

Regan rips budget impasse as talks continue

By CLIFF HAAS
 Associated Press Writer

WASHINGTON — White House chief of staff Donald T. Regan angrily denounced the "ridiculous" budget deadlock on Capitol Hill yesterday as congressional leaders argued over whose turn it is to make an offer that will salvage the deficit-reduction effort.

"Everything's up in the air, nothing's on the table," said Senate Majority Leader Robert Dole of Kansas, who called Republican senators together to consider their next move.

After the meeting, Dole said it is "up to the House whether we're on the verge of anything."

House Speaker Thomas P. O'Neill Jr., D-Mass., said he hoped the Senate would return to the talks.

"We think it's kind of childish to be walking out," O'Neill told reporters. "All it

takes is the art of compromise."

Dole said the Senate was seeking alternative proposals, but that it would take a while before there is any consensus.

He said it would take "two or three more conferences before we decide where we want to go."

Dole and other senators also brushed aside Regan's remarks.

"I didn't write that speech," Dole said. "I'd have singled out the House."

Sen. Pete V. Domenici, R-N.M., chairman of the Senate Budget Committee, recessed budget talks between the House and Senate on Wednesday after rejecting a bottom-line offer from the House in an acrimonious session.

Domenici said the final gavel had not yet fallen on the talks aimed at drafting a compromise version of fiscal 1986 budgets passed by each chamber.

"No, I don't think it's over," Domenici said. But "it's in pretty bad shape."

Republican senators agreed that for the time being they will try to keep up pressure on the House to make additional spending cuts.

"The message that came out to the (Senate budget) conferees... was we wanted them to hang tough," said Sen. John H. Chafee, R-R.I. "We are not going along with what the House has proposed, we think those savings are phony. And it's got to be very significant budget reductions before we'll be satisfied. The House has to do a lot more than they've done."

Wednesday's meeting ended after the senators said the House offer did not go far enough toward making serious domestic spending cuts and violated an agreement with President Reagan by providing too little for military spending.

But some in the House questioned whether the Senate has any interest in passing a budget.

"I don't know whether they have their act

together where they could pass anything in the Senate," said House Majority Leader Jim Wright, D-Texas.

Rep. William H. Gray III, D-Pa., chairman of the House Budget Committee, said the bitter tone of Wednesday's bargaining session made him "begin to wonder whether there is going to be a budget" this year.

Meanwhile, Regan lambasted Congress for the budget situation.

"The federal government, the world's largest economy, the strength of the free world, is about to go into a new fiscal year without a budget," Regan said in a breakfast appearance before the U.S. Chamber of Commerce. "How ridiculous can you be?"

With his voice and his anger rising, Regan said, "Did we not submit a budget? We did. Where is it now?"

Now, pounding the podium, Regan shouted, "It has not been passed by the

Congress. No budget has been passed by the Congress. Why not?"

He said that "at the current rate we will have no budget at all" by the time Congress is due to begin a month-long summer recess at the beginning of August. The new fiscal year begins Oct. 1.

Regan's solution to the impasse was: "Cut federal spending; cut federal spending; cut federal spending."

Regan also told his audience to press legislators for action. "If you don't speak up now, it will be too late 48 hours from now," he said. "That conference is teetering."

Congressional leaders have said that if no budget is passed this year, they will simply abide by the separate budgets each chamber has passed as they enact money bills this year.

The House on Tuesday voted 239-181 to waive congressional rules that prevent consideration of money bills before a budget accepted by both houses is in place.

Officials demand trust in parleys

By BARRY SCHWEID
 AP Diplomatic Writer

WASHINGTON, D.C. — The Reagan administration assured Israel yesterday that the United States would meet with Palestinians only if the session was guaranteed in advance to lead to Arab-Israeli peace talks.

"The only way this process is going to work all the way through is to have trust between ourselves, the Israelis and the Jordanians," a senior official, speaking on condition of anonymity, said in an interview.

The conciliatory gesture followed rejection in Jerusalem of a list of Palestinians approved by Yasser Arafat, the chairman of the Palestine Liberation Organization.

"The only way progress can be made in the peace process is if it is based on mutual trust and full confidence," the department said through a spokesman, Robert Smalley. "That requires consultation. It also requires a certain amount of discretion."

The statement also emphasized that none of the parties would be permitted a veto over U.S. actions. "Our decision will be taken in light of consultations with our friends in the area and it will be our decision," Smalley said.

The Palestinians and Jordanians were to be in a mixed delegation to hold talks with a U.S. group headed by Richard W. Murphy, the assistant secretary of state for the Near East.

Earlier, State Department officials said they hoped the talks could be held in Amman, the capital of Jordan, by late summer and peace negotiations started by the end of the year.

The talks were proposed by Hussein as a prelude to peace negotiations with Israel. A Jordanian official said during his visit here in May that a major goal was to establish a U.S. dialogue with the PLO.

The Israeli government has registered its willingness to discuss peace terms with Jordan and Palestinians who live on the West Bank and in Gaza and are not known members of the PLO, which is sworn to destruction of the Jewish state.



Collegian Photo / Jeff Bustraan

Up, up and oooohhh!

The photographer caught Scott McKeon (non-degree student) performing attention-grabbing back flips at the University pool where he and friends were trying to keep cool yesterday.

President makes appearance Reagan to meet with Soviet official in two months

By TERENCE HUNT
 Associated Press Writer

WASHINGTON — Dressed in blue pajamas and a robe, President Reagan flashed an OK sign by hand from a hospital window yesterday in his first public appearance since cancer surgery, but indicated he did not know when he would be going home to the White House.

With his wife, Nancy, at his side, the president appeared at a third-floor window of Bethesda Naval Hospital at 4:27 p.m. EDT to pose for photographers, who had been alerted in advance. Aside from pictures released by the White House, it was the first time the president had been seen since he entered the hospital last Friday.

Reagan was quoted earlier in the day by his staff as saying, "I'm feeling great," and the White House, underscoring the picture of a patient rapidly on the mend, disclosed the president will meet with the Soviet foreign minister in two months to prepare for November's summit.

When questions were shouted to the president at the hospital window, he replied with gestures. Asked if the president had a sore throat, Nancy Reagan said it was easier for her to speak than for him.

Reagan gave an OK sign, using his thumb and forefinger, when someone asked how he was feeling. Asked when he was going home, the president made a quizzical face and sliced the air with his hands, palms down, indicating he did not know.

Doctors have said the president would be released in seven to 10 days after surgery — meaning that Saturday would be his earliest release date. Mrs. Reagan said he would go home "as soon as they say it's OK."

Asked what Reagan looked forward to most, Nancy Reagan replied, "Just being home." She said they both were in good spirits.

"We'll make a big to-do of it" when Reagan comes home, presidential spokesman Larry Speakes told reporters at the White House earlier.

Perhaps the best news for Reagan was that he could return to a diet of solid food for the first time in eight days: soup, bread, crackers and pudding for lunch, followed by what presidential spokesman Larry Speakes said would be a "feast of baked chicken and rice" for dinner.

His menu suggested that Reagan's digestive process, which had been interrupted by last Saturday's surgery, was returning to normal.

The 74-year-old president had been put on a restricted diet two days before he entered the hospital for a thorough intestinal examination. After surgery, he was fed intravenously, and then was limited to a liquid diet of tea, apple juice, Jell-O and Popsicles.

Doctors removed the staple stitches in Reagan's

abdominal incision yesterday and replaced them with adhesive strips.

"The president is totally back to normal," Speakes said light-heartedly.

Vice President George Bush, who visited with Reagan on Wednesday, made telephone calls to allied leaders to pass along the message that, "The best medical evidence is that the president will make a full recovery and resume duties here at the White House next week."

A White House statement said Reagan's vital signs were "excellent and his recovery continues unimpeded. The president was taken off antibiotics and now is receiving no medication."

The statement quoted Reagan as saying, "I'm feeling great."

Reagan's visitor list was expanded to include Robert C. McFarlane, the White House national security adviser, who briefed the president firsthand for the first time since he entered the hospital last Friday.

McFarlane updated the president on the second round of U.S.-Soviet arms control talks, which went into recess Tuesday, and on the subject of terrorism, Speakes said. He said they also discussed the seven American hostages still held in Beirut.

The president also met with White House chief of staff Donald T. Regan and Speakes.

Meanwhile, Speakes said Reagan, joined by Secretary of State George P. Shultz, will meet in September with Soviet Foreign Minister Eduard Shevardnadze, who was picked recently to succeed veteran Foreign Minister Andrei Gromyko.

The subject of arms control is at the top of the agenda for the talks, said one official, speaking privately. It also includes human rights in the Soviet Union.

Shevardnadze will be in the United States to attend the special session of the U.N. General Assembly. Reagan is to meet in Geneva on Nov. 19-21 with Soviet leader Mikhail Gorbachev. An American team departed Washington yesterday for Geneva to begin advance preparations.

Speakes, who had bristled at questions Wednesday concerning Reagan's medical care over the past 14 months, provided additional information yesterday, and said, "There has been no second-guessing by the president" about what doctors have advised.

The spokesman said doctors at Bethesda did not recommend any further tests in May of 1984 when physicians discovered an inflammatory tissue in Reagan's colon.

Speakes acknowledged that doctors had recommended four months ago that Reagan undergo a complete examination of his lower intestines though the use of a device known as a colonoscope. However, he said there was no sense of urgency in the recommendation.

South Africa:

Violence continues in Soweto and blacks turn to boycotts of white-run businesses

By JAMES F. SMITH
 Associated Press Writer

JOHANNESBURG, South Africa — Police fired birdshot, rubber bullets and tear gas to break up crowds of blacks stoning patrol cars and houses in Soweto township yesterday, killing one black man, authorities said.

Numerous clashes were reported in other black townships as anti-apartheid violence flared anew after a few hours of relative calm. Blacks turned to strikes and consumer boycotts in a new show of economic muscle aimed at white-run businesses.

In Katlehong east of Johannesburg, police arrested 122 blacks who refused to disperse during an illegal outdoor gathering, a police spokesman said.

Earlier, police reported that a black woman was slain with an ax and her body burned, apparently because she broke a black boycott of white-owned stores in a small Cape Province town, said the spokesman, who demanded anonymity.

Five labor disputes and consumer boycotts began or were threatened around the country, including a potential strike in the gold mines that employ more than 500,000 blacks.

Many South African analysts believe economic clout is the most potent weapon for

South Africa's black majority, and that strikes and consumer boycotts are likely to increase.

Apartheid is the legal system of racial segregation under which 5 million whites deny the vote and citizenship to 22 million blacks.

In Pietermaritzburg, the Natal Province capital of 191,000 people, thousands of black workers stayed home for the day to protest the firing of 950 black workers in nearby Howick by the South African subsidiary of the British firm, BTR Ltd.

Spokesmen for several major factories reported that few of their black employees turned up for work. Bus service was halted when 325 drivers stayed away, and the shops and streets were as quiet as on a Sunday.

The labor battle at Sarmcol, BTR's rubber plant in Howick, began in June when the company dismissed the entire striking work force and hired new employees.

The company denied the chemical workers union's charge that BTR was unwilling to grant the union formal recognition at the plant. Two blacks have been killed in unrest in Howick sparked by the strike.

In the eastern Cape Province, shopkeepers in Port Elizabeth and Uitenhage said a black consumer boycott that began this week was biting sharply into business, and some shops

might be forced to close down.

"I have not made one sale among blacks this week. My daily takings have dropped from an average of 5,000 rand (\$2,500) daily to 750 rand (\$375) since Monday," said Johan Scholtz, manager of a furniture store patronized mainly by black customers.

Black activists called a two-month boycott of white shops to force whites to support black demands for the release of jailed anti-apartheid leaders as well as other grievances. The two cities have been among the hardest hit in 10 months of rioting that has left more than 450 blacks dead.

Press reports said black supporters of the boycott stopped people on the streets and at entrances to black townships and confiscated purchases made in defiance of the boycott.

A man who bought a new suit watched as youths cut it into shreds in front of him, the South African Press Association said.

In De Aar, a small eastern Cape town, police said a crowd used an ax to kill a 25-year-old woman who had bought from a white shop. Her body was doused with fuel and set alight on a street, police said.

Black mobs have meted out that form of punishment periodically to blacks who they consider to be collaborating with the white government. Black police and local officials

are seen by many as tools of the government.

In Johannesburg, leaders of the black National Union of Mineworkers said they were preparing for a possible strike of the gold mines, which produce half of South Africa's export earnings.

Spokeswoman Manoko Nchwe said the strike could begin next month unless the gold mines made wage concessions.

The mines imposed pay hikes of 14 percent to 19 percent on July 1 after negotiations with the union broke down. The union demanded what it said was a 22-percent pay hike.

The South African subsidiary of Siemens, the West German multinational company, negotiated with the black metalworkers union a day after firing 1,200 workers who the company said were striking illegally at five plants over wage hike demands.

In the eastern Cape, strikes broke out at three major auto makers. Grievances varied in the walkouts at Volkswagen, Ford and General Motors' locomotive plant.

Last week, Volkswagen workers struck for three days over the company's offer to loan vans for the New Zealand rugby tour of South Africa, opposed by most blacks as an attempt to undermine the international sports boycott against South Africa. The strike ended Friday when the tour was called off.

friday

inside

Civil rights lawyers charged yesterday that the Reagan administration has abandoned strict enforcement of the laws that forbid schools and colleges to discriminate by race, sex or handicap.....Page 4

weather

Mostly sunny today with high clouds. High 85. Warm and mild tonight. Low 65.....Heldi Sonen