/Across from A&M

There's more than one way to lose your heart...  
**MY BLOODY VALENTINE**  
ADULT \$3.50 CHILD \$1.75  
TIMES TODAY ONLY DISCOUNT TICKETS ACCEPTED.  
NOW PLAYING!