

Trade deficit balloons to \$26.7 billion

WASHINGTON (AP) — The nation's trade deficit soared to a record \$26.7 billion last year, the government reported Monday and a top administration official predicted a deficit nearly as large this year.

Imports of costly foreign oil were a major cause of the 1977 deficit, draining \$42.1 billion from American banks and pocket-books, an increase of \$10 billion from a year earlier.

The huge trade deficit has been a chief reason for the decline of the dollar on world money markets in the past year. If the deficit continues as predicted, further declines in the dollar appear likely in 1978.

Both imports and exports set new highs during 1977, although imports grew much faster. The Commerce Department said

Imported oil primary cause

imports of all goods totalled \$146.8 billion, a 22 percent increase, while exports totalled \$120.1 billion, a five percent advance from 1976.

The resulting deficit of \$26.7 billion was more than four times larger than the previous record deficit of nearly \$6.4 billion in 1972. The deficit a year ago was just under \$5.9 billion.

Pres. Carter's chief economic adviser, Charles Schultze, told reporters that the deficit in 1978 will be in "the neighborhood" of the 1977 deficit, although he forecast an improving trend over the next few years. He said the size of the deficit depends in

part on the demand for U.S. goods in other nations. Demand has been weak in such countries as Japan and Germany and the administration has been appealing to these nations to take steps to import more goods from the United States.

For American workers, the trade deficit translates into a substantial loss of jobs because it means Americans are buying many more foreign-made goods and products than foreign consumers are buying U.S.-made products.

Schultze acknowledged at a news conference the nation's trade will be one of the things that will be closely watched by the

administration in months ahead and which may have a bearing on the nation's overall economic performance this year.

There was some slight improvement in the trade figures in December. The Commerce Department said exports totalled \$11.029 billion while imports were \$13.059 billion, leaving a deficit for the month of \$2.029 billion, down from November's \$2.082 billion.

The agency said oil imports in December declined to \$3.219 billion from November's \$3.529 billion.

Total oil imports during 1977 by quantity were nearly 3.2 billion barrels, up sharply from the 1976 total of just under 2.7 billion barrels. But administration officials do not expect any significant increase in oil imports in 1978.

World at a glance

From Associated Press Reports

ERDA tried to bias nuke vote

WASHINGTON — A federal agency advocating nuclear energy tried to influence the outcome of a California anti-nuclear referendum but no laws were violated in the process, the General Accounting Office (GAO) reported Monday.

The GAO report does not name any ERDA officials involved in trying to defeat the California nuclear safeguards initiative. It lost by a two to one margin on June 8, 1976.

GAO, however, said it concluded "high level agency officials intended to present nuclear power in a favorable light avoiding an objective discussion of its drawbacks....GAO believes that the agency, by advocating the absolute need for nuclear power and failing to mention its disadvantages or problems, attempted to influence Californians to vote against the referendum."

Canal treaty sent to Senate

WASHINGTON — The Senate Foreign Relations committee sent the controversial Panama Canal treaty to the Senate floor Monday after a last-minute revision aimed at avoiding the need for Panamanian voters to approve the pact a second time.

Sen. Clifford Case, R-N.J., said the change was "a face-saving device for the Panamanian negotiators." But, he added, "I'm perfectly willing to save as many faces as necessary."

Mideast military talks set

JERUSALEM — Egyptian-Israeli military negotiations on the future of the occupied Sinai peninsula will resume Tuesday night in Cairo, spokesmen in Jerusalem and Cairo announced Monday.

Word of the resumption came as U.S. mediator Alfred Atherton hand-carried an Israeli proposal for a declaration on overall peace principles to Cairo after a final meeting Monday morning with Israeli Foreign Minister Moshe Dayan in Jerusalem.

Official warns of power loss

WASHINGTON — Energy Secretary James Schlesinger warns that industrial users face a curtailment of power unless weather conditions improve or the coal strike ends.

Schlesinger said Sunday the government is studying ways of alleviating the situation, but he would not predict use of the Taft-Hartley Act to end the 55-day strike.

The 1947 act allows the president to seek a court injunction stopping strikes for an 80-day cooling off period while an impartial fact-finding commission studies the dispute.

Soviet flu toll 30 percent

WASHINGTON — The death rate in the Soviet Union for children under 14 with the Russian flu has exceeded 30 percent, an American health team reported today.

The death rate there for children 15 and older was 8.5 percent, Dr. Michale Gregg of the Center for Disease Control told a government conference on the Russian flu. For the entire Russian population, the death rate was 12.4 percent for people with the flu.

Carter to caution Soviets on launching nuke satellites

WASHINGTON (AP) — Pres. Carter promised Monday to ask the Soviet Union not to send up any more atomic satellites like the one that fell on Canada and said "we would be glad to forego the deployment of any such satellites altogether."

Calling for more rigid precautions among all nations, the presi-

dent said the United States and the Soviet Union should try to develop a "sure-fire" safety system to keep such nuclear power satellites from falling to earth or into the atmosphere.

"If we cannot evolve those fail-safe methods," Carter said, "then I think there ought to be a total prohibition against earth-orbiting satellites. I would favor at this moment an agreement with the Soviets to prohibit earth orbiting satellites with atomic or radiation material in them."

Carter spoke at a nationally-televised news conference, his second this year. He pledged to pursue the "failsafe" system and the atomic-satellite ban with the Soviet Union. Carter said the Soviets had told him their satellite was designed to be destroyed during its fall and that it would not explode.

Canadian officials said earlier in the day that two American wildlife scientists had found radioactive wreckage from the satellite, which

plunged to earth Jan. 24 cutting a nine to 10-foot crater into ice on the Thelon River in the Northwest Territories. The wreckage was described as structural tubing and a smashed metal canister.

At his wide-ranging news conference, Carter also said:

•Rejection of any phase of his tax, jobs and inflation-fighting programs could aggravate the nation's economic problems. He said success depends on "a very careful balance" between conflicting priorities.

If necessary, the president said, he would try to exert influence on Congress and through the American people to keep his programs intact.

•He has no intention at this time to intercede in the nation's coal strike by invoking the Taft-Hartley Act, which would require miners to return to work for an 80-day cooling off period. Nonetheless, he conceded that prospects for an end to the strike do not look good.

Guerrillas pledge end to white rule

RABAT, Malta (AP) — Black guerrilla leaders, pledging to push their war to end white rule in Rhodesia, left little room for compromise as they sat down today with American and British envoys to discuss a plan to transfer power to the black majority.

Andrew Young, the U.S. Ambassador to the United Nations, and British Foreign Secretary David Owen met Joshua Nkomo and Robert Mugabe amid indications the black leaders will reject the latest British-American plan for a peaceful political settlement.

Nkomo and Mugabe, joint leaders of the Patriotic Front battling the white-minority Rhodesian government, went into the talks after serving public notice their only aim is to secure a total transfer of power from Prime Minister Ian Smith's regime.

"If the British do not throw Mr. Smith out we will do it," Nkomo told reporters on the eve of the British-convened conference on this Mediterranean island. "The war will go on" until the Patriotic Front achieves full power, he said.

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