World and Nation

Iran issues ultimatum to Britain

NICOSIA, Cyprus — Iran's Parliament voted Tuesday to sever ties with Britain, restored to normal just three months ago, unless it condemns "The Satanic Verses" and stops criticizing Iran for ordering the author killed.

The official Islamic Republic News Agency (IRNA) said the Mailis, the Iranian parliament, gave Britain a week to meet the conditions, but Prime Minister Margaret Thatcher's government made clear that it would not do so.

"The British position will not be altered by threats of any kind," said William Waldegrave, minister of state in the Foreign Office. Waldegrave spoke from London.

Thatcher told the House of Commons that freedom of speech and expression are "subject only to the laws of this land . . . and will remain subject to the rule of law. It is absolutely fundamental to everything in which we believe and cannot be

WASHINGTON - The economy

grew at a lackluster annual rate of

2 percent in the final three months

of 1988, the slowest pace in two years,

reflecting a worsening trade deficit

and the lingering effects of the

summer drought, government offi-

the slowdown in the gross national

product, the total output of goods

and services, was accompanied by a

pickup in the inflation rate as food

prices and the costs of imports both

figure was unchanged from an initial

report a month ago, economists

labeled the new GNP statistics

disturbing because of the weakness

in trade, the speed-up in inflation and

an acceleration of consumer

"The shape of the economy looks

worse than we thought," said David

Wyss, senior financial economist for

While the 2 percent overall growth

The Commerce Department said

From Associated Press reports

cials said Tuesday.

spending.

Mohammed Basti, Iran's charge d'affaires, said on television before leaving Britain: "It is very unfortunate your government has taken the lead in making this matter a purely political subject."

Salman Rushdie, 41-year-old author of "The Satanic Verses," was born in Bombay, India, to Moslem parents but now is a British citizen and does not actively practice religion.

Rushdie has been in hiding since Feb. 14, when Iranian patriarch Ayatollah Ruhollah Khomeini commanded followers to kill him. Khomeini and many other Moslems believe Rushdie's novel blasphemes Islam and the prophet Mohammed.

In their first comment on the controversy, Soviet Union officials said the Kremlin leadership expressed

Foreign Ministry spokesman Gennady Gerasimov said Eduard Shevardnadze, the Soviet foreign minisinterfered with by any outside force." ter, discussed the matter for two

Mass. "All the changes were in the

Economists were concerned

because the new GNP report showed

that the country's trade imbalance

worsened even more than previously

estimated during the fourth quarter

as imports grew at an annual rate of

13 percent, swamping a 7 percent gain

Consumer spending rose at a

robust 3.5 percent annual rate, which

was too fast given current constraints

on production resulting from tight

labor markets and high operating

rates, economists said. The jump in

consumer spending, which went

primarily to big-ticket items such as

cars, also showed that Americans'

appetite for foreign goods is

"The surge in consumption pulled

in more imports with the result that

the deterioration in the trade deficit

was worse than previously assumed,"

said Jerry Jasinowski, chief econo-

wrong direction."

in exports.

unabated.

Data Resources Inc., of Lexington, mist of the National Association of

hours with Iranian Foreign Minister Ali Akbar Velayati and President Ali Khamenei during a three-day visit to Iran that ended Monday.

Gerasimov said Shevardnadze would raise the issue with U.S. Secretary of State James Baker and other foreign ministers at a March 7 meeting in Vienna.

Charles Redman, the State Department spokesman, said Tuesday in Washington that the United States and Britain had urged Shevardnadze to bring the subject up in Tehran.

"Every civilized nation has an international responsibility to state its abhorrence to death threats," Redman said. "No responsible member of the community of nations should let them go unanswered."

IRNA said the parliament's decision was endorsed by the Council of Guardians, 12 clerics and laymen who must approve legislation.

It said that "nearly all" of the 201 deputies attending Tuesday's session voted for the bill, introduced two days Slight economic growth reflects drought

It marked the second consecutive

quarter that the GNP trade deficit

worsened and served to emphasize

economists' contention that Ameri-

ca's trade woes are a long way from

followed a 2.5 percent third-quarter

rise and was the slowest quarterly

increase since a 1.4 percent rate in

summer's drought depressed the

fourth quarter figure. Without the

drought effects, the economy would

have expanded at a 3.1 percent rate.

measure that reflects changing con-

sumption patterns rose at an annual

rate of 5.3 percent in the fourth

quarter, up from a 4.7 percent rate

3.4 percent or less over the last three

years and economists said the spike

above 5 percent would set off alarm

bells at the Federal Reserve, which

The GNP deflator rose at rates of

of increase in the third quarter.

On the inflation front, a GNP price

The lingering effects of last deficit.

the final three months of 1986.

The fourth quarter GNP increase

Manufacturers.

being solved.

ago. The Majlis has 270 members, but some were absent, and the credentials of others have not been approved since elections in April and May.

The news agency gave this text of the bill: "From the date of the approval of this law, if the British government does not officially declare in a maximum period of one week its opposition to the unprincipled stand against the world of Islam and the Islamic republic of Iran, and to the contents of the anti-Islamic book 'The Satanic Verses,' the Foreign Ministry of the Islamic republic of Iran is obliged to break all bilateral political ties."

Deputies stood, cheered and praised Mohammed and his descendants after the vote, the report said. According to IRNA, more than 100 deputies proposed the amendment giving Britain a week to comply with Iran's demands.

Since the elections, Iran's parliament has been dominated by radical factions that do not always agree.

has already embarked on a new round

of credit tightening in an effort to

Federal Reserve Chairman Alan

Greenspan, in his first congressional

appearance since the Fed boosted its

key bank lending rate Friday,

repeated the central bank's "determi-

nation to resist any pickup in infla-

tion" and called on Congress and the

administration to agree on a credible

multi-year plan to reduce the budget

In another economic report Tues-

day, the National Association of

Realtors said existing single-family

home sales fell a sharp 7.4 percent

in January to an annual rate of 3.63

million units. The median price of a

In a third report, the Commerce

Department said the deficit in mer-

chandise trade, measured on a bal-

ance of payments basis, climbed to

\$32 billion in the October-December

quarter, 10 percent higher than in the

previous quarter.

home rose 3.2 percent to \$91,500.

control inflation.

President Bush begins drive to rescue Tower nomination

From Associated Press reports

WASHINGTON - President Bush launched a full-court press Tuesday to salvage John Tower's nomination, but his private meetings with a dozen swing Democrats and wavering Republicans produced no immediate pledges of support for his chosen defense secretary.

"I'm working hard at it," Bush told reporters at a picture-taking session during an afternoon Cabinet meeting. "I'm committed."

Republican Sen. Larry Pressler of South Dakota, key to the drive to hold all 45 Senate Republicans in line, announced he was "very much leaning against" confirmation and urged Tower to withdraw before a vote.

"I think that he may very well be doing him (Bush) a favor in this case," said Pressler, who said he was fearful that Tower would not be capable of cleaning up the Pentagon procurement system if confirmed.

Bush invites controversy

WASHINGTON - President Bush said Tuesday he had no obligation to inform the Chinese government in advance that he had invited the country's leading dissident to dinner.

Bush acknowledged the Chinese "may have a point" in contending that the flap over their unwillingness to let Fang Lizhi attend the U.S.-hosted dinner in Beijing might have been avoided if the United States had submitted the guest list ahead of time.

But when asked during a Cabinet meeting picture-taking session whether he felt he should clear such dissident invitations with the host government, the president replied, "No. And I think they understand that."

Bush said the question of human rights and the United States' commitment to them is much broader than whether a dissident is allowed to attend a dinner.

Earlier Tuesday, White House press secretary Marlin Fitzwater had said Bush believes he should push human rights in talks with communist leaders but that it should not be pursued to the exclusion of other concerns.

Soviets criticize Communists

MOSCOW - A prominent state-run magazine has scathingly criticized the Communist Party, accusing it of spreading "political lies" that have deceived the Soviet people for generations.

The unprecedented attack in the literary monthly Novy Mir also questioned the rationale of the 20 million-member party's legal monopoly on power, enshrined by the 1977 Constitution, and says **News in Brief**

genuine democracy is impossible until the party permits open dissent in its ranks.

Even in the franker atmosphere fostered by President Mikhail Gorbachev's campaign for "glasnost," or greater openness, such harsh criticism of Communist Party practices in an official Soviet publication would have recently seemed impossible.

The article, by widely known sociologist Igor Klyamkin, also hints at the central paradox of Gorbachev's blueprint for political change, by noting that Soviet "democratization" is taking place in a system where one party has declared itself society's sole legitimate ruler.

The criticism comes at a time when Soviets are preparing for their first national multicandiate elections.

Klyamkin does not openly call for the creation of a multiparty system, but that seems the inescapable conclusion many will draw from his criticism of antidemocratic practices he says the Communist Party has engaged in starting from the days of Soviet. founder Vladimir Lenin.

Israeli warplanes fire on school

AINAB, Lebanon - Israeli warplanes struck Palestinian bases in the Chouf Mountains southeast of Beirut on Tuesday, killing two guerrillas, and also blasted an elementary school, wounding 26 children, police said.

Panicked children aged 4 to 10, some with blood streaming down their faces, ran screaming and sobbing from the school, a teacher said. A blackboard in one classroom still listed Tuesday's subject for discussion: "The War."

Five of the children were critically hurt. In addition, eight other people were wounded in the raid on the bases by six fighterbombers.

The guerrilla casualties were members of the Democratic Front for the Liberation of Palestine, a Marxist group that is part of the Palestine Liberation Organization, said a police spokesman, who cannot be identified under briefing rules.

Five of the wounded were militiamen of the leftist Druse Progressive Socialist Party. They were manning a post near Ainab, a mountain village nine miles. southeast of Beirut.

The air strike coincided with the front's 20th anniversary and came' five days after the guerrilla group' lost three fighters in an attack on Israeli-backed militiamen in south' Lebanon.

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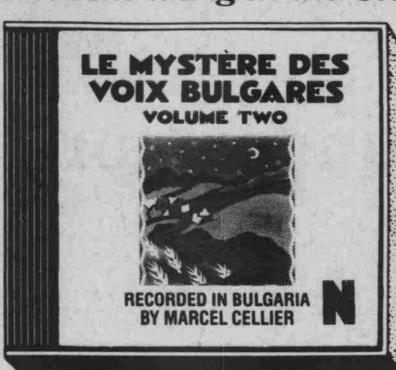
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