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The White House NEWS SUMMARY

MONDAY, JUNE 7, 1982 - Midnight EDT/6 a.m. European Time

SPECIAL EUROPEAN EDITION

INTERNATIONAL NEWS

"Summit At Versailles" — Distracted by the bloodshed in two corners of the world, leaders of the seven nations attending the economic summit wrapped up two days of intense debate on Sunday by proclaiming success even as they remained firm in their fundamental differences.

(Gannett, Newhouse, Reuter, UPI, AP)

"First Lady Tours Site Of Normandy Invasion" — Nancy Reagan paid tribute to the thousands of Allied soldiers who died in the Normandy invasion. (AP)

"Syria-Iraq" — Iraq said that Syrian troops killed six Iraqi soldiers and wounded six others in two days of attacks across the countries' joint northern border. (UPI)

NATIONAL NEWS

"Peace Sunday" — More than 70,000 people jammed the Rose bowl Sunday for an afternoon of music, speeches and prayer in support of nuclear disarmament. Patti Davis was featured on the program. (AP)

"Senate Taking Up Voting Rights Act" — The Senate this week approaches the final stages of a year-long drive to renew key provisions of the 1968 Voting Rights Act. (AP)

NETWORK NEWS (Sunday Evening)

TRIP — The U.S. and its allies warned of the dangerous consequences of the Lebanese crisis. (NBC,ABC-2)

ISRAELI — Israel invaded Lebanon in a massive strike to move PLO forces out of artillery and rocket range of Israeli border settlements. (NBC,ABC-Lead)

GOLF — Craig Stadler won the Kemper Open.

INTERNATIONAL NEWS.....A-1

NATIONAL NEWS.....A-7

SUNDAY EVENING NEWS.....B-1

SUNDAY PANEL SHOWS.....C-1

SUMMIT AT VERSAILLES

Ann Devroy reports for Gannett: Distracted by the bloodshed in two corners of the world, leaders of the seven nations attending the economic summit wrapped up two days of intense debate on Sunday by proclaiming success even as they remained firm in their fundamental differences. "This week at Versailles," President Reagan said, the "spirit of partnership was very much alive." He added that the leaders worked at "strengthening and solidifying Western cooperation." Despite what one official called "fireworks" among the leaders over some issues, they were unanimous in their concern over the fighting in the Falkland Islands and the Israeli invasion of Lebanon. Both events threatened to overshadow the summit and caused a flurry of diplomatic efforts in the final hours. The Reagan Administration called a French agreement to "handle cautiously" financial relations with the Soviets a substantial step forward. The French were saying that the agreement does not necessarily mean they will lend the Soviets less, or at a higher interest rate. (Ann Devroy, Gannett)

Charles Bremner for Reuter: The leaders of participating nations ended their summit with what they termed historic agreements on international monetary stability, credits to the East bloc and negotiations with the world's poorest nations. But while the leaders depicted their agreements as a breakthrough, each country had to make concessions. The U.S. eased its positions on the issue of coordinating monetary policy and negotiations with the developing countries. European leaders, who pushed for these concessions, in turn reluctantly committed themselves to accept that there should be a limit on credits to help the Soviet Union and its allies to buy Western goods. (Charles Bremner, Reuter)

Barry James for UPI: Marie Antoinette, the royal mistress whose ghost haunts the gilded halls of the palace at Versailles, is remembered for her monumentally insensitive comment when told the poor people of Paris could not afford bread. "Let them eat cake," she said. The corresponding message out of the rich nations' summit to the growing number of unemployed in the industrialized world might be summed up as "let them eat monetarism." The summit's final communique called for "prudent monetary policies...and greater control of budgetary deficits" -- meaning governments will have limited cash for creating jobs. (Barry James, UPI)

Loye Miller for Newhouse: After a shaky start, President Reagan won a modest victory in his negotiations at the eighth annual international summit. Shortly before the two-day summit ended, Reagan succeeded in getting a section recommending limitation of cheap trade credits for the Soviet Union included in the final communique. Although the effect of that language is more symbolic than realistic, its inclusion was important because the subject was a top priority for the American president, but had been anathema to some other nations represented, most particularly France. But in return, Reagan was obligated to drop the historic American opposition to the concept of North-South "global negotiations," which would transfer vast amounts of money and other resources from the industrialized nations to the poorer, Third World nations. (Loye Miller, Newhouse)

John Moody for UPI: President Reagan hammered out a hard-won compromise with U.S. allies to close the "open-door" policy of trade with the Soviets. Wrapping up the grueling, sweltering two-day summit all but overshadowed by heavy Middle East fighting and the Falklands war, Reagan emerged a winner -- although not getting everything he would have liked. (John Moody, UPI)

Reuter with Trudeau reaction: Canadian Prime Minister Pierre Trudeau said today Canada would take appropriate action if U.S. interest rates did not fall significantly by mid-July. He could not specify the nature of the action for fear of offending the rights of the Canadian Parliament. (Reuter)

AP on the media at the summit: Remembering last year's Ottawa summit, where the U.S. was believed to have dominated the flow of information to the press, the French government took pains to ensure equal access by the seven nations attending the summit. But it took some effort. Jacques Attali, an aide to President Mitterrand, reportedly threatened to cut cables to a separate White House press room in a Paris hotel 12 miles away. He was said to have feared the Americans would turn the Paris hotel into the main briefing room with two-way communications between the capital and Versailles, and thereby dominate news coverage once again. (AP)

FIRST LADY TOURS SITE OF NORMANDY INVASION

OMAHA BEACH — Gazing at windswept beaches from atop a rain-splattered cliff on the 38th anniversary of D-Day, Nancy Reagan paid tribute Sunday to the thousands of Allied soldiers who died in the Normandy invasion. "If my husband were here today, he would tell you how deeply he feels the responsibilities of peace and freedom," Mrs. Reagan told a crowd in the rain. "He would tell you how we can best ensure that other young men on other beaches and other fields will not have to die. And I think he would tell you of his ideas for nuclear peace," she said. Mrs. Reagan's remarks came as a surprise to many spectators because she was not scheduled to speak. Mrs. Reagan later entertained questions from reporters for the first time during her four-day stay in France and defended her practice of wearing American fashion designs rather than French originals during the visit. "I have a great admiration for them (French originals)," she said, "but I usually wear American designs. You have to buy to promote your own country." (Nancy Kenney, AP)

MIDEAST NEWS

SYRIA-IRAQ

BEIRUT — Iraq said Sunday that Syrian troops killed six Iraqi soldiers and wounded six others in two days of attacks across the countries' joint northern border. There was no immediate comment from Damascus on the Iraqi claims. (UPI, 1828 EDT, 6/6)

SYRIANS JOIN BATTLE

Israeli troops and tanks invaded southern Lebanon under cover of air and naval strikes Sunday in a massive search-and-destroy mission against Palestinian guerrilla strongholds. Syria declared its forces were in "direct confrontation" with the invaders, raising the spectre of a new Middle East war. Syria maintains a 22,000-man army in Lebanon. (AP)

UPI adds: Israel says there was "no verification" of clashes with Syrians. (UPI)

Ralph Harris for Reuter: President Reagan and the leaders of the six other nations attending the summit expressed shock today over Israel's military thrust into Lebanon and called for an immediate ceasefire to prevent possibly disastrous consequences in the Middle East. President Reagan received what U.S. officials called a negative reply to his personal appeal to Menachem Begin for a ceasefire.

MIDEAST, continued

Reuter with United Nations reaction: In a further bid to halt the fighting in Lebanon, Security Council members agreed Saturday night to demand withdrawal of Israeli forces forthwith and unconditionally to the international border, diplomats said. (Michael Littlejohns, Reuter)

Michael Putzel for AP: The United States ordered American dependents and half the U.S. embassy staff in Beirut to leave Lebanon "as a precautionary measure," Larry Speakes said. About a dozen dependents of U.S. government personnel were affected. President Reagan has dispatched Philip Habib to the Middle East in an attempt to curb the spreading conflict. (Michael Putzel, AP)

An AP analysis: With the Arabs now preoccupied with the Israeli drive, the possibility looms that Iran, which has pushed the Iraqis back toward their own territory, might try to invade eastern Iraq. (AP)

Reuter with Arab reaction: Egypt, the only Arab country maintaining diplomatic relations with Israel, strongly condemned Israeli military action as "an outrageous invasion and an outright violation of peace." (Reuter)

FALKLANDS NEWS

KIRKPATRICK

U.N. Ambassador Jeane Kirkpatrick said Sunday that despite two open telephone lines to Secretary Haig in Europe, there was a communications mixup that led to a U.S. veto last week on the Falklands cease-fire resolution. (AP)

SUMMIT-FALKLANDS

VERSAILLES -- President Reagan joined five other British Allies Sunday in condemning Argentina's invasion of the Falkland Islands, and Prime Minister Thatcher termed U.S.-British relations "excellent" despite the embarrassing U.S. about-face in the United Nations. (AP)

In a related story, Sidney Weiland of Reuter adds: Thatcher dismissed reports of a rift with Washington. She and British officials strove to play down London press reports of a diplomatic rift with the U.S. But the muddle appeared likely to inject a sour note onto President Reagan's visit to Britain. Under banner headlines such as "Double-Cross" and "Two-Timed," British newspapers said Mrs. Thatcher was furious with the U.S.

FALKLANDS-ARGENTINA

BUENOS AIRES -- Argentina said its jets had carried out night-time bombing raids and "offensive" reconnaissance missions over British positions in the Falklands. A Buenos Aires newspaper reported that British troops had retreated from Mount Challenger and the Two Sisters ridge, near Port Stanley under air bombing which caused heavy loss of life and equipment. Military sources here say the British are delaying their assault because of a lack of air support and damage caused by Argentine attacks. The British say the weather is holding them up. (Reuter)

CUBA-ARGENTINA

BUENOS AIRES -- Cuba has offered Argentina weapons to help in the Falklands War with Britain, a Buenos Aires newspaper said Sunday. (AP)

OTHER INTERNATIONAL NEWS

HUMILIATING DEFEAT FOR SCHMIDT

HAMBURG -- Chancellor Helmut Schmidt's Social Democratic Party Sunday suffered a humiliating defeat in his home state of Hamburg -- a setback likely to spell serious trouble for his national government coalition. The Hamburg election marked the third straight provincial defeat for the Social Democrats this year, and it could shake apart Schmidt's coalition with the tiny liberal Free Democratic party. (UPI)

SPAIN NATO DEMONSTRATIONS

MADRID -- An estimated 10,000 protesters marched from Madrid to the site of a U.S. air base nine miles away, and another 2,000 gathered in downtown Barcelona Sunday to protest Spain's entry to the North Atlantic Treaty Organization. (AP)

MORE THAN 100,000 PROTEST NUCLEAR ARMS

LONDON -- More than 100,000 anti-nuclear demonstrators jammed Hyde Park on Sunday on the eve of President Reagan's visit to Britain and condemned the American president and Prime Minister Thatcher as "warmongers." (AP)

ARMS SALE--TAIWAN

NEW YORK-- In an effort to break its deadlock with China, the United States is likely to propose soon eventually phasing out arms sales to Taiwan, according to Newsweek magazine's international edition. (AP)

PEACE SUNDAY

More than 70,000 people jammed the Rose bowl Sunday for an afternoon of music, speeches and prayer in support of nuclear disarmament. Patti Davis was featured on the program. (AP)

ERA

Thousands of supporters of the Equal Rights Amendment conducted rallies in four states in a last-ditch effort to spur ratification before the June 30 deadline. In Florida, between 8,000 and 10,000 demonstrators marched on Tallahassee, led by Governor Bob Graham and his wife Adele.

(Jacqueline Frank, Reuter)

SENATE TAKING UP VOTING RIGHTS ACT

The Senate this week approaches the final stages of a year-long drive to renew key provisions of the 1968 Voting Rights Act. Conservative critics, led by Senator Jesse Helms, are expected to organize a filibuster in an attempt to block final congressional approval, at least temporarily. (Mike Shanahan, AP)

INTEREST RATES

Average effective interest rates on new home loans declined slightly in May for the second month in a row, the Federal Home Loan Bank Board reported. But the drop for new loan commitments was much less than home builders and real estate sales people say is needed to spur any substantial comeback for the beleaguered housing industry. (Robert Furlow, AP)

SENATOR CRITICAL OF FBI ON DONOVAN

Senator Howard Metzenbaum, said a disclosure the FBI withheld information about a reference to Labor Secretary Raymond Donovan on an organized crime wire-tap showed a "disturbing" lack of candor. "The thing that comes through is the failure of the FBI as our chief law investigative body to be candid and above board with the Congress," Metzenbaum, a member of the committee, said in a telephone interview. (Elizabeth Olson, UPI)

WATT

Interior Secretary Watt said Republicans around the nation embrace him with "no lack of enthusiasm," despite the sharp attacks on him from environmental quarters. (UPI)

WATERGATE

A majority of respondents in a recent poll said they believe an abuse of Presidential power such as that demonstrated by the Watergate episode could easily happen again, Newsweek magazine reported. (AP)

PENTAGON PROVIDES VET SERVICE

The Pentagon is spending about \$3.3 million a year to provide low-cost veterinary care for pets owned by members of the armed services, Representative Les Aspin said. (AP)

EUROPEAN TRIP — NBC,ABC-2

ABC' Barry Dunsmore: The United States and its allies today warned of the dangerous consequences of the Lebanese crisis. The translation of that is they're worried that it could develop into an East-West confrontation. President Reagan met late today with special Mid-East envoy Philip Habib (film of the two men greeting each other) where it was decided that the U.S. would take a hard line with Israel because its reaction was disproportionate with the provocation. This was implicit in the statement made by Secretary Haig when he announced that Habib was on his way to Israel (film shows Haig at news conference.) Secretary Haig: "We are extremely disturbed by the loss of innocent lives in this fighting on the Israeli-Lebanese border." The worry, of course, is that the Syrians, backed by the Soviets, would decide to challenge the new Israeli move into Lebanon. Secretary Haig: "We are concerned also that the fighting not be expanded into a broader conflict."

Here in Versailles the seven countries reacted to a personal call from the U.N. Secretary General for a ceasefire. However, French President Mitterrand noted that was before the actual invasion of Lebanon, which he personally condemned (film of Mitterrand speaking). The U.S. also announced today that half of U.S. Embassy personnel in Beirut were being withdrawn, along with all dependents. It was a symbolic way of saying that the latest crisis in Lebanon was decidedly not in the best interests of the United States.

ABC's Ann Compton: President Reagan was confident that he would get just enough of what he came for that the summit would be a success. Aides have said it was tough going. The U.S. had resisted pressure from other nations to intervene in chaotic money markets. In the end they agreed to study the issue. To the surprise of everyone, the leaders were never given a chance to read their final statements. French President Mitterrand simply ended the summit (film of leaders leaving dias). President Reagan's big issue had been a cut in the generous credit terms offered to Moscow by some Western nations. Treasury Secretary Donald Regan said on ABC's "This Week with David Brinkley", "the U.S. is satisfied with the summit language that limits credit according to each nation's best business judgement." (Film of Secretary Regan) Secretary Regan: "To see an economy that's as weak as the Soviet's. You see they're piling up debt, you see that their crops are not failing. Then it would behoove you not to lend too much money there, or else the debtor becomes the master and the creditor becomes the slave. But West German Chancellor Helmut Schmidt said on the same broadcast such economic leverage is ineffectual, or worse. (film) Chancellor Schmidt: "And it's dangerous insofar that it creates illusions that by such means you can bring the Soviet Union down to her knees. (As film shows banquet in the Hall of Mirrors)

When the work was done the summit partners celebrated in a style that might have pleased Louis XIV, whose Hall of Mirrors is a footnote in history itself. This eighth annual summit was never expected to make big changes in the world. As one participant describes them, summits aren't revolutionary, they're evolutionary. And at next year's, President Reagan will be the host.

ABC's Frank Reynolds: (As film shows American cemetery in Normandy)
Now, they would have been in their late fifties or sixties. A few, who undoubtedly were called 'Pop', would now be in their seventies. But they all died in their youth, and now, thirty eight years have gone by. Mrs. Reagan did not speak for long, but she said the right words. (film of Mrs. Reagan) Mrs. Reagan: "To the gallant young men who gave their lives here, let me say that the eyes of the world are still upon you. And the hopes and prayers and hearts of liberty-loving people are with you now and forever. Thank you."

NBC's John Palmer reports: For President Reagan, word of the Israeli drive into Lebanon did not come as any great surprise. But it was a disappointment, especially since the Israeli attack came as the President and leaders of six other industrialized countries were ending their summit conference at Versailles. The President was up late last night, as his aides put it, pulling out all the stops in an effort to halt the renewed fighting. And he sent a letter to Israeli Prime Minister Begin asking him not to press his attack. News of the Israeli action, according to one of the participants at the summit, cast a pall over the entire proceedings. The seven leaders adopted a resolution calling for a ceasefire on all sides, saying the fighting could have disastrous consequences for the whole area. Special Middle East envoy Philip Habib was summoned to the President's quarters at Versailles to discuss the situation. (film shows President Reagan greeting Habib) During the meeting the President instructed Habib to leave for Israel tonight to press efforts for an end to the fighting. Secretary of State Haig told reporters that Israel has not thus far agreed to a ceasefire. (film of Haig at press briefing saying, "We are extremely disturbed by the loss of innocent lives in this fighting on the Israeli-Lebanese border.

Previously it was the crisis in the Falkland Islands that overshadowed the goings on at this summit. Now the fighting at Lebanon. And the White House is concerned that both of these problems will continue to stalk the President during the remaining five days of his European trip. Tonight, President Reagan and other leaders attended a final dinner in the Hall of Mirrors and then watched a fireworks display over the lake (film of President and the other leaders at the dinner table) at the end of the economic summit troubled by new fighting in the Middle East.

NBC's Marvin Kalb reports: The President's letter to Prime Minister Begin contained no threats, no warnings, indeed, it contained an expression of sympathy for the attempted assassination of the Israeli ambassador in London. But it urged restraint and appealed for calm. And though this kind of Presidential diplomatic intervention has worked in the past, it did not work today. Begin, in his response, indicated that Israeli troops intended to complete their mission.

The U.S. has been expecting an Israeli move into Lebanon for a long time. And for an equally long time U.S. officials have been wondering what they would do about it when it finally happened. There was a hint from Secretary of State Haig tonight that if Ambassador Habib fails to persuade Prime Minister Begin to stop his advance and begin his withdrawal, then the U.S. might consider cutting off further American arms deliveries to Israel, might even join others at the U.N. condemning Israel as an aggressor in Lebanon.

And adding to the President's anxieties tonight, his raw intelligence from the Persian Gulf that Iran might carry its war against Iraq to other Arab states, endangering all supplies to the West and risking a broader conflict throughout the entire Middle East.

NBC's Irving R. Levine reports: It was showdown day at Versailles. President Reagan took his seat for the final session armed with jelly beans determined to get the other leaders to end low interest rate credit to the Soviet Union to buy their products. There were hints of prolonged and tough bargaining. (film of Secretary Regan "I don't think I should characterize the whole damn argument".) The outcome: (film of Secretary Regan saying, "I think we accomplished what we set out to do".) The fact is, though, that President Reagan got less than he wanted. He did get the Europeans to agree to limit trade credit to Russia. But the agreement sets no ceiling, has no enforcement mechanism, and is full of loopholes. That's the only way an agreement could be reached. At lunch, the leaders renewed the commitment of previous summits to help poor nations. Then, President Reagan and the others had a windup appearance before reporters (film shows the group before reporters) As host, only Mitterrand spoke on the summit problems and agreements.

Problem: Fluctuating currencies depressed by a strong dollar;

Agreement: Study the matter.

Problem: High U.S. interest rate;

Agreement: Try to reduce rates.

Problem: Japan's spread of exports and restrictions on imports;

Agreement: To negotiate.

Problem: Technology that replaces workers;

Agreement: Study the matter.

Problem: Unemployment;

Agreement: Try to provide jobs. No one gave much or got much, and left the world's economic problems pretty much where they were when the meeting began.

NBC's Andrea Mitchell reports: Prime Minister Thatcher said that Anglo-American relations are still excellent. (film of Mrs. Thatcher saying "relations are friendly, good, and will remain that way".) But American officials were still trying to explain. Secretary Haig at a briefing: "no lessening of support for Britain". (film of Haig at press briefing) Chief of Staff James Baker on CBS (film of Baker on Face the Nation saying that the vote switch was a "communication snafu".) Ambassador Kirkpatrick on Meet the Press (film of Mrs. Kirkpatrick saying "it's not easy to make decisions or carry out your functions when you're separated by several thousand miles".) But it took Haig 25 minutes and two phone calls from his advisors back home to get him to change his instructions. He missed the vote by three minutes. No explanation of what took so long. Tonight Haig took pains to say that President Reagan had performed well here. Administration officials said it was not an attempt to repair the damage caused by the U.N. incident.

NBC's Emery King reports: Nancy Reagan came to Normandy to share in a very special relationship between French and Americans, between the young who have heard the stories and the old who still tell them because they will never forget. They saw it. They made it happen. And they will never escape the memories. It can never be ignored. Mrs. Reagan came here today to silently remember with them. (film of Mrs. Reagan placing a wreath on a tomb and addressing the group saying, "...to the gallant young men who gave their lives here, let me say that the eyes of the world are still upon you.")

ISRAELI—Israel invaded Lebanon in a massive strike to move PLO forces out of artillery and rocket range of Israeli border settlements. Over 300 people are dead so far. Prime Minister Begin received the support of opposition leaders and has a national consensus for the attack. President Reagan urged Begin in a letter to keep a cool head and not let the fighting spread. Begin replied that he hoped the President understood Israel's position. Israelis say they are trying to clear out PLO strong holds within 25 miles of the Israeli border. This engagement breaks the 11-month ceasefire. Tonight, Syrian troops have started fighting the Israelis in Eastern Lebanon as well.

(NBC,ABC-Lead)

FLOODS—Connecticut got eight inches of rain, the worst rainstorm and flooding in 80 years. Six are dead, 1,300 are homeless.

(ABC-5)

FALKLAND—British forces have pushed closer to Port Stanley and the assault on the city appears eminent. Argentine war planes have carried out more bombing raids on British forces around Port Stanley. The British defense minister confirmed that more than 3,000 "fresh troops" have landed on the Falklands.

(NBC-6,ABC-3)

IRAQ — The Iraqi News Agency has reported that Syrian troops killed six Iraqi soldiers and wounded six others in two days of attacks across the two northern joint borders. Tensions have increased since Syria supported Iran in its war with Iraq

(NBC-4)

NBC SPECIAL ON ISRAELI/LEBANON CRISIS — Noon, June 6, 1982

Tom Brokaw anchored the program from Versailles:

Paul Miller with a censored report from Tel Aviv on the military operations by the Israelis. There is no disagreement in the Israeli Cabinet with Begin's position that terrorist attacks occurring inside or outside the country are by the PLO and must be avenged.

Steve Mallory — (from Beirut) Israeli warplanes ignored a U.N. call for a ceasefire this morning. They bombed minutes after the ceasefire was to have taken effect. One plane and one helicopter were shot down. (Massive bombing shown.) Western diplomats have been expecting the invasion for months, believing that Israel wants to crush the PLO, ending any speculation of an independent Palestinian state. Arafat said that Israel is waging a war of genocide against the Palestinians.

Roger Mudd Interviews Ambassador Moshe Arens in Washington: This is not over-kill reaction. We must put a stop to terrorism. The Israeli mission is to move the PLO artillery out of the range of Israeli villages and towns. Lebanese government does not control their own country. My guess is that any ceasefire that is arranged by Habib will take place after our mission is accomplished.

Marvin Kalb discussed the impact of this crisis on the Summit meeting. There seems to be a look of total pre-occupation on the faces of the President and Secretary Haig, a kind of feeling that they came here to talk economics and are ending up thinking about war and peace in the South Atlantic and the Middle-east. The President clearly wants to contain the fighting before it gets too far out of control, before it draws in Syria because that could potentially draw in the Soviet Union, as well.

There is a possibility that Iran might carry it's war against Iraq into the Arab countries of the Persian Gulf. This is an exploding kind of situation and no one knows how to contain it. The point of the President's letter to Begin is not to threaten Israel, nor warn them, but simply state that it's a bad idea for Israel to go into Lebanon because they cannot control it.

Irving R. Levine: RR got a part of what he wanted. He wanted a firm commitment that the West would curtail the easy credit Russia has been getting. The agreement is so vaguely worded, so full of loopholes, that in fact the West Europeans can continue business as usual with the Soviet Union. The U.S. agreed to a study to see if an intervention to keep the dollar from depressing other currencies would be worthwhile. But the U.S. said it would intervene only if there were disorderly circumstances and it's up to the U.S. to decide. So everyone got a little of what they wanted, no one got everything.

Roger Mudd with Dr. Harald Malmgren, economist: I think the Europeans are right to want to keep the economic lines with the Soviets open. The U.S. wants a confrontation, wants to negotiate from that position, wants it from the economic and military sides. The Europeans want to separate those two.

Malmgren said the Europeans don't really agree with President Reagan's policies, but they have no better answers.

Guest: Ambassador Jeane Kirkpatrick

Panelists: Steve Delaney and Bill McLaughlin of NBC
Lars-Erik Nelson, Georgie Ann Geyer

ISRAELI/LEBANON — I don't think the cause of the current violence in Lebanon was the attempted assassination. That was one incident in an on going cycle of violence. There is always a possibility — danger of escalation. We are taking it very seriously.

The President and Secretary Haig have just met with Ambassador Habib to discuss his mission. Habib is now going on to Israel.

It is not very useful to characterize this action by Israel as an overreaction. I don't know what the unit of measurement would be.

I don't think we are seeing an effort to overthrow governments in the Middle East. My understanding of Israel's policy is that they have no territorial ambitions about Lebanon.

They would like to see an independent Lebanon with whom they can live in peace. There is a rapidly changing military situation there. The PLO continued to fire after cease-fire was called for by Security Council. These episodes of violation seem not to have ceased on either side after the resolution. It would not be reasonable or fair to point a finger at either side.

I don't know where the Israeli tanks are. Movement of tanks and artillery are acts of violence (indicating that the Israeli movement of tanks is no more or less an act of violence than the PLO artillery firing.)

I am not a military expert. If it is true that the PLO has been shelling Israel from emplacements inside Lebanon, then it would not be unreasonable of Israel to exercise its rights under U.N. Charter, Article 51, which provides for self-defense.

FALKLANDS — I think one has to be cautious about talking about victory or the end of the war. I think it is possible to visualize the British repossession of the Falklands. The repossession does not necessarily mean the end of this war. Phase III could be either military or diplomatic.

HAIG..(Question on Resolution)...Haig and I talk. We spoke to each other twice during the 24-hour period before that vote. We planned cooperative action looking toward an achievement of the goals of U.S. policy. (Asked about Newsweek quote) I cannot quote on the accuracy of Haig's comments. I did not say what I was quoted to have said.

Problems occur when disagreements about policy leaks into the press as disagreements among people. I don't think there is any serious problem. I think we work together and the President expects us to work together.

I don't think I said (that Haig was inadequately sensitive to Latin America's needs.)

I think Haig did a very serious job of mediating that dispute. His effort was a colossally difficult action. I think both parties would agree today that both parties would have been better off had they accepted his advice.

I had instructions to vote NO on that resolution. I had those instructions for several hours. It is not easy to carry out instructions when you are separated by several thousand miles. One reason I was not in direct contact with Haig was because I was at the Security Council table at the time. When the instruction came through that we should abstain, it came 3-5 minutes too late. I was instructed to say that I would have changed my vote to one of abstention if I could have. I was an instructed representative throughout.

I don't know much about military rank and titles. Those may be more meaningful to Haig. (Repeated that she had spoken to Haig twice in the preceding 24 hours at his initiative.)

FOREIGN POLICY — I think that the direction of American foreign policy is in a continuum. I don't expect any sharp changes in foreign policy. I think the President is taking a more active than ever personal role in directing foreign policy. In coming months his personal stamp on our foreign policy will become more clear.

ARGENTINA — Major events in Argentine national life will be shaped out of the Falklands -- on the scale of the fall or rise of Peron -- a great national event. I have no doubt it will have a lasting affect. I fear it may encourage them to see virtue in building great military strength. I know it has already persuaded them of the importance of focusing their relationships within South America. There may be a sharper sense of Latin nationalism. It may be in opposition to us. I hope we can overcome that by doing a lot of consulting, a lot of listening and finding common activities to engage in together with all of the countries of Latin America and us.

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CBS FACE THE NATION — 11:30 a.m. Sunday, June 6, 1982

JAMES BAKER III was interviewed in Versailles by George Herman, Bill Plante, and Lesley Stahl. A transcript was provided to the staff on site.

ABC'S THIS WEEK WITH DAVID BRINKLEY — SUNDAY, JUNE 6

Brinkley reports on Israel's invasion of Lebanon, including a live conversation with Barrie Dunsmore in Versailles:

DUNSMORE: The actual meeting between President Reagan, Secretary Haig and Philip Habib has not gotten under way quite yet. It was delayed by some of the events of the summit. In a few moments they will sit down and try to decide the best way the United States can bring the hostilities to an end. Obviously one of the possible considerations is to send Habib back to the area to see what he can do about putting that cease-fire back together. That decision has not been made, and I'm told it will not be until Reagan, Haig and Habib sit down and go over all of the possible consequences of such a move.

BRINKLEY: Among the American delegation, what sort of reaction is there to the Israeli attack.

DUNSMORE: The President joined the other members of the summit in putting out a statement a short time ago, a very strong communique that warned about the disastrous consequences to the whole area if this thing should blow. The possibility of the Syrians getting involved, backed by the Russians, or even of Egypt somehow getting involved, certainly would be disastrous. There's no question the United States feels that things changed dramatically this morning when ground troops went into southern Lebanon, because no one really knows where it's going to end.

BRINKLEY: Well, privately, as well as you're able to find out, are they annoyed, irritated, how would you describe it?

DUNSMORE: I would say that a couple of days ago, when this thing first broke there was definitely some irritation. People did remember that at the Summit in Ottawa, just a year ago, the Israelis bombed Beirut. One person, expressing the kind of black humor that goes with these occasions said, "Well maybe next year we'll have to invite Begin to the summit." However, right now I think we've gone beyond irritation to genuine worry and concern. (Followed by live interview with Israel's ambassador to U.S.) Brinkley says no news on Falklands.

BRINKLEY: Reagan and the leaders of the other industrialized countries meeting in Versailles spent this afternoon, Paris time, (footage of RR at meeting with other leaders) issuing a statement of their views after two days of meetings. They're in the Hall of Mirrors in Versailles where Woodrow Wilson signed the papers ending WWI and, some say, beginning WWII. Ann Compton is there.

COMPTON: The American president had come to Versailles on the defensive about high interest rates, and on the offensive against generous Soviet trade. By the time the final session began this morning, aides were saying both issues had been tough-going, tougher even than that jelly bean bag Reagan struggled with and Treasury Secretary Regan finally had to snip open with a pocket knife (footage of RR and Regan). The American insistence that Soviets be denied easy credit terms was finally approved in general phrases, limiting trade and interest rates, although the Treasury Secretary claimed limits mean cuts. (Clip of Regan): "The intention is to cut down on it, yes, and to cut it back and not allow it to grow."

(more)

ABC...This Week With David Brinkley (continued)

COMPTON: The communique was not as critical of Moscow as Reagan has been, but apparently it's strong enough.

REGAN: I think we accomplished what we set out to do. Remember, this is the first time that the seven leading nations of the the Western world have agreed and set down a record that they will limit their dealings, their financial and economic dealings, with the Soviets.

COMPTON: While French chefs were turning out Versailles's five banquets, the delegation chiefs turned out a communique declaring interest rates unacceptably high, declaring more budget control is urgent, and that governments must intervene in chaotic currency markets, something the US has resisted.

The language of the communique lacks a good deal of the specifics on trade and currency levels so that each nation, including the US, can declare this eighth annual Summit a success.

(Live interview with Regan, Brinkley, Sam Donaldson and Pierre Salinger.)

BRINKLEY: Tell us how the meeting has gone. What are your views of it in the first few minutes after it has ended?

REGAN: I would say that we've had a very good session, it's now over except for the final festivities tonight, I think we accomplished everything that we wanted. The President's very happy, very satisfied, as to how the Summit has gone. He thinks that we are now in a position, if we can get the Congress to go along with us on the budget, to accomplish what these other leaders here want him to do.

SALINGER: There are a lot of perceptions around the Summit. Europeans perceive that the American government has made a major change in policy in agreeing to intervene in international monetary markets and help stabilize the monetary situation. You perceive that the Europeans have decided to cut back on their sales and loans to the Eastern bloc. Are either of these perceptions really true?

REGAN: To some degree, yes. As far as monetary policy and the U.S. is concerned, we have asked for closer cooperation in order to coordinate our policies and get more stable currencies. This has to come about basically through the lowering of inflation. In the meantime, we have agreed, as we had previously agreed, whenever there are disorderly markets, we will intervene. We have also asked that they make a study of this subject, and that study will start within a few weeks.

ABC...This Week With David Brinkley (continued)

SALINGER: Do you really believe that the Europeans are going to tighten down on their loans to the Eastern bloc? You use the word "limit," or "reduce," those words do not appear in the communique.

REGAN: Yes, I think if you read it closely you'll find they do say they're going to limit the amount of credit to the Soviet Union and the Eastern bloc, in accordance with commercial prudence.

DONALDSON: That's it—in accordance with "commercial prudence," which is a work of art, each country gets to decide how to limit, whether to cut back or just cut back on some future commitment, and as you yourself pointed out earlier today, each country must assess what its commitments are to the Soviet Union. So why isn't it fair to say that nothing has changed?

REGAN: Because now you're going to have a review, and that's the exact word used, that there will be a regular review of what each of us is doing with the Soviet Union, in the financial, the economic and the trade area. This is something that has never happened before. Each of us will be looking at what the others have done and then counseling one another.

DONALDSON: Just before the President came to the Summit, he had to admit he'd like to change the subject about the U.S. budget because the House of Representatives wouldn't pass anything. What did he say to the Europeans? How did he explain away the failure to come up with a fiscal '83 budget plan?

REGAN: He told them the truth, as you'd expect the President to do, and that is that he had asked for a budget and that he was unable to reach a compromise with the opposition, the Democrats in the House; he had a budget from the Senate, he thought that he could get some type of accommodation with enough Democrats in the House on a budget that would at least bring our deficit down over the next several years.

DONALDSON: But in the meantime our recession continues, and shows no signs of an upturn, is that what he said to them?

REGAN: No, he did not say that, because I think there are signs of an upturn, and he was pointing them out. The leading indicators have turned up now, retail sales are up for the last couple of months. He was cautious as you would expect him to be. Not sticking his neck way out, but saying that there were signs that we could have our recovery in the third and fourth quarters of 1982.

(Questions on Polish loans, Israel, Socialist leading Summit),

Followed by James Wooten on Schmidt's political problems in West Germany, and an interview with Schmidt, Brinkley, Donaldson and Salinger.

Brinkley ends by reporting Habib will go to Mideast, accompanied by footage of Habib and RR shaking hand in Versailles.