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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, SEPTEMBER 24, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits the campus Tuesday. (Knoxville Journal)

INTERNATIONAL NEWS

Nancy Reagan Files To Mexico With A \$1 Million 'Down Payment' On American Aid -- Nancy Reagan visited survivors of the earthquake disaster today, delivering a letter of sympathy from her husband and a \$1 million "down payment" on United States government disaster aid to Mexico. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

NATIONAL NEWS

House Tax Overhaul Bill About To Go On The Table -- Four months after President Reagan proposed his massive overhaul of the tax code, members of the Ways and Means Committee still aren't sure what kind of bill they want to write or whether they should produce one at all. (Washington Post)

NETWORK NEWS (Monday Evening)

NANCY REAGAN IN MEXICO -- The First Lady visits the devastation in Mexico City and presents the Mexican people with a \$1 million check from the U.S. government.

(All Nets Lead)

PRESIDENT/NEW TRADE POLICY -- President Reagan proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home.

FOR FREE AND FAIR TRADE

"I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules."

(President Reagan on trade negotiations, The East Room, 9/23)

TRIP NEWS

PRESIDENT TO LEARN ABOUT TEAMWORK

KNOXVILLE, Tenn. (UPI) -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits campus Tuesday.

Reagan will participate in a symposium, "Teaming Up for Economic Development," and will then helicopter 60 miles south to Athens, Tenn., to make a speech on tax reform.

Reagan will fly into Knoxville at mid-morning and spend 45 minutes attending the symposium at the university's student center ballroom. The President is scheduled to make brief opening and closing remarks at the symposium.

John Clark, associate director of university communications, said school Chancellor Jack Reese, Reagan and six invited guests would sit at a semi-circular table for the discussion. The participants will each take three or four minutes to tell the President how university research benefits the local economy, Clark said. "The President will have a chance to respond or ask questions. It will be somewhat conversational," Clark said.

Herman Postma, director of the Oak Ridge National Laboratory, will brief the President on cooperative projects between the university and the Oak Ridge lab, located about 15 miles northwest of Knoxville. Oak Ridge scientists now conduct a wide range of experimentation, including work on Reagan's Strategic Defense Initiative, the "Star Wars" project.

Reagan will eat lunch at the student center. He will dine at a four-person table with Spencer DeWitt, president of the Student Government Association; Tom Wilson, editor of The Daily Beacon; and William Bass, a U.T. anthropology professor named National Professor of the Year in July by a national education group. Clark said White House officials wanted the President seated with some students at lunch. Wilson, 21, the student newspaper editor, said he planned to ask Reagan for his prediction on Saturday's Tennessee-Auburn game and would talk about college students' concerns if the President desired.

Reagan will speak at the McMinn County Courthouse in Athens at 1:30 p.m. The speech will be moved to the gymnasium at McMinn County High School only in the event of heavy rain, White House planners said.

After his speech in Athens, Reagan is scheduled to helicopter to Knoxville and fly back to Washington.

REAGAN WILL GET TECH DATA

KNOXVILLE (AP) -- President Reagan, who dedicated a world's fair and debated merit pay for teachers on two previous visits here, will hear success stories today on turning scholarly research on high-tech businesses.

Reagan is scheduled to spend four hours in East Tennessee, arriving in Knoxville at 10:15 a.m. EDT and departing after a tax reform speech in Athens, 40 miles to the south. (Memphis Commercial Appeal, A1)

TRIP NEWS (continued)

STATE SET FOR REAGAN TODAY

Business Speakers Rehearse for President's U.T. Visit (Subhead)

Businessman Ralph Gonzales stood at the podium Monday evening, rehearsing his three-minute speech in front of television lights, technicians and 125 empty seats in the auditorium.

Gonzales, who doubles as a University of Tennessee professor, was making sure his explanation was crisp and the timing paced about how science research ends up in the marketplace. As president and chief executive officer of Perceptics, Inc., he's an example of the institution's effort.

President Reagan is visiting U.T. today and the university officials -- along with a lot of other East Tennesseans -- were making sure the nation's Chief Executive leaves with a good impression of the university and its community. (Knoxville Journal, A1)

NOTE: Other stories on page one of the Journal: local elections for city council and school board Tuesday; the approval of "Dollywood," a theme park co-owned by Dolly Parton; a new study showing Tennessee high school students read as well as any in the nation.

REAGAN TALKS TAXES TODAY IN TENNESSEE

ATHENS -- The last time President Reagan was in Tennessee -- one year and 11 days ago -- he promised he would get behind a movement to reform the nation's tax structure. Appearing in Nashville at a birthday tribute to Roy Acuff, the king of country music, he offered no details of his tax reform ideas. He just said he would get to work on it after the election.

Today the President will come to this small east-Tennessee town as part of a nationwide campaign to sell his detailed income tax reform plan -- under fire from an array of interest groups. (Nashville Tennessean, A1)

NOTE: Other stories on page one of the Tennessean: the Tennessee prison system, where some believe too many dangerous criminals are being released too soon to comply with a federal court order to reduce prison population (top story); the Mexico City earthquake and the First Lady's trip to Mexico City; the rape of a three-year-old girl.

EDITOR'S NOTE: The Knoxville News Sentinal ran a page one story titled, "Reagan's Popularity a Security Nightmare," about security planning for the President's visit. There was also a page one picture of students at the University of Tennessee rolling out the red carpet and welcome signs for the President.

A story titled, "Mix of Students, Officials to Dine with Reagan Party Here Tuesday," appears on page two.

Other stories on page one of the Sentinal: the Rainbow Warrior affair; the Mexico City earthquake; the city elections Tuesday; new energy firm claims it spent a lot of money preparing for a Department of Energy contract only to have the department re-submit the contract for bids on a technicality.

TRIP NEWS (continued)

The Daily Post-Athenian of Athens, Tennessee carried a map of the speech site and tips for parking along with the following stories on the President's visit on Monday, September 23, 1985:

WHITE HOUSE 'DIRECTS' FROM OFFSTAGE

Advance Team Controls Site, Media (subhead)

Conservative blue suits notwithstanding, they stick out like red flags in the group crowding the courthouse steps -- three well-trained young men, quick to smile but carefully reserved as they politely, firmly control plans for the President's visit on Tuesday. Andrew Littlefair, John Roots and Joe Brennan have been in Athens since Monday as the core of a White House advance team prepping the town for spectators, press people, and ultimately, President Reagan.

Secret Service Addresses 'What If'

One side of Tuesday's presidential visit involves light-hearted excitement and special preparations, but another side is much more serious. Perhaps it could be called the "What If" side.

PRESIDENT RANKS RIGHT BELOW SPRINGSTEEN IN PUBLIC INTEREST

Armed with cameras, notebooks and pens, the Daily Post-Athenian Saturday sent two reporters to the Athens Arts and Crafts Festival in an effort to garner reactions from area people on the coming of President Reagan and the expected subject of his address -- a sweeping overhaul of the tax code.... Generally speaking, Athenians and McMinn Countians seem very excited about the President's appearance..."

WELCOME, MR. PRESIDENT, TO TYPICAL AMERICA (Editorial)

"Good Afternoon, Mr. President. We were surprised to learn that you were going to be our guest this week. However as we contemplated upon your coming we really are not sure why we should be surprised or really why you should not come to visit us. You see, Mr. President, some of the metropolitan media have in a slightly facetious manner referred to us as a sleep little town.

Don't be misled, Mr. President. We are not sleepy, we are just quietly and methodically going our way, carefully pondering how to appreciate our sound economy and how to add to our stability without involving ugly social problems and difficult housing conditions....

We have been told, Mr. President, that you are visiting us because we represent Middle America. We won't dispute that, but we shall go a step farther, we are Typical America. We are family oriented, hard working, fair dealing, God fearing people. We enjoy recreation, we support environmental protection and we are not racially biased.

To be sure politics is in our make-up but when it comes to the Constitution and the Stars and Stripes we are one people.

Mr. President, you couldn't have chosen a better site than ours to visit and to express your view on programs you support. We'll listen and in typical American style, we'll think it over.

We are glad you are here Mr. President and we bid you bon voyage in the days ahead as you traverse this great country."

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INTERNATIONAL NEWS

PRESIDENT TOUGHENS U.S. TRADE POLICY

President Reagan Monday unveiled a new Administration trade policy that sets up a war chest to counter export assistance by other governments and toughens enforcement against unfair trade practices by U.S. competitors.

The thrust of President Reagan's proposals was directed at unfair trade practices that allow imports to undersell American products here and keep U.S. manufacturers from competing in overseas markets.

(Stuart Auerbach, Washington Post, A1)

Old Ghosts Stalk Reagan Trade Talk

The Reagan Administration, in the most comprehensive outline of trade policy in many years, sought Monday to restore the historic U.S. leadership role in developing an open world trading system.

A senior Administration official told reporters that, even with the policies the Administration outlined Monday, it could take 12 to 18 months to see a significant lowering of the U.S. trade deficit, expected to exceed \$150 billion this year.

(Donald May, Washington Times, A1)

Reagan To Fight Unfair Trade, While Dodging Protectionism

President Reagan, attempting to block protectionist measures speeding through Congress, yesterday called for a \$300 million fund to fight foreign export subsidies and a "strike force" to combat unfair trade practices.

(Mary Belcher, Washington Times, A3)

Trade Initiative Welcome On Hill, But Action, Not Words, Is Sought

Many of Mr. Reagan's actions were drawn from a list of recommendations submitted to the White House two weeks ago by House Republicans, Rep. Michel said. But Monday's Presidential action must "be followed by strenuous effort to enforce existing laws," he said.

(Stephanie Nall, Washington Times, A3)

NANCY TOURS QUAKE RUBBLE, BABIES FOUND

MEXICO CITY -- President Reagan's wife, Nancy, toured devastated parts of the Mexican capital yesterday on a three-hour tour to carry President Reagan's personal message of sympathy to victims of last week's double killer earthquakes.

(James Morrison, Washington Times, A1)

First Lady Amid The Rubble

First Lady Nancy Reagan, on a good-will visit to this shattered city, Monday presented a check for \$1 million to aid in its reconstruction to President and Mrs. Miguel de la Madrid.

The money came from the Agency for International Development's disaster assistance fund.

(Donnie Radcliffe, Washington Post, A1)

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Nancy Reagan Deeply Moved By Scenes Of Destruction In Mexico City

LOS ANGELES -- Nancy Reagan says she was deeply affected by the horror wrought by Mexico City's killer quakes; but emerged from her tour of the southern capital with renewed admiration for America's southern neighbors.

"I felt badly the whole time," Mrs. Reagan said following a four-hour visit to the city on Monday. "I've never seen such devastation like that."
(Susanne Shafer, AP)

Nancy Arrives In Mexico To Present Check For \$1 Million

Mrs. Reagan, met at the airport by U.S. Ambassador John Gavin, arrived in the city of 18 million, which was rocked last week by two large earthquakes that killed thousands and left much of Mexico City in ruins.
(Ira Allen, UPI)

Hope For Quake Survivors Fading In Mexico City

First Lady Nancy Reagan ended a four-hour tour of damaged areas in the capital by praising the fortitude of the Mexican people in the face of the disaster.

"The resilience of your people is truly extraordinary," Mrs. Reagan said in a message handed to President de la Madrid.
(Mary Powers, Reuter)

MUBARAK RENEWS APPEAL FOR TALKS BETWEEN U.S., PLO

Egyptian President Mubarak urged President Reagan Monday to begin talking with the Palestine Liberation Organization and permit U.S. officials to meet with a Jordanian-Palestinian delegation so Jordan's King Hussein can enter peace talks with Israel. (John Goshko, Washington Post, A16)

Reagan, Mubarak, Search For Rekindling Of Israel-Arab Peace

President Reagan and President Mubarak yesterday conferred for nearly an hour about how to restart the peace process between Israel and its Arab neighbors, but the issue remained stalled over the role of the Palestinians.
(Jeremiah O'Leary, Washington Times, A4)

JAPAN INTERVENES TO SEND DOLLAR LOWER IN TOKYO

NEW YORK -- An agreement by major Western powers to weaken the dollar by intervening in exchange markets sparked its largest single-day drop in more than a decade of frantic trading that pushed gold prices up sharply.

The dollar plummeted 5 percent to its lowest level in Europe and New York Monday during what one London dealer called "a headlong rush to sell dollars." Its most spectacular drop was against the Japanese Yen.
(UPI)

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PRESIDENT IS ACCUSED OF VERBAL OVERKILL

President Reagan's declaration last week that the Soviet Union is ahead of the United States "in literally every kind of weapon" has prompted charges of verbal overkill and raised questions in Congress about what the nearly \$1 trillion spent on defense in the past four years has brought the taxpayers. (George Wilson, Washington Post, A14)

SHULTZ CALLS SOVIET OBJECTIONS TO STAR WARS 'PROPAGANDA'

UNITED NATIONS -- Secretary Shultz, setting the stage for a week of U.S.-Soviet meetings to prepare the November summit conference, charged today that Moscow's objections to the American "Star Wars" plan are "propaganda ... not to be taken seriously."

Shultz's charge that the Soviet attack on President Reagan's Strategic Defensive Initiative (SDI), popularly known as Star Wars, is not serious flowed from his contention that the Soviet Union, "behind the curtain that encloses Soviet society," has pursued a major strategic defense program for decades as well as "the world's most active military space program."

(Don Oberdorfer, Washington Post, A1)

Shultz Rips Soviets For Stalling In Arms Talks

Secretary Shultz told the 40th session of the U.N. General Assembly that "thus far the Soviet Union has not negotiated with the responsiveness" that arms reduction talks in Geneva merit. Nonetheless, he said, "Our determination to reach an equitable agreement has not wavered."

(Bill Kritzberg, Washington Times, A6)

Soviets To Reply To U.S. Criticism Of Arms Control Stand

Secretary Shultz says the Soviet Union should "get down to real business" and join the United States in negotiating an arms control agreement "that would enhance strategic stability and strengthen deterrence."

Soviet Foreign Minister Shevardnadze was expected to renew Soviet criticism of Star Wars -- known officially as the Strategic Defense Initiative -- in his speech to the U.N. General Assembly Tuesday.

(Gregory Nokes, AP)

Shultz Tells U.N. He Sees A Chance To Avert War Risk

Secretary Shultz said Monday that the United States and the Soviet Union now had a "historic opportunity" to reduce the risk of war.

(Bernard Gwertzman, New York Times, A1)

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SOVIETS SAID READY TO PROPOSE 40% CUT IN STRATEGIC MISSILES

Soviet officials have passed the word that Foreign Minister Eduard Shevardnadze will propose to the Reagan Administration this week that both superpowers reduce strategic nuclear missiles and warheads by 40 percent, according to a congressional source.

In return, (Shevardnadze) is expected to seek "significant restraints on the U.S. Strategic Defense Initiative, President Reagan's "Star Wars" research program. (Walter Pincus, Washington Post, A1)

MEXICO IS EXPECTED TO ASK BANKERS FOR BILLIONS MORE

MEXICO CITY -- The devastating earthquake that caused massive damage in sections of Mexico City could force the country to seek billions in reconstruction funds and interest relief from international creditors at a time when banks already are reluctant to add new loans to the \$96 billion already owed, according to business and financial experts.

(William Orme, Washington Post, A1)

SOVIET LOOTING OF U.S. TECHNOLOGY ALLEGED

Based on unusually detailed accounts and rare Kremlin documents supplied to the French intelligence service by a KGB agent, (a Pentagon intelligence report) contends that Soviet acquisition of tens of thousands of Western blueprints and weapons in recent years has benefitted almost every Soviet military research project.

(Michael Weisskopf, Washington Post, A15)

CHINA PROPOSES ALASKA FISHING VENTURE

ANCHORAGE, Al. -- A chinese delegation is seeking approval to fish in American waters and to process fish that would be bought from American fisherman.

The proposal represents the first attempt by the People's Republic of China to bring its fleet into the U.S. 200-mile zone and work with American fishermen in a joint venture. (Jeff Berliner, UPI)

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NATIONAL NEWS

HOUSE TAX-OVERHAUL BILL ABOUT TO GO ON THE TABLE

Thursday, Rep. Rostenkowski is to present to the House Ways and Means Committee a set of "staff options," proposed alternatives to perhaps one-third of the elements of the Reagan plan. (Rostenkowski) and his staff emphasize that the options don't necessarily have Rostenkowski's endorsement and that a menu of other alternatives will be available.

(Anne Swardson, Washington Post, A3)

DEMOCRATS TELL REGAN NEGATIVE CAMPAIGNING WOULD HARM TAX BILL

House Democrats told Donald Regan Monday that that negative campaigning by a Republican Party committee would "throw a big wrench" into efforts to pass President Reagan's tax-overhaul bill this year.

Forty-nine Democrats wrote Regan in response to published reports that the National Republican Congressional Committee is kicking off a multi-million dollar campaign to "soften up" Democratic incumbents in advance of the 1986 elections.

Assistant Press Secretary Dale Petroskey said, "Any money that the President has ever helped raise for the National Republican Congressional Committee has not and will not go toward this program."

(Washington Post, A3)

INTERIOR PANEL PROPOSAL SEEN LAYING OFFSHORE MINE FIELD

Call it a bookkeeping transaction gone awry, but two House members from Louisiana have pushed a provision through a House Interior Committee that would give the federal government \$4.2 billion to reduce the deficit next year -- and add about twice that much in red ink over the next 30 years.

According to OMB estimates, the change will reduce federal revenues from offshore oil and gas production by up to \$5 billion in the next 30 years. The Interior Department, eyeing the "other revenues" language of the provision, said the figure could go twice that high.

(Cass Peterson, Washington Post, A4)

SAT SCORES RISE FOR FOURTH YEAR

Average scores on the Scholastic Aptitude Test rose for the fourth year in a row and marked the largest single-year gain in 22 years, the College Board announced Monday in New York.

Secretary Bennett immediately cited the higher test scores as proof that the nation's educational reform movement has taken root in classrooms across the country.

(Keith Richburg, Washington Post, A6)

Solid Gains By Ethnic Help Raise SAT Scores

Double-digit gains among Puerto-Rican and Mexican-American students and improved scores in all ethnic groups boosted the national average SAT scores by nine points.

(Carol Innerst, Washington Times, A1)

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PENTAGON BUDGET FOR AMMUNITION CALLED EXCESSIVE

The Pentagon has overstated the ammunition needs of the armed services and its appropriations request should be reduced by at least \$1.2 billion, the General Accounting Office told Congress Monday.

There was no immediate reaction from the Pentagon to the GAO report. (Washington Post, A8)

GAO: Cut Ammunition Requests

"In our opinion, about \$1.1 billion of the ammunition requests and \$129 million of the Army's production base requests should not be provided," said Frank Conahan, director of the GAO's national security division. (Washington Times, A4)

NEW PENTAGON REPORT SAYS FORCES STRONGER

Using new methods of measurement, a Pentagon report shows that the Reagan Administration's defense buildup has doubled and tripled U.S. military capability in some categories, according to Air Force Chief of Staff Charles Gabriel. (Walter Andrews, Washington Times, 3A)

EDITOR'S NOTE: Page A1 of the Washington Post contains a lengthy article on The Heritage Foundation, the conservative Washington-based think tank that has been influential in the Reagan Administration. Several Administration officials are profiled.

MEESE'S 11th HOUR REPRIEVE LETS CHARLIE TWO SHOES STAY

For Charlie Two Shoes, the Chinese street urchin adopted by U.S. Marines in postwar China, a 35-year-old dream came true yesterday with the official announcement that he can stay in this country indefinitely and be joined by his family.

The Attorney General granted him an indefinite stay for humanitarian reasons Friday, just two days before he would have been forced to leave the country. His wife and three children will be allowed to join him, Mr. Meese added. (Charles Wheeler, Washington Times, A5)

REAGAN'S SURGERY SEEN SPURRING PURCHASES OF INSURANCE FOR CANCER

Consumers appear to be purchasing cancer insurance policies in increasing numbers since President Reagan's bouts with the often fatal illness, industry officials say.

(Carol Innerst, Warren Strobel, Washington Times, A5)

MILLER LIKELY TO WIN NOMINATION AS DAVID STOCKMAN'S SUCCESSOR

James C. Miller III is headed for certain Senate approval as Budget Director, but he first faces grilling on his views on deregulation from lawmakers skeptical over the growing authority of the budget office.

(Tom Raum, AP)

TAX OVERHAUL WOULD COST COAL INDUSTRY \$1 BILLION OVER FIVE YEARS

President Reagan's tax overhaul proposal would raise coal industry taxes by more than \$1 billion over five years, curtailing production and costing thousands of jobs, says a report prepared for the National Coal Association.

Hurt most of all, according to the report of the Price Waterhouse accounting firm, would be mining regions which already experience "disproportionate levels of poverty and unemployment."

(Jeff Barker, UPI)

THIS STORY NOT SLATED FOR RELEASE UNTIL 9:30 A.M. EDT

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, September 23, 1985)

MEXICO EARTHQUAKE/FIRST LADY'S TRIP

CBS's Dan Rather reports from Mexico City: The death toll continues to rise. More damaged buildings collapse. But Mexico is digging out and fighting back from one of the monster earthquakes of the century. And First Lady Nancy Reagan was here today for a show of solidarity. The First Lady toured a hospital where children and other victims of the quake are being treated. She brought with her a \$1M U.S. Government check -- a downpayment, Mrs. Reagan said, on American help still to come. "Our hearts go out to you," said Mrs. Reagan. "All the American people send their best wishes." At a demolished apartment building, the First Lady spoke with opera star Placido Domingo -- whose aunt, uncle, nephew and cousin were inside when the quake hit. All four are still missing. Mrs. Reagan said she was overwhelmed by what she saw here.

(First Lady: "It was quite an experience to see the devastation. But it was wonderful to see the courage of the Mexican people.")

(TV Coverage showed Mrs. Reagan touring hospital; at patients' bedsides; viewing rubble.) (CBS-Lead)

ABC's Peter Jennings reports from Mexico City: Mrs. Reagan came here today to offer first-hand America's sympathy and to see for herself what it will take to rebuild....The President's wife came here today on her way to Phoenix, where she is going to visit her mother. And even though she was not, perhaps, heralded on her arrival, it was a very warm welcome she received and her visit has been warmly received by Mexicans in general. After being met at the airport by the president's wife, she went to a hospital where she saw, in particular, young people who had been victimized by this tragedy, and then she saw for herself. She will go home to Washington and give clearly a message to the President that the cost of rebuilding here in an already troubled land is going to be astronomical.

(TV Coverage: Mrs. Reagan being met at the airport; viewing rubble.) (ABC-Lead)

NBC's Tom Brokaw reports from Mexico City: The number of confirmed dead, anywhere from 2,800 to 3,500. And the American ambassador continues to believe the final number will be at least 10,000. The Mexican government began to ask for more aid, and Mrs. Reagan made a visit here to express American concern. It was a brief stay for Mrs. Reagan -- about four hours. The White House, sensitive to Mexican feelings, wanted to keep the visit serious and low key. Her first stop: the presidential palace, where she met with President and Mrs. de la Madrid. She presented them with a letter from President Reagan and a check for \$1M. That was described as a downpayment for American disaster relief. Mrs. Reagan was scheduled to visit one of the most devastated areas, but President de la Madrid changed her schedule. He worried that the conditions were too dangerous. So instead, she visited a Red Cross hospital and a social services agency.

(TV Coverage: Mrs. Reagan met at airport; sitting with de la Madrid.) (NBC-Lead)

Monday Evening, September 23, 1985)

TRADE

Rather: President Reagan today proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home. But Mr. Reagan stuck to protective trade barriers as the answer.

CBS's Lesley Stahl: Farmers in the Midwest, lumbermen in the Northwest, even high-tech workers in Silicon Valley -- they are all demanding protection for unfair foreign trade practices. Under pressure from Congress, President Reagan announced some new measures to fight back.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

Among his proposals: a \$300M fund for credits to foreign countries to encourage them to buy American; a new strike force to uncover unfair trade practices by other countries; speeding up talks to end counterfeiting of American goods; and steps to lower the value of the dollar against foreign currencies. They were announced yesterday by the U.S. and four of its major trading partners. Today, in response, the dollar fell about 5% against all major currencies. Congressional reaction to the speech was cool.

(Sen. Danforth: "One speech is never enough. What is needed is a trade policy which is consistent, which is going to be there day in, day out.")

(Sen. Byrd: "I think what the President said was fine, but it didn't go far enough. It comes a little late.")

Free trade lobbyists hit Capitol Hill in full regalia arguing that a tough textile bill will mean higher consumer prices for everyone. But those who favor the legislation say the issue is jobs. Textile workers in North Carolina are making President Reagan a 165 pound pair of jeans with a message.

(Textile worker: "If he doesn't do something about it, I mean five or six years down the road I can see us being in jeopardy." TV Coverage shows the jeans hanging from a building.)

The President's speech was meant to head off retaliatory legislation in Congress, but all signs are that the textile bill, that would slash imports by as much as 40%, will pass. (CBS-2)

ABC's Sam Donaldson: Today, the President unveiled a new and tougher trade policy. Mr. Reagan continued to say he's for free trade, but his emphasis today was on fair trade as well.

ABC's Sheilah Kast: President Reagan's speech was meant as an answer to critics who say his trade policy isn't tough enough.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

But most of what he unveiled is an acceleration of efforts already underway.

(Monday Evening, September 23, 1985)

Kast continues: He set up a strike force of government workers to watch for unfair practices by foreign countries, he told the Secretary of State to speed up talks on opening Japanese markets to U.S. products, and promised renewed efforts to get worldwide trade negotiations started. One new step is to ask Congress for \$300M to subsidize U.S. exports -- a move aimed at persuading other governments to drop their subsidies. The President promised to work with Congress on toughening existing laws against unfair competition, but made it clear there is no change in his attitude toward protectionist bills.

(President: "I will strongly oppose and will veto measures that I believe will harm economic growth, cause loss of jobs, and diminish international trade.")

Democrats said the President was merely responding to the pressures Congress had raised on trade.

(Sen. Byrd: "What the President said was fine, but it didn't go far enough. It comes a little late.")

Even some Republicans doubted the President's refurbished trade policy would block all the 300 protectionist bills pending in Congress.

(Sen. Danforth: "I think that the textile bill is going to be passed by both the House and Senate regardless of what the President says. The President will then veto the bill and the big battle will be on the override of the veto, particularly in the Senate.")

Even the President's supporters acknowledge it will be months before his proposals have any impact on the trade deficit. They are hoping for a quicker impact on Congress.

ABC's Dan Cordtz: The high-flying dollar, a major cause of the U.S.

trade deficit, fell about 5% on foreign currency exchanges today. The decline followed a weekend announcement by top financial officials of the U.S. and its four main allies that they will try to push the dollar lower. To drive the dollar down, the five central banks occasionally will sell dollars from their official reserves to boost the supply and undercut the price. But almost \$200B are traded every day on world currency exchanges and that's far more than all five central banks hold in their vaults.

(Economist Irwin Kellner: "The financial markets are bigger than the central banks. If the financial markets want the dollar to go one way, the central banks will not be able to push it the other way.")

Nevertheless, the Dow shot up more than 18 points today on investors' hopes that a lower dollar will help the economy. (ABC-2)

NBC's Roger Mudd reports panicky speculators couldn't decide whether the dollar's plunge was short-term or long term, but they all knew it was the result of the Reagan Administration's deliberate policy to lower the value of the dollar.

NBC's Mike Jensen: Stocks had their best day in more than three months and the dollar had one of its worst days in years. Will the dollar continue to fall? Intervention in currency markets often has a shock effect, especially when it's unexpected. But it seldom works for very long. Most experts say tinkering with the dollar is not the answer to our trade problems. The root cause is the huge federal budget deficit. And until we make a substantial dent in that, they say interest rates will probably remain high, and so will the dollar.

(Monday Evening, September 23, 1985)

Mudd: President Reagan named no names when he said some of America's trading partners were guilty of unfair practices, but one of the President's advisers implied France was not trading by the rules.

NBC's Chris Wallace: The President announced a package designed to do two things: cut into the soaring U.S. trade deficit, while blunting the move in Congress to retaliate against foreign competition.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad.")

But Mr. Reagan stood by his longtime opposition to protectionist trade barriers, which is why his plan had tougher rhetoric than substance. A \$300M war chest to subsidize some exports as other countries do; a strike force to find unfair trading practices and more authority to end them; and most important, the international effort to drive down the dollar.

(President: "We do not want a trade war with other nations. We want other nations to join us in enlarging and enhancing the world trading system for the benefit of all.")

But Administration officials say this moderate Reagan plan will take 12 to 18 months to have much impact on the trade deficit. Congressional leaders say they will go ahead with tougher measures.

(Rep. Gephardt: "If I were a trading partner of the United States, I would breathe a sigh of relief because the President's statement is a lot of talk and little action.")

(Sen. Danforth: "Congress isn't going to go away. Congress isn't going to lose its interest in trade because of one speech.")

Big labor, one of the prime movers for protectionism, was also unimpressed.

(Rudy Oswald of the AFL-CIO: "It's good that the President recognizes that trade is a problem, but his actions indicate that he's doing practically nothing to deal with the problem. It's essentially too little and too late.")

White House officials fully expect Congress to pass tough measures. They are counting on today's speech to help sustain a promised Reagan veto. However, the protectionist mood here in Washington is now so strong that some here wonder whether the President can still turn it around.

(NBC-2)

U.S.-SOVIET RELATIONS/SHULTZ

Donaldson: The latest round of superpower positioning in advance of the November summit meeting got underway at the U.N. Secretary Shultz, addressing the General Assembly, accused the Soviet Union of failing to respond to Washington's arms control proposals and of dispensing one-sided propaganda against President Reagan's missile defense research program -- propaganda not to be taken seriously, said Shultz, who appealed to the Soviets to get down to real business.

(ABC-3)

Mudd: Secretary Shultz used the U.N. General Assembly to complain about Soviet foot-dragging at the Geneva arms talks. He said that as it attacked the American star wars program, the Soviet Union was also engaged in the same kind of defensive research.

(Monday Evening, September 23, 1985)

Mudd: (Secretary Shultz: "The Soviet leaders know full well their own efforts in these fields. Their propaganda about American programs is blatantly one-sided and not to be taken seriously.")
Shultz urged the Soviets to drop the star wars rhetoric and start talking seriously.
(Shultz: "And let us do so in the quiet of the negotiating room, where we can really make progress on narrowing our differences.")

FIRST LADY SUMMIT

Rather: There was word from Washington that when President Reagan and Soviet leader Gorbachev hold their summit meeting in Geneva, it will not be the only Reagan-Gorbachev summit there. The two First Ladies will also hold person-to-person talks. Lesley Stahl has been told that Mrs. Reagan initiated some correspondence with Mrs. Gorbachev and that she has accepted Mrs. Reagan's invitation to get together in Geneva. (CBS-3)

MUBARAK

Mudd: On the eve of his address to the General Assembly, President Mubarak met with President Reagan in an effort to get the Middle East peace process moving. Administration officials said Mubarak again called on the U.S. to meet with representatives of the PLO. They said Mubarak stressed that the PLO had implicitly accepted the American requirement that it recognize Israel's right to exist. But an Administration official said we've never heard this from the PLO. (TV Coverage shows two leaders in the Oval Office.) (NBC-6)

ISRAEL/THATCHER

Mudd: Israel criticized PM Thatcher for inviting PLO representatives to meet with government officials in London. A formal protest was delivered to the British ambassador over the PLO contacts and over British arms deals with two Arab states -- Jordan and Saudi Arabia. (NBC-7)

VERNON WALTERS/SYRIA

Mudd: Marvin Kalb reports Ambassador Vernon Walters made a secret visit to Syria in an effort to gain the release of Rev. Weir. Walters met with President Assad for four hours. (NBC-8)

BLACK FAMILIES

CBS's Cassandra Clayton, in the first of a series on black Americans:
Today 2.5M black families, 3 out of 10, have made it into the middle class. The other kind of black family is fragmented, ravaged by poverty. The alarming side of what is happening to black families today is that 6 out of every 10 black children are being raised by their mothers -- alone. More than half of these female-headed families live below the poverty line.

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EDITORIALS/COLUMNISTS

PRESIDENT'S NEWS CONFERENCE

The Course of Arms Control -- "If President Reagan's most quotable comments on space weapons at his news conference are taken at face value, there is no likelihood that this fall's negotiations will advance arms control and put U.S.-Soviet relations on a more productive course.... One of the President's other comments was: 'There's a great deal of room for negotiation.' If that remark can be taken at face value, it means that although President Reagan is playing his hand close, as a negotiating tactic, he is going to agree to stop ASAT tests and circumscribe Star Wars research after all. As the U.S. position at Geneva emerges, it will be possible to tell if Reagan intends to pursue arms control or to wreck it." (Boston Globe, 9/20)

Reagan Fails on AIDS Test -- "The President's statement on AIDS at his Tuesday night news conference was a lost opportunity, if not worse.... At the very least he could have said that he knew of no reason to distrust the findings of the medical community, which has put enormous resources and talent into the pursuit of answers about AIDS, and which is confident it knows how AIDS is contracted." (Dayton Daily News, 9/21)

CONCORD, NEW HAMPSHIRE

Tax And Social Purpose -- "When President Reagan returned to the road to sell his tax reform, it was no accident that he chose New Hampshire as the site of his speech. New Hampshire has no state income tax, no sales tax, relatively low property taxes. If Reagan had gone instead to neighboring Massachusetts, he would have been hooted out of the state.... It is beyond dispute that the Reagan tax proposal would favor -- greatly favor -- a New Hampshire resident over a Massachusetts resident in an identical economic situation." (Baltimore Evening Sun, 9/19)

Oratory At Concord -- "The crowds were large and cheerful, the weather was perfect, the speaker was ruddy-faced and eloquent -- it was great daytime television. President Reagan came to the capital of one of his favorite low-tax states yesterday, pledging not to rest 'until the federal government looks more like New Hampshire.' ... In prudent thrifty, pay-as-you-go New Hampshire, taxpayers know that federal budget deficits cannot be paid on a credit card." (Boston Globe, 9/19)

MOZAMBIQUE

Courting Mozambique -- "The U.S. is supplying Mozambique with \$40 million in nonmilitary assistance this year, and President Machel wants more. As long as he demonstrates by word and deed that he wants to be helpful to U.S. interests in Africa and that he wants to continue to move away from Soviet influence, aid to Mozambique will be money well spent -- and worth a little ideological discomfort for Mr. Reagan. Moving Mozambique out of the Soviet orbit and toward increasingly friendly relations with the U.S. would be a foreign-policy coup..." (Dallas Times Herald, 9/20)

(Editorials/Columnists continued)

FEDERAL TAX REFORM

How It Fares, How Fair It Is -- "The irony is that our tax system is so complicated that to simplify it takes explaining. In fact, polls show that most people believe that they will face tax increases under the President's plan, when the overwhelming majority will get tax cuts. Tax-reform advocates must do a better job showing the American people that they will pay a lower tax bill under the President's plan. Then families across America will respond enthusiastically to the President's 'fair share' tax plan.... The integrity of the President's 'fair share' plan must be protected. (Rep. Jack Kemp, Los Angeles Times, 9/22)

Define Public Interest Over Loophole Interest -- "It's true, I am bullish on tax reform because I share President Reagan's optimism that 1985 will be the year for much lower tax rates and far fewer loopholes -- even if we don't at all share agreement on specifics for legislation.... To pass both Houses of Congress, a tax-reform measure must meet three criteria: First, it must retain a progressive formula so that the burden on low-and middle-income families is not increased relative to the wealthiest Americans. Second, it must not increase the deficit. Third, it must offer the lowest possible tax rates to the greatest number of people. The President's plan, unfortunately, fails on all three counts." (Sen. Bill Bradley, Los Angeles Times, 9/22)

GENEVA SUMMIT

A Test for Gorbachev Reforms -- "There are (two) thoughts for the Reagan Administration as it prepares for Geneva. First, without sacrificing American interests, it may be possible to support Gorbachev's internal efforts. In these policies, more than in any expectation that Russian politics can be transformed, lies hope for a more relaxed Soviet foreign policy. Second, the foreign factor has been and remains critical to Russian reform. Right now, the Reagan Administration is the most important foreign factor in the Russian political mix, and so it has a special responsibility to behave with restraint and maturity. History teaches us that America and the world have paid heavily for earlier failures of reform in Russia. We may not have another 'last chance' in a nuclear age." (Ralph Buultjens, Denver Post, 9/14)

...And A Lot At Stake For Reagan -- "This is not the first time that Reagan has seemed politically fragile. In the past he has always recovered. The man has a genius for pulling rabbits out of improbable hats. This season's most likely rabbit, of course, is the summit with Soviet leader Gorbachev. A successful summit would restore Reagan instantly to the glow of political health. But Reagan is very likely to come away empty-handed. Though Gorbachev and Reagan share a substantial political interest in arms agreement, Reagan has so boxed himself in with the Star Wars project that no successful summit agreement is likely." (Bob Kuttner, Boston Globe, 9/20)

(Editorials/Columnists continued)

GENEVA SUMMIT

Slippery Slopes 1 & 2 -- "President Reagan is asking Moscow to accept promises he would not accept in reverse. Washington would never -- ever -- trust the Soviets to share cutting-edge military technology, nor have faith in the Kremlin's altruism regarding such a project, nor believe that such science has no offensive intent, nor accept that the commitments of one leadership will hold for future ones. In that way, the President constructs a slippery slope of rhetoric. In order to prove his determination, he strains nuclear relations exponentially. Like cheap trade rhetoric, this is hard talk that becomes more useless with each utterance."
(Cleveland Plain Dealer, 9/19)

LEBANESE HOSTAGES

Toughing It Out -- "The Shiite thugs holding six American hostage in Lebanon have shown again that terrorists know no bounds when it comes to cruelty.... Thus the Administration has no choice but to keep doing what by all indications it is doing now: Work through diplomatic channels to secure the hostages' release, and through intelligence channels (if we still have any) to find those responsible and target them for retaliation. Even that may not deter such creatures. But at least it won't encourage them."
(Dallas Morning News, 9/21)

Talk To Anybody -- If It'll Free Hostages -- "We should be willing to meet for informal, behind-the-scenes talks with anyone who can help win the hostages' release. Rather than close the doors that could lead to freedom, we must open them.... Negotiations succeeded in the TWA hostage crisis; they can succeed again. We must rely on quiet, persistent diplomacy, not macho bluster that could backfire."
(USA Today, 9/23)

A Hostage Comes Home -- "In the meantime, the Reagan Administration must keep trying, through intermediaries, to release the remaining six American hostages. Rev. (Benjamin) Weir urged a more creative approach, and we hope his counsel is taken. Quiet, patient diplomacy is the answer, not a war of words."
(Hartford Courant, 9/23)

Rev. Weir And The Terrorists -- "It's clear that Americans are pleased to welcome Weir back home. And undoubtedly they share his desire for safe and speedy release of the other six Americans still being held. But it is also clear that most Americans will not join Weir in urging the President to secure the release of the remaining American hostages by bowing to the demands of the terrorists. Generally, the public supports the President's position that it would be self-defeating and dangerous for the United States to cave in to terrorist demands because to do so would legitimize such tactics...."
(James G. Wieghart, Chicago Tribune, 9/21)

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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, SEPTEMBER 24, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits the campus Tuesday. (Knoxville Journal)

INTERNATIONAL NEWS

Nancy Reagan Files To Mexico With A \$1 Million 'Down Payment' On American Aid -- Nancy Reagan visited survivors of the earthquake disaster today, delivering a letter of sympathy from her husband and a \$1 million "down payment" on United States government disaster aid to Mexico. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

NATIONAL NEWS

House Tax Overhaul Bill About To Go On The Table -- Four months after President Reagan proposed his massive overhaul of the tax code, members of the Ways and Means Committee still aren't sure what kind of bill they want to write or whether they should produce one at all. (Washington Post)

NETWORK NEWS (Monday Evening)

NANCY REAGAN IN MEXICO -- The First Lady visits the devastation in Mexico City and presents the Mexican people with a \$1 million check from the U.S. government.

(All Nets Lead)

PRESIDENT/NEW TRADE POLICY -- President Reagan proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home.

FOR FREE AND FAIR TRADE

"I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules."

(President Reagan on trade negotiations, The East Room, 9/23)

TRIP NEWS

PRESIDENT TO LEARN ABOUT TEAMWORK

KNOXVILLE, Tenn. (UPI) -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits campus Tuesday.

Reagan will participate in a symposium, "Teaming Up for Economic Development," and will then helicopter 60 miles south to Athens, Tenn., to make a speech on tax reform.

Reagan will fly into Knoxville at mid-morning and spend 45 minutes attending the symposium at the university's student center ballroom. The President is scheduled to make brief opening and closing remarks at the symposium.

John Clark, associate director of university communications, said school Chancellor Jack Reese, Reagan and six invited guests would sit at a semi-circular table for the discussion. The participants will each take three or four minutes to tell the President how university research benefits the local economy, Clark said. "The President will have a chance to respond or ask questions. It will be somewhat conversational," Clark said.

Herman Postma, director of the Oak Ridge National Laboratory, will brief the President on cooperative projects between the university and the Oak Ridge lab, located about 15 miles northwest of Knoxville. Oak Ridge scientists now conduct a wide range of experimentation, including work on Reagan's Strategic Defense Initiative, the "Star Wars" project.

Reagan will eat lunch at the student center. He will dine at a four-person table with Spencer DeWitt, president of the Student Government Association; Tom Wilson, editor of The Daily Beacon; and William Bass, a U.T. anthropology professor named National Professor of the Year in July by a national education group. Clark said White House officials wanted the President seated with some students at lunch. Wilson, 21, the student newspaper editor, said he planned to ask Reagan for his prediction on Saturday's Tennessee-Auburn game and would talk about college students' concerns if the President desired.

Reagan will speak at the McMinn County Courthouse in Athens at 1:30 p.m. The speech will be moved to the gymnasium at McMinn County High School only in the event of heavy rain, White House planners said.

After his speech in Athens, Reagan is scheduled to helicopter to Knoxville and fly back to Washington.

REAGAN WILL GET TECH DATA

KNOXVILLE (AP) -- President Reagan, who dedicated a world's fair and debated merit pay for teachers on two previous visits here, will hear success stories today on turning scholarly research on high-tech businesses.

Reagan is scheduled to spend four hours in East Tennessee, arriving in Knoxville at 10:15 a.m. EDT and departing after a tax reform speech in Athens, 40 miles to the south. (Memphis Commercial Appeal, A1)

TRIP NEWS (continued)

STATE SET FOR REAGAN TODAY

Business Speakers Rehearse for President's U.T. Visit (Subhead)

Businessman Ralph Gonzales stood at the podium Monday evening, rehearsing his three-minute speech in front of television lights, technicians and 125 empty seats in the auditorium.

Gonzales, who doubles as a University of Tennessee professor, was making sure his explanation was crisp and the timing paced about how science research ends up in the marketplace. As president and chief executive officer of Perceptics, Inc., he's an example of the institution's effort.

President Reagan is visiting U.T. today and the university officials -- along with a lot of other East Tennesseans -- were making sure the nation's Chief Executive leaves with a good impression of the university and its community. (Knoxville Journal, A1)

NOTE: Other stories on page one of the Journal: local elections for city council and school board Tuesday; the approval of "Dollywood," a theme park co-owned by Dolly Parton; a new study showing Tennessee high school students read as well as any in the nation.

REAGAN TALKS TAXES TODAY IN TENNESSEE

ATHENS -- The last time President Reagan was in Tennessee -- one year and 11 days ago -- he promised he would get behind a movement to reform the nation's tax structure. Appearing in Nashville at a birthday tribute to Roy Acuff, the king of country music, he offered no details of his tax reform ideas. He just said he would get to work on it after the election.

Today the President will come to this small east-Tennessee town as part of a nationwide campaign to sell his detailed income tax reform plan -- under fire from an array of interest groups. (Nashville Tennessean, A1)

NOTE: Other stories on page one of the Tennessean: the Tennessee prison system, where some believe too many dangerous criminals are being released too soon to comply with a federal court order to reduce prison population (top story); the Mexico City earthquake and the First Lady's trip to Mexico City; the rape of a three-year-old girl.

EDITOR'S NOTE: The Knoxville News Sentinel ran a page one story titled, "Reagan's Popularity a Security Nightmare," about security planning for the President's visit. There was also a page one picture of students at the University of Tennessee rolling out the red carpet and welcome signs for the President.

A story titled, "Mix of Students, Officials to Dine with Reagan Party Here Tuesday," appears on page two.

Other stories on page one of the Sentinel: the Rainbow Warrior affair; the Mexico City earthquake; the city elections Tuesday; new energy firm claims it spent a lot of money preparing for a Department of Energy contract only to have the department re-submit the contract for bids on a technicality.

TRIP NEWS (continued)

The Daily Post-Athenian of Athens, Tennessee carried a map of the speech site and tips for parking along with the following stories on the President's visit on Monday, September 23, 1985:

WHITE HOUSE 'DIRECTS' FROM OFFSTAGE

Advance Team Controls Site, Media (subhead)

Conservative blue suits notwithstanding, they stick out like red flags in the group crowding the courthouse steps -- three well-trained young men, quick to smile but carefully reserved as they politely, firmly control plans for the President's visit on Tuesday. Andrew Littlefair, John Roots and Joe Brennan have been in Athens since Monday as the core of a White House advance team prepping the town for spectators, press people, and ultimately, President Reagan.

Secret Service Addresses 'What If'

One side of Tuesday's presidential visit involves light-hearted excitement and special preparations, but another side is much more serious. Perhaps it could be called the "What If" side.

PRESIDENT RANKS RIGHT BELOW SPRINGSTEEN IN PUBLIC INTEREST

Armed with cameras, notebooks and pens, the Daily Post-Athenian Saturday sent two reporters to the Athens Arts and Crafts Festival in an effort to garner reactions from area people on the coming of President Reagan and the expected subject of his address -- a sweeping overhaul of the tax code.... Generally speaking, Athenians and McMinn Countians seem very excited about the President's appearance..."

WELCOME, MR. PRESIDENT, TO TYPICAL AMERICA (Editorial)

"Good Afternoon, Mr. President. We were surprised to learn that you were going to be our guest this week. However as we contemplated upon your coming we really are not sure why we should be surprised or really why you should not come to visit us. You see, Mr. President, some of the metropolitan media have in a slightly facetious manner referred to us as a sleep little town.

Don't be misled, Mr. President. We are not sleepy, we are just quietly and methodically going our way, carefully pondering how to appreciate our sound economy and how to add to our stability without involving ugly social problems and difficult housing conditions....

We have been told, Mr. President, that you are visiting us because we represent Middle America. We won't dispute that, but we shall go a step farther, we are Typical America. We are family oriented, hard working, fair dealing, God fearing people. We enjoy recreation, we support environmental protection and we are not racially biased.

To be sure politics is in our make-up but when it comes to the Constitution and the Stars and Stripes we are one people.

Mr. President, you couldn't have chosen a better site than ours to visit and to express your view on programs you support. We'll listen and in typical American style, we'll think it over.

We are glad you are here Mr. President and we bid you bon voyage in the days ahead as you traverse this great country."

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INTERNATIONAL NEWS

PRESIDENT TOUGHENS U.S. TRADE POLICY

President Reagan Monday unveiled a new Administration trade policy that sets up a war chest to counter export assistance by other governments and toughens enforcement against unfair trade practices by U.S. competitors.

The thrust of President Reagan's proposals was directed at unfair trade practices that allow imports to undersell American products here and keep U.S. manufacturers from competing in overseas markets.

(Stuart Auerbach, Washington Post, A1)

Old Ghosts Stalk Reagan Trade Talk

The Reagan Administration, in the most comprehensive outline of trade policy in many years, sought Monday to restore the historic U.S. leadership role in developing an open world trading system.

A senior Administration official told reporters that, even with the policies the Administration outlined Monday, it could take 12 to 18 months to see a significant lowering of the U.S. trade deficit, expected to exceed \$150 billion this year.

(Donald May, Washington Times, A1)

Reagan To Fight Unfair Trade, While Dodging Protectionism

President Reagan, attempting to block protectionist measures speeding through Congress, yesterday called for a \$300 million fund to fight foreign export subsidies and a "strike force" to combat unfair trade practices.

(Mary Belcher, Washington Times, A3)

Trade Initiative Welcome On Hill, But Action, Not Words, Is Sought

Many of Mr. Reagan's actions were drawn from a list of recommendations submitted to the White House two weeks ago by House Republicans, Rep. Michel said. But Monday's Presidential action must "be followed by strenuous effort to enforce existing laws," he said.

(Stephanie Nall, Washington Times, A3)

NANCY TOURS QUAKE RUBBLE, BABIES FOUND

MEXICO CITY -- President Reagan's wife, Nancy, toured devastated parts of the Mexican capital yesterday on a three-hour tour to carry President Reagan's personal message of sympathy to victims of last week's double killer earthquakes.

(James Morrison, Washington Times, A1)

First Lady Amid The Rubble

First Lady Nancy Reagan, on a good-will visit to this shattered city, Monday presented a check for \$1 million to aid in its reconstruction to President and Mrs. Miguel de la Madrid.

The money came from the Agency for International Development's disaster assistance fund.

(Donnie Radcliffe, Washington Post, A1)

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Nancy Reagan Deeply Moved By Scenes Of Destruction In Mexico City

LOS ANGELES -- Nancy Reagan says she was deeply affected by the horror wrought by Mexico City's killer quakes; but emerged from her tour of the southern capital with renewed admiration for America's southern neighbors.

"I felt badly the whole time," Mrs. Reagan said following a four-hour visit to the city on Monday. "I've never seen such devastation like that."
(Susanne Shafer, AP)

Nancy Arrives In Mexico To Present Check For \$1 Million

Mrs. Reagan, met at the airport by U.S. Ambassador John Gavin, arrived in the city of 18 million, which was rocked last week by two large earthquakes that killed thousands and left much of Mexico City in ruins.
(Ira Allen, UPI)

Hope For Quake Survivors Fading In Mexico City

First Lady Nancy Reagan ended a four-hour tour of damaged areas in the capital by praising the fortitude of the Mexican people in the face of the disaster.

"The resilience of your people is truly extraordinary," Mrs. Reagan said in a message handed to President de la Madrid.
(Mary Powers, Reuter)

MUBARAK RENEWS APPEAL FOR TALKS BETWEEN U.S., PLO

Egyptian President Mubarak urged President Reagan Monday to begin talking with the Palestine Liberation Organization and permit U.S. officials to meet with a Jordanian-Palestinian delegation so Jordan's King Hussein can enter peace talks with Israel. (John Goshko, Washington Post, A16)

Reagan, Mubarak, Search For Rekindling Of Israel-Arab Peace

President Reagan and President Mubarak yesterday conferred for nearly an hour about how to restart the peace process between Israel and its Arab neighbors, but the issue remained stalled over the role of the Palestinians.
(Jeremiah O'Leary, Washington Times, A4)

JAPAN INTERVENES TO SEND DOLLAR LOWER IN TOKYO

NEW YORK -- An agreement by major Western powers to weaken the dollar by intervening in exchange markets sparked its largest single-day drop in more than a decade of frantic trading that pushed gold prices up sharply.

The dollar plummeted 5 percent to its lowest level in Europe and New York Monday during what one London dealer called "a headlong rush to sell dollars." Its most spectacular drop was against the Japanese Yen.
(UPI)

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PRESIDENT IS ACCUSED OF VERBAL OVERKILL

President Reagan's declaration last week that the Soviet Union is ahead of the United States "in literally every kind of weapon" has prompted charges of verbal overkill and raised questions in Congress about what the nearly \$1 trillion spent on defense in the past four years has brought the taxpayers. (George Wilson, Washington Post, A14)

SHULTZ CALLS SOVIET OBJECTIONS TO STAR WARS 'PROPAGANDA'

UNITED NATIONS -- Secretary Shultz, setting the stage for a week of U.S.-Soviet meetings to prepare the November summit conference, charged today that Moscow's objections to the American "Star Wars" plan are "propaganda ... not to be taken seriously."

Shultz's charge that the Soviet attack on President Reagan's Strategic Defensive Initiative (SDI), popularly known as Star Wars, is not serious flowed from his contention that the Soviet Union, "behind the curtain that encloses Soviet society," has pursued a major strategic defense program for decades as well as "the world's most active military space program."

(Don Oberdorfer, Washington Post, A1)

Shultz Rips Soviets For Stalling In Arms Talks

Secretary Shultz told the 40th session of the U.N. General Assembly that "thus far the Soviet Union has not negotiated with the responsiveness" that arms reduction talks in Geneva merit. Nonetheless, he said, "Our determination to reach an equitable agreement has not wavered."

(Bill Kritzberg, Washington Times, A6)

Soviets To Reply To U.S. Criticism Of Arms Control Stand

Secretary Shultz says the Soviet Union should "get down to real business" and join the United States in negotiating an arms control agreement "that would enhance strategic stability and strengthen deterrence."

Soviet Foreign Minister Shevardnadze was expected to renew Soviet criticism of Star Wars -- known officially as the Strategic Defense Initiative -- in his speech to the U.N. General Assembly Tuesday.

(Gregory Nokes, AP)

Shultz Tells U.N, He Sees A Chance To Avert War Risk

Secretary Shultz said Monday that the United States and the Soviet Union now had a "historic opportunity" to reduce the risk of war.

(Bernard Gwertzman, New York Times, A1)

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SOVIETS SAID READY TO PROPOSE 40% CUT IN STRATEGIC MISSILES

Soviet officials have passed the word that Foreign Minister Eduard Shevardnadze will propose to the Reagan Administration this week that both superpowers reduce strategic nuclear missiles and warheads by 40 percent, according to a congressional source.

In return, (Shevardnadze) is expected to seek "significant restraints on the U.S. Strategic Defense Initiative, President Reagan's "Star Wars" research program. (Walter Pincus, Washington Post, A1)

MEXICO IS EXPECTED TO ASK BANKERS FOR BILLIONS MORE

MEXICO CITY -- The devastating earthquake that caused massive damage in sections of Mexico City could force the country to seek billions in reconstruction funds and interest relief from international creditors at a time when banks already are reluctant to add new loans to the \$96 billion already owed, according to business and financial experts.

(William Orme, Washington Post, A1)

SOVIET LOOTING OF U.S. TECHNOLOGY ALLEGED

Based on unusually detailed accounts and rare Kremlin documents supplied to the French intelligence service by a KGB agent, (a Pentagon intelligence report) contends that Soviet acquisition of tens of thousands of Western blueprints and weapons in recent years has benefitted almost every Soviet military research project.

(Michael Weisskopf, Washington Post, A15)

CHINA PROPOSES ALASKA FISHING VENTURE

ANCHORAGE, Al. -- A chinese delegation is seeking approval to fish in American waters and to process fish that would be bought from American fisherman.

The proposal represents the first attempt by the People's Republic of China to bring its fleet into the U.S. 200-mile zone and work with American fishermen in a joint venture. (Jeff Berliner, UPI)

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NATIONAL NEWS

HOUSE TAX-OVERHAUL BILL ABOUT TO GO ON THE TABLE

Thursday, Rep. Rostenkowski is to present to the House Ways and Means Committee a set of "staff options," proposed alternatives to perhaps one-third of the elements of the Reagan plan. (Rostenkowski) and his staff emphasize that the options don't necessarily have Rostenkowski's endorsement and that a menu of other alternatives will be available.

(Anne Swardson, Washington Post, A3)

DEMOCRATS TELL REGAN NEGATIVE CAMPAIGNING WOULD HARM TAX BILL

House Democrats told Donald Regan Monday that that negative campaigning by a Republican Party committee would "throw a big wrench" into efforts to pass President Reagan's tax-overhaul bill this year.

Forty-nine Democrats wrote Regan in response to published reports that the National Republican Congressional Committee is kicking off a multi-million dollar campaign to "soften up" Democratic incumbents in advance of the 1986 elections.

Assistant Press Secretary Dale Petroskey said, "Any money that the President has ever helped raise for the National Republican Congressional Committee has not and will not go toward this program."

(Washington Post, A3)

INTERIOR PANEL PROPOSAL SEEN LAYING OFFSHORE MINE FIELD

Call it a bookkeeping transaction gone awry, but two House members from Louisiana have pushed a provision through a House Interior Committee that would give the federal government \$4.2 billion to reduce the deficit next year -- and add about twice that much in red ink over the next 30 years.

According to OMB estimates, the change will reduce federal revenues from offshore oil and gas production by up to \$5 billion in the next 30 years. The Interior Department, eyeing the "other revenues" language of the provision, said the figure could go twice that high.

(Cass Peterson, Washington Post, A4)

SAT SCORES RISE FOR FOURTH YEAR

Average scores on the Scholastic Aptitude Test rose for the fourth year in a row and marked the largest single-year gain in 22 years, the College Board announced Monday in New York.

Secretary Bennett immediately cited the higher test scores as proof that the nation's educational reform movement has taken root in classrooms across the country.

(Keith Richburg, Washington Post, A6)

Solid Gains By Ethnic Help Raise SAT Scores

Double-digit gains among Puerto-Rican and Mexican-American students and improved scores in all ethnic groups boosted the national average SAT scores by nine points.

(Carol Innerst, Washington Times, A1)

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PENTAGON BUDGET FOR AMMUNITION CALLED EXCESSIVE

The Pentagon has overstated the ammunition needs of the armed services and its appropriations request should be reduced by at least \$1.2 billion, the General Accounting Office told Congress Monday.

There was no immediate reaction from the Pentagon to the GAO report. (Washington Post, A8)

GAO: Cut Ammunition Requests

"In our opinion, about \$1.1 billion of the ammunition requests and \$129 million of the Army's production base requests should not be provided," said Frank Conahan, director of the GAO's national security division. (Washington Times, A4)

NEW PENTAGON REPORT SAYS FORCES STRONGER

Using new methods of measurement, a Pentagon report shows that the Reagan Administration's defense buildup has doubled and tripled U.S. military capability in some categories, according to Air Force Chief of Staff Charles Gabriel. (Walter Andrews, Washington Times, 3A)

EDITOR'S NOTE: Page A1 of the Washington Post contains a lengthy article on The Heritage Foundation, the conservative Washington-based think tank that has been influential in the Reagan Administration. Several Administration officials are profiled.

MEESE'S 11th HOUR REPRIEVE LETS CHARLIE TWO SHOES STAY

For Charlie Two Shoes, the Chinese street urchin adopted by U.S. Marines in postwar China, a 35-year-old dream came true yesterday with the official announcement that he can stay in this country indefinitely and be joined by his family.

The Attorney General granted him an indefinite stay for humanitarian reasons Friday, just two days before he would have been forced to leave the country. His wife and three children will be allowed to join him, Mr. Meese added. (Charles Wheeler, Washington Times, A5)

REAGAN'S SURGERY SEEN SPURRING PURCHASES OF INSURANCE FOR CANCER

Consumers appear to be purchasing cancer insurance policies in increasing numbers since President Reagan's bouts with the often fatal illness, industry officials say.

(Carol Innerst, Warren Strobel, Washington Times, A5)

MILLER LIKELY TO WIN NOMINATION AS DAVID STOCKMAN'S SUCCESSOR

James C. Miller III is headed for certain Senate approval as Budget Director, but he first faces grilling on his views on deregulation from lawmakers skeptical over the growing authority of the budget office.

(Tom Raum, AP)

TAX OVERHAUL WOULD COST COAL INDUSTRY \$1 BILLION OVER FIVE YEARS

President Reagan's tax overhaul proposal would raise coal industry taxes by more than \$1 billion over five years, curtailing production and costing thousands of jobs, says a report prepared for the National Coal Association.

Hurt most of all, according to the report of the Price Waterhouse accounting firm, would be mining regions which already experience "disproportionate levels of poverty and unemployment."

(Jeff Barker, UPI)

THIS STORY NOT SLATED FOR RELEASE UNTIL 9:30 A.M. EDT

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, September 23, 1985)

MEXICO EARTHQUAKE/FIRST LADY'S TRIP

CBS's Dan Rather reports from Mexico City: The death toll continues to rise. More damaged buildings collapse. But Mexico is digging out and fighting back from one of the monster earthquakes of the century. And First Lady Nancy Reagan was here today for a show of solidarity. The First Lady toured a hospital where children and other victims of the quake are being treated. She brought with her a \$1M U.S. Government check -- a downpayment, Mrs. Reagan said, on American help still to come. "Our hearts go out to you," said Mrs. Reagan. "All the American people send their best wishes." At a demolished apartment building, the First Lady spoke with opera star Placido Domingo -- whose aunt, uncle, nephew and cousin were inside when the quake hit. All four are still missing. Mrs. Reagan said she was overwhelmed by what she saw here.

(First Lady: "It was quite an experience to see the devastation. But it was wonderful to see the courage of the Mexican people.")

(TV Coverage showed Mrs. Reagan touring hospital; at patients' bedsides; viewing rubble.) (CBS-Lead)

ABC's Peter Jennings reports from Mexico City: Mrs. Reagan came here today to offer first-hand America's sympathy and to see for herself what it will take to rebuild....The President's wife came here today on her way to Phoenix, where she is going to visit her mother. And even though she was not, perhaps, heralded on her arrival, it was a very warm welcome she received and her visit has been warmly received by Mexicans in general. After being met at the airport by the president's wife, she went to a hospital where she saw, in particular, young people who had been victimized by this tragedy, and then she saw for herself. She will go home to Washington and give clearly a message to the President that the cost of rebuilding here in an already troubled land is going to be astronomical.

(TV Coverage: Mrs. Reagan being met at the airport; viewing rubble.) (ABC-Lead)

NBC's Tom Brokaw reports from Mexico City: The number of confirmed dead, anywhere from 2,800 to 3,500. And the American ambassador continues to believe the final number will be at least 10,000. The Mexican government began to ask for more aid, and Mrs. Reagan made a visit here to express American concern. It was a brief stay for Mrs. Reagan -- about four hours. The White House, sensitive to Mexican feelings, wanted to keep the visit serious and low key. Her first stop: the presidential palace, where she met with President and Mrs. de la Madrid. She presented them with a letter from President Reagan and a check for \$1M. That was described as a downpayment for American disaster relief. Mrs. Reagan was scheduled to visit one of the most devastated areas, but President de la Madrid changed her schedule. He worried that the conditions were too dangerous. So instead, she visited a Red Cross hospital and a social services agency.

(TV Coverage: Mrs. Reagan met at airport; sitting with de la Madrid.) (NBC-Lead)

Monday Evening, September 23, 1985)

TRADE

Rather: President Reagan today proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home. But Mr. Reagan stuck to protective trade barriers as the answer.

CBS's Lesley Stahl: Farmers in the Midwest, lumbermen in the Northwest, even high-tech workers in Silicon Valley -- they are all demanding protection for unfair foreign trade practices. Under pressure from Congress, President Reagan announced some new measures to fight back.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

Among his proposals: a \$300M fund for credits to foreign countries to encourage them to buy American; a new strike force to uncover unfair trade practices by other countries; speeding up talks to end counterfeiting of American goods; and steps to lower the value of the dollar against foreign currencies. They were announced yesterday by the U.S. and four of its major trading partners. Today, in response, the dollar fell about 5% against all major currencies. Congressional reaction to the speech was cool.

(Sen. Danforth: "One speech is never enough. What is needed is a trade policy which is consistent, which is going to be there day in, day out.")

(Sen. Byrd: "I think what the President said was fine, but it didn't go far enough. It comes a little late.")

Free trade lobbyists hit Capitol Hill in full regalia arguing that a tough textile bill will mean higher consumer prices for everyone. But those who favor the legislation say the issue is jobs. Textile workers in North Carolina are making President Reagan a 165 pound pair of jeans with a message.

(Textile worker: "If he doesn't do something about it, I mean five or six years down the road I can see us being in jeopardy." TV Coverage shows the jeans hanging from a building.)

The President's speech was meant to head off retaliatory legislation in Congress, but all signs are that the textile bill, that would slash imports by as much as 40%, will pass. (CBS-2)

ABC's Sam Donaldson: Today, the President unveiled a new and tougher trade policy. Mr. Reagan continued to say he's for free trade, but his emphasis today was on fair trade as well.

ABC's Sheilah Kast: President Reagan's speech was meant as an answer to critics who say his trade policy isn't tough enough.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

But most of what he unveiled is an acceleration of efforts already underway.

(Monday Evening, September 23, 1985)

Kast continues: He set up a strike force of government workers to watch for unfair practices by foreign countries, he told the Secretary of State to speed up talks on opening Japanese markets to U.S. products, and promised renewed efforts to get worldwide trade negotiations started. One new step is to ask Congress for \$300M to subsidize U.S. exports -- a move aimed at persuading other governments to drop their subsidies. The President promised to work with Congress on toughening existing laws against unfair competition, but made it clear there is no change in his attitude toward protectionist bills.

(President: "I will strongly oppose and will veto measures that I believe will harm economic growth, cause loss of jobs, and diminish international trade.")

Democrats said the President was merely responding to the pressures Congress had raised on trade.

(Sen. Byrd: "What the President said was fine, but it didn't go far enough. It comes a little late.")

Even some Republicans doubted the President's refurbished trade policy would block all the 300 protectionist bills pending in Congress.

(Sen. Danforth: "I think that the textile bill is going to be passed by both the House and Senate regardless of what the President says. The President will then veto the bill and the big battle will be on the override of the veto, particularly in the Senate.")

Even the President's supporters acknowledge it will be months before his proposals have any impact on the trade deficit. They are hoping for a quicker impact on Congress.

ABC's Dan Cordtz: The high-flying dollar, a major cause of the U.S.

trade deficit, fell about 5% on foreign currency exchanges today. The decline followed a weekend announcement by top financial officials of the U.S. and its four main allies that they will try to push the dollar lower. To drive the dollar down, the five central banks occasionally will sell dollars from their official reserves to boost the supply and undercut the price. But almost \$200B are traded every day on world currency exchanges and that's far more than all five central banks hold in their vaults.

(Economist Irwin Kellner: "The financial markets are bigger than the central banks. If the financial markets want the dollar to go one way, the central banks will not be able to push it the other way.")

Nevertheless, the Dow shot up more than 18 points today on investors' hopes that a lower dollar will help the economy. (ABC-2)

NBC's Roger Mudd reports panicky speculators couldn't decide whether the dollar's plunge was short-term or long term, but they all knew it was the result of the Reagan Administration's deliberate policy to lower the value of the dollar.

NBC's Mike Jensen: Stocks had their best day in more than three months and the dollar had one of its worst days in years. Will the dollar continue to fall? Intervention in currency markets often has a shock effect, especially when it's unexpected. But it seldom works for very long. Most experts say tinkering with the dollar is not the answer to our trade problems. The root cause is the huge federal budget deficit. And until we make a substantial dent in that, they say interest rates will probably remain high, and so will the dollar.

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(Monday Evening, September 23, 1985)

Mudd: President Reagan named no names when he said some of America's trading partners were guilty of unfair practices, but one of the President's advisers implied France was not trading by the rules.

NBC's Chris Wallace: The President announced a package designed to do two things: cut into the soaring U.S. trade deficit, while blunting the move in Congress to retaliate against foreign competition.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad.")

But Mr. Reagan stood by his longtime opposition to protectionist trade barriers, which is why his plan had tougher rhetoric than substance. A \$300M war chest to subsidize some exports as other countries do; a strike force to find unfair trading practices and more authority to end them; and most important, the international effort to drive down the dollar.

(President: "We do not want a trade war with other nations. We want other nations to join us in enlarging and enhancing the world trading system for the benefit of all.")

But Administration officials say this moderate Reagan plan will take 12 to 18 months to have much impact on the trade deficit. Congressional leaders say they will go ahead with tougher measures.

(Rep. Gephardt: "If I were a trading partner of the United States, I would breathe a sigh of relief because the President's statement is a lot of talk and little action.")

(Sen. Danforth: "Congress isn't going to go away. Congress isn't going to lose its interest in trade because of one speech.")

Big labor, one of the prime movers for protectionism, was also unimpressed.

(Rudy Oswald of the AFL-CIO: "It's good that the President recognizes that trade is a problem, but his actions indicate that he's doing practically nothing to deal with the problem. It's essentially too little and too late.")

White House officials fully expect Congress to pass tough measures. They are counting on today's speech to help sustain a promised Reagan veto. However, the protectionist mood here in Washington is now so strong that some here wonder whether the President can still turn it around.

(NBC-2)

U.S.-SOVIET RELATIONS/SHULTZ

Donaldson: The latest round of superpower positioning in advance of the November summit meeting got underway at the U.N. Secretary Shultz, addressing the General Assembly, accused the Soviet Union of failing to respond to Washington's arms control proposals and of dispensing one-sided propaganda against President Reagan's missile defense research program -- propaganda not to be taken seriously, said Shultz, who appealed to the Soviets to get down to real business.

(ABC-3)

Mudd: Secretary Shultz used the U.N. General Assembly to complain about Soviet foot-dragging at the Geneva arms talks. He said that as it attacked the American star wars program, the Soviet Union was also engaged in the same kind of defensive research.

(Monday Evening, September 23, 1985)

Mudd: (Secretary Shultz: "The Soviet leaders know full well their own efforts in these fields. Their propaganda about American programs is blatantly one-sided and not to be taken seriously.")
Shultz urged the Soviets to drop the star wars rhetoric and start talking seriously.
(Shultz: "And let us do so in the quiet of the negotiating room, where we can really make progress on narrowing our differences.")

FIRST LADY SUMMIT

Rather: There was word from Washington that when President Reagan and Soviet leader Gorbachev hold their summit meeting in Geneva, it will not be the only Reagan-Gorbachev summit there. The two First Ladies will also hold person-to-person talks. Lesley Stahl has been told that Mrs. Reagan initiated some correspondence with Mrs. Gorbachev and that she has accepted Mrs. Reagan's invitation to get together in Geneva. (CBS-3)

MUBARAK

Mudd: On the eve of his address to the General Assembly, President Mubarak met with President Reagan in an effort to get the Middle East peace process moving. Administration officials said Mubarak again called on the U.S. to meet with representatives of the PLO. They said Mubarak stressed that the PLO had implicitly accepted the American requirement that it recognize Israel's right to exist. But an Administration official said we've never heard this from the PLO. (TV Coverage shows two leaders in the Oval Office.) (NBC-6)

ISRAEL/THATCHER

Mudd: Israel criticized PM Thatcher for inviting PLO representatives to meet with government officials in London. A formal protest was delivered to the British ambassador over the PLO contacts and over British arms deals with two Arab states -- Jordan and Saudi Arabia. (NBC-7)

VERNON WALTERS/SYRIA

Mudd: Marvin Kalb reports Ambassador Vernon Walters made a secret visit to Syria in an effort to gain the release of Rev. Weir. Walters met with President Assad for four hours. (NBC-8)

BLACK FAMILIES

CBS's Cassandra Clayton, in the first of a series on black Americans:
Today 2.5M black families, 3 out of 10, have made it into the middle class. The other kind of black family is fragmented, ravaged by poverty. The alarming side of what is happening to black families today is that 6 out of every 10 black children are being raised by their mothers -- alone. More than half of these female-headed families live below the poverty line.

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EDITORIALS/COLUMNISTS

PRESIDENT'S NEWS CONFERENCE

The Course of Arms Control -- "If President Reagan's most quotable comments on space weapons at his news conference are taken at face value, there is no likelihood that this fall's negotiations will advance arms control and put U.S.-Soviet relations on a more productive course.... One of the President's other comments was: 'There's a great deal of room for negotiation.' If that remark can be taken at face value, it means that although President Reagan is playing his hand close, as a negotiating tactic, he is going to agree to stop ASAT tests and circumscribe Star Wars research after all. As the U.S. position at Geneva emerges, it will be possible to tell if Reagan intends to pursue arms control or to wreck it."

(Boston Globe, 9/20)

Reagan Fails on AIDS Test -- "The President's statement on AIDS at his Tuesday night news conference was a lost opportunity, if not worse.... At the very least he could have said that he knew of no reason to distrust the findings of the medical community, which has put enormous resources and talent into the pursuit of answers about AIDS, and which is confident it knows how AIDS is contracted." (Dayton Daily News, 9/21)

CONCORD, NEW HAMPSHIRE

Tax And Social Purpose -- "When President Reagan returned to the road to sell his tax reform, it was no accident that he chose New Hampshire as the site of his speech. New Hampshire has no state income tax, no sales tax, relatively low property taxes. If Reagan had gone instead to neighboring Massachusetts, he would have been hooted out of the state.... It is beyond dispute that the Reagan tax proposal would favor -- greatly favor -- a New Hampshire resident over a Massachusetts resident in an identical economic situation." (Baltimore Evening Sun, 9/19)

Oratory At Concord -- "The crowds were large and cheerful, the weather was perfect, the speaker was ruddy-faced and eloquent -- it was great daytime television. President Reagan came to the capital of one of his favorite low-tax states yesterday, pledging not to rest 'until the federal government looks more like New Hampshire.' ... In prudent thrifty, pay-as-you-go New Hampshire, taxpayers know that federal budget deficits cannot be paid on a credit card." (Boston Globe, 9/19)

MOZAMBIQUE

Courting Mozambique -- "The U.S. is supplying Mozambique with \$40 million in nonmilitary assistance this year, and President Machel wants more. As long as he demonstrates by word and deed that he wants to be helpful to U.S. interests in Africa and that he wants to continue to move away from Soviet influence, aid to Mozambique will be money well spent -- and worth a little ideological discomfort for Mr. Reagan. Moving Mozambique out of the Soviet orbit and toward increasingly friendly relations with the U.S. would be a foreign-policy coup..."

(Dallas Times Herald, 9/20)

(Editorials/Columnists continued)

FEDERAL TAX REFORM

How It Fares, How Fair It Is -- "The irony is that our tax system is so complicated that to simplify it takes explaining. In fact, polls show that most people believe that they will face tax increases under the President's plan, when the overwhelming majority will get tax cuts. Tax-reform advocates must do a better job showing the American people that they will pay a lower tax bill under the President's plan. Then families across America will respond enthusiastically to the President's 'fair share' tax plan.... The integrity of the President's 'fair share' plan must be protected. (Rep. Jack Kemp, Los Angeles Times, 9/22)

Define Public Interest Over Loophole Interest -- "It's true, I am bullish on tax reform because I share President Reagan's optimism that 1985 will be the year for much lower tax rates and far fewer loopholes -- even if we don't at all share agreement on specifics for legislation.... To pass both Houses of Congress, a tax-reform measure must meet three criteria: First, it must retain a progressive formula so that the burden on low-and middle-income families is not increased relative to the wealthiest Americans. Second, it must not increase the deficit. Third, it must offer the lowest possible tax rates to the greatest number of people. The President's plan, unfortunately, fails on all three counts." (Sen. Bill Bradley, Los Angeles Times, 9/22)

GENEVA SUMMIT

A Test for Gorbachev Reforms -- "There are (two) thoughts for the Reagan Administration as it prepares for Geneva. First, without sacrificing American interests, it may be possible to support Gorbachev's internal efforts. In these policies, more than in any expectation that Russian politics can be transformed, lies hope for a more relaxed Soviet foreign policy. Second, the foreign factor has been and remains critical to Russian reform. Right now, the Reagan Administration is the most important foreign factor in the Russian political mix, and so it has a special responsibility to behave with restraint and maturity. History teaches us that America and the world have paid heavily for earlier failures of reform in Russia. We may not have another 'last chance' in a nuclear age." (Ralph Bultjens, Denver Post, 9/14)

...And A Lot At Stake For Reagan -- "This is not the first time that Reagan has seemed politically fragile. In the past he has always recovered. The man has a genius for pulling rabbits out of improbable hats. This season's most likely rabbit, of course, is the summit with Soviet leader Gorbachev. A successful summit would restore Reagan instantly to the glow of political health. But Reagan is very likely to come away empty-handed. Though Gorbachev and Reagan share a substantial political interest in arms agreement, Reagan has so boxed himself in with the Star Wars project that no successful summit agreement is likely." (Bob Kuttner, Boston Globe, 9/20)

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(Editorials/Columnists continued)

GENEVA SUMMIT

Slippery Slopes 1 & 2 -- "President Reagan is asking Moscow to accept promises he would not accept in reverse. Washington would never -- ever -- trust the Soviets to share cutting-edge military technology, nor have faith in the Kremlin's altruism regarding such a project, nor believe that such science has no offensive intent, nor accept that the commitments of one leadership will hold for future ones. In that way, the President constructs a slippery slope of rhetoric. In order to prove his determination, he strains nuclear relations exponentially. Like cheap trade rhetoric, this is hard talk that becomes more useless with each utterance."
(Cleveland Plain Dealer, 9/19)

LEBANESE HOSTAGES

Toughing It Out -- "The Shiite thugs holding six American hostage in Lebanon have shown again that terrorists know no bounds when it comes to cruelty.... Thus the Administration has no choice but to keep doing what by all indications it is doing now: Work through diplomatic channels to secure the hostages' release, and through intelligence channels (if we still have any) to find those responsible and target them for retaliation. Even that may not deter such creatures. But at least it won't encourage them."
(Dallas Morning News, 9/21)

Talk To Anybody -- If It'll Free Hostages -- "We should be willing to meet for informal, behind-the-scenes talks with anyone who can help win the hostages' release. Rather than close the doors that could lead to freedom, we must open them.... Negotiations succeeded in the TWA hostage crisis; they can succeed again. We must rely on quiet, persistent diplomacy, not macho bluster that could backfire."
(USA Today, 9/23)

A Hostage Comes Home -- "In the meantime, the Reagan Administration must keep trying, through intermediaries, to release the remaining six American hostages. Rev. (Benjamin) Weir urged a more creative approach, and we hope his counsel is taken. Quiet, patient diplomacy is the answer, not a war of words."
(Hartford Courant, 9/23)

Rev. Weir And The Terrorists -- "It's clear that Americans are pleased to welcome Weir back home. And undoubtedly they share his desire for safe and speedy release of the other six Americans still being held. But it is also clear that most Americans will not join Weir in urging the President to secure the release of the remaining American hostages by bowing to the demands of the terrorists. Generally, the public supports the President's position that it would be self-defeating and dangerous for the United States to cave in to terrorist demands because to do so would legitimize such tactics...."
(James G. Wieghart, Chicago Tribune, 9/21)

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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, SEPTEMBER 24, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits the campus Tuesday. (Knoxville Journal)

INTERNATIONAL NEWS

Nancy Reagan Files To Mexico With A \$1 Million 'Down Payment' On American Aid -- Nancy Reagan visited survivors of the earthquake disaster today, delivering a letter of sympathy from her husband and a \$1 million "down payment" on United States government disaster aid to Mexico. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

NATIONAL NEWS

House Tax Overhaul Bill About To Go On The Table -- Four months after President Reagan proposed his massive overhaul of the tax code, members of the Ways and Means Committee still aren't sure what kind of bill they want to write or whether they should produce one at all. (Washington Post)

NETWORK NEWS (Monday Evening)

NANCY REAGAN IN MEXICO -- The First Lady visits the devastation in Mexico City and presents the Mexican people with a \$1 million check from the U.S. government.

(All Nets Lead)

PRESIDENT/NEW TRADE POLICY -- President Reagan proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home.

FOR FREE AND FAIR TRADE

"I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules."

(President Reagan on trade negotiations, The East Room, 9/23)

TRIP NEWS

PRESIDENT TO LEARN ABOUT TEAMWORK

KNOXVILLE, Tenn. (UPI) -- President Reagan will be told how the University of Tennessee works hand-in-hand with private industry, the Tennessee Valley Authority and the Energy Department's Oak Ridge National Laboratory when he visits campus Tuesday.

Reagan will participate in a symposium, "Teaming Up for Economic Development," and will then helicopter 60 miles south to Athens, Tenn., to make a speech on tax reform.

Reagan will fly into Knoxville at mid-morning and spend 45 minutes attending the symposium at the university's student center ballroom. The President is scheduled to make brief opening and closing remarks at the symposium.

John Clark, associate director of university communications, said school Chancellor Jack Reese, Reagan and six invited guests would sit at a semi-circular table for the discussion. The participants will each take three or four minutes to tell the President how university research benefits the local economy, Clark said. "The President will have a chance to respond or ask questions. It will be somewhat conversational," Clark said.

Herman Postma, director of the Oak Ridge National Laboratory, will brief the President on cooperative projects between the university and the Oak Ridge lab, located about 15 miles northwest of Knoxville. Oak Ridge scientists now conduct a wide range of experimentation, including work on Reagan's Strategic Defense Initiative, the "Star Wars" project.

Reagan will eat lunch at the student center. He will dine at a four-person table with Spencer DeWitt, president of the Student Government Association; Tom Wilson, editor of The Daily Beacon; and William Bass, a U.T. anthropology professor named National Professor of the Year in July by a national education group. Clark said White House officials wanted the President seated with some students at lunch. Wilson, 21, the student newspaper editor, said he planned to ask Reagan for his prediction on Saturday's Tennessee-Auburn game and would talk about college students' concerns if the President desired.

Reagan will speak at the McMinn County Courthouse in Athens at 1:30 p.m. The speech will be moved to the gymnasium at McMinn County High School only in the event of heavy rain, White House planners said.

After his speech in Athens, Reagan is scheduled to helicopter to Knoxville and fly back to Washington.

REAGAN WILL GET TECH DATA

KNOXVILLE (AP) -- President Reagan, who dedicated a world's fair and debated merit pay for teachers on two previous visits here, will hear success stories today on turning scholarly research on high-tech businesses.

Reagan is scheduled to spend four hours in East Tennessee, arriving in Knoxville at 10:15 a.m. EDT and departing after a tax reform speech in Athens, 40 miles to the south. (Memphis Commercial Appeal, A1)

TRIP NEWS (continued)

STATE SET FOR REAGAN TODAY

Business Speakers Rehearse for President's U.T. Visit (Subhead)

Businessman Ralph Gonzales stood at the podium Monday evening, rehearsing his three-minute speech in front of television lights, technicians and 125 empty seats in the auditorium.

Gonzales, who doubles as a University of Tennessee professor, was making sure his explanation was crisp and the timing paced about how science research ends up in the marketplace. As president and chief executive officer of Perceptics, Inc., he's an example of the institution's effort.

President Reagan is visiting U.T. today and the university officials -- along with a lot of other East Tennesseans -- were making sure the nation's Chief Executive leaves with a good impression of the university and its community. (Knoxville Journal, A1)

NOTE: Other stories on page one of the Journal: local elections for city council and school board Tuesday; the approval of "Dollywood," a theme park co-owned by Dolly Parton; a new study showing Tennessee high school students read as well as any in the nation.

REAGAN TALKS TAXES TODAY IN TENNESSEE

ATHENS -- The last time President Reagan was in Tennessee -- one year and 11 days ago -- he promised he would get behind a movement to reform the nation's tax structure. Appearing in Nashville at a birthday tribute to Roy Acuff, the king of country music, he offered no details of his tax reform ideas. He just said he would get to work on it after the election.

Today the President will come to this small east-Tennessee town as part of a nationwide campaign to sell his detailed income tax reform plan -- under fire from an array of interest groups. (Nashville Tennessean, A1)

NOTE: Other stories on page one of the Tennessean: the Tennessee prison system, where some believe too many dangerous criminals are being released too soon to comply with a federal court order to reduce prison population (top story); the Mexico City earthquake and the First Lady's trip to Mexico City; the rape of a three-year-old girl.

EDITOR'S NOTE: The Knoxville News Sentinel ran a page one story titled, "Reagan's Popularity a Security Nightmare," about security planning for the President's visit. There was also a page one picture of students at the University of Tennessee rolling out the red carpet and welcome signs for the President.

A story titled, "Mix of Students, Officials to Dine with Reagan Party Here Tuesday," appears on page two.

Other stories on page one of the Sentinel: the Rainbow Warrior affair; the Mexico City earthquake; the city elections Tuesday; new energy firm claims it spent a lot of money preparing for a Department of Energy contract only to have the department re-submit the contract for bids on a technicality.

TRIP NEWS (continued)

The Daily Post-Athenian of Athens, Tennessee carried a map of the speech site and tips for parking along with the following stories on the President's visit on Monday, September 23, 1985:

WHITE HOUSE 'DIRECTS' FROM OFFSTAGE

Advance Team Controls Site, Media (subhead)

Conservative blue suits notwithstanding, they stick out like red flags in the group crowding the courthouse steps -- three well-trained young men, quick to smile but carefully reserved as they politely, firmly control plans for the President's visit on Tuesday. Andrew Littlefair, John Roots and Joe Brennan have been in Athens since Monday as the core of a White House advance team prepping the town for spectators, press people, and ultimately, President Reagan.

Secret Service Addresses 'What If'

One side of Tuesday's presidential visit involves light-hearted excitement and special preparations, but another side is much more serious. Perhaps it could be called the "What If" side.

PRESIDENT RANKS RIGHT BELOW SPRINGSTEEN IN PUBLIC INTEREST

Armed with cameras, notebooks and pens, the Daily Post-Athenian Saturday sent two reporters to the Athens Arts and Crafts Festival in an effort to garner reactions from area people on the coming of President Reagan and the expected subject of his address -- a sweeping overhaul of the tax code..... Generally speaking, Athenians and McMinn Countians seem very excited about the President's appearance..."

WELCOME, MR. PRESIDENT, TO TYPICAL AMERICA (Editorial)

"Good Afternoon, Mr. President. We were surprised to learn that you were going to be our guest this week. However as we contemplated upon your coming we really are not sure why we should be surprised or really why you should not come to visit us. You see, Mr. President, some of the metropolitan media have in a slightly facetious manner referred to us as a sleep little town.

Don't be misled, Mr. President. We are not sleepy, we are just quietly and methodically going our way, carefully pondering how to appreciate our sound economy and how to add to our stability without involving ugly social problems and difficult housing conditions....

We have been told, Mr. President, that you are visiting us because we represent Middle America. We won't dispute that, but we shall go a step farther, we are Typical America. We are family oriented, hard working, fair dealing, God fearing people. We enjoy recreation, we support environmental protection and we are not racially biased.

To be sure politics is in our make-up but when it comes to the Constitution and the Stars and Stripes we are one people.

Mr. President, you couldn't have chosen a better site than ours to visit and to express your view on programs you support. We'll listen and in typical American style, we'll think it over.

We are glad you are here Mr. President and we bid you bon voyage in the days ahead as you traverse this great country."

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INTERNATIONAL NEWS

PRESIDENT TOUGHENS U.S. TRADE POLICY

President Reagan Monday unveiled a new Administration trade policy that sets up a war chest to counter export assistance by other governments and toughens enforcement against unfair trade practices by U.S. competitors.

The thrust of President Reagan's proposals was directed at unfair trade practices that allow imports to undersell American products here and keep U.S. manufacturers from competing in overseas markets.

(Stuart Auerbach, Washington Post, A1)

Old Ghosts Stalk Reagan Trade Talk

The Reagan Administration, in the most comprehensive outline of trade policy in many years, sought Monday to restore the historic U.S. leadership role in developing an open world trading system.

A senior Administration official told reporters that, even with the policies the Administration outlined Monday, it could take 12 to 18 months to see a significant lowering of the U.S. trade deficit, expected to exceed \$150 billion this year.

(Donald May, Washington Times, A1)

Reagan To Fight Unfair Trade, While Dodging Protectionism

President Reagan, attempting to block protectionist measures speeding through Congress, yesterday called for a \$300 million fund to fight foreign export subsidies and a "strike force" to combat unfair trade practices.

(Mary Belcher, Washington Times, A3)

Trade Initiative Welcome On Hill, But Action, Not Words, Is Sought

Many of Mr. Reagan's actions were drawn from a list of recommendations submitted to the White House two weeks ago by House Republicans, Rep. Michel said. But Monday's Presidential action must "be followed by strenuous effort to enforce existing laws," he said.

(Stephanie Nall, Washington Times, A3)

NANCY TOURS QUAKE RUBBLE, BABIES FOUND

MEXICO CITY -- President Reagan's wife, Nancy, toured devastated parts of the Mexican capital yesterday on a three-hour tour to carry President Reagan's personal message of sympathy to victims of last week's double killer earthquakes.

(James Morrison, Washington Times, A1)

First Lady Amid The Rubble

First Lady Nancy Reagan, on a good-will visit to this shattered city, Monday presented a check for \$1 million to aid in its reconstruction to President and Mrs. Miguel de la Madrid.

The money came from the Agency for International Development's disaster assistance fund.

(Donnie Radcliffe, Washington Post, A1)

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Nancy Reagan Deeply Moved By Scenes Of Destruction In Mexico City

LOS ANGELES -- Nancy Reagan says she was deeply affected by the horror wrought by Mexico City's killer quakes; but emerged from her tour of the southern capital with renewed admiration for America's southern neighbors.

"I felt badly the whole time," Mrs. Reagan said following a four-hour visit to the city on Monday. "I've never seen such devastation like that."
(Susanne Shafer, AP)

Nancy Arrives In Mexico To Present Check For \$1 Million

Mrs. Reagan, met at the airport by U.S. Ambassador John Gavin, arrived in the city of 18 million, which was rocked last week by two large earthquakes that killed thousands and left much of Mexico City in ruins.
(Ira Allen, UPI)

Hope For Quake Survivors Fading In Mexico City

First Lady Nancy Reagan ended a four-hour tour of damaged areas in the capital by praising the fortitude of the Mexican people in the face of the disaster.

"The resilience of your people is truly extraordinary," Mrs. Reagan said in a message handed to President de la Madrid.
(Mary Powers, Reuter)

MUBARAK RENEWS APPEAL FOR TALKS BETWEEN U.S., PLO

Egyptian President Mubarak urged President Reagan Monday to begin talking with the Palestine Liberation Organization and permit U.S. officials to meet with a Jordanian-Palestinian delegation so Jordan's King Hussein can enter peace talks with Israel. (John Goshko, Washington Post, A16)

Reagan, Mubarak, Search For Rekindling Of Israel-Arab Peace

President Reagan and President Mubarak yesterday conferred for nearly an hour about how to restart the peace process between Israel and its Arab neighbors, but the issue remained stalled over the role of the Palestinians.
(Jeremiah O'Leary, Washington Times, A4)

JAPAN INTERVENES TO SEND DOLLAR LOWER IN TOKYO

NEW YORK -- An agreement by major Western powers to weaken the dollar by intervening in exchange markets sparked its largest single-day drop in more than a decade of frantic trading that pushed gold prices up sharply.

The dollar plummeted 5 percent to its lowest level in Europe and New York Monday during what one London dealer called "a headlong rush to sell dollars." Its most spectacular drop was against the Japanese Yen.
(UPI)

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PRESIDENT IS ACCUSED OF VERBAL OVERKILL

President Reagan's declaration last week that the Soviet Union is ahead of the United States "in literally every kind of weapon" has prompted charges of verbal overkill and raised questions in Congress about what the nearly \$1 trillion spent on defense in the past four years has brought the taxpayers. (George Wilson, Washington Post, A14)

SHULTZ CALLS SOVIET OBJECTIONS TO STAR WARS 'PROPAGANDA'

UNITED NATIONS -- Secretary Shultz, setting the stage for a week of U.S.-Soviet meetings to prepare the November summit conference, charged today that Moscow's objections to the American "Star Wars" plan are "propaganda ... not to be taken seriously."

Shultz's charge that the Soviet attack on President Reagan's Strategic Defensive Initiative (SDI), popularly known as Star Wars, is not serious flowed from his contention that the Soviet Union, "behind the curtain that encloses Soviet society," has pursued a major strategic defense program for decades as well as "the world's most active military space program."

(Don Oberdorfer, Washington Post, A1)

Shultz Rips Soviets For Stalling In Arms Talks

Secretary Shultz told the 40th session of the U.N. General Assembly that "thus far the Soviet Union has not negotiated with the responsiveness" that arms reduction talks in Geneva merit. Nonetheless, he said, "Our determination to reach an equitable agreement has not wavered."

(Bill Kritzberg, Washington Times, A6)

Soviets To Reply To U.S. Criticism Of Arms Control Stand

Secretary Shultz says the Soviet Union should "get down to real business" and join the United States in negotiating an arms control agreement "that would enhance strategic stability and strengthen deterrence."

Soviet Foreign Minister Shevardnadze was expected to renew Soviet criticism of Star Wars -- known officially as the Strategic Defense Initiative -- in his speech to the U.N. General Assembly Tuesday.

(Gregory Nokes, AP)

Shultz Tells U.N. He Sees A Chance To Avert War Risk

Secretary Shultz said Monday that the United States and the Soviet Union now had a "historic opportunity" to reduce the risk of war.

(Bernard Gwertzman, New York Times, A1)

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SOVIETS SAID READY TO PROPOSE 40% CUT IN STRATEGIC MISSILES

Soviet officials have passed the word that Foreign Minister Eduard Shevardnadze will propose to the Reagan Administration this week that both superpowers reduce strategic nuclear missiles and warheads by 40 percent, according to a congressional source.

In return, (Shevardnadze) is expected to seek "significant restraints on the U.S. Strategic Defense Initiative, President Reagan's "Star Wars" research program. (Walter Pincus, Washington Post, A1)

MEXICO IS EXPECTED TO ASK BANKERS FOR BILLIONS MORE

MEXICO CITY -- The devastating earthquake that caused massive damage in sections of Mexico City could force the country to seek billions in reconstruction funds and interest relief from international creditors at a time when banks already are reluctant to add new loans to the \$96 billion already owed, according to business and financial experts.

(William Orme, Washington Post, A1)

SOVIET LOOTING OF U.S. TECHNOLOGY ALLEGED

Based on unusually detailed accounts and rare Kremlin documents supplied to the French intelligence service by a KGB agent, (a Pentagon intelligence report) contends that Soviet acquisition of tens of thousands of Western blueprints and weapons in recent years has benefitted almost every Soviet military research project.

(Michael Weisskopf, Washington Post, A15)

CHINA PROPOSES ALASKA FISHING VENTURE

ANCHORAGE, Al. -- A chinese delegation is seeking approval to fish in American waters and to process fish that would be bought from American fisherman.

The proposal represents the first attempt by the People's Republic of China to bring its fleet into the U.S. 200-mile zone and work with American fishermen in a joint venture. (Jeff Berliner, UPI)

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NATIONAL NEWS

HOUSE TAX-OVERHAUL BILL ABOUT TO GO ON THE TABLE

Thursday, Rep. Rostenkowski is to present to the House Ways and Means Committee a set of "staff options," proposed alternatives to perhaps one-third of the elements of the Reagan plan. (Rostenkowski) and his staff emphasize that the options don't necessarily have Rostenkowski's endorsement and that a menu of other alternatives will be available.

(Anne Swardson, Washington Post, A3)

DEMOCRATS TELL REGAN NEGATIVE CAMPAIGNING WOULD HARM TAX BILL

House Democrats told Donald Regan Monday that that negative campaigning by a Republican Party committee would "throw a big wrench" into efforts to pass President Reagan's tax-overhaul bill this year.

Forty-nine Democrats wrote Regan in response to published reports that the National Republican Congressional Committee is kicking off a multi-million dollar campaign to "soften up" Democratic incumbents in advance of the 1986 elections.

Assistant Press Secretary Dale Petroskey said, "Any money that the President has ever helped raise for the National Republican Congressional Committee has not and will not go toward this program."

(Washington Post, A3)

INTERIOR PANEL PROPOSAL SEEN LAYING OFFSHORE MINE FIELD

Call it a bookkeeping transaction gone awry, but two House members from Louisiana have pushed a provision through a House Interior Committee that would give the federal government \$4.2 billion to reduce the deficit next year -- and add about twice that much in red ink over the next 30 years.

According to OMB estimates, the change will reduce federal revenues from offshore oil and gas production by up to \$5 billion in the next 30 years. The Interior Department, eyeing the "other revenues" language of the provision, said the figure could go twice that high.

(Cass Peterson, Washington Post, A4)

SAT SCORES RISE FOR FOURTH YEAR

Average scores on the Scholastic Aptitude Test rose for the fourth year in a row and marked the largest single-year gain in 22 years, the College Board announced Monday in New York.

Secretary Bennett immediately cited the higher test scores as proof that the nation's educational reform movement has taken root in classrooms across the country.

(Keith Richburg, Washington Post, A6)

Solid Gains By Ethnic Help Raise SAT Scores

Double-digit gains among Puerto-Rican and Mexican-American students and improved scores in all ethnic groups boosted the national average SAT scores by nine points.

(Carol Innerst, Washington Times, A1)

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PENTAGON BUDGET FOR AMMUNITION CALLED EXCESSIVE

The Pentagon has overstated the ammunition needs of the armed services and its appropriations request should be reduced by at least \$1.2 billion, the General Accounting Office told Congress Monday.

There was no immediate reaction from the Pentagon to the GAO report. (Washington Post, A8)

GAO: Cut Ammunition Requests

"In our opinion, about \$1.1 billion of the ammunition requests and \$129 million of the Army's production base requests should not be provided," said Frank Conahan, director of the GAO's national security division. (Washington Times, A4)

NEW PENTAGON REPORT SAYS FORCES STRONGER

Using new methods of measurement, a Pentagon report shows that the Reagan Administration's defense buildup has doubled and tripled U.S. military capability in some categories, according to Air Force Chief of Staff Charles Gabriel. (Walter Andrews, Washington Times, 3A)

EDITOR'S NOTE: Page A1 of the Washington Post contains a lengthy article on The Heritage Foundation, the conservative Washington-based think tank that has been influential in the Reagan Administration. Several Administration officials are profiled.

MEESE'S 11th HOUR REPRIEVE LETS CHARLIE TWO SHOES STAY

For Charlie Two Shoes, the Chinese street urchin adopted by U.S. Marines in postwar China, a 35-year-old dream came true yesterday with the official announcement that he can stay in this country indefinitely and be joined by his family.

The Attorney General granted him an indefinite stay for humanitarian reasons Friday, just two days before he would have been forced to leave the country. His wife and three children will be allowed to join him, Mr. Meese added. (Charles Wheeler, Washington Times, A5)

REAGAN'S SURGERY SEEN SPURRING PURCHASES OF INSURANCE FOR CANCER

Consumers appear to be purchasing cancer insurance policies in increasing numbers since President Reagan's bouts with the often fatal illness, industry officials say.

(Carol Innerst, Warren Strobel, Washington Times, A5)

MILLER LIKELY TO WIN NOMINATION AS DAVID STOCKMAN'S SUCCESSOR

James C. Miller III is headed for certain Senate approval as Budget Director, but he first faces grilling on his views on deregulation from lawmakers skeptical over the growing authority of the budget office.

(Tom Raum, AP)

TAX OVERHAUL WOULD COST COAL INDUSTRY \$1 BILLION OVER FIVE YEARS

President Reagan's tax overhaul proposal would raise coal industry taxes by more than \$1 billion over five years, curtailing production and costing thousands of jobs, says a report prepared for the National Coal Association.

Hurt most of all, according to the report of the Price Waterhouse accounting firm, would be mining regions which already experience "disproportionate levels of poverty and unemployment."

(Jeff Barker, UPI)

THIS STORY NOT SLATED FOR RELEASE UNTIL 9:30 A.M. EDT

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, September 23, 1985)

MEXICO EARTHQUAKE/FIRST LADY'S TRIP

CBS's Dan Rather reports from Mexico City: The death toll continues to rise. More damaged buildings collapse. But Mexico is digging out and fighting back from one of the monster earthquakes of the century. And First Lady Nancy Reagan was here today for a show of solidarity. The First Lady toured a hospital where children and other victims of the quake are being treated. She brought with her a \$1M U.S. Government check -- a downpayment, Mrs. Reagan said, on American help still to come. "Our hearts go out to you," said Mrs. Reagan. "All the American people send their best wishes." At a demolished apartment building, the First Lady spoke with opera star Placido Domingo -- whose aunt, uncle, nephew and cousin were inside when the quake hit. All four are still missing. Mrs. Reagan said she was overwhelmed by what she saw here.

(First Lady: "It was quite an experience to see the devastation. But it was wonderful to see the courage of the Mexican people.")

(TV Coverage showed Mrs. Reagan touring hospital; at patients' bedsides; viewing rubble.) (CBS-Lead)

ABC's Peter Jennings reports from Mexico City: Mrs. Reagan came here today to offer first-hand America's sympathy and to see for herself what it will take to rebuild....The President's wife came here today on her way to Phoenix, where she is going to visit her mother. And even though she was not, perhaps, heralded on her arrival, it was a very warm welcome she received and her visit has been warmly received by Mexicans in general. After being met at the airport by the president's wife, she went to a hospital where she saw, in particular, young people who had been victimized by this tragedy, and then she saw for herself. She will go home to Washington and give clearly a message to the President that the cost of rebuilding here in an already troubled land is going to be astronomical.

(TV Coverage: Mrs. Reagan being met at the airport; viewing rubble.) (ABC-Lead)

NBC's Tom Brokaw reports from Mexico City: The number of confirmed dead, anywhere from 2,800 to 3,500. And the American ambassador continues to believe the final number will be at least 10,000. The Mexican government began to ask for more aid, and Mrs. Reagan made a visit here to express American concern. It was a brief stay for Mrs. Reagan -- about four hours. The White House, sensitive to Mexican feelings, wanted to keep the visit serious and low key. Her first stop: the presidential palace, where she met with President and Mrs. de la Madrid. She presented them with a letter from President Reagan and a check for \$1M. That was described as a downpayment for American disaster relief. Mrs. Reagan was scheduled to visit one of the most devastated areas, but President de la Madrid changed her schedule. He worried that the conditions were too dangerous. So instead, she visited a Red Cross hospital and a social services agency.

(TV Coverage: Mrs. Reagan met at airport; sitting with de la Madrid.) (NBC-Lead)

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TRADE

Rather: President Reagan today proposed a series of trade measures that he said would promote U.S. products overseas and still the flood of imported goods that are costing jobs at home. But Mr. Reagan stuck to protective trade barriers as the answer.

CBS's Lesley Stahl: Farmers in the Midwest, lumbermen in the Northwest, even high-tech workers in Silicon Valley -- they are all demanding protection for unfair foreign trade practices. Under pressure from Congress, President Reagan announced some new measures to fight back.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

Among his proposals: a \$300M fund for credits to foreign countries to encourage them to buy American; a new strike force to uncover unfair trade practices by other countries; speeding up talks to end counterfeiting of American goods; and steps to lower the value of the dollar against foreign currencies. They were announced yesterday by the U.S. and four of its major trading partners. Today, in response, the dollar fell about 5% against all major currencies. Congressional reaction to the speech was cool.

(Sen. Danforth: "One speech is never enough. What is needed is a trade policy which is consistent, which is going to be there day in, day out.")

(Sen. Byrd: "I think what the President said was fine, but it didn't go far enough. It comes a little late.")

Free trade lobbyists hit Capitol Hill in full regalia arguing that a tough textile bill will mean higher consumer prices for everyone. But those who favor the legislation say the issue is jobs. Textile workers in North Carolina are making President Reagan a 165 pound pair of jeans with a message.

(Textile worker: "If he doesn't do something about it, I mean five or six years down the road I can see us being in jeopardy." TV Coverage shows the jeans hanging from a building.)

The President's speech was meant to head off retaliatory legislation in Congress, but all signs are that the textile bill, that would slash imports by as much as 40%, will pass. (CBS-2)

ABC's Sam Donaldson: Today, the President unveiled a new and tougher trade policy. Mr. Reagan continued to say he's for free trade, but his emphasis today was on fair trade as well.

ABC's Sheilah Kast: President Reagan's speech was meant as an answer to critics who say his trade policy isn't tough enough.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.")

But most of what he unveiled is an acceleration of efforts already underway.

(Monday Evening, September 23, 1985)

Kast continues: He set up a strike force of government workers to watch for unfair practices by foreign countries, he told the Secretary of State to speed up talks on opening Japanese markets to U.S. products, and promised renewed efforts to get worldwide trade negotiations started. One new step is to ask Congress for \$300M to subsidize U.S. exports -- a move aimed at persuading other governments to drop their subsidies. The President promised to work with Congress on toughening existing laws against unfair competition, but made it clear there is no change in his attitude toward protectionist bills.

(President: "I will strongly oppose and will veto measures that I believe will harm economic growth, cause loss of jobs, and diminish international trade.")

Democrats said the President was merely responding to the pressures Congress had raised on trade.

(Sen. Byrd: "What the President said was fine, but it didn't go far enough. It comes a little late.")

Even some Republicans doubted the President's refurbished trade policy would block all the 300 protectionist bills pending in Congress.

(Sen. Danforth: "I think that the textile bill is going to be passed by both the House and Senate regardless of what the President says. The President will then veto the bill and the big battle will be on the override of the veto, particularly in the Senate.")

Even the President's supporters acknowledge it will be months before his proposals have any impact on the trade deficit. They are hoping for a quicker impact on Congress.

ABC's Dan Cordtz: The high-flying dollar, a major cause of the U.S. trade deficit, fell about 5% on foreign currency exchanges today. The decline followed a weekend announcement by top financial officials of the U.S. and its four main allies that they will try to push the dollar lower. To drive the dollar down, the five central banks occasionally will sell dollars from their official reserves to boost the supply and undercut the price. But almost \$200B are traded every day on world currency exchanges and that's far more than all five central banks hold in their vaults.

(Economist Irwin Kellner: "The financial markets are bigger than the central banks. If the financial markets want the dollar to go one way, the central banks will not be able to push it the other way.")

Nevertheless, the Dow shot up more than 18 points today on investors' hopes that a lower dollar will help the economy. (ABC-2)

NBC's Roger Mudd reports panicky speculators couldn't decide whether the dollar's plunge was short-term or long term, but they all knew it was the result of the Reagan Administration's deliberate policy to lower the value of the dollar.

NBC's Mike Jensen: Stocks had their best day in more than three months and the dollar had one of its worst days in years. Will the dollar continue to fall? Intervention in currency markets often has a shock effect, especially when it's unexpected. But it seldom works for very long. Most experts say tinkering with the dollar is not the answer to our trade problems. The root cause is the huge federal budget deficit. And until we make a substantial dent in that, they say interest rates will probably remain high, and so will the dollar.

(Monday Evening, September 23, 1985)

Mudd: President Reagan named no names when he said some of America's trading partners were guilty of unfair practices, but one of the President's advisers implied France was not trading by the rules.

NBC's Chris Wallace: The President announced a package designed to do two things: cut into the soaring U.S. trade deficit, while blunting the move in Congress to retaliate against foreign competition.

(President: "I will not stand by and watch American businesses fail because of unfair trading practices abroad.")

But Mr. Reagan stood by his longtime opposition to protectionist trade barriers, which is why his plan had tougher rhetoric than substance. A \$300M war chest to subsidize some exports as other countries do; a strike force to find unfair trading practices and more authority to end them; and most important, the international effort to drive down the dollar.

(President: "We do not want a trade war with other nations. We want other nations to join us in enlarging and enhancing the world trading system for the benefit of all.")

But Administration officials say this moderate Reagan plan will take 12 to 18 months to have much impact on the trade deficit. Congressional leaders say they will go ahead with tougher measures.

(Rep. Gephardt: "If I were a trading partner of the United States, I would breathe a sigh of relief because the President's statement is a lot of talk and little action.")

(Sen. Danforth: "Congress isn't going to go away. Congress isn't going to lose its interest in trade because of one speech.")

Big labor, one of the prime movers for protectionism, was also unimpressed.

(Rudy Oswald of the AFL-CIO: "It's good that the President recognizes that trade is a problem, but his actions indicate that he's doing practically nothing to deal with the problem. It's essentially too little and too late.")

White House officials fully expect Congress to pass tough measures. They are counting on today's speech to help sustain a promised Reagan veto. However, the protectionist mood here in Washington is now so strong that some here wonder whether the President can still turn it around.

(NBC-2)

U.S.-SOVIET RELATIONS/SHULTZ

Donaldson: The latest round of superpower positioning in advance of the November summit meeting got underway at the U.N. Secretary Shultz, addressing the General Assembly, accused the Soviet Union of failing to respond to Washington's arms control proposals and of dispensing one-sided propaganda against President Reagan's missile defense research program -- propaganda not to be taken seriously, said Shultz, who appealed to the Soviets to get down to real business.

(ABC-3)

Mudd: Secretary Shultz used the U.N. General Assembly to complain about Soviet foot-dragging at the Geneva arms talks. He said that as it attacked the American star wars program, the Soviet Union was also engaged in the same kind of defensive research.

(Monday Evening, September 23, 1985)

Mudd: (Secretary Shultz: "The Soviet leaders know full well their own efforts in these fields. Their propaganda about American programs is blatantly one-sided and not to be taken seriously.")
Shultz urged the Soviets to drop the star wars rhetoric and start talking seriously.
(Shultz: "And let us do so in the quiet of the negotiating room, where we can really make progress on narrowing our differences.")

FIRST LADY SUMMIT

Rather: There was word from Washington that when President Reagan and Soviet leader Gorbachev hold their summit meeting in Geneva, it will not be the only Reagan-Gorbachev summit there. The two First Ladies will also hold person-to-person talks. Lesley Stahl has been told that Mrs. Reagan initiated some correspondence with Mrs. Gorbachev and that she has accepted Mrs. Reagan's invitation to get together in Geneva. (CBS-3)

MUBARAK

Mudd: On the eve of his address to the General Assembly, President Mubarak met with President Reagan in an effort to get the Middle East peace process moving. Administration officials said Mubarak again called on the U.S. to meet with representatives of the PLO. They said Mubarak stressed that the PLO had implicitly accepted the American requirement that it recognize Israel's right to exist. But an Administration official said we've never heard this from the PLO. (TV Coverage shows two leaders in the Oval Office.) (NBC-6)

ISRAEL/THATCHER

Mudd: Israel criticized PM Thatcher for inviting PLO representatives to meet with government officials in London. A formal protest was delivered to the British ambassador over the PLO contacts and over British arms deals with two Arab states -- Jordan and Saudi Arabia. (NBC-7)

VERNON WALTERS/SYRIA

Mudd: Marvin Kalb reports Ambassador Vernon Walters made a secret visit to Syria in an effort to gain the release of Rev. Weir. Walters met with President Assad for four hours. (NBC-8)

BLACK FAMILIES

CBS's Cassandra Clayton, in the first of a series on black Americans:
Today 2.5M black families, 3 out of 10, have made it into the middle class. The other kind of black family is fragmented, ravaged by poverty. The alarming side of what is happening to black families today is that 6 out of every 10 black children are being raised by their mothers -- alone. More than half of these female-headed families live below the poverty line.

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EDITORIALS/COLUMNISTS

PRESIDENT'S NEWS CONFERENCE

The Course of Arms Control -- "If President Reagan's most quotable comments on space weapons at his news conference are taken at face value, there is no likelihood that this fall's negotiations will advance arms control and put U.S.-Soviet relations on a more productive course.... One of the President's other comments was: 'There's a great deal of room for negotiation.' If that remark can be taken at face value, it means that although President Reagan is playing his hand close, as a negotiating tactic, he is going to agree to stop ASAT tests and circumscribe Star Wars research after all. As the U.S. position at Geneva emerges, it will be possible to tell if Reagan intends to pursue arms control or to wreck it."

(Boston Globe, 9/20)

Reagan Fails on AIDS Test -- "The President's statement on AIDS at his Tuesday night news conference was a lost opportunity, if not worse.... At the very least he could have said that he knew of no reason to distrust the findings of the medical community, which has put enormous resources and talent into the pursuit of answers about AIDS, and which is confident it knows how AIDS is contracted." (Dayton Daily News, 9/21)

CONCORD, NEW HAMPSHIRE

Tax And Social Purpose -- "When President Reagan returned to the road to sell his tax reform, it was no accident that he chose New Hampshire as the site of his speech. New Hampshire has no state income tax, no sales tax, relatively low property taxes. If Reagan had gone instead to neighboring Massachusetts, he would have been hooted out of the state.... It is beyond dispute that the Reagan tax proposal would favor -- greatly favor -- a New Hampshire resident over a Massachusetts resident in an identical economic situation." (Baltimore Evening Sun, 9/19)

Oratory At Concord -- "The crowds were large and cheerful, the weather was perfect, the speaker was ruddy-faced and eloquent -- it was great daytime television. President Reagan came to the capital of one of his favorite low-tax states yesterday, pledging not to rest 'until the federal government looks more like New Hampshire.' ... In prudent thrifty, pay-as-you-go New Hampshire, taxpayers know that federal budget deficits cannot be paid on a credit card." (Boston Globe, 9/19)

MOZAMBIQUE

Courting Mozambique -- "The U.S. is supplying Mozambique with \$40 million in nonmilitary assistance this year, and President Machel wants more. As long as he demonstrates by word and deed that he wants to be helpful to U.S. interests in Africa and that he wants to continue to move away from Soviet influence, aid to Mozambique will be money well spent -- and worth a little ideological discomfort for Mr. Reagan. Moving Mozambique out of the Soviet orbit and toward increasingly friendly relations with the U.S. would be a foreign-policy coup..."

(Dallas Times Herald, 9/20)

(Editorials/Columnists continued)

FEDERAL TAX REFORM

How It Fares, How Fair It Is -- "The irony is that our tax system is so complicated that to simplify it takes explaining. In fact, polls show that most people believe that they will face tax increases under the President's plan, when the overwhelming majority will get tax cuts. Tax-reform advocates must do a better job showing the American people that they will pay a lower tax bill under the President's plan. Then families across America will respond enthusiastically to the President's 'fair share' tax plan.... The integrity of the President's 'fair share' plan must be protected. (Rep. Jack Kemp, Los Angeles Times, 9/22)

Define Public Interest Over Loophole Interest -- "It's true, I am bullish on tax reform because I share President Reagan's optimism that 1985 will be the year for much lower tax rates and far fewer loopholes -- even if we don't at all share agreement on specifics for legislation.... To pass both Houses of Congress, a tax-reform measure must meet three criteria: First, it must retain a progressive formula so that the burden on low-and middle-income families is not increased relative to the wealthiest Americans. Second, it must not increase the deficit. Third, it must offer the lowest possible tax rates to the greatest number of people. The President's plan, unfortunately, fails on all three counts." (Sen. Bill Bradley, Los Angeles Times, 9/22)

GENEVA SUMMIT

A Test for Gorbachev Reforms -- "There are (two) thoughts for the Reagan Administration as it prepares for Geneva. First, without sacrificing American interests, it may be possible to support Gorbachev's internal efforts. In these policies, more than in any expectation that Russian politics can be transformed, lies hope for a more relaxed Soviet foreign policy. Second, the foreign factor has been and remains critical to Russian reform. Right now, the Reagan Administration is the most important foreign factor in the Russian political mix, and so it has a special responsibility to behave with restraint and maturity. History teaches us that America and the world have paid heavily for earlier failures of reform in Russia. We may not have another 'last chance' in a nuclear age." (Ralph Buultjens, Denver Post, 9/14)

...And A Lot At Stake For Reagan -- "This is not the first time that Reagan has seemed politically fragile. In the past he has always recovered. The man has a genius for pulling rabbits out of improbable hats. This season's most likely rabbit, of course, is the summit with Soviet leader Gorbachev. A successful summit would restore Reagan instantly to the glow of political health. But Reagan is very likely to come away empty-handed. Though Gorbachev and Reagan share a substantial political interest in arms agreement, Reagan has so boxed himself in with the Star Wars project that no successful summit agreement is likely." (Bob Kuttner, Boston Globe, 9/20)

(Editorials/Columnists continued)

GENEVA SUMMIT

Slippery Slopes 1 & 2 -- "President Reagan is asking Moscow to accept promises he would not accept in reverse. Washington would never -- ever -- trust the Soviets to share cutting-edge military technology, nor have faith in the Kremlin's altruism regarding such a project, nor believe that such science has no offensive intent, nor accept that the commitments of one leadership will hold for future ones. In that way, the President constructs a slippery slope of rhetoric. In order to prove his determination, he strains nuclear relations exponentially. Like cheap trade rhetoric, this is hard talk that becomes more useless with each utterance."
(Cleveland Plain Dealer, 9/19)

LEBANESE HOSTAGES

Toughing It Out -- "The Shiite thugs holding six American hostage in Lebanon have shown again that terrorists know no bounds when it comes to cruelty.... Thus the Administration has no choice but to keep doing what by all indications it is doing now: Work through diplomatic channels to secure the hostages' release, and through intelligence channels (if we still have any) to find those responsible and target them for retaliation. Even that may not deter such creatures. But at least it won't encourage them."
(Dallas Morning News, 9/21)

Talk To Anybody -- If It'll Free Hostages -- "We should be willing to meet for informal, behind-the-scenes talks with anyone who can help win the hostages' release. Rather than close the doors that could lead to freedom, we must open them.... Negotiations succeeded in the TWA hostage crisis; they can succeed again. We must rely on quiet, persistent diplomacy, not macho bluster that could backfire."
(USA Today, 9/23)

A Hostage Comes Home -- "In the meantime, the Reagan Administration must keep trying, through intermediaries, to release the remaining six American hostages. Rev. (Benjamin) Weir urged a more creative approach, and we hope his counsel is taken. Quiet, patient diplomacy is the answer, not a war of words."
(Hartford Courant, 9/23)

Rev. Weir And The Terrorists -- "It's clear that Americans are pleased to welcome Weir back home. And undoubtedly they share his desire for safe and speedy release of the other six Americans still being held. But it is also clear that most Americans will not join Weir in urging the President to secure the release of the remaining American hostages by bowing to the demands of the terrorists. Generally, the public supports the President's position that it would be self-defeating and dangerous for the United States to cave in to terrorist demands because to do so would legitimize such tactics...."
(James G. Wieghart, Chicago Tribune, 9/21)

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