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News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, APRIL 23, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Libya/Reporters -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately. (Washington Times, AP)

17 Charged In Plot To Sell Arms To Iran -- Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs. (Washington Post, Washington Times)

NATIONAL NEWS

Reagan To Call For Repeal Of Windfall Profits Tax On Oil -- President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages. (Washington Post, AP)

NETWORK NEWS (Tuesday Evening)

U.S./LIBYA -- Qaddafi today called President Reagan a new Nazi for his raids on Libya.

BRITAIN/LIBYA -- Across Britain tonight 21 Libyans are behind bars and are about to be deported.

CONSUMER PRICES -- The Labor Department indicated that consumer prices in March fell 0.4% for the second straight month.



"They've done it again! They misquoted my no comment!"

INTERNATIONAL NEWS

LIBYA/REPORTERS

TRIPOLI, Libya -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately.

The word came from junior ministry officials at the Tripoli hotel where about 250 Western journalists were staying. Reporters were trying to contact higher officials to confirm that they were being ordered to leave.

A junior Libyan official at the hotel confirmed to the Associated Press that Western reporters were being ordered out. (AP)

Your Mission Is Over, Libya Tells Press Corps

TRIPOLI, Libya -- "Your mission is finished," said Information Minister Mohammed Sharif Addin when asked last night if foreign journalists could see wreckage of two American aircraft that the Soviet Union said were shot down by the Libyans.

Addin had come to the Al Kabir Hotel to thank the 300 or so foreign journalists who, for the last few days, have been directed and escorted around Tripoli and Benghazi to view damage and casualties from last week's raid by U.S. aircraft. (Peter Almond, Washington Times, A7)

BRITAIN DEPORTS 12 LIBYANS

LONDON -- Britain today ordered the deportation of 21 Libyan students described as threats to national security, and West Germany and Denmark said they would sharply reduce the size of Libyan diplomatic missions to their countries.

British officials said that the 21 Libyans, who were picked up in early-morning police raids throughout the country, were being detained until they could be deported, probably to Tripoli later this week.

(Karen DeYoung, Washington Post, A1)

Thatcher Under Fire

LONDON -- Prime Minister Thatcher came under renewed attack for supporting the U.S. raid on Libya because Britain apparently had no say over the weapons U.S. planes carried on the bombing mission.

A string of public opinion polls showed about two-thirds of the British public disapproved of the U.S. raid on Libya and Britain's support role. (John Jones, UPI)

IMPACT OF U.S. STRIKE IS MURKY

TRIPOLI -- A week ago this morning, for eight explosive minutes in the dark hours before dawn, the Reagan Administration tried to change the face of Libya.

But seven days later the face remains the same: Col. Qaddafi.

(Christopher Dickey, News Analysis, Washington Post, A26)

CHINA ASSAILS U.S. AIR STRIKE BUT PEKING RESIDENTS LAUD IT

PEKING -- Although the Chinese government has condemned last week's U.S. attack on Libya, some residents of Peking have quietly applauded the action because they see in Col. Qaddafi the same kind of personality cult that surrounded the late chairman Mao Tse-tung.

(Daniel Southerland, Washington Post, A26)

SOVIETS ASSERT 5 PLANES LOST IN U.S. RAID

MOSCOW -- The Soviet Union today said the U.S. military lost five planes in its bombing raid on Libya last week, and accused the Reagan Administration of misrepresenting the damage it suffered.

[In Washington, Robert Sims said, "nothing to it," when asked about the Soviet claim. Sims also said the U.S. had no evidence to support published reports that the F111 with its crew members inside had been raised from the sea bottom and shipped to the Soviet Union.]

(Gary Lee, Washington Post, A26)

TEARFUL AMERICANS LEAVE W. BEIRUT

BEIRUT -- In a scene that captured both the chaos and pathos of this divided city, 10 tearful Americans were evacuated from Moslem West Beirut today to the relative safety of the city's Christian sector.

"They are all crying. It's incredible. We're trying to leave [Lebanon] and they want to stay," said one grinning militiaman barring reporters from the compound.

(Nora Boustany, Washington Post, A1)

U.S. INDICTS 17 IN PLOT TO SELL \$2 BILLION IN WEAPONS TO IRAN

Seventeen people, including a retired Israeli general, were indicted yesterday in New York on federal charges of conspiring to sell Iran more than \$2 billion worth of American weapons -- including missiles, helicopters, tanks and fighter jets.

(Mary Thornton, Washington Post, A1)

17 Charged In Plot To Sell Arms To Iran

Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs.

(John McCaslin, Washington Times, A1)

PRESIDENT VOWS AID, CALLING '80s DECADE OF FREEDOM FIGHTERS

President Reagan last night declared the 1980s "the decade of freedom fighters," and said "the Nicaraguan freedom fighters will get the help they need...and soon."

"We've been talking about the idea of freedom, about expanding its frontiers, since the beginning of this Administration, so no one should be surprised that our policies and programs have followed suit," he said.

(Mary Belcher, Washington Times, A2)

CANADA TRADE DISAPPOINTS NICARAGUANS

TORONTO -- When President Reagan's economic embargo forced Nicaraguan trade officials to shut down operations in the U.S., the Canadian government unhesitatingly allowed them to resettle in a quiet suburb of this city.

Far from finding new markets here to make up for the termination of the more than \$300 million a year two-way trading relationship with the U.S., Nicaragua has seen a steep drop in its trade with Canada.

(Herbert Denton, Washington Post, A25)

CANADA TALKS IN DOUBT AS SENATE PANEL HEADS FOR SHOWDOWN

The Reagan Administration, under harsh attack by Senate critics of its trade policy, is scrambling to salvage a plan to begin market-opening negotiations with Canada.

A showdown on the Canadian negotiations issue, closely watched in the financial community, comes today when the Senate Finance Committee will be asked to vote down the Administration's plan.

Robert Packwood postponed such a vote set for Tuesday when the Administration plan appeared headed for defeat at the hands of critics led by Sen. John Danforth.

(Mike Robinson, AP)

REAGAN TO CALL AQUINO AS WELL AS MARCOS

President Reagan intends to telephone President Aquino this week to wish her well and discuss the prospective \$150 million U.S. aid package for the Philippines, a senior White House official said yesterday.

Larry Speakes said that such a call is "a good possibility," and also announced that Reagan would meet with Vice President Laurel in Bali during his forthcoming trip to Indonesia and Japan.

(Washington Post, A29)

JCS CHAIRMAN WARNS OF SOVIET COMMITMENT TO USE OF "RAW POWER"

The Soviet Union is committed to the use of "raw power" in its relations with other nations and the Soviet military buildup, "on sheer momentum alone, will go to the end of the century," the chairman of the Joint Chiefs of Staff said yesterday. Adm. William Crowe said the Soviet buildup "is unprecedented in world history."

(Walter Andrews, Washington Times, A3)

U.S. TESTING ALLIES' SENTIMENT ON A MIDEAST "MARSHALL PLAN"

The U.S. is taking "soundings" among its allies about prospects for a major economic aid packaged for the Middle East and is expected to push the idea at the Tokyo economic summit in two weeks, a senior White House official said yesterday.

"We think it is a good idea if it can be pushed," the official added. "But it's certainly something that has to be shared -- we can't do it all ourselves." (David Hoffman, Washington Post, A29)

SOVIET ALLIES WARY OF CHANGE

EAST BERLIN -- A six-day visit here by Mikhail Gorbachev has underlined the growing contrast between the economic and political changes Gorbachev has initiated in the Soviet Union and the stubborn adherence of Eastern Europe's aging leaders to orthodox styles and sometimes clashing agendas. (Jackson Diehl, Washington Post, A25)

SOVIET MEDIA ACKNOWLEDGE DRUG PROBLEM

MOSCOW -- Drug addiction, once barely recognized as a problem in the Soviet Union, is now emerging as a cause for public concern. (Celestine Bohlen, Washington Post, A25)

REAGAN LOOKING TO ECONOMIC SUMMIT WITH UPBEAT SPEECH ON FREE MARKETS

President Reagan, setting the stage for his 12-day trip to Asia, offers an upbeat view of free markets and the spread of democracy in an address today to the U.S. Chamber of Commerce.

In what the White House has billed as a major speech in advance of the President's trip to the economic summit in Tokyo, Reagan is expected to celebrate the expansion of democracy, particularly in Latin America, and laud the rebels he calls "freedom fighters" in Nicaragua, Angola, Afghanistan and Cambodia. (Michael Putzel, AP)

SHULTZ SAYS EUROPEAN AGRICULTURAL TRADE POLICIES "CREATING HAVOC"

Secretary Shultz accused the European Community Market of "creating havoc" in world markets with subsidies designed to fence out lower-priced agricultural products.

"It's a major, major problem," Shultz said Tuesday. "Somehow the other countries of the world have to get at it." He said Portugal and Spain had compounded the problem by moving to keep out \$1 billion of U.S. farm sales. "We are objecting very strenuously to that," Shultz said in a Voice of America interview. (Barry Schweid, AP)

NATIONAL NEWS

REAGAN PLEDGES RELIEF FOR OIL STATES

President Reagan tendered a goodwill gesture to hard-hit oil-producing states yesterday, promising to renew his efforts to repeal the windfall profits tax on American oil producers and to deregulate natural gas.

The President did not make any new proposals, but he underscored those he previously made, seeking to appear responsive to growing signs of economic dislocation in the oil states of the Southwest.

(David Hoffman, Washington Post, A14)

Reagan To Call For Repeal Of Windfall Profits Tax On Oil

President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages.

Reagan's decision to work for repeal of the tax and to win deregulation of the natural gas industry was announced Tuesday following meetings with oil state congressmen and governors. (Terence Hunt, AP)

NASA WASTED BILLIONS, FEDERAL AUDITS DISCLOSED

The space agency and its contractors have wasted billions of dollars on the shuttle and other space programs despite warning after warning by Government inspectors that such heavy losses were occurring through bad management procedures, Federal audits show.

Dr. James Fletcher, who headed the agency in the 1970's and whom President Reagan has nominated to lead it out of the post-accident era, is said by Federal auditors to have misled Congress and the public in the 1970's about essential costs of the shuttle's program.

(Stuart Diamond, New York Times, A1)

U.S. CONDUCTS NUCLEAR TEST, THIRD AND LARGEST OF THE YEAR

The U.S. yesterday exploded its third and largest underground nuclear weapons test this year, emphasizing the Reagan Administration's determination to continue testing in the face of repeated Soviet calls for a moratorium.

In Moscow, the Soviet news agency Tass said yesterday that the "nuclear explosions in Nevada dash a unique chance to make a real beginning to the disarmament process."

(Walter Pincus, Washington Post, A6)

RIGHTS OFFICIAL HITS BACK AT CRITICS IN CONGRESS

Morris Abram, vice chairman of the U.S. Commission on Civil Rights, castigated a House subcommittee chairman and the GAO yesterday for a critical audit that he called "part of a larger effort to discredit the commission because our ideas are unacceptable."

Abram criticized Rep. Don Edwards (D-Calif.), who requested the audit. And Abram said the GAO had relied on "innuendo" in its "continuing harassment" of the commission.

(Howard Kurtz, Washington Post, A4)

HILL BUDGET ESTIMATES ARE WRONG, MILLER SAYS

OMB Director Miller suggested yesterday that Congress could avoid raising taxes or cutting defense spending if it "corrects" some of the spending and economic estimates in its budget assumptions for fiscal 1987.

As a "contingency," he added, Congress could make additional domestic spending cuts in August if it appears that the target cannot be reached otherwise.

(Helen Dewar, Washington Post, A9)

Budget Director Says Congress' Budget Figures Are Wrong

James Miller says legislators are wrong to blame President Reagan's insistence on boosting military spending without a tax hike for the budget impasse between the White House and Congress.

"When they tell you there ain't no way to go forward if they take seriously the President's notion that he's not going to accept defense slashing or a tax increase, they're wrong," Miller told reporters invited to his office Tuesday.

(Cliff Haas, AP)

REBELLIOUS HOUSE BLOCKS SUPPLEMENTAL MONEY BILL

The House, led by rebellious Agriculture Committee members, temporarily blocked consideration yesterday of a \$1.7 billion supplemental appropriations bill caught in various parliamentary snarls for two weeks.

President Reagan has expressed strong objections to several provisions of the supplemental spending measure for the current fiscal year, and White House aides have said he will veto the bill if enacted in its present form.

(Edward Walsh, Washington Post, A10)

RETURN TO "SQUARE ONE" PLEDGED BY TAX-WRITER

Bob Packwood said yesterday that his committee will go back to "square one" to try salvaging tax revision and would even consider cutting tax breaks for his home state's cherished timber industry.

(Anne Swardson, Washington Post, A9)

OIL PULLS PRICES DOWN .4%

Tumbling oil prices drove overall retail prices down 0.4% in March for the second month in a row, giving consumers the biggest two-month price decline in 36 years, the Labor Department reported yesterday.

Larry Speakes hailed the "continuing good economic news," saying, "There will be more money in Americans' pockets to buy more goods and services at lower prices." (Jane Seaberry, Washington Post, A1)

Prices Drop 1.9 Percent In Steepest Fall Since '54

Retail prices fell for the first three months of 1986 at the fastest rate in 32 years, as OPEC's woes continued to cheer American consumers.

A decline in oil prices was almost entirely responsible for the deflation. Gasoline prices dropped 12 percent during the month. Excluding declines in oil prices, consumer prices actually rose 0.3 percent during the month. (Hugh Vickery, Washington Times, A1)

GRAMM-RUDMAN HASN'T MADE DRAMATIC DIFFERENCE ON HILL

Four months ago Congress passed the Gramm-Rudman-Hollings balanced-budget act amid predictions that it would dramatically alter the way government does business. Today the atmosphere on Capitol Hill is closer to business as usual.

The new budget act is not without impact. The Senate began debate Monday on a fiscal 1987 budget that meets the Gramm-Rudman-Hollings deficit target of \$144 billion, and departments and agencies are struggling to live with the 4.3% across-the-board cuts for fiscal 1986 that took effect on March 1. (Judith Havemann & Helen Dewar, Washington Post, A1)

STOCKMAN'S BOOK GOES ON THE SHELF

All of the top Administration officials who David Stockman skewered in his "kiss-and-tell" book get the chance to read it in full today, but the "star" of the tome -- President Reagan -- plans not to bother.

Reagan has dismissed the book. "I don't have much time for fiction," he told reporters shortly after the excerpts were published in Newsweek magazine and widely reported elsewhere. (Elaine Povich, UPI)

BRADY GUN CLAIM DISMISSED

A U.S. District judge here has dismissed claims by James Brady and retired D.C. police officer Thomas Delahanty against the firm that manufactured the .22-caliber pistol that John Hinckley used to shoot the men plus President Reagan and Secret Service Officer Timothy McCarthy, Brady's attorney said yesterday. (Washington Post, A14)

NETWORK NEWS SUMMARY

(Tuesday Evening, April 22, 1986)

U.S.-LIBYA

Brokaw reports Moammar Khadafy today called President Reagan a new Nazi for his raids on Libya. Also, letters released today sent by Peter Kilburn -- the American hostage found shot to death last week -- show that Kilburn often criticized U.S. foreign policy. He called President Reagan a cretin in one of the letters. In addition, Helmut Kohl today denied reports out of the Reagan Administration that he argued privately for stronger military action before last week's raids.

NBC's Chris Wallace: Ronald Reagan last week -- two hours after the U.S. raid -- stating that the use of American forces had made the world safer.

(President Reagan on April 14: "Today, we have done what we had to do. If necessary, we shall do it again.")

But eight days later, the impact of the U.S. action is no longer so clear-cut. Foreign policy experts drawing up a balance sheet are finding both pluses and minuses. The most direct effect, of course, was on Libya. The U.S. hoping to kill Khadafy or encourage a military revolt. Khadafy is alive and American officials say he is still in charge -- having crushed rebellious army units. Experts say the U.S. raid has made a military coup harder, not easier.

(Marius Deeb, Libyan expert: "It will probably suffer as a result of any action now, because it will be construed as being an agent of the U.S. or Western imperialism.")

Then there is the effect on the allies. The White House thinks the raid is pushing Europe to crack down on Libya -- although still not as much as the U.S. wants. But it has also sparked public outbreak -- especially against the only ally to back the raid, Margaret Thatcher -- which may cut into future support for the U.S. (James Schlesinger, former defense secretary: "It is more probable that Mrs. Thatcher will be brought down by the raid, then Col. Khadafy.")

Perhaps the most surprising impact was on the Soviets. The White House was shocked when they cancelled a foreign ministers meeting to set up a Reagan-Gorbachev summit. U.S. officials say Gorbachev is posturing for the Arabs, who have rallied around Khadafy. They don't know how long this will freeze U.S.-Soviet relations. The bottom line on this balance sheet is terrorism.

(Schlesinger: "The raid is not going to reduce terrorism in the short run. Indeed, we will see much more terrorism in the short run.")

If the U.S. is going to fight terrorism -- it's generally agreed the only way to stop it will be massive action, such as a blockade of Libya.

(Richard Nixon: "We cannot engage in the gradual escalation of which President Johnson tried in Vietnam. Gradual escalation does not work with fanatics.")

Officials here say the President has set his policy and is prepared to use force again. But there are still questions whether this is part of a long-term strategy or just isolated outbursts with mixed results.

(NBC-3)

CRUISE MISSILE

Rather: If President Reagan should ever order another attack on Libya -- how would it compare with last week's raid? Pentagon correspondent David Martin tells us the Defense Department planners might well decide to keep manned warplanes grounded and go a different route.

CBS's David Martin reports the Pentagon released pictures of a submarine-launched Tomahawk cruise missile destroying an aircraft parked 400 miles away.

(TV coverage: Film of the Tomahawk cruise missile.)

The Pentagon still refuses to acknowledge the damage done to the civilian areas.

(Robert Sims, Pentagon spokesman: "We just don't know what the cause of the damage was.") (ABC-3, CBS-4)

BEIRUT EVACUATION

Rather reports 10 Americans and several Europeans crossed into East Beirut. Diplomats say only 75 Westerners now remain in the Muslim sector. (ABC-2, CBS-2)

MEESE/WEBSTER

Brokaw: Attorney General Edwin Meese and FBI Director William Webster flew secretly to The Hague for a discussion of terrorism with their European counterparts. (NBC-2)

BRITAIN-LIBYA

CBS's Dan Rather: Across Britain tonight 21 Libyans who say they are students are behind bars and about to be deported.... British and West German officials have concluded -- that as expected -- two recent terror incidents were a family affair.

CBS's Tom Fenton reports from London that police are now convinced the Berlin disco bombing and the attempted El Al bombing were the work of two brothers. Israeli sources linked Hindawi and the attempted El Al bombing to the Syrians.

CBS's Richard Ross reports from Berlin police tonight are certain the man arrested here is Hindawi's brother -- who calls himself A. Hasi. The evidence found reportedly ties Hasi to the April 5 bombing of the LaBelle discotheque; as one of the at least four people under suspicion. Police won't say if they have uncovered links beyond that to Libya. (CBS-LEAD)

ABC's Pete Jennings: The government of Britain today took another major step against the government of Libya. There were signs today that some of the other European governments were going to get tougher on the Libyans as well.

ABC's Mike Lee reports from London that Britain is deporting a total of 21 Libyan students. The Spanish foreign minister is quoted as saying that Spain will be expelling an unspecified number of Libyans.

BRITAIN-LIBYA (continued)

Lee: (continued)

Also, Denmark, Belgium, The Netherlands and West Germany will be reducing the number of Libyan diplomats.

(Prime Minister Thatcher: "I hope that Europe will take more action -- it has taken some more action. Don't forget that Europe has refused for a very long time to take some of the actions that we ourselves have taken.")

ABC's John McWethy reports there was praise from the State Department for Britain and they focused on a new dimension of the terrorist problem.

(Bernard Kalb, State Department spokesman: "We are pleased that the United Kingdom has taken this action -- the expulsion of the 19 Libyans underscores the concern that non-official Libyans can be used for terrorist purposes.")

The so-called non-official Libyans are a source of growing concern to the Reagan Administration, both in the U.S. and elsewhere. There are some 3,000 Libyans in the U.S., half of them students. Outside the U.S., concern is growing in Nairobi, Kenya at the American Embassy. The embassy has been under constant surveillance by people from the Libyan Embassy.

(TV coverage: Still photograph of President Reagan.)

Khadafy accused President Reagan of being more dangerous than was Adolf Hitler.

(Rep. Daniel Mica: "If any kind of information that we have being made available to us is even partially correct -- we're on the verge of another major wave of terrorism around this world.") (ABC-LEAD)

NBC's Tom Brokaw: Great Britain remains the lone American ally willing to take extra steps against Libya, but there may be more European action tomorrow. Britain's government today arrested 21 Libyans and is preparing to kick them out of the country for revolutionary activities. British authorities were dealing with the Arab arrested on charges of attempting to blowup an El Al jetliner last week. As NBC's Henry Champ reports, he reportedly is the brother of the man arrested for the West Berlin discotheque bombing.

NBC's Henry Champ reports from London Hindawi is charged with the attempt to blowup the El Al jetliner. Today, West German police announced they have arrested a man they say is Hindawi's older brother in connection with the disco bombing in Berlin. They said their investigation confirms Libyan involvement. The British expulsions and others promised tomorrow by a half dozen other European countries are clear indications that Europe has been shaken by President Reagan's decision to bomb Libya. They hope these moves will convince the President that further military action is not needed -- that these steps can and will console terrorism.

(NBC-LEAD)

TERRORISM-ROME

CBS's Mark Philips reports from Rome thousands of Americans who don't want to leave Rome are now leading a life of around the clock anxieties.

(CBS-3)

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U.S. NUCLEAR TEST

Rather: The U.S. today conducted another underground nuclear weapons test -- the third at the Nevada test site this year. Within minutes, the Soviet Union was out with an official protest statement.

(NBC-7, CBS-9)

KREMLIN DEMONSTRATION

Rather reports bus loads of students were brought in for a Kremlin orchestrated demonstration outside the U.S. Embassy in Moscow. About 100 students chanted anti-U.S. slogans and some carried signs denouncing the attack on Libya and American nuclear tests. (CBS-5)

CONSUMER PRICES

Rather reports the Labor Department indicated that consumer prices in March fell 0.4% for the second straight month -- the first back-to-back decline in consumer prices since 1965. The sharpest since 1950. Most of last month's drop in prices resulted from a record 12% decrease in the cost of gasoline. The report said for the first three months of the year, overall consumer prices fell at an annual rate of 1.9% -- the best showing since 1954. The government reported today that in spite of a surge in orders for military hardware, orders to U.S. factories for durable goods plunged 2.5% in March -- the biggest drop in orders for so-called big-ticket items since March 1985.

(NBC-5, ABC-5, CBS-6)

STOCKS

Jennings reports stocks tumbled in the late afternoon as many investors took their profits. The Dow Jones Industrials lost almost 25 points and the trading was active. (ABC-7)

DOLLAR

Brokaw reports the dollar fell on world currency markets to another all-time low -- selling for less than 169 Japanese yen. Since it began falling last September, the dollar has lost almost one-third of its value against the yen.

NBC's John Chancellor's commentary from Tokyo points out that the U.S. is not doing that badly right now. Americans tend to forget that the U.S. is still the biggest exporting country in the world -- the leading exporter of manufactured goods. Sometimes, trading with Japan can be a real headache. (NBC-9)

OIL PRICES

ABC's Dan Cordtz reports from Leominster, Ma. on the cost of cheap oil. The falling oil prices are just great -- cheaper oil means both lower prices and higher employment.

ABC's Charles Murphy reports from Caspar, Wyoming that stripper wells are being plugged because they're not economical -- oil companies are shutting down and pulling out, leaving a trail of bankruptcies. The cheaper oil prices have brought on the worst depression since the 1930s. (ABC-6)

STOCKMAN

Brokaw: ...When I interviewed David Stockman this afternoon, he expressed concern about the direction of this economy. Stockman: "Temporarily, things look good, but we have to remember the history of the last five years. Despite everybody's intention, a giant economic and fiscal mishap has occurred. We have added a trillion dollars to the national debt -- five years. I don't believe there is such a thing as a free lunch and we're paying for it already -- in a high dollar exchange rate; massive trade imbalance; an agriculture sector, manufacturing sector that is hurting tremendously; a productivity rate that has been very low in the last four or five years; and an economic growth rate that isn't anything to write home about. I think there are a lot of risks in the long-term economic future -- that may not be on the horizon of the present because the oil price is declining." Brokaw: Doesn't this scare the devil out of you? Stockman: "Yes, it scares the living daylights out of me. I know I made a lot of mistakes and I made misjudgements along the way -- I'm not blaming everyone else. When you get a trillion dollar increase on the national debt in five years, there is plenty of blame to spread around." Brokaw: But the same old crowd is still there.... Stockman: "Unless you tell the taxpayers in this country that all of these things have to be paid for -- we want contradictory things -- we want a strong defense and Weinberger wants the biggest defense budget possible. The White House wants to be popular." Brokaw: Many of the things you write about the President in your book -- that he ignores the relevant facts, he wanders around in circles to use your own words, that he refers to anecdotes that often have no relationship to whatever you're talking about -- the very things that a lot of his critics have been saying for the last four or five years. Stockman: "He doesn't have a large grasp of the details and complexities, there is no doubt about that. That isn't all to the bad because I think he did have a sense of a long-term vision. The problem was in 1981, he got a plan that was badly flawed -- the economics in it were too optimistic, the spending cuts were too large for what was possible politically." Brokaw: What's the verdict on David Stockman after all this? Stockman: "I don't think I shrunk from drawing the proper conclusions and trying to persuade people to change. I think that ultimately you are accountable for mistakes. I think I made some large mistakes -- it's a political judgement, an economic judgement. I have admitted them in the book. They weren't mistakes in deception, they weren't mistakes in deceit. I have a clean conscience on this score." Brokaw: When I asked Stockman if he would support a presidential bid by Congressman Jack Kemp.... Stockman said, "I think that we've had a total parting of the ways -- I don't think there is a lot to say for the kind of program that he's recommending -- it's dangerous." (NBC-6)

PRESIDENT REAGAN-PHILIPPINES

Brokaw reports President Reagan will meet with Philippines Vice President Salvador Laurel next week for a meeting on the problems of the South Pacific. A White House spokesman said there is a good possibility that the President will telephone Corazon Aquino. Mr. Reagan will likely telephone Ferdinand Marcos on his way through Hawaii.

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PRESIDENT REAGAN-PHILIPPINES (continued)

NBC's Steve Mallory reports from Manila that Marcos said President Reagan had been listening to the wrong advisors -- that he is still the legal president and that Corazon Aquino is soft on communism.
(NBC-10)

ARMS SMUGGLING

Rather reports federal officials today said they cracked the biggest illegal arms smuggling operation ever uncovered by the U.S. -- 17 suspects, including a former Israeli general, now are charged with plotting to sell \$2 billion worth of sophisticated U.S. military hardware to Iran.
(NBC-4, ABC-4, CBS-8)

DEATH PENALTY

CBS's Fred Graham reports from Starke, Fla. the U.S. Supreme Court heard arguments on whether to halt the executions of convicted killers whose lawyers say may have become insane while waiting on death row.
(ABC-9, CBS-11)

REP.'S OUTSIDE INCOME

Rather reports that without public hearings or debate, the House rules were changed today to allow members to earn another \$7,500 a year in outside income. That means House members can now make a total of \$30,000 a year for speeches and writing -- on top of their \$75,000 a year congressional salaries.
(CBS-12)

WALDHEIM

ABC's John Martin reports Kurt Waldheim received some support today from the current president of Austria, Rudolf Kirchschlager. In Washington, there were still suspicions at a congressional hearing about Waldheim's past.
(NBC-8, ABC-8)

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EDITORIALS/COLUMNISTS

TERRORISM

A Defensive Air Strike That Sets The Penalties For Terrorism --
"President Reagan's response to Libya's terrorist attack on a Berlin disco frequented by American troops was precise, proportionate and timely."
(Providence Journal, 4/16)

Americans Stand Together -- "During the long struggle that lies ahead, neither the defection of our nervous allies nor the hypocritical condemnation of the Soviet Union, and the communists worldwide, and the Arab states, and the Third World should deter the United States from again using its power to protect its citizens and the values of Western Civilization."
(San Diego Union, 4/18)

Dirty Dealings -- "The Free World will never win the war against international terrorism so long as any of its prominent members are willing to make secret, craven deals with the terrorists themselves."
(Torrance, Ca. Daily Breeze, 4/10)

Bombing Khadafy In Libya Just Part Of A Long Struggle -- "The American bombs that fell on Libya in Tuesday's pre-dawn hours were not the start of something or, sad to say, the end. They were simply an especially emphatic punctuation in the free world's continuing struggle against the unrelenting aggression of those who would oppress it."
(Dayton Journal Herald, 4/16)

Where Were America's Allies Monday? -- "Reaction to President Reagan's decision to send warplanes into Libya's two major cities has been as measured as the military action itself. While no one exults in resorting to military force, there is the undeniable -- or, to use a term favored by the President, 'irrefutable' -- fact that all other approaches vis-a-vis Libya had failed.... If the escalating pace of terrorism has taught us anything, it is that this is a problem not for one country, but for every country. Few nations have been spared; fewer still can sit back and let another country fight a lonely battle against terror's source."
(Southwest, Fla. Jewish Exponent, 4/18)

America Must Make It Clear The World Is Now Different -- "The bitterest lesson the American people have learned about terrorism is that when it comes to protecting American lives and American property, the United States stands alone.... Unless the world is to become a jungle dominated by dynamiters and assassins, someone, somewhere, somehow must take a stand. Having taken a stand, the United States must make it clear that Monday night was no aberration, that it was, instead, the first day in a new age."
(Cincinnati Enquirer, 4/16)

Colonel Khadafy A Lot More Than A Nuisance And Flake -- "It is shortsighted to see Col. Khadafy merely as an enemy of the United States. He is an enemy of moderate neighbors, including moderate Islamic leaders, and the cowed civilized world."
(Dayton Daily News, 4/19)

Editorials/Columnists (continued)

Beware Of Post-Bombing Pitfalls -- "It is a good guess that many new incidents of terrorism will be announced, at least for some months, as retaliation for the bombings in Libya. A healthy skepticism toward such claims would be in order. Most of the terrorism that follows the Libya attack and that is proclaimed in its name probably would have occurred anyway."
(Tom Peepen, Atlanta Journal, 4/19)

Allies Lack Resolve In Dealing With Libya -- "President Reagan ought to be bristling over lukewarm support, lack of cooperation or outright opposition he has received from most U.S. 'allies' in connection with the retaliatory strike on Libyan terrorist targets."
(Milwaukee Sentinel, 4/16)

Finish The Job In Libya -- "Since the American raid on Tripoli and Benghazi doesn't seem to have gotten the message across, we suggest a return visit. This time, though, we should be sure to finish the job -- by removing, one way or another, one of the masterminds of terrorism, Col. Moammar Khadafy.... He has declared war on us, and if it's war he wants, we should give it to him."
(Detroit News, 4/20)

Energy Skepticism -- "Although discoveries and development keep adding to supply, few people seriously believe there are vast, untapped reservoirs waiting to be found. Sooner or later, the oil will run out. A new Libya incident could then have a radically different effect than it did last Monday."
(Boston Globe, 4/21)

SALT II

Preserve SALT II -- "Abandoning the treaty would all but doom the Geneva arms talks. Relations with the NATO allies, tense because of the U.S. attack on Libya, would be further strained. The next Reagan-Gorbachev summit, already in jeopardy, would be a likely casualty. But the fundamental reason for continuing to observe the treaty limitations is still the simple verity that neither superpower can afford to spend ever increasing proportions of its resources on the production of nuclear weapons. In the SALT II debate, the bottom line is still the bottom line."
(Miami Herald, 4/17)

NICARAGUA

No Luck For Peacemakers -- "Nicaragua's rejection of a peace agreement forged by the Contadora group of Central American nations is further evidence of the futility of negotiating with the communists.... The Contadora group's aim in seeking removal of U.S. and Soviet military interference is a reasonable one. But the Sandinistas can't be expected to forsake the Soviet Union and Cuba, from whom they take their orders."
(Fort Myers, Fla. News-Press, 4/17)

House Tricks On Contra Aid A Disservice To Democracy -- "This is a display of contempt for the democratic process that is a new low even for a Congress that has shown obstinate disregard for the Constitution's separation of powers and cannot even manage to abide by its own budget-making rules."
(Dayton Journal Herald, 4/17)

FOREIGN MEDIA REACTION

LIBYA

"Perhaps the only news in the wake of all this is that, for the first time, Qaddafi found himself faced with a merciless logic: the fear and death he commanded by remote control throughout the world can now reach him even in his own country." (Corriere della Sera, France)

"It seems clear that Gorbachev is not willing to take any risks on behalf of Qaddafi.... The tyrant in Tripoli is equally politically unpredictable and ideologically repulsive to Moscow as to Washington. The two superpowers have a joint interest in containing the spread of Qaddafi's Islamic fundamentalist revolution." (Aftenposten, Norway)

"It took the United States 25 years to adopt the Israeli doctrine that responsibility for terror should be placed on the nations harboring and assisting terrorists...." (Haaretz, Israel)

"This periodic urge to reassert American manhood internationally -- whose latest victim was Libya -- has almost a quarter century's track record of terror, subversion and intervention whose victims include Cuba, Guatemala, Vietnam, Dominican Republic, Cambodia, Chile, Iran, Nicaragua, Grenada and Lebanon." (Muslim, Pakistan)

ECONOMIC SUMMIT

"On the economic side, the slogan will be positive establishment of a bright world economic outlook with the emergence in the background of a rapid decline in oil prices and the age of low interest rates. On the political side, items such as East-West relations were already decided, but how to handle international terrorism surfaced suddenly following the armed clash between the United State and Libya." (Asahi, Japan)

"The greatest political focus at the Tokyo summit has become measures against international terrorism, due to the abnormal situation caused by the U.S. bombing of Libya. An agreement might be possible if no specific country is named, but there is no room for optimism until the very end due to the stormy situation." (Sankei, Japan)

"Prime Minister Nakasone will hold pre-summit talks with the participants...and will directly sound out the views of the participating leaders on the terrorist issue in order to search for a compromise...." (Tokyo Shimbun, Japan)

-End of B-Section-



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, APRIL 23, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Libya/Reporters -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately. (Washington Times, AP)

17 Charged In Plot To Sell Arms To Iran -- Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs. (Washington Post, Washington Times)

NATIONAL NEWS

Reagan To Call For Repeal Of Windfall Profits Tax On Oil -- President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages.

(Washington Post, AP)

NETWORK NEWS (Tuesday Evening)

U.S./LIBYA -- Qaddafi today called President Reagan a new Nazi for his raids on Libya.

BRITAIN/LIBYA -- Across Britain tonight 21 Libyans are behind bars and are about to be deported.

CONSUMER PRICES -- The Labor Department indicated that consumer prices in March fell 0.4% for the second straight month.

GRIN & BEAR IT WAGNER



"They've done it again! They misquoted my no comment!"

INTERNATIONAL NEWS

LIBYA/REPORTERS

TRIPOLI, Libya -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately.

The word came from junior ministry officials at the Tripoli hotel where about 250 Western journalists were staying. Reporters were trying to contact higher officials to confirm that they were being ordered to leave.

A junior Libyan official at the hotel confirmed to the Associated Press that Western reporters were being ordered out. (AP)

Your Mission Is Over, Libya Tells Press Corps

TRIPOLI, Libya -- "Your mission is finished," said Information Minister Mohammed Sharif Addin when asked last night if foreign journalists could see wreckage of two American aircraft that the Soviet Union said were shot down by the Libyans.

Addin had come to the Al Kabir Hotel to thank the 300 or so foreign journalists who, for the last few days, have been directed and escorted around Tripoli and Benghazi to view damage and casualties from last week's raid by U.S. aircraft. (Peter Almond, Washington Times, A7)

BRITAIN DEPORTS 12 LIBYANS

LONDON -- Britain today ordered the deportation of 21 Libyan students described as threats to national security, and West Germany and Denmark said they would sharply reduce the size of Libyan diplomatic missions to their countries.

British officials said that the 21 Libyans, who were picked up in early-morning police raids throughout the country, were being detained until they could be deported, probably to Tripoli later this week.

(Karen DeYoung, Washington Post, A1)

Thatcher Under Fire

LONDON -- Prime Minister Thatcher came under renewed attack for supporting the U.S. raid on Libya because Britain apparently had no say over the weapons U.S. planes carried on the bombing mission.

A string of public opinion polls showed about two-thirds of the British public disapproved of the U.S. raid on Libya and Britain's support role. (John Jones, UPI)

IMPACT OF U.S. STRIKE IS MURKY

TRIPOLI -- A week ago this morning, for eight explosive minutes in the dark hours before dawn, the Reagan Administration tried to change the face of Libya.

But seven days later the face remains the same: Col. Qaddafi.

(Christopher Dickey, News Analysis, Washington Post, A26)

CHINA ASSAILS U.S. AIR STRIKE BUT PEKING RESIDENTS LAUD IT

PEKING -- Although the Chinese government has condemned last week's U.S. attack on Libya, some residents of Peking have quietly applauded the action because they see in Col. Qaddafi the same kind of personality cult that surrounded the late chairman Mao Tse-tung.

(Daniel Southerland, Washington Post, A26)

SOVIETS ASSERT 5 PLANES LOST IN U.S. RAID

MOSCOW -- The Soviet Union today said the U.S. military lost five planes in its bombing raid on Libya last week, and accused the Reagan Administration of misrepresenting the damage it suffered.

[In Washington, Robert Sims said, "nothing to it," when asked about the Soviet claim. Sims also said the U.S. had no evidence to support published reports that the F111 with its crew members inside had been raised from the sea bottom and shipped to the Soviet Union.]

(Gary Lee, Washington Post, A26)

TEARFUL AMERICANS LEAVE W. BEIRUT

BEIRUT -- In a scene that captured both the chaos and pathos of this divided city, 10 tearful Americans were evacuated from Moslem West Beirut today to the relative safety of the city's Christian sector.

"They are all crying. It's incredible. We're trying to leave [Lebanon] and they want to stay," said one grinning militiaman barring reporters from the compound.

(Nora Boustany, Washington Post, A1)

U.S. INDICTS 17 IN PLOT TO SELL \$2 BILLION IN WEAPONS TO IRAN

Seventeen people, including a retired Israeli general, were indicted yesterday in New York on federal charges of conspiring to sell Iran more than \$2 billion worth of American weapons -- including missiles, helicopters, tanks and fighter jets.

(Mary Thornton, Washington Post, A1)

17 Charged In Plot To Sell Arms To Iran

Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs.

(John McCaslin, Washington Times, A1)

PRESIDENT VOWS AID, CALLING '80s DECADE OF FREEDOM FIGHTERS

President Reagan last night declared the 1980s "the decade of freedom fighters," and said "the Nicaraguan freedom fighters will get the help they need...and soon."

"We've been talking about the idea of freedom, about expanding its frontiers, since the beginning of this Administration, so no one should be surprised that our policies and programs have followed suit," he said.

(Mary Belcher, Washington Times, A2)

CANADA TRADE DISAPPOINTS NICARAGUANS

TORONTO -- When President Reagan's economic embargo forced Nicaraguan trade officials to shut down operations in the U.S., the Canadian government unhesitatingly allowed them to resettle in a quiet suburb of this city.

Far from finding new markets here to make up for the termination of the more than \$300 million a year two-way trading relationship with the U.S., Nicaragua has seen a steep drop in its trade with Canada.

(Herbert Denton, Washington Post, A25)

CANADA TALKS IN DOUBT AS SENATE PANEL HEADS FOR SHOWDOWN

The Reagan Administration, under harsh attack by Senate critics of its trade policy, is scrambling to salvage a plan to begin market-opening negotiations with Canada.

A showdown on the Canadian negotiations issue, closely watched in the financial community, comes today when the Senate Finance Committee will be asked to vote down the Administration's plan.

Robert Packwood postponed such a vote set for Tuesday when the Administration plan appeared headed for defeat at the hands of critics led by Sen. John Danforth.

(Mike Robinson, AP)

REAGAN TO CALL AQUINO AS WELL AS MARCOS

President Reagan intends to telephone President Aquino this week to wish her well and discuss the prospective \$150 million U.S. aid package for the Philippines, a senior White House official said yesterday.

Larry Speakes said that such a call is "a good possibility," and also announced that Reagan would meet with Vice President Laurel in Bali during his forthcoming trip to Indonesia and Japan.

(Washington Post, A29)

JCS CHAIRMAN WARNS OF SOVIET COMMITMENT TO USE OF "RAW POWER"

The Soviet Union is committed to the use of "raw power" in its relations with other nations and the Soviet military buildup, "on sheer momentum alone, will go to the end of the century," the chairman of the Joint Chiefs of Staff said yesterday. Adm. William Crowe said the Soviet buildup "is unprecedented in world history."

(Walter Andrews, Washington Times, A3)

U.S. TESTING ALLIES' SENTIMENT ON A MIDEAST "MARSHALL PLAN"

The U.S. is taking "soundings" among its allies about prospects for a major economic aid packaged for the Middle East and is expected to push the idea at the Tokyo economic summit in two weeks, a senior White House official said yesterday.

"We think it is a good idea if it can be pushed," the official added. "But it's certainly something that has to be shared -- we can't do it all ourselves."
(David Hoffman, Washington Post, A29)

SOVIET ALLIES WARY OF CHANGE

EAST BERLIN -- A six-day visit here by Mikhail Gorbachev has underlined the growing contrast between the economic and political changes Gorbachev has initiated in the Soviet Union and the stubborn adherence of Eastern Europe's aging leaders to orthodox styles and sometimes clashing agendas.
(Jackson Diehl, Washington Post, A25)

SOVIET MEDIA ACKNOWLEDGE DRUG PROBLEM

MOSCOW -- Drug addiction, once barely recognized as a problem in the Soviet Union, is now emerging as a cause for public concern.
(Celestine Bohlen, Washington Post, A25)

REAGAN LOOKING TO ECONOMIC SUMMIT WITH UPBEAT SPEECH ON FREE MARKETS

President Reagan, setting the stage for his 12-day trip to Asia, offers an upbeat view of free markets and the spread of democracy in an address today to the U.S. Chamber of Commerce.

In what the White House has billed as a major speech in advance of the President's trip to the economic summit in Tokyo, Reagan is expected to celebrate the expansion of democracy, particularly in Latin America, and laud the rebels he calls "freedom fighters" in Nicaragua, Angola, Afghanistan and Cambodia.
(Michael Putzel, AP)

SHULTZ SAYS EUROPEAN AGRICULTURAL TRADE POLICIES "CREATING HAVOC"

Secretary Shultz accused the European Community Market of "creating havoc" in world markets with subsidies designed to fence out lower-priced agricultural products.

"It's a major, major problem," Shultz said Tuesday. "Somehow the other countries of the world have to get at it." He said Portugal and Spain had compounded the problem by moving to keep out \$1 billion of U.S. farm sales. "We are objecting very strenuously to that," Shultz said in a Voice of America interview.
(Barry Schweid, AP)

NATIONAL NEWS

REAGAN PLEDGES RELIEF FOR OIL STATES

President Reagan tendered a goodwill gesture to hard-hit oil-producing states yesterday, promising to renew his efforts to repeal the windfall profits tax on American oil producers and to deregulate natural gas.

The President did not make any new proposals, but he underscored those he previously made, seeking to appear responsive to growing signs of economic dislocation in the oil states of the Southwest.

(David Hoffman, Washington Post, A14)

Reagan To Call For Repeal Of Windfall Profits Tax On Oil

President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages.

Reagan's decision to work for repeal of the tax and to win deregulation of the natural gas industry was announced Tuesday following meetings with oil state congressmen and governors. (Terence Hunt, AP)

NASA WASTED BILLIONS, FEDERAL AUDITS DISCLOSED

The space agency and its contractors have wasted billions of dollars on the shuttle and other space programs despite warning after warning by Government inspectors that such heavy losses were occurring through bad management procedures, Federal audits show.

Dr. James Fletcher, who headed the agency in the 1970's and whom President Reagan has nominated to lead it out of the post-accident era, is said by Federal auditors to have misled Congress and the public in the 1970's about essential costs of the shuttle's program.

(Stuart Diamond, New York Times, A1)

U.S. CONDUCTS NUCLEAR TEST, THIRD AND LARGEST OF THE YEAR

The U.S. yesterday exploded its third and largest underground nuclear weapons test this year, emphasizing the Reagan Administration's determination to continue testing in the face of repeated Soviet calls for a moratorium.

In Moscow, the Soviet news agency Tass said yesterday that the "nuclear explosions in Nevada dash a unique chance to make a real beginning to the disarmament process."

(Walter Pincus, Washington Post, A6)

RIGHTS OFFICIAL HITS BACK AT CRITICS IN CONGRESS

Morris Abram, vice chairman of the U.S. Commission on Civil Rights, castigated a House subcommittee chairman and the GAO yesterday for a critical audit that he called "part of a larger effort to discredit the commission because our ideas are unacceptable."

Abram criticized Rep. Don Edwards (D-Calif.), who requested the audit. And Abram said the GAO had relied on "innuendo" in its "continuing harassment" of the commission.

(Howard Kurtz, Washington Post, A4)

HILL BUDGET ESTIMATES ARE WRONG, MILLER SAYS

OMB Director Miller suggested yesterday that Congress could avoid raising taxes or cutting defense spending if it "corrects" some of the spending and economic estimates in its budget assumptions for fiscal 1987.

As a "contingency," he added, Congress could make additional domestic spending cuts in August if it appears that the target cannot be reached otherwise.

(Helen Dewar, Washington Post, A9)

Budget Director Says Congress' Budget Figures Are Wrong

James Miller says legislators are wrong to blame President Reagan's insistence on boosting military spending without a tax hike for the budget impasse between the White House and Congress.

"When they tell you there ain't no way to go forward if they take seriously the President's notion that he's not going to accept defense slashing or a tax increase, they're wrong," Miller told reporters invited to his office Tuesday.

(Cliff Haas, AP)

REBELLIOUS HOUSE BLOCKS SUPPLEMENTAL MONEY BILL

The House, led by rebellious Agriculture Committee members, temporarily blocked consideration yesterday of a \$1.7 billion supplemental appropriations bill caught in various parliamentary snarls for two weeks.

President Reagan has expressed strong objections to several provisions of the supplemental spending measure for the current fiscal year, and White House aides have said he will veto the bill if enacted in its present form.

(Edward Walsh, Washington Post, A10)

RETURN TO "SQUARE ONE" PLEDGED BY TAX-WRITER

Bob Packwood said yesterday that his committee will go back to "square one" to try salvaging tax revision and would even consider cutting tax breaks for his home state's cherished timber industry.

(Anne Swardson, Washington Post, A9)

OIL PULLS PRICES DOWN .4%

Tumbling oil prices drove overall retail prices down 0.4% in March for the second month in a row, giving consumers the biggest two-month price decline in 36 years, the Labor Department reported yesterday.

Larry Speakes hailed the "continuing good economic news," saying, "There will be more money in Americans' pockets to buy more goods and services at lower prices." (Jane Seaberry, Washington Post, A1)

Prices Drop 1.9 Percent In Steepest Fall Since '54

Retail prices fell for the first three months of 1986 at the fastest rate in 32 years, as OPEC's woes continued to cheer American consumers.

A decline in oil prices was almost entirely responsible for the deflation. Gasoline prices dropped 12 percent during the month. Excluding declines in oil prices, consumer prices actually rose 0.3 percent during the month. (Hugh Vickery, Washington Times, A1)

GRAMM-RUDMAN HASN'T MADE DRAMATIC DIFFERENCE ON HILL

Four months ago Congress passed the Gramm-Rudman-Hollings balanced-budget act amid predictions that it would dramatically alter the way government does business. Today the atmosphere on Capitol Hill is closer to business as usual.

The new budget act is not without impact. The Senate began debate Monday on a fiscal 1987 budget that meets the Gramm-Rudman-Hollings deficit target of \$144 billion, and departments and agencies are struggling to live with the 4.3% across-the-board cuts for fiscal 1986 that took effect on March 1. (Judith Havemann & Helen Dewar, Washington Post, A1)

STOCKMAN'S BOOK GOES ON THE SHELF

All of the top Administration officials who David Stockman skewered in his "kiss-and-tell" book get the chance to read it in full today, but the "star" of the tome -- President Reagan -- plans not to bother.

Reagan has dismissed the book. "I don't have much time for fiction," he told reporters shortly after the excerpts were published in Newsweek magazine and widely reported elsewhere. (Elaine Povich, UPI)

BRADY GUN CLAIM DISMISSED

A U.S. District judge here has dismissed claims by James Brady and retired D.C. police officer Thomas Delahanty against the firm that manufactured the .22-caliber pistol that John Hinckley used to shoot the men plus President Reagan and Secret Service Officer Timothy McCarthy, Brady's attorney said yesterday. (Washington Post, A14)

NETWORK NEWS SUMMARY

(Tuesday Evening, April 22, 1986)

U.S.-LIBYA

Brokaw reports Moammar Khadafy today called President Reagan a new Nazi for his raids on Libya. Also, letters released today sent by Peter Kilburn -- the American hostage found shot to death last week -- show that Kilburn often criticized U.S. foreign policy. He called President Reagan a cretin in one of the letters. In addition, Helmut Kohl today denied reports out of the Reagan Administration that he argued privately for stronger military action before last week's raids.

NBC's Chris Wallace: Ronald Reagan last week -- two hours after the U.S. raid -- stating that the use of American forces had made the world safer.

(President Reagan on April 14: "Today, we have done what we had to do. If necessary, we shall do it again.")

But eight days later, the impact of the U.S. action is no longer so clear-cut. Foreign policy experts drawing up a balance sheet are finding both pluses and minuses. The most direct effect, of course, was on Libya. The U.S. hoping to kill Khadafy or encourage a military revolt. Khadafy is alive and American officials say he is still in charge -- having crushed rebellious army units. Experts say the U.S. raid has made a military coup harder, not easier.

(Marius Deeb, Libyan expert: "It will probably suffer as a result of any action now, because it will be construed as being an agent of the U.S. or Western imperialism.")

Then there is the effect on the allies. The White House thinks the raid is pushing Europe to crack down on Libya -- although still not as much as the U.S. wants. But it has also sparked public outbreak -- especially against the only ally to back the raid, Margaret Thatcher -- which may cut into future support for the U.S.

(James Schlesinger, former defense secretary: "It is more probable that Mrs. Thatcher will be brought down by the raid, then Col. Khadafy.")

Perhaps the most surprising impact was on the Soviets. The White House was shocked when they cancelled a foreign ministers meeting to set up a Reagan-Gorbachev summit. U.S. officials say Gorbachev is posturing for the Arabs, who have rallied around Khadafy. They don't know how long this will freeze U.S.-Soviet relations. The bottom line on this balance sheet is terrorism.

(Schlesinger: "The raid is not going to reduce terrorism in the short run. Indeed, we will see much more terrorism in the short run.")

If the U.S. is going to fight terrorism -- it's generally agreed the only way to stop it will be massive action, such as a blockade of Libya.

(Richard Nixon: "We cannot engage in the gradual escalation of which President Johnson tried in Vietnam. Gradual escalation does not work with fanatics.")

Officials here say the President has set his policy and is prepared to use force again. But there are still questions whether this is part of a long-term strategy or just isolated outbursts with mixed results.

(NBC-3)

CRUISE MISSILE

Rather: If President Reagan should ever order another attack on Libya -- how would it compare with last week's raid? Pentagon correspondent David Martin tells us the Defense Department planners might well decide to keep manned warplanes grounded and go a different route.

CBS's David Martin reports the Pentagon released pictures of a submarine-launched Tomahawk cruise missile destroying an aircraft parked 400 miles away.

(TV coverage: Film of the Tomahawk cruise missile.)

The Pentagon still refuses to acknowledge the damage done to the civilian areas.

(Robert Sims, Pentagon spokesman: "We just don't know what the cause of the damage was.") (ABC-3, CBS-4)

BEIRUT EVACUATION

Rather reports 10 Americans and several Europeans crossed into East Beirut. Diplomats say only 75 Westerners now remain in the Muslim sector. (ABC-2, CBS-2)

MEESE/WEBSTER

Brokaw: Attorney General Edwin Meese and FBI Director William Webster flew secretly to The Hague for a discussion of terrorism with their European counterparts. (NBC-2)

BRITAIN-LIBYA

CBS's Dan Rather: Across Britain tonight 21 Libyans who say they are students are behind bars and about to be deported.... British and West German officials have concluded -- that as expected -- two recent terror incidents were a family affair.

CBS's Tom Fenton reports from London that police are now convinced the Berlin disco bombing and the attempted El Al bombing were the work of two brothers. Israeli sources linked Hindawi and the attempted El Al bombing to the Syrians.

CBS's Richard Ross reports from Berlin police tonight are certain the man arrested here is Hindawi's brother -- who calls himself A. Hasi. The evidence found reportedly ties Hasi to the April 5 bombing of the LaBelle discotheque; as one of the at least four people under suspicion. Police won't say if they have uncovered links beyond that to Libya. (CBS-LEAD)

ABC's Pete Jennings: The government of Britain today took another major step against the government of Libya. There were signs today that some of the other European governments were going to get tougher on the Libyans as well.

ABC's Mike Lee reports from London that Britain is deporting a total of 21 Libyan students. The Spanish foreign minister is quoted as saying that Spain will be expelling an unspecified number of Libyans.

BRITAIN-LIBYA (continued)

Lee: (continued)

Also, Denmark, Belgium, The Netherlands and West Germany will be reducing the number of Libyan diplomats.

(Prime Minister Thatcher: "I hope that Europe will take more action -- it has taken some more action. Don't forget that Europe has refused for a very long time to take some of the actions that we ourselves have taken.")

ABC's John McWethy reports there was praise from the State Department for Britain and they focused on a new dimension of the terrorist problem.

(Bernard Kalb, State Department spokesman: "We are pleased that the United Kingdom has taken this action -- the expulsion of the 19 Libyans underscores the concern that non-official Libyans can be used for terrorist purposes.")

The so-called non-official Libyans are a source of growing concern to the Reagan Administration, both in the U.S. and elsewhere. There are some 3,000 Libyans in the U.S., half of them students. Outside the U.S., concern is growing in Nairobi, Kenya at the American Embassy. The embassy has been under constant surveillance by people from the Libyan Embassy.

(TV coverage: Still photograph of President Reagan.)

Khadafy accused President Reagan of being more dangerous than was Adolf Hitler.

(Rep. Daniel Mica: "If any kind of information that we have being made available to us is even partially correct -- we're on the verge of another major wave of terrorism around this world.") (ABC-LEAD)

NBC's Tom Brokaw: Great Britain remains the lone American ally willing to take extra steps against Libya, but there may be more European action tomorrow. Britain's government today arrested 21 Libyans and is preparing to kick them out of the country for revolutionary activities. British authorities were dealing with the Arab arrested on charges of attempting to blowup an El Al jetliner last week. As NBC's Henry Champ reports, he reportedly is the brother of the man arrested for the West Berlin discotheque bombing.

NBC's Henry Champ reports from London Hindawi is charged with the attempt to blowup the El Al jetliner. Today, West German police announced they have arrested a man they say is Hindawi's older brother in connection with the disco bombing in Berlin. They said their investigation confirms Libyan involvement. The British expulsions and others promised tomorrow by a half dozen other European countries are clear indications that Europe has been shaken by President Reagan's decision to bomb Libya. They hope these moves will convince the President that further military action is not needed -- that these steps can and will console terrorism.

(NBC-LEAD)

TERRORISM-ROME

CBS's Mark Philips reports from Rome thousands of Americans who don't want to leave Rome are now leading a life of around the clock anxieties.

(CBS-3)

-more-

U.S. NUCLEAR TEST

Rather: The U.S. today conducted another underground nuclear weapons test -- the third at the Nevada test site this year. Within minutes, the Soviet Union was out with an official protest statement.

(NBC-7, CBS-9)

KREMLIN DEMONSTRATION

Rather reports bus loads of students were brought in for a Kremlin orchestrated demonstration outside the U.S. Embassy in Moscow. About 100 students chanted anti-U.S. slogans and some carried signs denouncing the attack on Libya and American nuclear tests. (CBS-5)

CONSUMER PRICES

Rather reports the Labor Department indicated that consumer prices in March fell 0.4% for the second straight month -- the first back-to-back decline in consumer prices since 1965. The sharpest since 1950. Most of last month's drop in prices resulted from a record 12% decrease in the cost of gasoline. The report said for the first three months of the year, overall consumer prices fell at an annual rate of 1.9% -- the best showing since 1954. The government reported today that in spite of a surge in orders for military hardware, orders to U.S. factories for durable goods plunged 2.5% in March -- the biggest drop in orders for so-called big-ticket items since March 1985.

(NBC-5, ABC-5, CBS-6)

STOCKS

Jennings reports stocks tumbled in the late afternoon as many investors took their profits. The Dow Jones Industrials lost almost 25 points and the trading was active. (ABC-7)

DOLLAR

Brokaw reports the dollar fell on world currency markets to another all-time low -- selling for less than 169 Japanese yen. Since it began falling last September, the dollar has lost almost one-third of its value against the yen.

NBC's John Chancellor's commentary from Tokyo points out that the U.S. is not doing that badly right now. Americans tend to forget that the U.S. is still the biggest exporting country in the world -- the leading exporter of manufactured goods. Sometimes, trading with Japan can be a real headache. (NBC-9)

OIL PRICES

ABC's Dan Cordtz reports from Leominster, Ma. on the cost of cheap oil. The falling oil prices are just great -- cheaper oil means both lower prices and higher employment.

ABC's Charles Murphy reports from Caspar, Wyoming that stripper wells are being plugged because they're not economical -- oil companies are shutting down and pulling out, leaving a trail of bankruptcies. The cheaper oil prices have brought on the worst depression since the 1930s. (ABC-6)

STOCKMAN

Brokaw: ...When I interviewed David Stockman this afternoon, he expressed concern about the direction of this economy. Stockman: "Temporarily, things look good, but we have to remember the history of the last five years. Despite everybody's intention, a giant economic and fiscal mishap has occurred. We have added a trillion dollars to the national debt -- five years. I don't believe there is such a thing as a free lunch and we're paying for it already -- in a high dollar exchange rate; massive trade imbalance; an agriculture sector, manufacturing sector that is hurting tremendously; a productivity rate that has been very low in the last four or five years; and an economic growth rate that isn't anything to write home about. I think there are a lot of risks in the long-term economic future -- that may not be on the horizon of the present because the oil price is declining." Brokaw: Doesn't this scare the devil out of you? Stockman: "Yes, it scares the living daylights out of me. I know I made a lot of mistakes and I made misjudgements along the way -- I'm not blaming everyone else. When you get a trillion dollar increase on the national debt in five years, there is plenty of blame to spread around." Brokaw: But the same old crowd is still there.... Stockman: "Unless you tell the taxpayers in this country that all of these things have to be paid for -- we want contradictory things -- we want a strong defense and Weinberger wants the biggest defense budget possible. The White House wants to be popular." Brokaw: Many of the things you write about the President in your book -- that he ignores the relevant facts, he wanders around in circles to use your own words, that he refers to anecdotes that often have no relationship to whatever you're talking about -- the very things that a lot of his critics have been saying for the last four or five years. Stockman: "He doesn't have a large grasp of the details and complexities, there is no doubt about that. That isn't all to the bad because I think he did have a sense of a long-term vision. The problem was in 1981, he got a plan that was badly flawed -- the economics in it were too optimistic, the spending cuts were too large for what was possible politically." Brokaw: What's the verdict on David Stockman after all this? Stockman: "I don't think I shrunk from drawing the proper conclusions and trying to persuade people to change. I think that ultimately you are accountable for mistakes. I think I made some large mistakes -- it's a political judgement, an economic judgement. I have admitted them in the book. They weren't mistakes in deception, they weren't mistakes in deceit. I have a clean conscience on this score." Brokaw: When I asked Stockman if he would support a presidential bid by Congressman Jack Kemp.... Stockman said, "I think that we've had a total parting of the ways -- I don't think there is a lot to say for the kind of program that he's recommending -- it's dangerous." (NBC-6)

PRESIDENT REAGAN-PHILIPPINES

Brokaw reports President Reagan will meet with Philippines Vice President Salvador Laurel next week for a meeting on the problems of the South Pacific. A White House spokesman said there is a good possibility that the President will telephone Corazon Aquino. Mr. Reagan will likely telephone Ferdinand Marcos on his way through Hawaii.

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PRESIDENT REAGAN-PHILIPPINES (continued)

NBC's Steve Mallory reports from Manila that Marcos said President Reagan had been listening to the wrong advisors -- that he is still the legal president and that Corazon Aquino is soft on communism.

(NBC-10)

ARMS SMUGGLING

Rather reports federal officials today said they cracked the biggest illegal arms smuggling operation ever uncovered by the U.S. -- 17 suspects, including a former Israeli general, now are charged with plotting to sell \$2 billion worth of sophisticated U.S. military hardware to Iran.

(NBC-4, ABC-4, CBS-8)

DEATH PENALTY

CBS's Fred Graham reports from Starke, Fla. the U.S. Supreme Court heard arguments on whether to halt the executions of convicted killers whose lawyers say may have become insane while waiting on death row.

(ABC-9, CBS-11)

REP.'S OUTSIDE INCOME

Rather reports that without public hearings or debate, the House rules were changed today to allow members to earn another \$7,500 a year in outside income. That means House members can now make a total of \$30,000 a year for speeches and writing -- on top of their \$75,000 a year congressional salaries.

(CBS-12)

WALDHEIM

ABC's John Martin reports Kurt Waldheim received some support today from the current president of Austria, Rudolf Kirchschlager. In Washington, there were still suspicions at a congressional hearing about Waldheim's past.

(NBC-8, ABC-8)

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EDITORIALS/COLUMNISTS

TERRORISM

A Defensive Air Strike That Sets The Penalties For Terrorism --
"President Reagan's response to Libya's terrorist attack on a Berlin disco frequented by American troops was precise, proportionate and timely."
(Providence Journal, 4/16)

Americans Stand Together -- "During the long struggle that lies ahead, neither the defection of our nervous allies nor the hypocritical condemnation of the Soviet Union, and the communists worldwide, and the Arab states, and the Third World should deter the United States from again using its power to protect its citizens and the values of Western Civilization."
(San Diego Union, 4/18)

Dirty Dealings -- "The Free World will never win the war against international terrorism so long as any of its prominent members are willing to make secret, craven deals with the terrorists themselves."
(Torrance, Ca. Daily Breeze, 4/10)

Bombing Khadafy In Libya Just Part Of A Long Struggle -- "The American bombs that fell on Libya in Tuesday's pre-dawn hours were not the start of something or, sad to say, the end. They were simply an especially emphatic punctuation in the free world's continuing struggle against the unrelenting aggression of those who would oppress it."
(Dayton Journal Herald, 4/16)

Where Were America's Allies Monday? -- "Reaction to President Reagan's decision to send warplanes into Libya's two major cities has been as measured as the military action itself. While no one exults in resorting to military force, there is the undeniable -- or, to use a term favored by the President, 'irrefutable' -- fact that all other approaches vis-a-vis Libya had failed.... If the escalating pace of terrorism has taught us anything, it is that this is a problem not for one country, but for every country. Few nations have been spared; fewer still can sit back and let another country fight a lonely battle against terror's source."
(Southwest, Fla. Jewish Exponent, 4/18)

America Must Make It Clear The World Is Now Different -- "The bitterest lesson the American people have learned about terrorism is that when it comes to protecting American lives and American property, the United States stands alone.... Unless the world is to become a jungle dominated by dynamiters and assassins, someone, somewhere, somehow must take a stand. Having taken a stand, the United States must make it clear that Monday night was no aberration, that it was, instead, the first day in a new age."
(Cincinnati Enquirer, 4/16)

Colonel Khadafy A Lot More Than A Nuisance And Flake -- "It is shortsighted to see Col. Khadafy merely as an enemy of the United States. He is an enemy of moderate neighbors, including moderate Islamic leaders, and the cowed civilized world."
(Dayton Daily News, 4/19)

Editorials/Columnists (continued)

Beware Of Post-Bombing Pitfalls -- "It is a good guess that many new incidents of terrorism will be announced, at least for some months, as retaliation for the bombings in Libya. A healthy skepticism toward such claims would be in order. Most of the terrorism that follows the Libya attack and that is proclaimed in its name probably would have occurred anyway."
(Tom Peepen, Atlanta Journal, 4/19)

Allies Lack Resolve In Dealing With Libya -- "President Reagan ought to be bristling over lukewarm support, lack of cooperation or outright opposition he has received from most U.S. 'allies' in connection with the retaliatory strike on Libyan terrorist targets."
(Milwaukee Sentinel, 4/16)

Finish The Job In Libya -- "Since the American raid on Tripoli and Benghazi doesn't seem to have gotten the message across, we suggest a return visit. This time, though, we should be sure to finish the job -- by removing, one way or another, one of the masterminds of terrorism, Col. Moammar Khadafy.... He has declared war on us, and if it's war he wants, we should give it to him."
(Detroit News, 4/20)

Energy Skepticism -- "Although discoveries and development keep adding to supply, few people seriously believe there are vast, untapped reservoirs waiting to be found. Sooner or later, the oil will run out. A new Libya incident could then have a radically different effect than it did last Monday."
(Boston Globe, 4/21)

SALT II

Preserve SALT II -- "Abandoning the treaty would all but doom the Geneva arms talks. Relations with the NATO allies, tense because of the U.S. attack on Libya, would be further strained. The next Reagan-Gorbachev summit, already in jeopardy, would be a likely casualty. But the fundamental reason for continuing to observe the treaty limitations is still the simple verity that neither superpower can afford to spend ever increasing proportions of its resources on the production of nuclear weapons. In the SALT II debate, the bottom line is still the bottom line."
(Miami Herald, 4/17)

NICARAGUA

No Luck For Peacemakers -- "Nicaragua's rejection of a peace agreement forged by the Contadora group of Central American nations is further evidence of the futility of negotiating with the communists.... The Contadora group's aim in seeking removal of U.S. and Soviet military interference is a reasonable one. But the Sandinistas can't be expected to forsake the Soviet Union and Cuba, from whom they take their orders."
(Fort Myers, Fla. News-Press, 4/17)

House Tricks On Contra Aid A Diservice To Democracy -- "This is a display of contempt for the democratic process that is a new low even for a Congress that has shown obstinate disregard for the Constitution's separation of powers and cannot even manage to abide by its own budget-making rules."
(Dayton Journal Herald, 4/17)

FOREIGN MEDIA REACTION

LIBYA

"Perhaps the only news in the wake of all this is that, for the first time, Qaddafi found himself faced with a merciless logic: the fear and death he commanded by remote control throughout the world can now reach him even in his own country." (Corriere della Sera, France)

"It seems clear that Gorbachev is not willing to take any risks on behalf of Qaddafi.... The tyrant in Tripoli is equally politically unpredictable and ideologically repulsive to Moscow as to Washington. The two superpowers have a joint interest in containing the spread of Qaddafi's Islamic fundamentalist revolution." (Aftenposten, Norway)

"It took the United States 25 years to adopt the Israeli doctrine that responsibility for terror should be placed on the nations harboring and assisting terrorists...." (Haaretz, Israel)

"This periodic urge to reassert American manhood internationally -- whose latest victim was Libya -- has almost a quarter century's track record of terror, subversion and intervention whose victims include Cuba, Guatemala, Vietnam, Dominican Republic, Cambodia, Chile, Iran, Nicaragua, Grenada and Lebanon." (Muslim, Pakistan)

ECONOMIC SUMMIT

"On the economic side, the slogan will be positive establishment of a bright world economic outlook with the emergence in the background of a rapid decline in oil prices and the age of low interest rates. On the political side, items such as East-West relations were already decided, but how to handle international terrorism surfaced suddenly following the armed clash between the United State and Libya." (Asahi, Japan)

"The greatest political focus at the Tokyo summit has become measures against international terrorism, due to the abnormal situation caused by the U.S. bombing of Libya. An agreement might be possible if no specific country is named, but there is no room for optimism until the very end due to the stormy situation." (Sankei, Japan)

"Prime Minister Nakasone will hold pre-summit talks with the participants...and will directly sound out the views of the participating leaders on the terrorist issue in order to search for a compromise...." (Tokyo Shimbun, Japan)

-End of B-Section-



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, APRIL 23, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Libya/Reporters -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately. (Washington Times, AP)

17 Charged In Plot To Sell Arms To Iran -- Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs. (Washington Post, Washington Times)

NATIONAL NEWS

Reagan To Call For Repeal Of Windfall Profits Tax On Oil -- President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages. (Washington Post, AP)

NETWORK NEWS (Tuesday Evening)

U.S./LIBYA -- Qaddafi today called President Reagan a new Nazi for his raids on Libya.

BRITAIN/LIBYA -- Across Britain tonight 21 Libyans are behind bars and are about to be deported.

CONSUMER PRICES -- The Labor Department indicated that consumer prices in March fell 0.4% for the second straight month.

GRIN & BEAR IT WAGNER



INTERNATIONAL NEWS

LIBYA/REPORTERS

TRIPOLI, Libya -- Information Ministry officials said Wednesday that all American and Western European reporters were being ordered out of Libya immediately.

The word came from junior ministry officials at the Tripoli hotel where about 250 Western journalists were staying. Reporters were trying to contact higher officials to confirm that they were being ordered to leave.

A junior Libyan official at the hotel confirmed to the Associated Press that Western reporters were being ordered out. (AP)

Your Mission Is Over, Libya Tells Press Corps

TRIPOLI, Libya -- "Your mission is finished," said Information Minister Mohammed Sharif Addin when asked last night if foreign journalists could see wreckage of two American aircraft that the Soviet Union said were shot down by the Libyans.

Addin had come to the Al Kabir Hotel to thank the 300 or so foreign journalists who, for the last few days, have been directed and escorted around Tripoli and Benghazi to view damage and casualties from last week's raid by U.S. aircraft. (Peter Almond, Washington Times, A7)

BRITAIN DEPORTS 12 LIBYANS

LONDON -- Britain today ordered the deportation of 21 Libyan students described as threats to national security, and West Germany and Denmark said they would sharply reduce the size of Libyan diplomatic missions to their countries.

British officials said that the 21 Libyans, who were picked up in early-morning police raids throughout the country, were being detained until they could be deported, probably to Tripoli later this week.

(Karen DeYoung, Washington Post, A1)

Thatcher Under Fire

LONDON -- Prime Minister Thatcher came under renewed attack for supporting the U.S. raid on Libya because Britain apparently had no say over the weapons U.S. planes carried on the bombing mission.

A string of public opinion polls showed about two-thirds of the British public disapproved of the U.S. raid on Libya and Britain's support role. (John Jones, UPI)

IMPACT OF U.S. STRIKE IS MURKY

TRIPOLI -- A week ago this morning, for eight explosive minutes in the dark hours before dawn, the Reagan Administration tried to change the face of Libya.

But seven days later the face remains the same: Col. Qaddafi.

(Christopher Dickey, News Analysis, Washington Post, A26)

CHINA ASSAILS U.S. AIR STRIKE BUT PEKING RESIDENTS LAUD IT

PEKING -- Although the Chinese government has condemned last week's U.S. attack on Libya, some residents of Peking have quietly applauded the action because they see in Col. Qaddafi the same kind of personality cult that surrounded the late chairman Mao Tse-tung.

(Daniel Southerland, Washington Post, A26)

SOVIETS ASSERT 5 PLANES LOST IN U.S. RAID

MOSCOW -- The Soviet Union today said the U.S. military lost five planes in its bombing raid on Libya last week, and accused the Reagan Administration of misrepresenting the damage it suffered.

[In Washington, Robert Sims said, "nothing to it," when asked about the Soviet claim. Sims also said the U.S. had no evidence to support published reports that the F111 with its crew members inside had been raised from the sea bottom and shipped to the Soviet Union.]

(Gary Lee, Washington Post, A26)

TEARFUL AMERICANS LEAVE W. BEIRUT

BEIRUT -- In a scene that captured both the chaos and pathos of this divided city, 10 tearful Americans were evacuated from Moslem West Beirut today to the relative safety of the city's Christian sector.

"They are all crying. It's incredible. We're trying to leave [Lebanon] and they want to stay," said one grinning militiaman barring reporters from the compound.

(Nora Boustany, Washington Post, A1)

U.S. INDICTS 17 IN PLOT TO SELL \$2 BILLION IN WEAPONS TO IRAN

Seventeen people, including a retired Israeli general, were indicted yesterday in New York on federal charges of conspiring to sell Iran more than \$2 billion worth of American weapons -- including missiles, helicopters, tanks and fighter jets.

(Mary Thornton, Washington Post, A1)

17 Charged In Plot To Sell Arms To Iran

Complaints filed in U.S. District Court in New York alleged the suspects -- citizens of the U.S., Israel, Britain, France, West Germany and Greece -- conspired to sell hundreds of F-4 and F-5 fighter planes, Python air-to-air missiles, TOW anti-tank missiles, Skyhawk aircraft and cluster bombs.

(John McCaslin, Washington Times, A1)

PRESIDENT VOWS AID, CALLING '80s DECADE OF FREEDOM FIGHTERS

President Reagan last night declared the 1980s "the decade of freedom fighters," and said "the Nicaraguan freedom fighters will get the help they need...and soon."

"We've been talking about the idea of freedom, about expanding its frontiers, since the beginning of this Administration, so no one should be surprised that our policies and programs have followed suit," he said.

(Mary Belcher, Washington Times, A2)

CANADA TRADE DISAPPOINTS NICARAGUANS

TORONTO -- When President Reagan's economic embargo forced Nicaraguan trade officials to shut down operations in the U.S., the Canadian government unhesitatingly allowed them to resettle in a quiet suburb of this city.

Far from finding new markets here to make up for the termination of the more than \$300 million a year two-way trading relationship with the U.S., Nicaragua has seen a steep drop in its trade with Canada.

(Herbert Denton, Washington Post, A25)

CANADA TALKS IN DOUBT AS SENATE PANEL HEADS FOR SHOWDOWN

The Reagan Administration, under harsh attack by Senate critics of its trade policy, is scrambling to salvage a plan to begin market-opening negotiations with Canada.

A showdown on the Canadian negotiations issue, closely watched in the financial community, comes today when the Senate Finance Committee will be asked to vote down the Administration's plan.

Robert Packwood postponed such a vote set for Tuesday when the Administration plan appeared headed for defeat at the hands of critics led by Sen. John Danforth.

(Mike Robinson, AP)

REAGAN TO CALL AQUINO AS WELL AS MARCOS

President Reagan intends to telephone President Aquino this week to wish her well and discuss the prospective \$150 million U.S. aid package for the Philippines, a senior White House official said yesterday.

Larry Speakes said that such a call is "a good possibility," and also announced that Reagan would meet with Vice President Laurel in Bali during his forthcoming trip to Indonesia and Japan.

(Washington Post, A29)

JCS CHAIRMAN WARNS OF SOVIET COMMITMENT TO USE OF "RAW POWER"

The Soviet Union is committed to the use of "raw power" in its relations with other nations and the Soviet military buildup, "on sheer momentum alone, will go to the end of the century," the chairman of the Joint Chiefs of Staff said yesterday. Adm. William Crowe said the Soviet buildup "is unprecedented in world history."

(Walter Andrews, Washington Times, A3)

U.S. TESTING ALLIES' SENTIMENT ON A MIDEAST "MARSHALL PLAN"

The U.S. is taking "soundings" among its allies about prospects for a major economic aid packaged for the Middle East and is expected to push the idea at the Tokyo economic summit in two weeks, a senior White House official said yesterday.

"We think it is a good idea if it can be pushed," the official added. "But it's certainly something that has to be shared -- we can't do it all ourselves."
(David Hoffman, Washington Post, A29)

SOVIET ALLIES WARY OF CHANGE

EAST BERLIN -- A six-day visit here by Mikhail Gorbachev has underlined the growing contrast between the economic and political changes Gorbachev has initiated in the Soviet Union and the stubborn adherence of Eastern Europe's aging leaders to orthodox styles and sometimes clashing agendas.
(Jackson Diehl, Washington Post, A25)

SOVIET MEDIA ACKNOWLEDGE DRUG PROBLEM

MOSCOW -- Drug addiction, once barely recognized as a problem in the Soviet Union, is now emerging as a cause for public concern.
(Celestine Bohlen, Washington Post, A25)

REAGAN LOOKING TO ECONOMIC SUMMIT WITH UPBEAT SPEECH ON FREE MARKETS

President Reagan, setting the stage for his 12-day trip to Asia, offers an upbeat view of free markets and the spread of democracy in an address today to the U.S. Chamber of Commerce.

In what the White House has billed as a major speech in advance of the President's trip to the economic summit in Tokyo, Reagan is expected to celebrate the expansion of democracy, particularly in Latin America, and laud the rebels he calls "freedom fighters" in Nicaragua, Angola, Afghanistan and Cambodia.
(Michael Putzel, AP)

SHULTZ SAYS EUROPEAN AGRICULTURAL TRADE POLICIES "CREATING HAVOC"

Secretary Shultz accused the European Community Market of "creating havoc" in world markets with subsidies designed to fence out lower-priced agricultural products.

"It's a major, major problem," Shultz said Tuesday. "Somehow the other countries of the world have to get at it." He said Portugal and Spain had compounded the problem by moving to keep out \$1 billion of U.S. farm sales. "We are objecting very strenuously to that," Shultz said in a Voice of America interview.
(Barry Schweid, AP)

NATIONAL NEWS

REAGAN PLEDGES RELIEF FOR OIL STATES

President Reagan tendered a goodwill gesture to hard-hit oil-producing states yesterday, promising to renew his efforts to repeal the windfall profits tax on American oil producers and to deregulate natural gas.

The President did not make any new proposals, but he underscored those he previously made, seeking to appear responsive to growing signs of economic dislocation in the oil states of the Southwest.

(David Hoffman, Washington Post, A14)

Reagan To Call For Repeal Of Windfall Profits Tax On Oil

President Reagan, coming to the aid of America's beleaguered oil industry, is campaigning for repeal of the windfall profits tax that was imposed in the days of skyrocketing prices and gasoline shortages.

Reagan's decision to work for repeal of the tax and to win deregulation of the natural gas industry was announced Tuesday following meetings with oil state congressmen and governors. (Terence Hunt, AP)

NASA WASTED BILLIONS, FEDERAL AUDITS DISCLOSED

The space agency and its contractors have wasted billions of dollars on the shuttle and other space programs despite warning after warning by Government inspectors that such heavy losses were occurring through bad management procedures, Federal audits show.

Dr. James Fletcher, who headed the agency in the 1970's and whom President Reagan has nominated to lead it out of the post-accident era, is said by Federal auditors to have misled Congress and the public in the 1970's about essential costs of the shuttle's program.

(Stuart Diamond, New York Times, A1)

U.S. CONDUCTS NUCLEAR TEST, THIRD AND LARGEST OF THE YEAR

The U.S. yesterday exploded its third and largest underground nuclear weapons test this year, emphasizing the Reagan Administration's determination to continue testing in the face of repeated Soviet calls for a moratorium.

In Moscow, the Soviet news agency Tass said yesterday that the "nuclear explosions in Nevada dash a unique chance to make a real beginning to the disarmament process."

(Walter Pincus, Washington Post, A6)

RIGHTS OFFICIAL HITS BACK AT CRITICS IN CONGRESS

Morris Abram, vice chairman of the U.S. Commission on Civil Rights, castigated a House subcommittee chairman and the GAO yesterday for a critical audit that he called "part of a larger effort to discredit the commission because our ideas are unacceptable."

Abram criticized Rep. Don Edwards (D-Calif.), who requested the audit. And Abram said the GAO had relied on "innuendo" in its "continuing harassment" of the commission.

(Howard Kurtz, Washington Post, A4)

HILL BUDGET ESTIMATES ARE WRONG, MILLER SAYS

OMB Director Miller suggested yesterday that Congress could avoid raising taxes or cutting defense spending if it "corrects" some of the spending and economic estimates in its budget assumptions for fiscal 1987.

As a "contingency," he added, Congress could make additional domestic spending cuts in August if it appears that the target cannot be reached otherwise.

(Helen Dewar, Washington Post, A9)

Budget Director Says Congress' Budget Figures Are Wrong

James Miller says legislators are wrong to blame President Reagan's insistence on boosting military spending without a tax hike for the budget impasse between the White House and Congress.

"When they tell you there ain't no way to go forward if they take seriously the President's notion that he's not going to accept defense slashing or a tax increase, they're wrong," Miller told reporters invited to his office Tuesday.

(Cliff Haas, AP)

REBELLIOUS HOUSE BLOCKS SUPPLEMENTAL MONEY BILL

The House, led by rebellious Agriculture Committee members, temporarily blocked consideration yesterday of a \$1.7 billion supplemental appropriations bill caught in various parliamentary snarls for two weeks.

President Reagan has expressed strong objections to several provisions of the supplemental spending measure for the current fiscal year, and White House aides have said he will veto the bill if enacted in its present form.

(Edward Walsh, Washington Post, A10)

RETURN TO "SQUARE ONE" PLEDGED BY TAX-WRITER

Bob Packwood said yesterday that his committee will go back to "square one" to try salvaging tax revision and would even consider cutting tax breaks for his home state's cherished timber industry.

(Anne Swardson, Washington Post, A9)

OIL PULLS PRICES DOWN .4%

Tumbling oil prices drove overall retail prices down 0.4% in March for the second month in a row, giving consumers the biggest two-month price decline in 36 years, the Labor Department reported yesterday.

Larry Speakes hailed the "continuing good economic news," saying, "There will be more money in Americans' pockets to buy more goods and services at lower prices." (Jane Seaberry, Washington Post, A1)

Prices Drop 1.9 Percent In Steepest Fall Since '54

Retail prices fell for the first three months of 1986 at the fastest rate in 32 years, as OPEC's woes continued to cheer American consumers.

A decline in oil prices was almost entirely responsible for the deflation. Gasoline prices dropped 12 percent during the month. Excluding declines in oil prices, consumer prices actually rose 0.3 percent during the month. (Hugh Vickery, Washington Times, A1)

GRAMM-RUDMAN HASN'T MADE DRAMATIC DIFFERENCE ON HILL

Four months ago Congress passed the Gramm-Rudman-Hollings balanced-budget act amid predictions that it would dramatically alter the way government does business. Today the atmosphere on Capitol Hill is closer to business as usual.

The new budget act is not without impact. The Senate began debate Monday on a fiscal 1987 budget that meets the Gramm-Rudman-Hollings deficit target of \$144 billion, and departments and agencies are struggling to live with the 4.3% across-the-board cuts for fiscal 1986 that took effect on March 1. (Judith Havemann & Helen Dewar, Washington Post, A1)

STOCKMAN'S BOOK GOES ON THE SHELF

All of the top Administration officials who David Stockman skewered in his "kiss-and-tell" book get the chance to read it in full today, but the "star" of the tome -- President Reagan -- plans not to bother.

Reagan has dismissed the book. "I don't have much time for fiction," he told reporters shortly after the excerpts were published in Newsweek magazine and widely reported elsewhere. (Elaine Povich, UPI)

BRADY GUN CLAIM DISMISSED

A U.S. District judge here has dismissed claims by James Brady and retired D.C. police officer Thomas Delahanty against the firm that manufactured the .22-caliber pistol that John Hinckley used to shoot the men plus President Reagan and Secret Service Officer Timothy McCarthy, Brady's attorney said yesterday. (Washington Post, A14)

NETWORK NEWS SUMMARY

(Tuesday Evening, April 22, 1986)

U.S.-LIBYA

Brokaw reports Moammar Khadafy today called President Reagan a new Nazi for his raids on Libya. Also, letters released today sent by Peter Kilburn -- the American hostage found shot to death last week -- show that Kilburn often criticized U.S. foreign policy. He called President Reagan a cretin in one of the letters. In addition, Helmut Kohl today denied reports out of the Reagan Administration that he argued privately for stronger military action before last week's raids.

NBC's Chris Wallace: Ronald Reagan last week -- two hours after the U.S. raid -- stating that the use of American forces had made the world safer.

(President Reagan on April 14: "Today, we have done what we had to do. If necessary, we shall do it again.")

But eight days later, the impact of the U.S. action is no longer so clear-cut. Foreign policy experts drawing up a balance sheet are finding both pluses and minuses. The most direct effect, of course, was on Libya. The U.S. hoping to kill Khadafy or encourage a military revolt. Khadafy is alive and American officials say he is still in charge -- having crushed rebellious army units. Experts say the U.S. raid has made a military coup harder, not easier.

(Marius Deeb, Libyan expert: "It will probably suffer as a result of any action now, because it will be construed as being an agent of the U.S. or Western imperialism.")

Then there is the effect on the allies. The White House thinks the raid is pushing Europe to crack down on Libya -- although still not as much as the U.S. wants. But it has also sparked public outbreak -- especially against the only ally to back the raid, Margaret Thatcher -- which may cut into future support for the U.S.

(James Schlesinger, former defense secretary: "It is more probable that Mrs. Thatcher will be brought down by the raid, then Col. Khadafy.")

Perhaps the most surprising impact was on the Soviets. The White House was shocked when they cancelled a foreign ministers meeting to set up a Reagan-Gorbachev summit. U.S. officials say Gorbachev is posturing for the Arabs, who have rallied around Khadafy. They don't know how long this will freeze U.S.-Soviet relations. The bottom line on this balance sheet is terrorism.

(Schlesinger: "The raid is not going to reduce terrorism in the short run. Indeed, we will see much more terrorism in the short run.")

If the U.S. is going to fight terrorism -- it's generally agreed the only way to stop it will be massive action, such as a blockade of Libya.

(Richard Nixon: "We cannot engage in the gradual escalation of which President Johnson tried in Vietnam. Gradual escalation does not work with fanatics.")

Officials here say the President has set his policy and is prepared to use force again. But there are still questions whether this is part of a long-term strategy or just isolated outbursts with mixed results.

(NBC-3)

CRUISE MISSILE

Rather: If President Reagan should ever order another attack on Libya -- how would it compare with last week's raid? Pentagon correspondent David Martin tells us the Defense Department planners might well decide to keep manned warplanes grounded and go a different route.

CBS's David Martin reports the Pentagon released pictures of a submarine-launched Tomahawk cruise missile destroying an aircraft parked 400 miles away.

(TV coverage: Film of the Tomahawk cruise missile.)

The Pentagon still refuses to acknowledge the damage done to the civilian areas.

(Robert Sims, Pentagon spokesman: "We just don't know what the cause of the damage was.") (ABC-3, CBS-4)

BEIRUT EVACUATION

Rather reports 10 Americans and several Europeans crossed into East Beirut. Diplomats say only 75 Westerners now remain in the Muslim sector. (ABC-2, CBS-2)

MEESE/WEBSTER

Brokaw: Attorney General Edwin Meese and FBI Director William Webster flew secretly to The Hague for a discussion of terrorism with their European counterparts. (NBC-2)

BRITAIN-LIBYA

CBS's Dan Rather: Across Britain tonight 21 Libyans who say they are students are behind bars and about to be deported.... British and West German officials have concluded -- that as expected -- two recent terror incidents were a family affair.

CBS's Tom Fenton reports from London that police are now convinced the Berlin disco bombing and the attempted El Al bombing were the work of two brothers. Israeli sources linked Hindawi and the attempted El Al bombing to the Syrians.

CBS's Richard Ross reports from Berlin police tonight are certain the man arrested here is Hindawi's brother -- who calls himself A. Hasi. The evidence found reportedly ties Hasi to the April 5 bombing of the LaBelle discotheque; as one of the at least four people under suspicion. Police won't say if they have uncovered links beyond that to Libya. (CBS-LEAD)

ABC's Pete Jennings: The government of Britain today took another major step against the government of Libya. There were signs today that some of the other European governments were going to get tougher on the Libyans as well.

ABC's Mike Lee reports from London that Britain is deporting a total of 21 Libyan students. The Spanish foreign minister is quoted as saying that Spain will be expelling an unspecified number of Libyans.

BRITAIN-LIBYA (continued)

Lee: (continued)

Also, Denmark, Belgium, The Netherlands and West Germany will be reducing the number of Libyan diplomats.

(Prime Minister Thatcher: "I hope that Europe will take more action -- it has taken some more action. Don't forget that Europe has refused for a very long time to take some of the actions that we ourselves have taken.")

ABC's John McWethy reports there was praise from the State Department for Britain and they focused on a new dimension of the terrorist problem.

(Bernard Kalb, State Department spokesman: "We are pleased that the United Kingdom has taken this action -- the expulsion of the 19 Libyans underscores the concern that non-official Libyans can be used for terrorist purposes.")

The so-called non-official Libyans are a source of growing concern to the Reagan Administration, both in the U.S. and elsewhere. There are some 3,000 Libyans in the U.S., half of them students. Outside the U.S., concern is growing in Nairobi, Kenya at the American Embassy. The embassy has been under constant surveillance by people from the Libyan Embassy.

(TV coverage: Still photograph of President Reagan.)

Khadafy accused President Reagan of being more dangerous than was Adolf Hitler.

(Rep. Daniel Mica: "If any kind of information that we have being made available to us is even partially correct -- we're on the verge of another major wave of terrorism around this world.") (ABC-LEAD)

NBC's Tom Brokaw: Great Britain remains the lone American ally willing to take extra steps against Libya, but there may be more European action tomorrow. Britain's government today arrested 21 Libyans and is preparing to kick them out of the country for revolutionary activities. British authorities were dealing with the Arab arrested on charges of attempting to blowup an El Al jetliner last week. As NBC's Henry Champ reports, he reportedly is the brother of the man arrested for the West Berlin discotheque bombing.

NBC's Henry Champ reports from London Hindawi is charged with the attempt to blowup the El Al jetliner. Today, West German police announced they have arrested a man they say is Hindawi's older brother in connection with the disco bombing in Berlin. They said their investigation confirms Libyan involvement. The British expulsions and others promised tomorrow by a half dozen other European countries are clear indications that Europe has been shaken by President Reagan's decision to bomb Libya. They hope these moves will convince the President that further military action is not needed -- that these steps can and will console terrorism.

(NBC-LEAD)

TERRORISM-ROME

CBS's Mark Philips reports from Rome thousands of Americans who don't want to leave Rome are now leading a life of around the clock anxieties.

(CBS-3)

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U.S. NUCLEAR TEST

Rather: The U.S. today conducted another underground nuclear weapons test -- the third at the Nevada test site this year. Within minutes, the Soviet Union was out with an official protest statement.

(NBC-7, CBS-9)

KREMLIN DEMONSTRATION

Rather reports bus loads of students were brought in for a Kremlin orchestrated demonstration outside the U.S. Embassy in Moscow. About 100 students chanted anti-U.S. slogans and some carried signs denouncing the attack on Libya and American nuclear tests. (CBS-5)

CONSUMER PRICES

Rather reports the Labor Department indicated that consumer prices in March fell 0.4% for the second straight month -- the first back-to-back decline in consumer prices since 1965. The sharpest since 1950. Most of last month's drop in prices resulted from a record 12% decrease in the cost of gasoline. The report said for the first three months of the year, overall consumer prices fell at an annual rate of 1.9% -- the best showing since 1954. The government reported today that in spite of a surge in orders for military hardware, orders to U.S. factories for durable goods plunged 2.5% in March -- the biggest drop in orders for so-called big-ticket items since March 1985.

(NBC-5, ABC-5, CBS-6)

STOCKS

Jennings reports stocks tumbled in the late afternoon as many investors took their profits. The Dow Jones Industrials lost almost 25 points and the trading was active. (ABC-7)

DOLLAR

Brokaw reports the dollar fell on world currency markets to another all-time low -- selling for less than 169 Japanese yen. Since it began falling last September, the dollar has lost almost one-third of its value against the yen.

NBC's John Chancellor's commentary from Tokyo points out that the U.S. is not doing that badly right now. Americans tend to forget that the U.S. is still the biggest exporting country in the world -- the leading exporter of manufactured goods. Sometimes, trading with Japan can be a real headache. (NBC-9)

OIL PRICES

ABC's Dan Cordtz reports from Leominster, Ma. on the cost of cheap oil. The falling oil prices are just great -- cheaper oil means both lower prices and higher employment.

ABC's Charles Murphy reports from Caspar, Wyoming that stripper wells are being plugged because they're not economical -- oil companies are shutting down and pulling out, leaving a trail of bankruptcies. The cheaper oil prices have brought on the worst depression since the 1930s. (ABC-6)

STOCKMAN

Brokaw: ...When I interviewed David Stockman this afternoon, he expressed concern about the direction of this economy. Stockman: "Temporarily, things look good, but we have to remember the history of the last five years. Despite everybody's intention, a giant economic and fiscal mishap has occurred. We have added a trillion dollars to the national debt -- five years. I don't believe there is such a thing as a free lunch and we're paying for it already -- in a high dollar exchange rate; massive trade imbalance; an agriculture sector, manufacturing sector that is hurting tremendously; a productivity rate that has been very low in the last four or five years; and an economic growth rate that isn't anything to write home about. I think there are a lot of risks in the long-term economic future -- that may not be on the horizon of the present because the oil price is declining." Brokaw: Doesn't this scare the devil out of you? Stockman: "Yes, it scares the living daylights out of me. I know I made a lot of mistakes and I made misjudgements along the way -- I'm not blaming everyone else. When you get a trillion dollar increase on the national debt in five years, there is plenty of blame to spread around." Brokaw: But the same old crowd is still there.... Stockman: "Unless you tell the taxpayers in this country that all of these things have to be paid for -- we want contradictory things -- we want a strong defense and Weinberger wants the biggest defense budget possible. The White House wants to be popular." Brokaw: Many of the things you write about the President in your book -- that he ignores the relevant facts, he wanders around in circles to use your own words, that he refers to anecdotes that often have no relationship to whatever you're talking about -- the very things that a lot of his critics have been saying for the last four or five years. Stockman: "He doesn't have a large grasp of the details and complexities, there is no doubt about that. That isn't all to the bad because I think he did have a sense of a long-term vision. The problem was in 1981, he got a plan that was badly flawed -- the economics in it were too optimistic, the spending cuts were too large for what was possible politically." Brokaw: What's the verdict on David Stockman after all this? Stockman: "I don't think I shrunk from drawing the proper conclusions and trying to persuade people to change. I think that ultimately you are accountable for mistakes. I think I made some large mistakes -- it's a political judgement, an economic judgement. I have admitted them in the book. They weren't mistakes in deception, they weren't mistakes in deceit. I have a clean conscience on this score." Brokaw: When I asked Stockman if he would support a presidential bid by Congressman Jack Kemp.... Stockman said, "I think that we've had a total parting of the ways -- I don't think there is a lot to say for the kind of program that he's recommending -- it's dangerous." (NBC-6)

PRESIDENT REAGAN-PHILIPPINES

Brokaw reports President Reagan will meet with Philippines Vice President Salvador Laurel next week for a meeting on the problems of the South Pacific. A White House spokesman said there is a good possibility that the President will telephone Corazon Aquino. Mr. Reagan will likely telephone Ferdinand Marcos on his way through Hawaii.

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PRESIDENT REAGAN-PHILIPPINES (continued)

NBC's Steve Mallory reports from Manila that Marcos said President Reagan had been listening to the wrong advisors -- that he is still the legal president and that Corazon Aquino is soft on communism.
(NBC-10)

ARMS SMUGGLING

Rather reports federal officials today said they cracked the biggest illegal arms smuggling operation ever uncovered by the U.S. -- 17 suspects, including a former Israeli general, now are charged with plotting to sell \$2 billion worth of sophisticated U.S. military hardware to Iran.
(NBC-4, ABC-4, CBS-8)

DEATH PENALTY

CBS's Fred Graham reports from Starke, Fla. the U.S. Supreme Court heard arguments on whether to halt the executions of convicted killers whose lawyers say may have become insane while waiting on death row.
(ABC-9, CBS-11)

REP.'S OUTSIDE INCOME

Rather reports that without public hearings or debate, the House rules were changed today to allow members to earn another \$7,500 a year in outside income. That means House members can now make a total of \$30,000 a year for speeches and writing -- on top of their \$75,000 a year congressional salaries.
(CBS-12)

WALDHEIM

ABC's John Martin reports Kurt Waldheim received some support today from the current president of Austria, Rudolf Kirchschlager. In Washington, there were still suspicions at a congressional hearing about Waldheim's past.
(NBC-8, ABC-8)

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EDITORIALS/COLUMNISTS

TERRORISM

A Defensive Air Strike That Sets The Penalties For Terrorism --
"President Reagan's response to Libya's terrorist attack on a Berlin disco frequented by American troops was precise, proportionate and timely."
(Providence Journal, 4/16)

Americans Stand Together -- "During the long struggle that lies ahead, neither the defection of our nervous allies nor the hypocritical condemnation of the Soviet Union, and the communists worldwide, and the Arab states, and the Third World should deter the United States from again using its power to protect its citizens and the values of Western Civilization."
(San Diego Union, 4/18)

Dirty Dealings -- "The Free World will never win the war against international terrorism so long as any of its prominent members are willing to make secret, craven deals with the terrorists themselves."
(Torrance, Ca. Daily Breeze, 4/10)

Bombing Khadafy In Libya Just Part Of A Long Struggle -- "The American bombs that fell on Libya in Tuesday's pre-dawn hours were not the start of something or, sad to say, the end. They were simply an especially emphatic punctuation in the free world's continuing struggle against the unrelenting aggression of those who would oppress it."
(Dayton Journal Herald, 4/16)

Where Were America's Allies Monday? -- "Reaction to President Reagan's decision to send warplanes into Libya's two major cities has been as measured as the military action itself. While no one exults in resorting to military force, there is the undeniable -- or, to use a term favored by the President, 'irrefutable' -- fact that all other approaches vis-a-vis Libya had failed.... If the escalating pace of terrorism has taught us anything, it is that this is a problem not for one country, but for every country. Few nations have been spared; fewer still can sit back and let another country fight a lonely battle against terror's source."
(Southwest, Fla. Jewish Exponent, 4/18)

America Must Make It Clear The World Is Now Different -- "The bitterest lesson the American people have learned about terrorism is that when it comes to protecting American lives and American property, the United States stands alone.... Unless the world is to become a jungle dominated by dynamiters and assassins, someone, somewhere, somehow must take a stand. Having taken a stand, the United States must make it clear that Monday night was no aberration, that it was, instead, the first day in a new age."
(Cincinnati Enquirer, 4/16)

Colonel Khadafy A Lot More Than A Nuisance And Flake -- "It is shortsighted to see Col. Khadafy merely as an enemy of the United States. He is an enemy of moderate neighbors, including moderate Islamic leaders, and the cowed civilized world."
(Dayton Daily News, 4/19)

Editorials/Columnists (continued)

Beware Of Post-Bombing Pitfalls -- "It is a good guess that many new incidents of terrorism will be announced, at least for some months, as retaliation for the bombings in Libya. A healthy skepticism toward such claims would be in order. Most of the terrorism that follows the Libya attack and that is proclaimed in its name probably would have occurred anyway."
(Tom Peepen, Atlanta Journal, 4/19)

Allies Lack Resolve In Dealing With Libya -- "President Reagan ought to be bristling over lukewarm support, lack of cooperation or outright opposition he has received from most U.S. 'allies' in connection with the retaliatory strike on Libyan terrorist targets."
(Milwaukee Sentinel, 4/16)

Finish The Job In Libya -- "Since the American raid on Tripoli and Benghazi doesn't seem to have gotten the message across, we suggest a return visit. This time, though, we should be sure to finish the job -- by removing, one way or another, one of the masterminds of terrorism, Col. Moammar Khadafy.... He has declared war on us, and if it's war he wants, we should give it to him."
(Detroit News, 4/20)

Energy Skepticism -- "Although discoveries and development keep adding to supply, few people seriously believe there are vast, untapped reservoirs waiting to be found. Sooner or later, the oil will run out. A new Libya incident could then have a radically different effect than it did last Monday."
(Boston Globe, 4/21)

SALT II

Preserve SALT II -- "Abandoning the treaty would all but doom the Geneva arms talks. Relations with the NATO allies, tense because of the U.S. attack on Libya, would be further strained. The next Reagan-Gorbachev summit, already in jeopardy, would be a likely casualty. But the fundamental reason for continuing to observe the treaty limitations is still the simple verity that neither superpower can afford to spend ever increasing proportions of its resources on the production of nuclear weapons. In the SALT II debate, the bottom line is still the bottom line."
(Miami Herald, 4/17)

NICARAGUA

No Luck For Peacemakers -- "Nicaragua's rejection of a peace agreement forged by the Contadora group of Central American nations is further evidence of the futility of negotiating with the communists.... The Contadora group's aim in seeking removal of U.S. and Soviet military interference is a reasonable one. But the Sandinistas can't be expected to forsake the Soviet Union and Cuba, from whom they take their orders."
(Fort Myers, Fla. News-Press, 4/17)

House Tricks On Contra Aid A Disservice To Democracy -- "This is a display of contempt for the democratic process that is a new low even for a Congress that has shown obstinate disregard for the Constitution's separation of powers and cannot even manage to abide by its own budget-making rules."
(Dayton Journal Herald, 4/17)

FOREIGN MEDIA REACTION

LIBYA

"Perhaps the only news in the wake of all this is that, for the first time, Qaddafi found himself faced with a merciless logic: the fear and death he commanded by remote control throughout the world can now reach him even in his own country." (Corriere della Sera, France)

"It seems clear that Gorbachev is not willing to take any risks on behalf of Qaddafi.... The tyrant in Tripoli is equally politically unpredictable and ideologically repulsive to Moscow as to Washington. The two superpowers have a joint interest in containing the spread of Qaddafi's Islamic fundamentalist revolution." (Aftenposten, Norway)

"It took the United States 25 years to adopt the Israeli doctrine that responsibility for terror should be placed on the nations harboring and assisting terrorists...." (Haaretz, Israel)

"This periodic urge to reassert American manhood internationally -- whose latest victim was Libya -- has almost a quarter century's track record of terror, subversion and intervention whose victims include Cuba, Guatemala, Vietnam, Dominican Republic, Cambodia, Chile, Iran, Nicaragua, Grenada and Lebanon." (Muslim, Pakistan)

ECONOMIC SUMMIT

"On the economic side, the slogan will be positive establishment of a bright world economic outlook with the emergence in the background of a rapid decline in oil prices and the age of low interest rates. On the political side, items such as East-West relations were already decided, but how to handle international terrorism surfaced suddenly following the armed clash between the United State and Libya." (Asahi, Japan)

"The greatest political focus at the Tokyo summit has become measures against international terrorism, due to the abnormal situation caused by the U.S. bombing of Libya. An agreement might be possible if no specific country is named, but there is no room for optimism until the very end due to the stormy situation." (Sankei, Japan)

"Prime Minister Nakasone will hold pre-summit talks with the participants...and will directly sound out the views of the participating leaders on the terrorist issue in order to search for a compromise...." (Tokyo Shimbun, Japan)

-End of B-Section-