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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, SEPTEMBER 5, 1985 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

NATIONAL NEWS

Reagan Again Campaigns for Tax Reform -- President Reagan is scheduled to speak to students and faculty at North Carolina State University in Raleigh and the state's two Republican senators, Jesse Helms and John East, will also appear with him. (UPI)

O'Neill Blisters Reagan Over Trade As House Resumes Work -- House Speaker Thomas P. O'Neill opened the fall session of Congress with an attack on what he termed President Reagan's "don't care" attitude towards problems facing the American public. (AP, Washington Post, Washington Times, New York Times, Wall Street Journal)

INTERNATIONAL NEWS

Lawmakers Say Reagan Veto on South African Sanctions Would Be Reversed -- House and Senate leaders say President Reagan almost certainly will be overridden if he decides to veto legislation imposing limited economic sanctions against white-ruled South Africa. (AP, Washington Post)

NETWORK NEWS (Wednesday Evening)

ASAT TESTING -- Tass fired another broadside, warning that if the U.S. tests its anti-satellite weapon, the Soviet Union will abandon its self-imposed moratorium against deploying its own anti-satellite weapon.

MIAs -- Two former soldiers filed suit, charging that the government hasn't done enough to find MIAs.

GORBACHEV ON REAGAN

"About by impression of President Reagan ... I regard him as President of the U.S., a man elected to his high office by the American people, and therefore our attitude toward President Reagan is prompted by our feeling of respect for the people of the U.S. We are therefore prepared to do business with him and to treat him with the respect that is befitting him."

Mikhael Gorbachev, Time Magazine Interview
September 9, 1985

NATIONAL NEWS

REAGAN AGAIN CAMPAIGNS FOR TAX REFORM

President Reagan makes another campaign-style trip today to drum up support for his tax reform plan and his "unprecedented" popularity factor in a recent poll might help him get the message across, officials say.

(Helen Thomas, UPI)

FINAL DETAILS NEARLY COMPLETE FOR REAGAN'S VISIT TO RALEIGH

It's just a steak sandwich. But when it's going onto the plate of the President of the United States, it takes on a certain importance.

So the sandwich served to President Reagan when he lunches with NC State University's students on campus today will be prepared by White House staffers. Everyone else will eat sandwiches fixed by the university.

About 13,000 people, most of them NCSU students, are expected to hear a speech by Reagan on his tax overhaul plan at the coliseum at 11:30 a.m. The President then will eat lunch with about 25 students in the basement of the university student center.

Another 5,000 people are expected to view the President's arrival and departure by helicopter at a practice field behind Case Athletics Center.

(Ann Green, Raleigh News-Observer, A1)

(EDITOR'S NOTE: The News-Observer also ran a box showing the times of the President's activities on the front page.)

PRESIDENT IS WARNED IN HOUSE

The Democratic-controlled House returned from its summer recess with bad news for President Reagan: Both House Speaker O'Neill and Republican leaders indicated that Congress could well defy White House legislative priorities for the remainder of the year.

Contending that Reagan "doesn't give a damn on any issue out there," O'Neill said national support for Administration policies is slipping and warned that the President risks defeat in Congress on two critical issues: taxes and trade.

(Helen Dewar, Washington Post, A1)

O'Neill Says Reagan Tax Overhaul Faces Tough Sledding in Congress

"I found very little sentiment for the tax reform bill" among business executives, O'Neill told reporters as the House returned to work following its August recess.

(W. Dale Nelson, AP)

O'Neill Blisters Reagan Over Trade as House Resumes Work

At a news conference, O'Neill was flanked by newly elected Rep. Jim Chapman, the victor by a narrow margin in a special election that saw the GOP push hard to win the (Texas') traditionally Democratic 1st District seat. The speaker said he wanted to introduce the new lawmaker because "the Republicans spent \$1.5 million" in their unsuccessful campaign against him.

(Mike Robinson, AP)

Hill Leaders Say Trade Protection Approval Certain

Speaker O'Neill, claiming President Reagan "doesn't give a damn" about Americans losing jobs to foreign competition, said the House would pass a trade protection bill despite White House objections.

(Thomas Brandt and Rita McWilliams, Washington Times, A1)

Congress Chief Warns of Action to Curb Trade

Rep. Cheney, a member of the Republican leadership, agreed with the Speaker and said: "I think members are coming back with strong feelings that the people out there are demanding action on the trade deficit. It's more widespread as an issue than I've ever seen it."

(Steven Roberts, New York Times, A1)

O'Neill Expects 'Difficulty' for Tax Bill Unless Reagan Secures Public Support

The statements, in O'Neill's first news conference after the month-long August recess, presage what is likely to be an increasing amount of finger-pointing and, perhaps, confrontation between Congress and the White House in coming weeks. President Reagan intends to push the House hard to approve tax-overhaul legislation and to resist efforts in both the House and the Senate to enact protectionist trade measures.

(Jeffrey Birnbaum, Wall Street Journal, 64)

REAGAN URGED TO SUPPORT BILL ON OVERTIME-PAY EXEMPTION

A Cabinet council chaired by Attorney General Meese recommended that President Reagan support a bill to exempt state and local governments from having to pay an estimated \$2 billion to \$4 billion a year in overtime wages to police, firefighters and other employees.

(Peter Perl, Washington Post, A15)

Reagan Expected to Back Measure on Overtime Issue

Meese will present the recommendation to the President, and Administration officials predicted that Reagan would accept it soon, perhaps today. "We're just trying to do what's right," explained one Reagan aide, "both from a financial and a philosophical standpoint."

(Joann Lublin, Wall Street Journal, 12)

REAGAN'S GOOD REVIEWS WAVED AT THE RESTLESS GOP SENATORS

President Reagan is the most popular of America's last five two-term presidents "in the first year of a second term," the White House said -- and it sounded like a warning to Republican senators with plans to buck him on public-policy issues.

"We are dealing from a position of strength," Larry Speakes told reporters.

(Bill Kling, Washington Times, A1)

REAGAN JUDGED BY HEALTH AS MUCH AS POLICIES

It may not be fair, but President Reagan is finding himself judged as much by the color in his cheeks as by the wisdom of his policies as he comes back from a cancer operation to cope with taxes, trade and terrorism.
(News analysis by W. Dale Nelson, AP)

WEINBERGER CONCILIATORY TOWARD HOUSE ON MX

Secretary Weinberger, trying to prevent the House from derailing the military procurement bill, said that he would not request more money to put MX missiles in existing Minuteman silos.

He not only accepted Congress' cap of 50 MXs in Minuteman silos but promised not to request money in next year's budget for deploying the missile. Instead, the Defense Department will content itself with studying alternative basing modes for the MX until fiscal 1988, he said.

(George Wilson, Washington Post, A18)

UNMANNED WEAPONS GAIN BACKING

The United States can no longer afford to risk so many lives and airplanes against increasingly lethal Soviet defenses and must put more emphasis on unmanned weapons, the Defense Department's research director said.

Donald Hicks, who became Pentagon research chief last month, said he will recommend significant increases for such "smart" weapons, starting with at least a 10 percent increase in the coming year.

(George Wilson, Washington Post, A1)

PENTAGON KILLS ANOTHER KEY WEAPONS SYSTEM

The Defense Department has canceled another major weapons system as it continues to prune the defense budget, and there's promise of more to come, Pentagon sources said.

The \$3.5 billion program of Fairchild Republic Co. to build the new T-46A trainer jet for the Air Force was canceled in a recent decision to squeeze the 1987 military budget into the \$315 billion limit set by Congress, the sources reported. (Walter Andrews, Washington Times, A3)

Air Force Proposes Ending Helicopter, Trainer-Jet Programs to Reduce Costs

The Pentagon declined to comment on the proposed changes, noting that the budget plans are classified. However, congressional staff aides involved in mapping the defense budget said that the two proposals emerged from the recent deliberations of the Defense Resources Board. The board reviews the dozens of weapons programs sought by all three military services in preparing the Pentagon's overall budget.

(Tim Carrington, Wall Street Journal, 2)

CIVIL DEFENSE DOUBTS RAISED

The soot, smoke and dust raised by a nuclear war would bring about "far more extensive" requirements for the care of survivors than current civil defense plans anticipate, the Pentagon's nuclear war experts have been warned.

In a report prepared by a private consulting company for the Defense Nuclear Agency, the Pentagon was told that "present plans for evacuation of the population from cities to rural areas would not necessarily enhance long-term prospects for survival." (Washington Post, A18)

HHS WILL PERMIT THREE COMPANIES TO MARKET CHEAPER COPIES OF VALIUM

The Department of Health and Human Services announced that it had granted approval to three companies to market much cheaper copies of Valium.

The move is part of a campaign make less costly drugs available, and followed enactment of a law making it easier to get government approval for generic drugs.

(Christine Russell and Sari Horowitz, Washington Post, A9)

Truckloads of Generic Valium Ready to Hit the Streets

The approvals were announced by HHS Secretary Heckler, who touted the expected competition as a boon for price-conscious consumers.

(William Kronholm, AP)

FEISTY HECKLER HOLDS ON TIGHT DESPITE ENEMIES IN WHITE HOUSE

Secretary Heckler is holding her own in a battle with Administration conservatives and does not intend to buckle to pressures to force her to resign, according to senior department officials.

A major indication of Heckler's staying power will be a White House announcement today that President Reagan is nominating Ronald Robertson, a Vienna attorney, as general counsel of the \$330 billion agency, said C. McClain Hadow, the secretary's chief of staff.

(George Archibald, Washington Times, A2)

BENNETT FILLS IN AS A TEACHER AND IS PETITIONED ON SCHOOLS

ST. LOUIS -- After working as a substitute teacher at a Roman Catholic school and a public school, Secretary Bennett was petitioned to enforce the separation of church and state.

A citizens' group presented him with the petition as part of its suit to force Bennett to abide by a recent Supreme Court decision that struck down the practice of having public teachers give remedial courses at parochial schools. (New York Times, A24)

KEMP CAMP JOLTED BY BUSH'S RATING WITH CONSERVATIVES

A poll commissioned by the conservative Free Congress Foundation shows that Vice President Bush has an extremely high favorable rating among moderate-to-conservative voters who supported President Reagan in 1984.

His favorable-to-unfavorable ratio among those who had heard of him was 12-to-1 compared to a 6-to-1 for Rep. Kemp. Bush's name recognition in the poll was 98 percent compared to 55.8 percent for Kemp.

The poll results jolted some in the conservative movement who question Bush's conservative credentials.

(Ron Cordray, Washington Times, A5)

FARM CREDIT AGENCY MAY REQUEST FEDERAL AID AS BAD LOANS PILE UP

The Farm Credit Administration, overseer of the nation's farmer-owned banking system, is considering asking the Reagan Administration for a rescue from a pile-up of bad loans, officials of the agency reported.

The White House, which has been closely watching the deteriorating farm economy all summer, has opposed such assistance on both ideological and budgetary grounds. But loan defaults among farm borrowers have become so widespread that officials may decide to recommend some sort of intervention to President Reagan, according to a White House economic policy official.

"The feeling is we're going to have to do something," said the official, who asked not to be named.

(Peter Kilborn, New York Times, A1)

U.S. Doesn't Plan Direct Aid to Farm Credit

White House officials maintain they don't believe the system needs direct federal aid, because it has internal resources to help solve its own problems. A White House official disclosed that in July, President Reagan accepted the recommendation of an Administration working group that said no federal assistance should be provided to the system.

(Albert Karr and Laurie McGinley, Wall Street Journal, 3)

HODEL SEEKS REVISION OF OFFSHORE OIL ACCORD

Interior Secretary Hodel said that he would try to persuade Congress to revise an agreement with California on offshore oil leasing that appeared to contain "the wrong 150 tracts."

Hodel said he had encountered unexpectedly strong public objection to his plan to release 150 offshore tracts from a leasing ban while touring 11 California cities for a series of public meetings last month.

(New York Times, A25)

INTERNATIONAL NEWS

REAGAN TO UNDERTAKE REVIEW OF U.S. POLICY TOWARD SOUTH AFRICA

President Reagan will undertake a broad review of Administration policy toward South Africa today at a time when some senior officials are seeking alternatives to a politically damaging confrontation with Congress over economic sanctions, Administration officials said.

Chief of staff Regan "is looking to see if there's any way out" of either a veto of sanctions legislation, or a subsequent veto override by Congress, a senior White House official said. Other officials said Regan and national security affairs adviser McFarlane were jointly seeking options that would avoid a major Presidential defeat on the South Africa legislation in which Congress overrides a veto.

(David Hoffman, Washington Post, A1)

Lawmakers Say Reagan Veto on South African Sanctions Would be Reversed

The White House has not yet said whether the President would sign sanctions legislation, which is expected to win final congressional approval after the Senate returns from recess next week. But Reagan said last month he would look with "jaundiced eye" on such legislation.

(David Espo, AP)

POLICE BREAK UP CAPE TOWN PROTEST

JOHANNESBURG -- Police wielding plastic whips smashed a peaceful protest by high school students in downtown Cape Town as political unrest moved into the white area of the city for the first time. Later in the day 40 people were reported wounded in running street battles between students and police in nearby mixed-race townships.

(Glenn Frankel, Washington Post, A1)

Police Attack Singing Children

Brian Lombard said a dozen policemen began to "lay into" about 20 children as they sang softly outside the Luxury Golden Acre Center in Cape Town's Adderely Street.

"The kids scattered in all directions and most were severely beaten," said Lombard, who witnessed the incident. "Several of the kids were bundled into two police vans and driven away."

(Brendan Boyle, UPI)

5 Seized in Clash Inside Cape Town

The Star, a Johannesburg newspaper, quoted one witness as saying the youths were singing "We Are the World" and that police, who gave no orders to disperse, hit out indiscriminately at them as white shoppers watched.

(Sheila Rule, New York Times, A13)

PRETORIA BANKER BLAMES CRISIS ON U.S. BANKS

The governor of South Africa's central bank blamed a handful of American banks for triggering his country's debt crisis and immediately flew to London in hopes of getting European cooperation in rescheduling South Africa's international loans.

In the first public statement on his emergency mission through western financial capitals, Gerhard de Kock said South Africa's freeze on debt repayments was forced by just two or three American banks refusing to renew maturing loans. (Lionel Barber, Washington Post, A23)

U.S.-Pretoria Bank Talks: Politics Held Avoided

A New York banker agreed with de Kock that discussions had focused on thorny details of South Africa's four-month payments moratorium. "But the relevance of the political situation to the current financial impasse was certainly pointed out" to de Kock, the banker said.

(Nicholas Kristof, New York Times, A12)

ANGOLAN LAMBASTES U.S., SOUTH AFRICA

LUANDA, Angola -- Angolan President Jose Eduardi dos Santos accused the Reagan Administration of encouraging domestic brutality by South Africa's "racist regime" and helping to sabotage regional peace efforts. But he appeared to leave the door open for a resumption of talks with Washington and Pretoria on security in southern Africa.

(Karen DeYoung, Washington Post, A23)

U.S. NEGOTIATORS ORDERED TO EXPLORE GORBACHEV PROMISE AT GENEVA TALKS

U.S. negotiators will return to the Geneva arms talks later this month with orders to explore Soviet leader Gorbachev's promise of "radical proposals" to reduce strategic nuclear arms in return for limits on President Reagan's strategic defense initiative research program, government officials said. (Walter Pincus, Washington Post, A16)

REAGAN EXPECTED TO KNOCK GORBACHEV OFF THE SUMMIT

Soviet leader Gorbachev might have been first off the blocks in the public relations race to the November summit.

But several experts in the arts of image-molding and mass message-sending predict that when President Reagan hits his stride, he'll teach the Soviet boss how world-class distance runners do it.

(Tom Diaz, Washington Times, A3)

BONN GROUP COMES TO U.S. FOR SDI TALKS

BONN -- A top-level West German delegation embarked on a 10-day trip to Washington that will determine whether the Bonn government takes part in President Reagan's Strategic Defense Initiative.

The delegation -- 30 leading representatives from government and industry -- will seek assurances that participating West German firms can have full access to new technologies likely to emerge from the \$26 billion research program for the space-based antimissile system.

(William Drozdiak, Washington Post, A1)

SPACE DEFENSE CHEAPER IN EUROPE

A global space defense against nuclear attack could be established in Europe at a fraction of the cost of similar proposals and with greater accuracy, says Klaus Heiss, an aerospace scientist and economist.

In a forthcoming research paper, Heiss asserts that a defense against intermediate-range nuclear missiles in Europe -- using a combination of laser guns and missile interceptors -- would provide a practical first step in a larger global strategic defense program.

(Bill Gertz, Washington Times, A3)

ANTISATELLITE WEAPON TEST POSTPONED

A chagrined Air Force postponed the controversial first test of an antisatellite weapon against a target in space in order to avoid violating a congressional notification requirement, Defense Department and congressional sources said.

"They just goofed," said Rep. George Brown, a critic of the antisatellite weapon and one of the authors of the notification language.

(Walter Pincus, Washington Post, A17)

U.S. Poised to Test Antisatellite Weapon in Space

The new test date remains a secret. All that is known about the target is that it is an older satellite, in orbit but no longer functional.

(Norman Black, AP)

Pentagon Reschedules ASAT Test for Later This Month

The test will be conducted at least six weeks before the Nov. 19-20 summit between President Reagan and Soviet leader Gorbachev and likely will be an issue in their talks.

(Richard Gross, UPI)

Air Force Plans to Proceed with Antisatellite Test

One source said the new, classified test date was "after this week," and he suggested that members of Congress might make a last-ditch attempt to block the test.

(Bill Keller, New York Times, A8)

SOVIETS THREATEN TO LIFT SPACE ARMS MORATORIUM

MOSCOW -- The Soviet Union will end its unilateral moratorium on testing and deployment of antisatellite weapons if the United States proceeds with a planned test of an antisatellite weapon, Tass said.

The Tass statement is viewed as a delayed response to Washington's mid-August announcement that it plans to test an antisatellite weapon, and as a climax to the two-week-long Soviet press campaign condemning the U.S. decision.
(Gary Lee, Washington Post, A17)

Soviet Union Says It May Lift Moratorium If U.S. Conducts Test

The Tass announcement, which appeared to be timed to coincide with the planned test, accused the United States of "taking yet another step to escalate the arms race and spread it to space."

(Alison Smale, AP)

Soviet Union Says It's Free to Test Space Weapons

Tass said the United States "obviously counts not only on acquiring weapons for anti-satellite warfare in the near future but also on developing, under the guise of testing antisatellite systems, antimissile systems of air and other basing that are prohibited by the ABM treaty."

(John Iams, UPI)

U.S. Ignores Soviets, Will Test Space Arms

This was followed by this announcement from the Pentagon: "The first test of the U.S. antisatellite system against an object in space is planned for later this month," the Pentagon said later in the day.

(Ted Agres, Washington Times, A1)

Soviet May Deploy Satellite Weapon If U.S. Holds Test

Tass said Washington's decision to stage the test "is nothing but an action directly leading to the commencement of the deployment of a new class of dangerous armaments -- strike space weapons."

The statement said Washington was acting despite the existence of Soviet proposals at the Geneva arms talks to prohibit such weapons.

(Serge Schmemmann, New York Times, A1)

PACT WOULD GIVE U.S. CONTROL OF BRITISH INSTALLATIONS

LONDON -- PM Thatcher would turn over crucial British installations to U.S. troops and seek sweeping emergency powers in the event of war, the New Statesman magazine reported.

One critic said the plans showed a "total disdain" for democracy.

The weekly magazine reported that Britain agreed secretly in 1983 to a "joint logistic plan" with the United States under which London "promises to hand over British military and civil resources to the United States."

(UPI)

U.S.-SAUDI

The State Department has informed Congress that Saudi Arabia is willing to make its bases available to U.S. forces in the event of Soviet military action in the Persian Gulf or of threats to oil supplies in the vital region, a U.S. official said.

The Saudi offer was relayed to the House Foreign Affairs Committee before the lawmakers' summer recess by William Schneider Jr., undersecretary for security assistance, said the official, who spoke on condition that he not be identified. (Barry Schweid, AP)

Saudis to Let U.S. Use Bases in Crisis

The disclosure came in a 17-page summary of a longer policy study on American Middle East arms sales. The summary, classified as secret, had been conveyed to members of Congress in recent weeks by Richard Murphy, assistant secretary of state for Near Eastern and South Asian affairs. (Berhard Gwertzman, New York Times, A1)

U.S. AIDE'S TIES TO CONTRAS CHALLENGED

The chairman of the House intelligence committee said that the involvement of a ranking member of the National Security Council with the rebels fighting to overthrow the Nicaraguan government may have violated the law.

Rep. Hamilton also said that his group would begin hearings Sept. 17 to investigate the relationship between the rebels and the council. He said the hearings would also examine how the Reagan Administration plans to spend the \$27 million in nonmilitary aid to the rebels approved by Congress just before its August recess.

(Jonathan Fuerbringer, New York Times, A3)

HONDURAS REPORTED TO RAID REFUGEES

COLOMONCAGUA, Honduras -- Eighty Honduran Army soldiers entered a United Nations camp for Salvadoran refugees here last week and killed two refugees, wounded 13 and beat 25 others with rifle butts and kicks, according to international relief officials from four relief organizations that work in the camp.

The attack was thought to be the first in which the army of a host country had killed and wounded refugees in a United Nations camp in Latin America. (James LeMoyne, New York Times, A3)

U.S. TO HOST MOZAMBICAN

Mozambique's President Samora Machel is to meet with President Reagan on Sept. 19, according to announcements here and in Maputo, culminating an unorthodox White House effort to strengthen relations with a Marxist revolutionary government in southern Africa.

(Lewis Diuguid, Washington Post, A24)

ADMINISTRATION ENCOURAGED BY FOOD DELIVERIES TO NORTHERN ETHIOPIA

The Reagan Administration is encouraged by Ethiopia's decision to permit trucks carrying U.S. emergency food to expand deliveries into the country's rebel-held northern provinces.

"Just last week for the first time we now have actual feeding beyond the lines which were earlier established," M. Peter McPherson, the administrator for AID, said. (Joan Mower, AP)

Ethiopia's Rebel Regions Allowed Some U.S. Famine Relief -- Finally

"We know that food has actually been unloaded and fed to people in those areas in the last three or four days," he said. "And that is a change and that to us is important."

(Jay Mallin, Washington Times, A7)

U.S., JAPAN AND PANAMA PLAN STUDY OF CANAL

TOKYO -- The United States, Japan and Panama have agreed to study the feasibility of widening the Panama Canal or perhaps replacing it with a new sea-level waterway to connect the Atlantic and Pacific Oceans.

For several years, Japan and Panama have expressed interest in digging a second canal, a project whose costs were estimated at \$20 billion six years ago and probably would be higher now.

(Clyde Haberman, New York Times, A11)

EDITOR'S NOTE: "Chinese Students Give Nixon Hero's Welcome," a story by Daniel Southerland on former President Nixon's current trip to China, is on page A1 of The Washington Post.

"Nixon urges strong ties with China" is on page A6 of The Washington Times.

John Burns' story, "Nixon Returns to China: It Seems Like Old Times," is on page A2 of The New York Times.

An article on Zhang Xin, a Chinese official who was found hanged three days after defecting to the United States, is on page A1 of The Washington Times under the title, "Chinese defector hanged himself in New York -- or was it murder?"

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NEWS FROM THE STATES

NEWS FROM NORTH CAROLINA

TEXTILE REPRESENTATIVES WANT MEETING WITH REAGAN

RALEIGH, N.C. (UPI) -- While the state prepares for a visit by President Reagan, textile and shoe industry workers request a chance to voice their disappointment in his opposition to limiting imports. "We think the administration needs to hear from some American workers about what it means to lose a job or work under the threat of losing a job to imports," said Dennis Julian, director of governmental relations for the North Carolina Textile Manufacturers Association.

Reagan plans to speak on his tax proposals Thursday at North Carolina State University's Reynolds Coliseum.

Charles Dunn, the association's executive vice president, wrote Reagan asking the president to meet with some textile workers and himself. Dunn also asked Gov. Jim Martin, Sens. John East and Jesse Helms and the state's congressional delegation to help arrange a meeting.

"They (workers) are keenly disappointed and one of the main reasons they're disappointed is the commitments he made as Reagan the candidate are totally different from the decisions he's making as Reagan the president," said Dame Hamby, dean of the School of Textiles at North Carolina State University. "They relied on him to be somewhat sympathetic and once he got elected he simply turned his back."

In the letter dated Aug. 30, Reagan was asked to meet with the small group of workers because North Carolina is the nation's largest textile producing state and home of the country's largest School of Textiles. But White House aides said Reagan's preliminary schedule allots about two hours for his speech and a luncheon with university student leaders and does not include a meeting with textile representatives. A final schedule for Reagan's visit was expected Wednesday.

SUIT FILED AGAINST PRESIDENT REAGAN

FAYETTEVILLE, N.C. (UPI) -- Two Green Beret men filed suit in federal court today to force President Reagan to obey federal law and demand the release of any prisoners of war still held in Vietnam, Cambodia and Laos. Attorney Mark Waple filed the class action suit for retired Maj. Mark Smith, Sgt. Melvin McIntire of Fort Bragg and all live American POWs. The two men, who say they were members of an Army intelligence-gathering unit, charge they were ordered to squelch information they received about soldiers still imprisoned in Southeast Asia.

The suit is against Reagan, Defense Secretary Casper Weinberger, Secretary of State George Shultz and Gen. James A. Williams of the Army Intelligence Agency. It accuses them, and anyone who held their jobs during and after American involvement in Southeast Asia, of breaking the U.S. Code, which protects captured soldiers.

The government has said since the mid-1970s that all living POWs have been returned. But the government's position has been attacked, by Rep. Bill Hendon, R-N.C., among others. Hendon has said Defense Department documents, including statements from Vietnamese refugees, convinced him POWs are still being held.

NEWS FROM THE STATES (Continued)

GRAHAM'S SON SAYS AMERICA STILL RACIST

BOONE, N.C. (UPI) -- The Rev. Franklin Graham, evangelist Billy Graham's son, says protests in the United States against South Africa's government will make American citizens forget racism at home and "set our country back many years."

"I believe this (American attention to South Africa's problems) is going to take our attention off our own problems and lull citizens into a form of complacency in our own area of civil rights," Graham told UPI Tuesday. Graham said he just returned from meeting with both black and white evangelists in South Africa. He said it was his fourth trip to the country ripped apart by government-enforced racial segregation, or apartheid.

"Who are we to throw stones at South Africa -- we have miles to go with our own race relations," he said. "This is going to set our country back many years -- this attention eventually will hurt our own race relations in this country. All the religious leaders he met in South Africa opposed apartheid, he said, adding that the strife-torn country is wide open for evangelical opportunities.

But too many religious leaders are getting involved in South Africa's political strife, he said, and forgetting that loving others "is the answer for South Africa -- not Jerry Falwell, not the Bishop Tutu."

DEMOCRATS MAY TRY TO PIN RATE HIKE ON REPUBLICAN GOVERNOR

RALEIGH, N.C. (UPI) -- Democrats say if Duke Power's rate hike appears in October's bills it may cost the GOP votes in 1988, but Gov. Jim Martin says politicking against utilities will "poison" the state's business growth. The Republican governor said a too vigorous political assault on utilities could wind up scaring away industry with a big appetite for energy.

GOP WOMAN NAMED TO HIGH COURT

RALEIGH, N.C. (UPI) -- Parole Commission Chairwoman Rhoda Billings takes her oath of office Wednesday as the second Republican this century and the second woman ever to sit on the North Carolina Supreme Court. "I take a great deal of pride in recognizing the contributions (Chief Justice Susie Sharp made to the state of North Carolina," Billings said. "I hope people will expect me to live up to the legacy she left behind." Billings said she is proud to be identified as the second woman on the Supreme Court. North Carolina was the first state in the nation to appoint a woman to the high court.

NEWS FROM SOUTH CAROLINA

UNION TARGETS FOOD LION IN "BUY AMERICAN" CAMPAIGN

COLUMBIA, S.C. (UPI) -- A food workers union is urging consumers to "Buy American" by boycotting Food Lion, which union officials say is controlled by foreign owners. The union targeted the 300-store Food Lion chain because Delhaize Freres, a Belgian company, owns a major portion of the company's stock, said Frank Dininger, regional vice president of the union.

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NEWS FROM THE STATES (Continued)

FORMER EDUCATION SECRETARY BELL WANTS
'PROFESSOR SYSTEM' IN PUBLIC SCHOOLS

GREENWOOD, S.C. (UPI) -- Public schools need to set up levels of teacher advancement like those found in colleges and universities, former U.S. Secretary of Education Terrel Bell says. "We can't build without tearing out a page from the higher-education book," Bell told an open forum at Lander College Tuesday. "Teaching is a dead-end without opportunity for advancement."

NEWS FROM GEORGIA

BAPTISTS TO ANNOUNCE ECONOMIC STRATEGIES

ATLANTA (UPI) -- The National Baptist Convention U.S.A. Inc. this week hopes to announce strategies that will boost black economic strength and put pressure on the United States to alter its policy toward the South African government. That's the message coming from the Rev. T.J. Jemison, president of the world's largest black organization. The convention will announce proposals aimed at pressuring the United States to forgo its constructive engagement policy in South Africa and "join the leaders of the world in condemning strongly the injustice," Jemison said. The group intends to send letters to President Reagan and South African leader Pieter Botha urging an end to apartheid.

NEWS FROM LOUISIANA

LOUISIANA POLITICS

NEW ORLEANS (UPI) -- Rep. John Hainkel, the unofficial leader of conservative lawmakers in Louisiana, said switching to the Republican Party may help Louisiana give up its long tradition of political corruption. Hainkel, who served as speaker of the House during Gov. Dave Treen's administration, told a meeting of college Republicans at the University of New Orleans Tuesday night he was considering changing his registration. "I'm almost at the point where I have to admit to you that it can't be done," Hainkel said. "For these 18 years I've remained as a Democrat because I thought we could work the problems out internally," Hainkel said at a meeting of the University of New Orleans College Republicans.

CHARGES AGAINST EDWARDS UPHELD

NEW ORLEANS (UPI) -- A federal judge has refused to dismiss charges of racketeering and fraud against Gov. Edwin Edwards and his seven co-defendants who claimed misconduct by U.S. Attorney John Volz in dealing with the grand jury that indicted them.

NEWS FROM TENNESSEE

INVESTIGATION CONTINUES AT NUCLEAR WEAPONS PLANT

OAK RIDGE, Tenn. (UPI) -- Department of Energy officials said the investigation continues today into a possible break-in a nuclear weapons factory building where enriched uranium is stored. "About all I can say is the investigation continues," DOE spokesman Wayne Range said. "The FBI continues the investigation. We still have some additional increased emphasis on security."

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NETWORK NEWS SUMMARY

(Tuesday Evening, September 4, 1985)

ASAT TESTING

CBS's David Martin: TASS today fired another broadside, warning that if the U.S. tests its anti-satellite weapon, the Soviet Union will abandon its self-imposed moratorium against deploying its own anti-satellite weapon. In Washington, members of Congress has been told the ASAT test would take place this afternoon. A congressional opponent complained about the Administration's haste in conducting the test. (Rep. Brown, D-Cal: "But the timing could not have been better calculated to minimize congressional awareness and discussion of the President's action.")

But this afternoon's ASAT test did not happen, because of a mix-up in timing one Air Force described as "pitiful." A Pentagon lawyer realized that a required 15-day waiting period had not elapsed from the time President Reagan certified to Congress that an ASAT test is in the national interest. After being told the waiting did not expire until midnight tonight, Secretary Weinberger ordered the test delayed. The ASAT weapon and all those involved standing by for today's test, must now wait 9 days before the target satellite is once again in the proper orbit. The Pentagon's mixed-up timing pushes the ASAT test closer to the November summit, something the Reagan Administration had hoped to avoid. As one senior official put it, "One wishes the Air Force could count better." (CBS-2)

ABC's John McWethy: U.S. officials claim that the Soviet move is a blatant attempt to cast the U.S. test program in a negative light going into the Reagan-Gorbachev summit. The Kremlin has been testing its own crude, ground-launch ASAT weapons for at least 15 years. And U.S. intelligence sources claim the Soviets have a number of such weapons ready to go.

(TV Coverage, Animation of weapons.)

(Weinberger: "Obviously, the Soviets want to maintain a monopoly of this view of having the only deployed anti-satellite system.")

The wording of the Soviet announcement made it appear the Russians might have some new satellite killer ready to deploy in outer space if the Reagan Administration went ahead with its test. But U.S. intelligence sources say they doubt that, though they anticipate the Soviets will soon resume testing their old system. (ABC-2)

NBC's Tom Brokaw: The Soviets said the test could force them to test and deploy ASAT space weapons. But the U.S. brushed off that warning and said the test would take place later this month. (NBC-10)

FARM CREDIT CRISIS

NBC's Bob Kur reports that what's happening is worse than the worst case farm credit officials dreaded. 1984 loan losses were \$428M, the worst ever; at least 9 of the FCA's 37 main banks now have more money in bad loans than money to lend.

(TV Coverage: farm being auctioned off.)

Kur continues: Projected bumper grain crops this year will mean bigger surpluses and lower prices already hurting. The farm credit system is especially vulnerable, because it only makes loans to farmers. Today in an office near Washington, officials who regulate the farm credit system, considered what steps are needed. Earlier this year as farmers pleaded for help, President Reagan vetoed emergency aid. Today, Secretary Block was non-committal.

(Block: "Now when the government steps in and what the government does, I'm not going to predict right now.")

Farm state Republicans warned the stakes could not be higher.

(Rep. Tauke, R-Ia: "We could have a real collapse of the entire economy in the farm belt if the farm credit system went under.")

Democrats plan to put President Reagan on the spot.

(Sen. Melcher, D-Mt.: "(The President has) got to wake up to what happens in the real world. It is not just star wars, it is not just Central America. We've got plenty of problems right here in Main Street, U.S.A., in all these farms and ranches, and he'd better start payin' attention to 'em.")

With relations already tense, President Reagan risks an all-out rebellion among nervous Republicans here, if he continues to oppose emergency aid for farmers. (NBC-2)

MIAs

ABC's Peter Jennings: Today 2 former soldiers filed suit, charging that the government hasn't done enough to find MIAs.

ABC's Dean Reynolds reporting from Fayetteville, N.C.: The case hinges on the word of two men, retired Army Major Mark Smith, a former POW, and Sgt. Melvin McIntyre. In their suit, they talk of a mission that could've liberated American POWs in 1984, but it was called off without adequate reason, and they point to that as an example how the government, including the President, is breaking the law, by not doing enough to free American prisoners who they say are still being held.

(Attorney Mark Waple: "Our position is that it is not asking the Chief Executive to do any more than comply with the federal statute.")

(Pentagon's Charles Redman: "The U.S. government at this moment does not have any good evidence that there are in fact live Americans still remaining in Southeast Asia.")

The government also says it assumes there could still be some American prisoners in S.E. Asia, but it must have real evidence before it can take real action. (ABC-3)

DELTA-FAA

Rather: Delta Air Lines has filed court papers in Dallas, charging negligence by federal air traffic controllers. Delta says that the Delta jumbo jet that crashed last month during a thunderstorm at the Dallas airport, was caused by air traffic controllers. Federal investigators theorized that the plane plummeted when it encountered a treacherous wind shear, apparently without warning.

(CBS-3, ABC-12, NBC-3)

KAL LAWSUIT

NBC's Robert Hager: Ever since the (KAL 007) incident, there have been questions of whether the U.S. was aware the plane was off-course and failed to warn it. The government says civilian radar couldn't see it anymore, and military radar wasn't tracking it. But lawyers for the victims' families say on the tape of controllers trying to contact the plane, they've found proof that someone in the control center knew the plane was off-course but didn't warn the pilot. The government says the latest accusations of cover-up are far-fetched and untrue, but still, after 2 years, declines to release all the information it's gathered about the incident. (NBC-5)

SOUTH AFRICA

NBC's John Blackstone reporting from S. Africa:

(TV Coverage: Protesting students fighting with police.)

At a school in Capetown, 3,000 students met in protest, they buried symbolically -- the symbol of apartheid.

(TV Coverage: Coffin thrown in water.)

But symbolic acts were not enough. The students attacked the representatives of apartheid. A now-familiar battle began, in spite of the use of considerable force and in spite of the adaption of extraordinary laws and powers, the government seems no closer to bringing South Africa under control. That failure is evident. Today on Diagonal street, South Africa's Wall street, the rand plummeted, despite government efforts to support it. South African business showed its lack of confidence by buying dollars. Now the country's gold reserves may have to be used to save the currency. In this period, the government seems to be making new enemies daily. A small but growing number of whites are joining the right-wing Conservative Party. They believe the government has already made too many concessions. But the government battles on, unable to restore calm, unwilling to negotiate with those trying to smash apartheid. (CBS-7)

Jennings: The continuing violence is causing growing concern on international money markets about the future of the South African economy.

ABC's Dan Cordtz reporting from South Africa: The value of the rand slipped a bit further on Johannesburg's foreign currency exchange today, to less than 40 cents, in spite of the 4-month moratorium on repayment of bank loans. Today, central bank Governor de Kock held a news conference in New York to explain. (de Kock: "It's not a question of borrowing more money to finance our current account deficit, it's a question of discussing how to slow down the repayments.") de Kock said the short-term debt is just \$6B, \$2B of that owed to U.S. banks, and only payments on the principal will be deferred.

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Cordtz continues: (de Kock: "All interest payments, all current payments, these will continue. In other words, no American banks will have problems with non-performing loans or anything of that kind.")

Unless S. Africa institutes a major political reform soon, some bankers have concluded that the profits to be made from future lending in that country are not worth the risk.) (ABC-11)

Brokaw: With serious rioting reported today, the value of South Africa's currency dropped sharply once again. The drop shows how little faith foreign investors have in S. Africa, and it worsens that country's financial crisis.

NBC's Keith Miller reporting from S. Africa: More and more people are looking for a way out (of the country).

(TV Coverage: Whites leaving homes for good.)

More and more people are looking for a way out. So far this year the number of people leaving the country is up by 14 %. The U.S. Consulate in Johannesburg said it is handling 50 inquiries a day. Conservative politicians are blaming the government for not being tough enough. (NBC-11)

LEBANESE VIOLENCE

Rather: A car-bomb exploded in the marketplace of a large Christian town, at least 14 were killed and 50 injured. Only several miles away and hours later, Israeli warplanes attacked a suspected Palestinian guerilla base. It's generally believed that the Bekaa Valley is the staging area for moslem terrorists who continue to hold 7 kidnapped Americans hostage (CBS-8)

Jennings: There was another car bomb in Lebanon today, ... 4 people were killed and 40 wounded, it went off...while the Lebanese President was paying a visit. He was not hurt. (ABC-9)

EGYPT

Jennings: The entire cabinet has resigned, the reason isn't altogether clear, but the Prime Minister has already been replaced by a leading economist, and Egypt is beset by massive economic problems. (ABC-10)

GENERIC VALIUM/FDA

NBC's Irving R. Levine: For users of the 25M valium prescriptions filled last year, an announcement that could save them millions of dollars. (Secretary Heckler: "Today, I announce the approval of three generic versions of valium....This generic drug approval means competition in the marketplace and at the drug store. And competition leads to lower drug prices.") In response to congressional pressure, the FDA claims it is moving to approve other generics soon. (CBS-11, ABC-11, NBC-6)

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ELENA

Rather: President Reagan declared parts of Mississippi a disaster area because of property damage caused by Hurricane Elena. (CBS-5)

ANIMAL RIGHTS

Brokaw: The University of Pennsylvania has been accused by the Agriculture Department of failure to give research animals adequate care. (NBC-8)

U.S.-SOVIET RELATIONS/TELEVISION

NBC's John Chancellor -- Commentary: Now we learn that the White House has been trying to get President Reagan on Soviet television to give his views. That's a curious proposal. For many years, Mr. Reagan has described the Soviet system as one in which the Soviet people have no voice. He's right. Especially in the areas of nuclear weapons and foreign relations, the Russian television audience plays no role in decision-making. But if the audience plays no role, what use might there be in a presidential appearance, even from the Great Communicator? Better by far would be 8,000 tightly-reasoned words in Pravda, which is what Gorbachev got in Time Magazine. Media star wars fought by Reagan and Gorbachev won't change policies in either country. (NBC-12)

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EDITORIALS/COLUMNISTS

SHOE QUOTAS

Getting The Boot -- "...On the issue of import restrictions to protect the shoe industry, the President has said there will be none. Instead, there will be tougher measures to fight unfair trade practices. It's the sensible way to go."
(Dallas Morning News, 9/4)

Reagan Made The Right Decision Against Further Barriers For Shoes -- "President Reagan's denial of new import protection to the shoe industry was right...Tariffs on imported shoes are already 8.8%. Mr. Reagan was not surprised by the wailings of congressional protectionists over his shoe decision. Members of Congress will continue to be under stiff lobbying pressure to raise new trade barriers even as they preach free trade to the Japanese. On this case, the President chose to have no part in the hypocrisy."
(Cincinnati Enquirer, 8/30)

Protectionism Won't Help U.S. Economy -- "...True, the United States is an economically stronger nation today than in recent years. President Reagan went to West Germany to defend our success, and he carried with him the hopes of many for a continued economic success. The media's obsession with Bitburg totally obscured the intended point of the trip, namely, the proposed economic trade conference with Japan and the NATO leaders. Protectionism has revealed its many trappings to us before. Let us learn from these mistakes of the past, not repeat them. The world economy is far too complex and interrelated to attempt such tactics..."
(Brian O'Malley, Philadelphia Daily News, 8/30)

TAX REFORM

Taxing Theory -- "...The fact is that the Reagan tax reform plan is not a nefarious plot by right-wing Neanderthals bent on rearranging social priorities. It is a needed attempt -- although admittedly an imperfect one -- at cleaning up the tax code. No tax reform plan is going to make everyone happy. But the truth is that the Reagan plan offers the most benefit to the most families. The critics who said otherwise were dead wrong."
(Charleston Daily Mail, 8/28)

Up And At 'Em -- "...You don't win electoral mandates just to fight the bad ideas of your opponents. You win them to go on the offensive with your own agenda. And the chief items of the President's are: his Central American policy, the Strategic Defense Initiative and tax reform. It's now clear that it will be chiefly by what happens in these areas, not by whatever marginal trims he can make in federal spending, that the Administration will be judged. The fall offensive should concentrate on those issues. The President still has, of course, well over three years left in his second term, but should the fall offensive fail, the Reagan Revolution will be hard indeed to sustain, with potentially dire consequences for Reaganites in the '86 and '88 elections. Now's the time for the chief executive to show how great a communicator he really is."
(Dallas Morning News, 9/1)

TAX REFORM (continued)

Reagan's "Good Deal" -- "...The Reagan-Rostenkowski drive for tax reform may yet be thwarted by extraneous issues, such as the financial crisis in the farm belt or a showdown over protectionism. But at this stage the case for major revisions in the tax code remains persuasive and deserves the popular support the President will try to muster."
(Baltimore Sun, 9/4)

POVERTY RATE

Some Applause For White House -- "...The Reagan Administration deserves credit for helping raise the economic tide and thus the incomes of the less fortunate. Yet it has also contributed to their problems. Its cuts in federal aid had a hand in earlier increases in poverty. Today's gains come in spite of -- not because of -- those cuts, and still they do not outweigh the losses. The White House deserves a polite round of applause for 1984's economy. It does not deserve an ovation."
(Atlanta Constitution, 9/2)

Robin Hood Ron? -- "Critics thought Reaganomics not only enriched the rich but impoverished the poor. Yet now the Census Bureau says that in 1984 the poverty rate fell by more than it had fallen in a decade. "More Reagan, less poverty!" will doubtless become the new chant. Fat chance. Critics will point out that the poverty rate is still higher than when Reagan took office. And that the rate for black children under six rose even in 1984, a statistic highly correlated with huge increases in the pregnancy rate among unwed black teenagers. Because there are tragically poor people in America, it is all the greater tragedy that too few of the welfare state's benefits get to them. The system actually ensures that the more money it spends, the worse poverty becomes -- and this is then cited as a reason to spend even more!" (Dallas Morning News, 9/3)

The Reagan Record -- For Richer, For Poorer -- "Reagan interrupts the Census Bureau figures as indicating that "after a difficult decade" the United States is "once again headed in the right direction." There's much in the Census Bureau that's encouraging and that supports the President's optimism. But there's also plenty to indicate that his laissez-faire approach to capitalism is continuing to fail millions of desperately poor Americans."
(Newsday, 8/30)

DIVAD/SGT. YORK

'The Knife' Cuts The Gun -- "Apparently, there is still a little of ('Cap the Knife') left in Mr. Weinberger, who deserves credit for ending production of the costly, trouble-plagued Sgt. York anti-aircraft gun, the first major weapons system to be cancelled in production since the 1960s. As for the need for a weapon of the Sgt. York type, they are available now from the Pentagon's NATO allies, which already have cheaper and less complicated systems ready for honest Army testing. That's one way to solve problems without wasting money."
(Pittsburgh Press, 8/29)

FOREIGN MEDIA REACTION

GORBACHEV

President Reagan Asks Equal Time -- "President Reagan's efforts to secure equal time for himself in the Soviet media reflects the growing unease in the Administration over the Soviet leadership's success in putting its views before the American public..." (Guardian, Britain)

White House Conciliatory, Elusive -- "The White House reacted to Gorbachev's interview...with conciliatory but elusive tones. Larry Speakes' statement indicates the U.S. determination to avoid worsening public discussion two and a half months before Geneva....The U.S. spokesman did not spend one single word on the arms issues..." (Corriere della Sera, Italy)

Senators noted useful talk with Gorbachev "Senator Robert Byrd and other U.S. senators voiced thanks for a clear presentation of the Soviet position and notes the usefulness of the conversation they had had with Mikhail Gorbachev and the need for extending dialogue, improving the atmosphere in relations between the two countries and for the development of mutually beneficial contacts between them in different fields. They called for the success of the forthcoming summit. At the same time, the American side repeated well-known arguments which boil down in large measure to justification of the U.S. Administration's course of whipping up the arms race, inter alia, in space." (TASS, Moscow)

Clarification of Soviet Determination "It could be said that the Gorbachev statement (to the U.S. Senators) again clarifies Soviet determination to improve U.S.-Soviet relations by focusing on the autumn summit despite tension caused by the Reagan Administration's strong policy toward the Soviets on nuclear testing and ASAT weapons." (Asahi, Japan)

Gorbachev Says Good U.S. Intentions Will Produce Good Results "...Gorbachev did not indicate that he was ready to compromise on any basic issues between the two nations. He reiterated the Soviet position that there could be no progress on disarmament issues unless the United States abandoned SDI...We will be watching the summit talks calmly without being misled by Soviet propaganda and without expecting too much." (Yomiuri, Japan)

Today's leading Sing Tao Jih Pao headlined an article on the President's reaction to the Gorbachev Time interview "Reagan Welcomes Gorbachev's Speech, Voices Willingness to Concede to USSR." (Hong Kong)

The pro-China Center Daily headlined a report on the Time interview "USSR Seeking New Image and Breakthrough...Large-Scale Propaganda Will Win Better Impression From West."

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