

State / National

Reagan still tackling budget

U.S. trade deficit heightens

United Press International
Americans are so in love with imported cars, videotape machines and other foreign goods that the trade deficit is at its highest three-month level since the end of last year.

And foreign countries are buying less American wheat, corn and machinery, made more expensive by an appreciating dollar, the Commerce Department said.

The department reported Wednesday the trade deficit has risen since the first quarter — despite a big cutback in the purchase of imported oil. The deficit has been mounting month by month since late 1975.

The overall pattern of trade this year has largely reflected the rising value of the dollar, with

August showing a surge of imports when U.S. importing companies bought at the peak of the dollar's value.

The dollar, which has weakened for the past several days, rallied late in Thursday in New York as speculators took profits on positions they had held in foreign currencies. Some buying came from foreigners to make bids for the government's auction of 10-year notes.

President Reagan met Wednesday with members of the Senate Agriculture Committee about a new farm bill that will drive his budget further out of balance, and Senate Republicans are working on a package of spending cuts and tax hikes they hope will ease the deficit.

Though concerned about deficits, Reagan is reluctant to endorse the idea of tax increases to help balance the budget.

The White House says the House version of the bill costs more than Reagan wants to spend, but the Senate version, according to White House spokesman Larry Speakes, is not too far out of line for Reagan to accept.

Senate sources said Republicans on the Senate Budget Committee modified their budget package at a Wednesday meeting, increasing the budget's size but lowering the proposed defense reduction.

The sources said the committee decided to seek up to \$85 billion in new taxes — the most controversial part of the package.

With projections of federal deficits growing almost daily, House and Senate Republican leaders hoped to discuss the problems with Reagan this week.

On Wall Street, blue-chip stocks cooled off from a torrid rally and suffered their first loss in four sessions Wednesday as profit takers won a seesaw battle. Trading was fairly active in an up-and-down session.

The Dow Jones industrial average of 30 top-notch stocks, which had climbed 35.77 points the previous three sessions, finished at 866.82, down 1.90 points, the same amount it gained Tuesday.

The New York Stock Exchange index finished unchanged at 72.38 and there was no change in the price of an average share.

Editor interferes, 20 on Texan quit

United Press International
AUSTIN — Twenty members of the University of Texas student newspaper staff resigned Wednesday as a result of a dispute with the editor.

Dan Puffer, editor of the Daily Texan, was officially reprimanded Wednesday by the Executive Committee of the Texas Student Publications Board for improperly interfering with news gathering and reporting operations.

Martin Gibson, chairman of the board, said a handbook for operation of the Daily Texan provides that the editor is responsible only for the editorial page and policy functions, and the managing editor directs news gathering and reporting.

"We passed a resolution reaffirming the handbook Puffer is relying on to go under, and gave him notice he can't do that (oversee news gathering and reporting) or he will be subject to dismissal," Gibson said. "It was a pretty harsh kind of reprimand. We told him to keep his hands off the news side, that he's supposed to operate

through the managing editor."

The board also reprimanded managing editor Paula Angerstein.

Gibson said the 20 resignations represent about half the ongoing staff of the newspaper, although there are about 200 employees. Many of these employees work only one day a week.

"We'll survive, but you can't lose 18 or 20 people and not be hurt a little bit," Gibson said. "We are very regretful that these people left. I understand their position fully, but we'll get out a paper. Probably we'll rely a little more on UPI copy, and use more of our lab stuff than usual."

He said Daily Texan staff members objected to Puffer's direct criticism of reporters, and also to a two-page spread of anti-nuclear columns and stories shortly before a vote Tuesday in Austin on whether the city should sell its share of the South Texas Nuclear Project.

"They thought that was unbalanced," Gibson said. "I thought it was unbalanced, but not illegal."

TB kills inmate in Mexican jail

United Press International
LAREDO — A tuberculosis outbreak has killed one prisoner and stricken 12 others at a maximum security prison in the border city of Nuevo Laredo, Mexico.

Pedro Hector Garcia, director of Centro Readaptacion Social, said Jose Maria Guerrero, 35, died of the disease Wednesday.

Garcia said Guerrero complained of dizziness Tuesday and health authorities he felt weak. The prisoner was taken to the Nuevo Laredo Health Department, where it was discovered he had tuberculosis.

Guerrero, who was serving a sentence on drug smuggling

charges, died Wednesday at a Nuevo Laredo hospital, Garcia said. Dr. Raul Suarez Huardato, health center director, ordered examinations for the estimated 500 inmates and members of the prison staff.

Garcia said 12 other cases had been confirmed among the inmates. They were confined in a single cell at the prison and were to be transferred to a hospital Thursday, he said.

Prison visits have been curtailed, Garcia said, and authorities were attempting to alert people in recent contact with prisoners and staff members to undergo examinations.



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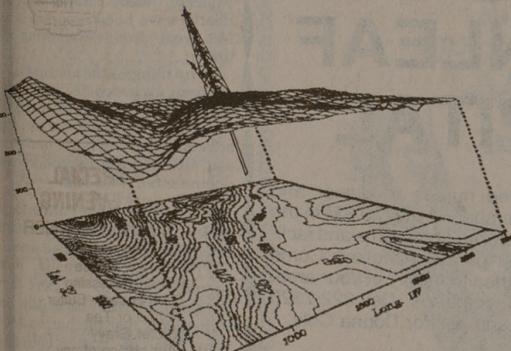
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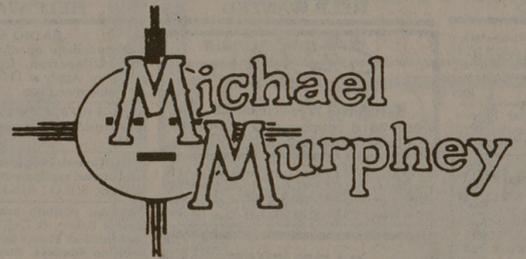
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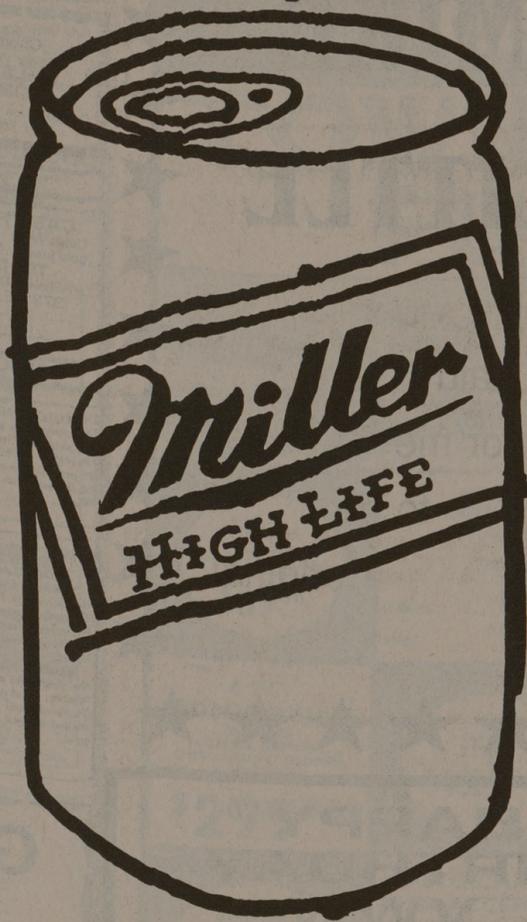
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