

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: News Summary Office, White House:
News Summaries, 1981-1989

Series: II: WHITE HOUSE NEWS SUMMARY FINALS,
1981-1989

Folder Title: 10/03/1985

Box: 383

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, OCTOBER 3, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Kidnappers Execute Soviet In Beirut -- The body of a Soviet diplomat, shot in the head at close range, was found Wednesday morning dumped in a wasteland south of Beirut after a caller claiming to speak for his Moslem fundamentalist kidnappers told a western news agency where to look for it. (Washington Post, New York Times, Washington Times, Baltimore Sun, AP)

Relaxed Gorbachev Begins 4-Day Visit To France With Attack On 'Star Wars' -- PARIS -- Soviet leader Mikhail Gorbachev arrived here yesterday on his first visit to a western capital as Communist Party chief and quickly made the Reagan Administration's "star wars" program a hot topic. (Baltimore Sun, Washington Post, Washington Times, New York Times, AP)

NATIONAL NEWS

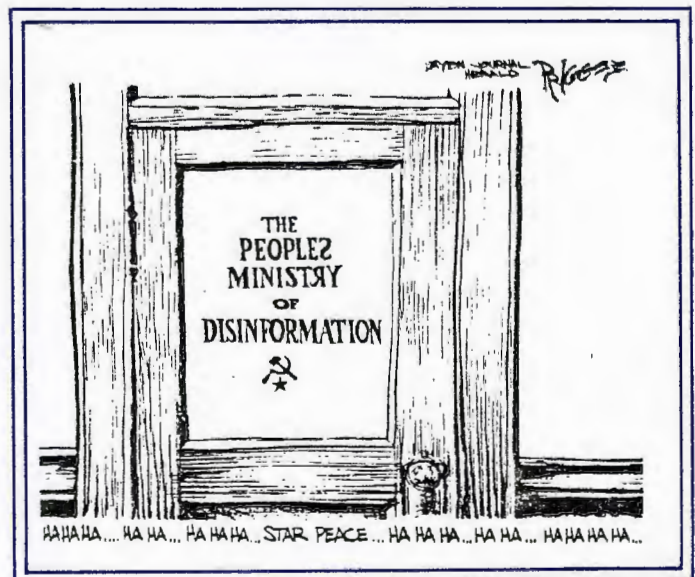
2 Ex-CIA Agents Sought By FBI As Possible Spies -- The FBI is seeking two former CIA officers apparently identified as Soviet spies by Vitaly Yurchenko, a high-ranking Soviet intelligence officer who defected two months ago. (Washington Post, New York Times, Washington Times)

NETWORK NEWS (Wednesday Evening)

PARIS SUMMIT -- The subjects are arms and diplomacy, war and peace, as Gorbachev tries to build momentum for his views before next month's summit in Geneva with Ronald Reagan.

SOVIET HOSTAGES -- Moslem terrorist kidnappers in Beirut carried out their threat and executed one of their Soviet hostages.

AIDS -- The House voted overwhelmingly to approve \$190 million in AIDS research money.



NATIONAL NEWS

PRESIDENT'S TRIP TO CINCINNATI

CINCINNATI -- There is an irony in President Reagan's visit to Cincinnati today, says U.S. Representative Willis Gradison, Republican of Cincinnati. While Mr. Reagan is here today pushing his tax reform package in Gradison's congressional district, the House Ways and Means Committee will be voting on some portions of the tax reform legislation. Gradison, a member of that committee, will miss those votes.

"Not much you can do about that. If the President of the United States is coming to your congressional district, it would not be right not to be there with him," Gradison said in a telephone interview Wednesday.

(Cincinnati Enquirer, A1)

NOTE: A sidebar chart showed which Cincinnati TV stations would be broadcasting which portions of the President's visit.

2 EX-CIA AGENTS SOUGHT BY FBI AS POSSIBLE SPIES

One of the two suspects, identified as Edward Lee Howard, 33, fled his home outside Santa Fe, N.M., two weeks ago after FBI agents questioned his employer.

A federal official reported yesterday that the second former CIA officer has not fled the U.S., but he would not comment on whether efforts are being made to place the man under surveillance or arrest.

(Patrick Tyler, Washington Post, A1)

FBI Seeking Former CIA Agents As A Soviet Mole

The FBI yesterday issued an arrest warrant for Edward Lee Howard, a 33-year-old former CIA officer in Moscow suspected of being a Soviet "mole."

A senior CIA official in Washington confirmed that Howard had been a CIA operative, but that he was expelled from the agency in 1983. The official gave no reason for the ouster.

(Bill Gertz, Washington Times, A1)

Double Agent Under Watch When He Fled

One official of the Reagan Administration said Wednesday that Howard did not begin providing information to the Soviet Union until after he left the CIA. The official said such actions would be damaging, but would not be as serious a security breach as the recruitment of an active CIA employee.

(New York Times, A1)

-more-

DEMOCRATS SAY TAX REVISION FACES DIFFICULTY IN THE HOUSE

Congressional Democrats gave the first firm signal yesterday that tax overhaul faces serious problems in the House, where President Reagan is counting on a victory this year that would put pressure on the more-skeptical Senate to approve the proposal.

At the same time, a small but growing number of lawmakers said President Reagan has been unable to generate public enthusiasm for tax reform and that the Democrats, instead, should push a minimum tax to force corporations and the wealthy to pay their fair share.

(Edward Walsh, Margaret Shapiro, Washington Times, A1)

LEHRMAN GROUP TO PROMOTE 'STAR WARS'

Citizens For America, a national lobbying organization created at the request of President Reagan, will launch a nationwide campaign late this month in support of the Strategic Defense Initiative.

Key CFA members from around the nation met here Wednesday for briefings on SDI and other issues. Addressing SDI was National Security Adviser Robert McFarlane.

Following the briefings, CFA members met with President Reagan at the White House.

"What you do to create the right political climate in this country will mean much to whether or not America is successful in her great mission," Mr. Reagan told the conservative audience.

(Ron Cordray, Washington Times, A2)

SENATE FACTIONS, ISSUES BLOCKING OK OF NOMINEE AS ENVOY TO CHINA

The Senate confirmation vote on Winston Lord, ambassador-designate to the People's Republic of China, is being blocked by Senate factions over two different issues.

Senate Democrats are holding all Reagan Administration nominations hostage over a dispute with the White House on the recess appointment process, while a bloc of conservative Republicans has placed its hold on Mr. Lord because of a controversy over U.S. funding of overseas abortion and sterilization programs.

(Thomas Brandt, Washington Times, A5)

THORNBURGH AIDE SAYS GOVERNOR GOT 'FEELERS' ABOUT HHS JOB

Pennsylvania Gov. Dick Thornburgh got "feelers" during the summer about Margaret Heckler's Health and Human Services Cabinet post, according to an aide, but the governor says he is not expecting to be offered the job.

"I have had no discussions whatsoever with anyone in the Reagan Administration about any specific position in that Administration," the Republican official told reporters Wednesday in Harrisburg. "It's not my present desire to do anything but serve out my term as governor."

(Jeff Barker, AP)

-more-

SENATOR SEES SOVIET ARMS BID AS NO GAIN FOR U.S. NATIONAL SECURITY

The new Soviet arms control proposal made in Geneva would allow the Soviet forces to retain their nuclear superiority and target three warheads on each U.S. ICBM site, more than enough for a knockout first strike, a member of the congressional observer team said Wednesday.

Sen. Malcolm Wallop (R.-WY) also said the Soviet proposal made Monday could eliminate U.S. missiles and bomber aircraft from Europe, which the U.S. has long refused to do on the grounds they are not intercontinental weapons.

The roundtable concluded the Reagan Administration should launch a massive public education program to articulate its overall worldwide strategy, and the place arms control negotiations, U.S. responses to Soviet violations and space defense would have in this strategy.

(Walter Andrews, Washington Times, A1)

EFFORT TO TABLE PROTECTIONIST TRADE BILLS FAILS IN SENATE, 52-43

A bipartisan coalition of senators last night fought off a move to table an Administration-opposed protectionist measure as the Senate opened its first full-scale debate on a series of trade measures designed to help beleaguered American industries. A motion to kill for now a measure designed to help textile, apparel and shoe industries failed last night on a 52-43 vote.

Meanwhile, in an attempt to stem Congressional pressure for protectionism, the Reagan Administration announced it is drafting another set of trade proposals to open more foreign markets to some U.S. industries, and named an interagency "strike force" to expose and counter unfair trade practices against the United States.

Spokesman Larry Speakes yesterday called the strike force a "major effort" to "consolidate the resources of the departments" to act against unfair trade practices against the United States."

(Rita McWilliams, Washington Post, A5)

HILL OK OF FARM REFERENDUM SEEN

Supporters of a referendum section in the House version of the 1985 farm bill are expected to win by a narrow margin, according to congressional aides on both sides of the issue.

If that remains in the bill, President Reagan has promised to veto the measure. Wednesday, Secretary Block called the referendum an idea that would "turn farmers' hardship into a catastrophe."

(Stephanie Nall, Washington Times, A5)

GRASSLEY, JUSTICE DEPARTMENT FEUD

A long-simmering feud between Justice Department officials and Sen. Grassley (R.-IA) has exploded into open warfare over Grassley's handling of a subcommittee hearing that prosecutors contend may have jeopardized a pending defense procurement case.

Grassley has repeatedly angered the Justice Department by demanding internal prosecution documents, generally without success.

(Howard Kurtz, Washington Post, A2)

-more-

DOLE GIVES PRESIDENT THUMBS UP ON TAX BILL

Sen. Dole, for months a nay-sayer on the Administration effort to revamp the tax code this year, Wednesday told President Reagan he would work past Thanksgiving to act on a bill. The Senate would have time to act, Mr. Dole said, if the House sends it a bill by Nov. 1.

White House spokesman Larry Speakes said it is still realistic to believe that tax reform can be achieved this year.

The President, Mr. Speakes said, is "adamantly opposed" to any tax increase that might be included in the bill.

(Karen Riley/Mary Belcher, Washington Times, A1)

BALANCED-BUDGET PLAN GETS SENATE ATTENTION

A proposal to force sweeping deficit reductions leading to a balanced budget within five years attracted broad support in the Senate yesterday. Several members predicted that legislation raising the federal debt ceiling to \$2 trillion cannot pass unless it includes this new plan.

About 40 Senators ... plan to push it as an amendment to the debt measure, which Secretary Baker has said must be passed by Monday so the government can keep borrowing to pay its bills.

(Helen Dewar, Washington Post, A4)

Senators Find Lever To Ratchit Down Deficit

The House already has agreed to lift the federal debt ceiling to \$2 trillion -- approximately double what it was when President Reagan took office. If the Senate attaches amendments to the debt-limit extension, it will then have to go to a House-Senate Conference Committee.

(Thomas Brandt, Washington Times, A5)

ROCK HUDSON DEAD AT 59 OF AIDS COMPLICATIONS

Actor Rock Hudson, whose announcement that he was suffering from acquired immune deficiency syndrome (AIDS) galvanized worldwide support to combat the deadly disease, died at his Los Angeles home Wednesday at the age of 59.

The White House released a statement from President Reagan, who had spoken by phone two months ago with his former colleague when Hudson was hospitalized:

"Nancy and I are saddened by the news of Rock Hudson's death. He will always be remembered for his dynamic impact on the film industry and fans all over the world will certainly mourn his loss. He will be remembered for his humanity, his sympathetic spirit and well-deserved reputation for kindness."

(Carla Hall, Washington Post, A1)

Rock Hudson Loses Battle To Aids

In the House yesterday, a lawmaker invoked Mr. Hudson's name before offering a proposal that would give U.S. Surgeon General Koop the power to shut down public bath houses and massage parlors in the war against AIDS. Approved 417-8, the bath house measure was used as an amendment to an appropriations bill, which includes \$189.7 million for AIDS.

(Washington Times, A1)

HOUSE DISCUSSES AIDS, APPROVES SPENDING BILL

The House passed a \$104.9 billion appropriations measure to fund the Labor, Health and Human Services and Education departments Wednesday after a low-key debate that was dominated by growing concern over the spread of the AIDS virus.

The total was \$3.4 billion less than the spending authorized by Congress in the last fiscal year but \$4.3 billion more than the Reagan Administration requested for the three departments.

(Edward Walsh, Washington Post, A6)

SECOND RAIL LABOR ACCORD REACHED

The nation's largest railroad labor union, whose first tentative contract agreement with the railroads failed to win members' ratification, reached a second pact Wednesday, perhaps reducing the possibility of a national rail strike at midnight Oct. 25.

The mediation board notified President Reagan that the dispute threatened to deprive sections of the country of essential transportation. He appointed a three-member emergency board, which reported September 25, starting a 30-day cooling-off period now in progress.

(Douglas Feaver, Washington Post, A7)

SENATOR THREATENS TO BAR NOMINEE

Sen. Paul Simon (D.-IL) threatened Wednesday to try to block the nomination of Laurence H. Silberman to the U.S. Court of Appeals here unless Silberman resigns from an all-male club.

(Lawrence Feinberg, Washington Post, A8)

BOMB-TESTING VICTIMS SEEK RIGHT TO SUE U.S.

Several military veterans ... appealed Wednesday to a House Judiciary Subcommittee for legislation to allow them to sue the government for injuries they said they are suffering as a result of being exposed to atomic bomb testing in the 1950s.

Their suits are effectively blocked by the so-called Warner amendment to the 1985 Defense Appropriations Act and a doctrine that prohibit military personnel from suing the government for injuries sustained on active duty.

Sen. Warner (R.-VA) said Wednesday in an interview that he offered the amendment at the request of the Reagan Administration. "No one brought to my attention this special category of tragic victim," he said.

(Sandra Sugawars, Washington Post, A8)

PANEL APPROVES NEW MEDICARE PAYMENT SYSTEM

President Reagan's Cabinet council on domestic policy has approved a new system of Medicare payments for capital outlays, administration sources said Wednesday. Under the proposal, which must be approved by Congress, the basic payment received by each hospital for treating a Medicare patient would be increased by an estimated 6 to 6.9 percent through add-on payments.

But all other special Medicare reimbursements to hospitals for capital costs and return on investments would be ended.

(Spencer Rich, Washington Times, A11)

O'NEILL YIELDS TO SHULTZ, DELAYS TEST-BAN VOTE

House Speaker O'Neill, responding Wednesday to a strongly-worded appeal by Secretary Shultz, withdrew a resolution asking the Reagan Administration to submit two pending nuclear test-ban treaties to the Senate for ratification.

Kirk O'Donnell, a senior aide to O'Neill, said the speaker decided Tuesday to withdraw the resolution, which was scheduled for debate and a vote Wednesday.

Another O'Neill aide, who asked not to be identified, said, "The speaker has been going out of his way to give President Reagan the greatest possible opportunity at Geneva."

(Edward Walsh, Washington Post, A21)

FASTER RULINGS PLEDGED ON BLACK-LUNG BENEFITS

Labor Secretary Brock has announced a plan to spend \$17.7 million over four years to eliminate "intolerable delays" encountered by coal miners seeking black-lung benefits.

(Washington Post, A21)

HERRINGTON OPPOSES SYNFUEL PROJECTS

Energy Secretary Herrington, declaring that the economic justification for synthetic fuels has collapsed, said Wednesday he was opposed to two large projects slated to receive up to \$684 million in new federal subsidies later this month from the U.S. Synthetic Fuels Corp.

(Washington Post, A21)

\$649 MILLION IN ERRORS FOUND IN PELL GRANTS

The Pell grant program for needy college students made an estimated \$649 million worth of errors in the 1982-83 school year through administrative mistakes and inaccurate applications, according to a study by the General Accounting Office.

(Washington Post, A21)

INTERNATIONAL NEWS

SOVIET DIPLOMAT EXECUTED IN BEIRUT

BEIRUT -- Moslem kidnappers executed one of their four Soviet diplomat hostages Wednesday and threatened to kill the others and blow up the Soviet Embassy unless fighting in the northern city of Tripoli stopped.

The Soviet Union condemned the murder and demanded the immediate and unconditional release of the hostages. It said it had appealed to Syria for help in gaining their freedom. (Washington Times, A1)

Kidnappers Execute Soviet In Beirut

The killing of the Soviet diplomat, identified as consular secretary Arkady Katkov, was followed by another call to an American news agency in the previously unknown Islamic Liberation Organization, warning that the Soviet Embassy in west Beirut would be "demolished" over the heads of "Soviet diplomatic staff and members of the KGB," the Soviet secret police. The caller set a deadline of 48 hours for the Soviet compound to be evacuated. (Nora Boustany, Washington Post, A1)

Moscow Identifies Body In Lebanon As A Russian Aide

MOSCOW -- The Soviet Union said a man found slain in West Beirut today had been positively identified as one of four Russians abducted in the Lebanese capital by Moslem extremists. Moscow called the killing "an atrocity which cannot be pardoned." (New York Times, A1)

Soviet Diplomat Is Killed

At the United Nations, U.S. Ambassador Vernon Walters opened a meeting of the Security Council by offering his Soviet colleagues condolences on "the brutal, vicious murder." (Baltimore Sun, A1)

SOVIETS APPEAL TO SYRIANS, LEBANESE AFTER KILLING

BEIRUT -- The Soviet Union has appealed to Syrian and Lebanese leaders to help free three of its embassy employees, captives of extremists who killed a Soviet diplomat after demanding that Moscow stop a battle between Moslem militias in Tripoli. (AP)

GORBACHEV TAKES CASE AGAINST SDI TO PARIS

PARIS -- Soviet leader Gorbachev sought to win French support for a ban on space weapons Wednesday, at the start of his first official visit to the West since assuming power in the Kremlin.

Speaking at a state banquet in his honor this evening, Gorbachev made clear that he intends to make opposition to President Reagan's Strategic Defense Initiative (SDI) a major theme of his four-day visit.

(Michael Dobbs/Gary Lee, Washington Post, A1)

-more-

Gorbachev Wants Paris Break With U.S. On SDI

Mikhail Gorbachev said last night, in the first major statement of his French visit, there would be "rough times" ahead if the United States does not drop its plans to develop its space-based Strategic Defense Initiative.

(Michael Bonafield, Washington Times, A1)

Soviet Leader Warns United States On Star Wars

In his toast at the dinner, Gorbachev said the Soviet Union has demonstrated in superpower negotiations that it "is ready for reasonable compromises and is awaiting an adequate reaction."

(Jeffrey Ulbrich, AP)

RAID, REAGAN STUN TUNISIA

TUNIS -- Tunisia, stunned by the dual blows of yesterday's Israeli air raid on the PLO headquarters near here and seeming U.S. presidential endorsement of the attack, registered its dismay today with a sharp official protest and street demonstrations against its traditional American ally.

Confronted with massive security forces, groups of youths shouting, "Reagan coward," (Zionist collaborator" and "An eye for an eye, a tooth for a tooth" dispersed peacefully after demonstrating in front of a U.S. cultural center downtown.

(Jonathan Randal, Washington Post, A1)

U.S. MODIFIES ITS REACTION

The Reagan Administration backed away Wednesday from its unqualified endorsement of the Israeli raid on the PLO headquarters in Tunis and tried to speak with one voice after top policymakers had sharply disagreed about the appropriate U.S. response.

The White House endorsement of the raid upset Shultz's strategy for dealing with the raid, sources said.

(David Ottaway/Michael Weisskopf, Washington Post, A1)

U.S. Backs Israeli Air Strike, Assails Broad Mideast Strife

The Reagan Administration refused to budge yesterday on its contention that the Israeli Air Strike in Tunisia was a "justifiable expression of self-defense" but strengthened, in general terms, its condemnation of violence in the region.

Spokesman Larry Speakes said President Reagan has sent a message of condolence to President Bourguiba for the deaths of Tunisian citizens in the air strike.

"But at the same time, we believe in the right of self-defense against terrorists wherever they may be harbored," Mr. Speakes said.

(Dave Doubrava/Jeremiah O'Leary, Washington Times, A3)

White House, In Shift, Says Raid By Israel 'Cannot Be Condoned'

A carefully-phrased White House statement called the raid "understandable as an expression of self-defense" but said the bombing "cannot be condoned." In its initial statements Tuesday, the White House had called the Israeli action "a legitimate response" to "terrorist attacks."

-more-

(New York Times, A1)

TUNISIA URGES U.N. TO CONDEMN ISRAELI ATTACK

UNITED NATIONS -- Tunisia yesterday urged the U.N. Security Council to condemn Israel's air attack on the headquarters of the PLO and asked the council to order that reparations be paid.

(Roger Fontaine, Washington Times, A6)

Tunis Asks Security Council To Condemn Israeli Raid

Diplomats assumed, in any case, that the United States would veto any resolution emerging from the backstage negotiations.

(Michael Berlin, Washington Post, A32)

SHULTZ ON U.S. POLICY CONTRASTS

NEW YORK -- Secretary Shultz said Wednesday the need to balance morality with realism explains why the U.S. has taken an unrelenting tough stance against communism in Nicaragua while following a softer line toward racial segregation in South Africa.

Shultz ... said the Administration is as committed to ending apartheid in South Africa as it is to overturning communism in Nicaragua. But, he added, the situations in the two countries involve different circumstances and different challenges to U.S. interests and thus must be dealt with differently.

(John Goshko, Washington Times, A5)

REAGAN HEARTENED BY SOVIET PROPOSALS AT GENEVA ARMS TALKS

President Reagan expressed his approval Wednesday that the Soviet Union, for the first time, has put forth a comprehensive proposal for reducing nuclear arms, and said he "is hopeful that this would provide a basis for discussion."

(Don Oberdorfer, Washington Times, A16)

DUTCH, BELGIANS ASK NATO MEETING BEFORE REAGAN-GORBACHEV SUMMIT

BRUSSELS -- Belgium and the Netherlands, irritated by their exclusion from President Reagan's pre-summit meeting with the leaders of five industrialized nations, said today they have asked for a special NATO foreign ministers' council as the "appropriate" forum for discussing East-West relations before Reagan's talks with Gorbachev.

The Belgian-Dutch initiative was the second setback this week for Reagan's efforts to show Western unity before the November summit. France, in a move officials described as an assertion of independence, declined Reagan's invitation Tuesday.

(Steven Dryden, Washington Post, A19)

Belgians, Dutch Protest Exclusion From Western Summit

Belgium and the Netherlands Wednesday protested President Reagan's decision to exclude them from a summit meeting of Western leaders later this month, but U.S. officials said plans for the meeting would not be changed.

(Paul Taylor, Reuter, Washington Times, A7)

REJECTION OF WORLD COURT MAY DEPEND ON TIMING

The potential U.S. rejection of World Court jurisdiction over matters that concern national security is surrounded by strategy goals -- including an effort to blunt a Nicaraguan damage claim against the United States, sources said Wednesday. (Ed Rogers, Washington Times, A4)

KRUGERRAND BAN SPURS NEW DEMAND FOR COIN

The Reagan Administration's decision to ban the import of South African krugerrands caused a flurry of new demand for the gold coins Wednesday as speculators began buying them up in anticipation of future scarcity, according to a leading Washington area dealer in the coins. (Michael Isikoff, Washington Post, A27)

-end of A-section-

NETWORK NEWS SUMMARY

(Wednesday Evening, October 2, 1985)

GORBACHEV/PARIS SUMMIT

CBS's Dan Rather reports from Paris: Mikhail Gorbachev in France, his first visit to the West since taking control of the Kremlin, here in Paris for talks with President Mitterrand. The subjects are arms and diplomacy, war and peace, as Gorbachev tries to build momentum for his views before next month's summit in Geneva with Ronald Reagan. Mitterrand's welcoming remarks included references to problems of human rights in the world, something he has challenged the Russians on before. Gorbachev repeated his opposition to President Reagan's star wars plan, saying, "We need to prevent an arms race in space and end it on earth." At the palace, Mitterrand and Gorbachev spent over an hour immediately in private conversation getting to know each other. The Soviets announced that tomorrow they will release more details of their newest Geneva proposals made to the Americans on Monday. At the banquet tonight, Gorbachev delivered his sharpest attack yet against President Reagan's star wars plan, warning of "rough times ahead" if President Reagan and his aides "continue along the perilous path they have laid." (CBS-Lead)

Rather: Gorbachev's intense public relations campaign does not appear to have changed American public opinion. Half the Americans questioned in a new CBS News poll released tonight say they don't see much difference between the new Gorbachev style and previous Soviet leaders on the issue of peace. 42% feel the U.S. should get tougher with the Soviets. That wish reflects a change in American public opinion and suggests the public is not ready to accept whatever requirement the Soviets wish in order to gain an arms control agreement. The poll was taken in mid-September and has a margin of error of 3%. The selling of Gorbachev, meanwhile, goes on. A five-minute film package supplied by the Soviets, complete with French translation, aired on French television. How will this play in France? Last night's unprecedented Gorbachev interview on French television attracted only 10% of the viewers, while a Signoret movie got top rating at 36%. (CBS-5)

CBS's Tom Fenton reports on Parisians of Russian descent. In a part of France where Gorbachev is not welcome. Most of the Russians in Paris came to escape from Lenin's Russia and from Gorbachev's Russia. (CBS-11)

ABC's Peter Jennings reports from Paris: Gorbachev's visit has been carefully calculated: flatter the French and attack the Americans.

ABC's Pierre Salinger reports from Paris: In his opening speech, the Soviet leader immediately set the tone for the three-day meeting with Mitterrand: His fight against President Reagan's star wars project. (Gorbachev, through translator: "Constructive dialogue is very important for preventing the extension of the arms race to space and limiting the arms race on earth.")

(Wednesday, October 2, 1985)

Salinger continues: The first 2 1/2 hour session was confined to discussions on world affairs, with emphasis on the need for arms reduction and with the Soviet leader pushing his opposition to the U.S. star wars project. The spokesman for the Soviet Communist Party's Central Committee stressed the need for a return to detente and hinted there will be a fuller exposition of the Soviet Union's new arms reduction proposal sometime tomorrow. In his toast (at the state dinner) Mitterrand alluded to his previous opposition to the star wars project by calling for respect for the ABM treaty. In his return toast, Gorbachev warned that the world would have rough times ahead if President Reagan went ahead with his star wars program and he stressed that France and the Soviet Union have the same views on the need to demilitarize outer space. For Gorbachev, who wanted to put Reagan on the defensive before their meeting in Geneva in November, this first day in Paris has to be labeled a success.

Jennings: From the Reagan Administration's point of view, Gorbachev's mission to France is two-fold: do what you can to disrupt the Western Alliance and enlist more European support against the President's plan for a missile defense program in space. And though we are not likely to hear it said bluntly in public, the French are sympathetic. That is not to say the French are against nuclear deterrence in general. Quite the contrary.

ABC's Don Kladstrup reports on the French nuclear deterrence. France is a nuclear power to be reckoned with, independent of NATO and calling its own shots. (ABC-Lead)

Jennings reports on the five-minute videotape biography of Gorbachev the Soviet authorities have handed out. It is a glowing tribute, as you might expect. (ABC-8)

NBC's Tom Brokaw: Gorbachev called on the U.S., France and West Germany to reduce their military preparations. But he also said political dialogue between East and West was more important than ever.

NBC's Jim Bitterman reports from Paris: The French were calling it Operation Seduction, but it was not entirely clear as Gorbachev arrived in Paris who was trying to seduce whom. Mitterrand, troubled by economic disarray at home and scandal abroad, desperately would like some kind of diplomatic success in the run up to the elections next spring. And Gorbachev, soon to face President Reagan in Geneva, was out to attack America's space defense plan and perhaps charm Europeans into distancing themselves a bit from the U.S. French diplomats were saying they would be happy if the tone just stayed positive even if very little concrete were accomplished. But when the Mitterrands had the Gorbachevs over to dinner...it seemed the diplomats might not have it entirely their way. Gorbachev, in his after-dinner remarks, was out to sharpen his attack on space defense, something the Soviet leader threatened could lead the world into hard times.

-more-

(Wednesday Evening, October 2, 1985)

Bitterman continues: Across Paris, thousands were meeting to protest lack of regard for human rights and threatening that despite an official ban on street demonstrations, there was going to be a protest march on the Soviet Embassy later. The expectation tonight is that despite Mitterrand's pressing need for a foreign policy success, he will resist the Soviet leader's seductive ways and avoid joining France in Moscow's campaign against space defenses. (NBC-3)

WESTERN SUMMIT

Jennings: First the French president didn't like the idea of appearing to be summoned to New York and said he wouldn't go. Now the Netherlands and Belgium are unhappy they were not invited. If the White House was planning a show of allied unity before the American-Soviet summit, it looks pretty messy. Today the White House blamed the West Germans for announcing the summit before everybody was on board. (NBC-4, ABC-3)

GENEVA SUMMIT/DEAVER

Brokaw: Chris Wallace is reporting that one of the consultants called in to help the White House prepare for the Geneva summit meeting is former Reagan aide Michael Deaver. One of the last things Deaver did before leaving to start his own public relations business was to arrange the President's visit to that military cemetery in Bitburg. (NBC-6)

LEBANON/SOVIET HOSTAGES

Rather: Moslem terrorist kidnappers in Beirut carried out their threat and executed one of their Soviet diplomat hostages.

CBS's Don McNeill reports from Beirut that at the Soviet Embassy there was extremely tight security after a Western news agency received a threat to blow it up from a man who said he spoke with the Islamic Liberation Organization. The murder is a slap in the face for President Assad, who had warned of grave consequences if any of the Russians were killed. An end to the Syrian attack on Sunni fundamentalists in Tripoli was the single demand of the kidnappers, and today there was reportedly a lull in the fighting. The Soviets traditionally have been very stoic about losing lives in the service of their country and are unlikely to attempt any form of retaliation. But they can put tremendous pressure on Syria to make some concessions to the kidnappers demands.

CBS's Mark Phillips: If you were looking for the Soviet leader to react to the murder of one of his diplomats, it didn't happen. The reaction came in Moscow on the evening newscast. The Soviets demanded the immediate and unconditional release of the three remaining hostages and they indirectly blamed the Israelis, who they said were responsible for Lebanon's internal strife. In Washington, the reaction was a rare example of the U.S. and the Soviet Union agreeing on an international incident.

(Wednesday Evening, October 2, 1985)

Phillips continues: (Charles Redman: "We call upon those who are holding Soviets, Americans, or other nationals as hostages in Lebanon, to release them immediately.")

Gorbachev is out to try to drive a wedge between Western Europe and the U.S., particularly on the star wars issue, and no drama elsewhere was going to knock him off stride. (ABC-4, CBS-2)

Brokaw reports The U.S. denounced the execution of the Soviet diplomat as a barbarous and criminal act. (NBC-8)

ISRAELI RAID

Jennings: The White House has backed off its endorsement of the Israeli attack on the PLO in Tunisia. The attack has been widely denounced around the world and today the White House said it does not condone acts of violence by any party. As many as 60 were killed and some of them were innocent Tunisians. (ABC-5)

Brokaw: The U.S. today toughened its reaction to Israel's raid on the PLO headquarters in Tunisia. The Reagan Administration said the bombing was deplorable, but understandable given last week's murder of three Israelis in Cyprus. Yesterday, you remember, the White House called the attack a legitimate response. And earlier today, Tunisia's president urged the U.S. to change what he called its "negative and unexpected position on the raid." (NBC-7)

DOUBLE AGENT

Jennings: American intelligence agencies have put out a worldwide alert for a former CIA agent believed to have been a Soviet mole. Edward Howard was apparently fingered by a top-level Soviet defector to the U.S. last month. (CBS-7, NBC-9, ABC-4)

ROCK HUDSON

Jennings: Rock Hudson was 59 years old when he died today. President Reagan said Hudson would always be remembered for his humanity. (CBS-3, ABC & NBC-Lead)

AIDS

Rather: The House voted overwhelmingly to approve \$190 million in AIDS research money. It ordered part of that money spent by the U.S. Surgeon General to find and close down any bath house or massage parlor in the U.S. involved in spreading the disease. And medical researchers report new indications that the AIDS virus may live in and devastate the central nervous system, even the brain itself, making any successful AIDS treatment even more difficult than previously thought. (NBC-2, CBS-4)

STOCKS

Jennings: The Dow closed down 7 points. The trading was very active. (ABC-7)

(Wednesday Evening, October 2, 1985)

GORBACHEV -- COMMENTARY

NBC's John Chancellor: Mikhail Gorbachev's policies are easily as tough and uncompromising as those of his predecessors. The war in Afghanistan has been stepped up. No easing of Moscow's controls over Eastern Europe. No letup in the campaign against Soviet dissidents. No liberalization of arts and letters. No change in the basic structure of an economy run by Moscow bureaucrats. He has even praised Joseph Stalin's economic management policies. He has cracked down hard on drunken or lazy workers and he has put more former police officials, including former KGB men, in high offices in the Kremlin than ever before. The only area in which Gorbachev has shown some flexibility is in very expensive nuclear weapons programs. He wants that money to use at home and there may be some chance of making a deal. But the West should not be beguiled by good tailoring and good manners. (NBC-5)

###

EDITORIALS/COLUMNISTS

MARGARET HECKLER

Heckler's Departure -- "A ritual rule of thumb has developed whereby the more the President praises a Cabinet officer and protests that no one is being fired, the more imminent the Cabinet officer's departure seems to be.... The Administration deserves some credit for its record of appointing women to high government posts. It has not done so well in keeping them, particularly those who exercise any sort of independence. It has not done well at all when it comes to the manner in which they have been forced out." (Los Angeles Times, 10/2)

Mrs. Heckler On Her Way -- "Mrs. Heckler...did much good work. Fired or not, over the years, in Democratic eras and Republican ones, that has become almost a sure-fire prescription for a relatively brief tenure at HEW/HHS." (Washington Post, 10/2)

SOVIET RELATIONS

Crazy Gorby! 50% Off! -- "With the summit coming, Soviet arms-control offers are blaring out on the Western airwaves like so many commercials for stereos. 'Beat the arms race! Crazy Gorby's cutting warheads so fast he's practically giving those strategic systems away'....If Ronald Reagan can merely avoid signing the kind of ludicrous arms-control deal outlined in the press this week, his summit will be a tactical triumph. Yet, if the Soviets distract us from their quiet war against freedom movements-in Angola, Afghanistan, Nicaragua, Poland -- they will achieve a strategic victory. Tuning out all the static from Moscow is one thing; it is more important to change the channel, to use a summit to discuss our real problems with the Soviet Union." (Wall Street Journal, 10/2)

The Soviet Initiative -- "Continuing research into such a system would be prudent, since the U.S. has no way of determining whether the Soviets are doing likewise. But refusing to negotiate actual deployment would be shortsighted. Despite the Administration's claims, a 'Star Wars' system could upset the precarious nuclear balance that now exists and accelerate the buildup of both offensive and defensive weapons. The U.S. cannot afford to let such a system become an obstacle to serious arms-control efforts. It should work toward reducing the threat that already exists." (Dallas Times Herald, 10/1)

Star Fleece -- "Mikhail Gorbachev has been dropping hints of his willingness to chop Soviet nuclear capability in exchange for limits on the Strategic Defense Initiative. But his Geneva offer shows he will not put his missiles where his mouth is....In a distant year the name of Ronald Reagan may hold tremendous significance in the hearts and minds of our children. Mr. Reagan may be remembered as the man who saw an opportunity to relieve the world of its most horrible fear, and took it. Geneva furnishes him the opportunity, and in his tenacity there the Free World's hope and future lie." (Washington Times, 10/2)

SOVIET RELATIONS (continued)

Realistic Offer -- "If what the Kremlin is suggesting proves realistic and fair, it will find President Reagan receptive and willing to go forward....If the Soviets are sincere, if there is even a promise that an arms deal can be worked out to each side's satisfaction, the summit could be historic."

(Chicago Sun-Times, 10/1)

MIDEAST

Talks Before Arms To Jordan -- "U.S., Jordanian and Palestinian representatives should begin talking and agree on a peace framework based on the U.N. Security Council resolutions. That done, it would be inconceivable for Israel's government to refuse to deal with a Palestinian delegation, even if it included a few members with ties to the PLO. Acceptance of the U.N. resolutions would mean Palestinian acceptance of Israel, and that would be a milestone....King Hussein's quest for military hardware would deserve serious consideration only after there's an agreement among the Jordanians, Palestinians, and Israelis."

(Hartford Courant, 10/2)

FEDERAL BUDGET/TAX REFORM

Face Up To The Deficits -- "The nation desperately needs a tax increase coupled with sharp cuts in federal spending. The alternative is financial disaster. We again urge President Reagan to face the devastating reality of \$200 billion annual deficits and work with Congress to pass the necessary tax increases and spending cuts. Such action wouldn't kill tax reform - it could speed its eventual passage."

(Denver Post, 9/30)

Tough Medicine -- "The Los Angeles Times poll indicates that public opinion has shifted dramatically away from tax reform and toward deficit reduction. By a margin of 4-1, Americans believe that cutting the deficit should have priority over reform of the tax system. The poll results are particularly relevant. The poll indicates that people are willing to make sacrifices to jolt the nation out of its fiscal folly and off the joy ride tracks. They need a leader who will tell them some stiff medicine is the only answer for a sound economic future. Mr. President?

(Los Angeles Times, 10/2)

FARMS

Hard Times on the Farm -- "Money from last month's Farm Aid concert will be used to help needy farmers, and to 'change the attitude of average Americans toward their ham and eggs in the morning,' says singer Willie Nelson. If the concert did succeed in focusing public attention on what's happening on the farm, and if that attention can be translated into a humane government policy toward the devastated agricultural economy, it will have been a worthwhile endeavor."

(Hartford Courant, 10/2)

-end-



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, OCTOBER 3, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Kidnappers Execute Soviet In Beirut -- The body of a Soviet diplomat, shot in the head at close range, was found Wednesday morning dumped in a wasteland south of Beirut after a caller claiming to speak for his Moslem fundamentalist kidnappers told a western news agency where to look for it. (Washington Post, New York Times, Washington Times, Baltimore Sun, AP)

Relaxed Gorbachev Begins 4-Day Visit To France With Attack On 'Star Wars' -- PARIS -- Soviet leader Mikhail Gorbachev arrived here yesterday on his first visit to a western capital as Communist Party chief and quickly made the Reagan Administration's "star wars" program a hot topic. (Baltimore Sun, Washington Post, Washington Times, New York Times, AP)

NATIONAL NEWS

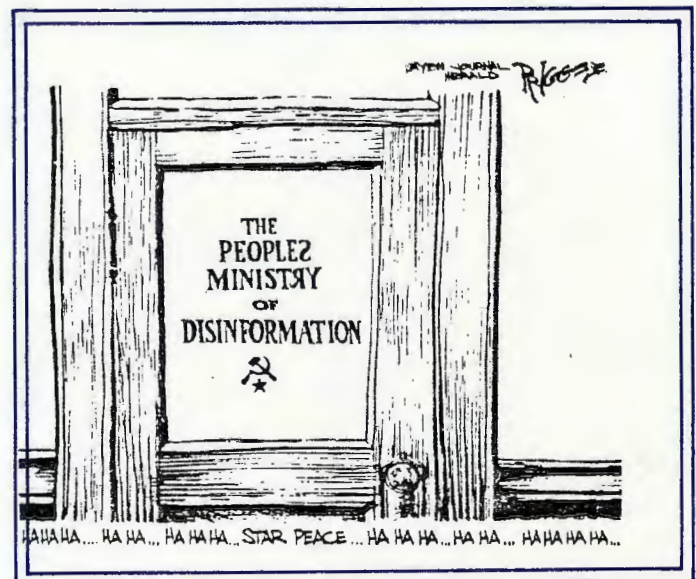
2 Ex-CIA Agents Sought By FBI As Possible Spies -- The FBI is seeking two former CIA officers apparently identified as Soviet spies by Vitaly Yurchenko, a high-ranking Soviet intelligence officer who defected two months ago. (Washington Post, New York Times, Washington Times)

NETWORK NEWS (Wednesday Evening)

PARIS SUMMIT -- The subjects are arms and diplomacy, war and peace, as Gorbachev tries to build momentum for his views before next month's summit in Geneva with Ronald Reagan.

SOVIET HOSTAGES -- Moslem terrorist kidnappers in Beirut carried out their threat and executed one of their Soviet hostages.

AIDS -- The House voted overwhelmingly to approve \$190 million in AIDS research money.



NATIONAL NEWS

PRESIDENT'S TRIP TO CINCINNATI

CINCINNATI -- There is an irony in President Reagan's visit to Cincinnati today, says U.S. Representative Willis Gradison, Republican of Cincinnati. While Mr. Reagan is here today pushing his tax reform package in Gradison's congressional district, the House Ways and Means Committee will be voting on some portions of the tax reform legislation. Gradison, a member of that committee, will miss those votes.

"Not much you can do about that. If the President of the United States is coming to your congressional district, it would not be right not to be there with him," Gradison said in a telephone interview Wednesday.

(Cincinnati Enquirer, A1)

NOTE: A sidebar chart showed which Cincinnati TV stations would be broadcasting which portions of the President's visit.

2 EX-CIA AGENTS SOUGHT BY FBI AS POSSIBLE SPIES

One of the two suspects, identified as Edward Lee Howard, 33, fled his home outside Santa Fe, N.M., two weeks ago after FBI agents questioned his employer.

A federal official reported yesterday that the second former CIA officer has not fled the U.S., but he would not comment on whether efforts are being made to place the man under surveillance or arrest.

(Patrick Tyler, Washington Post, A1)

FBI Seeking Former CIA Agents As A Soviet Mole

The FBI yesterday issued an arrest warrant for Edward Lee Howard, a 33-year-old former CIA officer in Moscow suspected of being a Soviet "mole."

A senior CIA official in Washington confirmed that Howard had been a CIA operative, but that he was expelled from the agency in 1983. The official gave no reason for the ouster.

(Bill Gertz, Washington Times, A1)

Double Agent Under Watch When He Fled

One official of the Reagan Administration said Wednesday that Howard did not begin providing information to the Soviet Union until after he left the CIA. The official said such actions would be damaging, but would not be as serious a security breach as the recruitment of an active CIA employee.

(New York Times, A1)

-more-

DEMOCRATS SAY TAX REVISION FACES DIFFICULTY IN THE HOUSE

Congressional Democrats gave the first firm signal yesterday that tax overhaul faces serious problems in the House, where President Reagan is counting on a victory this year that would put pressure on the more-skeptical Senate to approve the proposal.

At the same time, a small but growing number of lawmakers said President Reagan has been unable to generate public enthusiasm for tax reform and that the Democrats, instead, should push a minimum tax to force corporations and the wealthy to pay their fair share.

(Edward Walsh, Margaret Shapiro, Washington Times, A1)

LEHRMAN GROUP TO PROMOTE 'STAR WARS'

Citizens For America, a national lobbying organization created at the request of President Reagan, will launch a nationwide campaign late this month in support of the Strategic Defense Initiative.

Key CFA members from around the nation met here Wednesday for briefings on SDI and other issues. Addressing SDI was National Security Adviser Robert McFarlane.

Following the briefings, CFA members met with President Reagan at the White House.

"What you do to create the right political climate in this country will mean much to whether or not America is successful in her great mission," Mr. Reagan told the conservative audience.

(Ron Cordray, Washington Times, A2)

SENATE FACTIONS, ISSUES BLOCKING OK OF NOMINEE AS ENVOY TO CHINA

The Senate confirmation vote on Winston Lord, ambassador-designate to the People's Republic of China, is being blocked by Senate factions over two different issues.

Senate Democrats are holding all Reagan Administration nominations hostage over a dispute with the White House on the recess appointment process, while a bloc of conservative Republicans has placed its hold on Mr. Lord because of a controversy over U.S. funding of overseas abortion and sterilization programs.

(Thomas Brandt, Washington Times, A5)

THORNBURGH AIDE SAYS GOVERNOR GOT 'FEELERS' ABOUT HHS JOB

Pennsylvania Gov. Dick Thornburgh got "feelers" during the summer about Margaret Heckler's Health and Human Services Cabinet post, according to an aide, but the governor says he is not expecting to be offered the job.

"I have had no discussions whatsoever with anyone in the Reagan Administration about any specific position in that Administration," the Republican official told reporters Wednesday in Harrisburg. "It's not my present desire to do anything but serve out my term as governor."

(Jeff Barker, AP)

SENATOR SEES SOVIET ARMS BID AS NO GAIN FOR U.S. NATIONAL SECURITY

The new Soviet arms control proposal made in Geneva would allow the Soviet forces to retain their nuclear superiority and target three warheads on each U.S. ICBM site, more than enough for a knockout first strike, a member of the congressional observer team said Wednesday.

Sen. Malcolm Wallop (R.-WY) also said the Soviet proposal made Monday could eliminate U.S. missiles and bomber aircraft from Europe, which the U.S. has long refused to do on the grounds they are not intercontinental weapons.

The roundtable concluded the Reagan Administration should launch a massive public education program to articulate its overall worldwide strategy, and the place arms control negotiations, U.S. responses to Soviet violations and space defense would have in this strategy.

(Walter Andrews, Washington Times, A1)

EFFORT TO TABLE PROTECTIONIST TRADE BILLS FAILS IN SENATE, 52-43

A bipartisan coalition of senators last night fought off a move to table an Administration-opposed protectionist measure as the Senate opened its first full-scale debate on a series of trade measures designed to help beleaguered American industries. A motion to kill for now a measure designed to help textile, apparel and shoe industries failed last night on a 52-43 vote.

Meanwhile, in an attempt to stem Congressional pressure for protectionism, the Reagan Administration announced it is drafting another set of trade proposals to open more foreign markets to some U.S. industries, and named an interagency "strike force" to expose and counter unfair trade practices against the United States.

Spokesman Larry Speakes yesterday called the strike force a "major effort" to "consolidate the resources of the departments" to act against unfair trade practices against the United States."

(Rita McWilliams, Washington Post, A5)

HILL OK OF FARM REFERENDUM SEEN

Supporters of a referendum section in the House version of the 1985 farm bill are expected to win by a narrow margin, according to congressional aides on both sides of the issue.

If that remains in the bill, President Reagan has promised to veto the measure. Wednesday, Secretary Block called the referendum an idea that would "turn farmers' hardship into a catastrophe."

(Stephanie Nall, Washington Times, A5)

GRASSLEY, JUSTICE DEPARTMENT FEUD

A long-simmering feud between Justice Department officials and Sen. Grassley (R.-IA) has exploded into open warfare over Grassley's handling of a subcommittee hearing that prosecutors contend may have jeopardized a pending defense procurement case.

Grassley has repeatedly angered the Justice Department by demanding internal prosecution documents, generally without success.

(Howard Kurtz, Washington Post, A2)

-more-

DOLE GIVES PRESIDENT THUMBS UP ON TAX BILL

Sen. Dole, for months a nay-sayer on the Administration effort to revamp the tax code this year, Wednesday told President Reagan he would work past Thanksgiving to act on a bill. The Senate would have time to act, Mr. Dole said, if the House sends it a bill by Nov. 1.

White House spokesman Larry Speakes said it is still realistic to believe that tax reform can be achieved this year.

The President, Mr. Speakes said, is "adamantly opposed" to any tax increase that might be included in the bill.

(Karen Riley/Mary Belcher, Washington Times, A1)

BALANCED-BUDGET PLAN GETS SENATE ATTENTION

A proposal to force sweeping deficit reductions leading to a balanced budget within five years attracted broad support in the Senate yesterday. Several members predicted that legislation raising the federal debt ceiling to \$2 trillion cannot pass unless it includes this new plan.

About 40 Senators ... plan to push it as an amendment to the debt measure, which Secretary Baker has said must be passed by Monday so the government can keep borrowing to pay its bills.

(Helen Dewar, Washington Post, A4)

Senators Find Lever To Ratchet Down Deficit

The House already has agreed to lift the federal debt ceiling to \$2 trillion -- approximately double what it was when President Reagan took office. If the Senate attaches amendments to the debt-limit extension, it will then have to go to a House-Senate Conference Committee.

(Thomas Brandt, Washington Times, A5)

ROCK HUDSON DEAD AT 59 OF AIDS COMPLICATIONS

Actor Rock Hudson, whose announcement that he was suffering from acquired immune deficiency syndrome (AIDS) galvanized worldwide support to combat the deadly disease, died at his Los Angeles home Wednesday at the age of 59.

The White House released a statement from President Reagan, who had spoken by phone two months ago with his former colleague when Hudson was hospitalized:

"Nancy and I are saddened by the news of Rock Hudson's death. He will always be remembered for his dynamic impact on the film industry and fans all over the world will certainly mourn his loss. He will be remembered for his humanity, his sympathetic spirit and well-deserved reputation for kindness."

(Carla Hall, Washington Post, A1)

Rock Hudson Loses Battle To Aids

In the House yesterday, a lawmaker invoked Mr. Hudson's name before offering a proposal that would give U.S. Surgeon General Koop the power to shut down public bath houses and massage parlors in the war against AIDS. Approved 417-8, the bath house measure was used as an amendment to an appropriations bill, which includes \$189.7 million for AIDS.

(Washington Times, A1)

HOUSE DISCUSSES AIDS, APPROVES SPENDING BILL

The House passed a \$104.9 billion appropriations measure to fund the Labor, Health and Human Services and Education departments Wednesday after a low-key debate that was dominated by growing concern over the spread of the AIDS virus.

The total was \$3.4 billion less than the spending authorized by Congress in the last fiscal year but \$4.3 billion more than the Reagan Administration requested for the three departments.

(Edward Walsh, Washington Post, A6)

SECOND RAIL LABOR ACCORD REACHED

The nation's largest railroad labor union, whose first tentative contract agreement with the railroads failed to win members' ratification, reached a second pact Wednesday, perhaps reducing the possibility of a national rail strike at midnight Oct. 25.

The mediation board notified President Reagan that the dispute threatened to deprive sections of the country of essential transportation. He appointed a three-member emergency board, which reported September 25, starting a 30-day cooling-off period now in progress.

(Douglas Feaver, Washington Post, A7)

SENATOR THREATENS TO BAR NOMINEE

Sen. Paul Simon (D.-IL) threatened Wednesday to try to block the nomination of Laurence H. Silberman to the U.S. Court of Appeals here unless Silberman resigns from an all-male club.

(Lawrence Feinberg, Washington Post, A8)

BOMB-TESTING VICTIMS SEEK RIGHT TO SUE U.S.

Several military veterans ... appealed Wednesday to a House Judiciary Subcommittee for legislation to allow them to sue the government for injuries they said they are suffering as a result of being exposed to atomic bomb testing in the 1950s.

Their suits are effectively blocked by the so-called Warner amendment to the 1985 Defense Appropriations Act and a doctrine that prohibit military personnel from suing the government for injuries sustained on active duty.

Sen. Warner (R.-VA) said Wednesday in an interview that he offered the amendment at the request of the Reagan Administration. "No one brought to my attention this special category of tragic victim," he said.

(Sandra Sugawars, Washington Post, A8)

PANEL APPROVES NEW MEDICARE PAYMENT SYSTEM

President Reagan's Cabinet council on domestic policy has approved a new system of Medicare payments for capital outlays, administration sources said Wednesday. Under the proposal, which must be approved by Congress, the basic payment received by each hospital for treating a Medicare patient would be increased by an estimated 6 to 6.9 percent through add-on payments.

But all other special Medicare reimbursements to hospitals for capital costs and return on investments would be ended.

(Spencer Rich, Washington Times, A11)

O'NEILL YIELDS TO SHULTZ, DELAYS TEST-BAN VOTE

House Speaker O'Neill, responding Wednesday to a strongly-worded appeal by Secretary Shultz, withdrew a resolution asking the Reagan Administration to submit two pending nuclear test-ban treaties to the Senate for ratification.

Kirk O'Donnell, a senior aide to O'Neill, said the speaker decided Tuesday to withdraw the resolution, which was scheduled for debate and a vote Wednesday.

Another O'Neill aide, who asked not to be identified, said, "The speaker has been going out of his way to give President Reagan the greatest possible opportunity at Geneva."

(Edward Walsh, Washington Post, A21)

FASTER RULINGS PLEDGED ON BLACK-LUNG BENEFITS

Labor Secretary Brock has announced a plan to spend \$17.7 million over four years to eliminate "intolerable delays" encountered by coal miners seeking black-lung benefits.

(Washington Post, A21)

HERRINGTON OPPOSES SYN-FUEL PROJECTS

Energy Secretary Herrington, declaring that the economic justification for synthetic fuels has collapsed, said Wednesday he was opposed to two large projects slated to receive up to \$684 million in new federal subsidies later this month from the U.S. Synthetic Fuels Corp.

(Washington Post, A21)

\$649 MILLION IN ERRORS FOUND IN PELL GRANTS

The Pell grant program for needy college students made an estimated \$649 million worth of errors in the 1982-83 school year through administrative mistakes and inaccurate applications, according to a study by the General Accounting Office.

(Washington Post, A21)

INTERNATIONAL NEWS

SOVIET DIPLOMAT EXECUTED IN BEIRUT

BEIRUT -- Moslem kidnappers executed one of their four Soviet diplomat hostages Wednesday and threatened to kill the others and blow up the Soviet Embassy unless fighting in the northern city of Tripoli stopped.

The Soviet Union condemned the murder and demanded the immediate and unconditional release of the hostages. It said it had appealed to Syria for help in gaining their freedom. (Washington Times, A1)

Kidnappers Execute Soviet In Beirut

The killing of the Soviet diplomat, identified as consular secretary Arkady Katkov, was followed by another call to an American news agency in the previously unknown Islamic Liberation Organization, warning that the Soviet Embassy in west Beirut would be "demolished" over the heads of "Soviet diplomatic staff and members of the KGB," the Soviet secret police. The caller set a deadline of 48 hours for the Soviet compound to be evacuated. (Nora Boustany, Washington Post, A1)

Moscow Identifies Body In Lebanon As A Russian Aide

MOSCOW -- The Soviet Union said a man found slain in West Beirut today had been positively identified as one of four Russians abducted in the Lebanese capital by Moslem extremists. Moscow called the killing "an atrocity which cannot be pardoned." (New York Times, A1)

Soviet Diplomat Is Killed

At the United Nations, U.S. Ambassador Vernon Walters opened a meeting of the Security Council by offering his Soviet colleagues condolences on "the brutal, vicious murder." (Baltimore Sun, A1)

SOVIETS APPEAL TO SYRIANS, LEBANESE AFTER KILLING

BEIRUT -- The Soviet Union has appealed to Syrian and Lebanese leaders to help free three of its embassy employees, captives of extremists who killed a Soviet diplomat after demanding that Moscow stop a battle between Moslem militias in Tripoli. (AP)

GORBACHEV TAKES CASE AGAINST SDI TO PARIS

PARIS -- Soviet leader Gorbachev sought to win French support for a ban on space weapons Wednesday, at the start of his first official visit to the West since assuming power in the Kremlin.

Speaking at a state banquet in his honor this evening, Gorbachev made clear that he intends to make opposition to President Reagan's Strategic Defense Initiative (SDI) a major theme of his four-day visit.

(Michael Dobbs/Gary Lee, Washington Post, A1)

-more-

Gorbachev Wants Paris Break With U.S. On SDI

Mikhail Gorbachev said last night, in the first major statement of his French visit, there would be "rough times" ahead if the United States does not drop its plans to develop its space-based Strategic Defense Initiative.

(Michael Bonafield, Washington Times, A1)

Soviet Leader Warns United States On Star Wars

In his toast at the dinner, Gorbachev said the Soviet Union has demonstrated in superpower negotiations that it "is ready for reasonable compromises and is awaiting an adequate reaction."

(Jeffrey Ulbrich, AP)

RAID, REAGAN STUN TUNISIA

TUNIS -- Tunisia, stunned by the dual blows of yesterday's Israeli air raid on the PLO headquarters near here and seeming U.S. presidential endorsement of the attack, registered its dismay today with a sharp official protest and street demonstrations against its traditional American ally.

Confronted with massive security forces, groups of youths shouting, "Reagan coward," (Zionist collaborator" and "An eye for an eye, a tooth for a tooth" dispersed peacefully after demonstrating in front of a U.S. cultural center downtown.

(Jonathan Randal, Washington Post, A1)

U.S. MODIFIES ITS REACTION

The Reagan Administration backed away Wednesday from its unqualified endorsement of the Israeli raid on the PLO headquarters in Tunis and tried to speak with one voice after top policymakers had sharply disagreed about the appropriate U.S. response.

The White House endorsement of the raid upset Shultz's strategy for dealing with the raid, sources said.

(David Ottaway/Michael Weisskopf, Washington Post, A1)

U.S. Backs Israeli Air Strike, Assails Broad Mideast Strife

The Reagan Administration refused to budge yesterday on its contention that the Israeli Air Strike in Tunisia was a "justifiable expression of self-defense" but strengthened, in general terms, its condemnation of violence in the region.

Spokesman Larry Speakes said President Reagan has sent a message of condolence to President Bourguiba for the deaths of Tunisian citizens in the air strike.

"But at the same time, we believe in the right of self-defense against terrorists wherever they may be harbored," Mr. Speakes said.

(Dave Doubrava/Jeremiah O'Leary, Washington Times, A3)

White House, In Shift, Says Raid By Israel 'Cannot Be Condoned'

A carefully-phrased White House statement called the raid "understandable as an expression of self-defense" but said the bombing "cannot be condoned." In its initial statements Tuesday, the White House had called the Israeli action "a legitimate response" to "terrorist attacks."

-more-

(New York Times, A1)

TUNISIA URGES U.N. TO CONDEMN ISRAELI ATTACK

UNITED NATIONS -- Tunisia yesterday urged the U.N. Security Council to condemn Israel's air attack on the headquarters of the PLO and asked the council to order that reparations be paid.

(Roger Fontaine, Washington Times, A6)

Tunis Asks Security Council To Condemn Israeli Raid

Diplomats assumed, in any case, that the United States would veto any resolution emerging from the backstage negotiations.

(Michael Berlin, Washington Post, A32)

SHULTZ ON U.S. POLICY CONTRASTS

NEW YORK -- Secretary Shultz said Wednesday the need to balance morality with realism explains why the U.S. has taken an unrelenting tough stance against communism in Nicaragua while following a softer line toward racial segregation in South Africa.

Shultz ... said the Administration is as committed to ending apartheid in South Africa as it is to overturning communism in Nicaragua. But, he added, the situations in the two countries involve different circumstances and different challenges to U.S. interests and thus must be dealt with differently.

(John Goshko, Washington Times, A5)

REAGAN HEARTENED BY SOVIET PROPOSALS AT GENEVA ARMS TALKS

President Reagan expressed his approval Wednesday that the Soviet Union, for the first time, has put forth a comprehensive proposal for reducing nuclear arms, and said he "is hopeful that this would provide a basis for discussion."

(Don Oberdorfer, Washington Times, A16)

DUTCH, BELGIANS ASK NATO MEETING BEFORE REAGAN-GORBACHEV SUMMIT

BRUSSELS -- Belgium and the Netherlands, irritated by their exclusion from President Reagan's pre-summit meeting with the leaders of five industrialized nations, said today they have asked for a special NATO foreign ministers' council as the "appropriate" forum for discussing East-West relations before Reagan's talks with Gorbachev.

The Belgian-Dutch initiative was the second setback this week for Reagan's efforts to show Western unity before the November summit. France, in a move officials described as an assertion of independence, declined Reagan's invitation Tuesday.

(Steven Dryden, Washington Post, A19)

Belgians, Dutch Protest Exclusion From Western Summit

Belgium and the Netherlands Wednesday protested President Reagan's decision to exclude them from a summit meeting of Western leaders later this month, but U.S. officials said plans for the meeting would not be changed.

(Paul Taylor, Reuter, Washington Times, A7)

REJECTION OF WORLD COURT MAY DEPEND ON TIMING

The potential U.S. rejection of World Court jurisdiction over matters that concern national security is surrounded by strategy goals -- including an effort to blunt a Nicaraguan damage claim against the United States, sources said Wednesday. (Ed Rogers, Washington Times, A4)

KRUGERRAND BAN SPURS NEW DEMAND FOR COIN

The Reagan Administration's decision to ban the import of South African krugerrands caused a flurry of new demand for the gold coins Wednesday as speculators began buying them up in anticipation of future scarcity, according to a leading Washington area dealer in the coins. (Michael Isikoff, Washington Post, A27)

-end of A-section-

NETWORK NEWS SUMMARY

(Wednesday Evening, October 2, 1985)

GORBACHEV/PARIS SUMMIT

CBS's Dan Rather reports from Paris: Mikhail Gorbachev in France, his first visit to the West since taking control of the Kremlin, here in Paris for talks with President Mitterrand. The subjects are arms and diplomacy, war and peace, as Gorbachev tries to build momentum for his views before next month's summit in Geneva with Ronald Reagan. Mitterrand's welcoming remarks included references to problems of human rights in the world, something he has challenged the Russians on before. Gorbachev repeated his opposition to President Reagan's star wars plan, saying, "We need to prevent an arms race in space and end it on earth." At the palace, Mitterrand and Gorbachev spent over an hour immediately in private conversation getting to know each other. The Soviets announced that tomorrow they will release more details of their newest Geneva proposals made to the Americans on Monday. At the banquet tonight, Gorbachev delivered his sharpest attack yet against President Reagan's star wars plan, warning of "rough times ahead" if President Reagan and his aides "continue along the perilous path they have laid." (CBS-Lead)

Rather: Gorbachev's intense public relations campaign does not appear to have changed American public opinion. Half the Americans questioned in a new CBS News poll released tonight say they don't see much difference between the new Gorbachev style and previous Soviet leaders on the issue of peace. 42% feel the U.S. should get tougher with the Soviets. That wish reflects a change in American public opinion and suggests the public is not ready to accept whatever requirement the Soviets wish in order to gain an arms control agreement. The poll was taken in mid-September and has a margin of error of 3%. The selling of Gorbachev, meanwhile, goes on. A five-minute film package supplied by the Soviets, complete with French translation, aired on French television. How will this play in France? Last night's unprecedented Gorbachev interview on French television attracted only 10% of the viewers, while a Signoret movie got top rating at 36%. (CBS-5)

CBS's Tom Fenton reports on Parisians of Russian descent. In a part of France where Gorbachev is not welcome. Most of the Russians in Paris came to escape from Lenin's Russia and from Gorbachev's Russia. (CBS-11)

ABC's Peter Jennings reports from Paris: Gorbachev's visit has been carefully calculated: flatter the French and attack the Americans.

ABC's Pierre Salinger reports from Paris: In his opening speech, the Soviet leader immediately set the tone for the three-day meeting with Mitterrand: His fight against President Reagan's star wars project. (Gorbachev, through translator: "Constructive dialogue is very important for preventing the extension of the arms race to space and limiting the arms race on earth.")

(Wednesday, October 2, 1985)

Salinger continues: The first 2 1/2 hour session was confined to discussions on world affairs, with emphasis on the need for arms reduction and with the Soviet leader pushing his opposition to the U.S. star wars project. The spokesman for the Soviet Communist Party's Central Committee stressed the need for a return to detente and hinted there will be a fuller exposition of the Soviet Union's new arms reduction proposal sometime tomorrow. In his toast (at the state dinner) Mitterrand alluded to his previous opposition to the star wars project by calling for respect for the ABM treaty. In his return toast, Gorbachev warned that the world would have rough times ahead if President Reagan went ahead with his star wars program and he stressed that France and the Soviet Union have the same views on the need to demilitarize outer space. For Gorbachev, who wanted to put Reagan on the defensive before their meeting in Geneva in November, this first day in Paris has to be labeled a success.

Jennings: From the Reagan Administration's point of view, Gorbachev's mission to France is two-fold: do what you can to disrupt the Western Alliance and enlist more European support against the President's plan for a missile defense program in space. And though we are not likely to hear it said bluntly in public, the French are sympathetic. That is not to say the French are against nuclear deterrence in general. Quite the contrary.

ABC's Don Kladstrup reports on the French nuclear deterrence. France is a nuclear power to be reckoned with, independent of NATO and calling its own shots. (ABC-Lead)

Jennings reports on the five-minute videotape biography of Gorbachev the Soviet authorities have handed out. It is a glowing tribute, as you might expect. (ABC-8)

NBC's Tom Brokaw: Gorbachev called on the U.S., France and West Germany to reduce their military preparations. But he also said political dialogue between East and West was more important than ever.

NBC's Jim Bitterman reports from Paris: The French were calling it Operation Seduction, but it was not entirely clear as Gorbachev arrived in Paris who was trying to seduce whom. Mitterrand, troubled by economic disarray at home and scandal abroad, desperately would like some kind of diplomatic success in the run up to the elections next spring. And Gorbachev, soon to face President Reagan in Geneva, was out to attack America's space defense plan and perhaps charm Europeans into distancing themselves a bit from the U.S. French diplomats were saying they would be happy if the tone just stayed positive even if very little concrete were accomplished. But when the Mitterrands had the Gorbachevs over to dinner...it seemed the diplomats might not have it entirely their way. Gorbachev, in his after-dinner remarks, was out to sharpen his attack on space defense, something the Soviet leader threatened could lead the world into hard times.

-more-

(Wednesday Evening, October 2, 1985)

Bitterman continues: Across Paris, thousands were meeting to protest lack of regard for human rights and threatening that despite an official ban on street demonstrations, there was going to be a protest march on the Soviet Embassy later. The expectation tonight is that despite Mitterrand's pressing need for a foreign policy success, he will resist the Soviet leader's seductive ways and avoid joining France in Moscow's campaign against space defenses. (NBC-3)

WESTERN SUMMIT

Jennings: First the French president didn't like the idea of appearing to be summoned to New York and said he wouldn't go. Now the Netherlands and Belgium are unhappy they were not invited. If the White House was planning a show of allied unity before the American-Soviet summit, it looks pretty messy. Today the White House blamed the West Germans for announcing the summit before everybody was on board. (NBC-4, ABC-3)

GENEVA SUMMIT/DEAVER

Brokaw: Chris Wallace is reporting that one of the consultants called in to help the White House prepare for the Geneva summit meeting is former Reagan aide Michael Deaver. One of the last things Deaver did before leaving to start his own public relations business was to arrange the President's visit to that military cemetery in Bitburg. (NBC-6)

LEBANON/SOVIET HOSTAGES

Rather: Moslem terrorist kidnappers in Beirut carried out their threat and executed one of their Soviet diplomat hostages.

CBS's Don McNeill reports from Beirut that at the Soviet Embassy there was extremely tight security after a Western news agency received a threat to blow it up from a man who said he spoke with the Islamic Liberation Organization. The murder is a slap in the face for President Assad, who had warned of grave consequences if any of the Russians were killed. An end to the Syrian attack on Sunni fundamentalists in Tripoli was the single demand of the kidnappers, and today there was reportedly a lull in the fighting. The Soviets traditionally have been very stoic about losing lives in the service of their country and are unlikely to attempt any form of retaliation. But they can put tremendous pressure on Syria to make some concessions to the kidnappers demands.

CBS's Mark Phillips: If you were looking for the Soviet leader to react to the murder of one of his diplomats, it didn't happen. The reaction came in Moscow on the evening newscast. The Soviets demanded the immediate and unconditional release of the three remaining hostages and they indirectly blamed the Israelis, who they said were responsible for Lebanon's internal strife. In Washington, the reaction was a rare example of the U.S. and the Soviet Union agreeing on an international incident.

(Wednesday Evening, October 2, 1985)

Phillips continues: (Charles Redman: "We call upon those who are holding Soviets, Americans, or other nationals as hostages in Lebanon, to release them immediately.")

Gorbachev is out to try to drive a wedge between Western Europe and the U.S., particularly on the star wars issue, and no drama elsewhere was going to knock him off stride. (ABC-4, CBS-2)

Brokaw reports The U.S. denounced the execution of the Soviet diplomat as a barbarous and criminal act. (NBC-8)

ISRAELI RAID

Jennings: The White House has backed off its endorsement of the Israeli attack on the PLO in Tunisia. The attack has been widely denounced around the world and today the White House said it does not condone acts of violence by any party. As many as 60 were killed and some of them were innocent Tunisians. (ABC-5)

Brokaw: The U.S. today toughened its reaction to Israel's raid on the PLO headquarters in Tunisia. The Reagan Administration said the bombing was deplorable, but understandable given last week's murder of three Israelis in Cyprus. Yesterday, you remember, the White House called the attack a legitimate response. And earlier today, Tunisia's president urged the U.S. to change what he called its "negative and unexpected position on the raid." (NBC-7)

DOUBLE AGENT

Jennings: American intelligence agencies have put out a worldwide alert for a former CIA agent believed to have been a Soviet mole. Edward Howard was apparently fingered by a top-level Soviet defector to the U.S. last month. (CBS-7, NBC-9, ABC-4)

ROCK HUDSON

Jennings: Rock Hudson was 59 years old when he died today. President Reagan said Hudson would always be remembered for his humanity. (CBS-3, ABC & NBC-Lead)

AIDS

Rather: The House voted overwhelmingly to approve \$190 million in AIDS research money. It ordered part of that money spent by the U.S. Surgeon General to find and close down any bath house or massage parlor in the U.S. involved in spreading the disease. And medical researchers report new indications that the AIDS virus may live in and devastate the central nervous system, even the brain itself, making any successful AIDS treatment even more difficult than previously thought. (NBC-2, CBS-4)

STOCKS

Jennings: The Dow closed down 7 points. The trading was very active. (ABC-7)

(Wednesday Evening, October 2, 1985)

GORBACHEV -- COMMENTARY

NBC's John Chancellor: Mikhail Gorbachev's policies are easily as tough and uncompromising as those of his predecessors. The war in Afghanistan has been stepped up. No easing of Moscow's controls over Eastern Europe. No letup in the campaign against Soviet dissidents. No liberalization of arts and letters. No change in the basic structure of an economy run by Moscow bureaucrats. He has even praised Joseph Stalin's economic management policies. He has cracked down hard on drunken or lazy workers and he has put more former police officials, including former KGB men, in high offices in the Kremlin than ever before. The only area in which Gorbachev has shown some flexibility is in very expensive nuclear weapons programs. He wants that money to use at home and there may be some chance of making a deal. But the West should not be beguiled by good tailoring and good manners. (NBC-5)

###

EDITORIALS/COLUMNISTS

MARGARET HECKLER

Heckler's Departure -- "A ritual rule of thumb has developed whereby the more the President praises a Cabinet officer and protests that no one is being fired, the more imminent the Cabinet officer's departure seems to be.... The Administration deserves some credit for its record of appointing women to high government posts. It has not done so well in keeping them, particularly those who exercise any sort of independence. It has not done well at all when it comes to the manner in which they have been forced out."
(Los Angeles Times, 10/2)

Mrs. Heckler On Her Way -- "Mrs. Heckler...did much good work. Fired or not, over the years, in Democratic eras and Republican ones, that has become almost a sure-fire prescription for a relatively brief tenure at HEW/HHS."
(Washington Post, 10/2)

SOVIET RELATIONS

Crazy Gorby! 50% Off! -- "With the summit coming, Soviet arms-control offers are blaring out on the Western airwaves like so many commercials for stereos. 'Beat the arms race! Crazy Gorby's cutting warheads so fast he's practically giving those strategic systems away'....If Ronald Reagan can merely avoid signing the kind of ludicrous arms-control deal outlined in the press this week, his summit will be a tactical triumph. Yet, if the Soviets distract us from their quiet war against freedom movements-in Angola, Afghanistan, Nicaragua, Poland -- they will achieve a strategic victory. Tuning out all the static from Moscow is one thing; it is more important to change the channel, to use a summit to discuss our real problems with the Soviet Union."
(Wall Street Journal, 10/2)

The Soviet Initiative -- "Continuing research into such a system would be prudent, since the U.S. has no way of determining whether the Soviets are doing likewise. But refusing to negotiate actual deployment would be shortsighted. Despite the Administration's claims, a 'Star Wars' system could upset the precarious nuclear balance that now exists and accelerate the buildup of both offensive and defensive weapons. The U.S. cannot afford to let such a system become an obstacle to serious arms-control efforts. It should work toward reducing the threat that already exists."
(Dallas Times Herald, 10/1)

Star Fleece -- "Mikhail Gorbachev has been dropping hints of his willingness to chop Soviet nuclear capability in exchange for limits on the Strategic Defense Initiative. But his Geneva offer shows he will not put his missiles where his mouth is....In a distant year the name of Ronald Reagan may hold tremendous significance in the hearts and minds of our children. Mr. Reagan may be remembered as the man who saw an opportunity to relieve the world of its most horrible fear, and took it. Geneva furnishes him the opportunity, and in his tenacity there the Free World's hope and future lie."
(Washington Times, 10/2)

SOVIET RELATIONS (continued)

Realistic Offer -- "If what the Kremlin is suggesting proves realistic and fair, it will find President Reagan receptive and willing to go forward....If the Soviets are sincere, if there is even a promise that an arms deal can be worked out to each side's satisfaction, the summit could be historic."

(Chicago Sun-Times, 10/1)

MIDEAST

Talks Before Arms To Jordan -- "U.S., Jordanian and Palestinian representatives should begin talking and agree on a peace framework based on the U.N. Security Council resolutions. That done, it would be inconceivable for Israel's government to refuse to deal with a Palestinian delegation, even if it included a few members with ties to the PLO. Acceptance of the U.N. resolutions would mean Palestinian acceptance of Israel, and that would be a milestone....King Hussein's quest for military hardware would deserve serious consideration only after there's an agreement among the Jordanians, Palestinians, and Israelis."

(Hartford Courant, 10/2)

FEDERAL BUDGET/TAX REFORM

Face Up To The Deficits -- "The nation desperately needs a tax increase coupled with sharp cuts in federal spending. The alternative is financial disaster. We again urge President Reagan to face the devastating reality of \$200 billion annual deficits and work with Congress to pass the necessary tax increases and spending cuts. Such action wouldn't kill tax reform - it could speed its eventual passage."

(Denver Post, 9/30)

Tough Medicine -- "The Los Angeles Times poll indicates that public opinion has shifted dramatically away from tax reform and toward deficit reduction. By a margin of 4-1, Americans believe that cutting the deficit should have priority over reform of the tax system. The poll results are particularly relevant. The poll indicates that people are willing to make sacrifices to jolt the nation out of its fiscal folly and off the joy ride tracks. They need a leader who will tell them some stiff medicine is the only answer for a sound economic future. Mr. President?

(Los Angeles Times, 10/2)

FARMS

Hard Times on the Farm -- "Money from last month's Farm Aid concert will be used to help needy farmers, and to 'change the attitude of average Americans toward their ham and eggs in the morning,' says singer Willie Nelson. If the concert did succeed in focusing public attention on what's happening on the farm, and if that attention can be translated into a humane government policy toward the devastated agricultural economy, it will have been a worthwhile endeavor."

(Hartford Courant, 10/2)

-end-