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# News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, SEPTEMBER 25, 1985 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### TRIP NEWS

Reagan Brings Crusade To East Tennessee -- President Reagan called for East Tennesseans to support "justice and fairness" by pressing Congress to back his tax reform package. (Knoxville News Sentinal)

### INTERNATIONAL NEWS

Moscow Minister Condemns Star Wars at U.N. -- Soviet Foreign Minister Shevardnadze charged Tuesday that the American "Star Wars" program is an ill-advised attempt "to gain military superiority in the nuclear age."

(Washington Post, Washington Times,  
Baltimore Sun, New York Times, AP, UPI, Reuter)

### NATIONAL NEWS

Poll: Most Americans Disagree With The Administration's Trade Policy And Want Congress To Impose Import Barriers -- By 49 to 43 percent, Americans believe the government should preserve U.S. jobs by imposing taxes and limits on foreign imports, even if it translates into higher prices. (Washington Post-ABC News)

### NETWORK NEWS (Tuesday Evening)

MEXICO CITY -- Six days after the Mexican earthquake, the toll in death, damage and devastation climbs. There are now officially 10,000 dead.

### PRESIDENT/TAX REFORM TRIP

ATHENS, TN -- The President took to the road and said his tax plan would create 4 million new jobs nationwide.

SOVIETS -- Foreign Minister says Russians want "Star Peace," not "Star Wars."

#### ON PROTECTIONISM

"The call for protectionist solutions presupposes an assignment of blame for the trade deficit that may be self-evident to executives in afflicted industries but is decidedly less obvious to the public (or even, apparently, the business community at large)."

(The Polling Report, September 1, 1985  
Comment on July CBS News/NYTimes survey  
on protectionist attitudes)

## TRIP NEWS

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### TAX REFORM SPEECH

ATHENS, Tenn. (UPI) -- President Reagan said Tuesday his tax reform package will stimulate economic growth that will create almost 4 million new jobs and increase the income of each household by about \$600 a year.

Reagan said his struggle for revision of the tax code is "kind of drama with good guys and bad guys and even a damsel in distress." The President said the heroes are the citizens asking for tax justice; the villains are the special interests -- the "I got mine gang" -- and the damsel in distress is "a lass named Endless Economic Growth, who's tied to the tracks and struggling to break free."

Making his fifth foray from Washington to campaign for tax reform, the President spoke to an enthusiastic, flag-waving crowd of more than 10,000 crowded into Athens' picturesque town square.

Following his 15-minute address, local officials presented Reagan -- an avid horseman -- with a locally-made western saddle on which was emblazoned the words "Saddle up for tax reform."

Although the crowd was overwhelmingly favorable to the President, there was a sprinkling of protestors. A group of National Organization for Women members listened to the speech wearing Bozo buttons and waving pro-choice signs.

Earlier in the day, Reagan participated in a 50-minute symposium at the University of Tennessee in Knoxville on economic development resulting from cooperation between private industry, the government and university research centers. Reagan said he was fascinated by what he had heard.

Sign-carrying protestors and Reagan supporters mingled peacefully in the crowd outside the University Center where the symposium was held.

### REAGAN BRINGS CRUSADE TO E.T. (East Tennessee)

#### Public Help Sought to Junk 'Unfair' Tax

President Reagan called for East Tennesseans to support "justice and fairness" by pressing Congress to back his tax reform package. Reagan...said in prepared remarks that special interest groups were opposing tax reform so he needed active support from the public to pass a bill. (Knoxville News Sentinal, Lead Story -- banner headline, A1)

### PRESIDENT RAPS EFFORTS TO RESTRAIN TRADE

President Reagan, arriving at the University of Tennessee today to a cheering throng, criticized efforts to restrain world trade....

(News Sentinal, A1)

NOTE: The News Sentinal also ran a photo of the President with University of Tennessee Chancellor Jack Reese. There was also a story on a Secret Service complaint that a pedestrian overpass over the President's motorcade route had not been closed off.

TRIP NEWS (continued)

REAGAN USES TENNESSEE TRIP TO LINK TAX CUTS, HIGH TECH

KNOXVILLE -- President Reagan, making two stops in Tennessee to plug his tax overhaul program today, said misguided tax policies of the past two decades had "almost destroyed America's position as a high technology leader."  
(Nashville Banner, A1)

NOTE: The Banner also ran a photo of the President with the Mayor of Knoxville and Congressmen Quillen and Duncan on page A8. Also on page 8 was a story titled, "Athens Aglow Over President," which described preparations for the President's visit and said Mr. Reagan is the first president to visit the city since Franklin Roosevelt.

REAGAN: FEWER TAXES, NO TOMATOES

Reagan Reform Pitch Plays Well in Athens

ATHENS -- President Reagan came promising bigger incomes and deeper tax cuts, but he got a lukewarm reception Tuesday in this Republican stronghold of East Tennessee.

A crowd of roughly 13,000 waved American flags and cheered at the sight of the President on the steps of the McMinn County Courthouse. But four hours of waiting -- with no time out for lunch -- took its toll, and enthusiasm greatly waned.

U.T. Luncheon Memorable for Table Partners

President Reagan does not like tomatoes.

So, when caterers distributed the food for Tuesday's luncheon at the University of Tennessee, one salad plate was conspicuously lacking he fruit -- Reagan's. (The story goes on to explain a little about the Secret Service's role in the President's food preparation and includes interviews with some of those at the table.)  
(Knoxville Journal, A1)

NOTE: The Journal also ran a large color photo of the President at the podium and several pictures and smaller stories on the trip inside the paper.

REAGAN BRINGS TAX REFORM CRUSADE TO THE REAL AMERICA

ATHENS -- President Reagan carried his tax reform crusade here to "the real America" and likened it to an effort by the good guys to resume a "damsel in distress."

"Do you find our tax system to be utterly disgusting and demoralizing?" he asked a crowd of more than 10,000 outside the McMinn County Courthouse. "Yes," yelled the flag-waving crowd.

"Well I'm with you," Reagan said.  
(Nashville Tennessean, A1)

NOTE: The Tennessean also ran a color picture on page one with the President, holding the saddle saying, "Saddle up for tax reform," standing next to Rep. and Mrs. Duncan. The paper also ran a sidebar story picked up from the wires about the Secret Service's complaint that a pedestrian overpass over the President's motorcade route was not closed.

## INTERNATIONAL NEWS

### MOSCOW MINISTER CONDEMNS STAR WARS AT U.N.

UNITED NATIONS -- Soviet Foreign Minister Eduard Shevardnadze charged Tuesday that the American "Star Wars" program is an ill-advised attempt "to gain military superiority in the nuclear age" and proposed a "Star Peace" concept of international space cooperation as an alternative.

Shevardnadze is to meet in New York Wednesday with Secretary Shultz, who sat in the General Assembly chamber taking copious notes while his counterpart spoke. The Soviet is to meet President Reagan at the White House Friday. Don Oberdorfer, Washington Post, A1)

### Soviet Minister, At The U.N., Pushes A "Star Wars" Ban

Shevardnadze said his government was determined to reach an agreement with the United States that would ban space defense weapons as well as achieve "truly radical reductions" in existing nuclear arsenals.

(Bernard Gwertzman, New York Times, A1)

### Soviet Urges 'Star Peace' Plan In Space

But he gave no indication of any arms reduction proposals the Soviets might make at next month's summit, at the resumed Geneva negotiations or during his meetings with Secretary Shultz Wednesday and President Reagan on Friday. (Gilbert Lewthwaite, Baltimore Sun, A1)

### Moscow Escalates War of Words, Urges 'Star Peace,' not 'Star Wars'

Shevardnadze, raising the ante in the pre-summit war of words, Tuesday said that the American plan for a "star wars" defense could trigger a "nuclear catastrophe" and should be replaced by a program of "star peace."

In his address, the Soviet foreign minister said that "not a single twist in the arms race spiral was initiated by the Soviet Union" and asserted that Soviet actions were "only in response to other actions of the other side." (Bill Kritzerberg, Washington Times, A1)

### Soviets Coy On New Arms Proposals

U.S. officials agreed the tone of the address "was dramatically different" but said the substance was unchanged. "They still blame all the world's ills on the United States," said the (anonymous) official.

(Gregory Nokes, AP)

### HILL STUDY SAYS SOVIETS COULD THWART SDI

President Reagan's vision of an effective shield against a Soviet nuclear attack "does not appear feasible" without cooperation from the Russians, including agreed reductions in offensive nuclear weapons, according to a study released Tuesday by the Congressional Office of Technology Assessment. (Walter Pincus, Washington Post, A1)

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Arms Controls Seen Needed If 'Star Wars' Is To Succeed

"Assured survival of the U.S. population seems impossible to achieve if the Soviets are determined to deny it to us," the 320-page report concluded.  
(Walter Andrews, Washington Times, A2)

REAGAN PREFERS DEEPER ARMS CUT

KNOXVILLE, TN -- President Reagan said today he would like to see the United States and the Soviet Union reduce their arsenal of strategic nuclear missiles and warheads by more than 40 percent but emphasized he was not rejecting any prospective Soviet offer.

The President declined to react to a proposal made Wednesday by Shevardnadze at the United Nations for a "Star Peace" instead of "Star Wars."  
(Lou Cannon, Washington Post, A9)

NUMBER 5 MAN FOR KGB NOW SINGING TO CIA?

A highly placed official in the KGB hierarchy is reported to have defected to the West in what may prove to be a far more devastating blow to the Soviet espionage network than the recent defection of the KGB London station chief.

Vitaly Dzhurtchenko dropped from sight in Rome on July 24 and is believed to be supplying the CIA with identities of scores of agents and disinformation specialists. This defection, say Western sources, may explain the recent frenzy and turmoil in European espionage circles.

(Washington Times, A1)

KEY U.S. DIPLOMAT VISITED SYRIA IN BID TO FREE AMERICAN HOSTAGES

U.N. Ambassador Vernon Walters traveled to Syria in an effort to gain the release of the seven American hostages held in Lebanon, Administration officials said yesterday.

"He was in Damascus as a Presidential emissary regarding the hostages," said an Administration official, who could not confirm when Mr. Walters traveled to Syria.  
(Charles Wheeler, Washington Times, 7A)

WHITE HOUSE EYES VOLCKER FOR WORLD BANK PRESIDENCY

Top Reagan Administration officials have begun to wonder whether Federal Reserve Board Chairman Paul Volcker would be willing to become President of the World Bank, succeeding A.W. (Tom) Clausen, whose term expires next year, officials said yesterday.

It could not be learned whether administration officials have asked Volcker directly about the World Bank position.

(David Hoffman, Washington Post, A1)

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### MEXICAN INDUSTRIALISTS ASK DEBT PAYMENT RELIEF

MEXICO CITY -- Workmen with wrecking balls and bulldozers attacked rubble heaps in Mexico City's most devastated neighborhoods today and the country's private industry group appealed for a year-long suspension of interest payments on the Mexican debt.

(Edward Cody, Washington Post, A19)

### SOVIETS TAKE CONTROL OF ANGOLA CIVIL WAR AGAINST REBEL FORCES

JOHANNESBURG -- Soviet officers have taken direct control for the first time in Angola's civil war, using new tactics to coordinate ground, artillery and air attacks against the UNITA guerrilla movement of Jonas Savimbi, sources here report. (Michael Sullivan, Washington Times, A1)

### AMERICANS BACK S. AFRICA'S BLACKS

Americans overwhelmingly support the black majority seeking equality in South Africa but are divided about President Reagan's handling of U.S. relations South Africa, according to a new Washington Post-ABC News poll.

Asked about President Reagan's handling of relations with South Africa, 44 percent said they approved, and 43 percent said they disapproved.

(David Hoffman, Washington Post, A28)

### BOTH SIDES IN S. AFRICA SEE U.S. AS INFLUENTIAL

JOHANNESBURG -- "(Young activists) complain that the United States is supporting the South African government," an American diplomat recalled recently. "And they say we could make apartheid end if we would just use our power."

(Louis Nel, the S. African deputy minister of information, bemoaned the limited economic sanctions President Reagan ordered against South Africa, saying the measures would cost jobs and set a bad precedent for other western nations.

(Glenn Frankel, Washington Post, A25)

### SOVIETS BUYING MORE U.S. CORN, HOLDING OFF ON WHEAT

The Agriculture Department says the Soviet Union has bought more corn from the United States but is still holding off on buying more wheat.

An additional 200,000 metric tons of U.S. corn -- about 7.9 million bushels -- was bought for delivery in the year that will begin on October 1, the department said Tuesday. (AP)

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## NATIONAL NEWS

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### GOP CAUCUS, POLL BATTER TAX OVERHAUL

ATHENS, TN -- President Reagan tried again today to revive lagging public interest in his tax overhaul proposal, but a new Washington Post-ABC News poll indicates that the President's efforts so far have not been successful.

And in part reflecting the lack of public pressure for overhaul of the tax code, Senate Republicans, meeting in a closed caucus, voted overwhelmingly against attempting to pass tax revision this year, even if it means remaining in session through December to do so.

In Tennessee, on one of a series of tax-revision promotion trips Reagan has given since Labor Day, the President warned that the economy is likely to turn sour unless the tax proposal is approved.

The Presidential rhetoric, however, does not seem to have dented public attitude on tax overhaul. The poll showed an even split among those who favor and oppose Reagan's proposal, 22 percent on each side. 56 percent of those polled didn't know enough about the plan to have an opinion or were undecided.

(Lou Cannon and Helen Dewar, Washington Post, A3)

### Tax Plan's Timing Defended

President Reagan defended the timing of his tax reform plan here yesterday, predicting that it will reduce the federal deficit by stimulating economic growth and discouraging tax evasion.

Administration officials have said the President's tax plan is revenue neutral ... but Mr. Reagan broke with that basic contention yesterday, citing new figures from his Council of Economic Advisers that show the federal government could reap more revenue from expanded economic growth.

(Mary Belcher, Washington Times, A3)

### Reagan Takes Tax Reform Roadshow To Rural Area

President Reagan is using a new pitch in his tax reform crusade, saying his plan would rescue "a damsel in distress ... named endless economic growth, who's tied to the tracks and struggling to break free."

"The truth is our tax plan will ultimately bring a lot more money into the government," Reagan declared Tuesday as he brought his 4-month-old tax reform roadshow to rural Tennessee.

(Norman Sandler, UPI)

### TRADE MOMENTUM SLOWED IN CONGRESS

President Reagan may have diffused a political bombshell when he promised tougher action against unfair trade practices. But trade issues continue to generate plenty of fireworks on Capitol Hill.

(Julia Malone, Christian Science Monitor, 1)



## REAGAN BUDGET POLICIES BLASTED ON BOTH SIDES

President Reagan's budget policies drew new bipartisan fire Tuesday as an influential joined Democrats in suggesting that the Administration deliberately fosters high deficits in order to "bleed" domestic spending programs.

At a Senate hearing on confirmation of James Miller as (OMB director), Sen. Durenberger (R.-MN) said he is coming "dangerously close" to ascribing to the theory that "there is some deliberate intention to use deficits ... to get us to denationalize the financing of public services."

(Helen Dewar, Washington Post, A2)

## POLL: MOST AMERICANS DISAGREE WITH THE ADMINISTRATION'S TRADE POLICY AND WANT CONGRESS TO IMPOSE IMPORT BARRIERS

The telephone poll, conducted September 19-23, also found that for the first time since January 1983, more Americans were pessimistic than optimistic about the economy's outlook.

By 49 to 43 percent, Americans believe the government should preserve U.S. jobs by imposing taxes and limits on foreign imports, even if it translates into higher prices. (AP)

## TOXIC-WASTE COMPENSATION PLAN REJECTED

The Senate, struggling to complete work on the Superfund toxic-waste cleanup law, Tuesday rejected an experimental project to compensate victims of exposure to hazardous waste.

The project was deleted from the bill, 49 to 45, after opponents argued that the \$30-million-a-year experiment would quickly outstrip the government's ability to pay for it.

(Cass Peterson, Washington Post, A5)

## Senate Nixes Superfund Tax

By a voice vote, lawmakers passed the resolution that instructs Senate leaders to find a "reliable financing mechanism" other than the controversial value-added tax, similar to a national sales tax, that would be imposed on large manufacturers in the original bill.

(Christopher Simpson, Washington Times, A4)

## WEINBERGER UNWILLING TO WIELD KNIFE ON PENTAGON'S BUDGET

Secretary Weinberger is serving notice that he is not yet ready to play Cap the Knife when it comes to the defense budget.

The military services have been told to anticipate slower growth in the next few years and to trim their weapons' wish lists substantially. A Weinberger deputy said the Secretary has "seen the handwriting on the wall" about more modest Pentagon budgets in the future but is loathe to capitulate without protest -- particularly since defense hardliners in Congress are seeking reassurance that he has not surrendered in the fight.

(George Wilson, Michael Weisskopf, Washington Post, A9)

## 8 HHS OFFICIALS VIEWED AS HOLDING JOBS ILLEGALLY

At least eight top officials of the Health and Human Services Department may be holding their jobs illegally because the White House failed to send nominations to Congress, Sen. Proxmire (D.-WI) said Tuesday.

HHS press officer Claire del Real said the department is following the same practices as all other government agencies. "We believe that all HHS officials carrying out the Secretary's duties are legally holding their jobs."

(Spencer Rich, Washington Post, A21)

### Proxmire Says Human Services Officials Illegally Holding Appointments

Proxmire said he was asking the U.S. Comptroller General for a definitive ruling.

(William Kronholm, AP)

## REAGAN TAX PLAN WOULD BOOST ECONOMY AND ADD JOBS, WHITE HOUSE REPORT SAYS

The White House released a study contending that President Reagan's tax overhaul proposal would significantly boost the economy and add millions of new jobs. Some private analysts dismissed the report as too optimistic.

(Laurie McGinley and Jane Mayer, Wall Street Journal, 60)

## EAGLETON THREATENING TO STALL NOMINATION OF BUDGET DIRECTOR

Sen. Thomas Eagleton (D.-MO) is threatening to hold up a Senate vote on the nomination of James Miller (to be OMB director) in a dispute over a controversial Reagan Administration proposal to do away with minority hiring goals for government contractors.

The clash between Miller and Eagleton was the only hitch to the expected confirmation of the conservative economist.

(Tom Raum, AP)

## ADMINISTRATION TRYING TO DELAY ACID RAIN CURBS DESPITE COURT ORDER

The Reagan administration is trying to delay action on reducing acid rain despite acknowledgement by its chief envoy that the airborne pollution "is a problem" and even though a court has ordered new regulations within a year.

The Justice Department and the EPA on Tuesday appealed a federal court order giving EPA nine months to begin controlling smokestack pollution from electric power plants in the midwest.

(Mott Yancey, AP)

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## NETWORK NEWS SUMMARY

(Tuesday Evening, September 24, 1985)

### MEXICO CITY

CBS's Dan Rather: Six days after the terrible Mexican earthquake, the toll in death, damage and devastation climbs. There are now officially 4,160 dead. There are now unofficially at least 10,000 dead, 1M more Mexicans left jobless, 350,000 new homeless, 7,000 buildings damaged or destroyed. (ALL NETS LEAD)

NBC's Robin Lloyd reports that eleven Americans are still missing in the rubble.

NBC's Tom Brokaw reports President de la Madrid is plainly worried that all of these earthquake stories will keep American tourists from his country this winter. de la Madrid was eager to point out that Mexico's resort areas were largely undamaged. But he also said this latest economic crisis will drive even more of his countrymen across the border into the U.S., legally or illegally.

### PRESIDENT'S TRIP/TRADE

Rather: President Reagan again pressed his attacks against Congress, campaigning for his brand of federal tax system overhaul. He took it on the road to Tennessee and said his tax plan would create 4M new jobs nationwide. But a lot of the talk in a lot of places, and especially in Tennessee, isn't about the new jobs to be had from tax overhaul; it's about the old jobs going abroad by the thousands because of trade policy.

CBS's Lesley Stahl: (TV Coverage: President de-planing in Tennessee.)

The President came to the sun belt of Tennessee, an area Republicans have been raiding away from the Democrats. But the sun belt is textile country, where more than 200 mills have closed down since 1980 because of foreign imports. The President came here to plug tax reform, not to debate the trade issue, which appears to be turning many free-trade Southerners into protectionists.

(TV Coverage: President holds up model saddle that says, "Saddle up for tax reform.")

This factory makes baby booties. (TV Coverage shows busy factory.)

But Korean textile workers copy their designs and flood the U.S. market.

(Textile worker: "I've worked here when we had worked more than 10 hours a day, six days a week or more. And right now we're down to four days a week and I think it hurts everybody in here.")

(Factory owner: "I think a stampede toward protectionism is much better than a stampede of American jobs leaving this country, which the President with his present policies is leading.")

Twenty-seven miles away, the President was greeted warmly at a rally, where he talked tax reform and the economic recovery.

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U.S. CANCELS INVITATION SENT TO WRONG FILIPINO

Defense Department officials, in an embarrassing about-face, withdrew an invitation to Phillipine Gen. Fabian Ver Tuesday to a retirement ceremony for the outgoing chairman of the Joint Chiefs of Staff. "We originally issued an invitation to Gen. Ver, but our intent was to invite Lt. Gen. Ramos," said a spokesman for the office of the Joint Chiefs. (Lena Sun, Washington Post, A25)

EDITOR'S NOTE: On page A4 of the Washington Post is a news analysis entitled, Twisting the Twisted Path of Reagan's Income Tax Revision Plan.

Also, on page A1 is the fourth and last article in a series of the influence of the conservative movement in the Reagan Administration. It is entitled, Dual Approach to Enduring Power.

-end of A-Section-

(Tuesday Evening, September 24, 1985)

Stahl continues: (TV Coverage: Crowd applauds President, waves flags.)

(President: "Our economy, the American economy has never been stronger, never been bigger, and never been better.")

The President did not address the issues of foreign imports or loss of American jobs. But the Democrats see the trade issue, with an emphasis on jobs, as a way to win Southern whites back to their fold.

(Rep. Coelho: "The President is turning over the issue of security of jobs, security of industry, the macho-ness of this to the Democratic Party. We love it. We're taking it.")

Reagan Administration supporters argue the issue could backfire.

(Joseph O'Neill of the American Retail Federation: "Whatever jobs you gain by protecting one particular sector of the industry in this country, you're obviously going to have a secondary effect where other industries will lose jobs as a result of that kind of protectionism.")

Tennessee continues to lose textile jobs, but it's fighting back. Not by keeping the foreigners out, but by bringing them in; their factories and their techniques. Since the 1970s, 19,000 new manufacturing jobs. (CBS-8)

#### PRESIDENT'S TRIP/ARMS CONTROL

Rather: The Soviet Union came on strong with yet another new, improved P.R. campaign for its version of what it called arms control, and a new spokesman pitching a new slogan. Something called "star peace," as opposed to President Reagan's "star wars." And President Reagan found himself in the position of commenting on a Soviet proposal that hasn't even officially been proposed yet.

CBS's Bill McLaughlin: The new men in Moscow have discovered Madison Avenue. And today one of them, FM Shevardnadze, brought the Kremlin's new look in public relations to the U.N. To an audience that included Secretary Shultz, Shevardnadze gave a speech largely composed of old ideas. But the packaging was brand new. There was a gloss, a tone, a style that was light years away from the traditional Soviet Cold War rhetoric. It even brought a catchy new proposal:

(Shevardnadze, through translator: "To counter the sinister plans of star wars, the Soviet Union is placing before the international community the concept of star peace.")

Immediately after the speech, the Soviets kept up the propaganda barrage by holding a news conference to propose the creation of an international space agency, a kind of inter-stellar U.N. A senior Administration official dismissed the star peace idea, saying the Soviets may have "really out-P.R'ed themselves this time trying to think up that one. It's really hokey." But other U.S. officials admit the Soviet P.R. campaign has caught them off balance. On a trip to Tennessee today, President Reagan heatedly pointed out that despite Soviet hints and leaks, they have so far made no formal proposal to cut offensive missiles.

(Tuesday Evening, September 24, 1985)

McLaughlin continues: (President: "Our goal, if we can make it, would be total elimination. But we are perfectly prepared to take whatever mutual reductions we can get with the idea of eventually getting there.")

Soviet sources say the only way they'll agree to deep cuts in offensive missiles is in exchange for very tight restraints on President Reagan's defense system. And that would confront Mr. Reagan with one of the toughest choices of his presidency so far: whether to put limits on his dream of star wars. (CBS-3)

ABC's John McWethy: Though there are hints from all over the world that he carries the outlines of a new Soviet arms control proposal to show to President Reagan on Friday, today before the U.N. General Assembly, Shevardnadze did not tip his hand. He focused predictably on President Reagan's star wars defense proposal, saying if it is built it could easily be used to attack the Soviet Union.

(Shevardnadze, through translator: "It is obvious that in such a case the President might be tempted to deliver or threaten to deliver a first disarming nuclear strike. This is precisely the purpose of the new U.S. military programs.")

Though Shevardnadze was not in the audience yesterday for Secretary Shultz's speech, interpreted as a mild snub, Shultz was there for every word of the new Soviet foreign minister today, including the charges that the U.S. is not serious about arms control talks. All in all, Shevardnadze's speech was regarded as tough, but not nearly as antagonistic as the one delivered by his predecessor, Andrei Gromyko. Last year, Shultz reacted with anger to Gromyko's speech. This year he was all smiles, and so was Shevardnadze. But is Shevardnadze carrying a new Soviet arms control proposal? In Geneva, Max Kampelman told ABC's Rick Inderfurth it appears Shevardnadze does have something new to show President Reagan on Friday.

(Kampelman: "We don't know for certain, but that's our understanding of it and we certainly hope so.")

Tomorrow, Shultz and Shevardnadze meet in private but both sides are expected to continue their public posturing, with the Reagan Administration saying the road to peace is through development of the President's star wars defense plan and the Soviets pushing their proposal to ban weapons in space, a proposal they have now dubbed "star peace." (ABC-3)

ABC's Sam Donaldson: (TV Coverage: President de-planing in Tennessee.)

President Reagan, on the road in Tennessee, did his best to field the Shevardnadze fastball of a yet untabled Soviet proposal for a 40% strategic weapons cut.

(Reporter to President at airfield: "Think it's a good idea?" President: "It would be a better idea if it was more." Reporter asks if the President will be discussing it in his meeting with Shevardnadze. President: "I'm quite sure we will.")

Those comments seemed innocuous enough, but White House strategists are concerned that in the wake of Mr. Reagan's hard press conference statement that star wars research is non-negotiable, he not appear to be totally inflexible.



(Tuesday Evening, September 24, 1985)

Donaldson continues: But later today, after he delivered another speech on tax reform to a cheering crowd in Athens, Tennessee -- (TV Coverage shows cheering, flag-waving crowd.) -- the President's advisers (TV Coverage shows Donald Regan.) suggested he clarify the record.

(President: "First of all, we have received no proposal officially of a 40% cut as I was asked about. But I was not turning down any offer. We've received no offer." Reporter: " -- you think of this 'star peace' slogan that he's -- ?" President: "That again, I've just heard that it was said in a speech. I'll wait until we get together and I hear exactly what they're talking about.")

U.S. officials complain that what the Soviets seem to be doing is trying to make propaganda points, not seriously negotiating, and that may very well may be so. But whatever the Soviets are doing, it seems to have put the Administration off balance. In the propaganda war, President Reagan has yet to find his voice. (ABC-4)

NBC's Chris Wallace: The propaganda war leading to the U.S.-Soviet summit escalated today, and once again the Soviets were on the offensive.

(TV Coverage: Split screen, with President Reagan speaking on the left and FM Shevardnadze on the right.)

Addressing the U.N. General Assembly, new FM Shevardnadze attacked the President's star wars defense plan with a flourish worthy of the Great Communicator himself.

(Shevardnadze: "To counter the sinister plans of star wars, the Soviet Union is placing before the international community the concept of 'star peace.'")

Shevardnadze said the American plan to militarize space is blocking an arms control agreement. And he also denied charges the Soviets won't negotiate.

(Shevardnadze: "The Soviet delegation has brought to the current round of negotiations substantial, large-scale and far-reaching proposals.")

To bolster their case, the Soviets have leaked stories that Shevardnadze will propose big arms cuts when he meets with Mr. Reagan and Secretary Shultz this week, a 40% cut in missiles and warheads if the U.S. limits star wars. Once again, the President had to scramble to catch up with a Soviet public relations effort. As he arrived in Tennessee to push tax reform, the President was asked about his idea of a 40% arms cut.

(President at airfield: "It would be a better idea if it was more.")

Later, after Shevardnadze's speech, top officials dismissed the "star peace" phrase as hokey. But the President didn't want to go too far, insisting he wasn't turning down Shevardnadze before they even meet.

(President: "I was not turning down any offer. We've received no offer.")

So the sniping over star wars continues, with time now running out before the Reagan-Gorbachev summit in November. The meetings this week will likely determine whether the two sides use what time is left to keep sniping or start dealing. (NBC-6)

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(Tuesday Evening, September 24, 1985)

## POLLS

ABC's Peter Jennings: A new ABC News-Washington Post poll shows President Reagan continues to get high marks for his handling of Soviet-American affairs. The public approves of the President's approach by a margin of 2-1. (ABC-5)

Jennings: For the first time in 2 1/2 years, more Americans are pessimistic about the future than optimistic. Only 27% think the economy is improving. 32% think it's getting worse. And the President is losing support for his tax reform program. 56% are now undecided about tax reform. The rest are evenly split. (ABC-10)

## CONSUMER PRICES/ECONOMY

Rather: The Labor Department reported that for the fourth straight month, the Consumer Price Index rose just 0.2% in August. That put inflation for the first eight months of the year at an annual rate of 3.3%, pointing to prospects of a 1985 inflation rate which could be the lowest in almost 20 years. The report said that while housing costs in August were up sharply, grocery and energy costs fell. (CBS-10)

ABC's Dan Cordtz: Most economists are confident that inflation is firmly under control. But the experts were not so impressed by today's news that factory orders for durable goods shot up 3.4% last month. The August jump was largely confined to the auto industry, whose sales have been artificially inflated by cut-rate financing and price discounts on 1985 models. So some economists are skeptical that the recent rebound will last.

On foreign currency exchanges, the dollar staged a modest comeback, with experts divided over whether it will fall enough to help close the foreign trade gap. (ABC-9)

## AIDS/U.S. MILITARY

CBS's David Martin: Defense Department officials told CBS News the Pentagon had decided to screen for AIDS all servicemen going overseas. Officials say the decision is a first step towards screening all of the more than 2M active duty personnel, and reflects Pentagon concern that AIDS is an even greater threat to the military than to the general population. There have been about 100 confirmed cases of AIDS in the military, but researchers at Walter Reed Hospital predict the Army alone will discover 1,000 new cases next year. The Army's chief of staff is said to be concerned about the threat of AIDS that he wants to screen all civilians working for the Army as well. If present policy holds, AIDS victims who admit to homosexuality will be discharged, but victims who insist they have had only heterosexual contacts will be cared for by the military. And that, officials warn, could bankrupt the medical system. (CBS-2)

(Tuesday Evening, September 24, 1985)

#### HELATH CARE COSTS

CBS's Bill Redeker, in the first of a three-part series on trouble in the American medical system, reports on fighting medical fraud. It is estimated that medical fraud, excessive billing, unnecessary hospitalization, unnecessary tests and procedures cost about \$100B a year -- one of every four dollars spent on health care in this country. (CBS-11)

#### ASPARTANE

Rather: A federal appeals court ruled 3-0 that the government followed correct procedures in approving aspartane, the low calorie sweetener marketed as Nutrasweet. (CBS-7)

#### BLACK AMERICA

NBC's Bob Abernathy reports one reason for the black underclass is the changing U.S. economy. With declining demand for the least skilled, unemployment for black men is more than double that for whites. Attitudes also are important. Bernard Lee is one of many black men untrained for jobs they want but unwilling to take jobs they consider demeaning. Well-intentioned government programs also may be part of the problem, programs such as Aid to Families with Dependent Children, which has forced men to leave home in many states so women could get checks. Job training is part of the answer, plus more jobs, plus much better education. But there's also a new awareness among blacks such as Robert Woodson that they must help themselves.

(Woodson: "But the solution has to come from us; that, as one person has said, the victimizer might have knocked us down, but it's the victim's responsibility to get up.") (NBC-9)

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## **EDITORIALS/COLUMNISTS**

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### **EXCHANGE RATES/PROTECTIONISM**

Those Exchange Rates -- "Don't get lost in the technicalities of the five governments' declaration about exchange rates.... The important thing -- and it is very important -- is the public declaration that something has gone seriously wrong and that the five strongest trading countries have a joint responsibility to do something about it. For the Reagan Administration, that represents quite a turnaround.... It will be no easier for the Japanese and Europeans to change direction than for the Americans to cut down their borrowing. But they have now taken the necessary first step. They have acknowledged that the exchange rates have come to a dangerous place and that it is the job of the five governments, working together, to restore a durable balance." (Washington Post, 9/24)

Reagan's Trade Offensive -- "The currency intervention plan is one side of a two-pronged new effort by the White House to get political control of the trade deficit debate now taking place within Congress and, increasingly, among the American public. The second part of the Administration's initiative came (Monday), when Mr. Reagan announced a series of limited steps designed to open up overseas markets to U.S. exports, while avoiding any actions to protect domestic industries hard hit by lost sales abroad. Mr. Reagan's words were tough.... But at the same time, he repeated his opposition to protectionist measures designed to penalize other trading partners of the U.S.... The Reagan Administration must bend every effort to prevent enactment of trade legislation that could have the effect of seriously inhibiting global commerce."

(Christian Science Monitor, 9/24)

Dollar May Be Down, But Our Problems Are Not Out -- "Secretary James Baker's assault on the world's currency markets has already had two results -- it has knocked the dollar down by about 5 percent in one day, and it has made us remember just who James Baker is.... Baker's success was due to his use of surprise. Now he has used it, we will return to the world we were already inhabiting. That was, and is, a world of slow U.S. economic growth; of a dollar declining naturally in response to worldwide disappointment at Washington's inability to grapple with its problems -- its huge budget deficits, still too much government, still too much taxation, too high interest rates, and far too much debt." (New York Post, 9/24)

Weakening The Dollar Is Not Enough -- "President Reagan has belatedly recognized that protectionist sentiment in Congress may be stronger than his veto power. Shoring up the veto is the purpose of his new attacks against the high-priced dollar and unfair foreign competition. Both efforts mark a change of policy. Both can be helpful. Both continue to address symptoms rather than causes of America's painful trade imbalance and loss of manufacturing jobs.... Until the President and Congress attack the budget deficit, by cutting spending and raising some taxes, their tilting at trade imbalances will not suffice, or protect them from the wrath of hard-hit American industries." (New York Times, 9/24)

## HOSTAGES AND TERRORISM

Weir's Message and Shultz' Doctrine -- "Secretary Shultz outlined a perfectly sensible anti-terrorist doctrine a year ago. In forceful, elegant language, he stated categorically the U.S. must never be indecisive in opposing enemies of our civilization and we should never hesitate to use appropriate force to achieve our aims.... There may have been very good reasons, after the release of the TWA hostages, not to strike at those involved. But the doctrine itself must stand, frightening in its potential as well as its actual, if delayed, practice. Any sort of deal will undercut it, leaving the pirates and their patrons with a yet firmer grasp of their bounty, the tragic, bloodied Middle East." (Detroit News, 9/23)

Release of Weir Merely First Step -- "The dilemma (Rev. Benjamin) Weir presents to the U.S. and other nations is age old: Civilized people are being pressured to release terrorists who do not hesitate to bomb targets of opportunity and slaughter innocent people in the name of their movement. In fact, the release of Weir, while greeted in some quarters as a humanitarian act, is a horrid form of terrorism. With his release came more threats of death.... There are few alternatives for civilized nations as long as the frightening process continues. One of them is pre-emptive action. Its use cannot be ruled out." (Milwaukee Sentinel, 9/20)

## PRESIDENT REAGAN

Second Term Thoughts -- "The 22nd Amendment puts into question the wisdom of the voters, and obscures the self-correcting element of democracy. It's worth remembering that of the eight presidents we've had since Roosevelt, only Truman, Eisenhower, Nixon and Reagan were re-elected to a second term. When a president does manage to stay on the crest of popularity in this country, as Reagan has, should not the people be allowed to entrust him with as many terms as they see fit?"

(Los Angeles Herald Examiner, 9/17)

Vibrant Reagan Meets the Challenge -- "Many of Washington's pundits think Reagan is on the run -- recently forced to cave in on South Africa, being chewed up by the special interests on tax reform, about to get steam-rolled by a protectionist tide. His cancer operation took the starch out of him, they say.... Maybe it's true, but don't bet on it. I went down to Washington last week for a White House briefing on tax and trade issues.... The Great Communicator's instincts and skills are obviously intact. It would be a mistake to pay too much attention to the armchair doomsayers who litter the Beltway."

(Thomas Bray, Detroit News, 9/22)

Pride Before the Fall -- "On a whole string of major issues -- trade toughness, farm assistance, tax reform, deficit reduction and middle-class benefit programs -- the President's own ideological insistence on free markets, slashed tax rates and minimal government puts him at loggerheads not just with Congress, but with the American people. Confrontation has also been building over foreign policy. The danger, for the President, is that Congress once again seems to be the branch of government most sensitive to grass-roots U.S. opinion, just as it was in 1937-38 and 1965-66. That's a turnabout the White House can't afford...."

(Kevin Phillips, Arizona Republic, 9/15)

## FOREIGN MEDIA REACTION

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### REAGAN TRADE SPEECH

A U-Turn..A Volte-Face -- "President Reagan's volte-face over intervention in the foreign exchange markets is his Administration's last ditch attempt to stem waves of protectionist legislation engulfing Capitol Hill.... The President's response is an undisguised U-turn.... But the real weakness of the President's measures is that there is nothing new to reduce the U.S. government's huge \$200 billion budget deficit."

(Guardian, Britain, 9/24)

Vibrant Ode To Freedom -- "President Reagan's trade statement was a vibrant ode to the freedom of international trade.... Regarding the dollar, the White House made an about-turn.... Under Congress' pressure...the President gave in.... The Reagan Administration has taken the initiative in its struggle for strength against Congress in order to thwart its protectionist projects."

(Figaro, France, 9/24)

Real Test For Dollar Still Ahead -- "The Reagan Administration is ready to resume America's leadership role in the world economy and, in its economic policy, take the difficulties of other countries into consideration...."

(Frankfurter Allgemeine, West Germany, 9/24)

Time To Lower The Flag -- "After claiming for four years the strength of the dollar as the emblem of his success, Reagan now declared that the time is ripe to lower the flag."

(La Repubblica, Italy, 9/24)

### SHULTZ SPEECH AT U.N.

Shultz Was Conciliatory -- "On the whole, Secretary Shultz' address was conciliatory.... Here, at the U.N. General Assembly, there is obvious confidence in improvements in U.S.-Soviet relations."

(TV-One, West Germany, 9/24)

Hard To Hope For A Successful Summit -- "Shultz' speech does not lead one to hope for a successful summit."

(Corriere della Sera, Italy, 9/24)

Speech 'Extremely Harsh' Toward USSR -- "All observers unanimously called Shultz' speech 'extremely harsh' toward the Soviet Union."

(La Repubblica, Italy, 9/24)

Shultz Speech Distorts Perspective -- "Going over to concrete questions of Soviet-U.S. relations, the Secretary of State discarded all claims to realism and presented them in a distorted perspective.... There was no 'realism' in his words either when he touched on the problem of terminating nuclear tests."

(Tass, Soviet Union, 9/23)





# News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, SEPTEMBER 25, 1985 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### TRIP NEWS

Reagan Brings Crusade To East Tennessee -- President Reagan called for East Tennesseans to support "justice and fairness" by pressing Congress to back his tax reform package. (Knoxville News Sentinal)

### INTERNATIONAL NEWS

Moscow Minister Condemns Star Wars at U.N. -- Soviet Foreign Minister Shevardnadze charged Tuesday that the American "Star Wars" program is an ill-advised attempt "to gain military superiority in the nuclear age."

(Washington Post, Washington Times, Baltimore Sun, New York Times, AP, UPI, Reuter)

### NATIONAL NEWS

Poll: Most Americans Disagree With The Administration's Trade Policy And Want Congress To Impose Import Barriers -- By 49 to 43 percent, Americans believe the government should preserve U.S. jobs by imposing taxes and limits on foreign imports, even if it translates into higher prices. (Washington Post-ABC News)

### NETWORK NEWS (Tuesday Evening)

MEXICO CITY -- Six days after the Mexican earthquake, the toll in death, damage and devastation climbs. There are now officially 10,000 dead.

### PRESIDENT/TAX REFORM TRIP

ATHENS, TN -- The President took to the road and said his tax plan would create 4 million new jobs nationwide.

SOVIETS -- Foreign Minister says Russians want "Star Peace," not "Star Wars."

#### ON PROTECTIONISM

"The call for protectionist solutions presupposes an assignment of blame for the trade deficit that may be self-evident to executives in afflicted industries but is decidedly less obvious to the public (or even, apparently, the business community at large)."

(The Polling Report, September 1, 1985  
Comment on July CBS News/NYTimes survey  
on protectionist attitudes)

## TRIP NEWS

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### TAX REFORM SPEECH

ATHENS, Tenn. (UPI) -- President Reagan said Tuesday his tax reform package will stimulate economic growth that will create almost 4 million new jobs and increase the income of each household by about \$600 a year.

Reagan said his struggle for revision of the tax code is "kind of drama with good guys and bad guys and even a damsel in distress." The President said the heroes are the citizens asking for tax justice; the villains are the special interests -- the "I got mine gang" -- and the damsel in distress is "a lass named Endless Economic Growth, who's tied to the tracks and struggling to break free."

Making his fifth foray from Washington to campaign for tax reform, the President spoke to an enthusiastic, flag-waving crowd of more than 10,000 crowded into Athens' picturesque town square.

Following his 15-minute address, local officials presented Reagan -- an avid horseman -- with a locally-made western saddle on which was emblazoned the words "Saddle up for tax reform."

Although the crowd was overwhelmingly favorable to the President, there was a sprinkling of protestors. A group of National Organization for Women members listened to the speech wearing Bozo buttons and waving pro-choice signs.

Earlier in the day, Reagan participated in a 50-minute symposium at the University of Tennessee in Knoxville on economic development resulting from cooperation between private industry, the government and university research centers. Reagan said he was fascinated by what he had heard.

Sign-carrying protestors and Reagan supporters mingled peacefully in the crowd outside the University Center where the symposium was held.

### REAGAN BRINGS CRUSADE TO E.T. (East Tennessee)

#### Public Help Sought to Junk 'Unfair' Tax

President Reagan called for East Tennesseans to support "justice and fairness" by pressing Congress to back his tax reform package. Reagan...said in prepared remarks that special interest groups were opposing tax reform so he needed active support from the public to pass a bill. (Knoxville News Sentinal, Lead Story -- banner headline, A1)

### PRESIDENT RAPS EFFORTS TO RESTRAIN TRADE

President Reagan, arriving at the University of Tennessee today to a cheering throng, criticized efforts to restrain world trade....

(News Sentinal, A1)

NOTE: The News Sentinal also ran a photo of the President with University of Tennessee Chancellor Jack Reese. There was also a story on a Secret Service complaint that a pedestrian overpass over the President's motorcade route had not been closed off.

TRIP NEWS (continued)

REAGAN USES TENNESSEE TRIP TO LINK TAX CUTS, HIGH TECH

KNOXVILLE -- President Reagan, making two stops in Tennessee to plug his tax overhaul program today, said misguided tax policies of the past two decades had "almost destroyed America's position as a high technology leader."  
(Nashville Banner, A1)

NOTE: The Banner also ran a photo of the President with the Mayor of Knoxville and Congressmen Quillen and Duncan on page A8. Also on page 8 was a story titled, "Athens Aglow Over President," which described preparations for the President's visit and said Mr. Reagan is the first president to visit the city since Franklin Roosevelt.

REAGAN: FEWER TAXES, NO TOMATOES

Reagan Reform Pitch Plays Well in Athens

ATHENS -- President Reagan came promising bigger incomes and deeper tax cuts, but he got a lukewarm reception Tuesday in this Republican stronghold of East Tennessee.

A crowd of roughly 13,000 waved American flags and cheered at the sight of the President on the steps of the McMinn County Courthouse. But four hours of waiting -- with no time out for lunch -- took its toll, and enthusiasm greatly waned.

U.T. Luncheon Memorable for Table Partners

President Reagan does not like tomatoes.

So, when caterers distributed the food for Tuesday's luncheon at the University of Tennessee, one salad plate was conspicuously lacking he fruit -- Reagan's. (The story goes on to explain a little about the Secret Service's role in the President's food preparation and includes interviews with some of those at the table.)  
(Knoxville Journal, A1)

NOTE: The Journal also ran a large color photo of the President at the podium and several pictures and smaller stories on the trip inside the paper.

REAGAN BRINGS TAX REFORM CRUSADE TO THE REAL AMERICA

ATHENS -- President Reagan carried his tax reform crusade here to "the real America" and likened it to an effort by the good guys to resume a "damsel in distress."

"Do you find our tax system to be utterly disgusting and demoralizing?" he asked a crowd of more than 10,000 outside the McMinn County Courthouse. "Yes," yelled the flag-waving crowd.

"Well I'm with you," Reagan said.  
(Nashville Tennessean, A1)

NOTE: The Tennessean also ran a color picture on page one with the President, holding the saddle saying, "Saddle up for tax reform," standing next to Rep. and Mrs. Duncan. The paper also ran a sidebar story picked up from the wires about the Secret Service's complaint that a pedestrian overpass over the President's motorcade route was not closed.

## **INTERNATIONAL NEWS**

### **MOSCOW MINISTER CONDEMNS STAR WARS AT U.N.**

UNITED NATIONS -- Soviet Foreign Minister Eduard Shevardnadze charged Tuesday that the American "Star Wars" program is an ill-advised attempt "to gain military superiority in the nuclear age" and proposed a "Star Peace" concept of international space cooperation as an alternative.

Shevardnadze is to meet in New York Wednesday with Secretary Shultz, who sat in the General Assembly chamber taking copious notes while his counterpart spoke. The Soviet is to meet President Reagan at the White House Friday.

Don Oberdorfer, Washington Post, A1)

### **Soviet Minister, At The U.N., Pushes A "Star Wars" Ban**

Shevardnadze said his government was determined to reach an agreement with the United States that would ban space defense weapons as well as achieve "truly radical reductions" in existing nuclear arsenals.

(Bernard Gwertzman, New York Times, A1)

### **Soviet Urges 'Star Peace' Plan In Space**

But he gave no indication of any arms reduction proposals the Soviets might make at next month's summit, at the resumed Geneva negotiations or during his meetings with Secretary Shultz Wednesday and President Reagan on Friday.

(Gilbert Lewthwaite, Baltimore Sun, A1)

### **Moscow Escalates War of Words, Urges 'Star Peace,' not 'Star Wars'**

Shevardnadze, raising the ante in the pre-summit war of words, Tuesday said that the American plan for a "star wars" defense could trigger a "nuclear catastrophe" and should be replaced by a program of "star peace."

In his address, the Soviet foreign minister said that "not a single twist in the arms race spiral was initiated by the Soviet Union" and asserted that Soviet actions were "only in response to other actions of the other side."

(Bill Kritzberg, Washington Times, A1)

### **Soviets Coy On New Arms Proposals**

U.S. officials agreed the tone of the address "was dramatically different" but said the substance was unchanged. "They still blame all the world's ills on the United States," said the (anonymous) official.

(Gregory Nokes, AP)

### **HILL STUDY SAYS SOVIETS COULD THWART SDI**

President Reagan's vision of an effective shield against a Soviet nuclear attack "does not appear feasible" without cooperation from the Russians, including agreed reductions in offensive nuclear weapons, according to a study released Tuesday by the Congressional Office of Technology Assessment.

(Walter Pincus, Washington Post, A1)

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### Arms Controls Seen Needed If 'Star Wars' Is To Succeed

"Assured survival of the U.S. population seems impossible to achieve if the Soviets are determined to deny it to us," the 320-page report concluded.

(Walter Andrews, Washington Times, A2)

### REAGAN PREFERS DEEPER ARMS CUT

KNOXVILLE, TN -- President Reagan said today he would like to see the United States and the Soviet Union reduce their arsenal of strategic nuclear missiles and warheads by more than 40 percent but emphasized he was not rejecting any prospective Soviet offer.

The President declined to react to a proposal made Wednesday by Shevardnadze at the United Nations for a "Star Peace" instead of "Star Wars."

(Lou Cannon, Washington Post, A9)

### NUMBER 5 MAN FOR KGB NOW SINGING TO CIA?

A highly placed official in the KGB hierarchy is reported to have defected to the West in what may prove to be a far more devastating blow to the Soviet espionage network than the recent defection of the KGB London station chief.

Vitaly Dzhurtchenko dropped from sight in Rome on July 24 and is believed to be supplying the CIA with identities of scores of agents and disinformation specialists. This defection, say Western sources, may explain the recent frenzy and turmoil in European espionage circles.

(Washington Times, A1)

### KEY U.S. DIPLOMAT VISITED SYRIA IN BID TO FREE AMERICAN HOSTAGES

U.N. Ambassador Vernon Walters traveled to Syria in an effort to gain the release of the seven American hostages held in Lebanon, Administration officials said yesterday.

"He was in Damascus as a Presidential emissary regarding the hostages," said an Administration official, who could not confirm when Mr. Walters traveled to Syria.

(Charles Wheeler, Washington Times, 7A)

### WHITE HOUSE EYES VOLCKER FOR WORLD BANK PRESIDENCY

Top Reagan Administration officials have begun to wonder whether Federal Reserve Board Chairman Paul Volcker would be willing to become President of the World Bank, succeeding A.W. (Tom) Clausen, whose term expires next year, officials said yesterday.

It could not be learned whether administration officials have asked Volcker directly about the World Bank position.

(David Hoffman, Washington Post, A1)

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### MEXICAN INDUSTRIALISTS ASK DEBT PAYMENT RELIEF

MEXICO CITY -- Workmen with wrecking balls and bulldozers attacked rubble heaps in Mexico City's most devastated neighborhoods today and the country's private industry group appealed for a year-long suspension of interest payments on the Mexican debt.

(Edward Cody, Washington Post, A19)

### SOVIETS TAKE CONTROL OF ANGOLA CIVIL WAR AGAINST REBEL FORCES

JOHANNESBURG -- Soviet officers have taken direct control for the first time in Angola's civil war, using new tactics to coordinate ground, artillery and air attacks against the UNITA guerrilla movement of Jonas Savimbi, sources here report. (Michael Sullivan, Washington Times, A1)

### AMERICANS BACK S. AFRICA'S BLACKS

Americans overwhelmingly support the black majority seeking equality in South Africa but are divided about President Reagan's handling of U.S. relations South Africa, according to a new Washington Post-ABC News poll.

Asked about President Reagan's handling of relations with South Africa, 44 percent said they approved, and 43 percent said they disapproved. (David Hoffman, Washington Post, A28)

### BOTH SIDES IN S. AFRICA SEE U.S. AS INFLUENTIAL

JOHANNESBURG -- "(Young activists) complain that the United States is supporting the South African government," an American diplomat recalled recently. "And they say we could make apartheid end if we would just use our power."

(Louis Nel, the S. African deputy minister of information, bemoaned the limited economic sanctions President Reagan ordered against South Africa, saying the measures would cost jobs and set a bad precedent for other western nations. (Glenn Frankel, Washington Post, A25)

### SOVIETS BUYING MORE U.S. CORN, HOLDING OFF ON WHEAT

The Agriculture Department says the Soviet Union has bought more corn from the United States but is still holding off on buying more wheat.

An additional 200,000 metric tons of U.S. corn -- about 7.9 million bushels -- was bought for delivery in the year that will begin on October 1, the department said Tuesday. (AP)

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## NATIONAL NEWS

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### GOP CAUCUS, POLL BATTER TAX OVERHAUL

ATHENS, TN -- President Reagan tried again today to revive lagging public interest in his tax overhaul proposal, but a new Washington Post-ABC News poll indicates that the President's efforts so far have not been successful.

And in part reflecting the lack of public pressure for overhaul of the tax code, Senate Republicans, meeting in a closed caucus, voted overwhelmingly against attempting to pass tax revision this year, even if it means remaining in session through December to do so.

In Tennessee, on one of a series of tax-revision promotion trips Reagan has given since Labor Day, the President warned that the economy is likely to turn sour unless the tax proposal is approved.

The Presidential rhetoric, however, does not seem to have dented public attitude on tax overhaul. The poll showed an even split among those who favor and oppose Reagan's proposal, 22 percent on each side. 56 percent of those polled didn't know enough about the plan to have an opinion or were undecided.

(Lou Cannon and Helen Dewar, Washington Post, A3)

### Tax Plan's Timing Defended

President Reagan defended the timing of his tax reform plan here yesterday, predicting that it will reduce the federal deficit by stimulating economic growth and discouraging tax evasion.

Administration officials have said the President's tax plan is revenue neutral ... but Mr. Reagan broke with that basic contention yesterday, citing new figures from his Council of Economic Advisers that show the federal government could reap more revenue from expanded economic growth.

(Mary Belcher, Washington Times, A3)

### Reagan Takes Tax Reform Roadshow To Rural Area

President Reagan is using a new pitch in his tax reform crusade, saying his plan would rescue "a damsel in distress ... named endless economic growth, who's tied to the tracks and struggling to break free."

"The truth is our tax plan will ultimately bring a lot more money into the government," Reagan declared Tuesday as he brought his 4-month-old tax reform roadshow to rural Tennessee.

(Norman Sandler, UPI)

### TRADE MOMENTUM SLOWED IN CONGRESS

President Reagan may have diffused a political bombshell when he promised tougher action against unfair trade practices. But trade issues continue to generate plenty of fireworks on Capitol Hill.

(Julia Malone, Christian Science Monitor, 1)

## REAGAN BUDGET POLICIES BLASTED ON BOTH SIDES

President Reagan's budget policies drew new bipartisan fire Tuesday as an influential joined Democrats in suggesting that the Administration deliberately fosters high deficits in order to "bleed" domestic spending programs.

At a Senate hearing on confirmation of James Miller as (OMB director), Sen. Durenberger (R.-MN) said he is coming "dangerously close" to ascribing to the theory that "there is some deliberate intention to use deficits ... to get us to denationalize the financing of public services."

(Helen Dewar, Washington Post, A2)

## POLL: MOST AMERICANS DISAGREE WITH THE ADMINISTRATION'S TRADE POLICY AND WANT CONGRESS TO IMPOSE IMPORT BARRIERS

The telephone poll, conducted September 19-23, also found that for the first time since January 1983, more Americans were pessimistic than optimistic about the economy's outlook.

By 49 to 43 percent, Americans believe the government should preserve U.S. jobs by imposing taxes and limits on foreign imports, even if it translates into higher prices.

(AP)

## TOXIC-WASTE COMPENSATION PLAN REJECTED

The Senate, struggling to complete work on the Superfund toxic-waste cleanup law, Tuesday rejected an experimental project to compensate victims of exposure to hazardous waste.

The project was deleted from the bill, 49 to 45, after opponents argued that the \$30-million-a-year experiment would quickly outstrip the government's ability to pay for it.

(Cass Peterson, Washington Post, A5)

## Senate Nixes Superfund Tax

By a voice vote, lawmakers passed the resolution that instructs Senate leaders to find a "reliable financing mechanism" other than the controversial value-added tax, similar to a national sales tax, that would be imposed on large manufacturers in the original bill.

(Christopher Simpson, Washington Times, A4)

## WEINBERGER UNWILLING TO WIELD KNIFE ON PENTAGON'S BUDGET

Secretary Weinberger is serving notice that he is not yet ready to play Cap the Knife when it comes to the defense budget.

The military services have been told to anticipate slower growth in the next few years and to trim their weapons' wish lists substantially. A Weinberger deputy said the Secretary has "seen the handwriting on the wall" about more modest Pentagon budgets in the future but is loathe to capitulate without protest -- particularly since defense hardliners in Congress are seeking reassurance that he has not surrendered in the fight.

(George Wilson, Michael Weisskopf, Washington Post, A9)

## 8 HHS OFFICIALS VIEWED AS HOLDING JOBS ILLEGALLY

At least eight top officials of the Health and Human Services Department may be holding their jobs illegally because the White House failed to send nominations to Congress, Sen. Proxmire (D.-WI) said Tuesday.

HHS press officer Claire del Real said the department is following the same practices as all other government agencies. "We believe that all HHS officials carrying out the Secretary's duties are legally holding their jobs."

(Spencer Rich, Washington Post, A21)

### Proxmire Says Human Services Officials Illegally Holding Appointments

Proxmire said he was asking the U.S. Comptroller General for a definitive ruling. (William Kronholm, AP)

## REAGAN TAX PLAN WOULD BOOST ECONOMY AND ADD JOBS, WHITE HOUSE REPORT SAYS

The White House released a study contending that President Reagan's tax overhaul proposal would significantly boost the economy and add millions of new jobs. Some private analysts dismissed the report as too optimistic. (Laurie McGinley and Jane Mayer, Wall Street Journal, 60)

## EAGLETON THREATENING TO STALL NOMINATION OF BUDGET DIRECTOR

Sen. Thomas Eagleton (D.-MO) is threatening to hold up a Senate vote on the nomination of James Miller (to be OMB director) in a dispute over a controversial Reagan Administration proposal to do away with minority hiring goals for government contractors.

The clash between Miller and Eagleton was the only hitch to the expected confirmation of the conservative economist. (Tom Raum, AP)

## ADMINISTRATION TRYING TO DELAY ACID RAIN CURBS DESPITE COURT ORDER

The Reagan administration is trying to delay action on reducing acid rain despite acknowledgement by its chief envoy that the airborne pollution "is a problem" and even though a court has ordered new regulations within a year.

The Justice Department and the EPA on Tuesday appealed a federal court order giving EPA nine months to begin controlling smokestack pollution from electric power plants in the midwest. (Mott Yancey, AP)

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# U.S. CANCELS INVITATION SENT TO WRONG FILIPINO

Defense Department officials, in an embarrassing about-face, withdrew an invitation to Phillipine Gen. Fabian Ver Tuesday to a retirement ceremony for the outgoing chairman of the Joint Chiefs of Staff. "We originally issued an invitation to Gen. Ver, but our intent was to invite Lt. Gen. Ramos," said a spokesman for the office of the Joint Chiefs.

(Lena Sun, Washington Post, A25)

EDITOR'S NOTE: On page A4 of the Washington Post is a news analysis entitled, Twisting the Twisted Path of Reagan's Income Tax Revision Plan.

Also, on page A1 is the fourth and last article in a series of the influence of the conservative movement in the Reagan Administration. It is entitled, Dual Approach to Enduring Power.

-end of A-Section-

## NETWORK NEWS SUMMARY

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(Tuesday Evening, September 24, 1985)

### MEXICO CITY

CBS's Dan Rather: Six days after the terrible Mexican earthquake, the toll in death, damage and devastation climbs. There are now officially 4,160 dead. There are now unofficially at least 10,000 dead, 1M more Mexicans left jobless, 350,000 new homeless, 7,000 buildings damaged or destroyed. (ALL NETS LEAD)

NBC's Robin Lloyd reports that eleven Americans are still missing in the rubble.

NBC's Tom Brokaw reports President de la Madrid is plainly worried that all of these earthquake stories will keep American tourists from his country this winter. de la Madrid was eager to point out that Mexico's resort areas were largely undamaged. But he also said this latest economic crisis will drive even more of his countrymen across the border into the U.S., legally or illegally.

### PRESIDENT'S TRIP/TRADE

Rather: President Reagan again pressed his attacks against Congress, campaigning for his brand of federal tax system overhaul. He took it on the road to Tennessee and said his tax plan would create 4M new jobs nationwide. But a lot of the talk in a lot of places, and especially in Tennessee, isn't about the new jobs to be had from tax overhaul; it's about the old jobs going abroad by the thousands because of trade policy.

CBS's Lesley Stahl: (TV Coverage: President de-planing in Tennessee.)

The President came to the sun belt of Tennessee, an area Republicans have been raiding away from the Democrats. But the sun belt is textile country, where more than 200 mills have closed down since 1980 because of foreign imports. The President came here to plug tax reform, not to debate the trade issue, which appears to be turning many free-trade Southerners into protectionists.

(TV Coverage: President holds up model saddle that says, "Saddle up for tax reform.")

This factory makes baby booties. (TV Coverage shows busy factory.)

But Korean textile workers copy their designs and flood the U.S. market.

(Textile worker: "I've worked here when we had worked more than 10 hours a day, six days a week or more. And right now we're down to four days a week and I think it hurts everybody in here.")

(Factory owner: "I think a stampede toward protectionism is much better than a stampede of American jobs leaving this country, which the President with his present policies is leading.")

Twenty-seven miles away, the President was greeted warmly at a rally, where he talked tax reform and the economic recovery.

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Stahl continues: (TV Coverage: Crowd applauds President, waves flags.)

(President: "Our economy, the American economy has never been stronger, never been bigger, and never been better.")

The President did not address the issues of foreign imports or loss of American jobs. But the Democrats see the trade issue, with an emphasis on jobs, as a way to win Southern whites back to their fold.

(Rep. Coelho: "The President is turning over the issue of security of jobs, security of industry, the macho-ness of this to the Democratic Party. We love it. We're taking it.")

Reagan Administration supporters argue the issue could backfire.

(Joseph O'Neill of the American Retail Federation: "Whatever jobs you gain by protecting one particular sector of the industry in this country, you're obviously going to have a secondary effect where other industries will lose jobs as a result of that kind of protectionism.")

Tennessee continues to lose textile jobs, but it's fighting back. Not by keeping the foreigners out, but by bringing them in; their factories and their techniques. Since the 1970s, 19,000 new manufacturing jobs. (CBS-8)

#### PRESIDENT'S TRIP/ARMS CONTROL

Rather: The Soviet Union came on strong with yet another new, improved P.R. campaign for its version of what it called arms control, and a new spokesman pitching a new slogan. Something called "star peace," as opposed to President Reagan's "star wars." And President Reagan found himself in the position of commenting on a Soviet proposal that hasn't even officially been proposed yet.

CBS's Bill McLaughlin: The new men in Moscow have discovered Madison Avenue. And today one of them, FM Shevardnadze, brought the Kremlin's new look in public relations to the U.N. To an audience that included Secretary Shultz, Shevardnadze gave a speech largely composed of old ideas. But the packaging was brand new. There was a gloss, a tone, a style that was light years away from the traditional Soviet Cold War rhetoric. It even brought a catchy new proposal:

(Shevardnadze, through translator: "To counter the sinister plans of star wars, the Soviet Union is placing before the international community the concept of star peace.")

Immediately after the speech, the Soviets kept up the propaganda barrage by holding a news conference to propose the creation of an international space agency, a kind of inter-stellar U.N. A senior Administration official dismissed the star peace idea, saying the Soviets may have "really out-P.R'ed themselves this time trying to think up that one. It's really hokey." But other U.S. officials admit the Soviet P.R. campaign has caught them off balance. On a trip to Tennessee today, President Reagan heatedly pointed out that despite Soviet hints and leaks, they have so far made no formal proposal to cut offensive missiles.



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McLaughlin continues: (President: "Our goal, if we can make it, would be total elimination. But we are perfectly prepared to take whatever mutual reductions we can get with the idea of eventually getting there.")

Soviet sources say the only way they'll agree to deep cuts in offensive missiles is in exchange for very tight restraints on President Reagan's defense system. And that would confront Mr. Reagan with one of the toughest choices of his presidency so far: whether to put limits on his dream of star wars. (CBS-3)

ABC's John McWethy: Though there are hints from all over the world that he carries the outlines of a new Soviet arms control proposal to show to President Reagan on Friday, today before the U.N. General Assembly, Shevardnadze did not tip his hand. He focused predictably on President Reagan's star wars defense proposal, saying if it is built it could easily be used to attack the Soviet Union.

(Shevardnadze, through translator: "It is obvious that in such a case the President might be tempted to deliver or threaten to deliver a first disarming nuclear strike. This is precisely the purpose of the new U.S. military programs.")

Though Shevardnadze was not in the audience yesterday for Secretary Shultz's speech, interpreted as a mild snub, Shultz was there for every word of the new Soviet foreign minister today, including the charges that the U.S. is not serious about arms control talks. All in all, Shevardnadze's speech was regarded as tough, but not nearly as antagonistic as the one delivered by his predecessor, Andrei Gromyko. Last year, Shultz reacted with anger to Gromyko's speech. This year he was all smiles, and so was Shevardnadze. But is Shevardnadze carrying a new Soviet arms control proposal? In Geneva, Max Kampelman told ABC's Rick Inderfurth it appears Shevardnadze does have something new to show President Reagan on Friday.

(Kampelman: "We don't know for certain, but that's our understanding of it and we certainly hope so.")

Tomorrow, Shultz and Shevardnadze meet in private but both sides are expected to continue their public posturing, with the Reagan Administration saying the road to peace is through development of the President's star wars defense plan and the Soviets pushing their proposal to ban weapons in space, a proposal they have now dubbed "star peace." (ABC-3)

ABC's Sam Donaldson: (TV Coverage: President de-planing in Tennessee.)

President Reagan, on the road in Tennessee, did his best to field the Shevardnadze fastball of a yet untabled Soviet proposal for a 40% strategic weapons cut.

(Reporter to President at airfield: "Think it's a good idea?" President: "It would be a better idea if it was more." Reporter asks if the President will be discussing it in his meeting with Shevardnadze. President: "I'm quite sure we will.")

Those comments seemed innocuous enough, but White House strategists are concerned that in the wake of Mr. Reagan's hard press conference statement that star wars research is non-negotiable, he not appear to be totally inflexible.

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Donaldson continues: But later today, after he delivered another speech on tax reform to a cheering crowd in Athens, Tennessee -- (TV Coverage shows cheering, flag-waving crowd.) -- the President's advisers (TV Coverage shows Donald Regan.) suggested he clarify the record.

(President: "First of all, we have received no proposal officially of a 40% cut as I was asked about. But I was not turning down any offer. We've received no offer." Reporter: " -- you think of this 'star peace' slogan that he's -- ?" President: "That again, I've just heard that it was said in a speech. I'll wait until we get together and I hear exactly what they're talking about.")

U.S. officials complain that what the Soviets seem to be doing is trying to make propaganda points, not seriously negotiating, and that may very well may be so. But whatever the Soviets are doing, it seems to have put the Administration off balance. In the propaganda war, President Reagan has yet to find his voice. (ABC-4)

NBC's Chris Wallace: The propaganda war leading to the U.S.-Soviet summit escalated today, and once again the Soviets were on the offensive.

(TV Coverage: Split screen, with President Reagan speaking on the left and FM Shevardnadze on the right.)

Addressing the U.N. General Assembly, new FM Shevardnadze attacked the President's star wars defense plan with a flourish worthy of the Great Communicator himself.

(Shevardnadze: "To counter the sinister plans of star wars, the Soviet Union is placing before the international community the concept of 'star peace.'")

Shevardnadze said the American plan to militarize space is blocking an arms control agreement. And he also denied charges the Soviets won't negotiate.

(Shevardnadze: "The Soviet delegation has brought to the current round of negotiations substantial, large-scale and far-reaching proposals.")

To bolster their case, the Soviets have leaked stories that Shevardnadze will propose big arms cuts when he meets with Mr. Reagan and Secretary Shultz this week, a 40% cut in missiles and warheads if the U.S. limits star wars. Once again, the President had to scramble to catch up with a Soviet public relations effort. As he arrived in Tennessee to push tax reform, the President was asked about his idea of a 40% arms cut.

(President at airfield: "It would be a better idea if it was more.")

Later, after Shevardnadze's speech, top officials dismissed the "star peace" phrase as hokey. But the President didn't want to go too far, insisting he wasn't turning down Shevardnadze before they even meet.

(President: "I was not turning down any offer. We've received no offer.")

So the sniping over star wars continues, with time now running out before the Reagan-Gorbachev summit in November. The meetings this week will likely determine whether the two sides use what time is left to keep sniping or start dealing. (NBC-6)

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## POLLS

ABC's Peter Jennings: A new ABC News-Washington Post poll shows President Reagan continues to get high marks for his handling of Soviet-American affairs. The public approves of the President's approach by a margin of 2-1. (ABC-5)

Jennings: For the first time in 2 1/2 years, more Americans are pessimistic about the future than optimistic. Only 27% think the economy is improving. 32% think it's getting worse. And the President is losing support for his tax reform program. 56% are now undecided about tax reform. The rest are evenly split. (ABC-10)

## CONSUMER PRICES/ECONOMY

Rather: The Labor Department reported that for the fourth straight month, the Consumer Price Index rose just 0.2% in August. That put inflation for the first eight months of the year at an annual rate of 3.3%, pointing to prospects of a 1985 inflation rate which could be the lowest in almost 20 years. The report said that while housing costs in August were up sharply, grocery and energy costs fell. (CBS-10)

ABC's Dan Cordtz: Most economists are confident that inflation is firmly under control. But the experts were not so impressed by today's news that factory orders for durable goods shot up 3.4% last month. The August jump was largely confined to the auto industry, whose sales have been artificially inflated by cut-rate financing and price discounts on 1985 models. So some economists are skeptical that the recent rebound will last.

On foreign currency exchanges, the dollar staged a modest comeback, with experts divided over whether it will fall enough to help close the foreign trade gap. (ABC-9)

## AIDS/U.S. MILITARY

CBS's David Martin: Defense Department officials told CBS News the Pentagon had decided to screen for AIDS all servicemen going overseas. Officials say the decision is a first step towards screening all of the more than 2M active duty personnel, and reflects Pentagon concern that AIDS is an even greater threat to the military than to the general population. There have been about 100 confirmed cases of AIDS in the military, but researchers at Walter Reed Hospital predict the Army alone will discover 1,000 new cases next year. The Army's chief of staff is said to be concerned about the threat of AIDS that he wants to screen all civilians working for the Army as well. If present policy holds, AIDS victims who admit to homosexuality will be discharged, but victims who insist they have had only heterosexual contacts will be cared for by the military. And that, officials warn, could bankrupt the medical system. (CBS-2)

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#### HELATH CARE COSTS

CBS's Bill Redeker, in the first of a three-part series on trouble in the American medical system, reports on fighting medical fraud. It is estimated that medical fraud, excessive billing, unnecessary hospitalization, unnecessary tests and procedures cost about \$100B a year -- one of every four dollars spent on health care in this country. (CBS-11)

#### ASPARTANE

Rather: A federal appeals court ruled 3-0 that the government followed correct procedures in approving aspartane, the low calorie sweetener marketed as Nutrasweet. (CBS-7)

#### BLACK AMERICA

NBC's Bob Abernathy reports one reason for the black underclass is the changing U.S. economy. With declining demand for the least skilled, unemployment for black men is more than double that for whites. Attitudes also are important. Bernard Lee is one of many black men untrained for jobs they want but unwilling to take jobs they consider demeaning. Well-intentioned government programs also may be part of the problem, programs such as Aid to Families with Dependent Children, which has forced men to leave home in many states so women could get checks. Job training is part of the answer, plus more jobs, plus much better education. But there's also a new awareness among blacks such as Robert Woodson that they must help themselves.

(Woodson: "But the solution has to come from us; that, as one person has said, the victimizer might have knocked us down, but it's the victim's responsibility to get up.") (NBC-9)

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## **EDITORIALS/COLUMNISTS**

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### **EXCHANGE RATES/PROTECTIONISM**

Those Exchange Rates -- "Don't get lost in the technicalities of the five governments' declaration about exchange rates.... The important thing -- and it is very important -- is the public declaration that something has gone seriously wrong and that the five strongest trading countries have a joint responsibility to do something about it. For the Reagan Administration, that represents quite a turnaround.... It will be no easier for the Japanese and Europeans to change direction than for the Americans to cut down their borrowing. But they have now taken the necessary first step. They have acknowledged that the exchange rates have come to a dangerous place and that it is the job of the five governments, working together, to restore a durable balance." (Washington Post, 9/24)

Reagan's Trade Offensive -- "The currency intervention plan is one side of a two-pronged new effort by the White House to get political control of the trade deficit debate now taking place within Congress and, increasingly, among the American public. The second part of the Administration's initiative came (Monday), when Mr. Reagan announced a series of limited steps designed to open up overseas markets to U.S. exports, while avoiding any actions to protect domestic industries hard hit by lost sales abroad. Mr. Reagan's words were tough.... But at the same time, he repeated his opposition to protectionist measures designed to penalize other trading partners of the U.S.... The Reagan Administration must bend every effort to prevent enactment of trade legislation that could have the effect of seriously inhibiting global commerce."

(Christian Science Monitor, 9/24)

Dollar May Be Down, But Our Problems Are Not Out -- "Secretary James Baker's assault on the world's currency markets has already had two results -- it has knocked the dollar down by about 5 percent in one day, and it has made us remember just who James Baker is.... Baker's success was due to his use of surprise. Now he has used it, we will return to the world we were already inhabiting. That was, and is, a world of slow U.S. economic growth; of a dollar declining naturally in response to worldwide disappointment at Washington's inability to grapple with its problems -- its huge budget deficits, still too much government, still too much taxation, too high interest rates, and far too much debt." (New York Post, 9/24)

Weakening The Dollar Is Not Enough -- "President Reagan has belatedly recognized that protectionist sentiment in Congress may be stronger than his veto power. Shoring up the veto is the purpose of his new attacks against the high-priced dollar and unfair foreign competition. Both efforts mark a change of policy. Both can be helpful. Both continue to address symptoms rather than causes of America's painful trade imbalance and loss of manufacturing jobs.... Until the President and Congress attack the budget deficit, by cutting spending and raising some taxes, their tilting at trade imbalances will not suffice, or protect them from the wrath of hard-hit American industries." (New York Times, 9/24)

## HOSTAGES AND TERRORISM

Weir's Message and Shultz' Doctrine -- "Secretary Shultz outlined a perfectly sensible anti-terrorist doctrine a year ago. In forceful, elegant language, he stated categorically the U.S. must never be indecisive in opposing enemies of our civilization and we should never hesitate to use appropriate force to achieve our aims.... There may have been very good reasons, after the release of the TWA hostages, not to strike at those involved. But the doctrine itself must stand, frightening in its potential as well as its actual, if delayed, practice. Any sort of deal will undercut it, leaving the pirates and their patrons with a yet firmer grasp of their bounty, the tragic, bloodied Middle East." (Detroit News, 9/23)

Release of Weir Merely First Step -- "The dilemma (Rev. Benjamin) Weir presents to the U.S. and other nations is age old: Civilized people are being pressured to release terrorists who do not hesitate to bomb targets of opportunity and slaughter innocent people in the name of their movement. In fact, the release of Weir, while greeted in some quarters as a humanitarian act, is a horrid form of terrorism, With his release came more threats of death.... There are few alternatives for civilized nations as long as the frightening process continues. One of them is pre-emptive action. Its use cannot be ruled out." (Milwaukee Sentinel, 9/20)

## PRESIDENT REAGAN

Second Term Thoughts -- "The 22nd Amendment puts into question the wisdom of the voters, and obscures the self-correcting element of democracy. It's worth remembering that of the eight presidents we've had since Roosevelt, only Truman, Eisenhower, Nixon and Reagan were re-elected to a second term. When a president does manage to stay on the crest of popularity in this country, as Reagan has, should not the people be allowed to entrust him with as many terms as they see fit?"

(Los Angeles Herald Examiner, 9/17)

Vibrant Reagan Meets the Challenge -- "Many of Washington's pundits think Reagan is on the run -- recently forced to cave in on South Africa, being chewed up by the special interests on tax reform, about to get steam-rolled by a protectionist tide. His cancer operation took the starch out of him, they say.... Maybe it's true, but don't bet on it. I went down to Washington last week for a White House briefing on tax and trade issues.... The Great Communicator's instincts and skills are obviously intact. It would be a mistake to pay too much attention to the armchair doomsayers who litter the Beltway."

(Thomas Bray, Detroit News, 9/22)

Pride Before the Fall -- "On a whole string of major issues -- trade toughness, farm assistance, tax reform, deficit reduction and middle-class benefit programs -- the President's own ideological insistence on free markets, slashed tax rates and minimal government puts him at loggerheads not just with Congress, but with the American people. Confrontation has also been building over foreign policy. The danger, for the President, is that Congress once again seems to be the branch of government most sensitive to grass-roots U.S. opinion, just as it was in 1937-38 and 1965-66. That's a turnabout the White House can't afford...."

(Kevin Phillips, Arizona Republic, 9/15)

## FOREIGN MEDIA REACTION

### REAGAN TRADE SPEECH

A U-Turn..A Volte-Face -- "President Reagan's volte-face over intervention in the foreign exchange markets is his Administration's last ditch attempt to stem waves of protectionist legislation engulfing Capitol Hill.... The President's response is an undisguised U-turn.... But the real weakness of the President's measures is that there is nothing new to reduce the U.S. government's huge \$200 billion budget deficit."

(Guardian, Britain, 9/24)

Vibrant Ode To Freedom -- "President Reagan's trade statement was a vibrant ode to the freedom of international trade.... Regarding the dollar, the White House made an about-turn.... Under Congress' pressure...the President gave in.... The Reagan Administration has taken the initiative in its struggle for strength against Congress in order to thwart its protectionist projects."

(Figaro, France, 9/24)

Real Test For Dollar Still Ahead -- "The Reagan Administration is ready to resume America's leadership role in the world economy and, in its economic policy, take the difficulties of other countries into consideration...."

(Frankfurter Allgemeine, West Germany, 9/24)

Time To Lower The Flag -- "After claiming for four years the strength of the dollar as the emblem of his success, Reagan now declared that the time is ripe to lower the flag."

(La Repubblica, Italy, 9/24)

### SHULTZ SPEECH AT U.N.

Shultz Was Conciliatory -- "On the whole, Secretary Shultz' address was conciliatory.... Here, at the U.N. General Assembly, there is obvious confidence in improvements in U.S.-Soviet relations."

(TV-One, West Germany, 9/24)

Hard To Hope For A Successful Summit -- "Shultz' speech does not lead one to hope for a successful summit."

(Corriere della Sera, Italy, 9/24)

Speech 'Extremely Harsh' Toward USSR -- "All observers unanimously called Shultz' speech 'extremely harsh' toward the Soviet Union."

(La Repubblica, Italy, 9/24)

Shultz Speech Distorts Perspective -- "Going over to concrete questions of Soviet-U.S. relations, the Secretary of State discarded all claims to realism and presented them in a distorted perspective.... There was no 'realism' in his words either when he touched on the problem of terminating nuclear tests."

(Tass, Soviet Union, 9/23)