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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JANUARY 14, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

NATIONAL NEWS

Reagan Opens Ceremonies For King -- President Reagan launched a week-long campaign to give recognition to the late Martin Luther King, Jr. (Washington Post, New York Times, Washington Times, UPI)

First Wave Of Automatic Budget Cuts To Be Felt Widely -- A new era arrives this week as budget cuts under the Gramm-Rudman-Hollings law are spelled out. (Washington Post, Washington Times)

INTERNATIONAL NEWS

Reagan To Meet With Ecuadoran Leader -- Much to the delight of the Reagan Administration, President Febres has cut the state role in the Ecuadoran economy and has promoted increased foreign investment. (AP, Washington Times)

Iran's Search Of Ship Draws Mild Reaction -- The Reagan Administration said Iran may have acted within international law when it searched a U.S. vessel. (Washington Post, New York Times, Baltimore Sun)

NETWORK NEWS (Monday Evening)

IRAN SHIP BOARDING -- President Reagan now says that Iran may have had a right to send armed Navy seamen on board an American merchant ship.

TERRORISM -- The notorious Abu Nidal reportedly said that he is more dangerous than an atomic bomb.

SOUTH AFRICA -- Assistant Secretary of State Crocker delivered a letter from the President to President Botha.



Khadaffy Duck

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NATIONAL NEWS

REAGAN BEGINS CEREMONIES HONORING KING Recent Polls Indicate President's Popularity Increasing Among Blacks

President Reagan, cheered by recent polls that show his approval rating among blacks at record high levels, yesterday launched a week-long campaign designed to give visible recognition to the late Rev. Martin Luther King, Jr., and other leaders of the civil rights movement.

The events, including a speech Wednesday at Martin Luther King, Jr. Elementary School here, are timed to coincide with the 57th anniversary of King's birth, a national holiday -- to be observed Monday -- that Reagan once opposed.
(Lou Cannon, Washington Post, A3)

Reagan Opens Observances Leading To Dr. King's Birthday

Mr. Reagan spoke warmly of the black civil rights leader in an hourlong meeting in the cabinet room Monday afternoon with a group of about 20 black business executives and educators.

"Dr. King believed in the great promise of America and an America in which all of us can progress as fast and as far as our ability, our vision and our heart will take us," Mr. Reagan told the Council for a Black Economic Agenda. "That is the very promise that I came to Washington to restore."
(Bernard Weinraub, New York Times, A16)

Reagan To Visit King School, Sees Black Leaders

Robert Woodson, chairman of the Council for a Black Economic Agenda, disagreed with the assertion of some black leaders that Mr. Reagan is using the King holiday for political gain.

"Black Americans are no monolithic group," he said. "We don't all look alike, we don't all talk alike."

"Anybody can change their mind," Mr. Woodson said, referring to the President's earlier opposition to a King holiday.
(Mary Belcher, Washington Times, A2)

Nation Begins Celebration Of King Holiday

President Reagan, who originally resisted establishment of a legal holiday to honor King, planned to talk later this week with Mrs. King, who once publicly doubted Reagan's sincerity on civil rights.

"There are many who talk the talk," 24-year-old Dexter Scott King said in Washington Monday, "but few who walk the walk."
(UPI)

FIRST WAVE OF AUTOMATIC BUDGET CUTS TO BE FELT WIDELY

The first round of automatic budget cuts is expected to go into effect March 1. According to a compilation prepared Friday by the Office of Management and Budget and Congressional Budget Office, domestic agencies will have their budgets cut about 4.3 percent and defense about 4.9 percent. On Wednesday, the two budget agencies officially report on their projections of the deficit and how the \$11.7 billion in automatic cuts are to be spread throughout the government.

(David Hoffman, Washington Post, A1)

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U.S. Agencies Handed Budget-Cutting Edicts

The March cuts are being triggered because this year's projected budget deficit of about \$220 billion tops the 1986 Gramm-Rudman ceiling of \$172 billion. The law's deficit limits drop sharply during the next five years in an attempt to balance the budget by 1991.

(Willis Witter, Washington Times, A3)

PLAN TO CUT CROP PRICES ANNOUNCED USDA Program May Cause Farmers To Retire Land

Agriculture Secretary Block yesterday announced the first details of 1986 federal farm programs intended to drastically lower the prices of basic crops, require massive retirement of land from production and increase the cost of federal subsidies for farmers by billions of dollars.

The new policy is intended to make U.S. crops more competitive in world markets by lowering prices to "market clearing" levels.

However, even with substantially lower prices, most analysts do not think that slumping U.S. farm exports will rebound quickly.

(Ward Sinclair, Washington Post, A1)

Strict Rules But Record Sign-Up Possible

Low crop prices will push record numbers of farmers into the government's farm programs this year, Agriculture department officials said, even though federal loan rates are slashed. The idea is to make the price of U.S. crops more attractive to foreign buyers and win more export markets.

(UPI)

U.S. MAY CUT MINORITY-FIRM JOBS DATA

The Administration is considering a change in federal reporting requirements that would eliminate a major source of data about how much federal grant and contract money goes to minority firms. Administration officials said that the Office of Management and Budget and the Commerce Department may adopt a reporting form similar to one used by the Commerce Department to track how federal grants are spent.

Like forms used by some other federal agencies, the Commerce questionnaire asks about funds spent with minority contractors. But unlike some of the other forms, it requires no data on how money is spent with subcontractors. Subcontracting is a major source of federal funds for minority businesses, which often are too small to bid for the overall contract.

(Ann Mariano, Washington Post, A1)

WEINBERGER HITS SPECIAL FORCES PLAN

Defense Secretary Weinberger yesterday rejected a congressional proposal to put anti-terrorist units, including the Army's Delta Force and Navy's Seals and other "special forces," under a single Pentagon command to make them more responsive to hijacking and other special forces.

(George Wilson, Washington Post, A5)

BENEFITS FOR PREGNANT WORKERS RAISE ISSUE OF DISCRIMINATION

The Supreme Court agreed yesterday to decide whether California may require employers to provide special benefits for pregnant workers. A Savings and Loan Association challenged the California law on the grounds that it conflicts with the federal Pregnancy Discrimination Act of 1978, which it said mandates that pregnancy be treated like every other disability.

The savings institution was joined by an unusual coalition of groups, including the Reagan Administration, the National Organization for Women, the American Civil Liberties Union and the U.S. Chamber of Commerce.

(Al Kamen, Washington Post, A6)

Court To Say If Pregnancy Benefits Are Discriminatory

While any type of discrimination is a volatile political and sociological issue, most groups familiar with the maternity benefits dispute said yesterday they do not endorse preferential treatment for pregnant female employees.

(Washington Times, A1)

DURENBERGER ARRESTED IN LINE-JUMPING

Sen. David Durenberger (R-Minn.) was arrested for disorderly conduct after getting into a shouting match with police as he tried to catch a taxi at Logan International Airport, police said. "There was a pretty bad traffic jam outside Logan and the senator got into a taxi, which was not the first taxi in line, and there was an exchange of words between the senator and the dispatcher outside," said Karen Doyne, a spokeswoman for the senator. "One thing led to another and he was arrested for disorderly conduct." The charge against Durenberger, 52, who is chairman of the Senate Intelligence Committee, was dismissed Monday in a private hearing in East Boston District Court.

(UPI)

NEW POSTAL CHIEF TO LEAVE MAIL SLOT

Albert Casey, who assumed the job of postmaster general last week with a wisecrack that he would stay "if I'm really good, six months," will become a business professor at Southern Methodist University this fall. The announcement came as no surprise to the U.S. Postal Service Board of Governors, who knew before they ousted Paul Carlin and hired Casey that they would soon be looking for Casey's successor.

(Cass Peterson, Washington Post, A17)

PROBE OF MILITARY CHARTER AIRLINES SET

Transportation Secretary Dole, reacting to concerns raised by the Arrow Air crash that killed 248 soldiers in Gander, Newfoundland, has ordered a special FAA safety inspection of about 25 airlines that fly charters for the Defense Department.

(Washington Post, A17)

FAA Orders Investigation Of 24 Airlines

Dole said Monday night the federal investigation, which is expected to last through the year, will focus on airline maintenance, crew qualification, management and equipment. (UPI)

Gander Crash Prompts New FAA Probe Of Military Charters

"The purpose is to make sure that the airlines -- including the charters -- continue to operate at the highest level of safety," FAA spokesman Bob Buckhorn said. (AP)

HIGH COURT QUARRELS ON MIRANDA

The Supreme Court, quarreling openly over a decision to hear a case, agreed Monday to decide whether the voluntary confession of a mentally ill defendant can be used against him.

The court, in an unusual move, also asked on its own initiative for arguments on whether mentally ill people are capable of voluntarily waiving their rights under the 1966 Miranda ruling, which established the rights of suspects to remain silent and to have a lawyer present during questioning. (Al Kamen, Washington Post, A6)

GAO SAYS POOR ACCOUNTING COSTS U.S. BILLIONS

Despite pressure to improve accounting, federal agencies continue to handle money in ways that waste billions of dollars, a recent report to Congress said yesterday. The report was made under a 1982 law that requires federal agency managers to identify problems that can lead to fraud, waste and abuse in government operations. (Washington Post, A17)

MORE THAN 500,000 ALIENS APPREHENDED AT TEXAS-MEXICO
BORDER IN 1985

DALLAS -- More than 10,000 illegal aliens a week were caught at the Texas-Mexico border last year, and those currently entering the country are more apt than ever to displace American workers, officials said.

Although many believe illegal aliens take only jobs U.S. citizens don't want, there is increasing evidence that more skilled laborers are entering the United States without necessary papers, said Mario Ortiz, a U.S. Immigration and Naturalization Service spokesman. (AP)

THE ROAD TO '88

Comparisons will be in order when Vice President Bush and Rep. Kemp, jostling for the 1988 Republican presidential nomination, share the dais at a Jan. 23 dinner-dance in Manhattan. The event marks the 23rd birthday anniversary of the New York Conservative Party.

(Washington Times, A3)

DEMOCRATS URGED TO PICK SOUTHERNER

Democrats should nominate a southerner for president or vice president in 1988 in an effort to regain ground in that region, Democratic National Chairman Paul Kirk said yesterday. (Washington Post, A3)

POOCH UPDATE

Rex, the King Charles spaniel that has taken charge at 1600 Pennsylvania Ave., is checking into a veterinarian hospital today to have his tonsils removed, White House officials said today. (Washington Times, A3)

COMMODITIES-TRADING RULE EXPECTED TO BE TIGHTENED

The Commodity Futures Trading Commission is expected today to approve a new regulation designed to enable federal regulators to keep closer tabs on trading on the floors of the nation's commodity exchanges. (Washington Post, D8)

EDITOR'S NOTES: 'Treasury Vs. Counterfeiters: The Buck Stops For Alterations,' page A17 of the Washington Post. 'Lawmakers Seeking MIAs,' page A14 of the Washington Post. 'PEN And The Shocks,' page B1, and 'Pia Lindstrom's Timely Invitation' (on the Reagan's state dinner this evening) is on page B2 of the Washington Post. 'Pooch Update,' page A3, Washington Times. 'Political Controversy At PEN: Guests Divide Writers' Meeting,' page B1, Washington Times.

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INTERNATIONAL NEWS

REAGAN TO MEET WITH ECUADORAN LEADER

WASHINGTON -- President Reagan is extending a warm welcome to Ecuador's President Leon Febres Cordero, one of the Administration's favorite Latin American leaders because of his outspoken anti-communism and free market economic policy. Febres, a former businessman, will be guest of honor at a White House dinner tonight following a morning meeting with Reagan and a luncheon with Secretary Shultz. (George Gedda, AP)

Ecuador Ahead In Battle With Terrorists, Its President Says

Ecuador's President Leon Febres Cordero says his government is winning its battle against Marxist terrorists, but still regards them as dangerous because of their close ties to Columbia's M-19 guerrillas, Nicaragua's Sandinistas and drug smugglers.

Mr. Febres Cordero, who will be seeing President Reagan this morning in the Oval Office, is on a state visit to Washington.

(Roger Fontaine, Washington Times, A5)

IRAN'S SEARCH OF SHIP DRAWS MILD REACTION

The Reagan Administration said yesterday that Iran may have acted within the bounds of international law Sunday when it halted and searched a U.S. merchant vessel near the Persian Gulf. Spokesman Larry Speakes and State Department spokesman Bernard Kalb, citing identical policy guidance, "the rules of Naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband," to an opponent. Iran has been at war with Iraq for more than five years. (John Goshko, Washington Post, A11)

U.S. Says Halting Of Vessel By Iran May Be Justified

At the same time, the United States sent two Navy warships to the Gulf of Oman where the freighter, the President Taylor, was docked in the United Arab Emirates port of Fujaira. The signals from the Administration seemed contradictory as it pondered how to deal with the incident Sunday as well as any future searches of American vessels.

(Bernard Gwertzman, New York Times, A1)

U.S. Reacts To Boarding Of Vessel

Bernard Kalb, a State Department spokesman, said a complete account of the incident was being compiled by G. Quincy Lumsden, Jr., the U.S. ambassador to the United Arab Emirates, from the captain of the President Taylor, which docked at the port of Fujaira.

(Stephens Broening, Baltimore Sun, A1)

U.S. ENGAGES LIBYA IN A WAR OF NERVES

A week after President Reagan decided to exert economic pressure rather than military might against Qaddafi, the Reagan Administration has settled down to a long-term war of nerves with Libya. Because he has now exhausted most nonmilitary options for opposing Qaddafi, Reagan may face even more difficult decisions about use of force if, as widely anticipated by U.S. officials, terrorist incidents tied to Libya continue to take place.

(News Analysis by Don Oberdorfer & David Ottaway, Washington Post, A11)

LIBYA MAY SOON REEL FROM U.S. SANCTIONS

TRIPOLI -- Libya, its economy already hurt by falling oil revenues, could feel the impact of President Reagan's economic sanctions by midyear, according to Western diplomats. The barren shelves at Tripoli's state-owned supermarkets indicated the level of shortages which could be exacerbated by economic sanctions. "This country is going to be hit very hard," one Western diplomat said Monday. (UPI)

STATE DEPARTMENT DISPATCHES WHITEHEAD TO URGE SANCTIONS

Deputy Secretary of State John Whitehead is to visit nine North Atlantic Treaty Organization allies starting Wednesday in hopes of persuading them to reduce their ties with Libya, the State Department announced yesterday. (AP story, Washington Post, A11)

NORWAY ACCEPTS U.S. APPEAL FOR CURBS ON LIBYA

OSLO -- The Norwegian government announced Monday its backing of President Reagan's appeal for international sanctions against Libya, offering the strongest of the sanctions from any European nation. (UPI story, Washington Post, A11)

WEINBERGER SAYS SOVIET CONTINUES TO ARM LIBYANS

Secretary Weinberger said yesterday that the Soviet Union was continuing an uninterrupted flow of military material to Libya and was keeping el Kadafi informed on U.S. Naval movements in the Mediterranean Sea. (Charles Corddry, Baltimore Sun, A1)

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U.S. WANTS \$30 MILLION FOR CONTRA ARMS AID

A Reagan Administration task force is expected to ask President Reagan to ask Congress for up to \$30 million in military aid for the anti-Sandinista guerrillas in Nicaragua.

The proposal will go to President Reagan's desk for a signature within the next several days, senior Administration officials said yesterday. (Jeremiah O'Leary, Washington Times, A1)

COUP FAILS IN SOUTH YEMEN

MANAMA, Bahrain -- The president of Marxist-ruled South Yemen has survived an assassination attempt, and leaders of the failed coup have been executed, the state-run Aden Radio reported today.

U.S. officials in Washington said that the coup attempt appeared to be largely the result of domestic political feuding.

(AP story, Washington Post, A10)

REAGAN LETTER TO BOTHA SAID TO URGE REFORMS, FREE NAMIBIA

JOHANNESBURG, South Africa -- The top American diplomat for Africa, Chester Crocker, met with South African President Botha Monday and gave him a confidential letter from President Reagan. The Cape Argus newspaper reported, without attribution, that Mr. Reagan appealed for "decisive action" on reforms in apartheid and on independence for South-West Africa, also called Namibia, which South Africa controls.

(Michael Sullivan, Washington Times, A6)

Reagan Letter

Crocker, who made no statement, then met for more than five hours with the foreign and defense ministers. The Cape Argus newspaper reported, without attribution, that Reagan appealed for "decisive action" on reforms in apartheid and on reforms for South-West Africa, also called Namibia, which South Africa controls in defiance of the United Nations.

(AP story, Washington Post, A13)

ITALY ASKS INTERPOL TO FIND ALLEGED ACHILLE LAURO HIJACKER

GENOA, ITALY -- Three months after Palestinian gunmen hijacked the cruise ship Achille Lauro, Italy has asked Interpol to track down Mohammed Abbas, the alleged mastermind of the raid. Prosecutors Monday formally requested the International police organization to issue a worldwide alert for Abbas, the Palestine Liberation Front leader who was allowed to flee Italy Oct. 12, despite a U.S. warrant for his arrest.

(UPI)

MATCHING FUNDS CLEAR BOTTLENECK IN AID TO SUDAN
\$7.6 Million From U.S. Helps Move Sorghum

Funding was assured over the weekend to break up a bottleneck keeping thousands of tons of grain from reaching three drought-stricken regions in Sudan, U.S. officials said Monday.

(Joe Ritchie, Washington Post, A13)

LESOTHO APPEALS TO REAGAN, THATCHER IN BORDER DISPUTE

MASERU, Lesotho -- Lesotho has appealed to President Reagan and British Prime Minister Thatcher to intervene in a border dispute with South Africa, a government spokesman said Tuesday.

Pretoria, which says Lesotho harbors guerrillas fighting white domination in South Africa, has been clamping down on Lesotho Nationals entering the country since the beginning of the year. Lesotho says South Africa is also blocking supplies of essential goods. (Reuter)

-End of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening)

IRAN SHIP BOARDING

CBS's Dan Rather: President Reagan, through his spokesman, now says that Iran may have had a right to send armed Navy seamen on board an American merchant ship yesterday to search its cargo at gun-point.

CBS's David Martin: Two U.S. warships are off the coast of Oman tonight ready to escort any American merchant ship requesting protection from the Iranian navy. But those war ships arrived too late to stop armed Iranian sailors from boarding and searching the President Taylor, on Sunday. The Iranians were looking for war material bound for arch-enemy Iraq.

(TV coverage of Richard Taurow, VP American President Lines: "After the personnel had reviewed the cargo manifest and took some inspection of the ship, they allowed the ship to continue its course.") Today the State Department acknowledged that Iran may have been acting within its rights as a country at war.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent.")

The U.S. normally keeps an aircraft carrier in the Indian Ocean as a hedge against threats from Iran. But today that carrier, the Saratoga, is on route to the Mediterranean where tensions stemming from the airport massacres in Rome and Vienna remain high. A second U.S. aircraft carrier, the Coral Sea, is now operating off the coast of Libya and U.S. sources say the Soviet Union has stepped up its surveillance of the American fleet. With the Saratoga on route to the Mediterranean the U.S. seems to be treating the boarding of the President Taylor as a closed case. If Iran attempts to board any other American ships, one Pentagon officials said, the U.S. Navy will intervene only if the American captain calls for help.

ABC's Peter Jennings: There was an easing of tension in Washington today over yesterday's incident near the Persian Gulf. Iranian sailors boarded and searched an American freighter at gun-point looking for possible weapons which might be bound for Iraq. You might expect outrage in Washington, but the Administration now believes the Iranians were well within their rights.

ABC's Sam Donaldson: At first glance it sounds inexcusable -- armed Iranian sailors boarding a U.S. merchant ship sailing in the international waters of the Gulf of Oman. But Washington officials are in the awkward position of having to concede that Iran might have been within its rights under international law.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent. We are continuing to assess the facts of this particular incident.")

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Donaldson continues: Iran, locked in a long war with Iraq, has declared a blockade and has been stopping merchant ships from many countries for the past five months looking for war material. The President Taylor contained no such material. After an hour and a half, the boarders left peacefully and the owners say they will keep on sailing there....

For many years the Administration has carried on a running feud with Iran so it finds it galling to have to let this matter drop. The U.S. naval presence may be beefed-up in the area in order to forestall future boardings, but unless new information comes to light, and that is not expected, this incident is closed. (ABC-4)

NBC's Tom Brokaw: The Reagan Administration was also preoccupied today with the search of an American freighter by the Iranian Navy in the Persian Gulf. The Iranians thought that the ship, the President Taylor, may have been carrying arms for Iraq, but the U.S. has now admitted that Iran may have been within its rights under the international rules of warfare.

NBC's Anne Garrels: Because Iran is at war with Iraq, the State Department says the search may in fact have been legal.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent.")

Iran has been stopping ships in the area for the past five months. Yesterday was the first time a U.S. ship has been forcibly searched. The U.S. destroyer Connally and the frigate Boone were dispatched to the Gulf of Oman when the President Taylor sent out a distress signal. But according to Secretary Weinberger, the boarders left quietly after an hour, an hour and a half. There wasn't any need for naval protection. Preliminary reports indicate the Iranians behaved professionally, U.S. officials do not believe they were being intentionally provocative, but with armed men boarding American vessels, U.S. officials say there is always the chance for escalation. As long as the Iran-Iraq war continues, officials say the chance for escalation remains a real possibility, and the State Department once again called on Iran to change its position and agree to negotiations.

(NBC-2)

TERRORISM

Jennings: We begin yet another week with the fear of more international terrorism. There is a terrorist alert in parts of Europe tonight. The notorious Palestinian Abu Nidal has reportedly said in an Arab newspaper that he is more dangerous than an atomic bomb. And Libya's Col. Qaddafi has told ABC News he will widen the war if he is attacked by the United States. Qaddafi was talking to ABC's Ted Koppel, and Ted is in Washington.

ABC's Ted Koppel reports that at times Col. Qaddafi sounded like a prophet of the apocalypse warning that a U.S. attack on his country would lead to World War III.

Koppel continues:

QADDAFI: I think an attack from superpower against this country like Libya it will very serious, it might be a start of a Third World War and the Mediterranean will be an area of war and no transportation, no commerce, no tourism. We from our side will destroy this area and at least we can destroy their Sixth Fleet.

KOPPEL: So what is the next step Colonel, I'm not sure I understand where things are going between our two countries right now?

QADDAFI: We are now in our houses and America is threatening us by its Sixth Fleet. In our homes, our children, our families in Libya expect every day to be challenged and to be attacked by the American strategic force, Sixth Fleet or the bombers like B-52, we are expecting this attack everyday.

Koppel: Having said that, Col. Qaddafi then reissued his invitation to President Reagan to, as he put it, come visit him in his tent. And in response to a question, he said that, yes, he would be prepared to come here to the United States if invited officially. (ABC-Lead)

Jennings reports yet another letter signed Islamic Jihad was delivered to Western news agencies today, this time in Cairo. It threatened to strike the most vulnerable points of American imperialism. There is no way of knowing whether the letter was actually sent by anyone connected with Islamic Jihad, whatever it is. But these days the governments involved are not taking any chances. A different threat in the Netherlands has triggered a protective ring around American interests there.

ABC's Jim Hickey reports at the United States Embassy in The Hague today, Dutch police extended special security precautions to protect American interests against possible terrorist attacks. Over the weekend Sweden and Norway as well as the Netherlands went into a high state of alert closely guarding airports, searching cars. Abu Nidal was quoted in an Arab newspaper today as saying his terrorist attacks are very legitimate. Nidal claims to have been in the United States with forged passports at the same time, in his words, President Reagan was asking for my head. He also claimed to have escaped recognition through plastic surgery. According to the newspaper, Nidal describes Libyan leader Moammar Qaddafi as a brother, a great help, a loyal man. (NBC-3, ABC-2)

BUDGET

Brokaw reports after all of the debate, all the handwringing, all of the ominous predictions, the new reality is here for the federal budget, something that effects all of us wherever we live, whatever we do. And the new reality is that the budget will be cut. It's the law now, the Gramm-Rudman law which Congress passed as a desperate attempt to do something about the federal deficit. The Office of Management and Budget will announce on Wednesday the first automatic spending cuts and they are more than 4%, everyone gets hit. (NBC-Lead)

MIAs

Rather: An official Pentagon statement today saying it has reason to believe nearly 100 American MIAs may still be living in Indochina. Assistant Defense Secretary Richard Armitage, just back from talks in Hanoi, said that of 95 reported sightings of U.S. MIAs, 79 were in Vietnam, 14 in Laos, and 2 in Cambodia. Armitage said roughly half the Americans reported sighted in Vietnam may be living there voluntarily, but he said, the U.S. considers whatever others there may be to be prisoners of war.

(TV coverage of Armitage: "Information that comes into our possession and continues to come into our possession makes it impossible for us to rule out that possibility, and therefore we act under the assumption that at least some Americans are held against their will in Indochina.")

A four member Congressional delegation left for Hanoi today on its own fact finding mission. (ABC-6, CBS-3)

FDA

Rather: Eric Engberg has details of a new report out of Congress that raises questions about the safety of food from the farm that winds up on your family table.

CBS's Eric Engberg reports some of the food we eat, eggs, poultry, milk and meat, is not as safe as it should be according to House investigators because the Food and Drug Administration is doing a poor job of policing the drugs given farm animals as medicine or to help them gain weight. The committee charges that potentially unsafe drugs, some of them linked to cancer, have not been forced off the market by the FDA. Part of what is wrong, the investigators charge, is that no one can be sure how much of a threat, if any, the public faces. The FDA responded that the significant and widely used animal drugs are carefully regulated. But even some officials of the FDA appeared to be concerned about the problem, one telling the committee we are only scratching the surface of an industry that has been and remains largely unregulated. (CBS-5)

SOUTH AFRICA

Brokaw reports there was another reminder today of the Reagan Administration's growing concern over South Africa. Assistant Secretary of State Chester Crocker met with top South African leaders and delivered a confidential letter from President Reagan. Crocker met with President P.W. Botha and Foreign Minister Rolfe Botha for 90 minutes today. U.S. officials had no comment on President Reagan's letter, but a South African newspaper said it called for decisive action on apartheid, the separation of the races.

(NBC-8, ABC-8)

AIR SAFETY

Rather reports 1985 was the deadliest year ever for international aviation with an estimated 2,000 deaths on major flights, and today federal officials said 526 of those deaths involved people on U.S. airlines flying large planes. That's the worst toll since 1977. The report also said 1,049 people died in smaller plane crashes in this country.
(ABC-12, CBS-11)

WALL STREET

Jennings: After last week's binge of selling, the stock market made a moderate comeback today. The Dow gained seven points and the trading was fairly active.
(ABC-10)

KATE SMITH

Rather reports in Raleigh, N.C., today, hospital authorities said singer Kate Smith was in stable condition after her right leg was amputated. The 78-year-old Smith, who suffers from diabetes and high blood pressure, underwent the operation yesterday. Her singing of God Bless America became a kind of second National Anthem during World War II.
(NBC-7, ABC-9, CBS-12)

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EDITORIALS/COLUMNISTS

U.S.-LIBYA

Americans In Libya Are Hampering U.S. Policy -- "In the spring of 1979 this editorial page urged the evacuation of the U.S. Embassy in Tehran. We viewed Iran as a country that had gone crazy. Although we had readers in high places in Washington at the time, history records that our government did not issue the order, hence there were hostages to be taken in November. In the case of Libya, our government closed our embassy long ago and now is ordering every American out of another crazed country. It is both good common sense and an obligation of citizenship for Americans to get out of Libya while they can."

(Atlanta Journal, 1/9)

Those Who Stay in Libya -- "The troubling provision of the executive order is that which raises the possibility that severe criminal sanctions will be imposed on American citizens now in Libya.... The executive order does include an exception that will allow journalists to travel to Libya, so it is not designed to restrict the flow of information. But the rights of ordinary citizens to travel and to live at their own risk where they choose should also be acknowledged. No one should be threatened with prison for making personal -- even if unwise -- decisions of this kind."

(Washington Post, 1/10)

Call it Collaboration, Pure and Simple -- "Americans living and working in Libya are making no secret of their resentment over President Reagan's directive ordering them home.... If they insist on continuing to live and work in Libya, they must recognize that they have relinquished all claims on their government's concern in the event of their being taken hostage.... Those who put themselves at the service of a regime at war with their own country -- a regime which has murdered Americans and threatens openly to murder more -- ought to recognize that there is a term for such behavior. It is called collaborating with the enemy. And collaborators must expect to be treated as such." (New York Post, 1/11)

DEFENSE PROCUREMENT

Jim Wade's Good Sense -- "The most important document now in the possession of the Pentagon is one that is likely to be completely ignored. It is a long, comprehensive memo from Assistant Secretary of Defense James P. Wade Jr., to Secretary Caspar Weinberger, outlining the many flaws of the military purchasing and procurement system and making some strong recommendations for change. Mr. Weinberger and his deputy, William Howard Taft IV, are said to be 'looking at it' -- probably balefully.... If Mr. Weinberger wants to leave behind anything better than disaster when he departs his post, he should give Mr. Wade's well intended comments serious consideration and respond positively to their obvious good sense."

(Chicago Tribune, 1/11)

DEFENSE CUTS

'Knee-Cap' Response -- "It never fails. Let any serious move to cut Pentagon spending arise, and Secretary Caspar Weinberger reaches into his magician's hat and poof! out jumps new evidence of Soviet military superiority.... The fault isn't with advocate Weinberger. It lies, as it always has, equally with a President who will not hear of tax increases and a Congress that will not limit outgo to income." (Miami Herald, 1/10)

SALT II

Bury SALT II -- "The administration of President Jimmy Carter was overeager to produce some kind -- any kind -- of nuclear arms agreement with the Soviets. So it came up with SALT II. It was immediately obvious that the treaty was so flawed by Soviet-aiding and U.S.-hindering terms that it deserved no Senate ratification because of its intrinsic demerits.... SALT II was rejected for abundant reasons and, in any event, has now expired. We should quit kidding ourselves about the growing Soviet strength and impose no foolish limits upon ourselves in symbolic adherence to something that was wrong from the beginning."

(Chattanooga News-Free Press, 1/10)

AFGHANISTAN

"A Whole Nation is Dying People Should Know" -- "Those are the words of a leader of the Afghan resistance, an engineer from Afghanistan's Panjsher Valley.... The Afghan resistance -- the Mujahidin -- seeks military aid from the U.S.: anti-aircraft missiles, antitank mines and guns. It wants humanitarian assistance: doctors, medical supplies and food. It also hopes for still more help for the millions of Afghan refugees in the camps inside Pakistan. But most of all, the Afghan fighters want the world to know, and not forget: A whole nation is dying." (New York Daily News, 1/13)

WALL STREET

Don't Jump Yet -- "Ronald Reagan's economy continues to amaze even those who think of themselves as his supporters. Following news that unemployment had dipped to 6.9 percent -- a Reagan era low -- Wall Streeters unloaded shares with mouths agape.... What all of this reveals, most of all, is the death grip of pessimism. After decades of rocking stock prices and pneumatic inflation, it's easy to relapse into the boogie woogie Carter flu. It's also silly to take this as vindication for the most bearish of bears, market 'expert' Joe Granville. The news from both Wall Street and Washington is heartening regardless of what the bears say."

(Washington Times, 1/13)

A Bear Comes to Call -- "The problem, simply put, is the growing gap between the industrial sector, which produces tangible goods, and the financial sector, which produces only money. Never have these two main strands of the U.S. economy diverged so far as in this, the fourth year of the Reagan economic recovery.... As the gap between industrial production and the financial markets widens, investment gives way to speculation, and speculation to sheer gambling. Under such circumstances, any stock-market boom is unstable. A correction for Wall Street is long overdue."

(New Jersey Record, 1/10)



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JANUARY 14, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

NATIONAL NEWS

Reagan Opens Ceremonies For King -- President Reagan launched a week-long campaign to give recognition to the late Martin Luther King, Jr. (Washington Post, New York Times, Washington Times, UPI)

First Wave Of Automatic Budget Cuts To Be Felt Widely -- A new era arrives this week as budget cuts under the Gramm-Rudman-Hollings law are spelled out. (Washington Post, Washington Times)

INTERNATIONAL NEWS

Reagan To Meet With Ecuadoran Leader -- Much to the delight of the Reagan Administration, President Febres has cut the state role in the Ecuadoran economy and has promoted increased foreign investment. (AP, Washington Times)

Iran's Search Of Ship Draws Mild Reaction -- The Reagan Administration said Iran may have acted within international law when it searched a U.S. vessel. (Washington Post, New York Times, Baltimore Sun)

NETWORK NEWS (Monday Evening)

IRAN SHIP BOARDING -- President Reagan now says that Iran may have had a right to send armed Navy seamen on board an American merchant ship.

TERRORISM -- The notorious Abu Nidal reportedly said that he is more dangerous than an atomic bomb.

SOUTH AFRICA -- Assistant Secretary of State Crocker delivered a letter from the President to President Botha.



Khadaffy Duck

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NATIONAL NEWS

REAGAN BEGINS CEREMONIES HONORING KING

Recent Polls Indicate President's Popularity Increasing Among Blacks

President Reagan, cheered by recent polls that show his approval rating among blacks at record high levels, yesterday launched a week-long campaign designed to give visible recognition to the late Rev. Martin Luther King, Jr., and other leaders of the civil rights movement.

The events, including a speech Wednesday at Martin Luther King, Jr. Elementary School here, are timed to coincide with the 57th anniversary of King's birth, a national holiday -- to be observed Monday -- that Reagan once opposed.
(Lou Cannon, Washington Post, A3)

Reagan Opens Observances Leading To Dr. King's Birthday

Mr. Reagan spoke warmly of the black civil rights leader in an hourlong meeting in the cabinet room Monday afternoon with a group of about 20 black business executives and educators.

"Dr. King believed in the great promise of America and an America in which all of us can progress as fast and as far as our ability, our vision and our heart will take us," Mr. Reagan told the Council for a Black Economic Agenda. "That is the very promise that I came to Washington to restore."
(Bernard Weinraub, New York Times, A16)

Reagan To Visit King School, Sees Black Leaders

Robert Woodson, chairman of the Council for a Black Economic Agenda, disagreed with the assertion of some black leaders that Mr. Reagan is using the King holiday for political gain.

"Black Americans are no monolithic group," he said. "We don't all look alike, we don't all talk alike."

"Anybody can change their mind," Mr. Woodson said, referring to the President's earlier opposition to a King holiday.

(Mary Belcher, Washington Times, A2)

Nation Begins Celebration Of King Holiday

President Reagan, who originally resisted establishment of a legal holiday to honor King, planned to talk later this week with Mrs. King, who once publicly doubted Reagan's sincerity on civil rights.

"There are many who talk the talk," 24-year-old Dexter Scott King said in Washington Monday, "but few who walk the walk."
(UPI)

FIRST WAVE OF AUTOMATIC BUDGET CUTS TO BE FELT WIDELY

The first round of automatic budget cuts is expected to go into effect March 1. According to a compilation prepared Friday by the Office of Management and Budget and Congressional Budget Office, domestic agencies will have their budgets cut about 4.3 percent and defense about 4.9 percent. On Wednesday, the two budget agencies officially report on their projections of the deficit and how the \$11.7 billion in automatic cuts are to be spread throughout the government.

(David Hoffman, Washington Post, A1)

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U.S. Agencies Handed Budget-Cutting Edicts

The March cuts are being triggered because this year's projected budget deficit of about \$220 billion tops the 1986 Gramm-Rudman ceiling of \$172 billion. The law's deficit limits drop sharply during the next five years in an attempt to balance the budget by 1991.

(Willis Witter, Washington Times, A3)

PLAN TO CUT CROP PRICES ANNOUNCED USDA Program May Cause Farmers To Retire Land

Agriculture Secretary Block yesterday announced the first details of 1986 federal farm programs intended to drastically lower the prices of basic crops, require massive retirement of land from production and increase the cost of federal subsidies for farmers by billions of dollars.

The new policy is intended to make U.S. crops more competitive in world markets by lowering prices to "market clearing" levels.

However, even with substantially lower prices, most analysts do not think that slumping U.S. farm exports will rebound quickly.

(Ward Sinclair, Washington Post, A1)

Strict Rules But Record Sign-Up Possible

Low crop prices will push record numbers of farmers into the government's farm programs this year, Agriculture department officials said, even though federal loan rates are slashed. The idea is to make the price of U.S. crops more attractive to foreign buyers and win more export markets.

(UPI)

U.S. MAY CUT MINORITY-FIRM JOBS DATA

The Administration is considering a change in federal reporting requirements that would eliminate a major source of data about how much federal grant and contract money goes to minority firms. Administration officials said that the Office of Management and Budget and the Commerce Department may adopt a reporting form similar to one used by the Commerce Department to track how federal grants are spent.

Like forms used by some other federal agencies, the Commerce questionnaire asks about funds spent with minority contractors. But unlike some of the other forms, it requires no data on how money is spent with subcontractors. Subcontracting is a major source of federal funds for minority businesses, which often are too small to bid for the overall contract.

(Ann Mariano, Washington Post, A1)

WEINBERGER HITS SPECIAL FORCES PLAN

Defense Secretary Weinberger yesterday rejected a congressional proposal to put anti-terrorist units, including the Army's Delta Force and Navy's Seals and other "special forces," under a single Pentagon command to make them more responsive to hijacking and other special forces.

(George Wilson, Washington Post, A5)

BENEFITS FOR PREGNANT WORKERS RAISE ISSUE OF DISCRIMINATION

The Supreme Court agreed yesterday to decide whether California may require employers to provide special benefits for pregnant workers. A Savings and Loan Association challenged the California law on the grounds that it conflicts with the federal Pregnancy Discrimination Act of 1978, which it said mandates that pregnancy be treated like every other disability.

The savings institution was joined by an unusual coalition of groups, including the Reagan Administration, the National Organization for Women, the American Civil Liberties Union and the U.S. Chamber of Commerce.

(Al Kamen, Washington Post, A6)

Court To Say If Pregnancy Benefits Are Discriminatory

While any type of discrimination is a volatile political and sociological issue, most groups familiar with the maternity benefits dispute said yesterday they do not endorse preferential treatment for pregnant female employees.

(Washington Times, A1)

DURENBERGER ARRESTED IN LINE-JUMPING

Sen. David Durenberger (R-Minn.) was arrested for disorderly conduct after getting into a shouting match with police as he tried to catch a taxi at Logan International Airport, police said. "There was a pretty bad traffic jam outside Logan and the senator got into a taxi, which was not the first taxi in line, and there was an exchange of words between the senator and the dispatcher outside," said Karen Doyne, a spokeswoman for the senator. "One thing led to another and he was arrested for disorderly conduct." The charge against Durenberger, 52, who is chairman of the Senate Intelligence Committee, was dismissed Monday in a private hearing in East Boston District Court.

(UPI)

NEW POSTAL CHIEF TO LEAVE MAIL SLOT

Albert Casey, who assumed the job of postmaster general last week with a wisecrack that he would stay "if I'm really good, six months," will become a business professor at Southern Methodist University this fall. The announcement came as no surprise to the U.S. Postal Service Board of Governors, who knew before they ousted Paul Carlin and hired Casey that they would soon be looking for Casey's successor.

(Cass Peterson, Washington Post, A17)

PROBE OF MILITARY CHARTER AIRLINES SET

Transportation Secretary Dole, reacting to concerns raised by the Arrow Air crash that killed 248 soldiers in Gander, Newfoundland, has ordered a special FAA safety inspection of about 25 airlines that fly charters for the Defense Department.

(Washington Post, A17)

FAA Orders Investigation Of 24 Airlines

Dole said Monday night the federal investigation, which is expected to last through the year, will focus on airline maintainance, crew qualification, management and equipment. (UPI)

Gander Crash Prompts New FAA Probe Of Military Charters

"The purpose is to make sure that the airlines -- including the charters -- continue to operate at the highest level of safety," FAA spokesman Bob Buckhorn said. (AP)

HIGH COURT QUARRELS ON MIRANDA

The Supreme Court, quarreling openly over a decision to hear a case, agreed Monday to decide whether the voluntary confession of a mentally ill defendant can be used against him.

The court, in an unusual move, also asked on its own initiative for arguments on whether mentally ill people are capable of voluntarily waiving their rights under the 1966 Miranda ruling, which established the rights of suspects to remain silent and to have a lawyer present during questioning. (Al Kamen, Washington Post, A6)

GAO SAYS POOR ACCOUNTING COSTS U.S. BILLIONS

Despite pressure to improve accounting, federal agencies continue to handle money in ways that waste billions of dollars, a recent report to Congress said yesterday. The report was made under a 1982 law that requires federal agency managers to identify problems that can lead to fraud, waste and abuse in government operations. (Washington Post, A17)

MORE THAN 500,000 ALIENS APPREHENDED AT TEXAS-MEXICO BORDER IN 1985

DALLAS -- More than 10,000 illegal aliens a week were caught at the Texas-Mexico border last year, and those currently entering the country are more apt than ever to displace American workers, officials said.

Although many believe illegal aliens take only jobs U.S. citizens don't want, there is increasing evidence that more skilled laborers are entering the United States without necessary papers, said Mario Ortiz, a U.S. Immigration and Naturalization Service spokesman. (AP)

THE ROAD TO '88

Comparisons will be in order when Vice President Bush and Rep. Kemp, jostling for the 1988 Republican presidential nomination, share the dais at a Jan. 23 dinner-dance in Manhattan. The event marks the 23rd birthday anniversary of the New York Conservative Party.

(Washington Times, A3)

DEMOCRATS URGED TO PICK SOUTHERNER

Democrats should nominate a southerner for president or vice president in 1988 in an effort to regain ground in that region, Democratic National Chairman Paul Kirk said yesterday. (Washington Post, A3)

POOCH UPDATE

Rex, the King Charles spaniel that has taken charge at 1600 Pennsylvania Ave., is checking into a veterinarian hospital today to have his tonsils removed, White House officials said today. (Washington Times, A3)

COMMODITIES-TRADING RULE EXPECTED TO BE TIGHTENED

The Commodity Futures Trading Commission is expected today to approve a new regulation designed to enable federal regulators to keep closer tabs on trading on the floors of the nation's commodity exchanges. (Washington Post, D8)

EDITOR'S NOTES: 'Treasury Vs. Counterfeiters: The Buck Stops For Alterations,' page A17 of the Washington Post. 'Lawmakers Seeking MIAs,' page A14 of the Washington Post. 'PEN And The Shocks,' page B1, and 'Pia Lindstrom's Timely Invitation' (on the Reagan's state dinner this evening) is on page B2 of the Washington Post. 'Pooch Update,' page A3, Washington Times. 'Political Controversy At PEN: Guests Divide Writers' Meeting,' page B1, Washington Times.

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INTERNATIONAL NEWS

REAGAN TO MEET WITH ECUADORAN LEADER

WASHINGTON -- President Reagan is extending a warm welcome to Ecuador's President Leon Febres Cordero, one of the Administration's favorite Latin American leaders because of his outspoken anti-communism and free market economic policy. Febres, a former businessman, will be guest of honor at a White House dinner tonight following a morning meeting with Reagan and a luncheon with Secretary Shultz. (George Gedda, AP)

Ecuador Ahead In Battle With Terrorists, Its President Says

Ecuador's President Leon Febres Cordero says his government is winning its battle against Marxist terrorists, but still regards them as dangerous because of their close ties to Columbia's M-19 guerrillas, Nicaragua's Sandinistas and drug smugglers.

Mr. Febres Cordero, who will be seeing President Reagan this morning in the Oval Office, is on a state visit to Washington.

(Roger Fontaine, Washington Times, A5)

IRAN'S SEARCH OF SHIP DRAWS MILD REACTION

The Reagan Administration said yesterday that Iran may have acted within the bounds of international law Sunday when it halted and searched a U.S. merchant vessel near the Persian Gulf. Spokesman Larry Speakes and State Department spokesman Bernard Kalb, citing identical policy guidance, "the rules of Naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband," to an opponent. Iran has been at war with Iraq for more than five years. (John Goshko, Washington Post, A11)

U.S. Says Halting Of Vessel By Iran May Be Justified

At the same time, the United States sent two Navy warships to the Gulf of Oman where the freighter, the President Taylor, was docked in the United Arab Emirates port of Fujaira. The signals from the Administration seemed contradictory as it pondered how to deal with the incident Sunday as well as any future searches of American vessels.

(Bernard Gwertzman, New York Times, A1)

U.S. Reacts To Boarding Of Vessel

Bernard Kalb, a State Department spokesman, said a complete account of the incident was being compiled by G. Quincy Lumsden, Jr., the U.S. ambassador to the United Arab Emirates, from the captain of the President Taylor, which docked at the port of Fujaira.

(Stephens Broening, Baltimore Sun, A1)

U.S. ENGAGES LIBYA IN A WAR OF NERVES

A week after President Reagan decided to exert economic pressure rather than military might against Qaddafi, the Reagan Administration has settled down to a long-term war of nerves with Libya. Because he has now exhausted most nonmilitary options for opposing Qaddafi, Reagan may face even more difficult decisions about use of force if, as widely anticipated by U.S. officials, terrorist incidents tied to Libya continue to take place.

(News Analysis by Don Oberdorfer & David Ottaway, Washington Post, A11)

LIBYA MAY SOON REEL FROM U.S. SANCTIONS

TRIPOLI -- Libya, its economy already hurt by falling oil revenues, could feel the impact of President Reagan's economic sanctions by midyear, according to Western diplomats. The barren shelves at Tripoli's state-owned supermarkets indicated the level of shortages which could be exacerbated by economic sanctions. "This country is going to be hit very hard," one Western diplomat said Monday. (UPI)

STATE DEPARTMENT DISPATCHES WHITEHEAD TO URGE SANCTIONS

Deputy Secretary of State John Whitehead is to visit nine North Atlantic Treaty Organization allies starting Wednesday in hopes of persuading them to reduce their ties with Libya, the State Department announced yesterday. (AP story, Washington Post, A11)

NORWAY ACCEPTS U.S. APPEAL FOR CURBS ON LIBYA

OSLO -- The Norwegian government announced Monday its backing of President Reagan's appeal for international sanctions against Libya, offering the strongest of the sanctions from any European nation. (UPI story, Washington Post, A11)

WEINBERGER SAYS SOVIET CONTINUES TO ARM LIBYANS

Secretary Weinberger said yesterday that the Soviet Union was continuing an uninterrupted flow of military material to Libya and was keeping el Kaddafi informed on U.S. Naval movements in the Mediterranean Sea. (Charles Corddry, Baltimore Sun, A1)

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U.S. WANTS \$30 MILLION FOR CONTRA ARMS AID

A Reagan Administration task force is expected to ask President Reagan to ask Congress for up to \$30 million in military aid for the anti-Sandinista guerrillas in Nicaragua.

The proposal will go to President Reagan's desk for a signature within the next several days, senior Administration officials said yesterday. (Jeremiah O'Leary, Washington Times, A1)

COUP FAILS IN SOUTH YEMEN

MANAMA, Bahrain -- The president of Marxist-ruled South Yemen has survived an assassination attempt, and leaders of the failed coup have been executed, the state-run Aden Radio reported today.

U.S. officials in Washington said that the coup attempt appeared to be largely the result of domestic political feuding.

(AP story, Washington Post, A10)

REAGAN LETTER TO BOTHA SAID TO URGE REFORMS, FREE NAMIBIA

JOHANNESBURG, South Africa -- The top American diplomat for Africa, Chester Crocker, met with South African President Botha Monday and gave him a confidential letter from President Reagan. The Cape Argus newspaper reported, without attribution, that Mr. Reagan appealed for "decisive action" on reforms in apartheid and on independence for South-West Africa, also called Namibia, which South Africa controls.

(Michael Sullivan, Washington Times, A6)

Reagan Letter

Crocker, who made no statement, then met for more than five hours with the foreign and defense ministers. The Cape Argus newspaper reported, without attribution, that Reagan appealed for "decisive action" on reforms in apartheid and on reforms for South-West Africa, also called Namibia, which South Africa controls in defiance of the United Nations.

(AP story, Washington Post, A13)

ITALY ASKS INTERPOL TO FIND ALLEGED ACHILLE LAURO HIJACKER

GENOA, ITALY -- Three months after Palestinian gunmen hijacked the cruise ship Achille Lauro, Italy has asked Interpol to track down Mohammed Abbas, the alleged mastermind of the raid. Prosecutors Monday formally requested the International police organization to issue a worldwide alert for Abbas, the Palestine Liberation Front leader who was allowed to flee Italy Oct. 12, despite a U.S. warrant for his arrest.

(UPI)

MATCHING FUNDS CLEAR BOTTLENECK IN AID TO SUDAN
\$7.6 Million From U.S. Helps Move Sorghum

Funding was assured over the weekend to break up a bottleneck keeping thousands of tons of grain from reaching three drought-stricken regions in Sudan, U.S. officials said Monday.

(Joe Ritchie, Washington Post, A13)

LESOTHO APPEALS TO REAGAN, THATCHER IN BORDER DISPUTE

MASERU, Lesotho -- Lesotho has appealed to President Reagan and British Prime Minister Thatcher to intervene in a border dispute with South Africa, a government spokesman said Tuesday.

Pretoria, which says Lesotho harbors guerrillas fighting white domination in South Africa, has been clamping down on Lesotho Nationals entering the country since the beginning of the year. Lesotho says South Africa is also blocking supplies of essential goods. (Reuter)

-End of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening)

IRAN SHIP BOARDING

CBS's Dan Rather: President Reagan, through his spokesman, now says that Iran may have had a right to send armed Navy seamen on board an American merchant ship yesterday to search its cargo at gun-point.

CBS's David Martin: Two U.S. warships are off the coast of Oman tonight ready to escort any American merchant ship requesting protection from the Iranian navy. But those war ships arrived too late to stop armed Iranian sailors from boarding and searching the President Taylor, on Sunday. The Iranians were looking for war material bound for arch-enemy Iraq.

(TV coverage of Richard Taurow, VP American President Lines: "After the personnel had reviewed the cargo manifest and took some inspection of the ship, they allowed the ship to continue its course.") Today the State Department acknowledged that Iran may have been acting within its rights as a country at war.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent.")

The U.S. normally keeps an aircraft carrier in the Indian Ocean as a hedge against threats from Iran. But today that carrier, the Saratoga, is on route to the Mediterranean where tensions stemming from the airport massacres in Rome and Vienna remain high. A second U.S. aircraft carrier, the Coral Sea, is now operating off the coast of Libya and U.S. sources say the Soviet Union has stepped up its surveillance of the American fleet. With the Saratoga on route to the Mediterranean the U.S. seems to be treating the boarding of the President Taylor as a closed case. If Iran attempts to board any other American ships, one Pentagon officials said, the U.S. Navy will intervene only if the American captain calls for help.

ABC's Peter Jennings: There was an easing of tension in Washington today over yesterday's incident near the Persian Gulf. Iranian sailors boarded and searched an American freighter at gun-point looking for possible weapons which might be bound for Iraq. You might expect outrage in Washington, but the Administration now believes the Iranians were well within their rights.

ABC's Sam Donaldson: At first glance it sounds inexcusable -- armed Iranian sailors boarding a U.S. merchant ship sailing in the international waters of the Gulf of Oman. But Washington officials are in the awkward position of having to concede that Iran might have been within its rights under international law.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent. We are continuing to assess the facts of this particular incident.") ...more

Donaldson continues: Iran, locked in a long war with Iraq, has declared a blockade and has been stopping merchant ships from many countries for the past five months looking for war material. The President Taylor contained no such material. After an hour and a half, the boarders left peacefully and the owners say they will keep on sailing there....

For many years the Administration has carried on a running feud with Iran so it finds it galling to have to let this matter drop. The U.S. naval presence may be beefed-up in the area in order to forestall future boardings, but unless new information comes to light, and that is not expected, this incident is closed. (ABC-4)

NBC's Tom Brokaw: The Reagan Administration was also preoccupied today with the search of an American freighter by the Iranian Navy in the Persian Gulf. The Iranians thought that the ship, the President Taylor, may have been carrying arms for Iraq, but the U.S. has now admitted that Iran may have been within its rights under the international rules of warfare.

NBC's Anne Garrels: Because Iran is at war with Iraq, the State Department says the search may in fact have been legal.

(TV coverage of Bernard Kalb: "The rules of naval warfare have traditionally accorded a belligerent certain rights to ascertain whether neutral shipping is being used to provide contraband to an opposing belligerent.")

Iran has been stopping ships in the area for the past five months. Yesterday was the first time a U.S. ship has been forcibly searched. The U.S. destroyer Connally and the frigate Boone were dispatched to the Gulf of Oman when the President Taylor sent out a distress signal. But according to Secretary Weinberger, the boarders left quietly after an hour, an hour and a half. There wasn't any need for naval protection. Preliminary reports indicate the Iranians behaved professionally, U.S. officials do not believe they were being intentionally provocative, but with armed men boarding American vessels, U.S. officials say there is always the chance for escalation. As long as the Iran-Iraq war continues, officials say the chance for escalation remains a real possibility, and the State Department once again called on Iran to change its position and agree to negotiations.

(NBC-2)

TERRORISM

Jennings: We begin yet another week with the fear of more international terrorism. There is a terrorist alert in parts of Europe tonight. The notorious Palestinian Abu Nidal has reportedly said in an Arab newspaper that he is more dangerous than an atomic bomb. And Libya's Col. Qaddafi has told ABC News he will widen the war if he is attacked by the United States. Qaddafi was talking to ABC's Ted Koppel, and Ted is in Washington.

ABC's Ted Koppel reports that at times Col. Qaddafi sounded like a prophet of the apocalypse warning that a U.S. attack on his country would lead to World War III.

Koppel continues:

QADDAFI: I think an attack from superpower against this country like Libya it will very serious, it might be a start of a Third World War and the Mediterranean will be an area of war and no transportation, no commerce, no tourism. We from our side will destroy this area and at least we can destroy their Sixth Fleet.

KOPPEL: So what is the next step Colonel, I'm not sure I understand where things are going between our two countries right now?

QADDAFI: We are now in our houses and America is threatening us by its Sixth Fleet. In our homes, our children, our families in Libya expect every day to be challenged and to be attacked by the American strategic force, Sixth Fleet or the bombers like B-52, we are expecting this attack everyday.

Koppel: Having said that, Col. Qaddafi then reissued his invitation to President Reagan to, as he put it, come visit him in his tent. And in response to a question, he said that, yes, he would be prepared to come here to the United States if invited officially. (ABC-Lead)

Jennings reports yet another letter signed Islamic Jihad was delivered to Western news agencies today, this time in Cairo. It threatened to strike the most vulnerable points of American imperialism. There is no way of knowing whether the letter was actually sent by anyone connected with Islamic Jihad, whatever it is. But these days the governments involved are not taking any chances. A different threat in the Netherlands has triggered a protective ring around American interests there.

ABC's Jim Hickey reports at the United States Embassy in The Hague today, Dutch police extended special security precautions to protect American interests against possible terrorist attacks. Over the weekend Sweden and Norway as well as the Netherlands went into a high state of alert closely guarding airports, searching cars. Abu Nidal was quoted in an Arab newspaper today as saying his terrorist attacks are very legitimate. Nidal claims to have been in the United States with forged passports at the same time, in his words, President Reagan was asking for my head. He also claimed to have escaped recognition through plastic surgery. According to the newspaper, Nidal describes Libyan leader Moammar Qaddafi as a brother, a great help, a loyal man. (NBC-3, ABC-2)

BUDGET

Brokaw reports after all of the debate, all the handwringing, all of the ominous predictions, the new reality is here for the federal budget, something that effects all of us wherever we live, whatever we do. And the new reality is that the budget will be cut. It's the law now, the Gramm-Rudman law which Congress passed as a desperate attempt to do something about the federal deficit. The Office of Management and Budget will announce on Wednesday the first automatic spending cuts and they are more than 4%, everyone gets hit. (NBC-Lead)

MIAs

Rather: An official Pentagon statement today saying it has reason to believe nearly 100 American MIAs may still be living in Indochina. Assistant Defense Secretary Richard Armitage, just back from talks in Hanoi, said that of 95 reported sightings of U.S. MIAs, 79 were in Vietnam, 14 in Laos, and 2 in Cambodia. Armitage said roughly half the Americans reported sighted in Vietnam may be living there voluntarily, but he said, the U.S. considers whatever others there may be to be prisoners of war.
(TV coverage of Armitage: "Information that comes into our possession and continues to come into our possession makes it impossible for us to rule out that possibility, and therefore we act under the assumption that at least some Americans are held against their will in Indochina.")
A four member Congressional delegation left for Hanoi today on its own fact finding mission. (ABC-6, CBS-3)

FDA

Rather: Eric Engberg has details of a new report out of Congress that raises questions about the safety of food from the farm that winds up on your family table.

CBS's Eric Engberg reports some of the food we eat, eggs, poultry, milk and meat, is not as safe as it should be according to House investigators because the Food and Drug Administration is doing a poor job of policing the drugs given farm animals as medicine or to help them gain weight. The committee charges that potentially unsafe drugs, some of them linked to cancer, have not been forced off the market by the FDA. Part of what is wrong, the investigators charge, is that no one can be sure how much of a threat, if any, the public faces. The FDA responded that the significant and widely used animal drugs are carefully regulated. But even some officials of the FDA appeared to be concerned about the problem, one telling the committee we are only scratching the surface of an industry that has been and remains largely unregulated. (CBS-5)

SOUTH AFRICA

Brokaw reports there was another reminder today of the Reagan Administration's growing concern over South Africa. Assistant Secretary of State Chester Crocker met with top South African leaders and delivered a confidential letter from President Reagan. Crocker met with President P.W. Botha and Foreign Minister Rolfe Botha for 90 minutes today. U.S. officials had no comment on President Reagan's letter, but a South African newspaper said it called for decisive action on apartheid, the separation of the races. (NBC-8, ABC-8)

AIR SAFETY

Rather reports 1985 was the deadliest year ever for international aviation with an estimated 2,000 deaths on major flights, and today federal officials said 526 of those deaths involved people on U.S. airlines flying large planes. That's the worst toll since 1977. The report also said 1,049 people died in smaller plane crashes in this country.
(ABC-12, CBS-11)

WALL STREET

Jennings: After last week's binge of selling, the stock market made a moderate comeback today. The Dow gained seven points and the trading was fairly active.
(ABC-10)

KATE SMITH

Rather reports in Raleigh, N.C., today, hospital authorities said singer Kate Smith was in stable condition after her right leg was amputated. The 78-year-old Smith, who suffers from diabetes and high blood pressure, underwent the operation yesterday. Her singing of God Bless America became a kind of second National Anthem during World War II.
(NBC-7, ABC-9, CBS-12)

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EDITORIALS/COLUMNISTS

U.S.-LIBYA

Americans In Libya Are Hampering U.S. Policy -- "In the spring of 1979 this editorial page urged the evacuation of the U.S. Embassy in Tehran. We viewed Iran as a country that had gone crazy. Although we had readers in high places in Washington at the time, history records that our government did not issue the order, hence there were hostages to be taken in November. In the case of Libya, our government closed our embassy long ago and now is ordering every American out of another crazed country. It is both good common sense and an obligation of citizenship for Americans to get out of Libya while they can."

(Atlanta Journal, 1/9)

Those Who Stay in Libya -- "The troubling provision of the executive order is that which raises the possibility that severe criminal sanctions will be imposed on American citizens now in Libya.... The executive order does include an exception that will allow journalists to travel to Libya, so it is not designed to restrict the flow of information. But the rights of ordinary citizens to travel and to live at their own risk where they choose should also be acknowledged. No one should be threatened with prison for making personal -- even if unwise -- decisions of this kind."

(Washington Post, 1/10)

Call it Collaboration, Pure and Simple -- "Americans living and working in Libya are making no secret of their resentment over President Reagan's directive ordering them home.... If they insist on continuing to live and work in Libya, they must recognize that they have relinquished all claims on their government's concern in the event of their being taken hostage.... Those who put themselves at the service of a regime at war with their own country -- a regime which has murdered Americans and threatens openly to murder more -- ought to recognize that there is a term for such behavior. It is called collaborating with the enemy. And collaborators must expect to be treated as such." (New York Post, 1/11)

DEFENSE PROCUREMENT

Jim Wade's Good Sense -- "The most important document now in the possession of the Pentagon is one that is likely to be completely ignored. It is a long, comprehensive memo from Assistant Secretary of Defense James P. Wade Jr., to Secretary Caspar Weinberger, outlining the many flaws of the military purchasing and procurement system and making some strong recommendations for change. Mr. Weinberger and his deputy, William Howard Taft IV, are said to be 'looking at it' -- probably balefully.... If Mr. Weinberger wants to leave behind anything better than disaster when he departs his post, he should give Mr. Wade's well intended comments serious consideration and respond positively to their obvious good sense."

(Chicago Tribune, 1/11)

DEFENSE CUTS

'Knee-Cap' Response -- "It never fails. Let any serious move to cut Pentagon spending arise, and Secretary Caspar Weinberger reaches into his magician's hat and poof! out jumps new evidence of Soviet military superiority.... The fault isn't with advocate Weinberger. It lies, as it always has, equally with a President who will not hear of tax increases and a Congress that will not limit outgo to income." (Miami Herald, 1/10)

SALT II

Bury SALT II -- "The administration of President Jimmy Carter was overeager to produce some kind -- any kind -- of nuclear arms agreement with the Soviets. So it came up with SALT II. It was immediately obvious that the treaty was so flawed by Soviet-aiding and U.S.-hindering terms that it deserved no Senate ratification because of its intrinsic demerits.... SALT II was rejected for abundant reasons and, in any event, has now expired. We should quit kidding ourselves about the growing Soviet strength and impose no foolish limits upon ourselves in symbolic adherence to something that was wrong from the beginning."

(Chattanooga News-Free Press, 1/10)

AFGHANISTAN

"A Whole Nation is Dying People Should Know" -- "Those are the words of a leader of the Afghan resistance, an engineer from Afghanistan's Panjsher Valley.... The Afghan resistance -- the Mujahidin -- seeks military aid from the U.S.: anti-aircraft missiles, antitank mines and guns. It wants humanitarian assistance: doctors, medical supplies and food. It also hopes for still more help for the millions of Afghan refugees in the camps inside Pakistan. But most of all, the Afghan fighters want the world to know, and not forget: A whole nation is dying." (New York Daily News, 1/13)

WALL STREET

Don't Jump Yet -- "Ronald Reagan's economy continues to amaze even those who think of themselves as his supporters. Following news that unemployment had dipped to 6.9 percent -- a Reagan era low -- Wall Streeters unloaded shares with mouths agape.... What all of this reveals, most of all, is the death grip of pessimism. After decades of rocking stock prices and pneumatic inflation, it's easy to relapse into the boogie woogie Carter flu. It's also silly to take this as vindication for the most bearish of bears, market 'expert' Joe Granville. The news from both Wall Street and Washington is heartening regardless of what the bears say."

(Washington Times, 1/13)

A Bear Comes to Call -- "The problem, simply put, is the growing gap between the industrial sector, which produces tangible goods, and the financial sector, which produces only money. Never have these two main strands of the U.S. economy diverged so far as in this, the fourth year of the Reagan economic recovery.... As the gap between industrial production and the financial markets widens, investment gives way to speculation, and speculation to sheer gambling. Under such circumstances, any stock-market boom is unstable. A correction for Wall Street is long overdue."

(New Jersey Record, 1/10)