

Ronald Reagan Presidential Library Digital Library Collections

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

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

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

Folder Title: 01/16/1986

Box: 386

To see more digitized collections visit:

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

To see all Ronald Reagan Presidential Library Inventories, visit:

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

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

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

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



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JANUARY 16, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Moscow Proposes Timetable For Nuclear Arms Ban -- Gorbachev proposed a 15-year timetable for banning nuclear weapons worldwide.

(Washington Post, Washington Times, AP, UPI)

Qaddafi Says Libya Will Prepare Arabs For Terror Missions -- Qaddafi abandoned completely the conciliatory tone toward the U.S. that he had used in interviews over the past week.

(Washington Post, Reuter)

NATIONAL NEWS

Blueprint Of First Cuts Issued Under Budget Act -- OMB provided details on how President Reagan and Congress have inflicted pain on some people while exempting others from the budget knife.

(Washington Post, Washington Times, AP)

Reagan Praises King On Adopted School Visit -- "I cried when President Reagan asked us to pray for Dr. King, said Nackia Carter, a second grader. "It broke my heart."

(Washington Post, Washington Times)

NETWORK NEWS (Wednesday Evening)

U.S.S.R. ARMS PROPOSAL -- The Soviets are out with yet another new proposal, one they say would knock superpower nuclear arsenals down to zero by the year 2000.

U.S./LIBYA -- Pentagon officials say two more Soviet warships have entered the Mediterranean.

KING HOLIDAY -- The President went to a Washington school and praised the man whose legislative goals he opposed.

'TO LEAVE A COMMITTED LIFE BEHIND'

"And in this speech at the Ebenezer Baptist Church, he said, '...I don't want a long funeral. And if you get somebody to deliver the eulogy, tell them not to talk too long. Just say that I was a drum major for justice. I was a drum major for righteousness. And all of the other shallow things will not matter. I won't have any money to leave behind.... I just want to leave a committed life behind.'"

(President Reagan, quoting Martin Luther King, Jr., during remarks to the Martin Luther King Elementary School, 1/15)

INTERNATIONAL NEWS

MOSCOW PROPOSES A TIMETABLE FOR NUCLEAR ARMS BAN Gorbachev Extends Testing Moratorium

MOSCOW -- Soviet leader Gorbachev Wednesday proposed a 15-year timetable for banning nuclear weapons worldwide and announced that the Soviet Union will extend its ban on nuclear tests for three months.

"We propose that we enter the third millennium without nuclear weapons, on the basis of mutually acceptable and strictly verifiable agreements," Gorbachev said in a 45-minute statement read by an evening news announcer on Soviet television. (Gary Lee, Washington Post, A1)

U.S. Aides Express Serious Interest

Surprised Reagan Administration officials expressed serious interest yesterday in the unusually comprehensive arms control proposals announced by Gorbachev on the eve of today's resumption of the nuclear and space arms negotiations in Geneva.

President Reagan, in a White House statement setting the tone for the U.S. response, welcomed Gorbachev's statement as appearing "at first glance ... constructive in some respects."

(Don Oberdorfer/Walter Pincus, Washington Post, A1)

Gorbachev Offers To Abolish All Nukes Within 15 Years As Arms Talks Resume

-- U.S. and Soviet arms negotiators begin their fourth round of talks today with an offer from Soviet leader Gorbachev to abolish nuclear weapons within 15 years.

However, a precondition of Gorbachev's three-stage proposal called for elimination of President Reagan's Strategic Defense Initiative, making it doubtful that it would ever be accepted by the United States.

(Michael Bonafield, Washington Times, A5)

U.S.-Soviet Arms Talks Resume After Dramatic Soviet Proposal

Terry Shroeder, spokesman for the U.S. negotiators in Geneva said it was not clear whether the Soviet team actually will present Gorbachev's plan at today's meeting, which opens the fourth round of arms talks in 10 months and the first since President Reagan and Gorbachev met last November in Geneva. (AP)

Gorbachev Plan To Ban The Bomb -- Gorbachev again called for an end to U.S. research into a "Star Wars" space-based anti-missile defense and warned that the Soviet Union would match any weapons developed by the United States for use in space. (UPI)

-more-

QADDAFI SAYS LIBYA WILL PREPARE ARABS FOR TERROR MISSIONS

TRIPOLI, Libya -- Libyan leader Muammar Qaddafi, stepping up his challenge to the Reagan Administration, declared publicly tonight that he will train and equip Arab guerrillas for "terrorist and suicide missions."

Qaddafi, readying his country for a possible U.S. or Israeli reaction, repeated a call for volunteer soldiers from all over the Arab world to join his armed forces. (Christopher Dickey, Washington Post, A1)

Gaddafi Offers Training In 'Terrorist Tactics'

Gaddafi, refusing to bend to U.S. pressure over last month's Rome and Vienna airport attacks, has offered to train Palestinian and Arab guerrillas in terrorist tactics. Referring to Libyans and pro-Libyan Arab groups in his country, Gaddafi told thousands of youths at a rally in Tripoli last night: "They will be trained in terrorist and suicide missions." (Reuter)

SHULTZ SAYS U.S. SHOULD STRIKE BACK

Secretary Shultz, taking on Secretary Weinberger and British Prime Minister Thatcher, said yesterday that the United States should strike back at terrorism and be prepared to use military force even without assurance of clear victory of total public support.

(Fred Hiatt, Washington Post, A1)

Shultz Goads Allies To Thwart Terrorists

The United States struck a considerably tougher stand on a military response to terrorism yesterday and told its fearful European allies to get off the fence. Secretary Shultz said Washington "cannot let the ambiguities of the terrorist threat reduce us to total impotence. A policy filled with so many qualifications and conditions ... would amount to a policy of paralysis." (James Morrison, Washington Times, A1)

U.S. MAKES NEW BID FOR SANCTIONS

Deputy Secretary of State John Whitehead met Wednesday with President Reagan, then departed for Canada and Europe on a trip aimed at persuading U.S. allies that Libya was involved in terrorist attacks at airports in Rome and Vienna last month.

(Lou Cannon, Washington Post, A28)

JAPANESE, SOVIETS DISAGREE ON SDI

TOKYO -- Japan and the Soviet Union disagreed sharply on President Reagan's Strategic Defense Initiative yesterday, fresh evidence that Moscow is having a tough time trying to drive a wedge between the U.S. and its allies. Soviet Foreign Minister Shevardnadze, opening four days of talks here, warned that "Japan should consider where its own national interest lies on this SDI issue."

Foreign Minister Shintaro Abe snapped back, "Japan ... will make its own independent decision on SDI within the context of its security arrangement with the United States." (Washington Times, A1)

REBELS' BACKERS ON HILL PRESS AID ISSUE

Congressional supporters of the resistance movement to the Soviet occupation of Afghanistan, backed by outside lobbying groups, are pressuring the Reagan Administration to improve the effectiveness of its military aid to the guerrillas and end its ban on the delivery of the American-made arms, particularly anti-aircraft weapons.

(David Ottaway, Washington Post, A1)

CONTADORA PEACE EFFORTS REVIVED

GUATEMALA CITY -- In a flurry of diplomatic activity here, Central American nations endorsed three new initiatives aimed at reviving the region's moribund peace process, officials said today.

Foreign ministers of the five Central American countries formally renewed the Contadora peace talks, lifting a suspension declared in December. They did so by backing a document that also urged the U.S. to resume direct negotiations with Nicaragua's Sandinista government.

(Robert J. McCartney, Washington Post, A30)

REICH NAMED AS AMBASSADOR TO VENEZUELA

The White House yesterday nominated Otto Reich, currently its top salesman for U.S. policy in Central America, to be U.S. ambassador to Venezuela. He would replace George Landau, who left Venezuela last spring. (Washington Post, A19)

TREASURY OFFICIAL CONTRADICTS MINISTER

A high Treasury official Wednesday contradicted West Germany's Economics Minister's assertion that the United States will seek an agreement by leading industrial nations this weekend on a coordinated effort to push interest rates down.

"There simply is not going to be a coordinated interest-rate reduction exercise," said the Treasury official, who spoke on condition that he not be identified. (Hobart Rowen, Washington Post, E1)

ADMINISTRATION MAY OPPOSE JOINT EFFORT TO
LOWER INTEREST RATES

The Reagan Administration, which masterminded a multinational effort to drive the dollar down in value last September, may be on the verge of engineering a similar effort to reduce interest rates worldwide.

A West German official told reporters Wednesday that he had learned from Secretary Baker that the United States would propose a coordinated effort to lower interest rates when finance ministers of five leading industrialized nations meet this weekend. (AP)

EDITOR'S NOTES: 'Lack Of Training Hurts Guerrillas,' page A1 of the Washington Post.

--more--

NATIONAL NEWS

BLUEPRINT OF FIRST CUTS ISSUED UNDER BUDGET ACT

The first austerity blueprint under the new balanced-budget law was issued yesterday, showing that the automatic spending cuts triggered by a record-breaking \$220 billion deficit this year will slice widely but unevenly through the federal establishment, creating both winners and losers.

Among the winners this year are Reagan's missile defense program (the Strategic Defense Initiative) and Navy fixed-price aircraft contracts, both of which Reagan shielded from cuts. But the budget will slice widely into domestic programs ranging from agriculture to health and education.

(David Hoffman/Helen Dewar, Washington Post, A1)

Reagan OKs \$11.7 Billion In Mandated Budget Cuts

The Reagan Administration, faced with budget deficits soaring to new heights, will not attempt to avoid \$11.7 billion in spending cuts scheduled for March 1, the White House Budget chief said yesterday.

Alternatives have been discussed, but "I just don't think it's likely we'll see anything different," Budget Director James Miller III said at a White House briefing.

(Willis Witter, Washington Times, A2)

It's Time To Talk Turkey About Federal Red Ink; Huge Deficit Triggers Cuts -- The Gramm-Rudman deficit reduction law is moving from the talking stage to real spending cuts, with federal officials saying they delay space shuttle improvements, make college students dig a little deeper into their pockets and protect President Reagan's "Star Wars" by slashing other Pentagon programs.

(AP)

REAGAN PRAISES KING ON ADOPTED SCHOOL VISIT

President Reagan went to the Martin Luther King, Jr. Elementary School in Southeast Washington yesterday and marked the 57th anniversary of the slain civil rights leader's birth with praise for King and a story about a close friend who epitomized the power of nonviolence.

At the end of a 15-minute prepared speech, Reagan told the 300 students an impromptu story about William Franklin Burghardt, a black fellow student at Eureka College in Illinois who played center on the football team while Reagan was a starting guard.

(Edward Sargent, Washington Post, C1)

Reagan Tells Black Students U.S. Is Not Free Of Prejudice

President Reagan urged black elementary school students yesterday to aspire to the presidency, but he warned them that the United States is not yet free of racial prejudice.

"The dream I have for each of you is ... when you're all grown up, you'll all come back here and visit on Martin Luther King, Jr.'s birthday and maybe someone up here ... will introduce the next speaker with the words, 'And now, the president of the United States,'" Mr. Reagan said, speaking from a small auditorium stage.

"And they'll turn, and they'll be pointing at you, because you'll be the president.

(Mary Belcher, Washington Times, A3)

-more-

KING MEMORY DISTORTED, JACKSON SAYS IN ATLANTA

... The Rev. Jesse Jackson also lambasted President Reagan for his visit this morning to a Washington elementary school for a commemoration of what would have been King's 57th birthday.

"Today President Reagan went over to a school and held up little black children in his hands, rubbed his eyes to look tearful," Jackson said, although witnesses at the Southeast Washington school said the President did not lift any of the children.

But, he added, bringing the crowd roaring to its feet, "With all of his power ... even America will never have a national holiday named after Ronald Reagan."

(Kathy Sawyer, Washington Post, A10)

Realize King's Goals, Jackson Urges

Mr. Jackson, a former lieutenant of King, urged the packed audience to take up "the challenge to protect the integrity of Dr. King's legacy" and celebrate his birthday as he would have done: "He'd knock on the door of justice. He'd feed the hungry. He'd empower the locked out."

(Isaiah Poole, Washington Times, A3)

KING CITED IN DEFENSE OF END TO HIRING GOALS

Attorney General Meese said yesterday that he was "trying to carry out the original intent of the civil rights movement" in proposing to eliminate minority hiring goals for government contractors.

Speaking at a news conference on King's birthday, Meese invoked the slain civil rights leader's name in defending his proposal on affirmative action.

Meese added that "one of the things Dr. King said in his famous 'I have a dream' speech was that he foresaw a colorblind society, and this is what we're very much dedicated to."

(Howard Kurtz, Washington Post, A7)

REAGAN EXEMPTS 'STAR WARS' PERSONNEL FROM CUTS

President Reagan exempted his "Star Wars" defense program and the 2.1 million people now in military uniforms from the 4.9 percent spending cuts to be imposed to meet requirements of the Gramm-Rudman-Hollings legislation, Defense Department officials said yesterday.

(George Wilson, Washington Post, A9)

WHITE HOUSE DISAVOWS OFFICIAL'S CLAIM THAT PENTAGON BUDGET COULD BE PADDED

An embarrassed Reagan Administration is disavowing a suggestion by one of its own top officials that Pentagon budgets will be padded to protect pet programs from threatened budget cuts. The suggestion, made at a news briefing staged by the White House, sent officials scrambling Wednesday to repair the damage.

"I don't know who said that but it's a ridiculous and absurd statement to make," said Robert Helm, the Pentagon's comptroller. (AP)

BAKER SAYS ADMINISTRATION WILLING TO BARGAIN ON STATE, LOCAL TAX DEDUCTION

WASHINGTON -- The Reagan Administration is willing to negotiate on its proposal to repeal the deduction for state and local taxes but will insist that any tax-overhaul bill have lower rates and cost business less than does a plan approved by the House.

And if anyone expects President Reagan to do an about-face and support a deficit-reduction tax increase, forget it: "You can bet the farm he won't," Secretary Baker said Wednesday, adding the same applies to any special levy on energy. (AP)

WHITE HOUSE ASKS COURT TO BACK 'BABY DOE' RULE

The Reagan Administration asked the Supreme Court Wednesday to uphold so-called "Baby Doe" rules that would federal investigations power to intervene directly in decisions about treatment of severely handicapped infants. A decision is expected by July. (Al Kamen, Washington Post, A3)

Supreme Court Hears 'Baby Doe' Arguments

The Reagan Administration contends that the law clearly was intended to extend to federally assisted health care providers. Opponents argue that the act applies only to qualifications for housing or vocational training and that Congress did not intend to supplant a physician's traditional role of treating a patient.

(David Sellers, Washington Times, A2)

FED TO TAKE UP TOUGHER PAC RULES

The legal staff of the Federal Election Commission has issued a tough interpretation of campaign finance laws that would severely restrict the use of special PACs as backdoor mechanisms to pay for unannounced presidential campaigns. The rules, if announced by the full commission, would provide grounds for challenging the "multicandidate" PACs by such prospective presidential candidates such as Vice President Bush, Rep. Gephardt, Rep. Kemp and Sen. Dole.

(Thomas Edsall, Washington Post, A4)

WHITE HOUSE-UNION TIES TERMED NOT IMPOPER

Attorney General Meese said yesterday that he saw nothing improper in the Reagan Administration's ties to the Teamsters union and that neither he nor any other Administration official had done anything "to assist anyone involved with organized crime."

(George Lardner/Mary Thornton, Washington Post, A6)

Thursday, January 16, 1986 -- A-9

Incidental Contact With Presser Not Compromising, Meese Says

Attorney General Meese, referring to his past contacts with Teamsters Union President Jackie Presser, denied Wednesday that he -- or to his knowledge -- any members of the Administration -- ever assisted anyone who might be involved with organized crime.

(John McCaslin, Washington Times, A3)

SYNFUELS GAS CONTRACTS RULED VALID

A federal judge has ruled that four of the energy companies that built and then abandoned the Great Plains Gasification project, the nation's largest synthetic-fuels plant, must honor their contracts to buy gas from the plant at more than three times the market price. The decision was a major victory for the Energy Department, which took over the \$2.1 billion plant last summer when the companies defaulted on their federally guaranteed loan.

(Washington Post, A7)

COLUMBIA AND CREW ARE COMING HOME

CAPE CANAVERAL -- Columbia's astronauts, thanked for "a great flight," shut down their experiments a day early Wednesday and packed up for landing Thursday morning, the first descent to Florida in nine months.

(UPI)

TEXTBOOKS TOO CRITICAL OF U.S., OFFICIAL SAYS

Under Secretary of Education Gary Bauer last night criticized American high school textbooks as often being "hyper-critical of American institutions" while "glossing over" the misdeeds of Communist governments.

(Lawrence Feinberg, Washington Post, A19)

'Tell The Truth,' Bauer Tells Textbook Printers

Mr. Bauer said he was not advocating that American textbooks include "indoctrination masquerading as education," but they also should not read "as if they were written by neutrals in the struggle between freedom and slavery."

(Washington Times, A4)

Education Official: History Texts Too Soft On Communism

One textbook, he said, "seems to suffer from amnesia," about such events as "the great man-made famine in the Soviet Union in 1932-33 in which the Soviet Union used food as a weapon to kill more than 7 million men, women and children in the Ukraine. Nor is there any mention of the millions that died in China in the name of communism ... nor of the genocide that took place in Cambodia after the communist takeover. (AP)

PRESIDENT DUE FOR FOLLOW-UP PHYSICAL EXAM

President Reagan, who underwent surgery six months ago for removal of a cancerous tumor from his colon, will return to Bethesda Naval Hospital on Friday for his first follow-up examination to check for any new growths in the bowel. (AP story, Washington Post, A28)

Reagan To Receive Follow-Up Exam

The White House said Mr. Reagan, 77, will be given blood and X-Ray tests and a colonoscopic examination to determine whether he is now free of cancer in his intestinal tract. (Washington Times, A2)

EDITOR'S NOTES: "'Closest Friend" Was Reagan's Teammate,' Washington Post A4, 'Gramm-Rudman's Impact,' page C2, 'U.S. Farm Population Shows Decline,' page A19 of the Washington Post.

-End of A-Section-

NETWORK NEWS SUMMARY

U.S.S.R. ARMS PROPOSAL

CBS's Dan Rather: The night before a new round of U.S.-Soviet arms control talks in Geneva, the first since the Reagan-Gorbachev summit, the Soviets are out tonight with yet another new proposal, one they say would knock the superpower nuclear arsenals down to zero by the year 2000. And President Reagan's first glance public reaction is that parts of this new Gorbachev offer could be constructive.

CBS's Lesley Stahl: The announcement first came from the anchorman on the evening news in Moscow, that the Soviets were extending their unilateral moratorium on nuclear testing for another three months, and that Soviet leader Gorbachev has a new arms control proposal "to rid the earth of all nuclear weapons by the end of the 20th century." (Richard Lugar: "These are breath-taking concepts and they are worthwhile concepts. But I suppose at this point it takes much less energy to offer a constructive general proposal than to negotiate the details.")

Specifically, the Gorbachev proposal calls for nuclear reductions in three stages beginning with a 50% cut in long-range missiles and total elimination of medium-range missiles within eight years. But as with previous Soviet offers, this one is contingent on renunciation by both sides of space weapons or Star Wars.

(Dimitri Simes: "Propaganda and serious negotiations just don't work together very well. Mr. Gorbachev has to make the choice, and as long as his choice is propaganda, questions have to be raised about his seriousness and indeed about his sincerity.")

The Gorbachev proposal came as U.S. negotiators arrived in Geneva for tomorrow's resumption of the arms control talks. Gorbachev sent President Reagan the details of his proposal in a letter that arrived at the White House shortly before the announcement on Moscow TV, a public airing that miffed some Administration officials, although aides here say the President is taking the offer seriously. Mr. Reagan issued a statement tonight saying he welcomes the new proposal, pointing out that he himself called for a total abolition of nuclear weapons, the zero option, in 1983. (CBS-Lead)

ABC's Peter Jennings: On the eve of more arms control talks between the United States and the Soviet Union in Geneva, the Soviet leader, Mikhail Gorbachev, has made what looks like a dramatic proposal. A plan to eliminate all nuclear weapons by the year 2000. The White House said today that President Reagan has already made a similar offer, and thus if it all sounds too good to be true, it probably is.

ABC's Walter Rogers: Tonight's Soviet news came on with no prior hint of a major announcement, but then the senior anchorman began reading the statement.... The Soviet leader proposed a three point plan. First, within the next five to eight years, both superpowers would reduce by half their nuclear weapons systems capable of reaching the other's territory.

Rogers continues: Presumably, this would mean the U.S. would have to start cutting Pershing and Cruise missiles in Europe before the Soviets made cuts in their medium-range missiles there. But, for the first time the Soviets did not attempt to tie a reduction of British and French missiles to the start of U.S.-Soviet disarmament. Second, by 1990, the United States and the Soviet Union would then agree to withdraw all their intermediate range ballistic and Cruise missiles from Europe. Other nuclear powers would then freeze their nuclear arsenals and eventually phase them out. By 1995, phase three of the Gorbachev plan would begin the elimination of everything that was left over in strategic nuclear arsenals, as well as tactical nuclear weapons. But the Soviet announcer said the Gorbachev nuclear disarmament package hinges on Star Wars.... In the meantime, Mr. Gorbachev announced he's unilaterally extending for another three months the Soviet moratorium on underground nuclear tests and is urging President Reagan to halt all American nuclear explosions.

ABC's Sam Donaldson: This is Sam Donaldson at the White House, where even before Gorbachev's plan was publicized, the President's press secretary relayed Mr. Reagan's willingness to listen to new disarmament proposals.

(TV coverage of Larry Speakes: "U.S. negotiators are ready for tough, but honest bargaining. The challenge is formidable, but they have the flexibility to explore any promising avenues for agreement.") In fact, Gorbachev outlined his plan to Mr. Reagan in a personal letter received at the White House today. In a statement, the President welcomed the Gorbachev initiative and said that while many elements cause us serious concern, there are others that at first glance may be constructive. One obvious problem, the first step of a 50% reduction in missiles that can reach each other's territory, would seem to require a cutback of U.S. missiles based in Europe while Soviet missiles trained on Europe would be unaffected. Another problem, Gorbachev seems to say his plan can't go into effect until the U.S. Star Wars missile defense program is dropped, and the President doesn't want to do that. As to the three month extension of a nuclear test moratorium, the U.S. still won't join on the grounds that it's way behind on testing and must catch up first. Still, a Senate arms control expert is encouraged by what he sees.

(Sen. John Warner, R.-VA: "The President, nearly three years ago, established a goal, the elimination of nuclear weapons. Now Mr. Gorbachev has joined and established a timetable.")

Neither side wants to be the first to break the "spirit of Geneva" momentum, so it might have been expected that the President would publicly welcome Gorbachev's proposal. Still, there's a great deal of skepticism here, and one well known Administration hard-liner has already privately dubbed it nothing but propaganda.

Jennings: Joining us tonight from the State Department is the Secretary of State, George Shultz. Mr. Secretary, the President says some of this is constructive. Will you be specific?

Shultz: It's constructive to call for the elimination of all nuclear weapons. The President has had that position, and in many respects the United States has had that position for a long time going way back to the Beirut plan.

Jennings: As we understand it, one stage would include the elimination of all intermediate-range nuclear weapons in the European theater. Is that good?

Shultz: It was the President's proposal, you remember, for intermediate-range nuclear weapons in Europe, that they be eliminated, the zero-zero option. Now of course we have always conceived of this on a global basis, not just Europe. And the question always is what does "eliminate" mean? Does it mean that you put them in garages? We think they should be destroyed, and the Asian dimension has to be taken into account. But the point is not to get into a discussion of a lot of the detailed ins and outs because there are lots of booby traps, lots of problems in this proposal, but it is another step in a process that we hope is becoming increasingly instructive. And the extent that the President thought that we want to work toward the elimination of all nuclear missiles and weapons is being implemented, that's all for the good.

Jennings: Mr. Gorbachev also says, as we understand it, that the Soviets will agree to any verification measures. Does that take care of your concern about what happens to Soviet SS-20s in Europe?

Shultz: Well, of course there would first have to be an agreement about what happens to them and if they are going to be eliminated. Obviously we think that must mean they are to be destroyed, and that is the implication. So you have to have a means of verifying that, and in Mr. Gorbachev's proposal, he addresses that issue and that's also constructive.

Jennings: Mr. Gorbachev does not this time appear to insist on counting French and British nuclear missiles in the Western totals. Is that good?

Shultz: The question of how British and French systems are handled, and of course Chinese systems, is something to be worked out. And of course the British and the French will have to react to that, we can't speak for them.

Jennings: You sound ambiguous.

Shultz: No, I'm not meaning to be ambiguous at all. We favor the elimination of all nuclear weapons, so we welcome this proposal. It is a big, detailed, complicated subject, and so we will want to study it carefully and negotiate about it in Geneva. As a matter of fact, if anything, we could have wished that this proposal could have been made quietly and negotiated about, but it is in the public domain and so that's fine, and we will give it an initial response which is to welcome it. As a matter of fact, I had a lengthy discussion with the President about it today, and perhaps somewhat jocularly, I asked him what he thought, he said why wait until the end of the century?

Jennings: Mr. Secretary, thank you for joining us in the public domain this evening. (ABC-Lead)

NBC's Tom Brokaw: Soviet leader Mikhail Gorbachev issued a dramatic challenge to the United States in Moscow tonight, a timetable that he put out for the elimination of all nuclear weapons. But the Gorbachev plan contains several major conditions the Reagan Administration rejected earlier. Still, President Reagan issued a statement pointing out that he had called for the elimination of nuclear weapons three years ago and welcomes this Soviet response.

NBC's Steve Hurst: Gorbachev's plan was announced on the Soviet evening news. The statement said there must be a total nuclear ban, otherwise the process of military rivalry will become an avalanche and any control over the course of events would be impossible. There are three stages in the Gorbachev proposal, first: A ban on President Reagan's Star Wars initiative, a 50% cut in strategic weapons, and the elimination of medium-range nuclear missiles in Europe. Second: After 1990, the other nuclear powers, France, Britain, and China, will join the process and there would be no weapon with a nuclear bomb capable of traveling more than 600 miles. Third: By 1995 every nuclear weapon will be ordered destroyed within five years, and beyond that there would be a ban on any new weapons technology. As a sweetener, this public relations minded Gorbachev extended his unilateral ban on nuclear testing for three more months. It would go on forever, he said, if Washington would join in. Gorbachev apparently wanted to make a major impact as Soviet and American negotiators gathered for the reopening of the Geneva arms talks tomorrow. It still depends on President Reagan abandoning Star Wars, a move the United States is not yet ready to make.

Brokaw: In his statement saying that he welcomed this proposal from Gorbachev, President Reagan also said there are parts of the plan that give him serious concern, others that appear to be constructive. NBC's Chief White House correspondent Chris Wallace -- What parts give the President some encouragement Chris?

Wallace: I think the best answer is they are sort of encouraged. Officials here are calling this a slick propaganda effort, but with a few interesting elements in it. Clearly unacceptable is Gorbachev's call for a ban on Star Wars and also that 50% cut in weapons because the Soviets want to include all of our missiles, but only some of theirs. On the other hand, they say that Gorbachev did break some new ground in the area of medium-range missiles in Europe, and that's what they are focusing on most tonight. Summing it up, one official here said there is a lot of icing on this cake, the question is how far down do we have to cut to get to the cake?

Brokaw: What about this timetable, is that a new point of departure for the talks that are now underway in Geneva?

Wallace: They really were taken by surprise today, and frankly they were a little bit put off by that. Officials here are complaining that a Gorbachev letter to the President was delivered to the White House only about an hour before the Soviets went public in Moscow, so they really don't know what to make of it and they are going to study it closely. The key point they are going to make tonight is that on many of the key issues, especially Star Wars and the question of an offense for defense trade, but the Soviets gave no real ground today.

(NBC-Lead)

U.S.-LIBYA

Rather: The Soviets, of course, continue their support for Libya, and while there may never be a military confrontation between the United States and the Libyans over the Rome and Vienna airport murders, some new military moves are being made. Pentagon officials say two more Soviet warships have entered the Mediterranean from the Black Sea.

Rather continues: That now makes a total of six Soviet warships and 22 auxiliary vessels now in the area, and the U.S. aircraft carrier Saratoga, accompanied by 3 warships, cruised through the Suez Canal today. The task force was dispatched from the Indian Ocean last week, it is now in the Mediterranean with another U.S. carrier group led by the U.S.S. Coral Sea. The object of all this maneuvering, Libya's Moammar Qaddafi, was talking tough again today to students and Palestinian leaders rallying in Tripoli, and in an interview with West German television. Asked whether he still intends to take his terror and murder campaign to the streets of the United States, Qaddafi said: "We will attack them in their own country. We will destroy the U.S. from within." Secretary Shultz threatened Qaddafi right back. In a speech to a Washington military policy conference, Shultz repeated a favorite theme, that the U.S. must be prepared to use military force to combat terrorism.

(TV coverage of Secretary Shultz: "To let ourselves be deterred by Qaddafi's threats from doing what is needed to stop him, will only establish in his mind and in the minds of other fanatics that the scheme has worked. State-supported terror will increase through our submission to it, not from our act of resistance.")

In a separate satellite interview with European journalists, Shultz spoke of another possible response to the Qaddafi threat, again urging reluctant European allies to join U.S. sanctions against Libya.

(NBC-3, ABC-2, CBS-2)

PRESIDENTIAL CHECKUP

Rather: President Reagan will go back to Bethesda Naval Hospital Friday and check in for what is being officially called a checkup, his first one specifically to follow-up on his colon cancer surgery this summer -- follow-up with an examination inside the President's colon. The doctors say that among other things, they will be looking for signs of any new growths there. The White House has had very little to say officially about President Reagan's medical conditions, either the colon cancer or the two other surgeries to remove skin cancer cells from Mr. Reagan's face. In each case, Presidential spokesmen have repeatedly said that Mr. Reagan feels fine and has no symptoms. They said so again today. It is not known how long exactly President Reagan will stay in the hospital after his entry this Friday. The colon examination requires fasting and other preparations, and pain killers and sedatives are standard for the patient during the test. There are said to be no plans for the President to turn over control of power, even temporarily, during this procedure. (CBS-4)

Brokaw: The White House also announced today that Mr. Reagan will return to Bethesda Naval Hospital on Friday for the first follow-up examination since cancer was removed from his colon last July. Friday's procedure to check for new growths was called routine. Mr. Reagan is described as feeling great. (NBC-6)

M.L.K., JR. BIRTHDAY

Rather reports President Reagan, who first opposed, and then reluctantly agreed to support making King's birthday a U.S. federal holiday, today was very much in evidence to celebrate the King birthday. President Reagan went to a Washington area school and praised the man whose legislative goals, including the landmark 1964 civil rights act, Mr. Reagan opposed.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.") (CBS-14)

Jennings reports in Washington President Reagan went a school named for Dr. King to offer his own tribute.

ABC's Lark McCarthy reports President Reagan turned teacher today at the Martin Luther King elementary school in Washington. He said the nation was different and better because of King's life.

(TV coverage of the President: "He was a great man who wrested justice from the heart of a great country.")

Mr. Reagan said he had a dream that one day a student from this school might return as President. While honoring King, Mr. Reagan didn't mention that he had opposed the new federal holiday. He praised King as a man who made the country freer.

(TV coverage of the President: "It's not a perfect place, we still have a long way to go, there is unfinished business and we can't rest until all prejudice is gone forever.") (ABC-6)

Brokaw: The first observance of the national holiday honoring Martin Luther King, Jr. won't come until next Monday, but the civil rights leader was saluted by President Reagan today. This was the 57th anniversary of Dr. King's birth. The President went to a largely black grade school named for Dr. King and he spoke to the children about what the man did for America. The President's words raised some questions about what he has been doing recently.

NBC's Andrea Mitchell: Martin Luther King, Jr. was eulogized by President Reagan today, who also hailed the national celebration of Dr. King's birth.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.")

But Mr. Reagan was a reluctant convert to declaring a national holiday for the civil rights leader.

(TV coverage of the President: "We could have an awful lot of holidays if we start down that road.")

And in the past, when asked about right wing suggestions that Dr. King was a communist sympathizer, the President did not defend him.

(TV coverage of the President: "We'll know in about 35 years, won't we?")

Mitchell continues: In other words, when Dr. King's FBI file can be made public. The Reagan record on civil rights is controversial. For months he opposed extending the voting rights act. He tried to give tax exempt status to schools that discriminate. He kicked civil rights activists off the civil rights commission.

(Ralph Neas: "Led by the Department of Justice, the Reagan Administration has seized every opportunity to weaken virtually every civil rights law passed over the last two decades." Melvin Bradley: "Every administration has made mistakes, okay. But if you'll look at our record, our record on civil rights is probably better than most President's, that is a fact.")

Whether or not the record bears that out, recent polls show a sharp increase in black support for the President, past critics believe because under pressure, Mr. Reagan has compromised on some issues important to blacks, such as the voting rights act and the national holiday for Dr. King.

(Andrew Young: "I've been amazed at the way he's opposed things and yet come around to see to it that they happen.")

But the President now faces a new test, whether to agree with Attorney General Meese and try to wipe out minority hiring requirements for federal contractors. A meeting on that issue scheduled for tomorrow has just been cancelled, delayed until after the celebration of Martin Luther King, Jr.'s birthday. (NBC-5)

BABY DOE CASE

Brokaw: The U.S. Supreme Court heard arguments today in the so-called "Baby Doe" case. It is a challenge to the Reagan Administration's demand to regulate the care of severely deformed newborn infants and question parental decisions to let such children die. The lawyer for the American Medical Association argued that federal review of such decisions is, in his words, highly intrusive. But Assistant Attorney General Charles Cooper, speaking for the Administration, told the court that such regulation is justified under federal laws protecting the handicapped. (NBC-7, CBS-5)

ANTITRUST LAWS

Rather: President Reagan has approved and will soon ask Congress to approve the biggest rollback in decades in this nation's antitrust laws. President Reagan's spokesman says the purpose is to make U.S. business and industry more competitive worldwide. Among the changes reportedly being sought, a five year exemption from antitrust laws for acquisition and mergers in certain industries, and making it harder for the courts to block all kinds of mergers in the first place. (CBS-12)

BUDGET

Rather reports it's official today. The new federal budget balancing act President Reagan wanted and that Congress passed, will require federal spending cuts by the billions this year alone. The cuts are automatically called for in this new law. The hope, of course, is reduction of the federal deficit. (NBC-11, ABC-4, CBS-3)

EDITORIALS/COLUMNISTS

U.S.-LIBYA

Making the case against Khadafy -- "The see-no-evil attitude of Italy, France, Austria, West Germany and other European democracies is a shocking commentary on the spinelessness of the West in response to a brutal campaign of terrorism. Especially Italy and Austria, whose coddling attitude toward Khadafy was rewarded by the selection of Italian and Austrian airports for the grenade and machine-gun attacks two days after Christmas.... President Reagan's decision to tighten the economic screws on Libya is proper and overdue -- but it won't work until a reluctant Western Europe sheds its illusions about Khadafy as well."

(Seattle Post-Intelligencer, 1/8)

Take That! -- "Our president really told off that Libyan guy, huh? Moammar Khadafy hasn't had a bad couple of weeks, though. Actually, with Ronald Reagan as his publicity agent, he's become a world superstar, a sizeable achievement for a guy who rules a nation distinguished mostly for Pleistocene ineptitude.... The president's outrage was no doubt genuine, his anger real. But you'd think a man who's played all those nice guys in all those movies would remember one thing about acting: The bad guy generally has the best part."

(Philadelphia Daily News, 1/14)

A reason for restraint -- "What our government is doing is showing respect for the traditional doctrine of blockade as it is understood in international law, and that is a wise thing to do if we intend to invoke the same doctrine to stop trade with Libya. The United States may not be planning to blockade Libya, but it's something to think about, and the restraint in the Persian Gulf is a necessary precedent for any future U.S. action along that line."

(Atlanta Journal, 1/14)

The 'Roots' of Terrorism -- "PLO apologists do it as a matter of course, fair-minded, well-meaning pundits do it with fitting gravity, and even plain folks, angry and frustrated, do it: Whenever Arab terrorism shocks the world with the spilled blood of children, they suggest that only by addressing its 'root cause' can terrorism be stopped. Strangely, such concern is never shown for the roots of European terrorism, even though Italian, French, and German gangs have exacted a high toll in American lives and military morale. Nor does anyone seem to give a hoot about the origins of Irish, Basque, Sikh, and Korean terrorism...."

(Detroit News, 1/14)

ACID RAIN

Slow Progress on Acid Rain -- "The evidence that emissions cause acid rain, which poisons lakes and forests and causes billions of dollars in corrosion damage each year, is overwhelming. There is no mystery about the remedy: Plants must either burn low-sulfur coal or put in scrubbers to clean their smokestack emissions. That will be expensive, and the administration and Congress should have the courage to determine who should pay for it...."

(Hartford Courant, 1/15)

ACID RAIN (continued)

Fight Acid Rain -- "At long last the Reagan Administration may be backed into admitting that acid rain exists. A report by the President's own special representative considers acid rain a \$5-billion problem, calling for the Government and industry to split the bill for research on clean-coal technology. Although the report disappoints some environmentalists by its limited recommendations, its chief virtue should be to make acid rain the Federal priority that it deserves to be." (Miami Herald, 1/11)

An Agreement on Acid Rain -- "The group recommended that the U.S. immediately embark on a \$5 billion program to develop an efficient means of controlling and reducing acid rain emissions. Half the total cost would be paid by the federal government and half by industry. This seems a staggering cost at a time of \$200 billion deficits, and it will have to be considered along with all other programs as Congress and the administration attempt, or pretend to attempt, to meet the deficit reduction goals they set last year...." (Chicago Tribune, 1/15)

Acid Rain Makes a Comeback -- "The recommendations of the Lewis-Davis report should not be viewed as a reason to abandon state-sponsored research initiatives. Neither do they deserve to be tossed aside in Washington. The only thing lacking from a concerted national effort to reduce acid rain is Reagan's endorsement, withheld for lack of perfect knowledge. Now, even his own representative has told him, in clear and public terms, that the absence of perfection does not justify continuing obstruction. Perhaps the Lewis-Davis report will even revive the momentum behind acid-rain controls. On the acid-rain front, that alone would be encouraging." (Cleveland Plain Dealer, 1/14)

U.S.-VIETNAM

Vietnam's Own Quagmire -- "Washington has been quite content, until now, to let Vietnam bleed in Cambodia. But if Sino-Soviet ties are warming and the U.S. position in the Philippines is threatened, the United States might indeed find a better relationship with Vietnam to be in its interests. The United States long ago discarded its preoccupation with Vietnam itself. But it places great value on unhampered transit through the Straits of Malacca, Sunda and Lombok for rapid deployment of forces between the Pacific and the Indian Ocean. To attain this objective, putting aside wartime grievances with Hanoi might be helpful." (Baltimore Sun, 1/15)

NICARAGUA

Our Duty in Nicaragua -- "Reservations about the nature of the resistance kept many Americans from supporting it, but over time the distinctions between it and the ruling Sandinistas have become plain. It is unreasonable to expect the resistance to be pure. Even in this country, with its 200-year tradition of democracy, unsavory politicians have ascended to high office -- sometimes very high office. A great many Nicaraguans are willing to fight and die for freedom -- which is something they've never had before. Surely this country, the embodiment of freedom, has a duty to support them." (Washington Times, 1/15)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JANUARY 16, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Moscow Proposes Timetable For Nuclear Arms Ban -- Gorbachev proposed a 15-year timetable for banning nuclear weapons worldwide.

(Washington Post, Washington Times, AP, UPI)

Qaddafi Says Libya Will Prepare Arabs For Terror Missions -- Qaddafi abandoned completely the conciliatory tone toward the U.S. that he had used in interviews over the past week.

(Washington Post, Reuter)

NATIONAL NEWS

Blueprint Of First Cuts Issued Under Budget Act -- OMB provided details on how President Reagan and Congress have inflicted pain on some people while exempting others from the budget knife.

(Washington Post, Washington Times, AP)

Reagan Praises King On Adopted School Visit -- "I cried when President Reagan asked us to pray for Dr. King, said Nackia Carter, a second grader. "It broke my heart."

(Washington Post, Washington Times)

NETWORK NEWS (Wednesday Evening)

U.S.S.R. ARMS PROPOSAL -- The Soviets are out with yet another new proposal, one they say would knock superpower nuclear arsenals down to zero by the year 2000.

U.S./LIBYA -- Pentagon officials say two more Soviet warships have entered the Mediterranean.

KING HOLIDAY -- The President went to a Washington school and praised the man whose legislative goals he opposed.

'TO LEAVE A COMMITTED LIFE BEHIND'

"And in this speech at the Ebenezer Baptist Church, he said, '...I don't want a long funeral. And if you get somebody to deliver the eulogy, tell them not to talk too long. Just say that I was a drum major for justice. I was a drum major for righteousness. And all of the other shallow things will not matter. I won't have any money to leave behind.... I just want to leave a committed life behind.'"

(President Reagan, quoting Martin Luther King, Jr., during remarks to the Martin Luther King Elementary School, 1/15)

INTERNATIONAL NEWS

MOSCOW PROPOSES A TIMETABLE FOR NUCLEAR ARMS BAN Gorbachev Extends Testing Moratorium

MOSCOW -- Soviet leader Gorbachev Wednesday proposed a 15-year timetable for banning nuclear weapons worldwide and announced that the Soviet Union will extend its ban on nuclear tests for three months.

"We propose that we enter the third millennium without nuclear weapons, on the basis of mutually acceptable and strictly verifiable agreements," Gorbachev said in a 45-minute statement read by an evening news announcer on Soviet television. (Gary Lee, Washington Post, A1)

U.S. Aides Express Serious Interest

Surprised Reagan Administration officials expressed serious interest yesterday in the unusually comprehensive arms control proposals announced by Gorbachev on the eve of today's resumption of the nuclear and space arms negotiations in Geneva.

President Reagan, in a White House statement setting the tone for the U.S. response, welcomed Gorbachev's statement as appearing "at first glance ... constructive in some respects."

(Don Oberdorfer/Walter Pincus, Washington Post, A1)

Gorbachev Offers To Abolish All Nukes Within 15 Years As Arms Talks Resume

-- U.S. and Soviet arms negotiators begin their fourth round of talks today with an offer from Soviet leader Gorbachev to abolish nuclear weapons within 15 years.

However, a precondition of Gorbachev's three-stage proposal called for elimination of President Reagan's Strategic Defense Initiative, making it doubtful that it would ever be accepted by the United States.

(Michael Bonafield, Washington Times, A5)

U.S.-Soviet Arms Talks Resume After Dramatic Soviet Proposal

Terry Shroeder, spokesman for the U.S. negotiators in Geneva said it was not clear whether the Soviet team actually will present Gorbachev's plan at today's meeting, which opens the fourth round of arms talks in 10 months and the first since President Reagan and Gorbachev met last November in Geneva. (AP)

Gorbachev Plan To Ban The Bomb -- Gorbachev again called for an end to U.S. research into a "Star Wars" space-based anti-missile defense and warned that the Soviet Union would match any weapons developed by the United States for use in space. (UPI)

QADDAFI SAYS LIBYA WILL PREPARE ARABS FOR TERROR MISSIONS

TRIPOLI, Libya -- Libyan leader Muammar Qaddafi, stepping up his challenge to the Reagan Administration, declared publicly tonight that he will train and equip Arab guerrillas for "terrorist and suicide missions."

Qaddafi, readying his country for a possible U.S. or Israeli reaction, repeated a call for volunteer soldiers from all over the Arab world to join his armed forces. (Christopher Dickey, Washington Post, A1)

Gaddafi Offers Training In 'Terrorist Tactics'

Gaddafi, refusing to bend to U.S. pressure over last month's Rome and Vienna airport attacks, has offered to train Palestinian and Arab guerrillas in terrorist tactics. Referring to Libyans and pro-Libyan Arab groups in his country, Gaddafi told thousands of youths at a rally in Tripoli last night: "They will be trained in terrorist and suicide missions." (Reuter)

SHULTZ SAYS U.S. SHOULD STRIKE BACK

Secretary Shultz, taking on Secretary Weinberger and British Prime Minister Thatcher, said yesterday that the United States should strike back at terrorism and be prepared to use military force even without assurance of clear victory of total public support.

(Fred Hiatt, Washington Post, A1)

Shultz Goads Allies To Thwart Terrorists

The United States struck a considerably tougher stand on a military response to terrorism yesterday and told its fearful European allies to get off the fence. Secretary Shultz said Washington "cannot let the ambiguities of the terrorist threat reduce us to total impotence. A policy filled with so many qualifications and conditions ... would amount to a policy of paralysis." (James Morrison, Washington Times, A1)

U.S. MAKES NEW BID FOR SANCTIONS

Deputy Secretary of State John Whitehead met Wednesday with President Reagan, then departed for Canada and Europe on a trip aimed at persuading U.S. allies that Libya was involved in terrorist attacks at airports in Rome and Vienna last month.

(Lou Cannon, Washington Post, A28)

JAPANESE, SOVIETS DISAGREE ON SDI

TOKYO -- Japan and the Soviet Union disagreed sharply on President Reagan's Strategic Defense Initiative yesterday, fresh evidence that Moscow is having a tough time trying to drive a wedge between the U.S. and its allies. Soviet Foreign Minister Shevardnadze, opening four days of talks here, warned that "Japan should consider where its own national interest lies on this SDI issue."

Foreign Minister Shintaro Abe snapped back, "Japan ... will make its own independent decision on SDI within the context of its security arrangement with the United States." (Washington Times, A1)

REBELS' BACKERS ON HILL PRESS AID ISSUE

Congressional supporters of the resistance movement to the Soviet occupation of Afghanistan, backed by outside lobbying groups, are pressuring the Reagan Administration to improve the effectiveness of its military aid to the guerrillas and end its ban on the delivery of the American-made arms, particularly anti-aircraft weapons.

(David Ottaway, Washington Post, A1)

CONTADORA PEACE EFFORTS REVIVED

GUATEMALA CITY -- In a flurry of diplomatic activity here, Central American nations endorsed three new initiatives aimed at reviving the region's moribund peace process, officials said today.

Foreign ministers of the five Central American countries formally renewed the Contadora peace talks, lifting a suspension declared in December. They did so by backing a document that also urged the U.S. to resume direct negotiations with Nicaragua's Sandinista government.

(Robert J. McCartney, Washington Post, A30)

REICH NAMED AS AMBASSADOR TO VENEZUELA

The White House yesterday nominated Otto Reich, currently its top salesman for U.S. policy in Central America, to be U.S. ambassador to Venezuela. He would replace George Landau, who left Venezuela last spring. (Washington Post, A19)

TREASURY OFFICIAL CONTRADICTS MINISTER

A high Treasury official Wednesday contradicted West Germany's Economics Minister's assertion that the United States will seek an agreement by leading industrial nations this weekend on a coordinated effort to push interest rates down.

"There simply is not going to be a coordinated interest-rate reduction exercise," said the Treasury official, who spoke on condition that he not be identified. (Hobart Rowen, Washington Post, E1)

ADMINISTRATION MAY OPPOSE JOINT EFFORT TO
LOWER INTEREST RATES

The Reagan Administration, which masterminded a multinational effort to drive the dollar down in value last September, may be on the verge of engineering a similar effort to reduce interest rates worldwide.

A West German official told reporters Wednesday that he had learned from Secretary Baker that the United States would propose a coordinated effort to lower interest rates when finance ministers of five leading industrialized nations meet this weekend. (AP)

EDITOR'S NOTES: 'Lack Of Training Hurts Guerrillas,' page A1 of the Washington Post.

-more-

NATIONAL NEWS

BLUEPRINT OF FIRST CUTS ISSUED UNDER BUDGET ACT

The first austerity blueprint under the new balanced-budget law was issued yesterday, showing that the automatic spending cuts triggered by a record-breaking \$220 billion deficit this year will slice widely but unevenly through the federal establishment, creating both winners and losers.

Among the winners this year are Reagan's missile defense program (the Strategic Defense Initiative) and Navy fixed-price aircraft contracts, both of which Reagan shielded from cuts. But the budget will slice widely into domestic programs ranging from agriculture to health and education.

(David Hoffman/Helen Dewar, Washington Post, A1)

Reagan OKs \$11.7 Billion In Mandated Budget Cuts

The Reagan Administration, faced with budget deficits soaring to new heights, will not attempt to avoid \$11.7 billion in spending cuts scheduled for March 1, the White House Budget chief said yesterday.

Alternatives have been discussed, but "I just don't think it's likely we'll see anything different," Budget Director James Miller III said at a White House briefing.

(Willis Witter, Washington Times, A2)

It's Time To Talk Turkey About Federal Red Ink; Huge Deficit Triggers Cuts -- The Gramm-Rudman deficit reduction law is moving from the talking stage to real spending cuts, with federal officials saying they delay space shuttle improvements, make college students dig a little deeper into their pockets and protect President Reagan's "Star Wars" by slashing other Pentagon programs.

(AP)

REAGAN PRAISES KING ON ADOPTED SCHOOL VISIT

President Reagan went to the Martin Luther King, Jr. Elementary School in Southeast Washington yesterday and marked the 57th anniversary of the slain civil rights leader's birth with praise for King and a story about a close friend who epitomized the power of nonviolence.

At the end of a 15-minute prepared speech, Reagan told the 300 students an impromptu story about William Franklin Burghardt, a black fellow student at Eureka College in Illinois who played center on the football team while Reagan was a starting guard.

(Edward Sargent, Washington Post, C1)

Reagan Tells Black Students U.S. Is Not Free Of Prejudice

President Reagan urged black elementary school students yesterday to aspire to the presidency, but he warned them that the United States is not yet free of racial prejudice.

"The dream I have for each of you is ... when you're all grown up, you'll all come back here and visit on Martin Luther King, Jr.'s birthday and maybe someone up here ... will introduce the next speaker with the words, 'And now, the president of the United States,'" Mr. Reagan said, speaking from a small auditorium stage.

"And they'll turn, and they'll be pointing at you, because you'll be the president.

(Mary Belcher, Washington Times, A3)

-more-

KING MEMORY DISTORTED, JACKSON SAYS IN ATLANTA

... The Rev. Jesse Jackson also lambasted President Reagan for his visit this morning to a Washington elementary school for a commemoration of what would have been King's 57th birthday.

"Today President Reagan went over to a school and held up little black children in his hands, rubbed his eyes to look tearful," Jackson said, although witnesses at the Southeast Washington school said the President did not lift any of the children.

But, he added, bringing the crowd roaring to its feet, "With all of his power ... even America will never have a national holiday named after Ronald Reagan."

(Kathy Sawyer, Washington Post, A10)

Realize King's Goals, Jackson Urges

Mr. Jackson, a former lieutenant of King, urged the packed audience to take up "the challenge to protect the integrity of Dr. King's legacy" and celebrate his birthday as he would have done: "He'd knock on the door of justice. He'd feed the hungry. He'd empower the locked out."

(Isaiah Poole, Washington Times, A3)

KING CITED IN DEFENSE OF END TO HIRING GOALS

Attorney General Meese said yesterday that he was "trying to carry out the original intent of the civil rights movement" in proposing to eliminate minority hiring goals for government contractors.

Speaking at a news conference on King's birthday, Meese invoked the slain civil rights leader's name in defending his proposal on affirmative action.

Meese added that "one of the things Dr. King said in his famous 'I have a dream' speech was that he foresaw a colorblind society, and this is what we're very much dedicated to."

(Howard Kurtz, Washington Post, A7)

REAGAN EXEMPTS 'STAR WARS' PERSONNEL FROM CUTS

President Reagan exempted his "Star Wars" defense program and the 2.1 million people now in military uniforms from the 4.9 percent spending cuts to be imposed to meet requirements of the Gramm-Rudman-Hollings legislation, Defense Department officials said yesterday.

(George Wilson, Washington Post, A9)

WHITE HOUSE DISAVOWS OFFICIAL'S CLAIM THAT PENTAGON BUDGET COULD BE PADDED

An embarrassed Reagan Administration is disavowing a suggestion by one of its own top officials that Pentagon budgets will be padded to protect pet programs from threatened budget cuts. The suggestion, made at a news briefing staged by the White House, sent officials scrambling Wednesday to repair the damage.

"I don't know who said that but it's a ridiculous and absurd statement to make," said Robert Helm, the Pentagon's comptroller. (AP)

BAKER SAYS ADMINISTRATION WILLING TO BARGAIN ON STATE, LOCAL TAX DEDUCTION

WASHINGTON -- The Reagan Administration is willing to negotiate on its proposal to repeal the deduction for state and local taxes but will insist that any tax-overhaul bill have lower rates and cost business less than does a plan approved by the House.

And if anyone expects President Reagan to do an about-face and support a deficit-reduction tax increase, forget it: "You can bet the farm he won't," Secretary Baker said Wednesday, adding the same applies to any special levy on energy. (AP)

WHITE HOUSE ASKS COURT TO BACK 'BABY DOE' RULE

The Reagan Administration asked the Supreme Court Wednesday to uphold so-called "Baby Doe" rules that would federal investigations power to intervene directly in decisions about treatment of severely handicapped infants. A decision is expected by July. (Al Kamen, Washington Post, A3)

Supreme Court Hears 'Baby Doe' Arguments

The Reagan Administration contends that the law clearly was intended to extend to federally assisted health care providers. Opponents argue that the act applies only to qualifications for housing or vocational training and that Congress did not intend to supplant a physician's traditional role of treating a patient.

(David Sellers, Washington Times, A2)

FED TO TAKE UP TOUGHER PAC RULES

The legal staff of the Federal Election Commission has issued a tough interpretation of campaign finance laws that would severely restrict the use of special PACs as backdoor mechanisms to pay for unannounced presidential campaigns. The rules, if announced by the full commission, would provide grounds for challenging the "multicandidate" PACs by such prospective presidential candidates such as Vice President Bush, Rep. Gephardt, Rep. Kemp and Sen. Dole.

(Thomas Edsall, Washington Post, A4)

WHITE HOUSE-UNION TIES TERMED NOT IMPOPER

Attorney General Meese said yesterday that he saw nothing improper in the Reagan Administration's ties to the Teamsters union and that neither he nor any other Administration official had done anything "to assist anyone involved with organized crime."

(George Lardner/Mary Thornton, Washington Post, A6)

Thursday, January 16, 1986 -- A-9

Incidental Contact With Presser Not Compromising, Meese Says

Attorney General Meese, referring to his past contacts with Teamsters Union President Jackie Presser, denied Wednesday that he -- or to his knowledge -- any members of the Administration -- ever assisted anyone who might be involved with organized crime.

(John McCaslin, Washington Times, A3)

SYNFUELS GAS CONTRACTS RULED VALID

A federal judge has ruled that four of the energy companies that built and then abandoned the Great Plains Gasification project, the nation's largest synthetic-fuels plant, must honor their contracts to buy gas from the plant at more than three times the market price. The decision was a major victory for the Energy Department, which took over the \$2.1 billion plant last summer when the companies defaulted on their federally guaranteed loan.

(Washington Post, A7)

COLUMBIA AND CREW ARE COMING HOME

CAPE CANAVERAL -- Columbia's astronauts, thanked for "a great flight," shut down their experiments a day early Wednesday and packed up for landing Thursday morning, the first descent to Florida in nine months.

(UPI)

TEXTBOOKS TOO CRITICAL OF U.S., OFFICIAL SAYS

Under Secretary of Education Gary Bauer last night criticized American high school textbooks as often being "hyper-critical of American institutions" while "glossing over" the misdeeds of Communist governments.

(Lawrence Feinberg, Washington Post, A19)

'Tell The Truth,' Bauer Tells Textbook Printers

Mr. Bauer said he was not advocating that American textbooks include "indoctrination masquerading as education," but they also should not read "as if they were written by neutrals in the struggle between freedom and slavery."

(Washington Times, A4)

Education Official: History Texts Too Soft On Communism

One textbook, he said, "seems to suffer from amnesia," about such events as "the great man-made famine in the Soviet Union in 1932-33 in which the Soviet Union used food as a weapon to kill more than 7 million men, women and children in the Ukraine. Nor is there any mention of the millions that died in China in the name of communism ... nor of the genocide that took place in Cambodia after the communist takeover. (AP)

PRESIDENT DUE FOR FOLLOW-UP PHYSICAL EXAM

President Reagan, who underwent surgery six months ago for removal of a cancerous tumor from his colon, will return to Bethesda Naval Hospital on Friday for his first follow-up examination to check for any new growths in the bowel. (AP story, Washington Post, A28)

Reagan To Receive Follow-Up Exam

The White House said Mr. Reagan, 77, will be given blood and X-Ray tests and a colonoscopic examination to determine whether he is now free of cancer in his intestinal tract. (Washington Times, A2)

EDITOR'S NOTES: "'Closest Friend" Was Reagan's Teammate,' Washington Post A4, 'Gramm-Rudman's Impact,' page C2, 'U.S. Farm Population Shows Decline,' page A19 of the Washington Post.

-End of A-Section-

NETWORK NEWS SUMMARY

U.S.S.R. ARMS PROPOSAL

CBS's Dan Rather: The night before a new round of U.S.-Soviet arms control talks in Geneva, the first since the Reagan-Gorbachev summit, the Soviets are out tonight with yet another new proposal, one they say would knock the superpower nuclear arsenals down to zero by the year 2000. And President Reagan's first glance public reaction is that parts of this new Gorbachev offer could be constructive.

CBS's Lesley Stahl: The announcement first came from the anchorman on the evening news in Moscow, that the Soviets were extending their unilateral moratorium on nuclear testing for another three months, and that Soviet leader Gorbachev has a new arms control proposal "to rid the earth of all nuclear weapons by the end of the 20th century." (Richard Lugar: "These are breath-taking concepts and they are worthwhile concepts. But I suppose at this point it takes much less energy to offer a constructive general proposal than to negotiate the details.")

Specifically, the Gorbachev proposal calls for nuclear reductions in three stages beginning with a 50% cut in long-range missiles and total elimination of medium-range missiles within eight years. But as with previous Soviet offers, this one is contingent on renunciation by both sides of space weapons or Star Wars.

(Dimitri Simes: "Propaganda and serious negotiations just don't work together very well. Mr. Gorbachev has to make the choice, and as long as his choice is propaganda, questions have to be raised about his seriousness and indeed about his sincerity.")

The Gorbachev proposal came as U.S. negotiators arrived in Geneva for tomorrow's resumption of the arms control talks. Gorbachev sent President Reagan the details of his proposal in a letter that arrived at the White House shortly before the announcement on Moscow TV, a public airing that miffed some Administration officials, although aides here say the President is taking the offer seriously. Mr. Reagan issued a statement tonight saying he welcomes the new proposal, pointing out that he himself called for a total abolition of nuclear weapons, the zero option, in 1983. (CBS-Lead)

ABC's Peter Jennings: On the eve of more arms control talks between the United States and the Soviet Union in Geneva, the Soviet leader, Mikhail Gorbachev, has made what looks like a dramatic proposal. A plan to eliminate all nuclear weapons by the year 2000. The White House said today that President Reagan has already made a similar offer, and thus if it all sounds too good to be true, it probably is.

ABC's Walter Rogers: Tonight's Soviet news came on with no prior hint of a major announcement, but then the senior anchorman began reading the statement.... The Soviet leader proposed a three point plan. First, within the next five to eight years, both superpowers would reduce by half their nuclear weapons systems capable of reaching the other's territory.

Rogers continues: Presumably, this would mean the U.S. would have to start cutting Pershing and Cruise missiles in Europe before the Soviets made cuts in their medium-range missiles there. But, for the first time the Soviets did not attempt to tie a reduction of British and French missiles to the start of U.S.-Soviet disarmament. Second, by 1990, the United States and the Soviet Union would then agree to withdraw all their intermediate range ballistic and Cruise missiles from Europe. Other nuclear powers would then freeze their nuclear arsenals and eventually phase them out. By 1995, phase three of the Gorbachev plan would begin the elimination of everything that was left over in strategic nuclear arsenals, as well as tactical nuclear weapons. But the Soviet announcer said the Gorbachev nuclear disarmament package hinges on Star Wars.... In the meantime, Mr. Gorbachev announced he's unilaterally extending for another three months the Soviet moratorium on underground nuclear tests and is urging President Reagan to halt all American nuclear explosions.

ABC's Sam Donaldson: This is Sam Donaldson at the White House, where even before Gorbachev's plan was publicized, the President's press secretary relayed Mr. Reagan's willingness to listen to new disarmament proposals.

(TV coverage of Larry Speakes: "U.S. negotiators are ready for tough, but honest bargaining. The challenge is formidable, but they have the flexibility to explore any promising avenues for agreement.") In fact, Gorbachev outlined his plan to Mr. Reagan in a personal letter received at the White House today. In a statement, the President welcomed the Gorbachev initiative and said that while many elements cause us serious concern, there are others that at first glance may be constructive. One obvious problem, the first step of a 50% reduction in missiles that can reach each other's territory, would seem to require a cutback of U.S. missiles based in Europe while Soviet missiles trained on Europe would be unaffected. Another problem, Gorbachev seems to say his plan can't go into effect until the U.S. Star Wars missile defense program is dropped, and the President doesn't want to do that. As to the three month extension of a nuclear test moratorium, the U.S. still won't join on the grounds that it's way behind on testing and must catch up first. Still, a Senate arms control expert is encouraged by what he sees.

(Sen. John Warner, R.-VA: "The President, nearly three years ago, established a goal, the elimination of nuclear weapons. Now Mr. Gorbachev has joined and established a timetable.")

Neither side wants to be the first to break the "spirit of Geneva" momentum, so it might have been expected that the President would publicly welcome Gorbachev's proposal. Still, there's a great deal of skepticism here, and one well known Administration hard-liner has already privately dubbed it nothing but propaganda.

Jennings: Joining us tonight from the State Department is the Secretary of State, George Shultz. Mr. Secretary, the President says some of this is constructive. Will you be specific?

Shultz: It's constructive to call for the elimination of all nuclear weapons. The President has had that position, and in many respects the United States has had that position for a long time going way back to the Beirut plan.

Jennings: As we understand it, one stage would include the elimination of all intermediate-range nuclear weapons in the European theater. Is that good?

Shultz: It was the President's proposal, you remember, for intermediate-range nuclear weapons in Europe, that they be eliminated, the zero-zero option. Now of course we have always conceived of this on a global basis, not just Europe. And the question always is what does "eliminate" mean? Does it mean that you put them in garages? We think they should be destroyed, and the Asian dimension has to be taken into account. But the point is not to get into a discussion of a lot of the detailed ins and outs because there are lots of booby traps, lots of problems in this proposal, but it is another step in a process that we hope is becoming increasingly instructive. And the extent that the President thought that we want to work toward the elimination of all nuclear missiles and weapons is being implemented, that's all for the good.

Jennings: Mr. Gorbachev also says, as we understand it, that the Soviets will agree to any verification measures. Does that take care of your concern about what happens to Soviet SS-20s in Europe?

Shultz: Well, of course there would first have to be an agreement about what happens to them and if they are going to be eliminated. Obviously we think that must mean they are to be destroyed, and that is the implication. So you have to have a means of verifying that, and in Mr. Gorbachev's proposal, he addresses that issue and that's also constructive.

Jennings: Mr. Gorbachev does not this time appear to insist on counting French and British nuclear missiles in the Western totals. Is that good?

Shultz: The question of how British and French systems are handled, and of course Chinese systems, is something to be worked out. And of course the British and the French will have to react to that, we can't speak for them.

Jennings: You sound ambiguous.

Shultz: No, I'm not meaning to be ambiguous at all. We favor the elimination of all nuclear weapons, so we welcome this proposal. It is a big, detailed, complicated subject, and so we will want to study it carefully and negotiate about it in Geneva. As a matter of fact, if anything, we could have wished that this proposal could have been made quietly and negotiated about, but it is in the public domain and so that's fine, and we will give it an initial response which is to welcome it. As a matter of fact, I had a lengthy discussion with the President about it today, and perhaps somewhat jocularly, I asked him what he thought, he said why wait until the end of the century?

Jennings: Mr. Secretary, thank you for joining us in the public domain this evening. (ABC-Lead)

NBC's Tom Brokaw: Soviet leader Mikhail Gorbachev issued a dramatic challenge to the United States in Moscow tonight, a timetable that he put out for the elimination of all nuclear weapons. But the Gorbachev plan contains several major conditions the Reagan Administration rejected earlier. Still, President Reagan issued a statement pointing out that he had called for the elimination of nuclear weapons three years ago and welcomes this Soviet response.

NBC's Steve Hurst: Gorbachev's plan was announced on the Soviet evening news. The statement said there must be a total nuclear ban, otherwise the process of military rivalry will become an avalanche and any control over the course of events would be impossible. There are three stages in the Gorbachev proposal, first: A ban on President Reagan's Star Wars initiative, a 50% cut in strategic weapons, and the elimination of medium-range nuclear missiles in Europe. Second: After 1990, the other nuclear powers, France, Britain, and China, will join the process and there would be no weapon with a nuclear bomb capable of traveling more than 600 miles. Third: By 1995 every nuclear weapon will be ordered destroyed within five years, and beyond that there would be a ban on any new weapons technology. As a sweetener, this public relations minded Gorbachev extended his unilateral ban on nuclear testing for three more months. It would go on forever, he said, if Washington would join in. Gorbachev apparently wanted to make a major impact as Soviet and American negotiators gathered for the reopening of the Geneva arms talks tomorrow. It still depends on President Reagan abandoning Star Wars, a move the United States is not yet ready to make.

Brokaw: In his statement saying that he welcomed this proposal from Gorbachev, President Reagan also said there are parts of the plan that give him serious concern, others that appear to be constructive. NBC's Chief White House correspondent Chris Wallace -- What parts give the President some encouragement Chris?

Wallace: I think the best answer is they are sort of encouraged. Officials here are calling this a slick propaganda effort, but with a few interesting elements in it. Clearly unacceptable is Gorbachev's call for a ban on Star Wars and also that 50% cut in weapons because the Soviets want to include all of our missiles, but only some of theirs. On the other hand, they say that Gorbachev did break some new ground in the area of medium-range missiles in Europe, and that's what they are focusing on most tonight. Summing it up, one official here said there is a lot of icing on this cake, the question is how far down do we have to cut to get to the cake?

Brokaw: What about this timetable, is that a new point of departure for the talks that are now underway in Geneva?

Wallace: They really were taken by surprise today, and frankly they were a little bit put off by that. Officials here are complaining that a Gorbachev letter to the President was delivered to the White House only about an hour before the Soviets went public in Moscow, so they really don't know what to make of it and they are going to study it closely. The key point they are going to make tonight is that on many of the key issues, especially Star Wars and the question of an offense for defense trade, but the Soviets gave no real ground today.
(NBC-Lead)

U.S.-LIBYA

Rather: The Soviets, of course, continue their support for Libya, and while there may never be a military confrontation between the United States and the Libyans over the Rome and Vienna airport murders, some new military moves are being made. Pentagon officials say two more Soviet warships have entered the Mediterranean from the Black Sea.

Rather continues: That now makes a total of six Soviet warships and 22 auxiliary vessels now in the area, and the U.S. aircraft carrier Saratoga, accompanied by 3 warships, cruised through the Suez Canal today. The task force was dispatched from the Indian Ocean last week, it is now in the Mediterranean with another U.S. carrier group led by the U.S.S. Coral Sea. The object of all this maneuvering, Libya's Moammar Qaddafi, was talking tough again today to students and Palestinian leaders rallying in Tripoli, and in an interview with West German television. Asked whether he still intends to take his terror and murder campaign to the streets of the United States, Qaddafi said: "We will attack them in their own country. We will destroy the U.S. from within." Secretary Shultz threatened Qaddafi right back. In a speech to a Washington military policy conference, Shultz repeated a favorite theme, that the U.S. must be prepared to use military force to combat terrorism.

(TV coverage of Secretary Shultz: "To let ourselves be deterred by Qaddafi's threats from doing what is needed to stop him, will only establish in his mind and in the minds of other fanatics that the scheme has worked. State-supported terror will increase through our submission to it, not from our act of resistance.")

In a separate satellite interview with European journalists, Shultz spoke of another possible response to the Qaddafi threat, again urging reluctant European allies to join U.S. sanctions against Libya.

(NBC-3, ABC-2, CBS-2)

PRESIDENTIAL CHECKUP

Rather: President Reagan will go back to Bethesda Naval Hospital Friday and check in for what is being officially called a checkup, his first one specifically to follow-up on his colon cancer surgery this summer -- follow-up with an examination inside the President's colon. The doctors say that among other things, they will be looking for signs of any new growths there. The White House has had very little to say officially about President Reagan's medical conditions, either the colon cancer or the two other surgeries to remove skin cancer cells from Mr. Reagan's face. In each case, Presidential spokesmen have repeatedly said that Mr. Reagan feels fine and has no symptoms. They said so again today. It is not known how long exactly President Reagan will stay in the hospital after his entry this Friday. The colon examination requires fasting and other preparations, and pain killers and sedatives are standard for the patient during the test. There are said to be no plans for the President to turn over control of power, even temporarily, during this procedure. (CBS-4)

Brokaw: The White House also announced today that Mr. Reagan will return to Bethesda Naval Hospital on Friday for the first follow-up examination since cancer was removed from his colon last July. Friday's procedure to check for new growths was called routine. Mr. Reagan is described as feeling great. (NBC-6)

M.L.K., JR. BIRTHDAY

Rather reports President Reagan, who first opposed, and then reluctantly agreed to support making King's birthday a U.S. federal holiday, today was very much in evidence to celebrate the King birthday. President Reagan went to a Washington area school and praised the man whose legislative goals, including the landmark 1964 civil rights act, Mr. Reagan opposed.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.") (CBS-14)

Jennings reports in Washington President Reagan went a school named for Dr. King to offer his own tribute.

ABC's Lark McCarthy reports President Reagan turned teacher today at the Martin Luther King elementary school in Washington. He said the nation was different and better because of King's life.

(TV coverage of the President: "He was a great man who wrested justice from the heart of a great country.")

Mr. Reagan said he had a dream that one day a student from this school might return as President. While honoring King, Mr. Reagan didn't mention that he had opposed the new federal holiday. He praised King as a man who made the country freer.

(TV coverage of the President: "It's not a perfect place, we still have a long way to go, there is unfinished business and we can't rest until all prejudice is gone forever.") (ABC-6)

Brokaw: The first observance of the national holiday honoring Martin Luther King, Jr. won't come until next Monday, but the civil rights leader was saluted by President Reagan today. This was the 57th anniversary of Dr. King's birth. The President went to a largely black grade school named for Dr. King and he spoke to the children about what the man did for America. The President's words raised some questions about what he has been doing recently.

NBC's Andrea Mitchell: Martin Luther King, Jr. was eulogized by President Reagan today, who also hailed the national celebration of Dr. King's birth.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.")

But Mr. Reagan was a reluctant convert to declaring a national holiday for the civil rights leader.

(TV coverage of the President: "We could have an awful lot of holidays if we start down that road.")

And in the past, when asked about right wing suggestions that Dr. King was a communist sympathizer, the President did not defend him.

(TV coverage of the President: "We'll know in about 35 years, won't we?")

Mitchell continues: In other words, when Dr. King's FBI file can be made public. The Reagan record on civil rights is controversial. For months he opposed extending the voting rights act. He tried to give tax exempt status to schools that discriminate. He kicked civil rights activists off the civil rights commission.

(Ralph Neas: "Led by the Department of Justice, the Reagan Administration has seized every opportunity to weaken virtually every civil rights law passed over the last two decades." Melvin Bradley: "Every administration has made mistakes, okay. But if you'll look at our record, our record on civil rights is probably better than most President's, that is a fact.")

Whether or not the record bears that out, recent polls show a sharp increase in black support for the President, past critics believe because under pressure, Mr. Reagan has compromised on some issues important to blacks, such as the voting rights act and the national holiday for Dr. King.

(Andrew Young: "I've been amazed at the way he's opposed things and yet come around to see to it that they happen.")

But the President now faces a new test, whether to agree with Attorney General Meese and try to wipe out minority hiring requirements for federal contractors. A meeting on that issue scheduled for tomorrow has just been cancelled, delayed until after the celebration of Martin Luther King, Jr.'s birthday. (NBC-5)

BABY DOE CASE

Brokaw: The U.S. Supreme Court heard arguments today in the so-called "Baby Doe" case. It is a challenge to the Reagan Administration's demand to regulate the care of severely deformed newborn infants and question parental decisions to let such children die. The lawyer for the American Medical Association argued that federal review of such decisions is, in his words, highly intrusive. But Assistant Attorney General Charles Cooper, speaking for the Administration, told the court that such regulation is justified under federal laws protecting the handicapped. (NBC-7, CBS-5)

ANTITRUST LAWS

Rather: President Reagan has approved and will soon ask Congress to approve the biggest rollback in decades in this nation's antitrust laws. President Reagan's spokesman says the purpose is to make U.S. business and industry more competitive worldwide. Among the changes reportedly being sought, a five year exemption from antitrust laws for acquisition and mergers in certain industries, and making it harder for the courts to block all kinds of mergers in the first place. (CBS-12)

BUDGET

Rather reports it's official today. The new federal budget balancing act President Reagan wanted and that Congress passed, will require federal spending cuts by the billions this year alone. The cuts are automatically called for in this new law. The hope, of course, is reduction of the federal deficit. (NBC-11, ABC-4, CBS-3)

EDITORIALS/COLUMNISTS

U.S.-LIBYA

Making the case against Khadafy -- "The see-no-evil attitude of Italy, France, Austria, West Germany and other European democracies is a shocking commentary on the spinelessness of the West in response to a brutal campaign of terrorism. Especially Italy and Austria, whose coddling attitude toward Khadafy was rewarded by the selection of Italian and Austrian airports for the grenade and machine-gun attacks two days after Christmas.... President Reagan's decision to tighten the economic screws on Libya is proper and overdue -- but it won't work until a reluctant Western Europe sheds its illusions about Khadafy as well."

(Seattle Post-Intelligencer, 1/8)

Take That! -- "Our president really told off that Libyan guy, huh? Moammar Khadafy hasn't had a bad couple of weeks, though. Actually, with Ronald Reagan as his publicity agent, he's become a world superstar, a sizeable achievement for a guy who rules a nation distinguished mostly for Pleistocene ineptitude.... The president's outrage was no doubt genuine, his anger real. But you'd think a man who's played all those nice guys in all those movies would remember one thing about acting: The bad guy generally has the best part."

(Philadelphia Daily News, 1/14)

A reason for restraint -- "What our government is doing is showing respect for the traditional doctrine of blockade as it is understood in international law, and that is a wise thing to do if we intend to invoke the same doctrine to stop trade with Libya. The United States may not be planning to blockade Libya, but it's something to think about, and the restraint in the Persian Gulf is a necessary precedent for any future U.S. action along that line."

(Atlanta Journal, 1/14)

The 'Roots' of Terrorism -- "PLO apologists do it as a matter of course, fair-minded, well-meaning pundits do it with fitting gravity, and even plain folks, angry and frustrated, do it: Whenever Arab terrorism shocks the world with the spilled blood of children, they suggest that only by addressing its 'root cause' can terrorism be stopped. Strangely, such concern is never shown for the roots of European terrorism, even though Italian, French, and German gangs have exacted a high toll in American lives and military morale. Nor does anyone seem to give a hoot about the origins of Irish, Basque, Sikh, and Korean terrorism...."

(Detroit News, 1/14)

ACID RAIN

Slow Progress on Acid Rain -- "The evidence that emissions cause acid rain, which poisons lakes and forests and causes billions of dollars in corrosion damage each year, is overwhelming. There is no mystery about the remedy: Plants must either burn low-sulfur coal or put in scrubbers to clean their smokestack emissions. That will be expensive, and the administration and Congress should have the courage to determine who should pay for it...."

(Hartford Courant, 1/15)

ACID RAIN (continued)

Fight Acid Rain -- "At long last the Reagan Administration may be backed into admitting that acid rain exists. A report by the President's own special representative considers acid rain a \$5-billion problem, calling for the Government and industry to split the bill for research on clean-coal technology. Although the report disappoints some environmentalists by its limited recommendations, its chief virtue should be to make acid rain the Federal priority that it deserves to be." (Miami Herald, 1/11)

An Agreement on Acid Rain -- "The group recommended that the U.S. immediately embark on a \$5 billion program to develop an efficient means of controlling and reducing acid rain emissions. Half the total cost would be paid by the federal government and half by industry. This seems a staggering cost at a time of \$200 billion deficits, and it will have to be considered along with all other programs as Congress and the administration attempt, or pretend to attempt, to meet the deficit reduction goals they set last year...." (Chicago Tribune, 1/15)

Acid Rain Makes a Comeback -- "The recommendations of the Lewis-Davis report should not be viewed as a reason to abandon state-sponsored research initiatives. Neither do they deserve to be tossed aside in Washington. The only thing lacking from a concerted national effort to reduce acid rain is Reagan's endorsement, withheld for lack of perfect knowledge. Now, even his own representative has told him, in clear and public terms, that the absence of perfection does not justify continuing obstruction. Perhaps the Lewis-Davis report will even revive the momentum behind acid-rain controls. On the acid-rain front, that alone would be encouraging." (Cleveland Plain Dealer, 1/14)

U.S.-VIETNAM

Vietnam's Own Quagmire -- "Washington has been quite content, until now, to let Vietnam bleed in Cambodia. But if Sino-Soviet ties are warming and the U.S. position in the Philippines is threatened, the United States might indeed find a better relationship with Vietnam to be in its interests. The United States long ago discarded its preoccupation with Vietnam itself. But it places great value on unhampered transit through the Straits of Malacca, Sunda and Lombok for rapid deployment of forces between the Pacific and the Indian Ocean. To attain this objective, putting aside wartime grievances with Hanoi might be helpful." (Baltimore Sun, 1/15)

NICARAGUA

Our Duty in Nicaragua -- "Reservations about the nature of the resistance kept many Americans from supporting it, but over time the distinctions between it and the ruling Sandinistas have become plain. It is unreasonable to expect the resistance to be pure. Even in this country, with its 200-year tradition of democracy, unsavory politicians have ascended to high office -- sometimes very high office. A great many Nicaraguans are willing to fight and die for freedom -- which is something they've never had before. Surely this country, the embodiment of freedom, has a duty to support them." (Washington Times, 1/15)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JANUARY 16, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Moscow Proposes Timetable For Nuclear Arms Ban -- Gorbachev proposed a 15-year timetable for banning nuclear weapons worldwide.

(Washington Post, Washington Times, AP, UPI)

Qaddafi Says Libya Will Prepare Arabs For Terror Missions -- Qaddafi abandoned completely the conciliatory tone toward the U.S. that he had used in interviews over the past week.

(Washington Post, Reuter)

NATIONAL NEWS

Blueprint Of First Cuts Issued Under Budget Act -- OMB provided details on how President Reagan and Congress have inflicted pain on some people while exempting others from the budget knife.

(Washington Post, Washington Times, AP)

Reagan Praises King On Adopted School Visit -- "I cried when President Reagan asked us to pray for Dr. King, said Nackia Carter, a second grader. "It broke my heart."

(Washington Post, Washington Times)

NETWORK NEWS (Wednesday Evening)

U.S.S.R. ARMS PROPOSAL -- The Soviets are out with yet another new proposal, one they say would knock superpower nuclear arsenals down to zero by the year 2000.

U.S./LIBYA -- Pentagon officials say two more Soviet warships have entered the Mediterranean.

KING HOLIDAY -- The President went to a Washington school and praised the man whose legislative goals he opposed.

'TO LEAVE A COMMITTED LIFE BEHIND'

"And in this speech at the Ebenezer Baptist Church, he said, '...I don't want a long funeral. And if you get somebody to deliver the eulogy, tell them not to talk too long. Just say that I was a drum major for justice. I was a drum major for righteousness. And all of the other shallow things will not matter. I won't have any money to leave behind.... I just want to leave a committed life behind.'"

(President Reagan, quoting Martin Luther King, Jr., during remarks to the Martin Luther King Elementary School, 1/15)

INTERNATIONAL NEWS

MOSCOW PROPOSES A TIMETABLE FOR NUCLEAR ARMS BAN Gorbachev Extends Testing Moratorium

MOSCOW -- Soviet leader Gorbachev Wednesday proposed a 15-year timetable for banning nuclear weapons worldwide and announced that the Soviet Union will extend its ban on nuclear tests for three months.

"We propose that we enter the third millennium without nuclear weapons, on the basis of mutually acceptable and strictly verifiable agreements," Gorbachev said in a 45-minute statement read by an evening news announcer on Soviet television. (Gary Lee, Washington Post, A1)

U.S. Aides Express Serious Interest

Surprised Reagan Administration officials expressed serious interest yesterday in the unusually comprehensive arms control proposals announced by Gorbachev on the eve of today's resumption of the nuclear and space arms negotiations in Geneva.

President Reagan, in a White House statement setting the tone for the U.S. response, welcomed Gorbachev's statement as appearing "at first glance ... constructive in some respects."

(Don Oberdorfer/Walter Pincus, Washington Post, A1)

Gorbachev Offers To Abolish All Nukes Within 15 Years As Arms Talks Resume

-- U.S. and Soviet arms negotiators begin their fourth round of talks today with an offer from Soviet leader Gorbachev to abolish nuclear weapons within 15 years.

However, a precondition of Gorbachev's three-stage proposal called for elimination of President Reagan's Strategic Defense Initiative, making it doubtful that it would ever be accepted by the United States.

(Michael Bonafield, Washington Times, A5)

U.S.-Soviet Arms Talks Resume After Dramatic Soviet Proposal

Terry Shroeder, spokesman for the U.S. negotiators in Geneva said it was not clear whether the Soviet team actually will present Gorbachev's plan at today's meeting, which opens the fourth round of arms talks in 10 months and the first since President Reagan and Gorbachev met last November in Geneva. (AP)

Gorbachev Plan To Ban The Bomb -- Gorbachev again called for an end to U.S. research into a "Star Wars" space-based anti-missile defense and warned that the Soviet Union would match any weapons developed by the United States for use in space. (UPI)

QADDAFI SAYS LIBYA WILL PREPARE ARABS FOR TERROR MISSIONS

TRIPOLI, Libya -- Libyan leader Muammar Qaddafi, stepping up his challenge to the Reagan Administration, declared publicly tonight that he will train and equip Arab guerrillas for "terrorist and suicide missions."

Qaddafi, readying his country for a possible U.S. or Israeli reaction, repeated a call for volunteer soldiers from all over the Arab world to join his armed forces.
(Christopher Dickey, Washington Post, A1)

Gaddafi Offers Training In 'Terrorist Tactics'

Gaddafi, refusing to bend to U.S. pressure over last month's Rome and Vienna airport attacks, has offered to train Palestinian and Arab guerrillas in terrorist tactics. Referring to Libyans and pro-Libyan Arab groups in his country, Gaddafi told thousands of youths at a rally in Tripoli last night: "They will be trained in terrorist and suicide missions."
(Reuter)

SHULTZ SAYS U.S. SHOULD STRIKE BACK

Secretary Shultz, taking on Secretary Weinberger and British Prime Minister Thatcher, said yesterday that the United States should strike back at terrorism and be prepared to use military force even without assurance of clear victory of total public support.

(Fred Hiatt, Washington Post, A1)

Shultz Goads Allies To Thwart Terrorists

The United States struck a considerably tougher stand on a military response to terrorism yesterday and told its fearful European allies to get off the fence. Secretary Shultz said Washington "cannot let the ambiguities of the terrorist threat reduce us to total impotence. A policy filled with so many qualifications and conditions ... would amount to a policy of paralysis."
(James Morrison, Washington Times, A1)

U.S. MAKES NEW BID FOR SANCTIONS

Deputy Secretary of State John Whitehead met Wednesday with President Reagan, then departed for Canada and Europe on a trip aimed at persuading U.S. allies that Libya was involved in terrorist attacks at airports in Rome and Vienna last month.

(Lou Cannon, Washington Post, A28)

JAPANESE, SOVIETS DISAGREE ON SDI

TOKYO -- Japan and the Soviet Union disagreed sharply on President Reagan's Strategic Defense Initiative yesterday, fresh evidence that Moscow is having a tough time trying to drive a wedge between the U.S. and its allies. Soviet Foreign Minister Shevardnadze, opening four days of talks here, warned that "Japan should consider where its own national interest lies on this SDI issue."

Foreign Minister Shintaro Abe snapped back, "Japan ... will make its own independent decision on SDI within the context of its security arrangement with the United States." (Washington Times, A1)

REBELS' BACKERS ON HILL PRESS AID ISSUE

Congressional supporters of the resistance movement to the Soviet occupation of Afghanistan, backed by outside lobbying groups, are pressuring the Reagan Administration to improve the effectiveness of its military aid to the guerrillas and end its ban on the delivery of the American-made arms, particularly anti-aircraft weapons.

(David Ottaway, Washington Post, A1)

CONTADORA PEACE EFFORTS REVIVED

GUATEMALA CITY -- In a flurry of diplomatic activity here, Central American nations endorsed three new initiatives aimed at reviving the region's moribund peace process, officials said today.

Foreign ministers of the five Central American countries formally renewed the Contadora peace talks, lifting a suspension declared in December. They did so by backing a document that also urged the U.S. to resume direct negotiations with Nicaragua's Sandinista government.

(Robert J. McCartney, Washington Post, A30)

REICH NAMED AS AMBASSADOR TO VENEZUELA

The White House yesterday nominated Otto Reich, currently its top salesman for U.S. policy in Central America, to be U.S. ambassador to Venezuela. He would replace George Landau, who left Venezuela last spring.

(Washington Post, A19)

TREASURY OFFICIAL CONTRADICTS MINISTER

A high Treasury official Wednesday contradicted West Germany's Economics Minister's assertion that the United States will seek an agreement by leading industrial nations this weekend on a coordinated effort to push interest rates down.

"There simply is not going to be a coordinated interest-rate reduction exercise," said the Treasury official, who spoke on condition that he not be identified.

(Hobart Rowen, Washington Post, E1)

ADMINISTRATION MAY OPPOSE JOINT EFFORT TO
LOWER INTEREST RATES

The Reagan Administration, which masterminded a multinational effort to drive the dollar down in value last September, may be on the verge of engineering a similar effort to reduce interest rates worldwide.

A West German official told reporters Wednesday that he had learned from Secretary Baker that the United States would propose a coordinated effort to lower interest rates when finance ministers of five leading industrialized nations meet this weekend. (AP)

EDITOR'S NOTES: 'Lack Of Training Hurts Guerrillas,' page A1 of the Washington Post.

-more-

NATIONAL NEWS

BLUEPRINT OF FIRST CUTS ISSUED UNDER BUDGET ACT

The first austerity blueprint under the new balanced-budget law was issued yesterday, showing that the automatic spending cuts triggered by a record-breaking \$220 billion deficit this year will slice widely but unevenly through the federal establishment, creating both winners and losers.

Among the winners this year are Reagan's missile defense program (the Strategic Defense Initiative) and Navy fixed-price aircraft contracts, both of which Reagan shielded from cuts. But the budget will slice widely into domestic programs ranging from agriculture to health and education.

(David Hoffman/Helen Dewar, Washington Post, A1)

Reagan OKs \$11.7 Billion In Mandated Budget Cuts

The Reagan Administration, faced with budget deficits soaring to new heights, will not attempt to avoid \$11.7 billion in spending cuts scheduled for March 1, the White House Budget chief said yesterday.

Alternatives have been discussed, but "I just don't think it's likely we'll see anything different," Budget Director James Miller III said at a White House briefing.

(Willis Witter, Washington Times, A2)

It's Time To Talk Turkey About Federal Red Ink; Huge Deficit Triggers Cuts -- The Gramm-Rudman deficit reduction law is moving from the talking stage to real spending cuts, with federal officials saying they delay space shuttle improvements, make college students dig a little deeper into their pockets and protect President Reagan's "Star Wars" by slashing other Pentagon programs.

(AP)

REAGAN PRAISES KING ON ADOPTED SCHOOL VISIT

President Reagan went to the Martin Luther King, Jr. Elementary School in Southeast Washington yesterday and marked the 57th anniversary of the slain civil rights leader's birth with praise for King and a story about a close friend who epitomized the power of nonviolence.

At the end of a 15-minute prepared speech, Reagan told the 300 students an impromptu story about William Franklin Burghardt, a black fellow student at Eureka College in Illinois who played center on the football team while Reagan was a starting guard.

(Edward Sargent, Washington Post, C1)

Reagan Tells Black Students U.S. Is Not Free Of Prejudice

President Reagan urged black elementary school students yesterday to aspire to the presidency, but he warned them that the United States is not yet free of racial prejudice.

"The dream I have for each of you is ... when you're all grown up, you'll all come back here and visit on Martin Luther King, Jr.'s birthday and maybe someone up here ... will introduce the next speaker with the words, 'And now, the president of the United States,'" Mr. Reagan said, speaking from a small auditorium stage.

"And they'll turn, and they'll be pointing at you, because you'll be the president.

(Mary Belcher, Washington Times, A3)

-more-

KING MEMORY DISTORTED, JACKSON SAYS IN ATLANTA

... The Rev. Jesse Jackson also lambasted President Reagan for his visit this morning to a Washington elementary school for a commemoration of what would have been King's 57th birthday.

"Today President Reagan went over to a school and held up little black children in his hands, rubbed his eyes to look tearful," Jackson said, although witnesses at the Southeast Washington school said the President did not lift any of the children.

But, he added, bringing the crowd roaring to its feet, "With all of his power ... even America will never have a national holiday named after Ronald Reagan."

(Kathy Sawyer, Washington Post, A10)

Realize King's Goals, Jackson Urges

Mr. Jackson, a former lieutenant of King, urged the packed audience to take up "the challenge to protect the integrity of Dr. King's legacy" and celebrate his birthday as he would have done: "He'd knock on the door of justice. He'd feed the hungry. He'd empower the locked out."

(Isaiah Poole, Washington Times, A3)

KING CITED IN DEFENSE OF END TO HIRING GOALS

Attorney General Meese said yesterday that he was "trying to carry out the original intent of the civil rights movement" in proposing to eliminate minority hiring goals for government contractors.

Speaking at a news conference on King's birthday, Meese invoked the slain civil rights leader's name in defending his proposal on affirmative action.

Meese added that "one of the things Dr. King said in his famous 'I have a dream' speech was that he foresaw a colorblind society, and this is what we're very much dedicated to."

(Howard Kurtz, Washington Post, A7)

REAGAN EXEMPTS 'STAR WARS' PERSONNEL FROM CUTS

President Reagan exempted his "Star Wars" defense program and the 2.1 million people now in military uniforms from the 4.9 percent spending cuts to be imposed to meet requirements of the Gramm-Rudman-Hollings legislation, Defense Department officials said yesterday.

(George Wilson, Washington Post, A9)

WHITE HOUSE DISAVOWS OFFICIAL'S CLAIM THAT PENTAGON BUDGET COULD BE PADDED

An embarrassed Reagan Administration is disavowing a suggestion by one of its own top officials that Pentagon budgets will be padded to protect pet programs from threatened budget cuts. The suggestion, made at a news briefing staged by the White House, sent officials scrambling Wednesday to repair the damage.

"I don't know who said that but it's a ridiculous and absurd statement to make," said Robert Helm, the Pentagon's comptroller. (AP)

BAKER SAYS ADMINISTRATION WILLING TO BARGAIN ON STATE, LOCAL TAX DEDUCTION

WASHINGTON -- The Reagan Administration is willing to negotiate on its proposal to repeal the deduction for state and local taxes but will insist that any tax-overhaul bill have lower rates and cost business less than does a plan approved by the House.

And if anyone expects President Reagan to do an about-face and support a deficit-reduction tax increase, forget it: "You can bet the farm he won't," Secretary Baker said Wednesday, adding the same applies to any special levy on energy. (AP)

WHITE HOUSE ASKS COURT TO BACK 'BABY DOE' RULE

The Reagan Administration asked the Supreme Court Wednesday to uphold so-called "Baby Doe" rules that would federal investigations power to intervene directly in decisions about treatment of severely handicapped infants. A decision is expected by July. (Al Kamen, Washington Post, A3)

Supreme Court Hears 'Baby Doe' Arguments

The Reagan Administration contends that the law clearly was intended to extend to federally assisted health care providers. Opponents argue that the act applies only to qualifications for housing or vocational training and that Congress did not intend to supplant a physician's traditional role of treating a patient.

(David Sellers, Washington Times, A2)

FED TO TAKE UP TOUGHER PAC RULES

The legal staff of the Federal Election Commission has issued a tough interpretation of campaign finance laws that would severely restrict the use of special PACs as backdoor mechanisms to pay for unannounced presidential campaigns. The rules, if announced by the full commission, would provide grounds for challenging the "multicandidate" PACs by such prospective presidential candidates such as Vice President Bush, Rep. Gephardt, Rep. Kemp and Sen. Dole.

(Thomas Edsall, Washington Post, A4)

WHITE HOUSE-UNION TIES TERMED NOT IMPOPER

Attorney General Meese said yesterday that he saw nothing improper in the Reagan Administration's ties to the Teamsters union and that neither he nor any other Administration official had done anything "to assist anyone involved with organized crime."

(George Lardner/Mary Thornton, Washington Post, A6)

Incidental Contact With Presser Not Compromising, Meese Says

Attorney General Meese, referring to his past contacts with Teamsters Union President Jackie Presser, denied Wednesday that he -- or to his knowledge -- any members of the Administration -- ever assisted anyone who might be involved with organized crime.

(John McCaslin, Washington Times, A3)

SYNFUELS GAS CONTRACTS RULED VALID

A federal judge has ruled that four of the energy companies that built and then abandoned the Great Plains Gasification project, the nation's largest synthetic-fuels plant, must honor their contracts to buy gas from the plant at more than three times the market price. The decision was a major victory for the Energy Department, which took over the \$2.1 billion plant last summer when the companies defaulted on their federally guaranteed loan.

(Washington Post, A7)

COLUMBIA AND CREW ARE COMING HOME

CAPE CANAVERAL -- Columbia's astronauts, thanked for "a great flight," shut down their experiments a day early Wednesday and packed up for landing Thursday morning, the first descent to Florida in nine months.

(UPI)

TEXTBOOKS TOO CRITICAL OF U.S., OFFICIAL SAYS

Under Secretary of Education Gary Bauer last night criticized American high school textbooks as often being "hyper-critical of American institutions" while "glossing over" the misdeeds of Communist governments.

(Lawrence Feinberg, Washington Post, A19)

'Tell The Truth,' Bauer Tells Textbook Printers

Mr. Bauer said he was not advocating that American textbooks include "indoctrination masquerading as education," but they also should not read "as if they were written by neutrals in the struggle between freedom and slavery."

(Washington Times, A4)

Education Official: History Texts Too Soft On Communism

One textbook, he said, "seems to suffer from amnesia," about such events as "the great man-made famine in the Soviet Union in 1932-33 in which the Soviet Union used food as a weapon to kill more than 7 million men, women and children in the Ukraine. Nor is there any mention of the millions that died in China in the name of communism ... nor of the genocide that took place in Cambodia after the communist takeover. (AP)

PRESIDENT DUE FOR FOLLOW-UP PHYSICAL EXAM

President Reagan, who underwent surgery six months ago for removal of a cancerous tumor from his colon, will return to Bethesda Naval Hospital on Friday for his first follow-up examination to check for any new growths in the bowel. (AP story, Washington Post, A28)

Reagan To Receive Follow-Up Exam

The White House said Mr. Reagan, 77, will be given blood and X-Ray tests and a colonoscopic examination to determine whether he is now free of cancer in his intestinal tract. (Washington Times, A2)

EDITOR'S NOTES: "'Closest Friend" Was Reagan's Teammate,' Washington Post A4, 'Gramm-Rudman's Impact,' page C2, 'U.S. Farm Population Shows Decline,' page A19 of the Washington Post.

-End of A-Section-

NETWORK NEWS SUMMARY

U.S.S.R. ARMS PROPOSAL

CBS's Dan Rather: The night before a new round of U.S.-Soviet arms control talks in Geneva, the first since the Reagan-Gorbachev summit, the Soviets are out tonight with yet another new proposal, one they say would knock the superpower nuclear arsenals down to zero by the year 2000. And President Reagan's first glance public reaction is that parts of this new Gorbachev offer could be constructive.

CBS's Lesley Stahl: The announcement first came from the anchorman on the evening news in Moscow, that the Soviets were extending their unilateral moratorium on nuclear testing for another three months, and that Soviet leader Gorbachev has a new arms control proposal "to rid the earth of all nuclear weapons by the end of the 20th century." (Richard Lugar: "These are breath-taking concepts and they are worthwhile concepts. But I suppose at this point it takes much less energy to offer a constructive general proposal than to negotiate the details.")

Specifically, the Gorbachev proposal calls for nuclear reductions in three stages beginning with a 50% cut in long-range missiles and total elimination of medium-range missiles within eight years. But as with previous Soviet offers, this one is contingent on renunciation by both sides of space weapons or Star Wars.

(Dimitri Simes: "Propaganda and serious negotiations just don't work together very well. Mr. Gorbachev has to make the choice, and as long as his choice is propaganda, questions have to be raised about his seriousness and indeed about his sincerity.")

The Gorbachev proposal came as U.S. negotiators arrived in Geneva for tomorrow's resumption of the arms control talks. Gorbachev sent President Reagan the details of his proposal in a letter that arrived at the White House shortly before the announcement on Moscow TV, a public airing that miffed some Administration officials, although aides here say the President is taking the offer seriously. Mr. Reagan issued a statement tonight saying he welcomes the new proposal, pointing out that he himself called for a total abolition of nuclear weapons, the zero option, in 1983. (CBS-Lead)

ABC's Peter Jennings: On the eve of more arms control talks between the United States and the Soviet Union in Geneva, the Soviet leader, Mikhail Gorbachev, has made what looks like a dramatic proposal. A plan to eliminate all nuclear weapons by the year 2000. The White House said today that President Reagan has already made a similar offer, and thus if it all sounds too good to be true, it probably is.

ABC's Walter Rogers: Tonight's Soviet news came on with no prior hint of a major announcement, but then the senior anchorman began reading the statement.... The Soviet leader proposed a three point plan. First, within the next five to eight years, both superpowers would reduce by half their nuclear weapons systems capable of reaching the other's territory.

Rogers continues: Presumably, this would mean the U.S. would have to start cutting Pershing and Cruise missiles in Europe before the Soviets made cuts in their medium-range missiles there. But, for the first time the Soviets did not attempt to tie a reduction of British and French missiles to the start of U.S.-Soviet disarmament. Second, by 1990, the United States and the Soviet Union would then agree to withdraw all their intermediate range ballistic and Cruise missiles from Europe. Other nuclear powers would then freeze their nuclear arsenals and eventually phase them out. By 1995, phase three of the Gorbachev plan would begin the elimination of everything that was left over in strategic nuclear arsenals, as well as tactical nuclear weapons. But the Soviet announcer said the Gorbachev nuclear disarmament package hinges on Star Wars.... In the meantime, Mr. Gorbachev announced he's unilaterally extending for another three months the Soviet moratorium on underground nuclear tests and is urging President Reagan to halt all American nuclear explosions.

ABC's Sam Donaldson: This is Sam Donaldson at the White House, where even before Gorbachev's plan was publicized, the President's press secretary relayed Mr. Reagan's willingness to listen to new disarmament proposals.

(TV coverage of Larry Speakes: "U.S. negotiators are ready for tough, but honest bargaining. The challenge is formidable, but they have the flexibility to explore any promising avenues for agreement.") In fact, Gorbachev outlined his plan to Mr. Reagan in a personal letter received at the White House today. In a statement, the President welcomed the Gorbachev initiative and said that while many elements cause us serious concern, there are others that at first glance may be constructive. One obvious problem, the first step of a 50% reduction in missiles that can reach each other's territory, would seem to require a cutback of U.S. missiles based in Europe while Soviet missiles trained on Europe would be unaffected. Another problem, Gorbachev seems to say his plan can't go into effect until the U.S. Star Wars missile defense program is dropped, and the President doesn't want to do that. As to the three month extension of a nuclear test moratorium, the U.S. still won't join on the grounds that it's way behind on testing and must catch up first. Still, a Senate arms control expert is encouraged by what he sees.

(Sen. John Warner, R.-VA: "The President, nearly three years ago, established a goal, the elimination of nuclear weapons. Now Mr. Gorbachev has joined and established a timetable.")

Neither side wants to be the first to break the "spirit of Geneva" momentum, so it might have been expected that the President would publicly welcome Gorbachev's proposal. Still, there's a great deal of skepticism here, and one well known Administration hard-liner has already privately dubbed it nothing but propaganda.

Jennings: Joining us tonight from the State Department is the Secretary of State, George Shultz. Mr. Secretary, the President says some of this is constructive. Will you be specific?

Shultz: It's constructive to call for the elimination of all nuclear weapons. The President has had that position, and in many respects the United States has had that position for a long time going way back to the Beirut plan.

Jennings: As we understand it, one stage would include the elimination of all intermediate-range nuclear weapons in the European theater. Is that good?

Shultz: It was the President's proposal, you remember, for intermediate-range nuclear weapons in Europe, that they be eliminated, the zero-zero option. Now of course we have always conceived of this on a global basis, not just Europe. And the question always is what does "eliminate" mean? Does it mean that you put them in garages? We think they should be destroyed, and the Asian dimension has to be taken into account. But the point is not to get into a discussion of a lot of the detailed ins and outs because there are lots of booby traps, lots of problems in this proposal, but it is another step in a process that we hope is becoming increasingly instructive. And the extent that the President thought that we want to work toward the elimination of all nuclear missiles and weapons is being implemented, that's all for the good.

Jennings: Mr. Gorbachev also says, as we understand it, that the Soviets will agree to any verification measures. Does that take care of your concern about what happens to Soviet SS-20s in Europe?

Shultz: Well, of course there would first have to be an agreement about what happens to them and if they are going to be eliminated. Obviously we think that must mean they are to be destroyed, and that is the implication. So you have to have a means of verifying that, and in Mr. Gorbachev's proposal, he addresses that issue and that's also constructive.

Jennings: Mr. Gorbachev does not this time appear to insist on counting French and British nuclear missiles in the Western totals. Is that good?

Shultz: The question of how British and French systems are handled, and of course Chinese systems, is something to be worked out. And of course the British and the French will have to react to that, we can't speak for them.

Jennings: You sound ambiguous.

Shultz: No, I'm not meaning to be ambiguous at all. We favor the elimination of all nuclear weapons, so we welcome this proposal. It is a big, detailed, complicated subject, and so we will want to study it carefully and negotiate about it in Geneva. As a matter of fact, if anything, we could have wished that this proposal could have been made quietly and negotiated about, but it is in the public domain and so that's fine, and we will give it an initial response which is to welcome it. As a matter of fact, I had a lengthy discussion with the President about it today, and perhaps somewhat jocularly, I asked him what he thought, he said why wait until the end of the century?

Jennings: Mr. Secretary, thank you for joining us in the public domain this evening. (ABC-Lead)

NBC's Tom Brokaw: Soviet leader Mikhail Gorbachev issued a dramatic challenge to the United States in Moscow tonight, a timetable that he put out for the elimination of all nuclear weapons. But the Gorbachev plan contains several major conditions the Reagan Administration rejected earlier. Still, President Reagan issued a statement pointing out that he had called for the elimination of nuclear weapons three years ago and welcomes this Soviet response.

NBC's Steve Hurst: Gorbachev's plan was announced on the Soviet evening news. The statement said there must be a total nuclear ban, otherwise the process of military rivalry will become an avalanche and any control over the course of events would be impossible. There are three stages in the Gorbachev proposal, first: A ban on President Reagan's Star Wars initiative, a 50% cut in strategic weapons, and the elimination of medium-range nuclear missiles in Europe. Second: After 1990, the other nuclear powers, France, Britain, and China, will join the process and there would be no weapon with a nuclear bomb capable of traveling more than 600 miles. Third: By 1995 every nuclear weapon will be ordered destroyed within five years, and beyond that there would be a ban on any new weapons technology. As a sweetener, this public relations minded Gorbachev extended his unilateral ban on nuclear testing for three more months. It would go on forever, he said, if Washington would join in. Gorbachev apparently wanted to make a major impact as Soviet and American negotiators gathered for the reopening of the Geneva arms talks tomorrow. It still depends on President Reagan abandoning Star Wars, a move the United States is not yet ready to make.

Brokaw: In his statement saying that he welcomed this proposal from Gorbachev, President Reagan also said there are parts of the plan that give him serious concern, others that appear to be constructive. NBC's Chief White House correspondent Chris Wallace -- What parts give the President some encouragement Chris?

Wallace: I think the best answer is they are sort of encouraged. Officials here are calling this a slick propaganda effort, but with a few interesting elements in it. Clearly unacceptable is Gorbachev's call for a ban on Star Wars and also that 50% cut in weapons because the Soviets want to include all of our missiles, but only some of theirs. On the other hand, they say that Gorbachev did break some new ground in the area of medium-range missiles in Europe, and that's what they are focusing on most tonight. Summing it up, one official here said there is a lot of icing on this cake, the question is how far down do we have to cut to get to the cake?

Brokaw: What about this timetable, is that a new point of departure for the talks that are now underway in Geneva?

Wallace: They really were taken by surprise today, and frankly they were a little bit put off by that. Officials here are complaining that a Gorbachev letter to the President was delivered to the White House only about an hour before the Soviets went public in Moscow, so they really don't know what to make of it and they are going to study it closely. The key point they are going to make tonight is that on many of the key issues, especially Star Wars and the question of an offense for defense trade, but the Soviets gave no real ground today.

(NBC-Lead)

U.S.-LIBYA

Rather: The Soviets, of course, continue their support for Libya, and while there may never be a military confrontation between the United States and the Libyans over the Rome and Vienna airport murders, some new military moves are being made. Pentagon officials say two more Soviet warships have entered the Mediterranean from the Black Sea.

Rather continues: That now makes a total of six Soviet warships and 22 auxiliary vessels now in the area, and the U.S. aircraft carrier Saratoga, accompanied by 3 warships, cruised through the Suez Canal today. The task force was dispatched from the Indian Ocean last week, it is now in the Mediterranean with another U.S. carrier group led by the U.S.S. Coral Sea. The object of all this maneuvering, Libya's Moammar Qaddafi, was talking tough again today to students and Palestinian leaders rallying in Tripoli, and in an interview with West German television. Asked whether he still intends to take his terror and murder campaign to the streets of the United States, Qaddafi said: "We will attack them in their own country. We will destroy the U.S. from within." Secretary Shultz threatened Qaddafi right back. In a speech to a Washington military policy conference, Shultz repeated a favorite theme, that the U.S. must be prepared to use military force to combat terrorism.

(TV coverage of Secretary Shultz: "To let ourselves be deterred by Qaddafi's threats from doing what is needed to stop him, will only establish in his mind and in the minds of other fanatics that the scheme has worked. State-supported terror will increase through our submission to it, not from our act of resistance.")

In a separate satellite interview with European journalists, Shultz spoke of another possible response to the Qaddafi threat, again urging reluctant European allies to join U.S. sanctions against Libya.

(NBC-3, ABC-2, CBS-2)

PRESIDENTIAL CHECKUP

Rather: President Reagan will go back to Bethesda Naval Hospital Friday and check in for what is being officially called a checkup, his first one specifically to follow-up on his colon cancer surgery this summer -- follow-up with an examination inside the President's colon. The doctors say that among other things, they will be looking for signs of any new growths there. The White House has had very little to say officially about President Reagan's medical conditions, either the colon cancer or the two other surgeries to remove skin cancer cells from Mr. Reagan's face. In each case, Presidential spokesmen have repeatedly said that Mr. Reagan feels fine and has no symptoms. They said so again today. It is not known how long exactly President Reagan will stay in the hospital after his entry this Friday. The colon examination requires fasting and other preparations, and pain killers and sedatives are standard for the patient during the test. There are said to be no plans for the President to turn over control of power, even temporarily, during this procedure. (CBS-4)

Brokaw: The White House also announced today that Mr. Reagan will return to Bethesda Naval Hospital on Friday for the first follow-up examination since cancer was removed from his colon last July. Friday's procedure to check for new growths was called routine. Mr. Reagan is described as feeling great. (NBC-6)

M.L.K., JR. BIRTHDAY

Rather reports President Reagan, who first opposed, and then reluctantly agreed to support making King's birthday a U.S. federal holiday, today was very much in evidence to celebrate the King birthday. President Reagan went to a Washington area school and praised the man whose legislative goals, including the landmark 1964 civil rights act, Mr. Reagan opposed.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.") (CBS-14)

Jennings reports in Washington President Reagan went a school named for Dr. King to offer his own tribute.

ABC's Lark McCarthy reports President Reagan turned teacher today at the Martin Luther King elementary school in Washington. He said the nation was different and better because of King's life.

(TV coverage of the President: "He was a great man who wrested justice from the heart of a great country.")

Mr. Reagan said he had a dream that one day a student from this school might return as President. While honoring King, Mr. Reagan didn't mention that he had opposed the new federal holiday. He praised King as a man who made the country freer.

(TV coverage of the President: "It's not a perfect place, we still have a long way to go, there is unfinished business and we can't rest until all prejudice is gone forever.") (ABC-6)

Brokaw: The first observance of the national holiday honoring Martin

Luther King, Jr. won't come until next Monday, but the civil rights leader was saluted by President Reagan today. This was the 57th anniversary of Dr. King's birth. The President went to a largely black grade school named for Dr. King and he spoke to the children about what the man did for America. The President's words raised some questions about what he has been doing recently.

NBC's Andrea Mitchell: Martin Luther King, Jr. was eulogized by President Reagan today, who also hailed the national celebration of Dr. King's birth.

(TV coverage of the President: "Our country is different because Martin Luther King, Jr. made it better by the way he lived his life, and that's why Dr. King's birthday is now a national holiday for everyone in the country, because his contributions benefitted all Americans.")

But Mr. Reagan was a reluctant convert to declaring a national holiday for the civil rights leader.

(TV coverage of the President: "We could have an awful lot of holidays if we start down that road.")

And in the past, when asked about right wing suggestions that Dr. King was a communist sympathizer, the President did not defend him.

(TV coverage of the President: "We'll know in about 35 years, won't we?")

Mitchell continues: In other words, when Dr. King's FBI file can be made public. The Reagan record on civil rights is controversial. For months he opposed extending the voting rights act. He tried to give tax exempt status to schools that discriminate. He kicked civil rights activists off the civil rights commission.

(Ralph Neas: "Led by the Department of Justice, the Reagan Administration has seized every opportunity to weaken virtually every civil rights law passed over the last two decades." Melvin Bradley: "Every administration has made mistakes, okay. But if you'll look at our record, our record on civil rights is probably better than most President's, that is a fact.")

Whether or not the record bears that out, recent polls show a sharp increase in black support for the President, past critics believe because under pressure, Mr. Reagan has compromised on some issues important to blacks, such as the voting rights act and the national holiday for Dr. King.

(Andrew Young: "I've been amazed at the way he's opposed things and yet come around to see to it that they happen.")

But the President now faces a new test, whether to agree with Attorney General Meese and try to wipe out minority hiring requirements for federal contractors. A meeting on that issue scheduled for tomorrow has just been cancelled, delayed until after the celebration of Martin Luther King, Jr.'s birthday. (NBC-5)

BABY DOE CASE

Brokaw: The U.S. Supreme Court heard arguments today in the so-called "Baby Doe" case. It is a challenge to the Reagan Administration's demand to regulate the care of severely deformed newborn infants and question parental decisions to let such children die. The lawyer for the American Medical Association argued that federal review of such decisions is, in his words, highly intrusive. But Assistant Attorney General Charles Cooper, speaking for the Administration, told the court that such regulation is justified under federal laws protecting the handicapped. (NBC-7, CBS-5)

ANTITRUST LAWS

Rather: President Reagan has approved and will soon ask Congress to approve the biggest rollback in decades in this nation's antitrust laws. President Reagan's spokesman says the purpose is to make U.S. business and industry more competitive worldwide. Among the changes reportedly being sought, a five year exemption from antitrust laws for acquisition and mergers in certain industries, and making it harder for the courts to block all kinds of mergers in the first place. (CBS-12)

BUDGET

Rather reports it's official today. The new federal budget balancing act President Reagan wanted and that Congress passed, will require federal spending cuts by the billions this year alone. The cuts are automatically called for in this new law. The hope, of course, is reduction of the federal deficit. (NBC-11, ABC-4, CBS-3)

EDITORIALS/COLUMNISTS

U.S.-LIBYA

Making the case against Khadafy -- "The see-no-evil attitude of Italy, France, Austria, West Germany and other European democracies is a shocking commentary on the spinelessness of the West in response to a brutal campaign of terrorism. Especially Italy and Austria, whose coddling attitude toward Khadafy was rewarded by the selection of Italian and Austrian airports for the grenade and machine-gun attacks two days after Christmas.... President Reagan's decision to tighten the economic screws on Libya is proper and overdue -- but it won't work until a reluctant Western Europe sheds its illusions about Khadafy as well."

(Seattle Post-Intelligencer, 1/8)

Take That! -- "Our president really told off that Libyan guy, huh? Moammar Khadafy hasn't had a bad couple of weeks, though. Actually, with Ronald Reagan as his publicity agent, he's become a world superstar, a sizeable achievement for a guy who rules a nation distinguished mostly for Pleistocene ineptitude.... The president's outrage was no doubt genuine, his anger real. But you'd think a man who's played all those nice guys in all those movies would remember one thing about acting: The bad guy generally has the best part."

(Philadelphia Daily News, 1/14)

A reason for restraint -- "What our government is doing is showing respect for the traditional doctrine of blockade as it is understood in international law, and that is a wise thing to do if we intend to invoke the same doctrine to stop trade with Libya. The United States may not be planning to blockade Libya, but it's something to think about, and the restraint in the Persian Gulf is a necessary precedent for any future U.S. action along that line."

(Atlanta Journal, 1/14)

The 'Roots' of Terrorism -- "PLO apologists do it as a matter of course, fair-minded, well-meaning pundits do it with fitting gravity, and even plain folks, angry and frustrated, do it: Whenever Arab terrorism shocks the world with the spilled blood of children, they suggest that only by addressing its 'root cause' can terrorism be stopped. Strangely, such concern is never shown for the roots of European terrorism, even though Italian, French, and German gangs have exacted a high toll in American lives and military morale. Nor does anyone seem to give a hoot about the origins of Irish, Basque, Sikh, and Korean terrorism...."

(Detroit News, 1/14)

ACID RAIN

Slow Progress on Acid Rain -- "The evidence that emissions cause acid rain, which poisons lakes and forests and causes billions of dollars in corrosion damage each year, is overwhelming. There is no mystery about the remedy: Plants must either burn low-sulfur coal or put in scrubbers to clean their smokestack emissions. That will be expensive, and the administration and Congress should have the courage to determine who should pay for it...."

(Hartford Courant, 1/15)

ACID RAIN (continued)

Fight Acid Rain -- "At long last the Reagan Administration may be backed into admitting that acid rain exists. A report by the President's own special representative considers acid rain a \$5-billion problem, calling for the Government and industry to split the bill for research on clean-coal technology. Although the report disappoints some environmentalists by its limited recommendations, its chief virtue should be to make acid rain the Federal priority that it deserves to be." (Miami Herald, 1/11)

An Agreement on Acid Rain -- "The group recommended that the U.S. immediately embark on a \$5 billion program to develop an efficient means of controlling and reducing acid rain emissions. Half the total cost would be paid by the federal government and half by industry. This seems a staggering cost at a time of \$200 billion deficits, and it will have to be considered along with all other programs as Congress and the administration attempt, or pretend to attempt, to meet the deficit reduction goals they set last year...." (Chicago Tribune, 1/15)

Acid Rain Makes a Comeback -- "The recommendations of the Lewis-Davis report should not be viewed as a reason to abandon state-sponsored research initiatives. Neither do they deserve to be tossed aside in Washington. The only thing lacking from a concerted national effort to reduce acid rain is Reagan's endorsement, withheld for lack of perfect knowledge. Now, even his own representative has told him, in clear and public terms, that the absence of perfection does not justify continuing obstruction. Perhaps the Lewis-Davis report will even revive the momentum behind acid-rain controls. On the acid-rain front, that alone would be encouraging." (Cleveland Plain Dealer, 1/14)

U.S.-VIETNAM

Vietnam's Own Quagmire -- "Washington has been quite content, until now, to let Vietnam bleed in Cambodia. But if Sino-Soviet ties are warming and the U.S. position in the Philippines is threatened, the United States might indeed find a better relationship with Vietnam to be in its interests. The United States long ago discarded its preoccupation with Vietnam itself. But it places great value on unhampered transit through the Straits of Malacca, Sunda and Lombok for rapid deployment of forces between the Pacific and the Indian Ocean. To attain this objective, putting aside wartime grievances with Hanoi might be helpful." (Baltimore Sun, 1/15)

NICARAGUA

Our Duty in Nicaragua -- "Reservations about the nature of the resistance kept many Americans from supporting it, but over time the distinctions between it and the ruling Sandinistas have become plain. It is unreasonable to expect the resistance to be pure. Even in this country, with its 200-year tradition of democracy, unsavory politicians have ascended to high office -- sometimes very high office. A great many Nicaraguans are willing to fight and die for freedom -- which is something they've never had before. Surely this country, the embodiment of freedom, has a duty to support them." (Washington Times, 1/15)