

News Digest

By The Associated Press

Reagan defends satellite test; says he's willing to 'negotiate'

WASHINGTON — President Reagan said Tuesday night he would rule out any summit agreement with the Soviet Union that would block testing and development of his controversial "Star Wars" space-based missile system.

But the president, answering questions at his first formal news conference in three months, indicated he might be willing to negotiate with Soviet leader Mikhail Gorbachev over the deployment of the controversial system.

With the Reagan-Gorbachev summit set for Nov. 19 and 20 in Geneva, Switzerland, the president also defended the recent test of an American anti-satellite weapon. He said the Soviets have tested such a system, and added, "We couldn't stand by and allow them to have a monopoly on the ability to shoot down satellites."

Reagan said he was taking his prospective summit meeting seriously, but added he doesn't plan on giving the Soviet leader "a friendship ring or anything."

"It isn't necessary that we love or even like each other," he said, but it is important for the two superpowers to negotiate.

Reagan opened his news conference with a call for "free and fair trade for all," and cautioned that a "mindless stampede toward protectionism will be a one-way trip toward economic disaster."

With numerous bills pending in Congress to slap restrictions on American trading partners, the president said free trade can lead to a "decade of growth" and creation of 10 million new jobs.

The U.S. trade deficit is expected to be in the \$150 billion range this year, prompting calls for protection for numerous American industries.

Reagan said imposing restrictions against this country's trading partners could produce countermeasures against American industry and agriculture.

The president never used the word "veto" — and never mentioned the word "Congress" — as he discussed trade. But his message was unmistak-

able, coming a few hours after the Senate Finance committee took a step toward having the government retaliate against countries that close their doors to imports of American-made telephone equipment.

Reagan also defended his policies toward South Africa's white-ruled government, saying, "I think that when you're standing up against a cellophane wall and you're getting shot at from both sides you must be doing something right. If it had all come from one direction, I would have looked again and said, 'Well, did I miss something here.'"

Reagan said he "must be pretty near the middle" if some critics say he should do more while others say he has done too much toward ending the apartheid system in South Africa. The president last week imposed economic sanctions against Pretoria.

The question-and-answer session with reporters, televised live from the East Room at the White House, was the 31st of Reagan's presidency and the fourth since his second term began in January.

Bill missing 'magic words'

Kerrey to call special session

LINCOLN — Gov. Bob Kerrey said Tuesday he will call the Legislature into special session to deal with a flaw in a bill that was supposed to appropriate \$8.5 million to pay a claim on behalf of Commonwealth Savings Co. depositors.

Kerrey said he would talk to representatives of the Commonwealth depositors in deciding whether to call lawmakers into special session.

"I want to know if there is any chance that they are going to need that money, that they are going to want to make a pay out of that money, before the Legislature meets in January," Kerrey said.

A letter written by Attorney General Robert Spire indicates that the easiest course of action would be for Kerrey to call a special session to deal with the issue.

Spire said waiting until the 1986 regular session could further complicate the case, because the tort claim settlement approved by the Lancaster County District Court specifically requires an appropriation from the 1985 Legislature. Delay would throw approval of the settlement into question, he said.

"So far as that is concerned, I think we could go into the district court and have it amended...have the wording of the settlement changed," Kerrey said.

The bill passed by the 1985 Legislature as LB713 failed to contain the words, "there is hereby appropriated." State law requires that those words are included in every appropriation bill. The key language was omitted in an amendment hurriedly written by legislative staff members and adopted minutes later during floor debate on the bill.

Deb Thomas, a member of the Revenue Committee staff who worked on the amendment, said "only 10 or maybe 15 minutes elapsed" between the time they began writing the amendment and its adoption on the legislative floor.

Kerrey Chief of Staff Nelson and Sens. Chris Beutler of Lincoln and Vard Johnson of Omaha, all attorneys, said they believed the intent of the law was unarguably clear and that it wasn't absolutely necessary for the "magic words" to be included.

The \$8.5 million is now in a suspense account, separated from the rest of the state's general fund. State Treasurer Kay Orr had raised concerns about transferring the money from the general fund to a Commonwealth trust fund because the law failed to contain the proper language.

Commonwealth chairman resigns

LINCOLN — The chairman of the Commonwealth Creditors' Committee has resigned in anger over what he claims is an effort by the Kerrey administration and others to block a formal vote by depositors on a reorganization plan for the failed institution.

"We've been dumped on all the time," said committee chairman Ernie Bousquet of Lincoln. "There has been nothing from the state or the court to try to guide us. All they have done is wait until we did something and then they would knock it down."

"I'm frustrated and I say to hell with it all," he said. "This used to be the bright spot of the nation. But no more. Now it's the sad spot."

The committee was appointed by Lancaster County District Judge Jeffrey Chevront to construct a reorganization plan for Commonwealth which was declared insolvent by the state Nov. 1, 1983.

Bousquet submitted letters of resignation Monday to Chevront, the Creditor's Committee and the state Banking Department, which is the court-appointed receiver of Commonwealth. He had been committee chairman for about one month, but had been vice chairman since the group's creation last year.

In an interview, Bousquet bitterly accused Gov. Bob Kerrey, acting banking director Roger Hirsch and the banking community of keeping the reorganization plan away from depositors eager to vote on it.

"The depositors should have the right to choose whether to reorganize or not," said Bousquet, a Commonwealth depositor. "We've been getting a big stall. . . . The people (depositors) have had no say-so on whether the reorganization plan is approved."

In a straw vote this summer, the plan received support from 85 percent of the

depositors casting ballots. Their deposits represented 67.5 percent of the total dollars and unsecured claims involved. Bousquet said the straw vote signaled that depositors are satisfied with the current plan and are ready to move ahead with a formal vote. He said the plan has been ready for some time.

The banking community has worked to keep the industrial loan and investment company closed because it doesn't want to compete with a reopened Commonwealth, Bousquet said.

Under the plan, Commonwealth would be reorganized into a federally insured savings and loan institution. Bousquet said the reorganized firm would have about \$20 million in liquid assets, easily enough to put it on solid financial ground. That money would include an \$8.5 million tort claim settlement with the state that would be placed in the reorganized institution and \$12.5 million in cash accumulated from the selling of Commonwealth assets, he said.

In Brief

Police arrest rioters in S. Africa

JOHANNESBURG, South Africa — Police Tuesday fired rubber bullets and tear gas and arrested scores of students, parents and teachers who tried to reopen a high school that was closed because of rioting, witnesses said.

Thousands of mixed-race youths around Cape Town heeded a call to defy the government's closure of 464 schools. Armed police turned people away at most places without incident, but clashes broke out at one school in the Athlone district.

Meanwhile, South African soldiers and warplanes ranged into southern Angola for a second day in what the military said was a pre-emptive strike against black nationalist guerrillas fighting South African rule over South-West Africa.

Following an appeal Monday by a teachers' committee and other opposition groups, thousands of youths, teachers and parents turned up at school buildings Tuesday morning. Organizers said closing the schools was "an extreme and unwarranted punitive measure against the entire community."

Secretary defects in German spy case

BONN, West Germany — A secretary in Chancellor Helmut Kohl's office has fled to communist East Germany in the first spy case to hit the nation's highest office since a 1974 scandal toppled Willy Brandt, officials said Tuesday. The defection marked the latest in a drumfire of espionage incidents that began rocking Kohl's conservative coalition government last month. The scandal earlier touched the president's office and shook up Bonn's spy system.

West German radio, citing Bonn security sources, said the latest defector, Herta-Astrid Willner, may have had access to secret information about the U.S. "Star Wars" program and a French-led high-technology project.

Government officials said the 45-year-old secretary, who had worked in the chancellor's office nearly 12 years, had no access to material about the two projects. Willner fled to East Germany with her husband, Herbert. Chief federal prosecutor Kurt Rebmann said both were under investigation on suspicion of spying.

Study: Graduates lack drive, not debts

WASHINGTON — Colleges are graduating students with too many debts and too little sense of civic responsibility and entrepreneurial drive, a Carnegie Foundation report said Monday.

The study, by Frank Newman, president of the Education Commission of the States, urges research universities to overcome their antipathy toward technology and to apply "the fruits of research...to practical problems in industry, the environment and society."

To produce a new generation of civic and business leaders equipped to handle economic challenges from abroad, colleges must stop "stifling the inherent creativity of the student" and start encouraging risk-taking.

The report, "Higher Education and the American Resurgence," decried the trend to saddle students with loans as the main form of federal student aid.

The spiraling Guaranteed Student Loan program is "way out of bounds," Newman said. "Student aid programs should be expanded, not contracted," with greater emphasis on Pell Grants and Work-Study, a program that subsidizes campus jobs.

U.S. debt limit raised to \$2 trillion

WASHINGTON — The Senate Finance Committee voted Tuesday to raise the federal government's borrowing authority to more than \$2 trillion.

Without debate, the committee agreed to a debt limit of \$2.079 trillion through Sept. 30, 1986. That is the same level recommended by the Reagan administration and approved earlier by the House.

The government's borrowing authority now is limited to \$1.824 trillion, a level that is expected to be exceeded by the end of the month.

Organization to focus on ag problems

LINCOLN — Legislators in 12 farm states have been invited to join an organization that could help improve the slumping agricultural economy, a Nebraska senator who formed the group said Tuesday.

"If we speak collectively, it's kind of like one thread is easy to break, but you bind them together into a rope and it's tough to break them," said Sen. Tom Vickers of Farnam, chief organizer of the Midwest Emergency Action League.

Vickers, a rancher, said he expects officials from Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Missouri, Iowa, Minnesota, Wisconsin and Illinois to attend an organizational meeting in Chicago on Sunday and Monday.

After handling organizational matters, the group will discuss agricultural policy, including the 1985 Farm Bill being fashioned in Congress and the crippled farm credit system, he said.

Halley's comet now visible in state

LINCOLN — With the aid of a telescope at least 10 inches in diameter, the late night stargazer now can view Halley's comet, which will increase in intensity during the next few months, a Nebraska Wesleyan University astronomer said Monday.

The comet, which makes its rounds of the galaxy every 76 years, can best be seen during the early morning hours, especially around 5 a.m., when it is "pretty much over head," said Carroll Moore, director of the Wesleyan observatory.

Most amateur astronomers use telescopes with a diameter of 6 or 8 inches, not large enough to see the comet until next month, Moore said. The Hyde Observatory in Holmes Park contains a 14-inch scope and the telescope at the University of Nebraska's observatory in Mead has a 30-inch diameter. From Oct. 9 to Oct. 22 will be a good period for viewing because the moon will not dominate the night sky enough to obscure the comet's light, he said.

The Hyde Observatory is scheduled to open for public viewing Sunday, Oct. 13, from 3 to 6 a.m. The Mead Observatory will be open 3 to 6 a.m. Oct. 12 and Oct. 17; 8 p.m. to midnight Nov. 1 and Nov. 8; and 7 to 10 p.m. Dec. 6 and Dec. 13.

Newsmakers

A roundup of the day's happenings

The Nebraska Department of Health has warned residents of Murdock to boil their drinking water because of dangerously high levels of carbon tetrachloride. The water in the Cass County town, home of 240 people, has levels of the chemical about 100 times greater than set safety standards.

Judy Behnke, executive director of the Nebraska State Education Association has termed as "ludicrous" a prediction by the Rev. Everett Sileven of Louisville that the group will target him for defeat in the Republican primary. In a fund-raising letter, Sileven said "the liberals, the NSEA and other special-interest groups are going to pile up the money against me." Sileven is a candidate for governor.

Heavy rainfall last year evidently has stabilized the

famous Leaning Tower of Pisa in Italy. The tower, which leans 17 feet off the vertical at its top, sags .047 inches a year on the average. The heavy 1984 rainfall, scientists say, stabilized the topsoil so the tower's tilt increased just .019 inches.

McDonald's says it opened 526 new restaurants in 1984 — one every 17 hours. It now has about 6,500 restaurants in the United States — one for every 35,000 Americans.

Susan Akin, newly crowned Miss America, has disclosed a trick of the beauty trade — during the Miss America Pageant she used a sticky spray (commonly used by athletes to keep their hands sticky) on her bottom to keep her bathing suit from riding up during her walk down the runway.