

Recession's impact shows in many sectors

Limited buying reduces amount of trade deficit

WASHINGTON — America's trade deficit improved dramatically in 1991, falling below \$100 billion for the first time in eight years as exports hit a record high and the recession held down imports, the government reported Thursday.

While the 35-percent drop in the deficit to \$66.2 billion represented America's best trade performance since 1983, analysts saw plenty of problems ahead.

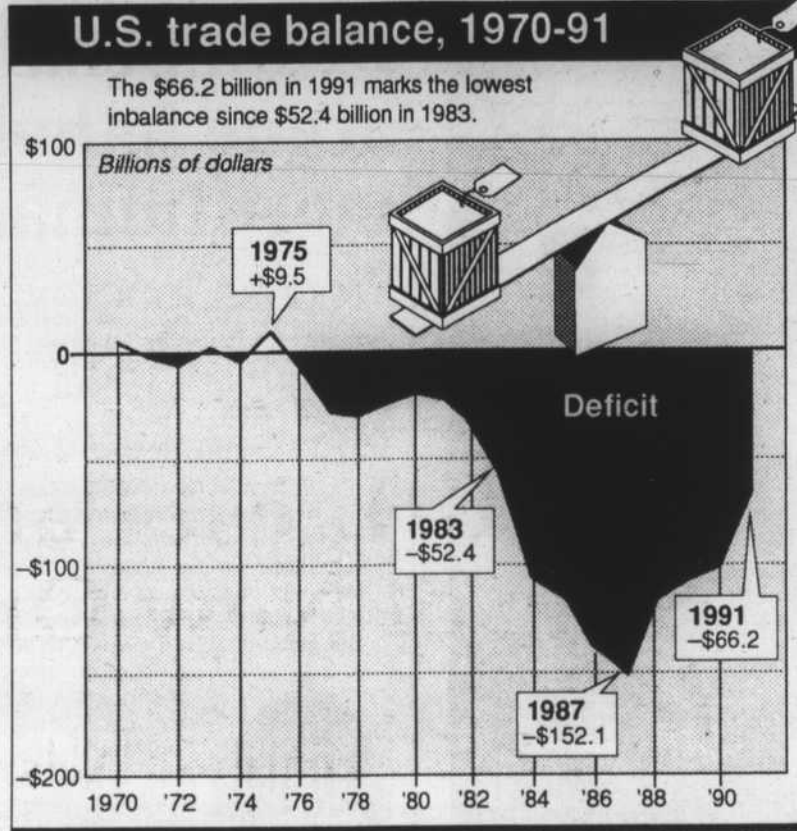
America's deficit with Japan actually rose during 1991, climbing by 5.7 percent to \$43.44 billion, representing two-thirds of the total imbalance.

The deficit with Japan has become a target for President Bush's political opponents, who contend that the two nations have erected unfair trade barriers that are blocking the sale of American goods.

However, many private economists contend that trade barriers reflect only a small portion of the deficit and the bigger problem is that Americans have a seemingly insatiable appetite for foreign goods.

The overall deficit worsened considerably in December, rising by 42 percent to \$5.94 billion as U.S. exports fell for a second straight month and imports climbed 2.3 percent.

Analysts have forecast that the trade gap will widen considerably this year as export growth falters because of



weakness in many of America's major overseas markets.

That would represent a setback for the Bush administration, which is counting on continued healthy export gains to help lift the stagnant U.S. economy.

The Labor Department reported Thursday that the number of newly laid-off workers filing claims for unemployment benefits rose to 452,000 in the first week in February, an increase of 18,000 over the previous week.

Analysts viewed the increase as

further evidence of a weak labor market beset by continuing layoffs in autos, electronics and other manufacturing industries.

The analysts think the rate could worsen in coming months, possibly topping 7.5 percent by mid-year before the economy makes enough of a rebound from the recession to rally new hiring.

The Bush administration hailed the sharp improvement in the 1991 trade deficit as proof that American industries are competitive once more internationally.

Business failures set record

NEW YORK — Business failures hit record levels in 1991, up 43.7 percent, and insurance, finance and real estate companies took the brunt of the hit, a survey released Thursday said.

Falling real estate prices, debt-burdened businesses, stingy banks and bankruptcies from failed leveraged buyouts contributed to the demise of 87,266 businesses in 1991, The Dun & Bradstreet Corporation said. That was up from 60,746 in 1990.

Unpaid debts of defunct businesses totaled \$108.8 billion last year, a gain of 95.9 percent from 1990.

New England had the nation's highest percentage increase in business failures. The survey reported 5,590 regional businesses failed in 1991, up 81.1 percent from the year-earlier total of 3,087. More than half of those failures occurred in Massachusetts.

Other regions on the East and West coasts also were hard hit, while results were mixed in the interior states and Southwest.

Joseph W. Duncan, chief economist and vice president at Dun & Bradstreet, cautioned that the prospect for slow growth could keep failures up in the early stages of 1992.

"Business has to pick up before that stress is taken off the balance sheet," Duncan said.

Unemployed flock to libraries to find jobs and entertainment

CHICAGO — Libraries are seeing a surge in business as they become havens for the unemployed.

"In hard economic times, library use always goes up," observed Patricia Glass Schuman, president of the Chicago-based American Library Association.

"We've heard this from libraries across the country," she added in a telephone interview from her New York office. "People are using libraries to look for jobs. It's also a form of entertainment. When they can't afford to go to

movies, they go to a library and get a video or a book."

Libraries say jobless patrons are emptying shelves of career-guide books and raiding newspaper bins for help-wanted ads.

It couldn't have happened at a worse time for libraries, which are facing an economic crisis of their own.

According to an ALA report released in November, a recent survey by the Association of Research Libraries found that most member libraries were working with budget cuts of 1 percent to 5 percent in 1991 and were expecting 5 percent to 10 percent cuts in 1992.

Panel recommends only limited use of implants

BETHESDA, Md. — A panel of experts recommended unanimously Thursday that the government allow silicone gel breast implants only for experiments and for women needing breast reconstruction.

That advice, if followed by the Food and Drug Administration, means implants would no longer be performed just for cosmetic reasons.

Women wanting to have their breasts enlarged represent 80 percent of the million who now carry the implants in their bodies. The rest have

implants because their breasts had been deformed or were removed because of cancer.

Nancy Dubler, a lawyer and one of nine voting members of the 24-person panel, said the recommendation of restrictions "responds to science on the one hand and compassion on the other."

Initially, five of the nine voted for the proposed restriction. The other four did not vote. The committee then discovered that six votes were needed for passage.

The panel recommended that more studies be done on the implants and on the possible effects of the silicone gel on living tissue.

While the recommendations are not binding on the FDA, the agency usually follows the recommendations of such committees. The FDA plans to issue its final decision within 60 days.

Dr. Jules Harris, a voting member, said the evidence he has seen this week did not "provide the basis to conclude that silicone gel breast

implants are safe and effective."

"I do not find this evidence convincing but it is disturbing," Harris said.

Earlier, the group's chairman said members did not have the evidence to conclude that leaks from the implants are linked to health problems such as cancer and autoimmune disease.

"We have a possible association, and we need more research," said Dr. Elizabeth Connell, the chairman and a medical school professor.

South African president announces vote for whites only that could end apartheid

CAPE TOWN, South Africa — President F.W. de Klerk stunned the nation Thursday by announcing a whites-only referendum on ending apartheid, and he promised to resign if defeated.

The move came a day after his ruling National Party lost its second special parliamentary election to the Conservative Party, which wants to reinstate apartheid and create a separate homeland for whites.

The vote had been seen as a test of white support for political reforms that have been moving the country toward multiracial democracy.

Now de Klerk will put the issue of apartheid to a whites-only vote.

"If I lose that referendum, I will

resign," clearing the way for a whites-only general election, de Klerk told Parliament.

"It's a question of honor," he said at a later news conference.

De Klerk did not set a specific date for the referendum, but he indicated it could take place by the end of March.

His action was seen as an attempt to outmaneuver pro-apartheid forces while he still retains white support.

Polls say he is supported by a majority of whites. But the government's power base has been crumbling rapidly because of white unease over the rapid pace of political change and ending apartheid, the policy of racial separation in a country of 5

million whites and 30 million blacks.

If de Klerk were forced to step down, his departure would throw political reform into chaos. He has been the driving force in dismantling apartheid and negotiating a non-racial constitution to give the vote and other political rights to the black majority.

The African National Congress, the main black opposition group, and its allies denounced the referendum plan.

"A whites-only referendum is not only the hallmark of racism but also has the effect of delaying movement toward peace and justice for all our people," an ANC statement said.

Party counting on petition for candidate

COLUMBUS — County clerks across the state are validating signatures on a petition turned in to the Nebraska Secretary of State's Office by the Libertarian Party earlier this month.

Party members should know by next week if their presidential candidate, Andre Marrou, can be placed on

the ballot for the primary election in May, said Deputy Secretary of State Ralph Englert.

He said there must be at least 5,865 valid petition signatures from across the state to

form the party and allow Secretary of State Allen Beermann to put Marrou on the ballot for the presidential primary.

The number of signatures represents about 1 percent of the number of votes cast for governor in the 1990 election.

Israeli tanks smash into south Lebanon

TYRE, Lebanon — Israeli troops and tanks breached U.N. barricades in south Lebanon Thursday, going after Shiite Muslim guerrillas who have been rocketing Israel.

Prime Minister Yitzhak Shamir said Israeli would keep up the attacks "until we quiet them."

The Israeli incursion drew a sharp protest from U.N. Secretary-General Boutros Boutros-Ghali, who called for an immediate pullout. The Bush administration expressed "deep concern."

U.N. sources said it was the first time since 1985 that the Israelis had crossed the security zone and taken up positions. Before smashing the U.N. barricades with a bulldozer, the Israeli troops got in fistfights with the peacekeepers, a U.N. spokesman said.

Despite fears that escalating violence would derail the next round of peace negotiations, the State Department said all parties had indicated they would be on hand for talks beginning Monday in Washington.

Syria's military chief, Gen. Hekmat Shehabi, said Thursday his country would help defend Lebanon against Israeli "trespassing."

In the Israeli thrust into the villages of Yater and Kafta, two Israeli soldiers and four Shiite guerrillas were killed; 33 people were wounded, including three Israeli soldiers, four Fijian U.N. peacekeepers, five civilians and 21 Shiite guerrillas, security sources said.

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