

News Digest

By The Associated Press

\$11.9 million in cuts accepted Push to reduce university budget cuts expected

The Legislature accepted \$11.9 million in state budget cuts Wednesday while making only minor alterations to a budget-trimming package fashioned by the Appropriations Committee.

After two days of first-round budget debate in the special legislative session, lawmakers have squelched most efforts to unravel the Appropriations Committee's \$19.9 million package of cuts in the \$828.3 million general-fund budget for fiscal 1985-86.

"I think our Appropriations package has a lot of credibility," committee member James Goll of Tekamah said of the average 3 percent across-the-board cut in state operations and state aid. "I think it's fair and we did all that we could justify."

However, Goll said he would support an expected push to reduce the committee's suggested cuts for the University of Nebraska and the state colleges at Kearney, Wayne, Chadron and Peru.

"I think that our post-secondary institutions are the most important thing we have in the state of Nebraska," Goll said. In its amendment to Gov. Bob Kerrey's LBI, the mainline budget bill, the committee has recommended a 3 percent reduction for the university and the four state colleges.

The motion calls for a \$4.9 million cut for NU, \$336,435 for Kearney State, \$183,263 for Wayne State, \$171,647 for Chadron State and \$98,699 for Peru State.

The committee suffered a slight setback when lawmakers dumped its proposed \$1.8 million cut for the Department of Public Institutions and accepted Kerrey's \$978,088 reduction.

Opponents of the panels' proposed reduction in DPI argued that it would place an even greater financial burden in caring for the mentally retarded, mentally ill and people dependent on alcohol.

Sen. Don Wesely of Lincoln warned that acceptance of the committee's proposed 2.8 percent cut would force closing an adolescent care unit at the Lincoln Regional Center. The governor's proposal is a 1.5 percent reduction in DPI's general-fund support.

"I think even 1.5 percent is too much," Sen. Bernice Labeledz of Omaha said. "What we're doing here is talking about people that cannot help themselves."

Senators also refused to accept a committee-recommended \$50,000 cut in the financial management assistance program, which has assisted about 600 farm and ranch families since its 1984 inception.

The program is operated by the Nebraska Cooperative Extension Service and the University of Nebraska to help financially beleaguered farmers and ranchers become more efficient managers.

Soviet journalists scheduled to interview President Reagan

WASHINGTON - President Reagan will be interviewed by four Soviet journalists in the Oval Office today in what the White House said it hoped was "a sign of a new and more open information policy on the part of the Soviet Union."

It will be the first time since 1961 that a U.S. president consented to an interview with Soviet journalists.

The White House also announced Wednesday that Reagan will address a joint session of Congress on the evening of Nov. 21, immediately upon his return to Washington from his summit

in Geneva with Soviet leader Mikhail Gorbachev.

The four Soviet journalists flew in from Moscow solely for the interview, White House spokesman Larry Speakes said. They include a representative from the Soviet news agency Tass, the Soviet Communist Party newspaper Pravda, the Soviet government newspaper Izvestia and a Soviet news service Novosti.

"We regard this interview as a unique and historic opportunity for the president to communicate directly with

the people of the Soviet Union. We hope it is a sign of a new and more open information policy on the part of the Soviet Union," Speakes said.

He said the last time a president was interviewed by Soviet journalists was on Nov. 21, 1961, when then President John F. Kennedy was interviewed in Hyannisport, Mass.

Speakes said there was an understanding that the interview with Reagan will be carried in Izvestia on Sunday. Texts of the interview will be released in Washington after it is published in Moscow.

Administration taps Social Security investments for cash, CBO figures say

WASHINGTON — The Social Security system stands to lose \$300 million a year in earnings through the end of the century because its investments are being tapped by the Reagan administration to ease the government's cash shortage, according to the figures released Wednesday.

Rep. James Jones, D-Okla., chairman of the House Social Security subcommittee, released figures from the Congressional Budget Office that he said indicated the Treasury was already making use of the trust funds to cover other government costs.

John Niehenke, acting assistant Treasury secretary, said the borrowing was not improper, and he warned that the Treasury "plans to accelerate the disinvestment of the Social Security trust funds, beginning Nov. 1, 1985, if Congress does not act by that date on

debt limit legislation."

The Treasury has run out of cash because the House and Senate have failed to pass a bill to increase the government's borrowing authority, which has reached its limit of \$1.824 trillion. Both houses have passed the bill, but the Senate attached a controversial amendment to force balanced budgets by fiscal 1991.

A House-Senate conference committee has been meeting in an attempt to compromise on the balanced budget plan. In the meantime, the Treasury has been using complex bookkeeping procedures to keep government checks from bouncing.

In order to cover the checks being sent Friday to 36 million Social Security recipients, Niehenke said the administration planned to tap the fund's investments.

The CBO, in the figures released by Jones, said the long-term loss to Social Security comes from the need to sell off relatively high-paying notes to cover the short-term cash shortage. With interest rates declining, those losses will continue even when the investment money is replenished.

Niehenke placed the short-term interest lost to Social Security at \$9 million, and said the long-term loss would be "tens of millions," not the \$300 million cited by CBO.

Other trust funds have suffered, he said, because the government has not been able to make full scheduled investments. The Civil Service Retirement and Disability fund, the Military Retirement Fund, and the Federal Supplementary Medical Insurance Trust Fund have lost a cumulative \$70 million, he said.

Fights expected over defense spending

WASHINGTON — New fights are likely over spending for nerve gas and "Star Wars" antimissile research when the House takes up a bill which would freeze Pentagon spending for the current fiscal year.

The \$292 billion appropriation bill was scheduled for floor debate Wednesday, a day after the House gave voice vote approval to a separate measure authorizing the Pentagon to spend a record \$302 billion.

Meanwhile, the Senate Appropriations Defense Subcommittee is scheduled to begin marking up its version

of the bill appropriating \$302 billion for the Defense Department. The differing versions enacted by the two chambers will be reconciled later in a conference committee.

Whatever finally emerges from the appropriations bills will be far less than President Reagan originally sought in what would have been the last year of his record five-year defense build-up.

Reagan asked for \$322 billion for the fiscal year which began Oct. 1. That would have been a 5.9 percent increase, adjusted for inflation, from last year's

\$292 billion Pentagon budget. But he has said he would approve the figure in the Senate bill.

The Republican-controlled Senate authorized a \$302 billion budget, an increase to account for inflation, while the Democratic-run House voted for a flat freeze at \$292 billion. The conference committee accepted the Senate figure.

Now, House Democrats have vowed to fight for the \$292 billion total in the separate appropriation bill which is needed to actually spend the money.

In Brief

Ag leaders urge Congress action

ATLANTIC CITY, N.J. — While debate raged in the Senate over the 1985 farm bill, the heads of agriculture departments in 49 states urged Congress on Wednesday to take steps to shore up the beleaguered farmer's financial status and his place in international markets.

Members of the National Association of State Departments of Agriculture voted to urge Congress to pass measures to retire sensitive land from agricultural production, institute a buyout program of dairy herds and place U.S. government guarantees behind bonds sold to finance the Farm Credit System.

The NASDA members from every state except Hawaii and from the Virgin Islands also expressed support for efforts to negotiate an end to unfair trade practices by foreign competitors and to lend farmers some income stability.

Soviet hostages released in Beirut

BEIRUT — Three Soviet Embassy personnel kidnapped a month ago were released unharmed Wednesday, an embassy spokesman said.

"They're all free and in relatively good condition," said the spokesman, who declined to be identified.

News of the release, broadcast by radio stations in Moslem West Beirut, triggered a wild spree of gunfire by leftist militiamen who have been combing the city for the missing Soviets for two weeks.

State-run Beirut Radio and the Moslem Voice of the Nation said militiamen were celebrating the release of the three Soviets.

The embassy spokesman declined to give any details of the release of the three captives who had been threatened with death since they were kidnapped Sept. 30.

They were seized by gunmen in West Beirut, the first East bloc nationals abducted in the Lebanese capital since Islamic extremists began kidnapping foreigners in January, 1984.

Hoch considering bid for governor

University of Nebraska Regent Nancy Hoch says she is seriously considering a bid for the Republican gubernatorial nomination, but has ruled out a possible race for lieutenant governor.

"I'm seriously looking at the governor's race," said Hoch, who lost a bid for the U.S. Senate by 25,000 votes last year to Sen. J. James Exon. "I have had tremendous pressure to run at this point."

Several Republican leaders have talked about Hoch playing a secondary role on a statewide ticket next year, particularly if Rep. Hal Daub runs for governor. But Hoch said there have been "no deals."

Hoch said she feels no pressure to make a quick decision about running for governor since she has statewide name recognition and a campaign organization built for her Senate 1984 race. Supporters who have urged her to run have pledged to wait for her decision, she said.

Poll: Crisis handling approved

WASHINGTON — President Reagan's handling of the Achille Lauro hijacking crisis won the praise of four out of five Americans surveyed, a Washington Post-ABC News poll says.

Eighty percent of those interviewed approved of the U.S. interception of an Egyptian jet carrying the Palestinians accused in the hijacking of the Italian cruise ship earlier this month, the Post reported in Wednesday's editions.

The U.S. Navy planes forced down the jetliner in Sicily where the Palestinians aboard were taken off and arrested.

The high marks Reagan received for his actions following the hijacking helped boost his approval rating for foreign affairs to 62 percent, the highest rate recorded by the poll in four years. Reagan's overall 63 percent approval rating was almost unchanged from last month, the newspaper said. The national telephone poll of 1,506 people was conducted from Thursday through Monday.

Sixty-eight percent of those questioned said they think it is more important to take action against terrorists, such as those who hijacked the Achille Lauro, than to maintain good relations with countries like Italy.

Feds make millions of dollars mistake

OMAHA — Federal officials say they made a mistake and took back millions of dollars they sent Midwest governments earlier this month.

"They'd withdrawn it (the money) before we even knew about it," said Deputy Douglas County Treasurer Norman Souba. "What you give out, you can take back."

Nationwide, nearly \$1 billion in federal revenue sharing payments were sent out five days early to local governments. When federal officials realized their error, they scrambled to retrieve the money.

"When it was clear we were going to get burned for \$20 million (in interest earnings), we said those checks are coming back," said Michael Springer, a U.S. Treasury Department official.

Federal officials said an error was made in giving payment information to a Richmond Va., computer, which sent the money to banks on Oct. 2, not on Oct. 7.

Suit filed against Nebraska magazine

ATLANTA — Seven federal agents filed a \$7 million libel suit Wednesday against a weapons manufacturer and a Nebraska gun magazine protesting an advertisement that depicts U.S. Bureau of Alcohol, Tobacco and Firearms agents as using "Gestapo" tactics.

The seven ATF agents filed suit as individuals in Superior Court against R.P.B. Industries Inc., a suburban Atlanta firearms company owned by Wayne E. Daniel, and Snell Publishing Co. Inc., the Hastings, Neb., publisher of The Shotgun News, a weapons trade journal.

Daniel placed the May 1 advertisement in Shotgun News after ATF agents served federal search warrants at the R.P.B. offices in Cobb County on July 19, 1984, according to the lawsuit. The company once produced the MAC-10 submachine gun, a weapon that law enforcement agents have said is favored by drug smugglers and right-wing extremists.

The ATF investigation led to federal indictments last June against Daniel and his former wife Sylvia Daniel for allegedly conspiring to produce illegal silencers and guns. The case is expected to go to trial early next year.

Newsmakers

A roundup of the day's happenings

Rep. Chester G. Atkins, often ribbed about being confused with country music legend Chet Atkins, sent off a letter to David Letterman after the talk show host featured the guitarist as a guest. "No doubt you are by now feeling tremendous embarrassment over the mixup regarding the scheduled appearance of 'Chet Atkins' on your Oct. 16 show," the congressman wrote. "My office has been deluged with confused and angry phone calls from constituents who tuned in expecting to see me, only to

find an obscure musician." But Letterman turned the joke on the congressman when he read the letter on the air last week, accompanied by a chart purporting to total the cost to taxpayers of Atkins' sense of humor.

Boys Town will be buzzing with film crews and cameras next week when shooting begins on a television movie starring Art Carney. Carney will portray a character named Father O'Halleran in "Miracle of the Heart: A Boys Town Story."