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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, APRIL 24, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Hints At Other Raids Linked To Terror -- President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

(Washington Post, Washington Times, New York Times, AP)

Bomb Blasts British Airways, American Airlines Office -- LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

(Reuter)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection -- The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles.

(Washington Post, New York Times, AP)

NATIONAL NEWS

Deaver, Canadian Met On Acid Rain Before Summit -- The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

(Washington Post)

NETWORK NEWS (Wednesday Evening)

U.S./LIBYA -- President Reagan now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

ARMS SALES -- Senate and House Committees today rejected President Reagan's proposed missile sale to Saudi Arabia.

BUDGET -- The Senate voted to reject a Presidential proposal to cut 44 domestic programs out of the budget.

IN DEFENSE OF FREEDOM

"So tonight I speak for a united people. Let me say simply to those who wish us ill: We are Americans. We love our country, we love what she stands for, we will always defend her. We live for freedom -- our own and our children's -- and we stand ready always to protect our birthright and guard our patrimony, as our fathers did before us."

(President Reagan, speaking at the Heritage Foundation Dinner, 4/22)

INTERNATIONAL NEWS

REAGAN WILLING TO STRIKE IRAN OR SYRIA IF ROLE IN TERRORIST ACTS PROVEN

President Reagan said yesterday he would use military force against Iran or Syria if presented with clear evidence that one of those governments had sponsored an act of terrorism against Americans.

The President said that in many instances it was difficult to obtain the "irrefutable evidence" he said the U.S. had before its April 14 bombing raid on Libya. But he added that when such evidence exists, "we must have the same policy" in dealing with state-sponsored terrorism.

Reagan was then asked whether this meant using force against Damascus or Tehran. He replied, "Yes, if we had that kind of evidence."

(Lou Cannon, Washington Post, A1)

President Hints At Other Raids Linked To Terror

President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

At the same time, Mr. Reagan reaffirmed his readiness to "act again" against Libya if evidence was found linking it to new terrorist attacks on Americans.

Meanwhile, military experts who have reviewed Pentagon reports said the Air Force planes that attacked the Bab el-Azziziya military barracks in Tripoli on April 15 failed to hit two buildings that serve as the quarters for Col. Qaddafi's elite guard. (Gerald Boyd, New York Times, A1)

Reagan Says Force Might Be Used If Iran, Syria Back Terrorism

"State-supported terrorism is a form of warfare and you just can't sit by and let somebody else declare war on you and pretend that you're still at peace," Reagan said.

But he added, "It's much more difficult to trace to the source terrorism sponsored by others than it is by Libya." Later, an Administration official said Reagan would use military force only as a last resort if other efforts, such as diplomatic and economic pressure failed.

(Henry Gottlieb, AP)

Iran, Syria Warned Of U.S. Retaliation

Asked how the U.S. would respond if there were any new terror attacks in Europe sponsored by Libya, Mr. Reagan declined to respond.

"That's something I don't think I should answer," Mr. Reagan said. "But we will be watching them." (Jeremiah O'Leary, Washington Times, A1)

BOMB BLASTS BRITISH AIRWAYS, AMERICAN AIRLINES OFFICE

LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

Police sealed off the area around the office in Oxford street, one of London's busiest shopping areas, as they search for other bombs. The bomb blew up at around 4:45 a.m. when the street was practically deserted. Police said the effects of the blast could have been "quite horrific" if the bomb had gone off when the stores were opened.

(Michael Wise, Reuter)

BONN EXPELS 22 FROM LIBYAN MISSION

BONN -- West Germany today ordered 22 members of the Libyan People's Bureau in Bonn to leave the country within one week and declared that extra security precautions were being introduced to protect Americans from terrorist attacks.

The staff of the Libyan mission in Bonn must also be cut to 19 from its present contingent of 41 within one week, a Foreign Ministry spokesman announced. Those Libyan representatives who remain behind in West Germany will be banned from traveling outside the capital except to reach the local airport, he said.

(William Drozdiak, Washington Post, A1)

Europe Gets Tough On Libya; May Do More At Summit

Western Europe is moving to avert a crisis with the U.S. Following the European Community's decision Monday to restrict the activities of Libyan missions and diplomats, six European nations have begun expelling Libyans.

West Germany announced yesterday it would order the Libyan Embassy in Bonn to cut its staff by half. In a separate action, France joined Britain and the U.S. Monday in vetoing a U.N. Security Council resolution condemning the U.S. raid on Libya.

The Reagan Administration wants stronger action still. Larry Speakes says the allies will be asked to take "additional measures" to isolate Libya at next month's economic summit in Tokyo.

(William Echikson, Christian Science Monitor, A1)

BEIRUT VIDEO SAID TO SHOW BRITON'S BODY

BEIRUT -- A Moslem group tonight distributed a videotape of a man hanging from a scaffold whom it identified as missing British journalist Alec Collett, a captive since March 1985.

No body has been found to substantiate the execution, which the group [Revolutionary Organization of Socialist Moslems] said was carried out in retaliation for the "joint savage American-British raid" on Libya.

(Nora Boustany, Washington Post, A1)

U.S. FAILURE TO CONSULT SAID TO INFLUENCE FRANCE

PARIS -- France's new conservative prime minister Jacques Chirac, defending his government's refusal to grant overflight rights to U.S. aircraft headed for a bombing raid in Libya last week, made it clear today that one of Paris' principle objections was what they consider the lack of sufficient prior consultation by Washington.

Speaking in a television interview, Chirac indicated that he would use next month's economic summit in Tokyo to try to smooth over relations with Washington that have been badly strained since the April 15 air raid. He insisted that nobody could question "France's deep solidarity with the United States" on the terrorism issue.

(Michael Dobbs, Washington Post, A32)

SOURCES SAY A FEW NAVY PLANES STILL FLYING OFF LIBYAN COAST

American fighter and surveillance planes are still flying off the Libyan coast, avoiding the disputed Gulf of Sidra and -- so far -- Libyan aircraft, Administration officials say.

The source would not say how close the planes were flying to Libya, except that they "are well out to sea" and doing nothing provocative. "There haven't been a whole lot of planes in the air, but we never stopped flying (after last week's raid)," the source added. (AP)

TRIPOLI SOUNDS AN ALERT ON TERRORISM

TRIPOLI -- The Libyan government, putting a new twist on terrorist threats, claimed today that American and Israeli provocateurs are planning to carry out violent but covert terrorist operations in Europe to discredit the regime of Col. Qaddafi and give Washington a pretext for further retaliatory attacks here.

[In Washington, Larry Speakes said: "The CIA is not causing terrorist incidents in Europe."]

(Christopher Dickey, Washington Post, A33)

TOKYO SUMMIT EXPECTED CONSIDER TERRORISM FIGHT

President Reagan leaves Friday for the seven-nation Tokyo economic summit with hopes of encouraging stronger economic growth in Japan and West Germany but it is unwilling to agree to revamp the worldwide currency markets. The summit is expected to be dominated by discussions of an allied response to international terrorism.

(Mary Belcher & Marc Lerner, Washington Times, A2)

U.S. TO ASK FOR COOPERATION ON TRADE DEFICIT

Secretary Baker told the U.S. Chamber of Commerce yesterday that, at next month's economic summit, the U.S. will pressure Japan and West Germany to boost their economies to help cut the huge American trade deficit.

Baker did not specify the demands that would be put on Japan and West Germany to achieve "more balanced growth with the United States and each other."
(Hobart Rowen, Washington Post, A14)

REAGAN WINS FIGHT OVER CANADA TALKS

The Reagan Administration, fresh from a victory over Senate critics of his trade policy, is geared up for talks with Canada aimed at opening markets on both sides of the border.

The way was cleared for the talks Wednesday when the Senate Finance Committee turned down a proposal by Sen. John Danforth calling for a 30-day cooling-off period before the panel returned to the Administration's request for fast-track status for any agreement to emerge from the U.S.-Canadian talks.
(Mike Robinson, AP)

HOUSE, SENATE PANELS VOTE TO BAR SAUDI ARMS SALE

The Senate Foreign Relations and House Foreign Affairs committees yesterday approved legislation prohibiting the sale of \$354 million in arms to Saudi Arabia, marking the start of the Administration's uphill struggle to gain congressional approval of the controversial proposal.

President Reagan is expected to veto the prohibiting resolution in a bid to uphold the sale. But Congress could then override his veto, if two-thirds of the members in both houses vote to do so.

(David Ottaway, Washington Post, A16)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection

The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles. The stage was set for that fight Wednesday as the foreign affairs committees of both houses recommended Congress scrap the sale.
(Lawrence Knutson, AP)

Big Missile Sale To Saudi Arabia Opposed By Key Congress Panels

Both the Senate and the House will vote on resolutions of disapproval of the missile sale by May 8. If, as seems likely, both houses of Congress oppose the sale by majority votes, it would be the first time that any arms sale was turned down in the 10 years that Congress has had the right to reject arms sales.

But Mr. Reagan has vowed to veto such a vote. It is less certain that those opposed to the sale can muster the necessary two-thirds votes to overturn a Presidential veto.

(Bernard Gwertzman, New York Times, A1)

WHITE HOUSE ANNOUNCES AID PLAN FOR PHILIPPINES

The White House, saying the U.S. "needs to do its share" to back democratic change in the Philippines, yesterday announced a package of \$150 million in additional U.S. economic and military aid to the government of President Aquino.

The joint effort of the U.S., Japan, other donor nations and international financial institutions may pump about \$1 billion in extra aid into the Philippines over the next 12 to 18 months, a White House official said.
(Don Oberdorfer, Washington Post, A25)

SOVIETS SAY REAGAN SEEKING "MILITARISTIC BLOC" IN PACIFIC

MOSCOW -- The Kremlin denounced President Reagan's proposed Pacific Community political and economic alliance of democratic nations as a potential "militaristic bloc" and proposed, instead, a cooperation agreement that would include the Soviet Union.

But the Kremlin, in a statement on the Asian-Pacific region published by the Tass news agency Wednesday, called for an "all-Asian joint forum" to seek solutions to regional problems.
(Anna Christensen, UPI)

EL AL PLANE BOMBING UNRELATED TO U.S. RAID

LONDON -- Antiterrorist police investigating the attempted bombing of an El Al jumbo jet here last Thursday are "100 percent satisfied" that it was unrelated to a U.S. air attack against Libya two days before, sources here said today.
(Karen DeYoung, Washington Post, A25)

CONTRAS APPEAR WELL-SUPPLIED UNTIL SUMMER

Nicaraguan rebels have enough new weapons and supplies to sustain fighting for at least several months, but could face shortages if President Reagan's \$100 million aid plan stays bottled up in Congress, Administration officials say.

The officials, speaking only on the condition of anonymity, said that over the past month the Contra rebels have received shipments of guns and ammunition and a flood of non-lethal supplies that were purchased by the U.S. but delayed by the Honduran government. (Robert Parry, AP)

NATIONAL NEWS

DEAVER, CANADIAN MET ON ACID RAIN BEFORE SUMMIT

The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

After leaving the White House last May, Deaver signed a contract to represent Canada on acid rain and other issues for \$105,000 a year. Federal law prohibits former officials from lobbying on issues in which they were personally and substantially involved while in government.

(David Hoffman, Washington Post, A1)

PRESIDENT'S CONFIDENTIAL SCHEDULE DELIVERED TO DEAVER EVERY DAY

Michael Deaver receives a copy of the President's schedule every day, say White House sources. The schedule, considered to be highly sensitive information with extraordinary security implications, is delivered daily.

According to a White House source, Mr. Deaver obtains the details of Mr. Reagan's workday and other documents from Frederick Ryan, director of presidential appointments and scheduling.

The reasons Mr. Deaver wants the President's schedules, and why Mr. Ryan wants him to have them, are a matter of speculation, sources said.

(George Archibald, Washington Times, A1)

SENATE REFUSES TO KILL 40 PROGRAMS

The Republican-controlled Senate yesterday overwhelmingly rejected President Reagan's plan to terminate more than 40 federal programs and endorsed an increase in spending for education as it began voting on the fiscal 1987 budget.

In both votes, the Senate at least tacitly supported tax increases that Reagan opposes to finance the programs and demonstrated continuing congressional support for domestic spending programs that the President wants to curtail or kill.

(Helen Dewar, Washington Post, A1)

Senate Rejects Termination Of Domestic Programs, Then Approves New Taxes

"The Senate seems to be going in the wrong direction -- more spending and more taxes," said Ed Dale, spokesman for the President's OMB. He called the vote on the 44 terminations "a little innocent game playing" that "can't be taken seriously."

(Steven Komarow, AP)

Senate Votes Favor Spending, Tax Rise

The lopsided 83-14 vote to reject the President's proposed program eliminations was largely symbolic. But congressional sources said the tally sets the stage for a bitter confrontation among Senate Republicans, who are at odds over a \$1 trillion spending plan now being debated.

(Willis Witter, Washington Times, A1)

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PENTAGON, DESPITE CUTS, HAS EXTRA \$2.2 BILLION

Secretary Weinberger has notified Congress that the current Pentagon budget contains an extra \$2.2 billion even after absorbing the cuts imposed by the Gramm-Rudman-Hollings deficit reduction law.

The Pentagon's admission that it has more money than it needs to finance the military programs approved by Congress for fiscal year 1986, [Sen. Charles] Grassley said, will make it easier for him and his allies to keep the fiscal 1987 ceiling at \$295 billion, as recommended by the Budget Committee.
(George Wilson, Washington Post, A6)

DEMOCRATS HOPE TO GAIN IF TAX REVISION FAILS

As tax revision flounders in the Republican-controlled Senate Finance Committee, congressional Democrats show signs of trying to exploit the issue politically.

Democrats are looking to a potential election-year opportunity: a claim that the Democratic-controlled House passed President Reagan's top domestic initiative, a bill that would make wealthy corporations pay more taxes and poor people less, only to see it overturned in the GOP-dominated Senate.
(Anne Swardson, Washington Post, A8)

SPY SATELLITE SYSTEM IS SAID "NOT IN CRISIS"

U.S. photo-intelligence capabilities from space have been "stretched" because of last Friday's explosion of a Titan 34D booster rocket but are "not in crisis," according to a former Defense Department official familiar with such top-secret reconnaissance.

(Walter Pincus, Washington Post, A10)

\$50 MILLION MORE SOUGHT TO AVOID FAA FURLOUGHS

The FAA, which has requested an \$80 million supplemental appropriation to avoid furloughs for air traffic controllers, safety inspectors and other employees, has told its parent Transportation Department that it needs another \$50 million.

(Douglas Feaver, Washington Post, A18)

EDITOR'S NOTE: "Stockman Kicks Off Book, Takes Jab At Reagan Again" by Ralph Hallow appears on page A4 of the Washington Times.

"Stockman's Return To The Battleground" by Lois Romano appears on page D1 of the Washington Post.

NETWORK NEWS SUMMARY

(Wednesday Evening, April 23, 1986)

U.S.-LIBYA

CBS's Dan Rather: President Reagan, in a new comment, now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

CBS's Lesley Stahl: President Reagan today expanded his threats of using military retaliation against terrorism -- telling a group of columnists that if he had evidence that either Syria or Iran carried out terrorist acts against Americans -- he would be willing to bomb their cities, Damascus and Tehran, as he bombed Tripoli last week. In a speech to the U.S. Chamber of Commerce, the President issued a fresh warning of military action against Libya.

(President Reagan: "We proved last week that no one can kill Americans and brag about it -- no one. We bear the people the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

The President called on nations in Khadafy's backyard to join the fight.

(President: "Arab nations themselves have been forced to endorse savage terrorist attacks from this minority. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.") Despite the President's tough rhetoric today, there are no hints, no indications here that any new military actions are being planned.

Rather: Do they talk at the White House about what the consequences with the Soviets might be if any attack against Iran?
Stahl: "I must tell you that after the President made his comments to the columnists -- White House officials tried to tone it down. They said the President, if he did get evidence of terrorism by Iran or Syria, he wouldn't immediately go to military action. He would do what he did against Libya -- consider economic sanctions, diplomatic moves -- so there isn't that kind of militaristic talk coming out tonight from the officials. They are trying to tone it down.

Rather reports there are unconfirmed, but high level reports that continue to circulate in Washington that Syrian-piloted Soviet-made planes may have helped put down Libyan army uprisings against Khadafy in the wake of the U.S. air strike. Also, his power may now be somewhat reduced.

CBS's Allen Pizzey reports in Tripoli that Libya has gone on the defensive and not just militarily. The minister of information today accused American and Israeli intelligence of planning terrorist attacks in Europe, so they could be blamed on Libya. What is still not clear here -- who is in charge? There are indications that Khadafy's power may have been somewhat reduced -- the country is now in the hands of the top five military and political men, including Khadafy. However, that doesn't mean there has been a coup here. This morning, many foreign journalists left after the government announced there would be no more programs -- the press isn't welcome anymore.

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(CBS-LEAD)

U.S.-LIBYA (continued)

ABC's Peter Jennings: President Reagan lashed out at Col. Khadafy today and it is very possible that another person has been murdered in Lebanon as a result of the American attack on Libya which was supported by Britain. A Lebanese group which allegedly has ties to Abu Nidal released a videotape, perhaps made last week, which reports to show a British journalist they have been holding hostage hanging from a scaffold in a deserted field.

ABC's Mike Lee reports from London the independent Lebanese newspaper tonight released the grizzly photographs. There is no independent confirmation that Alec Collett is dead. The Lebanese-based group which claims to have photographed the execution is also calling on any and all Arab factions holding British or American hostages to kill them in retaliation for the British support of the U.S. raid on Libya.

ABC's Sam Donaldson: The President's appeal to moderate Arab countries was diplomatically phrased, but nonetheless clear. Our quarrel isn't with you, but with Khadafy -- join us in containing him. (President Reagan: "Let no one mistake this for a conflict between the Western democracies and the Arab world. Nowhere is the slaughter of Muslim people greater than in Afghanistan. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's appeal to oppose the scourge of terrorism was met with approval, but beyond that, Arab spokesmen at home and abroad said the attempted wage against Khadafy was misguided.

(Ambassador Clovis Maksoud of the Arab League: "Any attempt to divide the Arab states on the issue of the U.S. attack is an exercise in futility.")

(David Saad of the American Association Arab Nations: "The President's wrong. There is no question, but that we have made ourselves part of a conflict between the Israelis and Palestinians -- and that is why we have this terrorism directed against the Americans.")

The continuing oil interest in Libya provides another controversial corner to U.S. policy -- an apparent soft spot in the U.S. hard-line. In an interview, Mr. Reagan explained that if we forced U.S. companies to pull out; Khadafy would own the whole thing and realize a one billion dollar windfall. But oil aside, the President warned Khadafy and the Libyan people today that U.S. resolve to oppose him is firm.

(President: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

There was a report from overseas that this campaign to destabilize Khadafy may already have forced him into a power sharing arrangement with his own military. Officials here say they see no evidence of that and for now, they must assume that Khadafy is still in charge.

U.S.-LIBYA (continued)

ABC's John McWethy reports Khadafy is much more dangerous now than he was before the U.S. attack. That conclusion was made by Secretary Shultz in a confidential assessment earlier this week.

(TV coverage: Still photograph of Secretary Shultz with a word beneath -- dangerous.)

Shultz also stated that Khadafy may well seek revenge on a very personal level -- Khadafy may go after members of President Reagan's immediate family. The White House confirmed the First Lady will go ahead with a trip to Malaysia and Thailand next week.

(TV coverage: The First Lady.)

Ambassador Vernon Walters said last night the 600 Americans in Libya illegally will be indicted when they come home.

ABC's Charles Glass reports from Tripoli the foreign correspondents were told their mission was finished and they were invited to leave.

Jennings reports the government of West Germany ordered more than half of the Libyan Embassy's staff in Bonn to go home. (ABC-LEAD)

NBC's Tom Brokaw: A terrorist organization operating out of Lebanon is claiming tonight that it has taken another life in retaliation for American raids on Libya....

NBC's John Cochran reports from London on the death of Alec Collett. Collett's kidnappers urged others holding five Americans and one British hostage to execute them because the blood of Americans and Britons is now permissible as a result of the criminal acts exercised by murderer Reagan and criminal Thatcher.

NBC's Chris Wallace: The President today was trying to build an international coalition against Libya. For the first time he threatened to use force against other terrorist countries. As he prepares to meet with U.S. allies at next week's economic summit, the President left no doubt he is ready to hit Libya again.

(President Reagan: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

In an off camera interview with columnists, Mr. Reagan said he would also retaliate against terrorism from Syria or Iran. Stating if there is direct evidence -- yes, I think we should do that because it's a form of warfare. In the past, the U.S. has been unwilling to hit Khomeini or Assad -- afraid of the reaction from the Arabs and Soviets. The President's main purpose today was to build support and not make threats. He appealed to Arab moderates, knowing that Khadafy has backed terrorism in the Middle East.

(President: "We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's focus however is on the Western allies that he'll meet next week. Aides say Mr. Reagan will go to the summit feeling the time for rhetoric has past. He'll seek private commitments on intelligence sharing, more security and closing Libyan embassies.

U.S.-LIBYA (continued)

Wallace: (continued)

The U.S. would love economic sanctions or allied backing of military action, but expects neither. Still, the President will make his case.

(President: "I'll remind our allies of the truth of what Edmund Burke said long ago -- when bad men combined, the good must associate or else they will fall, one by one.")

The Administration is still not satisfied with the response from the allies, but feels at least they're now discussing the right issue -- no longer whether there is a Libyan connection, but rather what to do about it.

Brokaw reports West Germany kicked 22 members of the Libyan Embassy out of the country and ordered the rest of the embassy staff to follow new restrictions on their travel. Also, some 250 foreign journalists representing the U.S. and European common market countries were ordered out of Libya by the end of the week. The London Times reported Khadafy now has to share power with four military co-rulers. In addition, Austria said today it has positive evidence that Libya was not involved in the December 27th terrorist attack at Vienna's airport. (NBC-LEAD)

MOSLEM TERRORISM

Rather reports Moslem terrorists in Lebanon produced a videotape today -- they say it is proof they have hanged a British hostage journalist, Alec Collett. A voice on the tape said Collett was executed in reprisal for the air raid on Libya. The terrorists who claimed they killed Collett are linked to the Abu Nidal group. (CBS-2)

ARMS SALES-SAUDI ARABIA

Rather reports the Senate Foreign Relations and House Foreign Affairs today rejected President Reagan's proposed \$350 million missile sale to Saudi Arabia. One reason says correspondent Phil Jones, members are unhappy that the Saudis have not been more vocal in condemning Libyan terrorism. (CBS-3)

OFFSHORE COMPUTING

NBC's Mike Jensen presents a special segment on offshore computing -- computer processing jobs in this country are being lost to offshore competition. There is a growing revolution in information processing overseas -- a revolution which has already cost thousands of American workers their jobs because of cheap offshore labor.

NBC's John Chancellor's commentary from Tokyo -- Japan may be about to make some historic changes in its economy. The Japanese have got themselves in trouble with the world because they sell more abroad than they buy and now they are beginning to wonder if they haven't over done it. The Japanese government is proposing what it

OFFSHORE COMPUTING (continued)

Chancellor: (continued)

calls a historic transformation of the Japanese economy. One of its aims is to get the Japanese to save less and spend more, especially on foreign products. If they don't do something, other countries will put up barriers to their products and we could have a very nasty wave of protectionism that would hurt everybody -- Americans and Japanese. If something doesn't change, there is trouble ahead.

(NBC-7)

BUDGET

Rather reports the Senate voted 83-14 to reject a Presidential proposal to cut 44 domestic programs out of the budget. The Senate also voted for \$300 million more for education programs.

(CBS-12)

GRAMM-RUDMAN

Rather reports the Supreme Court heard technical arguments today on whether the Gramm-Rudman law is legal or whether it's an unconstitutional violation of the separation of powers held by Congress and the President. Based on some of the questioning by the justices today, it appeared they tend to accept the suggestion that Gramm-Rudman might be unconstitutional.

(NBC-4, ABC-3, CBS-11)

CHALLENGER

CBS's Eric Engberg reports new photographs were released by NASA today, clearly showing the astronaut compartment of the Challenger was blown clear from the explosion and largely intact -- indicating the astronauts may not have died until their capsule struck the ocean.

(TV coverage: A series of still photographs of the Challenger explosion.)

In Washington, James Fletcher went before a Senate committee seeking confirmation. Massive NASA cost overruns and other management problems in building the shuttle were pointed out by newly released Inspector General and GAO reports.

(NBC-2, ABC-2, CBS-4)

AFGHANISTAN

Rather reports Afghan rebel leaders say a force of 7,000 Soviet commandos and collaborating Afghan soldiers captured and destroyed a main rebel base near the Pakistan border.

(CBS-9)

SOUTH AFRICA

CBS's John Blackstone reports from Alexandra Township the South African government today abandoned the "pass" laws for blacks, but it also showed it has no intentions of abandoning its official policy of racial discrimination.

(ABC-7, CBS-8)

REP.'S OUTSIDE INCOME

Rather reports the House voted 333-68 to undo yesterday's rule change that allowed members to earn more money from outside speeches and writing.

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(NBC-3, CBS-10)

EDITORIALS/COLUMNISTS

TRADE/JAPAN

Nakasone's Plan It's Good, If Japan Actually Carries It Out -- "While Nakasone may have the best of intentions this time, it is important that the United States, from Administration trade negotiators to those in Congress with protectionist bills in their desk drawers, maintain pressure on Japan, because a good-sounding plan doesn't mean a thing unless it is translated into action." (Fort Worth Star-Telegram, 4/18)

Nakasone's Reorientation Offers Hope For Better Economic Ties -- "As much as Mr. Reagan, perhaps, the Japanese recognize the perils of continuing a trade imbalance the size of theirs with the United States. It may not be easy to convince some Japanese exporters to go along with the new import policy. But it must be done." (Cincinnati Enquirer, 4/19)

Toward Free Trade -- "A free and fair international market is the simplest and most effective antidote to most of the world's nagging economic illnesses -- even if it can't relieve the chronic heartburn of short-sighted congressmen." (Chicago Sun-Times, 4/22)

SALT II

Sticking With The SALT Treaty -- "He (the President) is doing the right thing. Some restraint on nuclear weapons proliferation -- even if that restraint is flawed, expired and unratified -- is better than no restraint at all.... It is a mile worth going, and the subtraction of two old submarines from the U.S. arsenal will make not a whit of difference to the national security." (Chicago Tribune, 4/23)

Trident With SALT -- "President Reagan showed wise restraint in deciding tentatively to dismantle two old Poseidon submarines so as to remain within the SALT II treaty limitations.... Mr. Reagan kept the SALT process frozen for five years, during a time when the ossified Kremlin was in no state to participate. But he is preserving the opportunity to bring SALT back to life with a new generation of Kremlin leadership, which is sound defense and foreign policy." (Baltimore Sun, 4/23)

SALT II Survives -- "The President, on the submarine issue, did the right thing by accepting the State Department's recommendation to dismantle the two old subs and to stay under the SALT II ceiling." (Washington Post, 4/23)

Good Move -- "President Reagan's decision to dismantle two U.S. nuclear submarines to stay under the ceiling on missile launchers imposed by the SALT II treaty was the right one.... It is still necessary to impress on the Soviets that they pay a price for treaty violations, the highest being a negative effect on negotiations for more comprehensive arms-control agreements." (Los Angeles Times, 4/22)

Editorials/Columnists (continued)

SUMMIT

Summit Preconditions -- "Comrade Gorbachev needs a summit more than does Mr. Reagan, so the President should insist that Mr. Gorbachev first rein in his agents of terror, including not only Libya, but Syria, Cuba, and Nicaragua." (Washington Times, 4/22)

LIBYA

Libya: No Place For Foreigners As Terrorist War Escalates -- "All foreigners still in Lybia should be urged to leave posthaste. Already many are getting out -- obviously the smart thing to do." (Providence Journal-Bulletin, 4/19)

Libyan Attack Hurt NATO -- "Those who try to insult Europeans into acquiescence are damaging the Western alliance in ways the Soviets have failed to achieve over almost four decades." (Carl Rowan, Dallas Morning News, 4/21)

HOSTAGES

We Must Not Forget Hostages In Danger -- "The USA has taken off the gloves in its fight against terrorsim. We did so knowing that our hostages -- and our citizens everywhere -- would be at risk. But that does not mean we must give up on them. Of course we must continue to fight terrorism and redouble efforts to protect our citizens around the world. And we must use all the diplomacy, intelligence, and guile we can muster to free the hostages. We must get them out alive. There must be no more hostages burying hostages. They must not become the forgotten five." (USA Today, 4/23)

TAXES

Mr. Reagan's Twin Tax Surrender -- "The President's reversal is tactically unwise and socially unfair. If he is, as many suspected all along, finally willing to bend on taxes, let him lead the way to a sensible tax increase devoted to a healthy reduction in the budget deficit." (New York Times, 4/23)

Flawed Proposal For An Excise Tax -- "Why Congress keeps bothering with so-called tax reform is hard to comprehend. However sound the idea may be in principle, in practice it is proving to be a damaging dud.... The entire tax-reform move has become so misguided that it should simply be set aside. Congress should concentrate for now on passage of a deficit-reducing budget -- a project which is long overdue." (Providence Journal-Bulletin, 4/18)

OIL

Oil: George Bush Has A Point -- "The desirability of low energy prices ought not to be dismissed. But, as Vice-President Bush argues, neither should the goal of domestic energy development -- which could be a casualty in the current downward price slide." (Christian Science Monitor, 4/21)

FOREIGN MEDIA REACTION

FAR EAST

"Overture and firmness will be EEC policy in the debate to settle trade differences with the United States.... Foreign Trade Minister Michel Noir indicated that the EEC is not afraid of a U.S. initiative before the economic summit in Tokyo. It means that the Europeans hope that wisdom will prevail at the meeting in light of the plan for a new round of multilateral negotiations for the GATT in 1987." (Tribune, France)

"The French Foreign Trade Minister indicated that EEC foreign ministers chose 'the path of firmness and overture....' In Luxembourg yesterday, they decided to support the position of the EEC commission and to propose the opening GATT negotiations to Washington. At the same time they will prepare retaliatory measures if the Reagan Administration implements its threats...." (Les Echos, France)

"The Tokyo summit...is expected to seek Western unity, expand global economic growth, which has taken a favorable turn, and express strong determination on coping with international terrorism...." (Yomiuri, Japan)

"The international terrorist problem will be discussed at the summit, but the substance of the talks will be left in the hands of the summit leaders, as efforts are continuing at present to prevent further worsening of the situation." (Tokyo Shimbun, Japan)

"President Reagan stated he will strongly ask countries taking a negative stand on terrorism to take a stronger posture at the Tokyo summit." (NHK-TV, Japan)

"Presidents Soeharto and Reagan in Bali will cover global economic restructuring, protectionism barriers, trade, investment, U.S. tin stockpile sales, defense and regional issues -- including Cambodia and U.S.-China relations.... Both leaders will also talk about the GATT in an effort to strengthen the international trading framework.... President Soeharto would like to know more about the U.S. plans to subsidize agricultural exports to compete with subsidized European exports...." (Indonesia Times, Indonesia)

"It is rapidly becoming clear that the Americans intend to use the Tokyo meeting to build their case for the economic and political isolation of Libya and states which sponsor terrorism as well as developing joint military approaches. The White House says that Mr. Reagan would like the seven largest industrial countries to take a series of collective decisions which in the long run will leave Col. Qaddafi powerless to continue his campaign of violence...." (Guardian, Britain)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, APRIL 24, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Hints At Other Raids Linked To Terror -- President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

(Washington Post, Washington Times, New York Times, AP)

Bomb Blasts British Airways, American Airlines Office -- LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

(Reuter)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection -- The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles.

(Washington Post, New York Times, AP)

NATIONAL NEWS

Deaver, Canadian Met On Acid Rain Before Summit -- The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

(Washington Post)

NETWORK NEWS (Wednesday Evening)

U.S./LIBYA -- President Reagan now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

ARMS SALES -- Senate and House Committees today rejected President Reagan's proposed missile sale to Saudi Arabia.

BUDGET -- The Senate voted to reject a Presidential proposal to cut 44 domestic programs out of the budget.

IN DEFENSE OF FREEDOM

"So tonight I speak for a united people. Let me say simply to those who wish us ill: We are Americans. We love our country, we love what she stands for, we will always defend her. We live for freedom — our own and our children's — and we stand ready always to protect our birthright and guard our patrimony, as our fathers did before us."

(President Reagan, speaking at the Heritage Foundation Dinner, 4/22)

INTERNATIONAL NEWS

REAGAN WILLING TO STRIKE IRAN OR SYRIA IF ROLE IN TERRORIST ACTS PROVEN

President Reagan said yesterday he would use military force against Iran or Syria if presented with clear evidence that one of those governments had sponsored an act of terrorism against Americans.

The President said that in many instances it was difficult to obtain the "irrefutable evidence" he said the U.S. had before before its April 14 bombing raid on Libya. But he added that when such evidence exists, "we must have the same policy" in dealing with state-sponsored terrorism.

Reagan was then asked whether this meant using force against Damascus or Tehran. He replied, "Yes, if we had that kind of evidence."
(Lou Cannon, Washington Post, A1)

President Hints At Other Raids Linked To Terror

President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

At the same time, Mr. Reagan reaffirmed his readiness to "act again" against Libya if evidence was found linking it to new terrorist attacks on Americans.

Meanwhile, military experts who have reviewed Pentagon reports said the Air Force planes that attacked the Bab el-Azziziya military barracks in Tripoli on April 15 failed to hit two buildings that serve as the quarters for Col. Qaddafi's elite guard.
(Gerald Boyd, New York Times, A1)

Reagan Says Force Might Be Used If Iran, Syria Back Terrorism

"State-supported terrorism is a form of warfare and you just can't sit by and let somebody else declare war on you and pretend that you're still at peace," Reagan said.

But he added, "It's much more difficult to trace to the source terrorism sponsored by others than it is by Libya." Later, an Administration official said Reagan would use military force only as a last resort if other efforts, such as diplomatic and economic pressure failed.

(Henry Gottlieb, AP)

Iran, Syria Warned Of U.S. Retaliation

Asked how the U.S. would respond if there were any new terror attacks in Europe sponsored by Libya, Mr. Reagan declined to respond.

"That's something I don't think I should answer," Mr. Reagan said. "But we will be watching them."
(Jeremiah O'Leary, Washington Times, A1)

BOMB BLASTS BRITISH AIRWAYS, AMERICAN AIRLINES OFFICE

LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

Police sealed off the area around the office in Oxford street, one of London's busiest shopping areas, as they search for other bombs. The bomb blew up at around 4:45 a.m. when the street was practically deserted. Police said the effects of the blast could have been "quite horrific" if the bomb had gone off when the stores were opened.

(Michael Wise, Reuter)

BONN EXPELS 22 FROM LIBYAN MISSION

BONN -- West Germany today ordered 22 members of the Libyan People's Bureau in Bonn to leave the country within one week and declared that extra security precautions were being introduced to protect Americans from terrorist attacks.

The staff of the Libyan mission in Bonn must also be cut to 19 from its present contingent of 41 within one week, a Foreign Ministry spokesman announced. Those Libyan representatives who remain behind in West Germany will be banned from traveling outside the capital except to reach the local airport, he said.

(William Drozdiak, Washington Post, A1)

Europe Gets Tough On Libya; May Do More At Summit

Western Europe is moving to avert a crisis with the U.S. Following the European Community's decision Monday to restrict the activities of Libyan missions and diplomats, six European nations have begun expelling Libyans.

West Germany announced yesterday it would order the Libyan Embassy in Bonn to cut its staff by half. In a separate action, France joined Britain and the U.S. Monday in vetoing a U.N. Security Council resolution condemning the U.S. raid on Libya.

The Reagan Administration wants stronger action still. Larry Speakes says the allies will be asked to take "additional measures" to isolate Libya at next month's economic summit in Tokyo.

(William Echikson, Christian Science Monitor, A1)

BEIRUT VIDEO SAID TO SHOW BRITON'S BODY

BEIRUT -- A Moslem group tonight distributed a videotape of a man hanging from a scaffold whom it identified as missing British journalist Alec Collett, a captive since March 1985.

No body has been found to substantiate the execution, which the group [Revolutionary Organization of Socialist Moslems] said was carried out in retaliation for the "joint savage American-British raid" on Libya.

(Nora Boustany, Washington Post, A1)

U.S. FAILURE TO CONSULT SAID TO INFLUENCE FRANCE

PARIS -- France's new conservative prime minister Jacques Chirac, defending his government's refusal to grant overflight rights to U.S. aircraft headed for a bombing raid in Libya last week, made it clear today that one of Paris' principle objections was what they consider the lack of sufficient prior consultation by Washington.

Speaking in a television interview, Chirac indicated that he would use next month's economic summit in Tokyo to try to smooth over relations with Washington that have been badly strained since the April 15 air raid. He insisted that nobody could question "France's deep solidarity with the United States" on the terrorism issue.

(Michael Dobbs, Washington Post, A32) .

SOURCES SAY A FEW NAVY PLANES STILL FLYING OFF LIBYAN COAST

American fighter and surveillance planes are still flying off the Libyan coast, avoiding the disputed Gulf of Sidra and -- so far -- Libyan aircraft, Administration officials say.

The source would not say how close the planes were flying to Libya, except that they "are well out to sea" and doing nothing provocative. "There haven't been a whole lot of planes in the air, but we never stopped flying (after last week's raid)," the source added. (AP)

TRIPOLI SOUNDS AN ALERT ON TERRORISM

TRIPOLI -- The Libyan government, putting a new twist on terrorist threats, claimed today that American and Israeli provocateurs are planning to carry out violent but covert terrorist operations in Europe to discredit the regime of Col. Qaddafi and give Washington a pretext for further retaliatory attacks here.

[In Washington, Larry Speakes said: "The CIA is not causing terrorist incidents in Europe."]

(Christopher Dickey, Washington Post, A33)

TOKYO SUMMIT EXPECTED CONSIDER TERRORISM FIGHT

President Reagan leaves Friday for the seven-nation Tokyo economic summit with hopes of encouraging stronger economic growth in Japan and West Germany but it is unwilling to agree to revamp the worldwide currency markets. The summit is expected to be dominated by discussions of an allied response to international terrorism.

(Mary Belcher & Marc Lerner, Washington Times, A2)

U.S. TO ASK FOR COOPERATION ON TRADE DEFICIT

Secretary Baker told the U.S. Chamber of Commerce yesterday that, at next month's economic summit, the U.S. will pressure Japan and West Germany to boost their economies to help cut the huge American trade deficit.

Baker did not specify the demands that would be put on Japan and West Germany to achieve "more balanced growth with the United States and each other."
(Hobart Rowen, Washington Post, A14)

REAGAN WINS FIGHT OVER CANADA TALKS

The Reagan Administration, fresh from a victory over Senate critics of his trade policy, is geared up for talks with Canada aimed at opening markets on both sides of the border.

The way was cleared for the talks Wednesday when the Senate Finance Committee turned down a proposal by Sen. John Danforth calling for a 30-day cooling-off period before the panel returned to the Administration's request for fast-track status for any agreement to emerge from the U.S.-Canadian talks.
(Mike Robinson, AP)

HOUSE, SENATE PANELS VOTE TO BAR SAUDI ARMS SALE

The Senate Foreign Relations and House Foreign Affairs committees yesterday approved legislation prohibiting the sale of \$354 million in arms to Saudi Arabia, marking the start of the Administration's uphill struggle to gain congressional approval of the controversial proposal.

President Reagan is expected to veto the prohibiting resolution in a bid to uphold the sale. But Congress could then override his veto, if two-thirds of the members in both houses vote to do so.

(David Ottaway, Washington Post, A16)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection

The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles. The stage was set for that fight Wednesday as the foreign affairs committees of both houses recommended Congress scrap the sale.
(Lawrence Knutson, AP)

Big Missile Sale To Saudi Arabia Opposed By Key Congress Panels

Both the Senate and the House will vote on resolutions of disapproval of the missile sale by May 8. If, as seems likely, both houses of Congress oppose the sale by majority votes, it would be the first time that any arms sale was turned down in the 10 years that Congress has had the right to reject arms sales.

But Mr. Reagan has vowed to veto such a vote. It is less certain that those opposed to the sale can muster the necessary two-thirds votes to overturn a Presidential veto.

(Bernard Gwertzman, New York Times, A1)

WHITE HOUSE ANNOUNCES AID PLAN FOR PHILIPPINES

The White House, saying the U.S. "needs to do its share" to back democratic change in the Philippines, yesterday announced a package of \$150 million in additional U.S. economic and military aid to the government of President Aquino.

The joint effort of the U.S., Japan, other donor nations and international financial institutions may pump about \$1 billion in extra aid into the Philippines over the next 12 to 18 months, a White House official said.
(Don Oberdorfer, Washington Post, A25)

SOVIETS SAY REAGAN SEEKING "MILITARISTIC BLOC" IN PACIFIC

MOSCOW -- The Kremlin denounced President Reagan's proposed Pacific Community political and economic alliance of democratic nations as a potential "militaristic bloc" and proposed, instead, a cooperation agreement that would include the Soviet Union.

But the Kremlin, in a statement on the Asian-Pacific region published by the Tass news agency Wednesday, called for an "all-Asian joint forum" to seek solutions to regional problems.
(Anna Christensen, UPI)

EL AL PLANE BOMBING UNRELATED TO U.S. RAID

LONDON -- Antiterrorist police investigating the attempted bombing of an El Al jumbo jet here last Thursday are "100 percent satisfied" that it was unrelated to a U.S. air attack against Libya two days before, sources here said today.
(Karen DeYoung, Washington Post, A25)

CONTRAS APPEAR WELL-SUPPLIED UNTIL SUMMER

Nicaraguan rebels have enough new weapons and supplies to sustain fighting for at least several months, but could face shortages if President Reagan's \$100 million aid plan stays bottled up in Congress, Administration officials say.

The officials, speaking only on the condition of anonymity, said that over the past month the Contra rebels have received shipments of guns and ammunition and a flood of non-lethal supplies that were purchased by the U.S. but delayed by the Honduran government. (Robert Parry, AP)

NATIONAL NEWS

DEAVER, CANADIAN MET ON ACID RAIN BEFORE SUMMIT

The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

After leaving the White House last May, Deaver signed a contract to represent Canada on acid rain and other issues for \$105,000 a year. Federal law prohibits former officials from lobbying on issues in which they were personally and substantially involved while in government.

(David Hoffman, Washington Post, A1)

PRESIDENT'S CONFIDENTIAL SCHEDULE DELIVERED TO DEAVER EVERY DAY

Michael Deaver receives a copy of the President's schedule every day, say White House sources. The schedule, considered to be highly sensitive information with extraordinary security implications, is delivered daily.

According to a White House source, Mr. Deaver obtains the details of Mr. Reagan's workday and other documents from Frederick Ryan, director of presidential appointments and scheduling.

The reasons Mr. Deaver wants the President's schedules, and why Mr. Ryan wants him to have them, are a matter of speculation, sources said.

(George Archibald, Washington Times, A1)

SENATE REFUSES TO KILL 40 PROGRAMS

The Republican-controlled Senate yesterday overwhelmingly rejected President Reagan's plan to terminate more than 40 federal programs and endorsed an increase in spending for education as it began voting on the fiscal 1987 budget.

In both votes, the Senate at least tacitly supported tax increases that Reagan opposes to finance the programs and demonstrated continuing congressional support for domestic spending programs that the President wants to curtail or kill.

(Helen Dewar, Washington Post, A1)

Senate Rejects Termination Of Domestic Programs, Then Approves New Taxes

"The Senate seems to be going in the wrong direction -- more spending and more taxes," said Ed Dale, spokesman for the President's OMB. He called the vote on the 44 terminations "a little innocent game playing" that "can't be taken seriously."

(Steven Komarow, AP)

Senate Votes Favor Spending, Tax Rise

The lopsided 83-14 vote to reject the President's proposed program eliminations was largely symbolic. But congressional sources said the tally sets the stage for a bitter confrontation among Senate Republicans, who are at odds over a \$1 trillion spending plan now being debated.

(Willis Witter, Washington Times, A1)

-more-

PENTAGON, DESPITE CUTS, HAS EXTRA \$2.2 BILLION

Secretary Weinberger has notified Congress that the current Pentagon budget contains an extra \$2.2 billion even after absorbing the cuts imposed by the Gramm-Rudman-Hollings deficit reduction law.

The Pentagon's admission that it has more money than it needs to finance the military programs approved by Congress for fiscal year 1986, [Sen. Charles] Grassley said, will make it easier for him and his allies to keep the fiscal 1987 ceiling at \$295 billion, as recommended by the Budget Committee.
(George Wilson, Washington Post, A6)

DEMOCRATS HOPE TO GAIN IF TAX REVISION FAILS

As tax revision flounders in the Republican-controlled Senate Finance Committee, congressional Democrats show signs of trying to exploit the issue politically.

Democrats are looking to a potential election-year opportunity: a claim that the Democratic-controlled House passed President Reagan's top domestic initiative, a bill that would make wealthy corporations pay more taxes and poor people less, only to see it overturned in the GOP-dominated Senate.
(Anne Swardson, Washington Post, A8)

SPY SATELLITE SYSTEM IS SAID "NOT IN CRISIS"

U.S. photo-intelligence capabilities from space have been "stretched" because of last Friday's explosion of a Titan 34D booster rocket but are "not in crisis," according to a former Defense Department official familiar with such top-secret reconnaissance.

(Walter Pincus, Washington Post, A10)

\$50 MILLION MORE SOUGHT TO AVOID FAA FURLOUGHS

The FAA, which has requested an \$80 million supplemental appropriation to avoid furloughs for air traffic controllers, safety inspectors and other employees, has told its parent Transportation Department that it needs another \$50 million.

(Douglas Feaver, Washington Post, A18)

EDITOR'S NOTE: "Stockman Kicks Off Book, Takes Jab At Reagan Again" by Ralph Hallow appears on page A4 of the Washington Times.

"Stockman's Return To The Battleground" by Lois Romano appears on page D1 of the Washington Post.

NETWORK NEWS SUMMARY

(Wednesday Evening, April 23, 1986)

U.S.-LIBYA

CBS's Dan Rather: President Reagan, in a new comment, now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

CBS's Lesley Stahl: President Reagan today expanded his threats of using military retaliation against terrorism -- telling a group of columnists that if he had evidence that either Syria or Iran carried out terrorist acts against Americans -- he would be willing to bomb their cities, Damascus and Tehran, as he bombed Tripoli last week. In a speech to the U.S. Chamber of Commerce, the President issued a fresh warning of military action against Libya.

(President Reagan: "We proved last week that no one can kill Americans and brag about it -- no one. We bear the people the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

The President called on nations in Khadafy's backyard to join the fight.

(President: "Arab nations themselves have been forced to endorse savage terrorist attacks from this minority. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.") Despite the President's tough rhetoric today, there are no hints, no indications here that any new military actions are being planned.

Rather: Do they talk at the White House about what the consequences with the Soviets might be if any attack against Iran?

Stahl: "I must tell you that after the President made his comments to the columnists -- White House officials tried to tone it down. They said the President, if he did get evidence of terrorism by Iran or Syria, he wouldn't immediately go to military action. He would do what he did against Libya -- consider economic sanctions, diplomatic moves -- so there isn't that kind of militaristic talk coming out tonight from the officials. They are trying to tone it down.

Rather reports there are unconfirmed, but high level reports that continue to circulate in Washington that Syrian-piloted Soviet-made planes may have helped put down Libyan army uprisings against Khadafy in the wake of the U.S. air strike. Also, his power may now be somewhat reduced.

CBS's Allen Pizzey reports in Tripoli that Libya has gone on the defensive and not just militarily. The minister of information today accused American and Israeli intelligence of planning terrorist attacks in Europe, so they could be blamed on Libya. What is still not clear here -- who is in charge? There are indications that Khadafy's power may have been somewhat reduced -- the country is now in the hands of the top five military and political men, including Khadafy. However, that doesn't mean there has been a coup here. This morning, many foreign journalists left after the government announced there would be no more programs -- the press isn't welcome anymore.

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(CBS-LEAD)

U.S.-LIBYA (continued)

ABC's Peter Jennings: President Reagan lashed out at Col. Khadafy today and it is very possible that another person has been murdered in Lebanon as a result of the American attack on Libya which was supported by Britain. A Lebanese group which allegedly has ties to Abu Nidal released a videotape, perhaps made last week, which reports to show a British journalist they have been holding hostage hanging from a scaffold in a deserted field.

ABC's Mike Lee reports from London the independent Lebanese newspaper tonight released the grizzly photographs. There is no independent confirmation that Alec Collett is dead. The Lebanese-based group which claims to have photographed the execution is also calling on any and all Arab factions holding British or American hostages to kill them in retaliation for the British support of the U.S. raid on Libya.

ABC's Sam Donaldson: The President's appeal to moderate Arab countries was diplomatically phrased, but nonetheless clear. Our quarrel isn't with you, but with Khadafy -- join us in containing him. (President Reagan: "Let no one mistake this for a conflict between the Western democracies and the Arab world. Nowhere is the slaughter of Muslim people greater than in Afghanistan. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's appeal to oppose the scourge of terrorism was met with approval, but beyond that, Arab spokesmen at home and abroad said the attempted wage against Khadafy was misguided.

(Ambassador Clovis Maksud of the Arab League: "Any attempt to divide the Arab states on the issue of the U.S. attack is an exercise in futility.")

(David Saad of the American Association Arab Nations: "The President's wrong. There is no question, but that we have made ourselves part of a conflict between the Israelis and Palestinians -- and that is why we have this terrorism directed against the Americans.")

The continuing oil interest in Libya provides another controversial corner to U.S. policy -- an apparent soft spot in the U.S. hard-line. In an interview, Mr. Reagan explained that if we forced U.S. companies to pull out; Khadafy would own the whole thing and realize a one billion dollar windfall. But oil aside, the President warned Khadafy and the Libyan people today that U.S. resolve to oppose him is firm.

(President: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

There was a report from overseas that this campaign to destabilize Khadafy may already have forced him into a power sharing arrangement with his own military. Officials here say they see no evidence of that and for now, they must assume that Khadafy is still in charge.

U.S.-LIBYA (continued)

ABC's John McWethy reports Khadafy is much more dangerous now than he was before the U.S. attack. That conclusion was made by Secretary Shultz in a confidential assessment earlier this week.

(TV coverage: Still photograph of Secretary Shultz with a word beneath -- dangerous.)

Shultz also stated that Khadafy may well seek revenge on a very personal level -- Khadafy may go after members of President Reagan's immediate family. The White House confirmed the First Lady will go ahead with a trip to Malaysia and Thailand next week.

(TV coverage: The First Lady.)

Ambassador Vernon Walters said last night the 600 Americans in Libya illegally will be indicted when they come home.

ABC's Charles Glass reports from Tripoli the foreign correspondents were told their mission was finished and they were invited to leave.

Jennings reports the government of West Germany ordered more than half of the Libyan Embassy's staff in Bonn to go home. (ABC-LEAD)

NBC's Tom Brokaw: A terrorist organization operating out of Lebanon is claiming tonight that it has taken another life in retaliation for American raids on Libya....

NBC's John Cochran reports from London on the death of Alec Collett. Collett's kidnappers urged others holding five Americans and one British hostage to execute them because the blood of Americans and Britons is now permissible as a result of the criminal acts exercised by murderer Reagan and criminal Thatcher.

NBC's Chris Wallace: The President today was trying to build an international coalition against Libya. For the first time he threatened to use force against other terrorist countries. As he prepares to meet with U.S. allies at next week's economic summit, the President left no doubt he is ready to hit Libya again.

(President Reagan: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

In an off camera interview with columnists, Mr. Reagan said he would also retaliate against terrorism from Syria or Iran. Stating if there is direct evidence -- yes, I think we should do that because it's a form of warfare. In the past, the U.S. has been unwilling to hit Khomeini or Assad -- afraid of the reaction from the Arabs and Soviets. The President's main purpose today was to build support and not make threats. He appealed to Arab moderates, knowing that Khadafy has backed terrorism in the Middle East.

(President: "We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's focus however is on the Western allies that he'll meet next week. Aides say Mr. Reagan will go to the summit feeling the time for rhetoric has past. He'll seek private commitments on intelligence sharing, more security and closing Libyan embassies.

U.S.-LIBYA (continued)

Wallace: (continued)

The U.S. would love economic sanctions or allied backing of military action, but expects neither. Still, the President will make his case.

(President: "I'll remind our allies of the truth of what Edmund Burke said long ago -- when bad men combined, the good must associate or else they will fall, one by one.")

The Administration is still not satisfied with the response from the allies, but feels at least they're now discussing the right issue -- no longer whether there is a Libyan connection, but rather what to do about it.

Brokaw reports West Germany kicked 22 members of the Libyan Embassy out of the country and ordered the rest of the embassy staff to follow new restrictions on their travel. Also, some 250 foreign journalists representing the U.S. and European common market countries were ordered out of Libya by the end of the week. The London Times reported Khadafy now has to share power with four military co-rulers. In addition, Austria said today it has positive evidence that Libya was not involved in the December 27th terrorist attack at Vienna's airport. (NBC-LEAD)

MOSLEM TERRORISM

Rather reports Moslem terrorists in Lebanon produced a videotape today -- they say it is proof they have hanged a British hostage journalist, Alec Collett. A voice on the tape said Collett was executed in reprisal for the air raid on Libya. The terrorists who claimed they killed Collett are linked to the Abu Nidal group. (CBS-2)

ARMS SALES-SAUDI ARABIA

Rather reports the Senate Foreign Relations and House Foreign Affairs today rejected President Reagan's proposed \$350 million missile sale to Saudi Arabia. One reason says correspondent Phil Jones, members are unhappy that the Saudis have not been more vocal in condemning Libyan terrorism. (CBS-3)

OFFSHORE COMPUTING

NBC's Mike Jensen presents a special segment on offshore computing -- computer processing jobs in this country are being lost to offshore competition. There is a growing revolution in information processing overseas -- a revolution which has already cost thousands of American workers their jobs because of cheap offshore labor.

NBC's John Chancellor's commentary from Tokyo -- Japan may be about to make some historic changes in its economy. The Japanese have got themselves in trouble with the world because they sell more abroad than they buy and now they are beginning to wonder if they haven't over done it. The Japanese government is proposing what it

OFFSHORE COMPUTING (continued)

Chancellor: (continued)

calls a historic transformation of the Japanese economy. One of its aims is to get the Japanese to save less and spend more, especially on foreign products. If they don't do something, other countries will put up barriers to their products and we could have a very nasty wave of protectionism that would hurt everybody -- Americans and Japanese. If something doesn't change, there is trouble ahead.

(NBC-7)

BUDGET

Rather reports the Senate voted 83-14 to reject a Presidential proposal to cut 44 domestic programs out of the budget. The Senate also voted for \$300 million more for education programs.

(CBS-12)

GRAMM-RUDMAN

Rather reports the Supreme Court heard technical arguments today on whether the Gramm-Rudman law is legal or whether it's an unconstitutional violation of the separation of powers held by Congress and the President. Based on some of the questioning by the justices today, it appeared they tend to accept the suggestion that Gramm-Rudman might be unconstitutional.

(NBC-4, ABC-3, CBS-11)

CHALLENGER

CBS's Eric Engberg reports new photographs were released by NASA today, clearly showing the astronaut compartment of the Challenger was blown clear from the explosion and largely intact -- indicating the astronauts may not have died until their capsule struck the ocean.

(TV coverage: A series of still photographs of the Challenger explosion.)

In Washington, James Fletcher went before a Senate committee seeking confirmation. Massive NASA cost overruns and other management problems in building the shuttle were pointed out by newly released Inspector General and GAO reports.

(NBC-2, ABC-2, CBS-4)

AFGHANISTAN

Rather reports Afghan rebel leaders say a force of 7,000 Soviet commandos and collaborating Afghan soldiers captured and destroyed a main rebel base near the Pakistan border.

(CBS-9)

SOUTH AFRICA

CBS's John Blackstone reports from Alexandra Township the South African government today abandoned the "pass" laws for blacks, but it also showed it has no intentions of abandoning its official policy of racial discrimination.

(ABC-7, CBS-8)

REP.'S OUTSIDE INCOME

Rather reports the House voted 333-68 to undo yesterday's rule change that allowed members to earn more money from outside speeches and writing.

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(NBC-3, CBS-10)

EDITORIALS/COLUMNISTS

TRADE/JAPAN

Nakasone's Plan It's Good, If Japan Actually Carries It Out -- "While Nakasone may have the best of intentions this time, it is important that the United States, from Administration trade negotiators to those in Congress with protectionist bills in their desk drawers, maintain pressure on Japan, because a good-sounding plan doesn't mean a thing unless it is translated into action." (Fort Worth Star-Telegram, 4/18)

Nakasone's Reorientation Offers Hope For Better Economic Ties -- "As much as Mr. Reagan, perhaps, the Japanese recognize the perils of continuing a trade imbalance the size of theirs with the United States. It may not be easy to convince some Japanese exporters to go along with the new import policy. But it must be done." (Cincinnati Enquirer, 4/19)

Toward Free Trade -- "A free and fair international market is the simplest and most effective antidote to most of the world's nagging economic illnesses -- even if it can't relieve the chronic heartburn of short-sighted congressmen." (Chicago Sun-Times, 4/22)

SALT II

Sticking With The SALT Treaty -- "He (the President) is doing the right thing. Some restraint on nuclear weapons proliferation -- even if that restraint is flawed, expired and unratified -- is better than no restraint at all.... It is a mile worth going, and the subtraction of two old submarines from the U.S. arsenal will make not a whit of difference to the national security." (Chicago Tribune, 4/23)

Trident With SALT -- "President Reagan showed wise restraint in deciding tentatively to dismantle two old Poseidon submarines so as to remain within the SALT II treaty limitations.... Mr. Reagan kept the SALT process frozen for five years, during a time when the ossified Kremlin was in no state to participate. But he is preserving the opportunity to bring SALT back to life with a new generation of Kremlin leadership, which is sound defense and foreign policy." (Baltimore Sun, 4/23)

SALT II Survives -- "The President, on the submarine issue, did the right thing by accepting the State Department's recommendation to dismantle the two old subs and to stay under the SALT II ceiling." (Washington Post, 4/23)

Good Move -- "President Reagan's decision to dismantle two U.S. nuclear submarines to stay under the ceiling on missile launchers imposed by the SALT II treaty was the right one.... It is still necessary to impress on the Soviets that they pay a price for treaty violations, the highest being a negative effect on negotiations for more comprehensive arms-control agreements." (Los Angeles Times, 4/22)

Editorials/Columnists (continued)

SUMMIT

Summit Preconditions -- "Comrade Gorbachev needs a summit more than does Mr. Reagan, so the President should insist that Mr. Gorbachev first rein in his agents of terror, including not only Libya, but Syria, Cuba, and Nicaragua." (Washington Times, 4/22)

LIBYA

Libya: No Place For Foreigners As Terrorist War Escalates -- "All foreigners still in Lybia should be urged to leave posthaste. Already many are getting out -- obviously the smart thing to do." (Providence Journal-Bulletin, 4/19)

Libyan Attack Hurt NATO -- "Those who try to insult Europeans into acquiescence are damaging the Western alliance in ways the Soviets have failed to achieve over almost four decades." (Carl Rowan, Dallas Morning News, 4/21)

HOSTAGES

We Must Not Forget Hostages In Danger -- "The USA has taken off the gloves in its fight against terrorsim. We did so knowing that our hostages -- and our citizens everywhere -- would be at risk. But that does not mean we must give up on them. Of course we must continue to fight terrorism and redouble efforts to protect our citizens around the world. And we must use all the dplomacy, intelligence, and guile we can muster to free the hostages. We must get them out alive. There must be no more hostages burying hostages. They must not become the forgotten five." (USA Today, 4/23)

TAXES

Mr. Reagan's Twin Tax Surrender -- "The President's reversal is tactically unwise and socially unfair. If he is, as many suspected all along, finally willing to bend on taxes, let him lead the way to a sensible tax increase devoted to a healthy reduction in the budget deficit." (New York Times, 4/23)

Flawed Proposal For An Excise Tax -- "Why Congress keeps bothering with so-called tax reform is hard to comprehend. However sound the idea may be in principle, in practice it is proving to be a damaging dud.... The entire tax-reform move has become so misguided that it should simply be set aside. Congress should concentrate for now on passage of a deficit-reducing budget -- a project which is long overdue." (Providence Journal-Bulletin, 4/18)

OIL

Oil: George Bush Has A Point -- "The desirability of low energy prices ought not to be dismissed. But, as Vice-President Bush argues, neither should the goal of domestic energy development -- which could be a casualty in the current downward price slide." (Christian Science Monitor, 4/21)

FOREIGN MEDIA REACTION

FAR EAST

"Overture and firmness will be EEC policy in the debate to settle trade differences with the United States.... Foreign Trade Minister Michel Noir indicated that the EEC is not afraid of a U.S. initiative before the economic summit in Tokyo. It means that the Europeans hope that wisdom will prevail at the meeting in light of the plan for a new round of multilateral negotiations for the GATT in 1987." (Tribune, France)

"The French Foreign Trade Minister indicated that EEC foreign ministers chose 'the path of firmness and overture....' In Luxembourg yesterday, they decided to support the position of the EEC commission and to propose the opening GATT negotiations to Washington. At the same time they will prepare retaliatory measures if the Reagan Administration implements its threats...." (Les Echos, France)

"The Tokyo summit...is expected to seek Western unity, expand global economic growth, which has taken a favorable turn, and express strong determination on coping with international terrorism...." (Yomiuri, Japan)

"The international terrorist problem will be discussed at the summit, but the substance of the talks will be left in the hands of the summit leaders, as efforts are continuing at present to prevent further worsening of the situation." (Tokyo Shimbun, Japan)

"President Reagan stated he will strongly ask countries taking a negative stand on terrorism to take a stronger posture at the Tokyo summit." (NHK-TV, Japan)

"Presidents Soeharto and Reagan in Bali will cover global economic restructuring, protectionism barriers, trade, investment, U.S. tin stockpile sales, defense and regional issues -- including Cambodia and U.S.-China relations.... Both leaders will also talk about the GATT in an effort to strengthen the international trading framework.... President Soeharto would like to know more about the U.S. plans to subsidize agricultural exports to compete with subsidized European exports...." (Indonesia Times, Indonesia)

"It is rapidly becoming clear that the Americans intend to use the Tokyo meeting to build their case for the economic and political isolation of Libya and states which sponsor terrorism as well as developing joint military approaches. The White House says that Mr. Reagan would like the seven largest industrial countries to take a series of collective decisions which in the long run will leave Col. Qaddafi powerless to continue his campaign of violence...." (Guardian, Britain)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, APRIL 24, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Hints At Other Raids Linked To Terror -- President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

(Washington Post, Washington Times, New York Times, AP)

Bomb Blasts British Airways, American Airlines Office -- LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

(Reuters)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection -- The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles.

(Washington Post, New York Times, AP)

NATIONAL NEWS

Deaver, Canadian Met On Acid Rain Before Summit -- The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

(Washington Post)

NETWORK NEWS (Wednesday Evening)

U.S./LIBYA -- President Reagan now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

ARMS SALES -- Senate and House Committees today rejected President Reagan's proposed missile sale to Saudi Arabia.

BUDGET -- The Senate voted to reject a Presidential proposal to cut 44 domestic programs out of the budget.

IN DEFENSE OF FREEDOM

"So tonight I speak for a united people. Let me say simply to those who wish us ill: We are Americans. We love our country, we love what she stands for, we will always defend her. We live for freedom -- our own and our children's -- and we stand ready always to protect our birthright and guard our patrimony, as our fathers did before us."

(President Reagan, speaking at the Heritage Foundation Dinner, 4/22)

INTERNATIONAL NEWS

REAGAN WILLING TO STRIKE IRAN OR SYRIA IF ROLE IN TERRORIST ACTS PROVEN

President Reagan said yesterday he would use military force against Iran or Syria if presented with clear evidence that one of those governments had sponsored an act of terrorism against Americans.

The President said that in many instances it was difficult to obtain the "irrefutable evidence" he said the U.S. had before its April 14 bombing raid on Libya. But he added that when such evidence exists, "we must have the same policy" in dealing with state-sponsored terrorism.

Reagan was then asked whether this meant using force against Damascus or Tehran. He replied, "Yes, if we had that kind of evidence."
(Lou Cannon, Washington Post, A1)

President Hints At Other Raids Linked To Terror

President Reagan said today that he would not rule out military retaliation against Syria and Iran if they were linked to terrorist acts.

At the same time, Mr. Reagan reaffirmed his readiness to "act again" against Libya if evidence was found linking it to new terrorist attacks on Americans.

Meanwhile, military experts who have reviewed Pentagon reports said the Air Force planes that attacked the Bab el-Azziziya military barracks in Tripoli on April 15 failed to hit two buildings that serve as the quarters for Col. Qaddafi's elite guard.
(Gerald Boyd, New York Times, A1)

Reagan Says Force Might Be Used If Iran, Syria Back Terrorism

"State-supported terrorism is a form of warfare and you just can't sit by and let somebody else declare war on you and pretend that you're still at peace," Reagan said.

But he added, "It's much more difficult to trace to the source terrorism sponsored by others than it is by Libya." Later, an Administration official said Reagan would use military force only as a last resort if other efforts, such as diplomatic and economic pressure failed.

(Henry Gottlieb, AP)

Iran, Syria Warned Of U.S. Retaliation

Asked how the U.S. would respond if there were any new terror attacks in Europe sponsored by Libya, Mr. Reagan declined to respond.

"That's something I don't think I should answer," Mr. Reagan said. "But we will be watching them."
(Jeremiah O'Leary, Washington Times, A1)

BOMB BLASTS BRITISH AIRWAYS, AMERICAN AIRLINES OFFICE

LONDON -- A bomb exploded before dawn today in an office housing British Airways, American Airlines and American Express causing extensive damage and triggering a major security alert. Officials said there were no injuries.

Police sealed off the area around the office in Oxford street, one of London's busiest shopping areas, as they search for other bombs. The bomb blew up at around 4:45 a.m. when the street was practically deserted. Police said the effects of the blast could have been "quite horrific" if the bomb had gone off when the stores were opened.

(Michael Wise, Reuter)

BONN EXPELS 22 FROM LIBYAN MISSION

BONN -- West Germany today ordered 22 members of the Libyan People's Bureau in Bonn to leave the country within one week and declared that extra security precautions were being introduced to protect Americans from terrorist attacks.

The staff of the Libyan mission in Bonn must also be cut to 19 from its present contingent of 41 within one week, a Foreign Ministry spokesman announced. Those Libyan representatives who remain behind in West Germany will be banned from traveling outside the capital except to reach the local airport, he said.

(William Drozdiak, Washington Post, A1)

Europe Gets Tough On Libya; May Do More At Summit

Western Europe is moving to avert a crisis with the U.S. Following the European Community's decision Monday to restrict the activities of Libyan missions and diplomats, six European nations have begun expelling Libyans.

West Germany announced yesterday it would order the Libyan Embassy in Bonn to cut its staff by half. In a separate action, France joined Britain and the U.S. Monday in vetoing a U.N. Security Council resolution condemning the U.S. raid on Libya.

The Reagan Administration wants stronger action still. Larry Speakes says the allies will be asked to take "additional measures" to isolate Libya at next month's economic summit in Tokyo.

(William Echikson, Christian Science Monitor, A1)

BEIRUT VIDEO SAID TO SHOW BRITON'S BODY

BEIRUT -- A Moslem group tonight distributed a videotape of a man hanging from a scaffold whom it identified as missing British journalist Alec Collett, a captive since March 1985.

No body has been found to substantiate the execution, which the group [Revolutionary Organization of Socialist Moslems] said was carried out in retaliation for the "joint savage American-British raid" on Libya.

(Nora Boustany, Washington Post, A1)

U.S. FAILURE TO CONSULT SAID TO INFLUENCE FRANCE

PARIS -- France's new conservative prime minister Jacques Chirac, defending his government's refusal to grant overflight rights to U.S. aircraft headed for a bombing raid in Libya last week, made it clear today that one of Paris' principle objections was what they consider the lack of sufficient prior consultation by Washington.

Speaking in a television interview, Chirac indicated that he would use next month's economic summit in Tokyo to try to smooth over relations with Washington that have been badly strained since the April 15 air raid. He insisted that nobody could question "France's deep solidarity with the United States" on the terrorism issue.

(Michael Dobbs, Washington Post, A32)

SOURCES SAY A FEW NAVY PLANES STILL FLYING OFF LIBYAN COAST

American fighter and surveillance planes are still flying off the Libyan coast, avoiding the disputed Gulf of Sidra and -- so far -- Libyan aircraft, Administration officials say.

The source would not say how close the planes were flying to Libya, except that they "are well out to sea" and doing nothing provocative. "There haven't been a whole lot of planes in the air, but we never stopped flying (after last week's raid)," the source added. (AP)

TRIPOLI SOUNDS AN ALERT ON TERRORISM

TRIPOLI -- The Libyan government, putting a new twist on terrorist threats, claimed today that American and Israeli provocateurs are planning to carry out violent but covert terrorist operations in Europe to discredit the regime of Col. Qaddafi and give Washington a pretext for further retaliatory attacks here.

[In Washington, Larry Speakes said: "The CIA is not causing terrorist incidents in Europe."]

(Christopher Dickey, Washington Post, A33)

TOKYO SUMMIT EXPECTED CONSIDER TERRORISM FIGHT

President Reagan leaves Friday for the seven-nation Tokyo economic summit with hopes of encouraging stronger economic growth in Japan and West Germany but it is unwilling to agree to revamp the worldwide currency markets. The summit is expected to be dominated by discussions of an allied response to international terrorism.

(Mary Belcher & Marc Lerner, Washington Times, A2)

U.S. TO ASK FOR COOPERATION ON TRADE DEFICIT

Secretary Baker told the U.S. Chamber of Commerce yesterday that, at next month's economic summit, the U.S. will pressure Japan and West Germany to boost their economies to help cut the huge American trade deficit.

Baker did not specify the demands that would be put on Japan and West Germany to achieve "more balanced growth with the United States and each other."
(Hobart Rowen, Washington Post, A14)

REAGAN WINS FIGHT OVER CANADA TALKS

The Reagan Administration, fresh from a victory over Senate critics of his trade policy, is geared up for talks with Canada aimed at opening markets on both sides of the border.

The way was cleared for the talks Wednesday when the Senate Finance Committee turned down a proposal by Sen. John Danforth calling for a 30-day cooling-off period before the panel returned to the Administration's request for fast-track status for any agreement to emerge from the U.S.-Canadian talks.
(Mike Robinson, AP)

HOUSE, SENATE PANELS VOTE TO BAR SAUDI ARMS SALE

The Senate Foreign Relations and House Foreign Affairs committees yesterday approved legislation prohibiting the sale of \$354 million in arms to Saudi Arabia, marking the start of the Administration's uphill struggle to gain congressional approval of the controversial proposal.

President Reagan is expected to veto the prohibiting resolution in a bid to uphold the sale. But Congress could then override his veto, if two-thirds of the members in both houses vote to do so.

(David Ottaway, Washington Post, A16)

Showdown Looms Over Saudi Arms Sale; Reagan Sure To Veto Rejection

The House and Senate are moving toward a confrontation with President Reagan, who is sure to veto their expected rejection of his proposal to sell Saudi Arabia \$354 million in missiles. The stage was set for that fight Wednesday as the foreign affairs committees of both houses recommended Congress scrap the sale.
(Lawrence Knutson, AP)

Big Missile Sale To Saudi Arabia Opposed By Key Congress Panels

Both the Senate and the House will vote on resolutions of disapproval of the missile sale by May 8. If, as seems likely, both houses of Congress oppose the sale by majority votes, it would be the first time that any arms sale was turned down in the 10 years that Congress has had the right to reject arms sales.

But Mr. Reagan has vowed to veto such a vote. It is less certain that those opposed to the sale can muster the necessary two-thirds votes to overturn a Presidential veto.

(Bernard Gwertzman, New York Times, A1)

WHITE HOUSE ANNOUNCES AID PLAN FOR PHILIPPINES

The White House, saying the U.S. "needs to do its share" to back democratic change in the Philippines, yesterday announced a package of \$150 million in additional U.S. economic and military aid to the government of President Aquino.

The joint effort of the U.S., Japan, other donor nations and international financial institutions may pump about \$1 billion in extra aid into the Philippines over the next 12 to 18 months, a White House official said.
(Don Oberdorfer, Washington Post, A25)

SOVIETS SAY REAGAN SEEKING "MILITARISTIC BLOC" IN PACIFIC

MOSCOW -- The Kremlin denounced President Reagan's proposed Pacific Community political and economic alliance of democratic nations as a potential "militaristic bloc" and proposed, instead, a cooperation agreement that would include the Soviet Union.

But the Kremlin, in a statement on the Asian-Pacific region published by the Tass news agency Wednesday, called for an "all-Asian joint forum" to seek solutions to regional problems.
(Anna Christensen, UPI)

EL AL PLANE BOMBING UNRELATED TO U.S. RAID

LONDON -- Antiterrorist police investigating the attempted bombing of an El Al jumbo jet here last Thursday are "100 percent satisfied" that it was unrelated to a U.S. air attack against Libya two days before, sources here said today.
(Karen DeYoung, Washington Post, A25)

CONTRAS APPEAR WELL-SUPPLIED UNTIL SUMMER

Nicaraguan rebels have enough new weapons and supplies to sustain fighting for at least several months, but could face shortages if President Reagan's \$100 million aid plan stays bottled up in Congress, Administration officials say.

The officials, speaking only on the condition of anonymity, said that over the past month the Contra rebels have received shipments of guns and ammunition and a flood of non-lethal supplies that were purchased by the U.S. but delayed by the Honduran government. (Robert Parry, AP)

NATIONAL NEWS

DEAVER, CANADIAN MET ON ACID RAIN BEFORE SUMMIT

The GAO has been told that Michael Deaver met with a top adviser to Prime Minister Mulroney in February 1985 to discuss plans to appoint special envoys on acid rain at an upcoming U.S.-Canadian summit, informed sources said yesterday.

After leaving the White House last May, Deaver signed a contract to represent Canada on acid rain and other issues for \$105,000 a year. Federal law prohibits former officials from lobbying on issues in which they were personally and substantially involved while in government.

(David Hoffman, Washington Post, A1)

PRESIDENT'S CONFIDENTIAL SCHEDULE DELIVERED TO DEAVER EVERY DAY

Michael Deaver receives a copy of the President's schedule every day, say White House sources. The schedule, considered to be highly sensitive information with extraordinary security implications, is delivered daily.

According to a White House source, Mr. Deaver obtains the details of Mr. Reagan's workday and other documents from Frederick Ryan, director of presidential appointments and scheduling.

The reasons Mr. Deaver wants the President's schedules, and why Mr. Ryan wants him to have them, are a matter of speculation, sources said.

(George Archibald, Washington Times, A1)

SENATE REFUSES TO KILL 40 PROGRAMS

The Republican-controlled Senate yesterday overwhelmingly rejected President Reagan's plan to terminate more than 40 federal programs and endorsed an increase in spending for education as it began voting on the fiscal 1987 budget.

In both votes, the Senate at least tacitly supported tax increases that Reagan opposes to finance the programs and demonstrated continuing congressional support for domestic spending programs that the President wants to curtail or kill.

(Helen Dewar, Washington Post, A1)

Senate Rejects Termination Of Domestic Programs, Then Approves New Taxes

"The Senate seems to be going in the wrong direction -- more spending and more taxes," said Ed Dale, spokesman for the President's OMB. He called the vote on the 44 terminations "a little innocent game playing" that "can't be taken seriously."

(Steven Komarow, AP)

Senate Votes Favor Spending, Tax Rise

The lopsided 83-14 vote to reject the President's proposed program eliminations was largely symbolic. But congressional sources said the tally sets the stage for a bitter confrontation among Senate Republicans, who are at odds over a \$1 trillion spending plan now being debated.

(Willis Witter, Washington Times, A1)

-more-

PENTAGON, DESPITE CUTS, HAS EXTRA \$2.2 BILLION

Secretary Weinberger has notified Congress that the current Pentagon budget contains an extra \$2.2 billion even after absorbing the cuts imposed by the Gramm-Rudman-Hollings deficit reduction law.

The Pentagon's admission that it has more money than it needs to finance the military programs approved by Congress for fiscal year 1986, [Sen. Charles] Grassley said, will make it easier for him and his allies to keep the fiscal 1987 ceiling at \$295 billion, as recommended by the Budget Committee.
(George Wilson, Washington Post, A6)

DEMOCRATS HOPE TO GAIN IF TAX REVISION FAILS

As tax revision flounders in the Republican-controlled Senate Finance Committee, congressional Democrats show signs of trying to exploit the issue politically.

Democrats are looking to a potential election-year opportunity: a claim that the Democratic-controlled House passed President Reagan's top domestic initiative, a bill that would make wealthy corporations pay more taxes and poor people less, only to see it overturned in the GOP-dominated Senate.
(Anne Swardson, Washington Post, A8)

SPY SATELLITE SYSTEM IS SAID "NOT IN CRISIS"

U.S. photo-intelligence capabilities from space have been "stretched" because of last Friday's explosion of a Titan 34D booster rocket but are "not in crisis," according to a former Defense Department official familiar with such top-secret reconnaissance.

(Walter Pincus, Washington Post, A10)

\$50 MILLION MORE SOUGHT TO AVOID FAA FURLOUGHS

The FAA, which has requested an \$80 million supplemental appropriation to avoid furloughs for air traffic controllers, safety inspectors and other employees, has told its parent Transportation Department that it needs another \$50 million.

(Douglas Feaver, Washington Post, A18)

EDITOR'S NOTE: "Stockman Kicks Off Book, Takes Jab At Reagan Again" by Ralph Hallow appears on page A4 of the Washington Times.

"Stockman's Return To The Battleground" by Lois Romano appears on page D1 of the Washington Post.

NETWORK NEWS SUMMARY

(Wednesday Evening, April 23, 1986)

U.S.-LIBYA

CBS's Dan Rather: President Reagan, in a new comment, now threatens to bomb Syria and Iran if conclusive evidence can be found that they are engaged in terrorism.

CBS's Lesley Stahl: President Reagan today expanded his threats of using military retaliation against terrorism -- telling a group of columnists that if he had evidence that either Syria or Iran carried out terrorist acts against Americans -- he would be willing to bomb their cities, Damascus and Tehran, as he bombed Tripoli last week. In a speech to the U.S. Chamber of Commerce, the President issued a fresh warning of military action against Libya.

(President Reagan: "We proved last week that no one can kill Americans and brag about it -- no one. We bear the people the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

The President called on nations in Khadafy's backyard to join the fight.

(President: "Arab nations themselves have been forced to endorse savage terrorist attacks from this minority. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.") Despite the President's tough rhetoric today, there are no hints, no indications here that any new military actions are being planned.

Rather: Do they talk at the White House about what the consequences with the Soviets might be if any attack against Iran?
Stahl: "I must tell you that after the President made his comments to the columnists -- White House officials tried to tone it down. They said the President, if he did get evidence of terrorism by Iran or Syria, he wouldn't immediately go to military action. He would do what he did against Libya -- consider economic sanctions, diplomatic moves -- so there isn't that kind of militaristic talk coming out tonight from the officials. They are trying to tone it down.

Rather reports there are unconfirmed, but high level reports that continue to circulate in Washington that Syrian-piloted Soviet-made planes may have helped put down Libyan army uprisings against Khadafy in the wake of the U.S. air strike. Also, his power may now be somewhat reduced.

CBS's Allen Pizzey reports in Tripoli that Libya has gone on the defensive and not just militarily. The minister of information today accused American and Israeli intelligence of planning terrorist attacks in Europe, so they could be blamed on Libya. What is still not clear here -- who is in charge? There are indications that Khadafy's power may have been somewhat reduced -- the country is now in the hands of the top five military and political men, including Khadafy. However, that doesn't mean there has been a coup here. This morning, many foreign journalists left after the government announced there would be no more programs -- the press isn't welcome anymore.

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(CBS-LEAD)

U.S.-LIBYA (continued)

ABC's Peter Jennings: President Reagan lashed out at Col. Khadafy today and it is very possible that another person has been murdered in Lebanon as a result of the American attack on Libya which was supported by Britain. A Lebanese group which allegedly has ties to Abu Nidal released a videotape, perhaps made last week, which reports to show a British journalist they have been holding hostage hanging from a scaffold in a deserted field.

ABC's Mike Lee reports from London the independent Lebanese newspaper tonight released the grizzly photographs. There is no independent confirmation that Alec Collett is dead. The Lebanese-based group which claims to have photographed the execution is also calling on any and all Arab factions holding British or American hostages to kill them in retaliation for the British support of the U.S. raid on Libya.

ABC's Sam Donaldson: The President's appeal to moderate Arab countries was diplomatically phrased, but nonetheless clear. Our quarrel isn't with you, but with Khadafy -- join us in containing him. (President Reagan: "Let no one mistake this for a conflict between the Western democracies and the Arab world. Nowhere is the slaughter of Muslim people greater than in Afghanistan. We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's appeal to oppose the scourge of terrorism was met with approval, but beyond that, Arab spokesmen at home and abroad said the attempted wage against Khadafy was misguided.

(Ambassador Clovis Maksud of the Arab League: "Any attempt to divide the Arab states on the issue of the U.S. attack is an exercise in futility.")

(David Saad of the American Association Arab Nations: "The President's wrong. There is no question, but that we have made ourselves part of a conflict between the Israelis and Palestinians -- and that is why we have this terrorism directed against the Americans.")

The continuing oil interest in Libya provides another controversial corner to U.S. policy -- an apparent soft spot in the U.S. hard-line. In an interview, Mr. Reagan explained that if we forced U.S. companies to pull out; Khadafy would own the whole thing and realize a one billion dollar windfall. But oil aside, the President warned Khadafy and the Libyan people today that U.S. resolve to oppose him is firm.

(President: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

There was a report from overseas that this campaign to destabilize Khadafy may already have forced him into a power sharing arrangement with his own military. Officials here say they see no evidence of that and for now, they must assume that Khadafy is still in charge.

U.S.-LIBYA (continued)

ABC's John McWethy reports Khadafy is much more dangerous now than he was before the U.S. attack. That conclusion was made by Secretary Shultz in a confidential assessment earlier this week.

(TV coverage: Still photograph of Secretary Shultz with a word beneath -- dangerous.)

Shultz also stated that Khadafy may well seek revenge on a very personal level -- Khadafy may go after members of President Reagan's immediate family. The White House confirmed the First Lady will go ahead with a trip to Malaysia and Thailand next week.

(TV coverage: The First Lady.)

Ambassador Vernon Walters said last night the 600 Americans in Libya illegally will be indicted when they come home.

ABC's Charles Glass reports from Tripoli the foreign correspondents were told their mission was finished and they were invited to leave.

Jennings reports the government of West Germany ordered more than half of the Libyan Embassy's staff in Bonn to go home. (ABC-LEAD)

NBC's Tom Brokaw: A terrorist organization operating out of Lebanon is claiming tonight that it has taken another life in retaliation for American raids on Libya....

NBC's John Cochran reports from London on the death of Alec Collett. Collett's kidnappers urged others holding five Americans and one British hostage to execute them because the blood of Americans and Britons is now permissible as a result of the criminal acts exercised by murderer Reagan and criminal Thatcher.

NBC's Chris Wallace: The President today was trying to build an international coalition against Libya. For the first time he threatened to use force against other terrorist countries. As he prepares to meet with U.S. allies at next week's economic summit, the President left no doubt he is ready to hit Libya again.

(President Reagan: "No one can kill Americans and brag about it -- no one. We bear the people of Libya no ill will, but if their government continues its campaign of terror against Americans, we will act again.")

In an off camera interview with columnists, Mr. Reagan said he would also retaliate against terrorism from Syria or Iran. Stating if there is direct evidence -- yes, I think we should do that because it's a form of warfare. In the past, the U.S. has been unwilling to hit Khomeini or Assad -- afraid of the reaction from the Arabs and Soviets. The President's main purpose today was to build support and not make threats. He appealed to Arab moderates, knowing that Khadafy has backed terrorism in the Middle East.

(President: "We hope and pray the Arab world will join with us to eliminate this scourge on civilization.")

The President's focus however is on the Western allies that he'll meet next week. Aides say Mr. Reagan will go to the summit feeling the time for rhetoric has past. He'll seek private commitments on intelligence sharing, more security and closing Libyan embassies.

U.S.-LIBYA (continued)

Wallace: (continued)

The U.S. would love economic sanctions or allied backing of military action, but expects neither. Still, the President will make his case.

(President: "I'll remind our allies of the truth of what Edmund Burke said long ago -- when bad men combined, the good must associate or else they will fall, one by one.")

The Administration is still not satisfied with the response from the allies, but feels at least they're now discussing the right issue -- no longer whether there is a Libyan connection, but rather what to do about it.

Brokaw reports West Germany kicked 22 members of the Libyan Embassy out of the country and ordered the rest of the embassy staff to follow new restrictions on their travel. Also, some 250 foreign journalists representing the U.S. and European common market countries were ordered out of Libya by the end of the week. The London Times reported Khadafy now has to share power with four military co-rulers. In addition, Austria said today it has positive evidence that Libya was not involved in the December 27th terrorist attack at Vienna's airport. (NBC-LEAD)

MOSLEM TERRORISM

Rather reports Moslem terrorists in Lebanon produced a videotape today -- they say it is proof they have hanged a British hostage journalist, Alec Collett. A voice on the tape said Collett was executed in reprisal for the air raid on Libya. The terrorists who claimed they killed Collett are linked to the Abu Nidal group. (CBS-2)

ARMS SALES-SAUDI ARABIA

Rather reports the Senate Foreign Relations and House Foreign Affairs today rejected President Reagan's proposed \$350 million missile sale to Saudi Arabia. One reason says correspondent Phil Jones, members are unhappy that the Saudis have not been more vocal in condemning Libyan terrorism. (CBS-3)

OFFSHORE COMPUTING

NBC's Mike Jensen presents a special segment on offshore computing -- computer processing jobs in this country are being lost to offshore competition. There is a growing revolution in information processing overseas -- a revolution which has already cost thousands of American workers their jobs because of cheap offshore labor.

NBC's John Chancellor's commentary from Tokyo -- Japan may be about to make some historic changes in its economy. The Japanese have got themselves in trouble with the world because they sell more abroad than they buy and now they are beginning to wonder if they haven't over done it. The Japanese government is proposing what it

OFFSHORE COMPUTING (continued)

Chancellor: (continued)

calls a historic transformation of the Japanese economy. One of its aims is to get the Japanese to save less and spend more, especially on foreign products. If they don't do something, other countries will put up barriers to their products and we could have a very nasty wave of protectionism that would hurt everybody -- Americans and Japanese. If something doesn't change, there is trouble ahead.

(NBC-7)

BUDGET

Rather reports the Senate voted 83-14 to reject a Presidential proposal to cut 44 domestic programs out of the budget. The Senate also voted for \$300 million more for education programs.

(CBS-12)

GRAMM-RUDMAN

Rather reports the Supreme Court heard technical arguments today on whether the Gramm-Rudman law is legal or whether it's an unconstitutional violation of the separation of powers held by Congress and the President. Based on some of the questioning by the justices today, it appeared they tend to accept the suggestion that Gramm-Rudman might be unconstitutional.

(NBC-4, ABC-3, CBS-11)

CHALLENGER

CBS's Eric Engberg reports new photographs were released by NASA today, clearly showing the astronaut compartment of the Challenger was blown clear from the explosion and largely intact -- indicating the astronauts may not have died until their capsule struck the ocean.

(TV coverage: A series of still photographs of the Challenger explosion.)

In Washington, James Fletcher went before a Senate committee seeking confirmation. Massive NASA cost overruns and other management problems in building the shuttle were pointed out by newly released Inspector General and GAO reports.

(NBC-2, ABC-2, CBS-4)

AFGHANISTAN

Rather reports Afghan rebel leaders say a force of 7,000 Soviet commandos and collaborating Afghan soldiers captured and destroyed a main rebel base near the Pakistan border.

(CBS-9)

SOUTH AFRICA

CBS's John Blackstone reports from Alexandra Township the South African government today abandoned the "pass" laws for blacks, but it also showed it has no intentions of abandoning its official policy of racial discrimination.

(ABC-7, CBS-8)

REP.'S OUTSIDE INCOME

Rather reports the House voted 333-68 to undo yesterday's rule change that allowed members to earn more money from outside speeches and writing.

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(NBC-3, CBS-10)

EDITORIALS/COLUMNISTS

TRADE/JAPAN

Nakasone's Plan It's Good, If Japan Actually Carries It Out -- "While Nakasone may have the best of intentions this time, it is important that the United States, from Administration trade negotiators to those in Congress with protectionist bills in their desk drawers, maintain pressure on Japan, because a good-sounding plan doesn't mean a thing unless it is translated into action." (Fort Worth Star-Telegram, 4/18)

Nakasone's Reorientation Offers Hope For Better Economic Ties -- "As much as Mr. Reagan, perhaps, the Japanese recognize the perils of continuing a trade imbalance the size of theirs with the United States. It may not be easy to convince some Japanese exporters to go along with the new import policy. But it must be done." (Cincinnati Enquirer, 4/19)

Toward Free Trade -- "A free and fair international market is the simplest and most effective antidote to most of the world's nagging economic illnesses -- even if it can't relieve the chronic heartburn of short-sighted congressmen." (Chicago Sun-Times, 4/22)

SALT II

Sticking With The SALT Treaty -- "He (the President) is doing the right thing. Some restraint on nuclear weapons proliferation -- even if that restraint is flawed, expired and unratified -- is better than no restraint at all.... It is a mile worth going, and the subtraction of two old submarines from the U.S. arsenal will make not a whit of difference to the national security." (Chicago Tribune, 4/23)

Trident With SALT -- "President Reagan showed wise restraint in deciding tentatively to dismantle two old Poseidon submarines so as to remain within the SALT II treaty limitations.... Mr. Reagan kept the SALT process frozen for five years, during a time when the ossified Kremlin was in no state to participate. But he is preserving the opportunity to bring SALT back to life with a new generation of Kremlin leadership, which is sound defense and foreign policy." (Baltimore Sun, 4/23)

SALT II Survives -- "The President, on the submarine issue, did the right thing by accepting the State Department's recommendation to dismantle the two old subs and to stay under the SALT II ceiling." (Washington Post, 4/23)

Good Move -- "President Reagan's decision to dismantle two U.S. nuclear submarines to stay under the ceiling on missile launchers imposed by the SALT II treaty was the right one.... It is still necessary to impress on the Soviets that they pay a price for treaty violations, the highest being a negative effect on negotiations for more comprehensive arms-control agreements." (Los Angeles Times, 4/22)

Editorials/Columnists (continued)

SUMMIT

Summit Preconditions -- "Comrade Gorbachev needs a summit more than does Mr. Reagan, so the President should insist that Mr. Gorbachev first rein in his agents of terror, including not only Libya, but Syria, Cuba, and Nicaragua." (Washington Times, 4/22)

LIBYA

Libya: No Place For Foreigners As Terrorist War Escalates -- "All foreigners still in Lybia should be urged to leave posthaste. Already many are getting out -- obviously the smart thing to do." (Providence Journal-Bulletin, 4/19)

Libyan Attack Hurt NATO -- "Those who try to insult Europeans into acquiescence are damaging the Western alliance in ways the Soviets have failed to achieve over almost four decades." (Carl Rowan, Dallas Morning News, 4/21)

HOSTAGES

We Must Not Forget Hostages In Danger -- "The USA has taken off the gloves in its fight against terrorism. We did so knowing that our hostages -- and our citizens everywhere -- would be at risk. But that does not mean we must give up on them. Of course we must continue to fight terrorism and redouble efforts to protect our citizens around the world. And we must use all the diplomacy, intelligence, and guile we can muster to free the hostages. We must get them out alive. There must be no more hostages burying hostages. They must not become the forgotten five." (USA Today, 4/23)

TAXES

Mr. Reagan's Twin Tax Surrender -- "The President's reversal is tactically unwise and socially unfair. If he is, as many suspected all along, finally willing to bend on taxes, let him lead the way to a sensible tax increase devoted to a healthy reduction in the budget deficit." (New York Times, 4/23)

Flawed Proposal For An Excise Tax -- "Why Congress keeps bothering with so-called tax reform is hard to comprehend. However sound the idea may be in principle, in practice it is proving to be a damaging dud.... The entire tax-reform move has become so misguided that it should simply be set aside. Congress should concentrate for now on passage of a deficit-reducing budget -- a project which is long overdue." (Providence Journal-Bulletin, 4/18)

OIL

Oil: George Bush Has A Point -- "The desirability of low energy prices ought not to be dismissed. But, as Vice-President Bush argues, neither should the goal of domestic energy development -- which could be a casualty in the current downward price slide." (Christian Science Monitor, 4/21)

FOREIGN MEDIA REACTION

FAR EAST

"Overture and firmness will be EEC policy in the debate to settle trade differences with the United States.... Foreign Trade Minister Michel Noir indicated that the EEC is not afraid of a U.S. initiative before the economic summit in Tokyo. It means that the Europeans hope that wisdom will prevail at the meeting in light of the plan for a new round of multilateral negotiations for the GATT in 1987." (Tribune, France)

"The French Foreign Trade Minister indicated that EEC foreign ministers chose 'the path of firmness and overture....' In Luxembourg yesterday, they decided to support the position of the EEC commission and to propose the opening GATT negotiations to Washington. At the same time they will prepare retaliatory measures if the Reagan Administration implements its threats...." (Les Echos, France)

"The Tokyo summit...is expected to seek Western unity, expand global economic growth, which has taken a favorable turn, and express strong determination on coping with international terrorism...." (Yomiuri, Japan)

"The international terrorist problem will be discussed at the summit, but the substance of the talks will be left in the hands of the summit leaders, as efforts are continuing at present to prevent further worsening of the situation." (Tokyo Shimbun, Japan)

"President Reagan stated he will strongly ask countries taking a negative stand on terrorism to take a stronger posture at the Tokyo summit." (NHK-TV, Japan)

"Presidents Soeharto and Reagan in Bali will cover global economic restructuring, protectionism barriers, trade, investment, U.S. tin stockpile sales, defense and regional issues -- including Cambodia and U.S.-China relations.... Both leaders will also talk about the GATT in an effort to strengthen the international trading framework.... President Soeharto would like to know more about the U.S. plans to subsidize agricultural exports to compete with subsidized European exports...." (Indonesia Times, Indonesia)

"It is rapidly becoming clear that the Americans intend to use the Tokyo meeting to build their case for the economic and political isolation of Libya and states which sponsor terrorism as well as developing joint military approaches. The White House says that Mr. Reagan would like the seven largest industrial countries to take a series of collective decisions which in the long run will leave Col. Qaddafi powerless to continue his campaign of violence...." (Guardian, Britain)