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Press express

Richard Manning, *Newsweek* magazine correspondent, says goodbye to his wife, Diane and son, Mathew in Johannesburg last night. Manning, who covered South African for nine months, is the third foreign journalist ordered out of South Africa since the state of emergency was declared on June 12. His wife and son plan to remain for a week to pack the family's belongings. *Newsweek* carried a harshly critical cover story last week called "South Africa's Civil War," that was thought to be the reason for Manning's expulsion. This week's edition, flown in from Europe for distribution, had several paragraphs blacked out by hand to avoid violating state-of-emergency press restrictions.

Congress passes budget

By STEVEN KOMAROW
Associated Press Writer

WASHINGTON, D.C. — The Senate gave final Congressional approval late last night to a nearly \$1 trillion fiscal 1987 budget that would sharply curtail President Reagan's military spending plans — but soften that cutback if Reagan found an acceptable way to raise more money.

Senate passage, by voice vote, quickly followed House approval last night on a lopsided 333-43 vote. Less than an hour earlier, the final compromise was struck by a House-Senate conference committee.

The \$995 billion plan was designed to keep next year's deficit \$1.4 billion below the \$144 billion target of the Gramm-Rudman balanced-budget law. It would also bring Congress closer to meeting future year targets, which get gradually stricter with the goal of a balanced budget by fiscal 1991.

"As we adjourn tonight to take the break of the Fourth of July, we will be able to tell America that we have not only seen historic action in terms of tax reform... but also that the budget for 1987 has passed, and we have met the deficit (target) of Gramm-Rudman," said Rep. William H. Gray III, chairman of the House Budget Committee.

The budget would limit military spending authority to \$292.15 billion next year unless the president and Congress agree to raise money for a contingency fund of "unmet critical needs." Even with the fund, the military budget would fall \$21 billion shy of Reagan's request for \$320 billion.

Up to \$3 billion of the \$4.8 billion contingency fund could be used to increase military outlays. That would allow Pentagon budget authority, which includes programs that are paid for over several years, to increase to \$299 billion.

The contingency plan was an indirect challenge to the president to soften his opposition to new taxes. The Senate had approved a \$10.7 billion tax boost, but House Democrats refused to go along, fearing the political fallout.

As a result, the compromise would allow the additional spending if Reagan proposed, and Congress approved, new taxes, sales of government assets beyond those already in the budget or some other way of raising the revenue.

Congressional leaders said they thought the compromise would pass.

"I think we have a majority in the House who are prepared to sign off on it," said House Majority Leader Jim Wright, D-Texas, who called the plan "a true compromise." He noted the Senate-passed budget had \$301 billion for the Pentagon and the House had approved \$285 billion.

"I think we ought to do it before we leave," Senate Majority Leader Bob Dole, R-Kan., said of adoption of the blueprint.

Tentative agreement came early yesterday after two days of marathon closed-door sessions by senior members of the House and Senate Budget committees. However,

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er, the plan required ratification by the full House-Senate conference committee on the budget before final action by both chambers.

According to preliminary estimates, the plan would:

- Give military and civilian federal employees a 3 percent pay raise.
- Cover a cost-of-living increase for Social Security, retired civil servants and veterans, estimated at 2 percent.
- Cut foreign aid programs 10 percent below current levels.
- Freeze a wide range of domestic programs, including the National Aeronautics and Space Administration, with no money provided for replacing the space shuttle Challenger, pending further review by the administration and Congress.
- Raise various user fees for federal services, but reject proposed fees for agricultural inspections and related activities.
- Trim the federal highway program by 7½ percent and federal mass transit assistance by about 10 percent.
- Cut several development programs by 10 percent, including Urban Development Action Grants, the Economic Development Administration, Appalachian Regional Commission, and subsidized rental housing.
- Sell government assets including the Small Business Administration Disaster Loan portfolio.
- Increase spending for education and training programs by about \$1.7 billion.
- Phase out the \$4 billion a year revenue sharing with local governments.

The budget, a congressional resolution that is an overall guide for Congress' spending and tax decisions, does not require Reagan's signature. However, he could veto the individual bills the result from the budget decisions — as he promised to veto the tax boost in the Senate budget.

Sen. Pete V. Domenici, R-N.M., chairman of the Senate Budget Committee, said White House chief of staff Donald Regan had indicated the president would not actively oppose the spending plan, although Regan could not support it because of the military cut.

Reagan has said the Senate-passed \$301 billion for the Pentagon was the absolute minimum he could support.

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