

News Digest

By the Associated Press

Sandinistas-Contras Ortega: U.S. close to military intervention

MANAGUA, Nicaragua — President Daniel Ortega said President Reagan's \$100 million aid package for anti-government guerrillas in Nicaragua is part of a "terrorist and fascist policy" that eventually will lead to U.S. military intervention.

Foreign Minister Miquel D'Escoto said Thursday that his government will respond by expanding its military forces, even though it "will cost many more deaths."

The U.S. House of Representatives voted Wednesday night in favor of giving \$70 million in military aid and \$30 million in non-lethal aid to the Contra guerrillas in the next eight months. Little difficulty is expected in reconciling the bill with a Senate-approved version.

In a nationally televised news conference Wednesday night, Ortega accused Reagan of "acting worse than Hitler with his terrorist and fascist policy against Nicaragua, imposing it on international opinion and that of the North American people."

He said the aid package dealt a "very serious blow" to the efforts of Colombia, Mexico, Panama and Venezuela to negotiate a regional peace treaty. The Contras have had little success in their 4-year-old effort to overthrow Ortega's leftist Sandinista government, which took power in a coup in 1979. The guerrillas received covert CIA support from 1981-1984, but the new package openly gives them military aid for the first time.

The non-lethal aid portion represents a significant increase over the \$27 million approved by Congress last year.

Reagan administration officials say the new aid is to pressure the Sandinistas into holding peace talks with Contra leaders.

But Ortega told the news conference that the House vote brought the United States "to the brink of direct intervention by its troops in Nicaragua," and reiterated that his government never will talk to the Contras.

The aid can be expected to lead to a rapid escalation in weaponry. The Sandinistas already spend 40 percent of the national budget on defense.

D'Escoto, interviewed on NBC-TV's "Today" show from the Hague, Netherlands, said Thursday that his government's "no. 1 priority... is going to continue to be the defense of our sovereignty and territorial integrity."

He said, "we will continue... to rely on our own people, but there is no doubt that when it comes to military equipment that we don't manufacture, we are open to all peace-loving countries of the world to give us the help that we need to defend our sovereignty and independence."

He refused to say whether this meant Nicaragua will seek additional military aid from the Soviet Union.

The Sandinistas have about 100,000 soldiers, reserves and militia. They are better trained and better armed than the estimated 17,000 to 18,000 Contras.

Bomb explodes in Madrid airport

MADRID, Spain — A bomb exploded Thursday in a suitcase at the El Al Israel Airlines check-in counter in Madrid's international airport, injuring 13 people, police said.

Seconds before the bomb exploded, El Al security official Nir Ran saw smoke coming out of the suitcase and stopped the conveyor belt that was carrying it to the cargo area, police said.

Then the bomb exploded, shattering glass doors and windows. Ran's face and hands were burned.

Police said the suitcase belonged to the last passenger to check in for El Al's Flight 396 to Tel Aviv. A police spokesman said that passenger was arrested and was being questioned, but the spokesman refused to disclose the passenger's name or nationality.

The explosion occurred at 3:30 p.m. (9:30 a.m. EDT) as passengers were boarding the plane at Barajas Airport.

Officials said bomb experts later blew up a second suspicious suitcase but found it did not contain explosive material.

Airport director Domingo Perez said the man who was arrested carried a Spanish passport, but a police source said the passport could be false. Perez said the man had "aroused suspicions" at the counter, prompting El Al security to watch his luggage.

Madrid's civil defense spokesman, Rafael Noja, initially said at least two people were arrested, but police and Perez said his information was wrong.

Eight of the injured, including Ran, a Spanish police officer and an El Al passenger, were taken to a local hospital. Hospital officials said two people remained in the hospital while the others were treated and released.

AT&T strike ends

WASHINGTON — A 26-day strike against American Telephone & Telegraph Co. by 155,000 members of the Communications Workers of America ended Thursday, and long-distance operators, installers and production workers were told to return to work at the beginning of the midnight shift.

Final accord on a new three-year contract came at mid-afternoon when the union and company came to terms on scheduling, lengths of shift and other work rules for the men and women who sell, install and maintain AT&T telephone equipment.

The terms of the basic national contract were agreed to June 17, but the union was adamant that no one would return to work until all of the unit issues were resolved.

The agreement will be submitted to the workers for a secret ratification

vote Aug. 4, but they will work in the meantime.

Rozanne Weissman, CWA director of public affairs, said "the total agreement... represents a major breakthrough in the telecommunications industry because of a far-reaching and innovative total employment security package and other gains which met the union's chief bargaining goal."

When the job security agreement was reached a week ago, CWA President Morton Bahr called it a "quantum leap" toward a guarantee of a lifetime job.

Under the plan, AT&T and CWA will run a school to train workers for new jobs when their skills can no longer be used by AT&T in the fast-changing telecommunications industry.

Workers will get an immediate 2 percent wage increase and 3 percent raises in 1987 and 1988.

Bonnie hits Gulf Coast

PORT ARTHUR, Texas — Hurricane Bonnie struck the Gulf Coast before dawn Thursday with floating fury, killing two people with its 85 mph winds and heavy rain that spun off tornadoes, destroyed homes and knocked out power to thousands.

The first hurricane of the season weakened and died not long after it came ashore near the Texas-Louisiana border, and this city that bore the brunt of the storm was bustling again by midafternoon.

Bonnie, which formed in the Gulf on Monday, was not a major hurricane but still managed to terrify residents when it hit land at 4:45 a.m. CDT.

"I sure enough thought we weren't going to live through it," said Nancy Morrell, who huddled in her Port Arthur home with her 83-year-old sister because they couldn't walk to a shelter. "It held us in fear. We were two scared old ladies."

About 12,000 people in the two states boarded up their homes and fled

inland Wednesday, and another 8,000 oil rig workers had been ferried ashore.

One man was killed when his pickup truck was caught in squall and went out of control on a roadway in Vidor, northwest of Port Arthur, and a partially paralyzed woman died after being trapped inside her burning Port Arthur home by flames fueled by gusts from the hurricane, officials said.

At least a dozen people were injured.

The entire city of Port Arthur was without power until about noon Thursday, said Police Sgt. Robert Williamson. Although the city showed evidence of the storm, with broken store windows, scattered tree limbs and debris-strewn streets, no major structural damage was reported, he said.

Bonnie's victims were Raymond Briggs of New Orleans, killed when his pickup truck was caught in a squall about 8:30 a.m. and went out of control, and Myrtle Williams, 56, who died in the trailer fire.

In Brief

Bank funds missing

CENTRAL CITY — A former bank president charged with felony theft allegedly stole \$55,000 from the bank and has made restitution for about \$15,000, a prosecutor said Thursday.

About \$40,000 allegedly stolen by Edward L. Dubas from the State Bank of Palmer is unaccounted for, Merrick County Attorney Steve Curry said.

"It's assumed that figure will come down, possibly even before (Dubas) appears in district court," Curry said.

Dubas, 34, will enter a plea at an arraignment Aug. 4. He was charged Monday with stealing money from the bank, which fired him June 13.

The charge was filed following an investigation prompted by bank employees who "brought it to the attention of the chairman of the board that it appeared monies were being improperly deposited to Mr. Dubas' account," Curry said.

The investigation didn't take as long as expected because Dubas and his attorney have cooperated with authorities and bank officials, Curry said.

Dubas is free on his own recognizance.

Defense contract

WASHINGTON — A Lincoln, Neb., company has been awarded a \$7.7 million contract to provide antennas for Army field radios, Sens. Edward Zorinsky and J. James Exon said Thursday.

Telex Hy-Gain will provide 44,256 VRC radio antennas under the contract.

Coach, academic records part of Maryland investigation

BALTIMORE — University of Maryland regents plan to look into basketball Coach Lefty Driesell's actions following the death of All-American Len Bias and determine the extent of drug abuse on campus, a state official said Thursday.

Arthur A. Marshall Jr., the prosecutor directing the investigation of Bias' death, said Driesell held a team meeting at his home hours after Bias died to advise his players on how to respond to questions from police and the news media.

The coach has said he had gathered the players to console them and "we prayed together."

Allen Schwait, chairman of the Board of Regents, said he called the special meeting Monday "to deal with the events of the last six days."

"There are obviously some institutional concerns we're going to have to come to terms with."

"I'm not saying we can't do things better, but we're doing things. Maybe we'll come out better off for this, but it's an expensive price to pay to get people to look at" the drug abuse problem, Schwait said.

A state official who asked that his name not be used said the regents will look into Driesell's actions as well as the academic records of athletes.

It has been reported that five of Maryland's 12 basketball players flunked out of school last semester, and one out of every 10 of the school's athletes flunk out every semester.

Bias, who died last Thursday of what the state medical examiner said was "cocaine intoxication," failed all five of his courses last spring.

His death came after an all-night celebration two days following his selection by the Boston Celtics as the second pick in the NBA draft.

A Baltimore radio station, WBAL, reported that Bias bought eight grams of cocaine in Washington the morning of his death. The station, quoting unnamed sources at the University of Maryland, said Bias paid \$800 for the drug.

District of Columbia police spokesman Quintin Peterson said Thursday a gram of 90 percent to 97 percent pure cocaine would sell in Washington for \$315, making eight grams worth \$2,520. He said cocaine confiscated from street sales in the district averages 20 percent pure.

Prince George's County police declined to comment on whether they had evidence that Bias made such a purchase.

There were earlier reports that Bias was seen the morning he died in an area of northeast Washington noted for its on-the-street drug sales.

A District of Columbia police officer, who asked not to be identified, said that Bias could not have purchased cocaine of the purity found in his body on the street.

"That would have to come from a major dealer. A dealer would hold something like that for himself and his friends," he said.

A police investigation into the death of Bias has "kind of ground to a halt..." Col. Bruce Gentile of the Prince George's County police said Thursday.

He said police have interviewed everyone known to be in the room with Bias except a friend, Brian Tribble, and two teammates, Terry Long and David Gregg.

Alan Goldstein, lawyer for Long and Gregg, said his clients would testify before the grand jury under a subpoena, but he would not say whether they would talk voluntarily. Tribble's lawyer, William Danill, said he advised his client Wednesday to respond only to a subpoena.

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Budget leaders seek approval for spending plan

WASHINGTON — House and Senate budget leaders raced Thursday to gain final Congressional approval of a fiscal 1987 spending blueprint that would sharply curtail President Reagan's military spending plans — but soften that cutback if Reagan found an acceptable way to raise more money.

With Congress ready to leave for a two-week Fourth of July recess, budget writers struggled in late afternoon to iron out final details of the \$995 billion spending plan, so a House-Senate conference committee could publicly ratify the pact and send it to the full House and Senate for final approval.

The compromise was designed to trim next year's deficit nearly \$2 bil-

lion below the \$144 billion target of the Gramm-Rudman balanced-budget law. It would also bring Congress closer to meeting future year targets, which get gradually stricter with the goal of a balanced budget by fiscal 1991.

Military spending would be limited to \$292.15 billion next year unless the president and Congress agreed on a way to raise money for a contingency fund of "critical unmet needs." Reagan requested \$320 billion for the Pentagon, and even with that additional money, the budget would cut that request to \$299 billion, lawmakers said.

The contingency fund of about \$4.8 billion was an indirect challenge to the

president to soften his opposition to new taxes. The Senate had approved a \$10.7 billion tax boost, but House Democrats refused to go along, fearing the political fallout.

As a result, the compromise would allow the additional spending if Reagan proposed, and Congress approved, new taxes, sales of government assets beyond those already in the budget or some other way of raising the revenue.

According to preliminary estimates, the plan would:

- Give military and civilian federal employees a 3 percent pay raise.
- Cover a cost-of-living increase for Social Security, retired civil servants

and veterans, estimated at 2 percent.

- Cut foreign aid programs 10 percent below current levels.

● Freeze a wide range of domestic programs, including the National Aeronautics and Space Administration, with no money provided for replacing the space shuttle Challenger, pending further review by the administration and Congress.

- Raise various user fees for federal services, but reject proposed fees for agricultural inspections and related activities.

- Trim the federal highway program by 7½ percent and federal mass transit assistance by about 10 percent.