

Reagan criticizes budget process

By CARRIE DOVE
Staff Writer

In the wake of Monday's stock panic, reducing the federal deficit will take top priority in the coming months, President Reagan said Thursday night at the White House. But Reagan vowed not to institute taxes that would hurt the economy.

"I have not changed my views on a tax that will have a deleterious effect on the economy," Reagan said during his first news conference since March.

Reagan said he will ask Treasury Secretary James Baker, Chief of Staff Howard Baker and Office of Management and Budget Director Jim

Miller to work with Congress to reduce the deficit.

The president criticized the budget process for placing too much responsibility with Congress, and not enough with the agencies who receive money from the budget.

"This is a stupid setup," he said.

Reagan, blaming 50 years of Democratic domination in Congress for the size of the deficit, said the deficit would be much smaller if they had approved the administration's budget.

Reagan chided Democrats for fiscal irresponsibility, saying, "The

President is not responsible for this."

Addressing questions about his Supreme Court nominee Robert Bork, the president attacked Bork's opponents and said if Bork is defeated he will try to find another nominee who is equally conservative.

"This (attack on Bork) was totally out of line," he said.

Witnesses who testified for Bork were more qualified than witnesses who testified against him, Reagan said.

Reagan also answered questions about Monday's stock market crash and said he plans to appoint a task force to study the impact of the crash.

"There are no signs of a deteriorating economy," he said.

The president said the stock exchange is closing two hours early to catch up on overdue paperwork.

Reagan expressed confidence in the control of events in the Persian Gulf.

"We're not there to start a war, and I don't see it as leading to a war," he said.

The president spoke about the irrationality of the Iranians, but sidestepped questions about the War Powers Act's relationship to the Gulf conflict.

Exiled Russian poet awarded the Nobel Prize in literature

From Associated Press reports

News in Brief

STOCKHOLM, Sweden — Poet Joseph Brodsky, who calls his Russian heritage and the freedom he found in America "the best possible combination," won the Nobel Prize in literature Thursday.

Brodsky was exiled from the Soviet Union as a "parasite" in 1972 and is now a U.S. citizen. He was cited by the Swedish Academy for creating poems "imbued with clarity of thought and poetic intensity."

He writes in both his native Russian and in English, and his works have been translated into more than a dozen languages.

At 47, Brodsky is one of the youngest writers to win the literature prize, the world's most prestigious. He lives in New York's Greenwich Village and has taught at several American colleges and universities.

Iran bombs oil terminal

KUWAIT — An Iranian Silk-worm missile hit Kuwait's offshore supertanker oil terminal Thursday, setting it afire and wounding several people, officials reported. None of the U.S.-flagged tankers that the Navy protects were in the area.

It was the third Iranian missile attack in a week on the sheikdom nestled between Iraq and Saudi Arabia at the head of the Persian Gulf.

The Kuwait News Agency quoted officials as saying five people were wounded and one remained hospitalized. Shipping and diplomatic sources said casualties were low because no ships were loading at the Sea Island terminal nine miles offshore, and fewer than the usual 20 men were on duty.

Iranian leaders have threatened retaliation for a U.S. Navy artillery attack Monday that destroyed two of Iran's offshore oil platforms. The shelling responded to an Iranian missile attack last week that hit one of the reflagged Kuwaiti tankers near the sheikdom's coastal oil facilities.

In Lebanon the pro-Iranian group Islamic Jihad, which holds

American and French hostages, said "thousands" of suicide bombers were ready for attacks on U.S. and European naval forces in the gulf.

The missile strike came hours after Iraq reported its second attack in 24 hours on a tanker in Iranian waters.

Arms treaty a step closer

MOSCOW — Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze "basically resolved" a dispute over West German nuclear missiles Thursday in talks both sides described as productive.

The two, holding their third round of negotiations this year, were trying to settle the last sticking points in a treaty to scrap intermediate-range nuclear missiles.

But no date was set for a third summit meeting between President Reagan and Soviet leader Mikhail Gorbachev, at which such a treaty could be signed. Soviet spokesman Gennady Gerasimov said the subject never came up.

Shultz is to meet with Gorbachev on Friday and review the finding of eight U.S.-Soviet working groups that have tackled such diverse issues as human rights and chemical warfare.

CIA's 25-year coverup unfolds

WASHINGTON — As the Cuban missile crisis unfolded 25 years ago, a Soviet military officer spying for the West sent a signal that the Kremlin planned to attack. But a mid-level CIA agent decided not to pass the information up to the White House, according to a memoir released Thursday.

Soviet Col. Oleg Penkovsky, often described as the most effective Western agent ever against the Kremlin, sent the signal by telephone just before he was arrested by the KGB, former State Department official Raymond Garthoff disclosed in a new book, "Reflections on the Cuban Missile Crisis."

State Department to close PLO office

By AMY WINSLOW
Staff Writer

In an effort to emphasize American concern over PLO terrorist acts, State Department officials said the department will close the doors of the Palestinian Liberation Organization's office in Washington, D.C., on Dec. 1.

On Sept. 15, the State Department first ordered the office, which is run by American citizens, to close within 30 days, but then gave them an extension so practical problems, such as leases, could be corrected, said a state department official who was not permitted to reveal his name.

"We are closing the office not for what the office has done, but to show our concern over the negative actions that the PLO has taken," the official said.

But closing the office may violate the First Amendment of the U.S. Constitution, American Civil Liberties Union representatives said.

Since the office exists only to distribute information about the PLO's viewpoint, the government doesn't have the right to close down an organization just because it doesn't agree with those views, said Colleen O'Connor, spokeswoman for the ACLU's national headquarters in New York.

"There is a dangerous precedent here beyond the PLO case," O'Connor said. "If the government can decide whose message can be heard, then they have the right to close down anything that's unpopular or unorthodox."

Not only does the PLO closing violate the First Amendment freedom

of political expression, said Faris Bouhafa, public relations director for the Arab American Anti-Discrimination Committee, but it also sends a signal from the American government to parties in conflict in the Middle East.

"The shutdown of the PLO office has already had a negative impact," said Bouhafa, referring to Secretary of State George Schultz's recent visit to Israel where he was met with animosity from Palestinians. A meeting that had been scheduled between Schultz and 10 Palestinians was cancelled in protest of the shutdown, Bouhafa said.

The State Department maintained that the closing was not an intent to stifle the rights of any Americans.

"We have no objection to American citizens opening their own office as long as it's not substantially controlled by the PLO," the state department official said. "And the PIO (Palestinian Information Office) is owned and controlled by the PLO." Representatives from the B'Nai

B'Rith Anti-Defamation League, a national Jewish and human rights organization located in Washington, D.C., said closing the office represents U.S. concern over terrorism.

"We don't think it's a violation (of the first amendment)," said Jess Hordes, the league's associate director. "The closing deals with the fact that the office is run by the PLO, a terrorist organization."

Advocating the PLO's point of view is different from acting as its agent, Hordes said.

The State Department's concern about Palestinian terrorism around the world probably would not be considered a legitimate reason in court for closing the office since the PLO has not done anything unlawful in the United States, said Arnold Loewy, UNC professor of law.

"The Communist Party couldn't be closed down because Communists have done something wrong somewhere else in the world," Loewy said. "It was appallingly bad policy to close the PLO's office."

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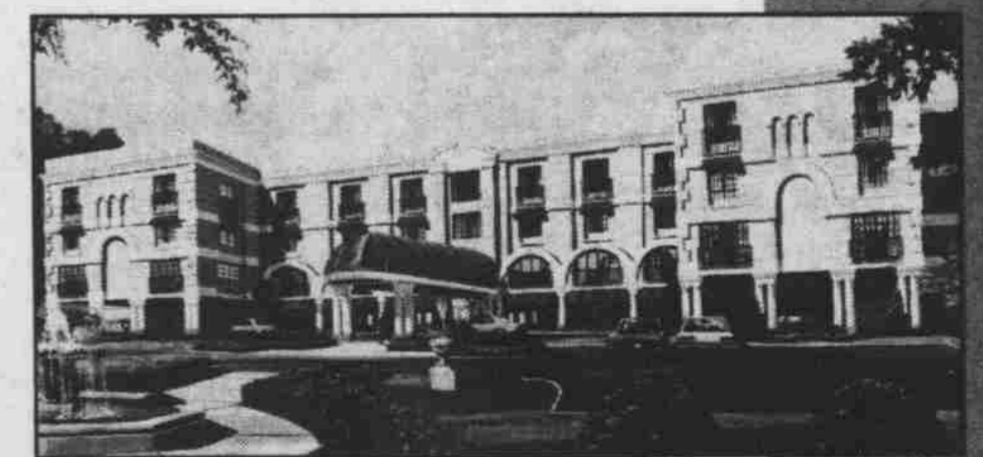
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