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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, OCTOBER 10, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Pirates Leave Ship; American Killed -- It was a day of agonizing uncertainty for friends and relatives of the American hostages aboard the Achille Lauro, a tempestuous day that ended with relief -- except for the family of Leon Klinghoffer. (Washington Post, Washington Times, Reuter, New York Times, UPI, Baltimore Sun)

NATIONAL NEWS

Senate Adopts Plan To End Deficits -- The Senate gave overwhelming approval to budget controls aimed at eliminating the deficit by 1991. (Washington Post, Washington Times, New York Times, Baltimore Sun, Reuter, UPI, AP)

President May Meet Tax Apathy In Deerfield -- President Reagan will try to fire up his tax reform proposal in the heart of Republican suburbia, but it appears the issue is barely a glowing ember there. (Chicago Sun-Times)

NETWORK NEWS (Wednesday Evening)

ACHILLE LAURO -- The White House finds itself in a quandry with one of its closest allies in the Middle East, Egypt, which reportedly offered free passage to the terrorists.

BUDGET -- It was an overwhelming Senate vote for the balanced budget by 1991 plan, 75-24.

TRADE -- If new protectionist measures pass Congress, several countries would be badly hurt.

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INTERNATIONAL NEWS

PIRATES LEAVE SHIP; AMERICAN KILLED

Reports Wednesday night that Klinghoffer's body was dumped over the side of the Italian ship on Monday ended a day that had begun with a tragic bit of misinformation -- that the terrorists had surrendered with all hostages safe.
(Lionel Barber, Washington Post, A1)

Hijackers Yield Ship In Egypt; Passenger Slain, 399 Are Safe; U.S. Assails Deal With Captors -- Four men identified as the hijackers of an Italian cruise ship surrendered in Egypt Wednesday after a two-day drama in the eastern Mediterranean.

Hours later, Italy announced that an elderly, wheelchair-bound tourist from New York was missing and was believed slain in the hijacking, his body thrown overboard.
(New York Times, A1)

Pirates 'Surrender'; One Passenger Dead

The Reagan Administration, outraged by the murder of a 69-year-old New Yorker aboard the Italian cruise ship Achille Lauro, Wednesday demanded that the hijackers be brought to justice.

Spokesman Larry Speakes last night confirmed the murder of stroke victim Leon Klinghoffer. Details of the killing would not be available until other hostages had been questioned about the incident, Mr. Speakes said.
(Mary Belcher, Washington Times, A1)

Palestinians Leave Pirated Ocean Liner -- Captain Gerardo De Rosa said in a radio conversation last night that a terrorist who had blood on his clothing admitted to the murder.
(Baltimore Sun, A1)

American Was Killed Aboard Hijacked Liner

In New York, Klinghoffer's neighbors wept openly on East 10th Street, after television and radio stations broadcast news of Klinghoffer's death. "Why him, why did it have to happen to Leon," was a near constant refrain from residents as the man's children remained inside their father's apartment trying to come to terms with the dreadful news.
(Reuter)

Reagan Dispatches Ambassador To Ship: Shamir Says Klinghoffer Murdered

The Reagan Administration dispatched its ambassador to the coast of Egypt Wednesday and vowed to "do everything possible" to prosecute four Palestinian gunmen who seized an Italian cruise ship and killed an American passenger.

U.S. officials were reluctant to discuss an Israeli report that the pirates may have intended to strike a ship carrying Reagan's daughter, Maureen, who was on a Mediterranean cruise at the time. Spokesman Larry Speakes said Maureen Reagan was "safe and all right" Wednesday, although he refused to discuss her whereabouts.
(UPI)

U.S. WANTS HIJACKERS PROSECUTED

The Reagan Administration indirectly took issue Wednesday with Egypt's apparent decision to grant safe passage out of the country to the four Palestinian terrorists who seized an Italian cruiser, stressing that it was an "independent Egyptian decision" and that Washington would seek to bring them to justice.

White House and State Department officials, in the absence of fuller details about negotiations with the terrorists, were reluctant to comment extensively on the resolution of the crisis or the murder of Leon Klinghoffer, 69, a New Yorker who was killed and thrown overboard.

(Washington Post, A37)

ITALY SEEKS EXTRADITION OF SHIP'S HIJACKERS

ROME -- Italy Thursday sought the extradition of four Palestinian terrorists who hijacked an Italian luxury liner and killed an American passenger before surrendering in Egyptian waters. (UPI)

EGYPT LETS HIJACKERS GO TO UNDISCLOSED DESTINATION

PORT SAID, Egypt -- The Palestinian hijackers of an Italian cruise ship abandoned the vessel and ended the two-day drama on the high seas today, in return for an Egyptian pledge of safe conduct out of the country.

White House spokesman Larry Speakes said the United States was "saddened and outraged by the brutal killing of an innocent American (and) particularly distressed that there has been no announcement yet that those responsible will be turned to the appropriate authorities for prosecution and punishment. (Christopher Dickey, Washington Post, A1)

BEHIND THE SCENES: U.S. PLEADED WITH EGYPT NOT TO RELENT

In the tense negotiations over the Achille Lauro, the State Department pleaded with Egypt to "resist pressure" for concessions to the Palestinian hijackers of the Italian cruise ship, according to a key U.S. official. But despite the appeal, in order to secure the release of more than 500 passengers and crew members, the hijackers apparently were given assurances "they would get to some location outside Egypt," the official, Richard W. Murphy, said Wednesday night. (Barry Schweid, AP)

ARAFAT SAYS HE WILL PUNISH HIJACKERS IF THEY ARE HANDED OVER

PARIS -- PLO leader Yasser Arafat said Wednesday he Egypt to hand over four gunmen who hijacked an Italian cruise liner so they could be punished by his organization.

"We have no information about them but from the moment the Egyptian authorities accept to hand over these persons to us we will investigate and we will punish them. "They do not belong to the PLO," said Arafat, speaking in English. (Reuter)

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ISRAELI PORT CALLED GOAL OF GUNMEN

JERUSALEM -- Israeli officials said today that the hijackers of the Italian liner Achille Lauro may have purchased tickets for the voyage intending to disembark at the Israeli port of Ashdod for a terrorist operation and then were panicked into commandeering the ship.

Earlier Wednesday, Deputy Foreign Minister Roni Milo said, "The indications and the demands show that it is probably a PLO branch that did it. The fact that they wanted to release from Israel the terrorists from Force 17, which is the most important group of Arafat's terrorists, shows that this is the group that works for the PLO and under the supervision of Arafat himself.

(Washington Post, A37)

PLO Aided Terrorists, Israel Says

TEL AVIV -- Israeli sources say the hijacking of the cruise liner Achille Lauro came about because of a foul-up by the four terrorists aboard. The entire operation, according to the Israelis, was planned and carried out with the knowledge and cooperation of PLO leader Arafat.

(Washington Times, A7)

HIJACKERS OF LINER OBTAINED THREE CONDITIONS, PLO SAYS

TUNIS -- The hijackers of the Italian cruise liner Achille Lauro won three conditions from Egyptian authorities before surrendering today, a senior PLO official said. The conditions included a promise that Egypt would try to arrange talks with Israel and the United States on their demand for the release of Palestinian prisoners, the official said,

The other two conditions were guarantees that they would not be brought to justice and would not be handed over to the PLO. (Reuter)

U.N. SECURITY COUNCIL CONDEMNS TERRORISM

UNITED NATIONS -- The Security Council issued a unanimous statement Wednesday condemning the "unjustifiable and criminal hijacking" of the Italian liner Achille Lauro, as well as "other acts of terrorism, including hostage-taking."

Although the statement offered no specific remedies for terrorist acts, diplomats said it was the first time in its 40 years that the council had issued any broad-ranging condemnation of terrorism.

(Washington Post, A38)

REAGAN BARS CUBAN OFFICIALS FROM THE U.S.

President Reagan has barred officials or employees of the Cuban government or the Communist party of Cuba from entering the United States. The President said he was acting in response to Cuba's decision to suspend a U.S.-Cuban immigration agreement.

(AP story, Washington Post, A43)

SINGLAUB DENIES REAGAN AIDED CONTRA FUND

Retired Army major general John Singlaub denied Tuesday that he received guidance from President Reagan or the White House staff for his effort to raise private financial support for Nicaraguan rebels.

"I did not talk to the President. I did not talk to members of his Administration. I talked to freedom fighters," Singlaub said in denying a report by the Associated Press that Reagan approved the plan to provide the rebels with private funds and that White House officials selected Singlaub to carry it out. (UPI story, Washington Post, A43)

BUSH PLANS DISPLAY OF TRADE TIES

Vice President Bush begins a journey to China today which he says will emphasize support for the nation's experiments with capitalism and demonstrate the tightening of American ties to the communist giant.

The Vice President planned to stop in Hawaii, and visit Saipan -- the Marshall Islands site of furious World War II fighting -- before arriving in Peking Sunday. (UPI story, Washington Times, A7)

HESELTINE SAYS BRITISH FIRM ON BUYING TRIDENT

LONDON -- British Defense Minister Michael Heseltine yesterday strongly reaffirmed Britain's commitment to buying the new Trident submarine-launched nuclear missile from the U.S., and said that Soviet leader Gorbachev's attempts to get Britain to give up its independent nuclear deterrent would not succeed. (Washington Times, A6)

SATELLITE UNCHANGED FROM MANUAL BOUGHT BY SOVIETS, U.S. OFFICIALS SAY

BALTIMORE -- The top secret KH-11 spy satellite is still operating just as it was supposed to work when a Soviet agent bought its official manual from a CIA officer in Athens 7 1/2 years ago, it was disclosed in federal court here today.

This confirmation came from a government prosecutor, with elaborations from a high-ranking CIA official, at the espionage trial of former Navy intelligence analyst Samuel Loring Morison on charges of leaking three KH-11 photos to a British magazine last year.

(Washington Post, A20)

NEW READING OF ABM PACT DECRIED

House Foreign Affairs Committee Chairman Dante Fascal (D.-FL) Wednesday denounced the Reagan Administration's new interpretation of the 1972 Antiballistic Missile treaty as "incredible" and said the panel will question Secretary Shultz on the issue next week and hold full hearings soon. (Washington Post, A31)

NATIONAL NEWS

SENATE ADOPTS PLAN TO END DEFICITS

The Republican-controlled Senate gave overwhelming bipartisan approval Wednesday to far-reaching budget proposals aimed at eliminating the deficit by 1991. The vote was 75 to 24.

As the Senate broke a week-long impasse over the measure, the Reagan Administration acted to keep the government solvent for at least a week. Together, the two actions brought the government -- at least temporarily -- back from the brink of the default that the Reagan Administration had threatened to pressure Congress to pass the budget plan.

(Helen Dewar, Washington Post, A1)

Senate Backs End To Deficits By '91 In Bipartisan Vote

The plan passed 75 to 24, with strong Democratic support, from liberal to conservative. The plan was attached to a bill to raise the Government's debt ceiling to more than \$250 billion, enough to last a year.

(New York Times, A1)

Bill To End Deficits Gets Senate OK

The Senate is expected to take final action to send the bill to send the bill to the conference with the House today.

(Nancy Schwerzler, Baltimore Sun, A1)

Senate OKs Plan To Balance Budget

The Senate has endorsed a new system for balancing the federal budget by fiscal year 1991, a plan that chief sponsor Sen. Phil Gramm (R.-TX) called "shooting with real bullets" after years of talk of fiscal responsibility.

(Thomas Brandt, Washington Times, A1)

Senate Approves Plan To Balance Budget By 1991

Earlier, the Treasury -- through deft manipulation of accounts -- managed to avoid the first default in U.S. history by borrowing \$5 billion so government checks would not bounce.

(Reuters)

Temporary Action Keeps Government Afloat -- For The Time Being

The Senate has approved a plan to eliminate the government's annual deficits by 1991, but the Treasury can't agree on expanding borrowing authority to cover this year's overspending.

(AP)

EDITOR'S NOTE: Page C10 of the Washington Post contains a feature on the Tuesday night state dinner for Singapore's Prime Minister Lee.

PRESIDENT MAY MEET TAX APATHY IN DEERFIELD

President Reagan will try to fire up his tax reform proposal today in Deerfield, the heart of Republican suburbia, but it appears the issue is barely a glowing ember there. Interviews in the affluent north suburb turned up skepticism or indifference about tax reform. For one thing, people said, the issue has not caught fire because it is neither election nor income tax season. (Chicago Sun-Times, page 34, 10/10)

NOTE: The front page of the paper will include stories on the Achille Lauro hostage crisis, a prankster who took over a local radio station for a short time, and the Chicago School Board's decision to continue offering free birth control at a local high school.

SCHOOL STUDIES UP FOR REAGAN VISIT

The boys at Gordon Technical High School were lectured Monday on the importance of good Christian behavior. More bluntly, teacher Maria Garvey told her sophomore English class "that there shouldn't be any boos at all." Spurred by word from the White House that President Reagan would speak at the Catholic school Thursday, students very quickly began hearing a lot about "the proper behavior" such an occasion warrants. The preparation of the 2,450 boys who attend the Northwest Side school started just hours after the White House confirmed that Reagan would deliver the last of his scheduled speeches on tax reform there.

According to White House aides, Gordon Tech was chosen by strategists who wanted a site in a blue-collar area and a Democratic stronghold to show bipartisan support for tax reform to keep up pressure for congressional action.

(Chicago Tribune, page one, section two "Chicagoland," 10/8)

REAGAN EMBRACES DURRETTE, STIRS PRIDE OF STATE GOP

President Ronald Reagan made a long-awaited trip across the Potomac on behalf of the Virginia Republican ticket Wednesday and endorsed gubernatorial candidate Wyatt Durrette as a Reagan conservative while comparing his Democratic opponent, Gerald Baliles, to Walter Mondale.

(Washington Times, A5)

Reagan Boosts Va. GOP Coffers

President Reagan, saying Virginia needs Wyatt Durrette's "strong, principled leadership," embraced the Republican candidate for governor at a Northern Virginia fund-raising luncheon that will give the GOP about \$500,000 for critically needed television advertising.

(Molly Moore/Tom Sherwood, Washington Post, D1)

UPGRADING SET AT U.S. BASES IN PHILLIPINES

The Defense Department plans to invest \$1.3 billion to upgrade Clark Air Base and Subic Bay Naval Base in the communist-threatened Phillipines despite the conclusions of two U.S. intelligence agencies that the government of President Marcos is headed for "catastrophe."

(David Ottaway, Washington Post, A1)

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WITH DEMURE EYE ON '88, BUSH REINFORCES STATE PAC

DETROIT -- Vice President Bush, acknowledging that "it's a crying shame that 1988 politics seems to be so far up on everyone's radar screen," nevertheless chose to flex his political muscle here this week by announcing the creation of a 658-member steering committee for the Michigan chapter of his political action committee.

Bush said he would not make a formal declaration about seeking the presidency until after the 1986 elections, but noted that he did not want to be "blindsided" by the early schedule of events in this state.

(Washington Post, A21)

SENATE STUDY SUGGESTS REORGANIZING PENTAGON

The Defense Department has grown out of control and must be overhauled at the top to provide more centralized direction and accountability, according to a report to be released soon by the Senate Armed Services Committee.

Secretary Weinberger, in what had been billed by the Defense Department as a major policy speech, attempted to define the Administration's defense strategy in an appearance before the National Press Club yesterday.

He defined the Reagan Administration's defense policy as an effort "to build the strongest possible deterrent as quickly and effectively as possible."

(George Wilson, Washington Post, A13)

Weinberger Calls Soviet Arms Offer Off-Balance Plan

Secretary Weinberger yesterday charged that the recent Soviet arms reduction proposal would leave the Soviets with a modernized nuclear arsenal while limiting U.S. defensive and offensive strategic programs. On terrorism, Weinberger said the Soviet Union has failed to respond to a U.S. proposal two years ago to discuss advanced planning for terrorist incidents.

(Bill Gertz, Washington Times, A3)

SURGEON IN LINE FOR HECKLER'S POST

A Los Angeles surgeon, Dr. Tirso del Junco, appears to be the odds-on-favorite to become secretary of Health and Human Services if Margaret Heckler is accepted by the government of Ireland as U.S. ambassador to Dublin, White House sources said Wednesday.

The Cuban native, who immigrated to the U.S. before Fidel Castro came to power, was appointed chairman of the California Board of Medical Examiners by Ronald Reagan when he was governor.

(George Archibald, Washington Times, A3)

SECRET VOTES GIVE AFGHANS \$300 MILLION

Congress has secretly approved another \$300 million in military aid for anti-Soviet rebels in Afghanistan over the next two years, according to sources in the intelligence community.

The Reagan Administration launched the current debate several weeks ago with a request to reprogram \$300 million to the Afghan aid program out of fiscal 1985 money left unspent in a secret Defense Department account, the sources said. (Joanne Omang, Washington Post, A16)

EPA WANTS SUPERFUND TAX DELAYED

The Environmental Protection Agency, which announced this summer that it would halt work at dozens of toxic-waste dumps lest it run out of funds before Congress renews the Superfund cleanup law, now is lobbying the Senate not to let it collect money for the program for another seven weeks. In a letter this week to Sen. Dole, EPA Administrator Lee Thomas urged the Senate not to pass the "ill-advised" extension, saying it "would have no positive effect on cleaning up any more sites."

(Washington Post, A24)

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NETWORK NEWS SUMMARY

(Wednesday Evening, October 9, 1985)

ACHILLE LAURO

CBS's Dan Rather: Four hijackers leave the Achille Lauro. They are promised safe passage. The world learns later they have killed ailing and elderly Leon Klinghoffer, one of the American hostages is nowhere to be found aboard the ship. He is presumed dead. It's over; many of the questions are not. After talking to Egyptian and PLO officials, the Palestinian kidnappers gave up and got off. Who promised them safe passage and where they are now are not known. And there are now several reports that 69-year-old Leon Klinghoffer (Klinghoffer) was killed yesterday, his body tossed overboard. The White House says it still cannot confirm this.

CBS's Doug Tunnel reports from Egypt: Egypt called it unconditional surrender. But when the hijackers left the Achille Lauro on a tugboat this evening, they had a guarantee of safe passage out of Egypt. There were reportedly only four of them, free men, waving happily to onlookers.

(TV Coverage of tug boat, men waving.)

Diplomats in Cairo were unaware of the reported murder of one American. The hijacking ended after hours of deliberations between Egyptian officials and Western ambassadors in Cairo. American diplomats took part, publicly noncommittal. Egypt's foreign minister was asked if the U.S. too had bargained with the terrorists.

(Foreign Minister: "No, no negotiations as such.")

But throughout the day, Egyptian ships had sailed out to the Achille Lauro and one of them ferried PLO representatives who talked to the hijackers face to face. Throughout the affair, the PLO said it was not involved, but the hijackers were believed to be part of the Palestine Liberation Front, a small faction within the PLO. And clearly, PLO leaders had enough influence with them to either negotiate or order an end to the hijacking. Late today, PLO Leader Arafat spoke to correspondent David Andelman in Tunis.

(Arafat: "We are against it, and the moment we have the opportunity, we will punish them.")

One group of Americans who left the Achille Lauro just before the hijacking were on their way home today. They too were unaware of the report that one American had died.

(TV Coverage of Americans on a bus singing "God Bless America.")

CBS's Bob Schiffer reports on his interview with ship Captain DeRosa and with one American passenger still aboard the ship, who had first person accounts of the two days of terror. Schiffer: When we got through to the ship this afternoon, the captain told us the pirates killed Klinghoffer yesterday afternoon, apparently because they could not get authorities on shore to negotiate with them.

(Hostage Meskin quoted as saying the hijackers "kept browbeating us and threatening us." Meskin: "There were one or two instances of somebody being hit, not, not badly....")

(Wednesday Evening, October 9, 1985)

CBS's Harold Dow reports on the happy reaction of hostage families, but confirmation that Klinghoffer had been killed shocked family and friends.

CBS's Richard Roth reports that those passengers who had left the ship in Cairo were all flown today to Rome, where they learned a fellow traveler had been killed. A report of an American death put a touch of sadness into what had been a celebration. PM Craxi described it as a terrible adventure, but said it could have been an even bigger tragedy. During an interview with CBS News he revealed it had come very close. "In my own mind, I had set a deadline," said the Prime Minister. "We would have had to do something tonight." What would have happened? "Military action," said Craxi, the exact plan classified.

Rather: Neither President Reagan nor his aides seem to have known much about what was going on aboard the ship. The White House said tonight an American diplomat will board the Achille Lauro to get a personal, official confirmation or denial about whether any hostage was killed. In the meantime, the Reagan Administration now says it wants to get its hands on the hijackers and those who promised the hijackers they could go.

CBS's Lesley Stahl: While the Reagan White House waits for confirmation on the fate of the American passengers, it finds itself in a quandary with one of its closest allies in the Middle East, Egypt, which reportedly offered free passage to the terrorists who may have murdered an innocent American. While there has been no public condemnation of Egypt, the initial U.S. reaction was firm.

(Charles Redman: "We've made it clear to all concerned that we will do everything possible to see that those responsible are brought to justice.")

At the White House, Larry Speakes said the Egyptians had made their decision unilaterally, even after the U.S. made its position clear, to quote Speakes, that the hijackers should be prosecuted to the maximum extent possible. U.S. officials have no comment about another possible entanglement -- a suggestion in an Israeli newspaper that President Reagan's daughter may have been the intended target of the hijackers. Maureen Reagan had been advertised as a lecturer aboard a Norwegian cruise ship, Viking Royal, which was in the Mediterranean at the same time as the hijacking. Ms. Reagan, who has left that ship, is reportedly safe tonight in Athens. The President had nothing to say about the hijacking today as the Administration tried, aides say, to avoid an impression that this was yet another embarrassment at the hands of terrorists.

(TV Coverage: President appearing at political rally in Virginia.)

Other governments made the announcements. After all, it was an Italian ship in Egyptian waters. But now it's an American who's been murdered. The attention will inevitably shift to Washington and the pressure will surely mount once again for retaliation.

(Wednesday Evening, October 9, 1985)

Rather: Despite Arafat's statements today of no PLO involvement and his stated wish to see the hijackers punished, correspondent Bill McLaughlin reports there is testimony the hijackers may have been members of a PLO faction loyal to Arafat all along. Sources that McLaughlin considers reliable told him the hijackers' original scenario called for taking the ship to an Israeli port and using Israeli hostages as bargaining chips. The plans went awry, the sources said, when the hijackers discovered there were no Israelis on the passenger list.

CBS's Steve Croft examines whether security on cruise ships is adequate. It was not an oversight or a dereliction of duty. It was more or less par for the course. Anti-terrorist experts say there is far more security airports, even notoriously lax airports. Western security analysts say they have been waiting for something like this to happen. (CBS-Lead)

ABC's Peter Jennings reports that Leon Klingoffer was shot. The purser on board the Achille Lauro told ABC News tonight that he yesterday saw the body of Klinghoffer.

ABC's Barrie Dunsmore reports on the events leading up to the end of the crisis. Late this evening, it was learned that the four Palestinians are being held in custody by the Egyptian military police in Port Said. The big question now is whether the death of Klinghoffer will have any bearing on Egypt's earlier commitment to provide the hijackers with safe passage.

ABC's Lynn Sherr reports on the ups and downs of the hostage families.

Jennings: Throughout this ordeal the White House has maintained a very hands-off policy, letting others do the negotiation, then bring the pressure to bear.

ABC's Sam Donaldson: The U.S. Ambassador to Egypt, Nicholas Veliotis, has gone out to the ship to make a personal inspection and report back. But it's already clear that U.S. officials are not entirely happy with the way Egypt is resolving this crisis. To begin with, when the Egyptians -- perhaps prematurely, it may turn out -- announced that all the passengers were safe, no one here jumped to embrace that. Reporters were told pointedly that's what the Egyptians tell us and we want to see for ourselves. But perhaps more importantly is the implied rebuke to the way the Egyptians may have made a deal with the hijackers. Officials here stress the way the crisis was resolved was resolved by Egypt; it was Egyptian decisions, not decisions made jointly. Secondly, they constantly say here they want those hijackers prosecuted.

Jennings: Will the White House press the Egyptians not to give the hijackers safe passage out of the country?

Donaldson: I can't imagine that they are not so pressing the Egyptians because all day officials have said they wanted the hijackers prosecuted and they're not going to be happy if Egypt gives them safe passage.

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(Wednesday Evening, October 9, 1985)

ABC's Bill Blakemore reports on the enthusiastic response to the crisis end in Italy. In Rome, sources close to Prime Minister Craxi told ABC that the key intermediary with the hijackers was Yasir Arafat. Earlier this afternoon, Craxi's foreign minister even announced that the Italian government did not intend to prosecute the PLO or any others for the piracy. But suddenly this evening hopes for a happy diplomatic ending turned sour when Craxi himself announced the killing of the American hostage. Within an hour, the foreign minister had changed his position and told ABC's Ted Koppel that because of the killing of the American hostage, Italy would now seek the extradition of those responsible. The Italian government's early praise of Arafat as the man who ended this crisis was clearly meant not to upset Craxi's current campaign to promote Arafat's PLO as a full participant in any future Arab-Israeli peace talks. But with one hostage dead, Craxi will have to temper at least for the time being his total support of the PLO.

ABC's Ted Koppel talks with Yasir Arafat about Klinghoffer's death:

Arafat: I have been informed just now by the news. I am very sorry for it. I offer my condolences, the condolences of the PLO to his family.

Koppel: The question is what the position is of the Chairman of the PLO with regard to what should happen to the four men who hijacked that ship.

Arafat: If they will be delivered to us, we will investigate and we will punish them.

Koppel: The Italian government, if they come into your hands, is going to request that you turn them over to the Italian government. What will your response be?

Arafat: Definitely I will cooperate, anytime cooperate with Italian friendly government.

ABC's Bob Zelnick reports from Israel that a port was the next planned stop of the Achille Lauro, which many analysts believe was the real target aboard the ship. While they claim no direct evidence that Arafat ordered or even knew about the operation in advance, Israeli leaders suggest circumstantial evidence points in that direction. The murders of three Israelis at Larnaca were also disclaimed by Arafat despite what leaders here say is overwhelming proof to the contrary. Analysts believe this latest incident was planned long before Israel's bombing attack on PLO headquarters at Tunis. The Israelis want to counter the image of Arafat as a responsible leader who played a key role in ending the crisis. They argue that he is a frustrated terrorist, dangerous to trust and useless to negotiate with.

ABC's Richard Threlkeld examines the old familiar fight, the Palestinians vs. Israel. For Arafat, whether or not he had a hand in it, the Achille Lauro affair seems to have come along at just the right time. Like it or not, Arafat remains the one man the Israelis must talk with about the Palestinian problem. (ABC-Lead)

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(Wednesday Evening, October 9, 1985)

NBC's Tom Brokaw: The hijacking is over, but the ordeal goes on for one American family. 69-year-old Leon Klinghoffer of New York is missing and the Italian Prime Minister said he apparently was killed and thrown overboard. Tonight Italian television also reached the ship's captain and quoted him as saying one of the hijackers confessed to killing a passenger. Tonight we are told the hijackers have left Port Said in Egypt and are going to Tunis, the current home of the PLO.

NBC's Paul Miller reports on the events leading up to the end of the crisis. This incident has been an embarrassment to the PLO. It may also prove to be one for the Egyptian government if an American has died and the hijackers have been allowed to get away.

NBC's Jennifer McLogan reports the Klinghoffer family was stunned by the bad news. The Klinghoffer children, through a spokesman, said they were unable to talk to newspeople. And tonight other hostage families were reluctant to speak. They said the information they were receiving was inconsistent and inconclusive.

Brokaw: Initially the families of the other hostages were relieved at the news the hijacking was over. But they were also angry.
(Woman: "Somewhere down the line we're going to have to take a stand because we're talking about animals that don't know anything but violence, and I think the only way we're going to stop them is not necessarily with violence but saying no, no more.")
(Woman: "I've never been for negotiating because they're just animals and they don't care for human life...but when it's your own family, you change very quickly.")
(Man: "But it's just terrible when we have terrorism like this to strike us and hit us in the face. And you can't go anywhere. And you're scared, you know? It's just, just pathetic.")
Throughout all of this the Reagan Administration has not been saying much and it is unclear tonight just how active American authorities were in the efforts to negotiate the release of the ship. Publicly, the U.S. was letting the Egyptians and the Italians take charge.

NBC's Chris Wallace: The President wasn't talking about the hijacking today and the reason was clear. Events in the Mideast were largely beyond his control. Midday at the State Department an official quoted Egyptian authorities as saying the hijacking was over.
(Redman: "The government of Egypt has also stated that the passengers are all safe.")
But at almost the same time, the Italians said Leon Klinghoffer was missing, perhaps dead. That report only increased U.S. concern about Egypt giving the hijackers safe passage from the ship, a move the U.S. emphasized it had no control over.
(Redman: "It was an independent Egyptian decision. In any case, we've made it clear to all concerned that we will do everything possible to see that those responsible are brought to justice.")
But despite the U.S. threats, there was fear that the safe passage for the hijackers will only encourage more terrorism.

(Wednesday Evening, October 9, 1985)

Wallace continues: (Foreign Minister Shamir: "It is outrageous that such criminals, after killing innocent people, escape any punishment.")

(Edward Luttwak of Georgetown University: "The American is the target of choice because on the one hand America is a big power and makes a lot of noise, on the other hand the United States does not react in any way.")

Late today the White House said it still doesn't know whether Klinghoffer is alive or dead and that the U.S. Ambassador to Egypt is now on his way to the ship to find out.

Brokaw: Throughout all this, the Administration has been saying the hijackers should be prosecuted to the fullest extent of the law. Will there be active pursuit on the part of the Administration?

Wallace: Obviously, officials won't comment on that now. Clearly they would like to punish these hijackers, as they said today. On the other hand, there are all the problems involved as there have been in the past -- the possible diplomatic fallout, the possibility of endangering, perhaps killing, innocent victims. So yes, the U.S. would like to act but we're going to have to wait and see whether this time the U.S. will translate its threats into actions.

Brokaw: Israel made a startling claim that the hijackers originally planned a terrorist operation at one of the Achille Lauro's ports of call in Israel. But that plan apparently was bungled. And there was no praise in Israel for Arafat and his role in ending this crisis.

NBC's Martin Fletcher: Israeli leaders claim the fact Arafat persuaded the hijackers to give themselves up proves they were loyal to Arafat, despite his denials.

(Defense Minister Rabin: "I believe Mr. Arafat is one of the greatest liars on earth.")

Not the language of potential partners in a dialogue for peace, but it sums up the Israeli view that King Hussein is misplacing his trust when he believes Arafat is ready to talk peace with Israel. The Israelis believe Arafat is embarked on a new campaign of terror against Israel.

Brokaw: Late this afternoon, I talked with Arafat in Tunis. He said he wants the hijackers turned over to the PLO. So I asked him if they would be punished.

Arafat: Definite. I will investigate and I will punish them, no doubt of it.....

Brokaw: If you had nothing to do with this group or this hijacking, why would those hijackers negotiate with you and agree to give up the ship under your direction?

Arafat: It is not the first time, if you remember. The same had been done with many acts done before. If you remember, we have done the same with the Arab plane who had been hijacked in Algiers some years ago, and we succeed to relieve them....We are offering this help because the Italian government had asked us to help them.

(Wednesday Evening, October 9, 1985)

NBC's Keith Miller reports on the passengers who got off the Achille Lauro before the hijacking. They were flown from Cairo to Rome today and offered a fresh start on their cruise, but some wanted only to go home.

Brokaw: It was reported today that Israel had indications six months ago that terrorists were training to hijack a ship, and that it passed on that information to friendly countries, including Italy. The Los Angeles Times quoted an Israeli military source as saying that Israel learned that several large terrorist groups were undertaking specialized training. The source said it was a natural conclusion that the training was for a high-seas hijacking. (NBC-Lead)

BUDGET

Rather reports the Treasury organized an emergency auction to raise \$5 million to keep federal checks from bouncing while the Senate began the process of raising the national debt limit and forcing perhaps a balanced budget by the end of the decade.

CBS's Phil Jones: (TV Coverage of Sen. Gramm: "We won a great victory on behalf of those who do the work and pay the taxes and pull the wagon and make America work.")

It was an overwhelming vote for the balanced budget by 1991 plan crafted by Sens. Gramm, Rudman and Hollings -- 75-24.

(Hollings: "We've given truth in budgeting and we've done it on a bipartisan basis.")

Sen. Byrd, referring to the plan that would make automatic cuts in most everything but Social Security if deficit targets are not met, warned senators they would regret it, that it will haunt them. Twenty-five Democrats ended up voting for it despite this "Dear Colleague" letter, which had warned that draconian cuts would occur, affecting the elderly, education and environment. One of the four Republicans voting against it called it the political joke of the year.

(Sen. Hatfield: "There's nothing automatic that happens. We're still going to have to make the tough decisions if we're going to achieve that deficit reduction.")

With the deficit addressed, and under a threat that federal workers and others would soon find their government checks bouncing, the senators moved to extend the current debt ceiling to October 18. The Treasury Department went ahead with an emergency auction to borrow \$5 million in new money to keep the government afloat while Congress was raising the debt limit to more than \$2 trillion. Tomorrow, the House will address both the debt ceiling and the balanced budget amendment. But it is clear by today's lopsided Senate vote that the balanced budget plan has too much steam to stop. (CBS-3)

ABC's Brit Hume: There was no doubt the Republicans had the votes and had the initiative on the deficit issue. President Reagan, at a party fundraiser in Virginia, couldn't resist a jab at Senate Democrats.

(Wednesday Evening, October 9, 1985)

Hume continues: (President: "It's funny how some of those who have been screaming the loudest about deficits are now obstructing and delaying, doing everything they can to try and sink this bill, which will be coming to a vote, I understand, this afternoon.")

Even Speaker O'Neill, who has no use for Gramm or his plan, would probably agree that people at home really are worked up about the deficit. That's why the Speaker may have trouble keeping Democrats in line to defeat the plan in the House. (NBC-5, ABC-2)

TRADE

Jennings: The Prime Minister of Singapore was on Capitol Hill appealing against legislation to protect the American textile industry. Speaker O'Neill, perhaps not wishing to embarrass him, postponed a vote on such a bill but it will come up again tomorrow.

ABC's Jim Laurie reports on what American protectionism might do. If new protectionist measures pass Congress, South Korea, China, Hong Kong, Taiwan and Thailand would be badly hurt. One out of every four Koreans depends on the textile industry for a living. New U.S. barriers would mean a half-million-dollar loss, 100,000 out of work, and less money to pay off a \$45 billion foreign debt. And American consumers would feel the pinch too. American export industries would also be hurt. South Korea would no longer be able to buy an annual \$500 million in cotton from U.S. farmers. Koreans also fear new U.S. barriers would have a snowball effect around the world as every nation tries to protect itself from Korean exports, causing chaos in world trade. Textile executives here admit new barriers might save U.S. jobs but would also cause these new problems.

(ABC-3)

SOUTH AFRICA

Brokaw: South Africans of all races took part in a nationwide day of prayer but blacks, who are hoping for an end to their government's racial policies, know that more than prayer will be needed. Their struggle seems to be entering a new phase -- negotiation with white leaders.

NBC's John Cochran reports from South Africa that South Africa's blacks are moving into a new stage of their struggle. Possibly as a result of sanctions, the white government proposed racial reforms. But there is a strong feeling here that Americans and other foreigners have done all they either can or are willing to do for the moment. Some blacks are convinced that any new gains must come with direct negotiations with white authorities. And last week, President Botha said he is willing to talk to non-violent black leaders. That could include the best-known moderates, like Rev. Boesak and Bishop Tutu, men who realize that if and when they start talking to the government they run the risk of vilification and even assassination by black militants.

(ABC-4, NBC-3)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, OCTOBER 10, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Pirates Leave Ship; American Killed -- It was a day of agonizing uncertainty for friends and relatives of the American hostages aboard the Achille Lauro, a tempestuous day that ended with relief -- except for the family of Leon Klinghoffer. (Washington Post, Washington Times, Reuter, New York Times, UPI, Baltimore Sun)

NATIONAL NEWS

Senate Adopts Plan To End Deficits -- The Senate gave overwhelming approval to budget controls aimed at eliminating the deficit by 1991. (Washington Post, Washington Times, New York Times, Baltimore Sun, Reuter, UPI, AP)

President May Meet Tax Apathy In Deerfield -- President Reagan will try to fire up his tax reform proposal in the heart of Republican suburbia, but it appears the issue is barely a glowing ember there. (Chicago Sun-Times)

NETWORK NEWS (Wednesday Evening)

ACHILLE LAURO -- The White House finds itself in a quandry with one of its closest allies in the Middle East, Egypt, which reportedly offered free passage to the terrorists.

BUDGET -- It was an overwhelming Senate vote for the balanced budget by 1991 plan, 75-24.

TRADE -- If new protectionist measures pass Congress, several countries would be badly hurt.

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INTERNATIONAL NEWS

PIRATES LEAVE SHIP; AMERICAN KILLED

Reports Wednesday night that Klinghoffer's body was dumped over the side of the Italian ship on Monday ended a day that had begun with a tragic bit of misinformation -- that the terrorists had surrendered with all hostages safe.

(Lionel Barber, Washington Post, A1)

Hijackers Yield Ship In Egypt; Passenger Slain, 399 Are Safe; U.S. Assails Deal With Captors -- Four men identified as the hijackers of an Italian cruise ship surrendered in Egypt Wednesday after a two-day drama in the eastern Mediterranean.

Hours later, Italy announced that an elderly, wheelchair-bound tourist from New York was missing and was believed slain in the hijacking, his body thrown overboard.

(New York Times, A1)

Pirates 'Surrender'; One Passenger Dead

The Reagan Administration, outraged by the murder of a 69-year-old New Yorker aboard the Italian cruise ship Achille Lauro, Wednesday demanded that the hijackers be brought to justice.

Spokesman Larry Speakes last night confirmed the murder of stroke victim Leon Klinghoffer. Details of the killing would not be available until other hostages had been questioned about the incident, Mr. Speakes said.

(Mary Belcher, Washington Times, A1)

Palestinians Leave Pirated Ocean Liner -- Captain Gerardo De Rosa said in a radio conversation last night that a terrorist who had blood on his clothing admitted to the murder.

(Baltimore Sun, A1)

American Was Killed Aboard Hijacked Liner

In New York, Klinghoffer's neighbors wept openly on East 10th Street, after television and radio stations broadcast news of Klinghoffer's death. "Why him, why did it have to happen to Leon," was a near constant refrain from residents as the man's children remained inside their father's apartment trying to come to terms with the dreadful news.

(Reuter)

Reagan Dispatches Ambassador To Ship: Shamir Says Klinghoffer Murdered

The Reagan Administration dispatched its ambassador to the coast of Egypt Wednesday and vowed to "do everything possible" to prosecute four Palestinian gunmen who seized an Italian cruise ship and killed an American passenger.

U.S. officials were reluctant to discuss an Israeli report that the pirates may have intended to strike a ship carrying Reagan's daughter, Maureen, who was on a Mediterranean cruise at the time. Spokesman Larry Speakes said Maureen Reagan was "safe and all right" Wednesday, although he refused to discuss her whereabouts.

(UPI)

U.S. WANTS HIJACKERS PROSECUTED

The Reagan Administration indirectly took issue Wednesday with Egypt's apparent decision to grant safe passage out of the country to the four Palestinian terrorists who seized an Italian cruiser, stressing that it was an "independent Egyptian decision" and that Washington would seek to bring them to justice.

White House and State Department officials, in the absence of fuller details about negotiations with the terrorists, were reluctant to comment extensively on the resolution of the crisis or the murder of Leon Klinghoffer, 69, a New Yorker who was killed and thrown overboard.

(Washington Post, A37)

ITALY SEEKS EXTRADITION OF SHIP'S HIJACKERS

ROME -- Italy Thursday sought the extradition of four Palestinian terrorists who hijacked an Italian luxury liner and killed an American passenger before surrendering in Egyptian waters.

(UPI)

EGYPT LETS HIJACKERS GO TO UNDISCLOSED DESTINATION

PORT SAID, Egypt -- The Palestinian hijackers of an Italian cruise ship abandoned the vessel and ended the two-day drama on the high seas today, in return for an Egyptian pledge of safe conduct out of the country.

White House spokesman Larry Speakes said the United States was "saddened and outraged by the brutal killing of an innocent American (and) particularly distressed that there has been no announcement yet that those responsible will be turned to the appropriate authorities for prosecution and punishment. (Christopher Dickey, Washington Post, A1)

BEHIND THE SCENES: U.S. PLEADED WITH EGYPT NOT TO RELENT

In the tense negotiations over the Achille Lauro, the State Department pleaded with Egypt to "resist pressure" for concessions to the Palestinian hijackers of the Italian cruise ship, according to a key U.S. official. But despite the appeal, in order to secure the release of more than 500 passengers and crew members, the hijackers apparently were given assurances "they would get to some location outside Egypt," the official, Richard W. Murphy, said Wednesday night.

(Barry Schweid, AP)

ARAFAT SAYS HE WILL PUNISH HIJACKERS IF THEY ARE HANDED OVER

PARIS -- PLO leader Yasser Arafat said Wednesday he Egypt to hand over four gunmen who hijacked an Italian cruise liner so they could be punished by his organization.

"We have no information about them but from the moment the Egyptian authorities accept to hand over these persons to us we will investigate and we will punish them. "They do not belong to the PLO," said Arafat, speaking in English.

(Reuter)

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ISRAELI PORT CALLED GOAL OF GUNMEN

JERUSALEM -- Israeli officials said today that the hijackers of the Italian liner Achille Lauro may have purchased tickets for the voyage intending to disembark at the Israeli port of Ashdod for a terrorist operation and then were panicked into commandeering the ship.

Earlier Wednesday, Deputy Foreign Minister Roni Milo said, "The indications and the demands show that it is probably a PLO branch that did it. The fact that they wanted to release from Israel the terrorists from Force 17, which is the most important group of Arafat's terrorists, shows that this is the group that works for the PLO and under the supervision of Arafat himself.

(Washington Post, A37)

PLO Aided Terrorists, Israel Says

TEL AVIV -- Israeli sources say the hijacking of the cruise liner Achille Lauro came about because of a foul-up by the four terrorists aboard. The entire operation, according to the Israelis, was planned and carried out with the knowledge and cooperation of PLO leader Arafat.

(Washington Times, A7)

HIJACKERS OF LINER OBTAINED THREE CONDITIONS, PLO SAYS

TUNIS -- The hijackers of the Italian cruise liner Achille Lauro won three conditions from Egyptian authorities before surrendering today, a senior PLO official said. The conditions included a promise that Egypt would try to arrange talks with Israel and the United States on their demand for the release of Palestinian prisoners, the official said,

The other two conditions were guarantees that they would not be brought to justice and would not be handed over to the PLO. (Reuter)

U.N, SECURITY COUNCIL CONDEMNS TERRORISM

UNITED NATIONS -- The Security Council issued a unanimous statement Wednesday condemning the "unjustifiable and criminal hijacking" of the Italian liner Achille Lauro, as well as "other acts of terrorism, including hostage-taking."

Although the statement offered no specific remedies for terrorist acts, diplomats said it was the first time in its 40 years that the council had issued any broad-ranging condemnation of terrorism.

(Washington Post, A38)

REAGAN BARS CUBAN OFFICIALS FROM THE U.S.

President Reagan has barred officials or employees of the Cuban government or the Communist party of Cuba from entering the United States. The President said he was acting in response to Cuba's decision to suspend a U.S.-Cuban immigration agreement.

(AP story, Washington Post, A43)

SINGLAUB DENIES REAGAN AIDED CONTRA FUND

Retired Army major general John Singlaub denied Tuesday that he received guidance from President Reagan or the White House staff for his effort to raise private financial support for Nicaraguan rebels.

"I did not talk to the President. I did not talk to members of his Administration. I talked to freedom fighters," Singlaub said in denying a report by the Associated Press that Reagan approved the plan to provide the rebels with private funds and that White House officials selected Singlaub to carry it out. (UPI story, Washington Post, A43)

BUSH PLANS DISPLAY OF TRADE TIES

Vice President Bush begins a journey to China today which he says will emphasize support for the nation's experiments with capitalism and demonstrate the tightening of American ties to the communist giant.

The Vice President planned to stop in Hawaii, and visit Saipan -- the Marshall Islands site of furious World War II fighting -- before arriving in Peking Sunday. (UPI story, Washington Times, A7)

HESELTINE SAYS BRITISH FIRM ON BUYING TRIDENT

LONDON -- British Defense Minister Michael Heseltine yesterday strongly reaffirmed Britain's commitment to buying the new Trident submarine-launched nuclear missile from the U.S., and said that Soviet leader Gorbachev's attempts to get Britain to give up its independent nuclear deterrent would not succeed. (Washington Times, A6)

SATELLITE UNCHANGED FROM MANUAL BOUGHT BY SOVIETS, U.S. OFFICIALS SAY

BALTIMORE -- The top secret KH-11 spy satellite is still operating just as it was supposed to work when a Soviet agent bought its official manual from a CIA officer in Athens 7 1/2 years ago, it was disclosed in federal court here today.

This confirmation came from a government prosecutor, with elaborations from a high-ranking CIA official, at the espionage trial of former Navy intelligence analyst Samuel Loring Morison on charges of leaking three KH-11 photos to a British magazine last year.

(Washington Post, A20)

NEW READING OF ABM PACT DECRIED

House Foreign Affairs Committee Chairman Dante Fascal (D.-FL) Wednesday denounced the Reagan Administration's new interpretation of the 1972 Antiballistic Missile treaty as "incredible" and said the panel will question Secretary Shultz on the issue next week and hold full hearings soon. (Washington Post, A31)

NATIONAL NEWS

SENATE ADOPTS PLAN TO END DEFICITS

The Republican-controlled Senate gave overwhelming bipartisan approval Wednesday to far-reaching budget proposals aimed at eliminating the deficit by 1991. The vote was 75 to 24.

As the Senate broke a week-long impasse over the measure, the Reagan Administration acted to keep the government solvent for at least a week. Together, the two actions brought the government -- at least temporarily -- back from the brink of the default that the Reagan Administration had threatened to pressure Congress to pass the budget plan.

(Helen Dewar, Washington Post, A1)

Senate Backs End To Deficits By '91 In Bipartisan Vote

The plan passed 75 to 24, with strong Democratic support, from liberal to conservative. The plan was attached to a bill to raise the Government's debt ceiling to more than \$250 billion, enough to last a year.

(New York Times, A1)

Bill To End Deficits Gets Senate OK

The Senate is expected to take final action to send the bill to send the bill to the conference with the House today.

(Nancy Schwerzler, Baltimore Sun, A1)

Senate OKs Plan To Balance Budget

The Senate has endorsed a new system for balancing the federal budget by fiscal year 1991, a plan that chief sponsor Sen. Phil Gramm (R.-TX) called "shooting with real bullets" after years of talk of fiscal responsibility.

(Thomas Brandt, Washington Times, A1)

Senate Approves Plan To Balance Budget By 1991

Earlier, the Treasury -- through debt manipulation of accounts -- managed to avoid the first default in U.S. history by borrowing \$5 billion so government checks would not bounce.

(Reuter)

Temporary Action Keeps Government Afloat -- For The Time Being

The Senate has approved a plan to eliminate the government's annual deficits by 1991, but the Treasury can't agree on expanding borrowing authority to cover this year's overspending.

(AP)

EDITOR'S NOTE: Page C10 of the Washington Post contains a feature on the Tuesday night state dinner for Singapore's Prime Minister Lee.

PRESIDENT MAY MEET TAX APATHY IN DEERFIELD

President Reagan will try to fire up his tax reform proposal today in Deerfield, the heart of Republican suburbia, but it appears the issue is barely a glowing ember there. Interviews in the affluent north suburb turned up skepticism or indifference about tax reform. For one thing, people said, the issue has not caught fire because it is neither election nor income tax season. (Chicago Sun-Times, page 34, 10/10)

NOTE: The front page of the paper will include stories on the Achille Lauro hostage crisis, a prankster who took over a local radio station for a short time, and the Chicago School Board's decision to continue offering free birth control at a local high school.

SCHOOL STUDIES UP FOR REAGAN VISIT

The boys at Gordon Technical High School were lectured Monday on the importance of good Christian behavior. More bluntly, teacher Maria Garvey told her sophomore English class "that there shouldn't be any boos at all." Spurred by word from the White House that President Reagan would speak at the Catholic school Thursday, students very quickly began hearing a lot about "the proper behavior" such an occasion warrants. The preparation of the 2,450 boys who attend the Northwest Side school started just hours after the White House confirmed that Reagan would deliver the last of his scheduled speeches on tax reform there.

According to White House aides, Gordon Tech was chosen by strategists who wanted a site in a blue-collar area and a Democratic stronghold to show bipartisan support for tax reform to keep up pressure for congressional action.

(Chicago Tribune, page one, section two "Chicagoland," 10/8)

REAGAN EMBRACES DURRETTE, STIRS PRIDE OF STATE GOP

President Ronald Reagan made a long-awaited trip across the Potomac on behalf of the Virginia Republican ticket Wednesday and endorsed gubernatorial candidate Wyatt Durrette as a Reagan conservative while comparing his Democratic opponent, Gerald Baliles, to Walter Mondale.

(Washington Times, A5)

Reagan Boosts Va. GOP Coffers

President Reagan, saying Virginia needs Wyatt Durrette's "strong, principled leadership," embraced the Republican candidate for governor at a Northern Virginia fund-raising luncheon that will give the GOP about \$500,000 for critically needed television advertising.

(Molly Moore/Tom Sherwood, Washington Post, D1)

UPGRADING SET AT U.S. BASES IN PHILLIPINES

The Defense Department plans to invest \$1.3 billion to upgrade Clark Air Base and Subic Bay Naval Base in the communist-threatened Phillipines despite the conclusions of two U.S. intelligence agencies that the government of President Marcos is headed for "catastrophe."

(David Ottaway, Washington Post, A1)

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WITH DEMURE EYE ON '88, BUSH REINFORCES STATE PAC

DETROIT -- Vice President Bush, acknowledging that "it's a crying shame that 1988 politics seems to be so far up on everyone's radar screen," nevertheless chose to flex his political muscle here this week by announcing the creation of a 658-member steering committee for the Michigan chapter of his political action committee.

Bush said he would not make a formal declaration about seeking the presidency until after the 1986 elections, but noted that he did not want to be "blindsided" by the early schedule of events in this state.

(Washington Post, A21)

SENATE STUDY SUGGESTS REORGANIZING PENTAGON

The Defense Department has grown out of control and must be overhauled at the top to provide more centralized direction and accountability, according to a report to be released soon by the Senate Armed Services Committee.

Secretary Weinberger, in what had been billed by the Defense Department as a major policy speech, attempted to define the Administration's defense strategy in an appearance before the National Press Club yesterday.

He defined the Reagan Administration's defense policy as an effort "to build the strongest possible deterrent as quickly and effectively as possible."

(George Wilson, Washington Post, A13)

Weinberger Calls Soviet Arms Offer Off-Balance Plan

Secretary Weinberger yesterday charged that the recent Soviet arms reduction proposal would leave the Soviets with a modernized nuclear arsenal while limiting U.S. defensive and offensive strategic programs. On terrorism, Weinberger said the Soviet Union has failed to respond to a U.S. proposal two years ago to discuss advanced planning for terrorist incidents.

(Bill Gertz, Washington Times, A3)

SURGEON IN LINE FOR HECKLER'S POST

A Los Angeles surgeon, Dr. Tirso del Junco, appears to be the odds-on-favorite to become secretary of Health and Human Services if Margaret Heckler is accepted by the government of Ireland as U.S. ambassador to Dublin, White House sources said Wednesday.

The Cuban native, who immigrated to the U.S. before Fidel Castro came to power, was appointed chairman of the California Board of Medical Examiners by Ronald Reagan when he was governor.

(George Archibald, Washington Times, A3)

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SECRET VOTES GIVE AFGHANS \$300 MILLION

Congress has secretly approved another \$300 million in military aid for anti-Soviet rebels in Afghanistan over the next two years, according to sources in the intelligence community.

The Reagan Administration launched the current debate several weeks ago with a request to reprogram \$300 million to the Afghan aid program out of fiscal 1985 money left unspent in a secret Defense Department account, the sources said. (Joanne Omang, Washington Post, A16)

EPA WANTS SUPERFUND TAX DELAYED

The Environmental Protection Agency, which announced this summer that it would halt work at dozens of toxic-waste dumps lest it run out of funds before Congress renews the Superfund cleanup law, now is lobbying the Senate not to let it collect money for the program for another seven weeks. In a letter this week to Sen. Dole, EPA Administrator Lee Thomas urged the Senate not to pass the "ill-advised" extension, saying it "would have no positive effect on cleaning up any more sites.

(Washington Post, A24)

-end of A-section-

NETWORK NEWS SUMMARY

(Wednesday Evening, October 9, 1985)

ACHILLE LAURO

CBS's Dan Rather: Four hijackers leave the Achille Lauro. They are promised safe passage. The world learns later they have killed ailing and elderly Leon Klinghoffer, one of the American hostages is nowhere to be found aboard the ship. He is presumed dead. It's over; many of the questions are not. After talking to Egyptian and PLO officials, the Palestinian kidnappers gave up and got off. Who promised them safe passage and where they are now are not known. And there are now several reports that 69-year-old Leon Klinghoffer (Klinghoffer) was killed yesterday, his body tossed overboard. The White House says it still cannot confirm this.

CBS's Doug Tunnel reports from Egypt: Egypt called it unconditional surrender. But when the hijackers left the Achille Lauro on a tugboat this evening, they had a guarantee of safe passage out of Egypt. There were reportedly only four of them, free men, waving happily to onlookers.

(TV Coverage of tug boat, men waving.)

Diplomats in Cairo were unaware of the reported murder of one American. The hijacking ended after hours of deliberations between Egyptian officials and Western ambassadors in Cairo. American diplomats took part, publicly noncommittal. Egypt's foreign minister was asked if the U.S. too had bargained with the terrorists.

(Foreign Minister: "No, no negotiations as such.")

But throughout the day, Egyptian ships had sailed out to the Achille Lauro and one of them ferried PLO representatives who talked to the hijackers face to face. Throughout the affair, the PLO said it was not involved, but the hijackers were believed to be part of the Palestine Liberation Front, a small faction within the PLO. And clearly, PLO leaders had enough influence with them to either negotiate or order an end to the hijacking. Late today, PLO Leader Arafat spoke to correspondent David Andelman in Tunis.

(Arafat: "We are against it, and the moment we have the opportunity, we will punish them.")

One group of Americans who left the Achille Lauro just before the hijacking were on their way home today. They too were unaware of the report that one American had died.

(TV Coverage of Americans on a bus singing "God Bless America.")

CBS's Bob Schiffer reports on his interview with ship Captain DeRosa and with one American passenger still aboard the ship, who had first person accounts of the two days of terror. Schiffer: When we got through to the ship this afternoon, the captain told us the pirates killed Klinghoffer yesterday afternoon, apparently because they could not get authorities on shore to negotiate with them.

(Hostage Meskin quoted as saying the hijackers "kept browbeating us and threatening us." Meskin: "There were one or two instances of somebody being hit, not, not badly....")

(Wednesday Evening, October 9, 1985)

CBS's Harold Dow reports on the happy reaction of hostage families, but confirmation that Klinghoffer had been killed shocked family and friends.

CBS's Richard Roth reports that those passengers who had left the ship in Cairo were all flown today to Rome, where they learned a fellow traveler had been killed. A report of an American death put a touch of sadness into what had been a celebration. PM Craxi described it as a terrible adventure, but said it could have been an even bigger tragedy. During an interview with CBS News he revealed it had come very close. "In my own mind, I had set a deadline," said the Prime Minister. "We would have had to do something tonight." What would have happened? "Military action," said Craxi, the exact plan classified.

Rather: Neither President Reagan nor his aides seem to have known much about what was going on aboard the ship. The White House said tonight an American diplomat will board the Achille Lauro to get a personal, official confirmation or denial about whether any hostage was killed. In the meantime, the Reagan Administration now says it wants to get its hands on the hijackers and those who promised the hijackers they could go.

CBS's Lesley Stahl: While the Reagan White House waits for confirmation on the fate of the American passengers, it finds itself in a quandry with one of its closest allies in the Middle East, Egypt, which reportedly offered free passage to the terrorists who may have murdered an innocent American. While there has been no public condemnation of Egypt, the initial U.S. reaction was firm.

(Charles Redman: "We've made it clear to all concerned that we will do everything possible to see that those responsible are brought to justice.")

At the White House, Larry Speakes said the Egyptians had made their decision unilaterally, even after the U.S. made its position clear, to quote Speakes, that the hijackers should be prosecuted to the maximum extent possible. U.S. officials have no comment about another possible entanglement -- a suggestion in an Israeli newspaper that President Reagan's daughter may have been the intended target of the hijackers. Maureen Reagan had been advertised as a lecturer aboard a Norwegian cruise ship, Viking Royal, which was in the Mediterranean at the same time as the hijacking. Ms. Reagan, who has left that ship, is reportedly safe tonight in Athens. The President had nothing to say about the hijacking today as the Administration tried, aides say, to avoid an impression that this was yet another embarrassment at the hands of terrorists.

(TV Coverage: President appearing at political rally in Virginia.)

Other governments made the announcements. After all, it was an Italian ship in Egyptian waters. But now it's an American who's been murdered. The attention will inevitably shift to Washington and the pressure will surely mount once again for retaliation.

(Wednesday Evening, October 9, 1985)

Rather: Despite Arafat's statements today of no PLO involvement and his stated wish to see the hijackers punished, correspondent Bill McLaughlin reports there is testimony the hijackers may have been members of a PLO faction loyal to Arafat all along. Sources that McLaughlin considers reliable told him the hijackers' original scenario called for taking the ship to an Israeli port and using Israeli hostages as bargaining chips. The plans went awry, the sources said, when the hijackers discovered there were no Israelis on the passenger list.

CBS's Steve Croft examines whether security on cruise ships is adequate. It was not an oversight or a dereliction of duty. It was more or less par for the course. Anti-terrorist experts say there is far more security airports, even notoriously lax airports. Western security analysts say they have been waiting for something like this to happen. (CBS-Lead)

ABC's Peter Jennings reports that Leon Klinghoffer was shot. The purser on board the Achille Lauro told ABC News tonight that he yesterday saw the body of Klinghoffer.

ABC's Barrie Dunsmore reports on the events leading up to the end of the crisis. Late this evening, it was learned that the four Palestinians are being held in custody by the Egyptian military police in Port Said. The big question now is whether the death of Klinghoffer will have any bearing on Egypt's earlier commitment to provide the hijackers with safe passage.

ABC's Lynn Sherr reports on the ups and downs of the hostage families.

Jennings: Throughout this ordeal the White House has maintained a very hands-off policy, letting others do the negotiation, then bring the pressure to bear.

ABC's Sam Donaldson: The U.S. Ambassador to Egypt, Nicholas Veliotis, has gone out to the ship to make a personal inspection and report back. But it's already clear that U.S. officials are not entirely happy with the way Egypt is resolving this crisis. To begin with, when the Egyptians -- perhaps prematurely, it may turn out -- announced that all the passengers were safe, no one here jumped to embrace that. Reporters were told pointedly that's what the Egyptians tell us and we want to see for ourselves. But perhaps more importantly is the implied rebuke to the way the Egyptians may have made a deal with the hijackers. Officials here stress the way the crisis was resolved was resolved by Egypt; it was Egyptian decisions, not decisions made jointly. Secondly, they constantly say here they want those hijackers prosecuted.

Jennings: Will the White House press the Egyptians not to give the hijackers safe passage out of the country?

Donaldson: I can't imagine that they are not so pressing the Egyptians because all day officials have said they wanted the hijackers prosecuted and they're not going to be happy if Egypt gives them safe passage.

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ABC's Bill Blakemore reports on the enthusiastic response to the crisis end in Italy. In Rome, sources close to Prime Minister Craxi told ABC that the key intermediary with the hijackers was Yasir Arafat. Earlier this afternoon, Craxi's foreign minister even announced that the Italian government did not intend to prosecute the PLO or any others for the piracy. But suddenly this evening hopes for a happy diplomatic ending turned sour when Craxi himself announced the killing of the American hostage. Within an hour, the foreign minister had changed his position and told ABC's Ted Koppel that because of the killing of the American hostage, Italy would now seek the extradition of those responsible. The Italian government's early praise of Arafat as the man who ended this crisis was clearly meant not to upset Craxi's current campaign to promote Arafat's PLO as a full participant in any future Arab-Israeli peace talks. But with one hostage dead, Craxi will have to temper at least for the time being his total support of the PLO.

ABC's Ted Koppel talks with Yasir Arafat about Klinghoffer's death:

Arafat: I have been informed just now by the news. I am very sorry for it. I offer my condolences, the condolences of the PLO to his family.

Koppel: The question is what the position is of the Chairman of the PLO with regard to what should happen to the four men who hijacked that ship.

Arafat: If they will be delivered to us, we will investigate and we will punish them.

Koppel: The Italian government, if they come into your hands, is going to request that you turn them over to the Italian government. What will your response be?

Arafat: Definitely I will cooperate, anytime cooperate with Italian friendly government.

ABC's Bob Zelnick reports from Israel that a port was the next planned stop of the Achille Lauro, which many analysts believe was the real target aboard the ship. While they claim no direct evidence that Arafat ordered or even knew about the operation in advance, Israeli leaders suggest circumstantial evidence points in that direction. The murders of three Israelis at Larnaca were also disclaimed by Arafat despite what leaders here say is overwhelming proof to the contrary. Analysts believe this latest incident was planned long before Israel's bombing attack on PLO headquarters at Tunis. The Israelis want to counter the image of Arafat as a responsible leader who played a key role in ending the crisis. They argue that he is a frustrated terrorist, dangerous to trust and useless to negotiate with.

ABC's Richard Threlkeld examines the old familiar fight, the Palestinians vs. Israel. For Arafat, whether or not he had a hand in it, the Achille Lauro affair seems to have come along at just the right time. Like it or not, Arafat remains the one man the Israelis must talk with about the Palestinian problem. (ABC-Lead)

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NBC's Tom Brokaw: The hijacking is over, but the ordeal goes on for one American family. 69-year-old Leon Klinghoffer of New York is missing and the Italian Prime Minister said he apparently was killed and thrown overboard. Tonight Italian television also reached the ship's captain and quoted him as saying one of the hijackers confessed to killing a passenger. Tonight we are told the hijackers have left Port Said in Egypt and are going to Tunis, the current home of the PLO.

NBC's Paul Miller reports on the events leading up to the end of the crisis. This incident has been an embarrassment to the PLO. It may also prove to be one for the Egyptian government if an American has died and the hijackers have been allowed to get away.

NBC's Jennifer McLogan reports the Klinghoffer family was stunned by the bad news. The Klinghoffer children, through a spokesman, said they were unable to talk to newspeople. And tonight other hostage families were reluctant to speak. They said the information they were receiving was inconsistent and inconclusive.

Brokaw: Initially the families of the other hostages were relieved at the news the hijacking was over. But they were also angry.

(Woman: "Somewhere down the line we're going to have to take a stand because we're talking about animals that don't know anything but violence, and I think the only way we're going to stop them is not necessarily with violence but saying no, no more.")

(Woman: "I've never been for negotiating because they're just animals and they don't care for human life...but when it's your own family, you change very quickly.")

(Man: "But it's just terrible when we have terrorism like this to strike us and hit us in the face. And you can't go anywhere. And you're scared, you know? It's just, just pathetic.")

Throughout all of this the Reagan Administration has not been saying much and it is unclear tonight just how active American authorities were in the efforts to negotiate the release of the ship. Publicly, the U.S. was letting the Egyptians and the Italians take charge.

NBC's Chris Wallace: The President wasn't talking about the hijacking today and the reason was clear. Events in the Mideast were largely beyond his control. Midday at the State Department an official quoted Egyptian authorities as saying the hijacking was over.

(Redman: "The government of Egypt has also stated that the passengers are all safe.")

But at almost the same time, the Italians said Leon Klinghoffer was missing, perhaps dead. That report only increased U.S. concern about Egypt giving the hijackers safe passage from the ship, a move the U.S. emphasized it had no control over.

(Redman: "It was an independent Egyptian decision. In any case, we've made it clear to all concerned that we will do everything possible to see that those responsible are brought to justice.")

But despite the U.S. threats, there was fear that the safe passage for the hijackers will only encourage more terrorism.

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Wallace continues: (Foreign Minister Shamir: "It is outrageous that such criminals, after killing innocent people, escape any punishment.")

(Edward Luttwak of Georgetown University: "The American is the target of choice because on the one hand America is a big power and makes a lot of noise, on the other hand the United States does not react in any way.")

Late today the White House said it still doesn't know whether Klinghoffer is alive or dead and that the U.S. Ambassador to Egypt is now on his way to the ship to find out.

Brokaw: Throughout all this, the Administration has been saying the hijackers should be prosecuted to the fullest extent of the law. Will there be active pursuit on the part of the Administration?

Wallace: Obviously, officials won't comment on that now. Clearly they would like to punish these hijackers, as they said today. On the other hand, there are all the problems involved as there have been in the past -- the possible diplomatic fallout, the possibility of endangering, perhaps killing, innocent victims. So yes, the U.S. would like to act but we're going to have to wait and see whether this time the U.S. will translate its threats into actions.

Brokaw: Israel made a startling claim that the hijackers originally planned a terrorist operation at one of the Achille Lauro's ports of call in Israel. But that plan apparently was bungled. And there was no praise in Israel for Arafat and his role in ending this crisis.

NBC's Martin Fletcher: Israeli leaders claim the fact Arafat persuaded the hijackers to give themselves up proves they were loyal to Arafat, despite his denials.

(Defense Minister Rabin: "I believe Mr. Arafat is one of the greatest liars on earth.")

Not the language of potential partners in a dialogue for peace, but it sums up the Israeli view that King Hussein is misplacing his trust when he believes Arafat is ready to talk peace with Israel. The Israelis believe Arafat is embarked on a new campaign of terror against Israel.

Brokaw: Late this afternoon, I talked with Arafat in Tunis. He said he wants the hijackers turned over to the PLO. So I asked him if they would be punished.

Arafat: Definite. I will investigate and I will punish them, no doubt of it.....

Brokaw: If you had nothing to do with this group or this hijacking, why would those hijackers negotiate with you and agree to give up the ship under your direction?

Arafat: It is not the first time, if you remember. The same had been done with many acts done before. If you remember, we have done the same with the Arab plane who had been hijacked in Algiers some years ago, and we succeed to relieve them....We are offering this help because the Italian government had asked us to help them.

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NBC's Keith Miller reports on the passengers who got off the Achille Lauro before the hijacking. They were flown from Cairo to Rome today and offered a fresh start on their cruise, but some wanted only to go home.

Brokaw: It was reported today that Israel had indications six months ago that terrorists were training to hijack a ship, and that it passed on that information to friendly countries, including Italy. The Los Angeles Times quoted an Israeli military source as saying that Israel learned that several large terrorist groups were undertaking specialized training. The source said it was a natural conclusion that the training was for a high-seas hijacking. (NBC-Lead)

BUDGET

Rather reports the Treasury organized an emergency auction to raise \$5 million to keep federal checks from bouncing while the Senate began the process of raising the national debt limit and forcing perhaps a balanced budget by the end of the decade.

CBS's Phil Jones: (TV Coverage of Sen. Gramm: "We won a great victory on behalf of those who do the work and pay the taxes and pull the wagon and make America work.")

It was an overwhelming vote for the balanced budget by 1991 plan crafted by Sens. Gramm, Rudman and Hollings -- 75-24.

(Hollings: "We've given truth in budgeting and we've done it on a bipartisan basis.")

Sen. Byrd, referring to the plan that would make automatic cuts in most everything but Social Security if deficit targets are not met, warned senators they would regret it, that it will haunt them. Twenty-five Democrats ended up voting for it despite this "Dear Colleague" letter, which had warned that draconian cuts would occur, affecting the elderly, education and environment. One of the four Republicans voting against it called it the political joke of the year.

(Sen. Hatfield: "There's nothing automatic that happens. We're still going to have to make the tough decisions if we're going to achieve that deficit reduction.")

With the deficit addressed, and under a threat that federal workers and others would soon find their government checks bouncing, the senators moved to extend the current debt ceiling to October 18. The Treasury Department went ahead with an emergency auction to borrow \$5 million in new money to keep the government afloat while Congress was raising the debt limit to more than \$2 trillion. Tomorrow, the House will address both the debt ceiling and the balanced budget amendment. But it is clear by today's lopsided Senate vote that the balanced budget plan has too much steam to stop. (CBS-3)

ABC's Brit Hume: There was no doubt the Republicans had the votes and had the initiative on the deficit issue. President Reagan, at a party fundraiser in Virginia, couldn't resist a jab at Senate Democrats.

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Hume continues: (President: "It's funny how some of those who have been screaming the loudest about deficits are now obstructing and delaying, doing everything they can to try and sink this bill, which will be coming to a vote, I understand, this afternoon.")

Even Speaker O'Neill, who has no use for Gramm or his plan, would probably agree that people at home really are worked up about the deficit. That's why the Speaker may have trouble keeping Democrats in line to defeat the plan in the House. (NBC-5, ABC-2)

TRADE

Jennings: The Prime Minister of Singapore was on Capitol Hill appealing against legislation to protect the American textile industry. Speaker O'Neill, perhaps not wishing to embarrass him, postponed a vote on such a bill but it will come up again tomorrow.

ABC's Jim Laurie reports on what American protectionism might do. If new protectionist measures pass Congress, South Korea, China, Hong Kong, Taiwan and Thailand would be badly hurt. One out of every four Koreans depends on the textile industry for a living. New U.S. barriers would mean a half-million-dollar loss, 100,000 out of work, and less money to pay off a \$45 billion foreign debt. And American consumers would feel the pinch too. American export industries would also be hurt. South Korea would no longer be able to buy an annual \$500 million in cotton from U.S. farmers. Koreans also fear new U.S. barriers would have a snowball effect around the world as every nation tries to protect itself from Korean exports, causing chaos in world trade. Textile executives here admit new barriers might save U.S. jobs but would also cause these new problems.

(ABC-3)

SOUTH AFRICA

Brokaw: South Africans of all races took part in a nationwide day of prayer but blacks, who are hoping for an end to their government's racial policies, know that more than prayer will be needed. Their struggle seems to be entering a new phase -- negotiation with white leaders.

NBC's John Cochran reports from South Africa that South Africa's blacks are moving into a new stage of their struggle. Possibly as a result of sanctions, the white government proposed racial reforms. But there is a strong feeling here that Americans and other foreigners have done all they either can or are willing to do for the moment. Some blacks are convinced that any new gains must come with direct negotiations with white authorities. And last week, President Botha said he is willing to talk to non-violent black leaders. That could include the best-known moderates, like Rev. Boesak and Bishop Tutu, men who realize that if and when they start talking to the government they run the risk of vilification and even assassination by black militants. (ABC-4, NBC-3)