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News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MAY 7, 1986 -- 6 a.m. EDT

AIR FORCE ONE EDITION

TODAY'S HEADLINES

NEWS CONFERENCE

REAGAN SAYS SOVIET UNION MORE FORTHCOMING ON NUCLEAR ACCIDENT -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

(Washington Times, UPI, Reuter, Copley)

TRIP NEWS

REAGAN/POST-SUMMIT -- With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

(Washington Times, New York Times, Reuter, UPI, Newhouse)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY -- President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

(Washington Times, AP, Reuter)

NETWORK NEWS (Tuesday Evening)

TOKYO SUMMIT -- Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home.

TAX REFORM -- The Senate Finance Committee came through with a shocker tonight.

SOVIET NUCLEAR ACCIDENT -- Soviet officials said they simply failed to see how serious the Chermobyl blowout was.

NEWS CONFERENCE

REAGAN: SUMMIT 7 HAVE WARNED LIBYA

TOKYO -- President Reagan said this morning that the three-day summit here sent a clear message to Col. Qaddafi that the "menace posed by the threat of international terrorism" will be dealt with effectively by the allies.

Reagan dismissed suggestions that some of the other participants were distancing themselves from the anti-terrorism statement that emerged from the summit meetings, which ended yesterday.

(Marc Lerner & Mary Belcher, Washington Times, A1)

NEWS CONFERENCE

TOKYO -- President Reagan, ending his 13-day journey to the Far East, said Wednesday he had accomplished everything he sought at the Tokyo economic summit and praised the leaders of the free world for agreeing to fight the "scourge of international terror."

Reagan, in a news conference from Tokyo that was nationally televised via satellite to the U.S., said the seven Allied leaders discussed ways to combat terrorism, but declined to comment on specifics.

"All we sought to accomplish at the summit was achieved," said Reagan, who has taken center stage at the summit since arriving last Friday.

(Helen Thomas, UPI)

REAGAN SAYS SOVIET UNION MORE FORTHCOMING ON NUCLEAR ACCIDENT

TOKYO -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

Shortly after the accident began on April 26, Moscow began an "effort to cover up and confuse the issue," Reagan told a news conference.

But "in the last few days there has been a change and the Soviet Union has been more forthcoming with regard to getting out the information," he said.

(Reuter)

REAGAN BUOYED BY OUTCOME OF TOKYO SUMMIT

TOKYO -- President Reagan today hailed the results of the economic summit, saying Western industrialized nations were committed to new political and diplomatic steps to combat international terrorism.

"We agreed that the Libya of Col. Qaddafi represents a unique threat to free peoples, a rogue regime that advances its goals through the murder and maiming of innocent civilians," he told a news conference.

(Reuter)

REAGAN NOT PLANNING ANOTHER MILITARY STRIKE AGAINST LIBYA, BUT...

TOKYO -- President Reagan said he is not planning another military strike against Libya, but he told reporters before leaving Tokyo that the allies meeting in summit here have sent a warning to Libya and Syria that terrorist actions will now face "a unified front."

The President specifically warned Syria, which had not been singled out at the summit, that "irrefutable evidence" of terrorist acts will bring it "the same treatment" as Libya.

(George Condon, Copley)

TRIP NEWS

SUMMIT

TOKYO -- The world's most influential leaders praised the Tokyo summit Wednesday as their "easiest" and "most successful" ever, but cracks appeared in their stand against terrorism even as they were packing for home.

Despite reports of a heated discussion Monday, French President Mitterrand also called it the "probably the easiest" since the annual meetings began in 1975.

But Japanese Prime Minister Nakasone was quoted by the Kyodo News Service as saying the six anti-terrorist measures adopted Monday were not mandatory and that Japan retained the right to make "independent" decisions about whether to implement them.

(David Jones, UPI)

7 NATIONS' LEADERS HAIL ACHIEVMENT ON ECONOMIC STEPS

TOKYO -- President Reagan's top aides declared that his Administration was coming away from the summit conference with real accomplishments, including a statement of unity against terrorism that singled out Col. Qaddafi's Libya "in particular." The consensus on that previously divisive issue sounded a note of collegiality among the seven nations.

(Gerald Boyd, New York Times, A1)

JAPAN PRAISED FOR SUMMIT, BUT PROBLEMS WITH YEN REMAIN

TOKYO -- Prime Minister Nakasone ended his hosting duties Tuesday for the 12th economic summit with praise from allied leaders but without support for Japan's economic woes caused by the yen's rapid rise.

Nakasone also indicated Japan's reluctance at naming Libya in the anti-terrorism declaration issued Monday.

Nakasone said the yen was "too high" and "not bearable" for those in small and medium-sized export-oriented industries.

(Marie Okabe, UPI)

REAGAN/POST-SUMMIT

With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

Reagan and his top aides left Tokyo convinced that they had orchestrated an agreement among other summit participants that will result in tougher action against terrorism in general, and Libya in particular.

Some critics call the agreement "vague," and others cite the absence of any support for economic sanctions against Libya or endorsement of military action such as the recent U.S. bombing raid on Libya, or any offer of bases for future raids.

(Miles Benson, News Analysis, Newhouse)

SUMMIT FAILS TO STOP DOLLAR'S FALL IN TOKYO

TOKYO -- The dollar fell in early trading today as dealers said they believed all major industrialized nations except Japan wanted the yen to rise even if some were hinting that they might help to prop up the dollar.

(Reuter)

REAGAN, MITTERRAND BURY THE HATCHET

TOKYO -- A philosophical President Reagan yesterday agreed with French President Mitterrand to put behind them France's refusal last month to grant overflight rights to U.S. fighter jets bound for Libya.

"Let this be the first day of the rest of our lives," Reagan told the French leader in a 45-minute meeting here.

"In every happy marriage there are disagreements, but the marriage continues," Reagan said, according to a senior Administration official.

(Mary Belcher, Washington Times, A7)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY

President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

The Senate's resounding 73-22 defeat of the proposed sale came last night despite a last-ditch appeal from the White House, which called Saudi Arabia a "firm friend of the United States."

"Our own interests require us to help Saudi Arabia meet its legitimate security needs in the face of growing regional threats," Larry Speakes said yesterday in a statement issued from the economic summit in Tokyo.

(Sue Baker, Reuter)

BAKER TO TACKLE THORNY ECONOMIC PROBLEMS ON CHINA VISIT

PEKING -- Secretary Baker is due in Peking today to tackle thorny problems holding up American investment in China and to win more business for the United States in the face of fierce competition.

The U.S., China's third biggest trading partner and second biggest investor, faces fierce competition from Japan, Western Europe and the Soviet Union and the U.S. companies are wary of investing without an investment treaty.

(Mark O'Neill, Reuter)

SHULTZ HOPES TO EASE KOREAN REFORM

SEOUL, South Korea -- Secretary Shultz arrives here today hoping to steer both the government of President Chun Doo-hwan and his opponents toward a mutually acceptable compromise in their struggle over the pace of transforming South Korea into a full democracy.

U.S. officials, who asked not to be identified, said Shultz would urge both sides to exercise moderation and compromise.

(Mike Breen, Washington Times, A6)

WHNS -- Wednesday, May 7, 1986 -- A-7

LIBYA SAYS TOKYO SUMMIT STATEMENT ON TERRORISM IS HYPOCRITICAL

LONDON -- The Libyan Foreign Ministry said late Tuesday that the Tokyo summit's anti-terrorism declaration was hypocritical and failed to touch on American-inspired aggression against Libya.

A statement broadcast by Libyan state television said it was annoyed that the plan specifically mentioned Libya as a "state which is clearly involved in sponsoring or supporting international terrorism."

(AP)

U.S.-CHINA MILITARY EXERCISES DISCUSSED

The leaders of the armed forces of China and the U.S. yesterday discussed the possibility of joint military exercises, Pentagon officials said.

Gen. Yang Dezhi and Joint Chiefs of Staff Chairman Adm. William Crowe also discussed the sale of jet fighter electronics and Navy torpedoes to Peking and the possibility of U.S. warship visits to that country, the officials said.

(Reuter story, Washington Times, A3)

LIBYA SAYS BODY MAY BE U.S. FLIER'S

LONDON -- Libyan Television broadcast last night pictures of a body of a man it said washed ashore near Tripoli and suggested the corpse was that of a U.S. flier shot down during the April 15 air attack on Libya.

The BBC, which monitored the Libyan broadcast, said the man wore what appeared to be a military uniform and the announcer said that the body could be that of a man "whose helmet you have already seen."

(UPI story, Washington Times, A7)

NATIONAL NEWS

SENATE COMMITTEE APPROVES SWEEPING INCOME TAX REVISIONS

The Senate Finance Committee today approved the most sweeping reform of the nation's income tax system in more than 30 years.

Meeting in the early morning hours the Republican-dominated committee approved the bill, which could affect the finances of all Americans and businesses here and abroad, on a unanimous vote of 20 to 0.

(Reuter)

BUSH CANCELS SPEECH TO PRO-LIFE CONFERENCE

Vice President Bush has angered leaders of the right-to-life movement by canceling a longstanding agreement to address the convention of the National Right to Life Committee, the largest right-to-life organization in America.

Some interpret the cancellation as a snub of the right-to-life constituency, with the Vice President putting distance between himself and the New Right.

"His office has notified us he can't make that specific date because he has been asked by Mr. Reagan to go to Canada on some acid rain thing," Dr. John Willke, president of the committee said yesterday.

(Ralph Hallow, Washington Times, A1)

JUDGESHIP NOMINEE DENIES HE IS RACIST

President Reagan's nominee to federal judgeship in Alabama told Senate Judiciary Committee members yesterday he is "not the Jeff Sessions my detractors have tried to create."

"I am not a racist. I am not insensitive to blacks," Sessions said at an unprecedented fourth confirmation hearing. "I have done my job with integrity, equality and fairness for all."

(John McCaslin, Washington Times, A3)

NETWORK NEWS SUMMARY FOR TUESDAY EVENING, May 6

TOKYO SUMMIT

CBS's DAN RATHER: Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home. This whole thing was billed as an economic summit, but Bill Plante tells us President Reagan is eager to accentuate the positive on another count.

CBS's BILL PLANTE: (TV Coverage begins with shot of Tokyo traffic; Shot of the President walking with Donald Regan.)

Even as Tokyo commuters were harassed this morning by more than a dozen cherry-bombs planted by Japanese radicals, Mr. Reagan was dismissing a reported threat by Abu Abbas to attack the U.S.

(President: "Let him try." Reporter: "You're not scared?" President: "No.")

And though the statement on terrorism lacks teeth on economic sanctions, Prime Minister Thatcher threatened further reprisals against Libya by Western nations.

(TV Coverage: Various shots of leaders.)

(Mrs. Thatcher: "I believe that there could be further action which they could take, which would be a further deterrent. And of course they now know that the United States is prepared to use force.")

On the economic front, the leaders agreed to try to stabilize currency exchange rates through a system of checks and balances.

(Secretary Baker: "It's sure a lot more than we had before we came to the summit.")

Even considering what the White House didn't get from its allies at this summit -- economic sanctions against Libya or any immediate relief for its trade problems -- the Administration might as well enjoy its success on this trip, because when the President gets home tomorrow, he faces some bruising battles in Congress -- the budget and contra aid among them.

(CBS-6)

NBC's TOM BROKAW: President Reagan today declared the just completed seven nation summit meeting in Tokyo extremely successful, even though he lost some battles on the stated theme of this economic meeting. But the President claimed victory on the issue of terrorism. And he was expected to discuss all of this at a Tokyo news conference tonight at 9 Eastern time.

NBC'S CHRIS WALLACE: The economic summit ended with a banquet at the Imperial Palace, hosted by the eighty-five year-old Hirohito, Emperor of Japan for almost 60 years.

(TV Coverage: President Reagan with Emperor.)

For Ronald Reagan it was a chance to celebrate what U.S. officials consider a successful trip. This was the day the economic summit finally got down to economics. The leaders approved an American plan to coordinate their economies, stabilizing world currencies. But the President made little progress on the U.S. trade deficit, with friends blocking negotiations to cut trade barriers. Prime Minister Thatcher was left to appeal to the Japanese to buy British whiskey.

(Prime Minister Thatcher: "It is an extremely good product. There isn't another in the world like it. Many people want it. I trust I make myself clear on whiskey in the Japanese market.")

-more-

WALLACE continues: Treasury Secretary Baker said the new economic coordination should help with the trade deficit. But he wasn't sure the people back home would be impressed.

(Baker: "I don't know if it's enough to satisfy the Congress or whether it's enough to blunt the protectionist mood that's up there, but it's sure a lot more than we had before we came to the summit.")

But yesterday's terrorism statement continued to dominate the summit. U.S. officials were delighted to have committed the allies even to limited measures. Delighted even though Prime Minister Nakasone now says Japan will decide whether to join in the measures. The President scoffed at threats when the man behind the Achille Lauro hijacking, Abu Abbas, made last night in an NBC interview.

(Reporter: "Mr. President, Abu Abbas says that you are enemy number one...." President: "Let him try." Reporter: "You're not scared?"

President: "No.")

U.S. officials also enjoyed telling how French President Mitterrand made amends for refusing to let U.S. planes, bound for Libya, cross his country. They quoted him as saying that it has been a difficult situation but France has stood with the U.S. for 200 years. Mr. Reagan's answer, they said, was, "There are disagreements in every happy marriage.")

When Mr. Reagan started coming to these summits, some other leaders dismissed him as a right-winged, slightly foolish figure. But now, even when he doesn't get his way, it is Mr. Reagan who dominates the action.

(NBC-2)

ABC's PETER JENNINGS: The Tokyo summit is over. The leaders of the seven major industrial nations really do appear to be happy. Prime Minister Thatcher said "mission accomplished." French President Mitterrand said it was the easiest summit since Britain, France, West Germany, Italy, Canada, United States and Japan began meeting eleven years ago.

ABC's SAM DONALDSON: Summit leaders ended up their meeting today in an atmosphere of friendliness and good cheer -- issuing a final economic communique that U.S. officials rushed forth to praise.

(TV coverage: President Reagan and Prime Minister Thatcher.)

(Treasury Secretary James Baker: "Overall, it's our view that this was a very successful economic summit.")

The centerpiece of the summit success, as Prime Minister Nakasone delivered on behalf of the others, is a new agreement aimed at smoothing out the swings of among monetary exchange rates -- a mechanism for producing a sort of modified float of currencies, using economic indicators as a guide for their adjustment. Another summit agreement calls for a September meeting to discuss setting a date for a new gap trade negotiation round. All of this may be progress, but is it enough?

(Baker: "I don't whether it is enough to satisfy the Congress or whether it's enough to blow up the protectionist mood that is up there, but it's sure a lot more than what we had before we came to the summit.")

On the political front, President Reagan presided at a min-summit of his own today -- meeting with President Mitterrand and Prime Minister Chirac.

(TV coverage: President Reagan, Mitterrand and Chirac.)

Political opponents who now share the leadership of France. Mitterrand brought up his refusal to allow U.S. F-111s to overfly France on their way to Libya. He tried to smooth it over by saying that France stands with the U.S. on the overall fight against terrorism. Mr. Reagan replied that every happy marriage has disagreements, but the marriage continues.

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White House News Summary - Wednesday, May 7, 1986 - B-3

DONALDSON continues: The summit ended tonight with a glittery formal dinner at the Imperial Palace. Emperor Hirohito took his place at the table, center with Nancy Reagan at his side.

(TV coverage: The summit leaders at the dinner.)

U.S. officials always label these summits as a success, but this one does indeed seem to have gone very well. President Reagan got a political statement against terrorism strong enough to make an impact and his economic game plan appears to be on track. We should be exuding that same friendliness and good cheer when he holds a news conference here before leaving for home tonight. (ABC-LEAD)

JENNINGS reports Japanese radicals set off 17 incinerator devices at downtown subway and train stations -- no one was hurt. (ABC-6)

TAX REFORM

CBS's DAN RATHER: The Senate Finance Committee came through with a shocker tonight. The committee voted to scrap most of the tax benefits people get from IRAs. It's part of the most radical federal tax overhaul plan in 30 years.

CBS's PHIL JONES: (TV Coverage of radio announcer: "Call this number now. The Senate Finance Committee is going to vote to abolish your IRA tonight!")

From radio talk shows to the halls of Congress today, Americans were in an outright frenzy over a proposed, revolutionary change in the tax laws. Those high-priced lobbyists swarming the corridors were in real pain. The fuss is over a plan that would mean most Americans would have a top tax rate of 15%. A family of four with taxable income of about \$40,000 would pay at only a 27% tax rate, instead of the current rate that reaches 50%. Fourteen tax brackets would be reduced to two. Individuals would keep goodies like deductions for home mortgage interest, state and local property and income taxes, and charitable contributions. But individuals would lose deductions for state and local sales taxes and would lose most of the tax benefits from IRAs. Corporate rates would drop from 46 to 33%, but would lose other current loopholes. There would be a minimum tax and many tax shelters for corporations and individuals would be eliminated. So far, the hardship pleas are failing. Take the battle today to keep 100% deduction for business entertainment.

(Sen. Long: "Entertainment is the selling business, the same thing that fertilizer is to the farming business. It increases the yield.")

(Sen. Chafee: "Whether you call it a three-martini lunch, or getting the best seats at the hockey game or wherever it is, this isn't a fella from the assembly line that's getting this advantage.")

Administration officials monitoring from Tokyo today liked what they were hearing.

(Donald Regan: "And with certain modifications, I think the President could back it.")

Even if these sweeping changes are approved by the Finance Committee, they still face an uphill battle in the Senate and House. However, it is now clear that politicians in both parties don't want to be blamed for killing tax reform. (ABC-4, CBS-LEAD)

NBC's John Dancy reports the amendment to end deductibility of the three-martini lunch was defeated, but businessmen can still deduct 80% of a business lunch. (NBC-6)

SOVIET NUCLEAR ACCIDENT

RATHER reports that, at a rare news conference in Moscow, a rare admission from Soviet officials: they said they simply failed to see how serious the Chernobyl blowout was, and thus waited a day and a half before beginning mass evacuations from the danger zone.

In the U.S. the first measurable radiation increase in the rain was detected in the Pacific Northwest. U.S. officials insisted there is no danger, but Public Health Service Director Ian McDonald, when asked if he would drink that water, replied, "It would depend on how thirsty you are. I would drink it; I would prefer not to drink it."

CBS's WYATT ANDREWS reports from Moscow on the press conference, where the Soviets allowed spontaneous questions only from communist or East bloc reporters. The Soviets said the health risks were confined to the persons directly in the path of the first radiation burst. The Soviets complained that Western news agencies have exploited the story of the accident to damage the Soviet Union's credibility in arms control initiatives.

CBS's RICHARD WAGNER reports that despite reassuring words from the scientists, many people in the U.S. are taking home remedy precautions, like iodine, against the possibility of radiation poisoning. Scientists are continuing their sampling because more radiation is expected over the U.S. in the next few days. (CBS-3)

BROKAW reports the Soviets admitted the accident had occurred early Saturday morning, April 26. That's two full days before Swedish officials began detecting high levels of radiation.

NBC's STEVE HURST: Top officials from the Soviet nuclear program and the commission investigating the Chernobyl disaster, were finally sent to explain what happened. Boris Cherbena, the chief of the government inquiry blamed local officials for down-playing the seriousness of the accident.... A Soviet television report tonight indicated all was safe in the region and that the fires were out.... The Soviet explanation today left many questions unanswered. Most of all, why did the Soviets delay telling their neighbors a dangerous cloud of radiation was floating out of the country?

BROKAW: The Soviets also said today that they passed word of this accident to the U.N.'s International Atomic Energy Agency immediately, but that agency says it didn't get the word until last Sunday night, and it made no public statement about the accident or the danger of fallout until after the Soviets had publicly acknowledged the accident on Monday. The United States government said today that the first traces of radiation from the Chernobyl accident have now been detected on the ground in the Pacific Northwest. The radiation showed up in samples of rain water collected last night in Richmond, Washington and Portland, Oregon. An air mass carrying patches of radiation from Chernobyl has been tracked 30,000 feet up along the Canadian border eastward to Michigan. Another air mass bringing radiation 18-20,000 ft. up is moving more slowly from Northern California around to Wyoming. The Federal Task Force says still more radiation is heading toward the United States and people in Oregon have been warned not to drink rain water.... (NBC-Lead)

JENNINGS: The Soviet Union said today they did underestimate the problem at the Chernobyl reactor. Soviet officials finally briefing Western correspondents...said it 36 hours before people were evacuated from some of the dangerous areas nearby....

ABC's WALTER RODGERS reports from Moscow the Soviets called a news conference to explain what went wrong and chairman of the investigating commission appeared to blame the Kremlin's public relations disaster, as well as the nuclear accident on local officials in the Ukraine. The Soviets acknowledged that the Chernobyl accident occurred at 1:23 A.M., Saturday, April 26. The Soviets still say that only two people died, 204 other people are suffering from radiation poisoning and 18 of those are in very serious condition. They also acknowledge there will be statistical increases in cancer and leukemia. Soviet officials said today they will forge ahead with even greater reliance on nuclear power plants now despite the Chernobyl disaster -- that was decided by Gorbachev at the 27th Party Congress.

JENNINGS reports nuclear experts from both the East and West met today in Copenhagen. They did agree there may have been an over reaction in the West to the accident at Chernobyl. The ministers of the World Health Organization said that while there may be some spot increases in radiation, they do not envision any unusual long-term health effects.

JENNINGS reports that some of the radiation from Chernobyl began showing up on the West coast of this country -- it isn't much.

(ABC-3)

U.S. NUCLEAR INDUSTRY

CBS's RAY BRADY reports that while the American investment in nuclear power is enormous -- \$180 billion, more money than has gone into the entire space program -- nuclear power has become an investment with a diminishing return. Plants built in the 1970s today generate electricity at a cost ranging from 2 to 8¢ a kilowatt hour. After Three Mile Island, costs went up to 15¢. And for plants not yet finished, electricity will cost up to 25¢. What's more, coal is leaving nuclear energy in the dust. New, cleaner coal plants generate power at about half the cost of new nuclear plants. And the nation has a 500-year supply of coal. (CBS-4)

GUN CONTROL

RATHER reports the Senate gave final congressional approval to a much-lobbied gun bill that eases many restrictions of the federal gun control laws. It does keep the ban on interstate sales of handguns, but handguns only. The Senate passed the bill by voice vote. (CBS-2)

OIL

CBS's HARRY SMITH reports crude oil futures are trading at their highest level in 10 weeks, and while the price is half of what it was a year ago, the days of bargain-basement oil and gas may be numbered. With low reserves and high demand, the wholesale price of gasoline has increased 11% in the last three weeks, and that's good news in oil country.

(CBS-5)

TERRORISM

ABC's JOHN MCWETHY: At the summit, the President was asked about threats by Abu Abbas -- threats to attack the U.S. and Ronald Reagan. (President Reagan: "Let him try." Reporter: "You're not scared? President: "No.")

The threats were part of a NBC News interview with Abu Abbas.... Today, Robert Oakley called the interview "reprehensible" and accused NBC of being accomplices because the network agreed not to disclose where the interview was conducted.

(Charles Redman, State Department spokesman: "This type of interview is what gives terrorists the platform that they seek and such publicity may in fact encourage the terrorist activities.")

(Lawrence Grossman, President of NBC News: "This is a time when terrorism and terrorist are major news throughout the world and are of great concern to people everywhere. An informed public, both in a democracy and elsewhere throughout the world is much better than an ignorant one.")

(Vice President Bush: "As you know, we have Syria on our list that sponsors terrorism. We are convinced that their fingerprints have been on international terrorist acts.")

...It was Libya that Vice President Bush singled out today, saying the U.S. reserves the right to retaliate again if Khadafy does not change his ways....

JENNINGS reports Libyan television tonight showed pictures of the body of a man wearing what it appeared to be a uniform. The announcer stopped short of identifying the man, but suggested it was the body of an American airman who died in the U.S. attack on Libya last month.

(ABC-7)

LIBYA

RATHER reports Libyan television showed pictures of a man's corpse it said washed ashore near Tripoli and appeared to be wearing some kind of military uniform. The Libyan announcer said it could be the body of one of the two U.S. airmen on the warplane lost during air raids on Libya.

(CBS-7)

ABBAS

BROKAW: That NBC interview last evening with Mohammed Abu Abbas, the Palestinian terrorist, was criticized today by the U.S. State Department. The head of the counter-terrorism section, Robert Oakley called the interview "reprehensible" and a department spokesperson said the interview gives terrorists a platform they seek. NBC President Lawrence K. Grossman said "It is vital to provide full information to the American people about terrorism and the dangers of the world in which we live."

(NBC-3)

DICOTHEQUE BOMBING

BROKAW: Police in West Berlin said today that two Arabs have been arrested in connection with last month's discotheque bombing that killed an American soldier.... They are also suspected of the March 29th bombing of a German-Arab club in West Berlin. Police said there were several similarities in those bombings.

(NBC-4)

CHINA/DEFENSE

RATHER reports there were top-level Pentagon talks between the visiting Chinese chief of staff and Adm. Crowe. Discussed were possible weapons sales to Peking, training, and the possibility of joint U.S.-Chinese military exercises. (CBS-8)

NATIONAL GUARD

RATHER reports President Reagan's growing involvement of U.S. military forces in Central America is now sparking a potentially serious national defense dispute between the federal and state governments.

CBS's BOB SCHIEFFER reports the governors of Maine, New York, Washington, Massachusetts and Kansas all oppose Administration policy in Central America and are against training their National Guardsmen in Honduras. At least a half-dozen other governors are waivering, a trend that has the Pentagon up in arms. It's not just the governors' opposition to training in Honduras that really worries the Pentagon brass, it's the fact the Constitution gives the governors the authority, in effect, to veto guard training for any war they don't like. (CBS-9)

VIETNAMESE REFUGEES

CBS's BOB SIMON reports from a tiny Malaysian island on a Vietnamese refugee camp. It is 11 years later, and they are still coming -- 650 a month. It's getting harder to get here and harder to leave. Fewer and fewer refugees will ever see the Statue of Liberty; the U.S. is becoming more demanding, more selective about the Vietnamese it lets in. More and more people on this island are dreaming of Australia and Canada. (CBS-12)

NASA/FLETCHER

BROKAW: The Senate looked at the future of NASA today by turning to a name from its past. It voted 89-9 to confirm James Fletcher as the new head of the space agency, a job he also held in the 1970's when the now-crippled Shuttle program was being developed. Fletcher is not without his critics. Democratic Senator Thomas Eagleton of Missouri called him a friendly old insider who contributed to NASA's current problems. (NBC-5)

JENNINGS reports the Senate has confirmed James Fletcher as NASA's new administrator. He faces a challenge on two fronts. He must restore the public confidence in the space program and faces economic competition from the European alternative to the space shuttle -- the Ariane rocket. (ABC-5)

DOLLAR

ABC's DAN CORDTZ reports from New York the American consumer love affair with Japanese products hasn't cooled a bit because of the higher prices cause by the dollar's fall. Today, the dollar plunged to a worth of 165 yen -- a post war low. (ABC-2)

NETWORK COMMENTARY FOLLOWING PRESIDENT'S
NEWS CONFERENCE

ABC's PETER JENNINGS: So that's it and now the President is coming home. He is saying good night to Jim Baker and to George Shultz, who will go to South Korea. Later this evening on Nightline, Ted Koppel will focus on radiation contamination and whether there is any real threat as a result of the accident in Chernobyl. We will have a complete analysis of the President's trip during World News Tonight tomorrow.

CBS's DAN RATHER: President Reagan, live from Tokyo, before he heads back to the United States. What that last throw to the President, in the form of a question which he declined to answer, was about the development tonight that the United States Senate rejected the sale of some \$354 million in missiles to Saudi Arabia. This ignored a warning that it was "taking a headlong plunge" into the possibility of a presidential veto, which was issued by some Republican senators. So one of the reporters tried to ask the President about that as the news conference broke up. And as you saw, President Reagan declined to answer that particular question.

Now, standing by in Tokyo is our veteran White House correspondent, BILL PLANTE....First of all, the President and the Administration are saying this was a very successful summit meeting. Two questions. Did they get anything other than a broad generality that the allies can weasel out of anytime on terrorism? And did they get what they really wanted in terms of trade barrier talk, particularly from the Japanese?

PLANTE: Answer to your first question, they did not get anything beyond what the allies could weasel out of. And that, I think, was evident here tonight when Mr. Reagan kept eluding to what could happen now that there was an understanding, making it quite plain in the process that there were no concrete understandings in economic sanctions or on the use of force. And I think, in answer to your second question, there is some progress that they can legitimately claim in the economic area. They'll be talking about lowering trade barriers -- which was something that even talking about talking about it was difficult -- but they did manage that. There is some indication that they may make some progress on currency, but it will be slow.

RATHER: Bill, any special significance attached to the fact that, when asked the direct question of the President about whether his talk in this -- and he warns about terrorism, that were directed at Libya, would also apply to Syria, that he paused a moment and then said yes?

PLANTE: I think that's very significant. All along, the United States has been reluctant to attack Syria because it's a client state of the Soviet Union closely allied with it. It's been clear all through the problems with Libya that the Soviet Union has not minded. They've stood back, they've watched and said little. But if the United States were to take on Syria the way it has taken on Libya, he would almost force the Soviets to become directly involved -- something which, as far as we can tell, neither side wants.

RATHER: President Reagan with a live news conference from Tokyo at the end of the economic summit....

NBC's TOM BROKAW: President Reagan talking with Secretary of State George Shultz on the right. There is Treasury Secretary James Baker, White House Chief of Staff Donald Regan. Secretary Shultz will be going off to South Korea for meetings there. The President refused to say whether he would like him to talk about the human rights question which is so prevalent in that society and Treasury Secretary James Baker will be going on to China to the People's Republic of China for meetings with the Chinese officials on the economic conditions in that country.

-end of Network Commentary-



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MAY 7, 1986 -- 6 a.m. EDT

AIR FORCE ONE EDITION

TODAY'S HEADLINES

NEWS CONFERENCE

REAGAN SAYS SOVIET UNION MORE FORTHCOMING ON NUCLEAR ACCIDENT -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

(Washington Times, UPI, Reuter, Copley)

TRIP NEWS

REAGAN/POST-SUMMIT -- With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

(Washington Times, New York Times, Reuter, UPI, Newhouse)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY -- President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

(Washington Times, AP, Reuter)

NETWORK NEWS (Tuesday Evening)

TOKYO SUMMIT -- Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home.

TAX REFORM -- The Senate Finance Committee came through with a shocker tonight.

SOVIET NUCLEAR ACCIDENT -- Soviet officials said they simply failed to see how serious the Chermobyl blowout was.

WHNS -- Wednesday, May 7, 1986 -- A-2

NEWS CONFERENCE

REAGAN: SUMMIT 7 HAVE WARNED LIBYA

TOKYO -- President Reagan said this morning that the three-day summit here sent a clear message to Col. Qaddafi that the "menace posed by the threat of international terrorism" will be dealt with effectively by the allies.

Reagan dismissed suggestions that some of the other participants were distancing themselves from the anti-terrorism statement that emerged from the summit meetings, which ended yesterday.

(Marc Lerner & Mary Belcher, Washington Times, A1)

NEWS CONFERENCE

TOKYO -- President Reagan, ending his 13-day journey to the Far East, said Wednesday he had accomplished everything he sought at the Tokyo economic summit and praised the leaders of the free world for agreeing to fight the "scourge of international terror."

Reagan, in a news conference from Tokyo that was nationally televised via satellite to the U.S., said the seven Allied leaders discussed ways to combat terrorism, but declined to comment on specifics.

"All we sought to accomplish at the summit was achieved," said Reagan, who has taken center stage at the summit since arriving last Friday.

(Helen Thomas, UPI)

REAGAN SAYS SOVIET UNION MORE FORTHCOMING
ON NUCLEAR ACCIDENT

TOKYO -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

Shortly after the accident began on April 26, Moscow began an "effort to cover up and confuse the issue," Reagan told a news conference.

But "in the last few days there has been a change and the Soviet Union has been more forthcoming with regard to getting out the information," he said.

(Reuter)

REAGAN BUOYED BY OUTCOME OF TOKYO SUMMIT

TOKYO -- President Reagan today hailed the results of the economic summit, saying Western industrialized nations were committed to new political and diplomatic steps to combat international terrorism.

"We agreed that the Libya of Col. Qaddafi represents a unique threat to free peoples, a rogue regime that advances its goals through the murder and maiming of innocent civilians," he told a news conference.

(Reuter)

REAGAN NOT PLANNING ANOTHER MILITARY STRIKE AGAINST LIBYA, BUT...

TOKYO -- President Reagan said he is not planning another military strike against Libya, but he told reporters before leaving Tokyo that the allies meeting in summit here have sent a warning to Libya and Syria that terrorist actions will now face "a unified front."

The President specifically warned Syria, which had not been singled out at the summit, that "irrefutable evidence" of terrorist acts will bring it "the same treatment" as Libya.

(George Condon, Copley)

TRIP NEWS

SUMMIT

TOKYO -- The world's most influential leaders praised the Tokyo summit Wednesday as their "easiest" and "most successful" ever, but cracks appeared in their stand against terrorism even as they were packing for home.

Despite reports of a heated discussion Monday, French President Mitterrand also called it the "probably the easiest" since the annual meetings began in 1975.

But Japanese Prime Minister Nakasone was quoted by the Kyodo News Service as saying the six anti-terrorist measures adopted Monday were not mandatory and that Japan retained the right to make "independent" decisions about whether to implement them.

(David Jones, UPI)

7 NATIONS' LEADERS HAIL ACHIEVMENT ON ECONOMIC STEPS

TOKYO -- President Reagan's top aides declared that his Administration was coming away from the summit conference with real accomplishments, including a statement of unity against terrorism that singled out Col. Qaddafi's Libya "in particular." The consensus on that previously divisive issue sounded a note of collegiality among the seven nations.

(Gerald Boyd, New York Times, A1)

JAPAN PRAISED FOR SUMMIT, BUT PROBLEMS WITH YEN REMAIN

TOKYO -- Prime Minister Nakasone ended his hosting duties Tuesday for the 12th economic summit with praise from allied leaders but without support for Japan's economic woes caused by the yen's rapid rise.

Nakasone also indicated Japan's reluctance at naming Libya in the anti-terrorism declaration issued Monday.

Nakasone said the yen was "too high" and "not bearable" for those in small and medium-sized export-oriented industries.

(Marie Okabe, UPI)

REAGAN/POST-SUMMIT

With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

Reagan and his top aides left Tokyo convinced that they had orchestrated an agreement among other summit participants that will result in tougher action against terrorism in general, and Libya in particular.

Some critics call the agreement "vague," and others cite the absence of any support for economic sanctions against Libya or endorsement of military action such as the recent U.S. bombing raid on Libya, or any offer of bases for future raids.

(Miles Benson, News Analysis, Newhouse)

SUMMIT FAILS TO STOP DOLLAR'S FALL IN TOKYO

TOKYO -- The dollar fell in early trading today as dealers said they believed all major industrialized nations except Japan wanted the yen to rise even if some were hinting that they might help to prop up the dollar.

(Reuter)

REAGAN, MITTERRAND BURY THE HATCHET

TOKYO -- A philosophical President Reagan yesterday agreed with French President Mitterrand to put behind them France's refusal last month to grant overflight rights to U.S. fighter jets bound for Libya.

"Let this be the first day of the rest of our lives," Reagan told the French leader in a 45-minute meeting here.

"In every happy marriage there are disagreements, but the marriage continues," Reagan said, according to a senior Administration official.

(Mary Belcher, Washington Times, A7)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY

President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

The Senate's resounding 73-22 defeat of the proposed sale came last night despite a last-ditch appeal from the White House, which called Saudi Arabia a "firm friend of the United States."

"Our own interests require us to help Saudi Arabia meet its legitimate security needs in the face of growing regional threats," Larry Speakes said yesterday in a statement issued from the economic summit in Tokyo.

(Sue Baker, Reuter)

BAKER TO TACKLE THORNY ECONOMIC PROBLEMS ON CHINA VISIT

PEKING -- Secretary Baker is due in Peking today to tackle thorny problems holding up American investment in China and to win more business for the United States in the face of fierce competition.

The U.S., China's third biggest trading partner and second biggest investor, faces fierce competition from Japan, Western Europe and the Soviet Union and the U.S. companies are wary of investing without an investment treaty.

(Mark O'Neill, Reuter)

SHULTZ HOPES TO EASE KOREAN REFORM

SEOUL, South Korea -- Secretary Shultz arrives here today hoping to steer both the government of President Chun Doo-hwan and his opponents toward a mutually acceptable compromise in their struggle over the pace of transforming South Korea into a full democracy.

U.S. officials, who asked not to be identified, said Shultz would urge both sides to exercise moderation and compromise.

(Mike Breen, Washington Times, A6)

WHNS -- Wednesday, May 7, 1986 -- A-7

LIBYA SAYS TOKYO SUMMIT STATEMENT ON TERRORISM IS HYPOCRITICAL

LONDON -- The Libyan Foreign Ministry said late Tuesday that the Tokyo summit's anti-terrorism declaration was hypocritical and failed to touch on American-inspired aggression against Libya.

A statement broadcast by Libyan state television said it was annoyed that the plan specifically mentioned Libya as a "state which is clearly involved in sponsoring or supporting international terrorism."

(AP)

U.S.-CHINA MILITARY EXERCISES DISCUSSED

The leaders of the armed forces of China and the U.S. yesterday discussed the possibility of joint military exercises, Pentagon officials said.

Gen. Yang Dezhi and Joint Chiefs of Staff Chairman Adm. William Crowe also discussed the sale of jet fighter electronics and Navy torpedoes to Peking and the possibility of U.S. warship visits to that country, the officials said.

(Reuters story, Washington Times, A3)

LIBYA SAYS BODY MAY BE U.S. FLIER'S

LONDON -- Libyan Television broadcast last-night pictures of a body of a man it said washed ashore near Tripoli and suggested the corpse was that of a U.S. flier shot down during the April 15 air attack on Libya.

The BBC, which monitored the Libyan broadcast, said the man wore what appeared to be a military uniform and the announcer said that the body could be that of a man "whose helmet you have already seen."

(UPI story, Washington Times, A7)

NATIONAL NEWS

SENATE COMMITTEE APPROVES SWEEPING INCOME
TAX REVISIONS

The Senate Finance Committee today approved the most sweeping reform of the nation's income tax system in more than 30 years.

Meeting in the early morning hours the Republican-dominated committee approved the bill, which could affect the finances of all Americans and businesses here and abroad, on a unanimous vote of 20 to 0.

(Reuter)

BUSH CANCELS SPEECH TO PRO-LIFE
CONFERENCE

Vice President Bush has angered leaders of the right-to-life movement by canceling a longstanding agreement to address the convention of the National Right to Life Committee, the largest right-to-life organization in America.

Some interpret the cancellation as a snub of the right-to-life constituency, with the Vice President putting distance between himself and the New Right.

"His office has notified us he can't make that specific date because he has been asked by Mr. Reagan to go to Canada on some acid rain thing," Dr. John Willke, president of the committee said yesterday.

(Ralph Hallow, Washington Times, A1)

JUDGESHIP NOMINEE DENIES HE IS RACIST

President Reagan's nominee to federal judgeship in Alabama told Senate Judiciary Committee members yesterday he is "not the Jeff Sessions my detractors have tried to create."

"I am not a racist. I am not insensitive to blacks," Sessions said at an unprecedented fourth confirmation hearing. "I have done my job with integrity, equality and fairness for all."

(John McCaslin, Washington Times, A3)

NETWORK NEWS SUMMARY FOR TUESDAY EVENING, May 6

TOKYO SUMMIT

CBS's DAN RATHER: Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home. This whole thing was billed as an economic summit, but Bill Plante tells us President Reagan is eager to accentuate the positive on another count.

CBS's BILL PLANTE: (TV Coverage begins with shot of Tokyo traffic; Shot of the President walking with Donald Regan.)

Even as Tokyo commuters were harassed this morning by more than a dozen cherry-bombs planted by Japanese radicals, Mr. Reagan was dismissing a reported threat by Abu Abbas to attack the U.S.

(President: "Let him try." Reporter: "You're not scared?" President: "No.")

And though the statement on terrorism lacks teeth on economic sanctions, Prime Minister Thatcher threatened further reprisals against Libya by Western nations.

(TV Coverage: Various shots of leaders.)

(Mrs. Thatcher: "I believe that there could be further action which they could take, which would be a further deterrent. And of course they now know that the United States is prepared to use force.")

On the economic front, the leaders agreed to try to stabilize currency exchange rates through a system of checks and balances.

(Secretary Baker: "It's sure a lot more than we had before we came to the summit.")

Even considering what the White House didn't get from its allies at this summit -- economic sanctions against Libya or any immediate relief for its trade problems -- the Administration might as well enjoy its success on this trip, because when the President gets home tomorrow, he faces some bruising battles in Congress -- the budget and contra aid among them.

(CBS-6)

NBC's TOM BROKAW: President Reagan today declared the just completed seven nation summit meeting in Tokyo extremely successful, even though he lost some battles on the stated theme of this economic meeting. But the President claimed victory on the issue of terrorism. And he was expected to discuss all of this at a Tokyo news conference tonight at 9 Eastern time.

NBC'S CHRIS WALLACE: The economic summit ended with a banquet at the Imperial Palace, hosted by the eighty-five year-old Hirohito, Emperor of Japan for almost 60 years.

(TV Coverage: President Reagan with Emperor.)

For Ronald Reagan it was a chance to celebrate what U.S. officials consider a successful trip. This was the day the economic summit finally got down to economics. The leaders approved an American plan to coordinate their economies, stabilizing world currencies. But the President made little progress on the U.S. trade deficit, with friends blocking negotiations to cut trade barriers. Prime Minister Thatcher was left to appeal to the Japanese to buy British whiskey.

(Prime Minister Thatcher: "It is an extremely good product. There isn't another in the world like it. Many people want it. I trust I make myself clear on whiskey in the Japanese market.")

-more-

WALLACE continues: Treasury Secretary Baker said the new economic coordination should help with the trade deficit. But he wasn't sure the people back home would be impressed.

(Baker: "I don't know if it's enough to satisfy the Congress or whether it's enough to blunt the protectionist mood that's up there, but it's sure a lot more than we had before we came to the summit.")

But yesterday's terrorism statement continued to dominate the summit. U.S. officials were delighted to have committed the allies even to limited measures. Delighted even though Prime Minister Nakasone now says Japan will decide whether to join in the measures. The President scoffed at threats when the man behind the Achille Lauro hijacking, Abu Abbas, made last night in an NBC interview.

(Reporter: "Mr. President, Abu Abbas says that you are enemy number one...." President: "Let him try." Reporter: "You're not scared?"

President: "No.")

U.S. officials also enjoyed telling how French President Mitterrand made amends for refusing to let U.S. planes, bound for Libya, cross his country. They quoted him as saying that it has been a difficult situation but France has stood with the U.S. for 200 years. Mr. Reagan's answer, they said, was, "There are disagreements in every happy marriage.")

When Mr. Reagan started coming to these summits, some other leaders dismissed him as a right-winged, slightly foolish figure. But now, even when he doesn't get his way, it is Mr. Reagan who dominates the action.

(NBC-2)

ABC's PETER JENNINGS: The Tokyo summit is over. The leaders of the seven major industrial nations really do appear to be happy. Prime Minister Thatcher said "mission accomplished." French President Mitterrand said it was the easiest summit since Britain, France, West Germany, Italy, Canada, United States and Japan began meeting eleven years ago.

ABC's SAM DONALDSON: Summit leaders ended up their meeting today in an atmosphere of friendliness and good cheer -- issuing a final economic communique that U.S. officials rushed forth to praise.

(TV coverage: President Reagan and Prime Minister Thatcher.)

(Treasury Secretary James Baker: "Overall, it's our view that this was a very successful economic summit.")

The centerpiece of the summit success, as Prime Minister Nakasone delivered on behalf of the others, is a new agreement aimed at smoothing out the swings of among monetary exchange rates -- a mechanism for producing a sort of modified float of currencies, using economic indicators as a guide for their adjustment. Another summit agreement calls for a September meeting to discuss setting a date for a new gap trade negotiation round. All of this may be progress, but is it enough?

(Baker: "I don't whether it is enough to satisfy the Congress or whether it's enough to blow up the protectionist mood that is up there, but it's sure a lot more than what we had before we came to the summit.")

On the political front, President Reagan presided at a min-summit of his own today -- meeting with President Mitterrand and Prime Minister Chirac.

(TV coverage: President Reagan, Mitterrand and Chirac.)

Political opponents who now share the leadership of France. Mitterrand brought up his refusal to allow U.S. F-111s to overfly France on their way to Libya. He tried to smooth it over by saying that France stands with the U.S. on the overall fight against terrorism. Mr. Reagan replied that every happy marriage has disagreements, but the marriage continues.

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White House News Summary - Wednesday, May 7, 1986 - B-3

DONALDSON continues: The summit ended tonight with a glittery formal dinner at the Imperial Palace. Emperor Hirohito took his place at the table, center with Nancy Reagan at his side.

(TV coverage: The summit leaders at the dinner.)

U.S. officials always label these summits as a success, but this one does indeed seem to have gone very well. President Reagan got a political statement against terrorism strong enough to make an impact and his economic game plan appears to be on track. We should be exuding that same friendliness and good cheer when he holds a news conference here before leaving for home tonight. (ABC-LEAD)

JENNINGS reports Japanese radicals set off 17 incinerator devices at downtown subway and train stations -- no one was hurt. (ABC-6)

TAX REFORM

CBS's DAN RATHER: The Senate Finance Committee came through with a shocker tonight. The committee voted to scrap most of the tax benefits people get from IRAs. It's part of the most radical federal tax overhaul plan in 30 years.

CBS's PHIL JONES: (TV Coverage of radio announcer: "Call this number now. The Senate Finance Committee is going to vote to abolish your IRA tonight!")

From radio talk shows to the halls of Congress today, Americans were in an outright frenzy over a proposed, revolutionary change in the tax laws. Those high-priced lobbyists swarming the corridors were in real pain. The fuss is over a plan that would mean most Americans would have a top tax rate of 15%. A family of four with taxable income of about \$40,000 would pay at only a 27% tax rate, instead of the current rate that reaches 50%. Fourteen tax brackets would be reduced to two. Individuals would keep goodies like deductions for home mortgage interest, state and local property and income taxes, and charitable contributions. But individuals would lose deductions for state and local sales taxes and would lose most of the tax benefits from IRAs. Corporate rates would drop from 46 to 33%, but would lose other current loopholes. There would be a minimum tax and many tax shelters for corporations and individuals would be eliminated. So far, the hardship pleas are failing. Take the battle today to keep 100% deduction for business entertainment.

(Sen. Long: "Entertainment is the selling business, the same thing that fertilizer is to the farming business. It increases the yield.")

(Sen. Chafee: "Whether you call it a three-martini lunch, or getting the best seats at the hockey game or wherever it is, this isn't a fella from the assembly line that's getting this advantage.")

Administration officials monitoring from Tokyo today liked what they were hearing.

(Donald Regan: "And with certain modifications, I think the President could back it.")

Even if these sweeping changes are approved by the Finance Committee, they still face an uphill battle in the Senate and House. However, it is now clear that politicians in both parties don't want to be blamed for killing tax reform. (ABC-4, CBS-LEAD)

NBC's John Dancy reports the amendment to end deductibility of the three-martini lunch was defeated, but businessmen can still deduct 80% of a business lunch. (NBC-6)

SOVIET NUCLEAR ACCIDENT

RATHER reports that, at a rare news conference in Moscow, a rare admission from Soviet officials: they said they simply failed to see how serious the Chernobyl blowout was, and thus waited a day and a half before beginning mass evacuations from the danger zone.

In the U.S. the first measurable radiation increase in the rain was detected in the Pacific Northwest. U.S. officials insisted there is no danger, but Public Health Service Director Ian McDonald, when asked if he would drink that water, replied, "It would depend on how thirsty you are. I would drink it; I would prefer not to drink it."

CBS's WYATT ANDREWS reports from Moscow on the press conference, where the Soviets allowed spontaneous questions only from communist or East bloc reporters. The Soviets said the health risks were confined to the persons directly in the path of the first radiation burst. The Soviets complained that Western news agencies have exploited the story of the accident to damage the Soviet Union's credibility in arms control initiatives.

CBS's RICHARD WAGNER reports that despite reassuring words from the scientists, many people in the U.S. are taking home remedy precautions, like iodine, against the possibility of radiation poisoning. Scientists are continuing their sampling because more radiation is expected over the U.S. in the next few days. (CBS-3)

BROKAW reports the Soviets admitted the accident had occurred early Saturday morning, April 26. That's two full days before Swedish officials began detecting high levels of radiation.

NBC's STEVE HURST: Top officials from the Soviet nuclear program and the commission investigating the Chernobyl disaster, were finally sent to explain what happened. Boris Cherbena, the chief of the government inquiry blamed local officials for down-playing the seriousness of the accident.... A Soviet television report tonight indicated all was safe in the region and that the fires were out.... The Soviet explanation today left many questions unanswered. Most of all, why did the Soviets delay telling their neighbors a dangerous cloud of radiation was floating out of the country?

BROKAW: The Soviets also said today that they passed word of this accident to the U.N.'s International Atomic Energy Agency immediately, but that agency says it didn't get the word until last Sunday night, and it made no public statement about the accident or the danger of fallout until after the Soviets had publicly acknowledged the accident on Monday. The United States government said today that the first traces of radiation from the Chernobyl accident have now been detected on the ground in the Pacific Northwest. The radiation showed up in samples of rain water collected last night in Richmond, Washington and Portland, Oregon. An air mass carrying patches of radiation from Chernobyl has been tracked 30,000 feet up along the Canadian border eastward to Michigan. Another air mass bringing radiation 18-20,000 ft. up is moving more slowly from Northern California around to Wyoming. The Federal Task Force says still more radiation is heading toward the United States and people in Oregon have been warned not to drink rain water.... (NBC-Lead)

JENNINGS: The Soviet Union said today they did underestimate the problem at the Chernobyl reactor. Soviet officials finally briefing Western correspondents...said it 36 hours before people were evacuated from some of the dangerous areas nearby....

ABC's WALTER RODGERS reports from Moscow the Soviets called a news conference to explain what went wrong and chairman of the investigating commission appeared to blame the Kremlin's public relations disaster, as well as the nuclear accident on local officials in the Ukraine. The Soviets acknowledged that the Chernobyl accident occurred at 1:23 A.M., Saturday, April 26. The Soviets still say that only two people died, 204 other people are suffering from radiation poisoning and 18 of those are in very serious condition. They also acknowledge there will be statistical increases in cancer and leukemia. Soviet officials said today they will forge ahead with even greater reliance on nuclear power plants now despite the Chernobyl disaster -- that was decided by Gorbachev at the 27th Party Congress.

JENNINGS reports nuclear experts from both the East and West met today in Copenhagen. They did agree there may have been an over reaction in the West to the accident at Chernobyl. The ministers of the World Health Organization said that while there may be some spot increases in radiation, they do not envision any unusual long-term health effects.

JENNINGS reports that some of the radiation from Chernobyl began showing up on the West coast of this country -- it isn't much.

(ABC-3)

U.S. NUCLEAR INDUSTRY

CBS's RAY BRADY reports that while the American investment in nuclear power is enormous -- \$180 billion, more money than has gone into the entire space program -- nuclear power has become an investment with a diminishing return. Plants built in the 1970s today generate electricity at a cost ranging from 2 to 8¢ a kilowatt hour. After Three Mile Island, costs went up to 15¢. And for plants not yet finished, electricity will cost up to 25¢. What's more, coal is leaving nuclear energy in the dust. New, cleaner coal plants generate power at about half the cost of new nuclear plants. And the nation has a 500-year supply of coal. (CBS-4)

GUN CONTROL

RATHER reports the Senate gave final congressional approval to a much-lobbied gun bill that eases many restrictions of the federal gun control laws. It does keep the ban on interstate sales of handguns, but handguns only. The Senate passed the bill by voice vote. (CBS-2)

OIL

CBS's HARRY SMITH reports crude oil futures are trading at their highest level in 10 weeks, and while the price is half of what it was a year ago, the days of bargain-basement oil and gas may be numbered. With low reserves and high demand, the wholesale price of gasoline has increased 11% in the last three weeks, and that's good news in oil country.

(CBS-5)

TERRORISM

ABC's JOHN MCWETHY: At the summit, the President was asked about threats by Abu Abbas -- threats to attack the U.S. and Ronald Reagan.

(President Reagan: "Let him try." Reporter: "You're not scared?

President: "No.")

The threats were part of a NBC News interview with Abu Abbas.... Today, Robert Oakley called the interview "reprehensible" and accused NBC of being accomplices because the network agreed not to disclose where the interview was conducted.

(Charles Redman, State Department spokesman: "This type of interview is what gives terrorists the platform that they seek and such publicity may in fact encourage the terrorist activities.")

(Lawrence Grossman, President of NBC News: "This is a time when terrorism and terrorist are major news throughout the world and are of great concern to people everywhere. An informed public, both in a democracy and elsewhere throughout the world is much better than an ignorant one.")

(Vice President Bush: "As you know, we have Syria on our list that sponsors terrorism. We are convinced that their fingerprints have been on international terrorist acts.")

...It was Libya that Vice President Bush singled out today, saying the U.S. reserves the right to retaliate again if Khadafy does not change his ways....

JENNINGS reports Libyan television tonight showed pictures of the body of a man wearing what it appeared to be a uniform. The announcer stopped short of identifying the man, but suggested it was the body of an American airman who died in the U.S. attack on Libya last month.

(ABC-7)

LIBYA

RATHER reports Libyan television showed pictures of a man's corpse it said washed ashore near Tripoli and appeared to be wearing some kind of military uniform. The Libyan announcer said it could be the body of one of the two U.S. airmen on the warplane lost during air raids on Libya.

(CBS-7)

ABBAS

BROKAW: That NBC interview last evening with Mohammed Abu Abbas, the Palestinian terrorist, was criticized today by the U.S. State Department. The head of the counter-terrorism section, Robert Oakley called the interview "reprehensible" and a department spokesperson said the interview gives terrorists a platform they seek. NBC President Lawrence K. Grossman said "It is vital to provide full information to the American people about terrorism and the dangers of the world in which we live."

(NBC-3)

DICOTHEQUE BOMBING

BROKAW: Police in West Berlin said today that two Arabs have been arrested in connection with last month's discotheque bombing that killed an American soldier.... They are also suspected of the March 29th bombing of a German-Arab club in West Berlin. Police said there were several similarities in those bombings.

(NBC-4)

CHINA/DEFENSE

RATHER reports there were top-level Pentagon talks between the visiting Chinese chief of staff and Adm. Crowe. Discussed were possible weapons sales to Peking, training, and the possibility of joint U.S.-Chinese military exercises. (CBS-8)

NATIONAL GUARD

RATHER reports President Reagan's growing involvement of U.S. military forces in Central America is now sparking a potentially serious national defense dispute between the federal and state governments.

CBS's BOB SCHIEFFER reports the governors of Maine, New York, Washington, Massachusetts and Kansas all oppose Administration policy in Central America and are against training their National Guardsmen in Honduras. At least a half-dozen other governors are wavering, a trend that has the Pentagon up in arms. It's not just the governors' opposition to training in Honduras that really worries the Pentagon brass, it's the fact the Constitution gives the governors the authority, in effect, to veto guard training for any war they don't like. (CBS-9)

VIETNAMESE REFUGEES

CBS's BOB SIMON reports from a tiny Malaysian island on a Vietnamese refugee camp. It is 11 years later, and they are still coming -- 650 a month. It's getting harder to get here and harder to leave. Fewer and fewer refugees will ever see the Statue of Liberty; the U.S. is becoming more demanding, more selective about the Vietnamese it lets in. More and more people on this island are dreaming of Australia and Canada. (CBS-12)

NASA/FLETCHER

BROKAW: The Senate looked at the future of NASA today by turning to a name from its past. It voted 89-9 to confirm James Fletcher as the new head of the space agency, a job he also held in the 1970's when the now-crippled Shuttle program was being developed. Fletcher is not without his critics. Democratic Senator Thomas Eagleton of Missouri called him a friendly old insider who contributed to NASA's current problems. (NBC-5)

JENNINGS reports the Senate has confirmed James Fletcher as NASA's new administrator. He faces a challenge on two fronts. He must restore the public confidence in the space program and faces economic competition from the European alternative to the space shuttle -- the Ariane rocket. (ABC-5)

DOLLAR

ABC's DAN CORDTZ reports from New York the American consumer love affair with Japanese products hasn't cooled a bit because of the higher prices caused by the dollar's fall. Today, the dollar plunged to a worth of 165 yen -- a post war low. (ABC-2)

NETWORK COMMENTARY FOLLOWING PRESIDENT'S
NEWS CONFERENCE

ABC's PETER JENNINGS: So that's it and now the President is coming home. He is saying good night to Jim Baker and to George Shultz, who will go to South Korea. Later this evening on Nightline, Ted Koppel will focus on radiation contamination and whether there is any real threat as a result of the accident in Chernobyl. We will have a complete analysis of the President's trip during World News Tonight tomorrow.

CBS's DAN RATHER: President Reagan, live from Tokyo, before he heads back to the United States. What that last throw to the President, in the form of a question which he declined to answer, was about the development tonight that the United States Senate rejected the sale of some \$354 million in missiles to Saudi Arabia. This ignored a warning that it was "taking a headlong plunge" into the possibility of a presidential veto, which was issued by some Republican senators. So one of the reporters tried to ask the President about that as the news conference broke up. And as you saw, President Reagan declined to answer that particular question.

Now, standing by in Tokyo is our veteran White House correspondent, BILL PLANTE....First of all, the President and the Administration are saying this was a very successful summit meeting. Two questions. Did they get anything other than a broad generality that the allies can weasel out of anytime on terrorism? And did they get what they really wanted in terms of trade barrier talk, particularly from the Japanese?

PLANTE: Answer to your first question, they did not get anything beyond what the allies could weasel out of. And that, I think, was evident here tonight when Mr. Reagan kept eluding to what could happen now that there was an understanding, making it quite plain in the process that there were no concrete understandings in economic sanctions or on the use of force. And I think, in answer to your second question, there is some progress that they can legitimately claim in the economic area. They'll be talking about lowering trade barriers -- which was something that even talking about talking about it was difficult -- but they did manage that. There is some indication that they may make some progress on currency, but it will be slow.

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RATHER: Bill, any special significance attached to the fact that, when asked the direct question of the President about whether his talk in this -- and he warns about terrorism, that were directed at Libya, would also apply to Syria, that he paused a moment and then said yes?

PLANTE: I think that's very significant. All along, the United States has been reluctant to attack Syria because it's a client state of the Soviet Union closely allied with it. It's been clear all through the problems with Libya that the Soviet Union has not minded. They've stood back, they've watched and said little. But if the United States were to take on Syria the way it has taken on Libya, he would almost force the Soviets to become directly involved -- something which, as far as we can tell, neither side wants.

RATHER: President Reagan with a live news conference from Tokyo at the end of the economic summit....

NBC's TOM BROKAW: President Reagan talking with Secretary of State George Shultz on the right. There is Treasury Secretary James Baker, White House Chief of Staff Donald Regan. Secretary Shultz will be going off to South Korea for meetings there. The President refused to say whether he would like him to talk about the human rights question which is so prevalent in that society and Treasury Secretary James Baker will be going on to China to the People's Republic of China for meetings with the Chinese officials on the economic conditions in that country.

-end of Network Commentary-



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MAY 7, 1986 -- 6 a.m. EDT

AIR FORCE ONE EDITION

TODAY'S HEADLINES

NEWS CONFERENCE

REAGAN SAYS SOVIET UNION MORE FORTHCOMING ON NUCLEAR ACCIDENT -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

(Washington Times, UPI, Reuter, Copley)

TRIP NEWS

REAGAN/POST-SUMMIT -- With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

(Washington Times, New York Times, Reuter, UPI, Newhouse)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY -- President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

(Washington Times, AP, Reuter)

NETWORK NEWS (Tuesday Evening)

TOKYO SUMMIT -- Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home.

TAX REFORM -- The Senate Finance Committee came through with a shocker tonight.

SOVIET NUCLEAR ACCIDENT -- Soviet officials said they simply failed to see how serious the Chermobyl blowout was.

WHNS -- Wednesday, May 7, 1986 -- A-2

NEWS CONFERENCE

REAGAN: SUMMIT 7 HAVE WARNED LIBYA

TOKYO -- President Reagan said this morning that the three-day summit here sent a clear message to Col. Qaddafi that the "menace posed by the threat of international terrorism" will be dealt with effectively by the allies.

Reagan dismissed suggestions that some of the other participants were distancing themselves from the anti-terrorism statement that emerged from the summit meetings, which ended yesterday.

(Marc Lerner & Mary Belcher, Washington Times, A1)

NEWS CONFERENCE

TOKYO -- President Reagan, ending his 13-day journey to the Far East, said Wednesday he had accomplished everything he sought at the Tokyo economic summit and praised the leaders of the free world for agreeing to fight the "scourge of international terror."

Reagan, in a news conference from Tokyo that was nationally televised via satellite to the U.S., said the seven Allied leaders discussed ways to combat terrorism, but declined to comment on specifics.

"All we sought to accomplish at the summit was achieved," said Reagan, who has taken center stage at the summit since arriving last Friday.

(Helen Thomas, UPI)

REAGAN SAYS SOVIET UNION MORE FORTHCOMING ON NUCLEAR ACCIDENT

TOKYO -- President Reagan tonight said the Soviet Union had become more forthcoming in disclosing information on the Soviet nuclear disaster.

Shortly after the accident began on April 26, Moscow began an "effort to cover up and confuse the issue," Reagan told a news conference.

But "in the last few days there has been a change and the Soviet Union has been more forthcoming with regard to getting out the information," he said.

(Reuter)

WHNS -- Wednesday, May 7, 1986 -- A-3

REAGAN BUOYED BY OUTCOME OF TOKYO SUMMIT

TOKYO -- President Reagan today hailed the results of the economic summit, saying Western industrialized nations were committed to new political and diplomatic steps to combat international terrorism.

"We agreed that the Libya of Col. Qaddafi represents a unique threat to free peoples, a rogue-regime that advances its goals through the murder and maiming of innocent civilians," he told a news conference.

(Reuter)

REAGAN NOT PLANNING ANOTHER MILITARY STRIKE AGAINST LIBYA, BUT...

TOKYO -- President Reagan said he is not planning another military strike against Libya, but he told reporters before leaving Tokyo that the allies meeting in summit here have sent a warning to Libya and Syria that terrorist actions will now face "a unified front."

The President specifically warned Syria, which had not been singled out at the summit, that "irrefutable evidence" of terrorist acts will bring it "the same treatment" as Libya.

(George Condon, Copley)

TRIP NEWS

SUMMIT

TOKYO -- The world's most influential leaders praised the Tokyo summit Wednesday as their "easiest" and "most successful" ever, but cracks appeared in their stand against terrorism even as they were packing for home.

Despite reports of a heated discussion Monday, French President Mitterrand also called it the "probably the easiest" since the annual meetings began in 1975.

But Japanese Prime Minister Nakasone was quoted by the Kyodo News Service as saying the six anti-terrorist measures adopted Monday were not mandatory and that Japan retained the right to make "independent" decisions about whether to implement them.

(David Jones, UPI)

7 NATIONS' LEADERS HAIL ACHIEVMENT ON ECONOMIC STEPS

TOKYO -- President Reagan's top aides declared that his Administration was coming away from the summit conference with real accomplishments, including a statement of unity against terrorism that singled out Col. Qaddafi's Libya "in particular." The consensus on that previously divisive issue sounded a note of collegiality among the seven nations.

(Gerald Boyd, New York Times, A1)

JAPAN PRAISED FOR SUMMIT, BUT PROBLEMS WITH YEN REMAIN

TOKYO -- Prime Minister Nakasone ended his hosting duties Tuesday for the 12th economic summit with praise from allied leaders but without support for Japan's economic woes caused by the yen's rapid rise.

Nakasone also indicated Japan's reluctance at naming Libya in the anti-terrorism declaration issued Monday.

Nakasone said the yen was "too high" and "not bearable" for those in small and medium-sized export-oriented industries.

(Marie Okabe, UPI)

WHNS -- Wednesday, May 7, 1986 -- A-5

REAGAN/POST-SUMMIT

With the Tokyo summit behind him, President Reagan faces another challenge of leadership -- translating the lofty diplomatic rhetoric of recent days into the kind of action that punishes terrorism, promotes world economic growth and free trade and brings closer his goal of nuclear arms reductions.

Reagan and his top aides left Tokyo convinced that they had orchestrated an agreement among other summit participants that will result in tougher action against terrorism in general, and Libya in particular.

Some critics call the agreement "vague," and others cite the absence of any support for economic sanctions against Libya or endorsement of military action such as the recent U.S. bombing raid on Libya, or any offer of bases for future raids.

(Miles Benson, News Analysis, Newhouse)

SUMMIT FAILS TO STOP DOLLAR'S FALL IN TOKYO

TOKYO -- The dollar fell in early trading today as dealers said they believed all major industrialized nations except Japan wanted the yen to rise even if some were hinting that they might help to prop up the dollar.

(Reuter)

REAGAN, MITTERRAND BURY THE HATCHET

TOKYO -- A philosophical President Reagan yesterday agreed with French President Mitterrand to put behind them France's refusal last month to grant overflight rights to U.S. fighter jets bound for Libya.

"Let this be the first day of the rest of our lives," Reagan told the French leader in a 45-minute meeting here.

"In every happy marriage there are disagreements, but the marriage continues," Reagan said, according to a senior Administration official.

(Mary Belcher, Washington Times, A7)

INTERNATIONAL NEWS

SENATE DEFEATS SAUDI ARMS SALE, HOUSE VOTES TODAY

President Reagan's proposed \$354 million sale of advanced missiles to Saudi Arabia faces a second test in Congress today with the House widely expected to follow yesterday's Senate lead and vote against the deal.

The Senate's resounding 73-22 defeat of the proposed sale came last night despite a last-ditch appeal from the White House, which called Saudi Arabia a "firm friend of the United States."

"Our own interests require us to help Saudi Arabia meet its legitimate security needs in the face of growing regional threats," Larry Speakes said yesterday in a statement issued from the economic summit in Tokyo.

(Sue Baker, Reuter)

BAKER TO TACKLE THORNY ECONOMIC PROBLEMS ON CHINA VISIT

PEKING -- Secretary Baker is due in Peking today to tackle thorny problems holding up American investment in China and to win more business for the United States in the face of fierce competition.

The U.S., China's third biggest trading partner and second biggest investor, faces fierce competition from Japan, Western Europe and the Soviet Union and the U.S. companies are wary of investing without an investment treaty.

(Mark O'Neill, Reuter)

SHULTZ HOPES TO EASE KOREAN REFORM

SEOUL, South Korea -- Secretary Shultz arrives here today hoping to steer both the government of President Chun Doo-hwan and his opponents toward a mutually acceptable compromise in their struggle over the pace of transforming South Korea into a full democracy.

U.S. officials, who asked not to be identified, said Shultz would urge both sides to exercise moderation and compromise.

(Mike Breen, Washington Times, A6)

WHNS -- Wednesday, May 7, 1986 -- A-7

LIBYA SAYS TOKYO SUMMIT STATEMENT ON TERRORISM IS HYPOCRITICAL

LONDON -- The Libyan Foreign Ministry said late Tuesday that the Tokyo summit's anti-terrorism declaration was hypocritical and failed to touch on American-inspired aggression against Libya.

A statement broadcast by Libyan state television said it was annoyed that the plan specifically mentioned Libya as a "state which is clearly involved in sponsoring or supporting international terrorism."

(AP)

U.S.-CHINA MILITARY EXERCISES DISCUSSED

The leaders of the armed forces of China and the U.S. yesterday discussed the possibility of joint military exercises, Pentagon officials said.

Gen. Yang Dezhi and Joint Chiefs of Staff Chairman Adm. William Crowe also discussed the sale of jet fighter electronics and Navy torpedoes to Peking and the possibility of U.S. warship visits to that country, the officials said.

(Reuters story, Washington Times, A3)

LIBYA SAYS BODY MAY BE U.S. FLIER'S

LONDON -- Libyan Television broadcast last night pictures of a body of a man it said washed ashore near Tripoli and suggested the corpse was that of a U.S. flier shot down during the April 15 air attack on Libya.

The BBC, which monitored the Libyan broadcast, said the man wore what appeared to be a military uniform and the announcer said that the body could be that of a man "whose helmet you have already seen."

(UPI story, Washington Times, A7)

WHNS -- Wednesday, May 7, 1986 -- A-8

NATIONAL NEWS

SENATE COMMITTEE APPROVES SWEEPING INCOME TAX REVISIONS

The Senate Finance Committee today approved the most sweeping reform of the nation's income tax system in more than 30 years.

Meeting in the early morning hours the Republican-dominated committee approved the bill, which could affect the finances of all Americans and businesses here and abroad, on a unanimous vote of 20 to 0.

(Reuter)

BUSH CANCELS SPEECH TO PRO-LIFE CONFERENCE

Vice President Bush has angered leaders of the right-to-life movement by canceling a longstanding agreement to address the convention of the National Right to Life Committee, the largest right-to-life organization in America.

Some interpret the cancellation as a snub of the right-to-life constituency, with the Vice President putting distance between himself and the New Right.

"His office has notified us he can't make that specific date because he has been asked by Mr. Reagan to go to Canada on some acid rain thing," Dr. John Willke, president of the committee said yesterday.

(Ralph Hallow, Washington Times, A1)

JUDGESHIP NOMINEE DENIES HE IS RACIST

President Reagan's nominee to federal judgeship in Alabama told Senate Judiciary Committee members yesterday he is "not the Jeff Sessions my detractors have tried to create."

"I am not a racist. I am not insensitive to blacks," Sessions said at an unprecedented fourth confirmation hearing. "I have done my job with integrity, equality and fairness for all."

(John McCaslin, Washington Times, A3)

NETWORK NEWS SUMMARY FOR TUESDAY EVENING, May 6

TOKYO SUMMIT

CBS's DAN RATHER: Leaders of the Western alliance meeting in Tokyo have sipped their final champagne toast and some have already left for home. This whole thing was billed as an economic summit, but Bill Plante tells us President Reagan is eager to accentuate the positive on another count.

CBS's BILL PLANTE: (TV Coverage begins with shot of Tokyo traffic; Shot of the President walking with Donald Regan.)

Even as Tokyo commuters were harassed this morning by more than a dozen cherry-bombs planted by Japanese radicals, Mr. Reagan was dismissing a reported threat by Abu Abbas to attack the U.S.

(President: "Let him try." Reporter: "You're not scared?" President: "No.")

And though the statement on terrorism lacks teeth on economic sanctions, Prime Minister Thatcher threatened further reprisals against Libya by Western nations.

(TV Coverage: Various shots of leaders.)

(Mrs. Thatcher: "I believe that there could be further action which they could take, which would be a further deterrent. And of course they now know that the United States is prepared to use force.")

On the economic front, the leaders agreed to try to stabilize currency exchange rates through a system of checks and balances.

(Secretary Baker: "It's sure a lot more than we had before we came to the summit.")

Even considering what the White House didn't get from its allies at this summit -- economic sanctions against Libya or any immediate relief for its trade problems -- the Administration might as well enjoy its success on this trip, because when the President gets home tomorrow, he faces some bruising battles in Congress -- the budget and contra aid among them.

(CBS-6)

NBC's TOM BROKAW: President Reagan today declared the just completed seven nation summit meeting in Tokyo extremely successful, even though he lost some battles on the stated theme of this economic meeting. But the President claimed victory on the issue of terrorism. And he was expected to discuss all of this at a Tokyo news conference tonight at 9 Eastern time.

NBC'S CHRIS WALLACE: The economic summit ended with a banquet at the Imperial Palace, hosted by the eighty-five year-old Hirohito, Emperor of Japan for almost 60 years.

(TV Coverage: President Reagan with Emperor.)

For Ronald Reagan it was a chance to celebrate what U.S. officials consider a successful trip. This was the day the economic summit finally got down to economics. The leaders approved an American plan to coordinate their economies, stabilizing world currencies. But the President made little progress on the U.S. trade deficit, with friends blocking negotiations to cut trade barriers. Prime Minister Thatcher was left to appeal to the Japanese to buy British whiskey.

(Prime Minister Thatcher: "It is an extremely good product. There isn't another in the world like it. Many people want it. I trust I make myself clear on whiskey in the Japanese market.")

-more-

WALLACE continues: Treasury Secretary Baker said the new economic coordination should help with the trade deficit. But he wasn't sure the people back home would be impressed.

(Baker: "I don't know if it's enough to satisfy the Congress or whether it's enough to blunt the protectionist mood that's up there, but it's sure a lot more than we had before we came to the summit.")

But yesterday's terrorism statement continued to dominate the summit. U.S. officials were delighted to have committed the allies even to limited measures. Delighted even though Prime Minister Nakasone now says Japan will decide whether to join in the measures. The President scoffed at threats when the man behind the Achille Lauro hijacking, Abu Abbas, made last night in an NBC interview.

(Reporter: "Mr. President, Abu Abbas says that you are enemy number one...." President: "Let him try." Reporter: "You're not scared?"

President: "No.")

U.S. officials also enjoyed telling how French President Mitterrand made amends for refusing to let U.S. planes, bound for Libya, cross his country. They quoted him as saying that it has been a difficult situation but France has stood with the U.S. for 200 years. Mr. Reagan's answer, they said, was, "There are disagreements in every happy marriage.")

When Mr. Reagan started coming to these summits, some other leaders dismissed him as a right-winged, slightly foolish figure. But now, even when he doesn't get his way, it is Mr. Reagan who dominates the action.

(NBC-2)

ABC's PETER JENNINGS: The Tokyo summit is over. The leaders of the seven major industrial nations really do appear to be happy. Prime Minister Thatcher said "mission accomplished." French President Mitterrand said it was the easiest summit since Britain, France, West Germany, Italy, Canada, United States and Japan began meeting eleven years ago.

ABC's SAM DONALDSON: Summit leaders ended up their meeting today in an atmosphere of friendliness and good cheer -- issuing a final economic communique that U.S. officials rushed forth to praise.

(TV coverage: President Reagan and Prime Minister Thatcher.)

(Treasury Secretary James Baker: "Overall, it's our view that this was a very successful economic summit.")

The centerpiece of the summit success, as Prime Minister Nakasone delivered on behalf of the others, is a new agreement aimed at smoothing out the swings of among monetary exchange rates -- a mechanism for producing a sort of modified float of currencies, using economic indicators as a guide for their adjustment. Another summit agreement calls for a September meeting to discuss setting a date for a new gap trade negotiation round. All of this may be progress, but is it enough?

(Baker: "I don't know whether it is enough to satisfy the Congress or whether it's enough to blow up the protectionist mood that is up there, but it's sure a lot more than what we had before we came to the summit.")

On the political front, President Reagan presided at a min-summit of his own today -- meeting with President Mitterrand and Prime Minister Chirac.

(TV coverage: President Reagan, Mitterrand and Chirac.)

Political opponents who now share the leadership of France. Mitterrand brought up his refusal to allow U.S. F-111s to overfly France on their way to Libya. He tried to smooth it over by saying that France stands with the U.S. on the overall fight against terrorism. Mr. Reagan replied that every happy marriage has disagreements, but the marriage continues.

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DONALDSON continues: The summit ended tonight with a glittery formal dinner at the Imperial Palace. Emperor Hirohito took his place at the table, center with Nancy Reagan at his side.

(TV coverage: The summit leaders at the dinner.)

U.S. officials always label these summits as a success, but this one does indeed seem to have gone very well. President Reagan got a political statement against terrorism strong enough to make an impact and his economic game plan appears to be on track. We should be exuding that same friendliness and good cheer when he holds a news conference here before leaving for home tonight. (ABC-LEAD)

JENNINGS reports Japanese radicals set off 17 incinerator devices at downtown subway and train stations -- no one was hurt. (ABC-6)

TAX REFORM

CBS's DAN RATHER: The Senate Finance Committee came through with a shocker tonight. The committee voted to scrap most of the tax benefits people get from IRAs. It's part of the most radical federal tax overhaul plan in 30 years.

CBS's PHIL JONES: (TV Coverage of radio announcer: "Call this number now. The Senate Finance Committee is going to vote to abolish your IRA tonight!")

From radio talk shows to the halls of Congress today, Americans were in an outright frenzy over a proposed, revolutionary change in the tax laws. Those high-priced lobbyists swarming the corridors were in real pain. The fuss is over a plan that would mean most Americans would have a top tax rate of 15%. A family of four with taxable income of about \$40,000 would pay at only a 27% tax rate, instead of the current rate that reaches 50%. Fourteen tax brackets would be reduced to two. Individuals would keep goodies like deductions for home mortgage interest, state and local property and income taxes, and charitable contributions. But individuals would lose deductions for state and local sales taxes and would lose most of the tax benefits from IRAs. Corporate rates would drop from 46 to 33%, but would lose other current loopholes. There would be a minimum tax and many tax shelters for corporations and individuals would be eliminated. So far, the hardship pleas are failing. Take the battle today to keep 100% deduction for business entertainment.

(Sen. Long: "Entertainment is the selling business, the same thing that fertilizer is to the farming business. It increases the yield.")

(Sen. Chafee: "Whether you call it a three-martini lunch, or getting the best seats at the hockey game or wherever it is, this isn't a fella from the assembly line that's getting this advantage.")

Administration officials monitoring from Tokyo today liked what they were hearing.

(Donald Regan: "And with certain modifications, I think the President could back it.")

Even if these sweeping changes are approved by the Finance Committee, they still face an uphill battle in the Senate and House. However, it is now clear that politicians in both parties don't want to be blamed for killing tax reform. (ABC-4, CBS-LEAD)

NBC's John Dancy reports the amendment to end deductibility of the three-martini lunch was defeated, but businessmen can still deduct 80% of a business lunch. (NBC-6)

SOVIET NUCLEAR ACCIDENT

RATHER reports that, at a rare news conference in Moscow, a rare admission from Soviet officials: they said they simply failed to see how serious the Chernobyl blowout was, and thus waited a day and a half before beginning mass evacuations from the danger zone.

In the U.S. the first measurable radiation increase in the rain was detected in the Pacific Northwest. U.S. officials insisted there is no danger, but Public Health Service Director Ian McDonald, when asked if he would drink that water, replied, "It would depend on how thirsty you are. I would drink it; I would prefer not to drink it."

CBS's WYATT ANDREWS reports from Moscow on the press conference, where the Soviets allowed spontaneous questions only from communist or East bloc reporters. The Soviets said the health risks were confined to the persons directly in the path of the first radiation burst. The Soviets complained that Western news agencies have exploited the story of the accident to damage the Soviet Union's credibility in arms control initiatives.

CBS's RICHARD WAGNER reports that despite reassuring words from the scientists, many people in the U.S. are taking home remedy precautions, like iodine, against the possibility of radiation poisoning. Scientists are continuing their sampling because more radiation is expected over the U.S. in the next few days. (CBS-3)

BROKAW reports the Soviets admitted the accident had occurred early Saturday morning, April 26. That's two full days before Swedish officials began detecting high levels of radiation.

NBC's STEVE HURST: Top officials from the Soviet nuclear program and the commission investigating the Chernobyl disaster, were finally sent to explain what happened. Boris Cherbena, the chief of the government inquiry blamed local officials for down-playing the seriousness of the accident.... A Soviet television report tonight indicated all was safe in the region and that the fires were out.... The Soviet explanation today left many questions unanswered. Most of all, why did the Soviets delay telling their neighbors a dangerous cloud of radiation was floating out of the country?

BROKAW: The Soviets also said today that they passed word of this accident to the U.N.'s International Atomic Energy Agency immediately, but that agency says it didn't get the word until last Sunday night, and it made no public statement about the accident or the danger of fallout until after the Soviets had publicly acknowledged the accident on Monday. The United States government said today that the first traces of radiation from the Chernobyl accident have now been detected on the ground in the Pacific Northwest. The radiation showed up in samples of rain water collected last night in Richmond, Washington and Portland, Oregon. An air mass carrying patches of radiation from Chernobyl has been tracked 30,000 feet up along the Canadian border eastward to Michigan. Another air mass bringing radiation 18-20,000 ft. up is moving more slowly from Northern California around to Wyoming. The Federal Task Force says still more radiation is heading toward the United States and people in Oregon have been warned not to drink rain water.... (NBC-Lead)

JENNINGS: The Soviet Union said today they did underestimate the problem at the Chernobyl reactor. Soviet officials finally briefing Western correspondents...said it 36 hours before people were evacuated from some of the dangerous areas nearby....

ABC's WALTER RODGERS reports from Moscow the Soviets called a news conference to explain what went wrong and chairman of the investigating commission appeared to blame the Kremlin's public relations disaster, as well as the nuclear accident on local officials in the Ukraine. The Soviets acknowledged that the Chernobyl accident occurred at 1:23 A.M., Saturday, April 26. The Soviets still say that only two people died, 204 other people are suffering from radiation poisoning and 18 of those are in very serious condition. They also acknowledge there will be statistical increases in cancer and leukemia. Soviet officials said today they will forge ahead with even greater reliance on nuclear power plants now despite the Chernobyl disaster -- that was decided by Gorbachev at the 27th Party Congress.

JENNINGS reports nuclear experts from both the East and West met today in Copenhagen. They did agree there may have been an over reaction in the West to the accident at Chernobyl. The ministers of the World Health Organization said that while there may be some spot increases in radiation, they do not envision any unusual long-term health effects.

JENNINGS reports that some of the radiation from Chernobyl began showing up on the West coast of this country -- it isn't much.

(ABC-3)

U.S. NUCLEAR INDUSTRY

CBS's RAY BRADY reports that while the American investment in nuclear power is enormous -- \$180 billion, more money than has gone into the entire space program -- nuclear power has become an investment with a diminishing return. Plants built in the 1970s today generate electricity at a cost ranging from 2 to 8¢ a kilowatt hour. After Three Mile Island, costs went up to 15¢. And for plants not yet finished, electricity will cost up to 25¢. What's more, coal is leaving nuclear energy in the dust. New, cleaner coal plants generate power at about half the cost of new nuclear plants. And the nation has a 500-year supply of coal. (CBS-4)

GUN CONTROL

RATHER reports the Senate gave final congressional approval to a much-lobbied gun bill that eases many restrictions of the federal gun control laws. It does keep the ban on interstate sales of handguns, but handguns only. The Senate passed the bill by voice vote. (CBS-2)

OIL

CBS's HARRY SMITH reports crude oil futures are trading at their highest level in 10 weeks, and while the price is half of what it was a year ago, the days of bargain-basement oil and gas may be numbered. With low reserves and high demand, the wholesale price of gasoline has increased 11% in the last three weeks, and that's good news in oil country.

(CBS-5)

TERRORISM

ABC's JOHN MCWETHY: At the summit, the President was asked about threats by Abu Abbas -- threats to attack the U.S. and Ronald Reagan.

(President Reagan: "Let him try." Reporter: "You're not scared? President: "No.")

The threats were part of a NBC News interview with Abu Abbas.... Today, Robert Oakley called the interview "reprehensible" and accused NBC of being accomplices because the network agreed not to disclose where the interview was conducted.

(Charles Redman, State Department spokesman: "This type of interview is what gives terrorists the platform that they seek and such publicity may in fact encourage the terrorist activities.")

(Lawrence Grossman, President of NBC News: "This is a time when terrorism and terrorist are major news throughout the world and are of great concern to people everywhere. An informed public, both in a democracy and elsewhere throughout the world is much better than an ignorant one.")

(Vice President Bush: "As you know, we have Syria on our list that sponsors terrorism. We are convinced that their fingerprints have been on international terrorist acts.")

...It was Libya that Vice President Bush singled out today, saying the U.S. reserves the right to retaliate again if Khadafy does not change his ways....

JENNINGS reports Libyan television tonight showed pictures of the body of a man wearing what it appeared to be a uniform. The announcer stopped short of identifying the man, but suggested it was the body of an American airman who died in the U.S. attack on Libya last month.

(ABC-7)

LIBYA

RATHER reports Libyan television showed pictures of a man's corpse it said washed ashore near Tripoli and appeared to be wearing some kind of military uniform. The Libyan announcer said it could be the body of one of the two U.S. airmen on the warplane lost during air raids on Libya.

(CBS-7)

ABBAS

BROKAW: That NBC interview last evening with Mohammed Abu Abbas, the Palestinian terrorist, was criticized today by the U.S. State Department. The head of the counter-terrorism section, Robert Oakley called the interview "reprehensible" and a department spokesperson said the interview gives terrorists a platform they seek. NBC President Lawrence K. Grossman said "It is vital to provide full information to the American people about terrorism and the dangers of the world in which we live."

(NBC-3)

DICOTHEQUE BOMBING

BROKAW: Police in West Berlin said today that two Arabs have been arrested in connection with last month's discotheque bombing that killed an American soldier.... They are also suspected of the March 29th bombing of a German-Arab club in West Berlin. Police said there were several similarities in those bombings.

(NBC-4)

CHINA/DEFENSE

RATHER reports there were top-level Pentagon talks between the visiting Chinese chief of staff and Adm. Crowe. Discussed were possible weapons sales to Peking, training, and the possibility of joint U.S.-Chinese military exercises. (CBS-8)

NATIONAL GUARD

RATHER reports President Reagan's growing involvement of U.S. military forces in Central America is now sparking a potentially serious national defense dispute between the federal and state governments.

CBS's BOB SCHIEFFER reports the governors of Maine, New York, Washington, Massachusetts and Kansas all oppose Administration policy in Central America and are against training their National Guardsmen in Honduras. At least a half-dozen other governors are waivering, a trend that has the Pentagon up in arms. It's not just the governors' opposition to training in Honduras that really worries the Pentagon brass, it's the fact the Constitution gives the governors the authority, in effect, to veto guard training for any war they don't like. (CBS-9)

VIETNAMESE REFUGEES

CBS's BOB SIMON reports from a tiny Malaysian island on a Vietnamese refugee camp. It is 11 years later, and they are still coming -- 650 a month. It's getting harder to get here and harder to leave. Fewer and fewer refugees will ever see the Statue of Liberty; the U.S. is becoming more demanding, more selective about the Vietnamese it lets in. More and more people on this island are dreaming of Australia and Canada. (CBS-12)

NASA/FLETCHER

BROKAW: The Senate looked at the future of NASA today by turning to a name from its past. It voted 89-9 to confirm James Fletcher as the new head of the space agency, a job he also held in the 1970's when the now-crippled Shuttle program was being developed. Fletcher is not without his critics. Democratic Senator Thomas Eagleton of Missouri called him a friendly old insider who contributed to NASA's current problems. (NBC-5)

JENNINGS reports the Senate has confirmed James Fletcher as NASA's new administrator. He faces a challenge on two fronts. He must restore the public confidence in the space program and faces economic competition from the European alternative to the space shuttle -- the Ariane rocket. (ABC-5)

DOLLAR

ABC's DAN CORDTZ reports from New York the American consumer love affair with Japanese products hasn't cooled a bit because of the higher prices cause by the dollar's fall. Today, the dollar plunged to a worth of 165 yen -- a post war low. (ABC-2)

NETWORK COMMENTARY FOLLOWING PRESIDENT'S
NEWS CONFERENCE

ABC's PETER JENNINGS: So that's it and now the President is coming home. He is saying good night to Jim Baker and to George Shultz, who will go to South Korea. Later this evening on Nightline, Ted Koppel will focus on radiation contamination and whether there is any real threat as a result of the accident in Chernobyl. We will have a complete analysis of the President's trip during World News Tonight tomorrow.

CBS's DAN RATHER: President Reagan, live from Tokyo, before he heads back to the United States. What that last throw to the President, in the form of a question which he declined to answer, was about the development tonight that the United States Senate rejected the sale of some \$354 million in missiles to Saudi Arabia. This ignored a warning that it was "taking a headlong plunge" into the possibility of a presidential veto, which was issued by some Republican senators. So one of the reporters tried to ask the President about that as the news conference broke up. And as you saw, President Reagan declined to answer that particular question.

Now, standing by in Tokyo is our veteran White House correspondent, BILL PLANTE....First of all, the President and the Administration are saying this was a very successful summit meeting. Two questions. Did they get anything other than a broad generality that the allies can weasel out of anytime on terrorism? And did they get what they really wanted in terms of trade barrier talk, particularly from the Japanese?

PLANTE: Answer to your first question, they did not get anything beyond what the allies could weasel out of. And that, I think, was evident here tonight when Mr. Reagan kept eluding to what could happen now that there was an understanding, making it quite plain in the process that there were no concrete understandings in economic sanctions or on the use of force. And I think, in answer to your second question, there is some progress that they can legitimately claim in the economic area. They'll be talking about lowering trade barriers -- which was something that even talking about talking about it was difficult -- but they did manage that. There is some indication that they may make some progress on currency, but it will be slow.

RATHER: Bill, any special significance attached to the fact that, when asked the direct question of the President about whether his talk in this -- and he warns about terrorism, that were directed at Libya, would also apply to Syria, that he paused a moment and then said yes?

PLANTE: I think that's very significant. All along, the United States has been reluctant to attack Syria because it's a client state of the Soviet Union closely allied with it. It's been clear all through the problems with Libya that the Soviet Union has not minded. They've stood back, they've watched and said little. But if the United States were to take on Syria the way it has taken on Libya, he would almost force the Soviets to become directly involved -- something which, as far as we can tell, neither side wants.

RATHER: President Reagan with a live news conference from Tokyo at the end of the economic summit....

NBC's TOM BROKAW: President Reagan talking with Secretary of State George Shultz on the right. There is Treasury Secretary James Baker, White House Chief of Staff Donald Regan. Secretary Shultz will be going off to South Korea for meetings there. The President refused to say whether he would like him to talk about the human rights question which is so prevalent in that society and Treasury Secretary James Baker will be going on to China to the People's Republic of China for meetings with the Chinese officials on the economic conditions in that country.

-end of Network Commentary-