Negotiators Agree On Deficit Cut

Action By Fed Expected To Stabilize Interest Rates

WASHINGTON (AP) — The Federal Reserve Board, which rode to the economy's rescue after a record loss in stock values last month, has apparently reined in its efforts, analysts said Friday.

The change means that interest rates, which have come down rapidly in recent weeks, will probably stabilize, the analysts predicted.

Many analysts support the Fed's decision, but some critics charge that the central bank is making a mistake by deciding against pushing interest rates still lower. They say lower rates would ensure that the stock market's troubles will not push the nation into a recession.

"The Fed is continuing to let unwarranted inflationary fears determine its monetary policy," complained Richard Rahn, chief economist of the U.S. Chamber of Commerce.

"After an injection of liquidity into the economy following the stock market decline, it appears the Fed once again is tightening the money supply, a move that history has shown can result in declining economic growth."

Before the drop in stock values on Oct. 19, the Federal Reserve was tightening up in an effort to control inflationary pressures on the dollar and oil prices.

But the day after the record decline of 508 points, the Fed reversed course and ordered a major injection of liquidity to the economy. This has caused some commentators to question whether the central bank is trying to stabilize the economy or simply reacting to an already under-control inflation.

The congressional leaders, along with Treasury Secretary James Baker III, refused to say where new taxes would be levied, leaving that decision up to the congressional committees. The president said he might offer suggestions on where the taxes should be raised.

The deficit reduction plan, the result of 20 days of negotiations, faces opposition from House Republicans who say the tax increase is too big for the spending cuts they want.
Rule Upsets Both Parties

which he called people’s rights’

silicon Party has

have had to ask publicly for either a

Democratic or a Republican ballot.

But no written record has been made

of which party’s ballot each individu-

al was given.

St. Louis Democratic Chairman

Sharon L. Carpenter said state party

leaders feared that unless Blunt acts,

the 88-member delegation to the

Democratic National Convention next

summer could be subject to chal-

lenge. A successful challenge could

void the primary results.

Paul Bloch, deputy secretary of state,
said Blunt, a Republican, expec-

ted to issue a “request” — not en-

order — that local election officials

follow the Democratic policy.

But U.S. Supreme Court rulings

have held that political party rules on

presidential primaries hold prece-

dence over state laws. So it’s unlikely

that local election authorities could

successfully resist the rule, said Wil-

liam Newcomb, general counsel for

Blunt.

Democratic State Chairman Betty

C. Harens said the state party’s ini-

tial plan for selecting delegates did

not include the requirement that an

individual’s choice of party in the

primary be determined at the time

of the primary.

See PRIMARY, Page 6

Laid Off

2,700 GM Workers

Closing Of Wentzville

By Bob Wehling

and Louis J. Rose

Of the Post-Dispatch Staff

Sadness and anger were ex-

pressed by several of the 2,700

workers starting their final shift

Friday night at the General Mo-

tors Auto Assembly Center in

Wentzville.

“It is kind of depressing,” said

James Miller, 28, an assembly-

line worker from O’Fallon, on his

way into the plant. “Everybody

here is like a big family.”

A GM spokesman said the lay-

offs had been caused by poor sales

of the cars built in Wentzville:

Buick Electra, Oldsmobile 98s

and Oldsmobile Delta 88s. The

cars are some of GM’s most ex-

pensive models.

The sec-

The scene

Laid off

Post-Dispatch

Volkswagen Plans To

Its Only Auto Plant

Compiled From News Services

DETROIT — Volkswagen will

close its only U.S. assembly plant

before the end of next year and

return all production of its Jetta

and Golf models to West Germany,

the company said Friday.

About 2,100 hourly workers and

400 salaried workers will lose

their jobs when Volkswagen

closes its assembly plant in West-

moreland, Pa. Volkswagen has

been running the plant at less

than half its capacity for five

years, said a company spokes-

man, Tom M.

“Everyone feared that the U.S.

market was just a temporary drop in

sales,” said a company spokes-

man, Tom M.

“People are disappointed with

the way that Volkswagen has

handled the situation,” said an

employee who wished to remain

anonymous.

The company said it would

begin laying off workers in Jan-

uary and close the plant by the

end of 2009.

Saturdays

NATION

Kennedy Hearings

Confirmation hearings on Judge

Anthony M. Kennedy’s nomination to

the Supreme Court will begin Dec.

14, according to Sen. Joseph R. Bi-

den Jr., D-Del.

PAGE 7A

LOCAL

Bi-State Backs Off

Bi-State’s board has scratched the

opening of a bus line from downtown

to St. Peters.

PAGE 3A
the first communist leader to address Congress. Reagan said Friday that he had never requested such an appearance.

Reagan said, "There was talk of it, yes, but no request ever did come... This never originated with us at all."

Senate Minority Leader Bob Dole, R-Kan., suggested that instead of appearing before a joint meeting of Congress, Gorbachev be allowed 10 or 15 minutes on U.S. television and that Reagan be allowed to make a similar appearance on state-owned Soviet television. The appearances would occur during Gorbachev's visit to Washington Dec. 7-10.

After the proposal for such an invitation was disclosed Monday, Repub-

Arms

From page one

Test ban treaty in 1963 to stop nuclear explosions in the air, space or sea. But underground tests continue. All five nations that have acknowledged the production of nuclear weapons — the United States, Soviet Union, Britain, France and China — have carried out nuclear tests this year.

The United States has set off at least 12 test explosions this year. The Soviet Union has detonated at least 10 blasts since Feb. 26.

Schultz Denies Snag

In Washington, Schultz denied Friday that negotiations with the Soviets to ban intermediate-range nuclear weapons were snagged.

He said he would meet Monday and Tuesday in Geneva with Shevardnadze to try to clear away an "immense amount of detail" before next month's summit meeting in

Priest

From page one

I've done.

The victims were students and former students of DuBourg, in south St. Louis. Some of the incidents took place at Funk's rectory at St. Bernadette Church in Lemay.

Jerome B. Robben, 45, another former DuBourg teacher, was arrested with Funk in October 1983. He is serving a six-year prison term for involvement with the same victims.

Robben pleaded guilty on counts of sodomy and deviate sexual assault and on 17 counts of promoting child pornography. St. Louis Circuit Court Judge Thomas W. Gahlin said he would review Robben's sentence next week and consider releasing him from prison and granting him probation.

But Funk will do his time, Corrigan said.

"I think you are very fortunate that the state has more mercy than I do," Corrigan told Funk.

Primary

From page one

Primary be recorded by name.

She said the national party had refused to approve the state plan unless some change was made to ensure that people who vote in Missouri's Republican primary could not participate in

White House spokesman Martin Fitzwater announced that "there probably is a better forum" than a joint meeting of Congress.

Dole said a television address would not be as powerful as speaking in the House chamber but would allow the Soviet leader to communicate with the American people.

"The fact is that there are two superpowers on this Earth, and the better we can communicate and understand each other's views, the better off all of us probably will be," Dole said.

The idea of inviting Gorbachev to address Congress was dealt a severe blow Thursday when House Minority Leader Robert H. Michel, R-Ill.,

Washington

In announcing the Geneva talks, State Department spokesman Charles Redman said Thursday, "There is a crisis.

He said Schultz had asked Shevardnadze to meet with him and that the Soviets "readily agreed."

"I added," the judge said, "that the chances are no doubt very good that the agreement will be wrapped up.

Two key verification issues remain unresolved. One deals with data on Soviet missiles. The other involves inspection of U.S. and Soviet facilities to guard against cheating.

Disclose the e-mail Keith D. known by him. But Dr. Rice is in Jeff.

The administration had "very strong indications from the leaders in the Senate that they didn't want to tell the general secretary about the agreement as they prepare for the ratification process," Fitzwater said.

Aides to House Speaker Jim Wright, D-Texas, reported earlier this week that "a White House liaison officer" had requested that Gorbachev be invited to address a joint meeting of Congress.

For visiting foreign allies.

Fitzwater said that the goal of the administration was "having the Soviets talk to the Congress about the ratification process for the Intermediate Nuclear Forces treaty."

Both Gorbachev and Reagan are expected to sign during the summit meeting.

The administration got "very strong indications from the leaders in the Senate that they want to talk to the general secretary about the agreement as they prepare for the ratification process," Fitzwater said.

Aides to House Speaker Jim Wright, D-Texas, reported earlier this week that "a White House liaison officer" had requested that Gorbachev be invited to address a joint meeting of Congress.

In announcing the Geneva talks, State Department spokesman Charles Redman said Thursday, "There is a crisis."

He said Schultz had asked Shevardnadze to meet with him and that the Soviets "readily agreed."

"I added," the judge said, "that the chances are no doubt very good that the agreement will be wrapped up."

Two key verification issues remain unresolved. One deals with data on Soviet missiles. The other involves inspection of U.S. and Soviet facilities to guard against cheating.

Funk's attorney, Martin J. Habic- can, spoke of his client's years of service in the community, describing him as "a caring individual" who had suffered "mental anguish" since his arrest.

He asked for a sentence "tempered with logic and sagacity with mercy."

"Jim does suffer from an affliction, an affliction that can be treated," Hadic- can said. "This is not a predator lurking in the dark to take advantage of young boys.

"Diablo," Edward O'Donnell, auxiliary bishop of the Archdiocese of St. Louis, said in a prepared statement Friday that Funk's crimes had compromised his priesthood and hurt the Roman Catholic Church.

"Today, the Archdiocese of St. Loui- is is very sad and hurt. Today, we are reminded that young people have been harmed by a person of trust, a priest," O'Donnell said. "We pray for all victims of abuse, we pray for Funk and we pray that the community and the church in St. Louis will never be confronted with a situation like this again."

Garrets Keith D. was killed at 1:05 a.m. Wednesday by a man wearing a black ski mask.

The man got away with the $10,000 in the cash register.

"We're praying for Keith,

Mr. D."

L. E. Rosslandson said.

"I'm extremely sorry," he said. "It's a terrible loss for the family."

The FBI, which has jurisdiction over the crime, said it did not know what the suspect looked like or what he was wearing.

"It's a terrible loss for the family."

"We're praying for Keith, D."

L. E. Rosslandson said.

"I'm extremely sorry," he said. "It's a terrible loss for the family."

The FBI, which has jurisdiction over the crime, said it did not know what the suspect looked like or what he was wearing.

"It's a terrible loss for the family."

"We're praying for Keith, D."

L. E. Rosslandson said.

"I'm extremely sorry," he said. "It's a terrible loss for the family."

The FBI, which has jurisdiction over the crime, said it did not know what the suspect looked like or what he was wearing.