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# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MAY 8, 1986 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

Reagan Reports To Cabinet On Asian Trip -- President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

(Washington Post, Washington Times, Reuter, AP, UPI)

Shultz Meets S. Korean President, Heads To Philippines -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

(Washington Post, UPI)

### NATIONAL NEWS

Swift Senate Action Vowed On Taxes -- Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

(Washington Post)

### NETWORK NEWS (Wednesday Evening)

**TAX REFORM** -- The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today.

**SAUDI ARMS SALE** -- For the first time ever, the Congress has rejected a weapons sale.

**TERRORISM/SYRIA** -- Two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week.

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## **INTERNATIONAL NEWS**

### **PRESIDENT EXPRESSES ELATION ON RETURN FROM SUMMIT**

President Reagan returned in high spirits yesterday from the longest overseas journey of his presidency, declaring that the seven-nation economic summit in Tokyo had produced "a unified course for a number of vital issues."

He told a welcoming crowd on the South Lawn of the White House he was "more than pleased" by commitments to combat terrorism made the leaders of Britain, France, Japan, West Germany, Italy and Canada.

(Joanne Omang, Washington Post, A33)

### **"No More Talk," Reagan Says Of West's Resolve**

President Reagan returned to the White House from Tokyo yesterday declaring that the western democracies have agreed to move beyond words and rhetoric against terrorists and governments that support them.

President Reagan said he was more than pleased by the commitments made in Tokyo by the summit leaders, and that the terrorists have been put on notice.

(Jeremiah O'Leary, Washington Times, A1)

### **Reagan Reports To Cabinet On Asian Trip**

President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

Reagan was to report to the cabinet today and then will head with wife, Nancy, for a long weekend at Camp David to rest up from the rigors of the longest trip the 75-year-old President has taken in his administration.

(Helen Thomas, UPI)

### **Reagan More Confident Terrorism Can Be Wiped Out**

President Reagan returned from the Tokyo summit more confident than ever that terrorism will be wiped from the face of the earth. "Terrorists and those who support them, especially governments, have been put on notice. It is going to be tougher from now on," he told cheering well-wishers yesterday when he returned to the White House from his 12-day, 22,000 mile Asian trip.

"The decent people of the world -- as is clear from our statement in Tokyo -- are not just standing together in this war on terrorism, we are committed to winning the war and wiping this scourge from the face of the earth," he declared.

(Gene Gibbons, Reuter)

### **Reagan Far East Trip A "Triumph," That Left Some Bruises**

President Reagan proclaimed his 13-day trip to the Far East a "triumph" but he had a bumpy ride that left some bruised feelings which may take time to heal.

At the Tokyo economic summit, the most productive agenda items were U.S. initiatives. And although it is too soon to judge their long-range effects, the summit leaders at least made a start toward closer cooperation in fighting terrorism and better coordination of trade and monetary policy.

(Michael Putzel, News Analysis, AP)

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### NAKASONE SEEN WEAKENED BY SUMMIT

TOKYO -- Many Japanese are viewing the economic summit just concluded here as a failure for their country, posing some serious questions for the political future of the man who spoke for them, Prime Minister Nakasone.

(John Burgess, Washington Post, A27)

### U.S. DRAFTS NEW LIBYA SANCTIONS

The Reagan Administration has drafted a list of additional economic and financial sanctions for use by the U.S. and its European allies in an effort to further isolate and undermine Col. Qaddafi, officials said yesterday.

These proposals, coupled with U.S. success this week in getting a public denunciation of Libyan-supported terrorism from six allies in Tokyo, mean that Washington's campaign against Qaddafi is shaping up as the broadest diplomatic campaign to isolate a Third World nation since the 1960 U.S. embargo against Cuba, Administration officials said.

(David Ottaway, Washington Post, A1)

### SHULTZ ARRIVES IN SEOUL, PRAISES S. KOREAN GOVERNMENT

SEOUL -- Secretary Shultz praised the South Korean government today for "moving pretty fast" toward a stable democracy despite violent student demonstrations and 25 years of authoritarian rule.

"I'm impressed," said Shultz in remarks that placed the U.S. Administration squarely behind President Chun Doo Hwan's government and gave short shrift to opposition party demands for direct presidential elections and an end to press control and secret police repression.

(Don Oberdorfer, Washington Post, A35)

### Shultz, In Seoul, Says U.S. Backs Korea's Efforts

SEOUL, South Korea -- Secretary Shultz, arriving here for a 24-hour visit, said today that the Reagan Administration strongly supported the South Korean Government's efforts to make changes and assailed those in the opposition who "incite violence."

At the same time, the Secretary, who is to meet Thursday with a cross-section of Koreans, declined to meet with Kim Dae Jung and Kim Young Sam, two of South Korea's most prominent political figures.

Shultz seemed to go out of his way not to indicate any lessening of Washington's backing for President Chung Doo Hwan.

(Bernard Gwertzman, New York Times, A1)

### Shultz Meets S. Korean President, Heads To Philippines

SEOUL, South Korea -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

Shultz was flying on to Manila to meet with President Aquino, declaring there is no parallel between South Korea's authoritarian government and the Philippines under exiled leader Ferdinand Marcos.

(Ira Allen, UPI)

## BRITAIN, GERMANY PROBE POSSIBLE SYRIAN ROLE IN TERRORIST ACTIVITIES

LONDON -- Authorities here and in West Germany are investigating whether Syrian diplomats were involved in the unsuccessful April 17 attempt to place a bomb aboard an Israeli airliner at London's Heathrow Airport and in the March 29 bombing of the German-Arab Friendship Society in West Berlin.

The new reports of possible Syrian involvement in such activities raised anew the question of whether the West would be prepared to take similar military or other action against Damascus.

(Karen DeYoung, Washington Post, A1)

## HOUSE BARS ARMS SALE TO SAUDIS

The House joined the Senate yesterday in rejecting a proposed \$354 million arms sale to Saudi Arabia by a decisively larger margin than the two-thirds vote necessary to override a veto of the disapproval resolution by President Reagan.

In a statement, Larry Speakes said, "It is the President's intention to veto this resolution and to work actively with members of both houses of Congress to sustain that veto." (Edward Walsh, Washington Post, A1)

### Reagan: "Will Not Allow" Saudi Arms Sale Rejection To Happen

Congress handed President Reagan a crushing defeat in rejecting his proposed \$354 million missile sale to Saudi Arabia, but Reagan has vowed to prolong the battle by vetoing the resolution.

Larry Speakes said Reagan will veto the resolution and "work actively with members of both houses of Congress to sustain that veto." "By this action," Speakes said, "the Congress has endangered our longstanding security ties to Saudi Arabia, called into question the validity of U.S. commitments to its friends and undermined U.S. interests and policy throughout the Middle East.... The President will not allow this to happen." (Michael Myers, UPI)

### Congress In Unprecedented Vote Rejects Saudi Arms Sale

Congress has overwhelmingly rejected President Reagan's controversial \$354 million arms sale to Saudi Arabia in the first round of a bruising battle that the White House is likely to win in the end.

While opponents of the sale were predicting they would be able to maintain the two-thirds vote needed to override a veto, U.S. officials were confident the sale would proceed and congressional aides said it was unlikely the Republican-led Senate would continue to oppose the President.

(Sue Baker, Reuter)

## U.S. LOOKS FOR SOVIET MOVEMENT AT ARMS TALKS IN GENEVA

The Soviet Union "will have to make some moves" to change its positions before progress is possible at the fifth round of the Geneva arms talks beginning today, a senior Administration official said yesterday.

At the same time, however, a Soviet diplomat here said he sees little chance of progress in the talks "as long as the Reagan Administration holds to its present positions." (Walter Pincus, Washington Post, A4)

### U.S., Soviets Re-Open Geneva Arms Talks

GENEVA -- U.S. and Soviet negotiators gathered today for a new round of their stalemated disarmament talks, and President Reagan in Washington called on the Soviet Union to "get down to business."

The latest round of discussions about nuclear and space-based weapons got off to a bad start because of a harsh pre-meeting exchange between the U.S. and Soviet chief negotiators over Libyan terrorism.

Both sides seemed as far apart as ever despite an agreement made by President Reagan and Mikhail Gorbachev at the Geneva summit last November to accelerate the talks. (John Callcott, UPI)



## NATIONAL NEWS

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### SWIFT SENATE ACTION VOWED ON TAXES

Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

The unusual coalition that praised at least the general outline of the plan increased the chances that the measure, which would reduce rates in exchange for eliminating many popular tax breaks, will become law.

(Anne Swardson, Washington Post, A1)

### FISCAL PLAN TO INCLUDE TAX BOOSTS

House Democratic leaders gave the go-ahead yesterday for preparation of a fiscal 1987 budget that anticipates inclusion of tax increases proposed by the Republican-controlled Senate, although they reserved the right to drop the tax proposal if it fails to win bipartisan support.

Still leery of being attacked by President Reagan for advocating tax increases, Democratic leaders gave conditional assent to inclusion of the Senate's tax proposal to reduce next year's deficit below the \$144 billion required by the Gramm-Rudman-Hollings budget-control law.

(Helen Dewar, Washington Post, A18)

### REAGAN SUGAR DECISION BENEFITS DEAVER CLIENTS

In a decision that ultimately cost U.S. taxpayers \$36 million, President Reagan last year approved sugar import quotas that benefited Caribbean sugar-producing nations represented by lobbyist Michael Deaver, trade industry and congressional officials say.

U.S. officials involved in the quota issue said this week neither Deaver nor his firm approached them directly on behalf of the CBI Sugar Group, a consortium of foreign sugar growers. (Timothy Bannon, UPI)

### JUSTICE OFFICIALS REPORTED COOL TO IDEA OF PRESS PROSECUTIONS

Justice Department officials are cool to CIA Director Casey's proposal to prosecute news organizations for publishing stories about U.S. communications intercepts, but are not close to a decision, government sources said yesterday.

Both the CIA and Justice, meanwhile, maintained silence on a report yesterday in the Washington Post that the Reagan Administration is considering prosecuting The Post and four other publications under federal espionage laws.

(George Lardner, Washington Post, A1)

#### PENTAGON REFORM BILL SWEEPS THROUGH SENATE

The Senate last night unanimously approved the most sweeping revision of the nation's military since 1947, in an effort to give field commanders more authority and to quell interservice rivalries.

(George Wilson, Washington Post, A9)

#### SENATORS SAY DOE DAMAGES BIGGEST U.S. OIL RESERVE

The Energy Department is causing costly damage to its biggest petroleum reserve by overproducing at the California facility and selling the oil at cut rates in a glutted market, two senators said yesterday.

(AP story, Washington Post, A6)

#### BRASS HATS WAIT TO BE TAPPED

A changing of the guard is coming at the Pentagon, with President Reagan expected soon to name Gen. Larry Welch as Air Force chief of staff and either Vice Adm. Frank Kelso or Adm. Carlisle Trost as chief of naval operations.

(George Wilson, Washington Post, A23)



## NETWORK NEWS SUMMARY

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(Wednesday Evening, May 6)

### TAX REFORM

CBS's Dan Rather: The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today, 20-0. The word on Capitol Hill is this plan is likely to pass the full Senate pretty much intact.

CBS's Phil Jones: The Senate politicians were all smiles with the committee approval of the most sweeping tax reform in a generation. But the American taxpayers still aren't sure whether they should be smiling. It all sounds encouraging.

(Sen. Packwood: "The average American working person, middle-income person, is the biggest winner in this bill.")

But the tax lobbyists and special interest groups are on the warpath. Bankers and other individuals are upset over the scaling back of tax benefits for IRAs.

(Spokesman, Bankers' Committee for Tax Equity: "Without that tax deduction, people will not save to the extent they are currently, and in fact, people may pull out savings from their current IRAs.")

The government will reap \$50 billion by eliminating and tightening tax shelters. For example:

(Packwood: "Downtown high-rise commercial investments that were made not for economic purposes but for tax shelter purposes are out.")

This decision has real estate syndicators predicting financial disaster.

(Spokesman, Balcors Company: "Real estate syndication and all forms of passive investment will be obliterated or devastated.")

The battle to eliminate oil and gas shelters was a different story.

(Sen. Bradley: "About 80% of the tax shelters were closed in oil and gas, 100% were virtually closed in every other field, so they came out better than other tax shelters.")

But Sen. Long saw no problem with helping out the beleaguered oil industry.... For President Reagan, who returned home today from the Tokyo economic summit, this committee action was another victory on his agenda to push tax reform. Certainly, the high-priced lobbyists will attack now that this measure is headed to the Senate floor. But it appears it is too late to change much. With last night's 20-0 vote, it's obvious the tax reform train has already left the station.

CBS's Ray Brady reports experts say most Americans will come out ahead under the proposed tax reform. But the rich may get hit by the new rules on tax shelters, the elimination of the lower tax rate on stock profits, and the changes in IRAs, most of which are held by the well-to-do. A major beneficiary of all these changes would be the poor. Six million of them who currently are paying would pay no taxes at all.

(CBS-LEAD)

ABC's Peter Jennings: This is the question we think will be on everybody's mind in the country before long: Will I be paying more taxes or less if the dramatic new tax plan which passed the Senate Finance Committee unanimously in the middle of the night becomes law?

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ABC's Brit Hume: When it was all over, very early this morning, there was a sight rare on Capitol Hill: a bipartisan victory pose and a standing ovation.

(TV Coverage: Sen. Packwood, flanked by Sens. Dole and Long, with clasped hands and arms in the air. Applause.)

A committee noted for its hospitality to special interests had largely rebuffed them in voting a sweeping revision of the nation's tax code....The committee said the 15% rate would cover 80% of American taxpayers....Reaction all over Capitol Hill was positive, but the man behind the less sweeping House bill said the key player now is not up here.

(Rep. Rostenkowski: "There's no generator as powerful as that gentleman down at 1600 Pennsylvania Avenue, and if he gets enthusiastic about it again, I honestly see that we could have an accomplished fact by the end of this year.")

The President has said it's very likely he'll support the Senate bill. And one more thing: television coverage will have begun in the Senate chamber when this bill comes up, making members think twice about how they vote and whom they speak up for.

ABC's Dan Cordtz reports on the tax plan and IRAs. The Senate proposal would keep the IRA break for workers who are not covered by a pension plan. But for others, contributions to IRAs would be taxable and only the interest tax exempt. From the attention IRAs get, you might think everyone in the country would oppose this move to restrict them. Actually, only 1/5 of the families eligible for IRAs have even opened one. And many of them will probably be happy to give up their IRA deductions in exchange for the bill's top tax rate of 27%. Some businesses that invest heavily in plants and equipment may be unhappy with the loss of the investment tax credit, but the reaction so far has been mild.

On Wall Street, the Dow lost more than 12 points, but analysts said that reflected concern over interest rates and the tax bill had nothing to do with the decline. (ABC-LEAD)

NBC's Tom Brokaw: Tax reform may be an idea whose time finally has come in the United States. A sweeping tax reform bill has emerged from the Senate Finance Committee. The Senate Majority Leader predicts it will sail through the full Senate. President Reagan is giving it good notices. If it does pass, it will take effect next year. And it will bring widespread and fundamental change to one of the certainties of American family and business life.

NBC's John Dancy: This bill would radically change the way millions of Americans lead their lives and plan their futures because it would take away most of the tax breaks they have come to count on....Sen. Packwood is gambling that individuals are going to be so happy with the lower rates that they will overwhelm opposition from business groups which, of course, want to see their tax breaks continued.

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NBC's Mike Jensen: Most business executives we talked to today said they felt the tax cut for individuals was coming out of their hide....The idea of simplifying the system is good, but the Senate goes too far in raising business taxes, according to economist Lawrence Chimerine.

(Chimerine: "It will slow down the modernization process, it holds down long-term productivity growth. To me, that's of greatest concern.")

Although the businessmen don't like a lot of things about the Senate bill, the one thing they do like is that it raises their taxes less than the earlier House bill and less than the Administration's bill.

Brokaw discusses tax reform with Rep. Rostenkowski:

Brokaw: If this bill emerges from the Senate in about this form, will it be acceptable to the House of Representatives?

Rostenkowski: Well, it will certainly be a point from which we can start negotiating. I'm more optimistic this evening than I ever have been about the possibility of getting true tax reform to the people of the United States. I think what this will do is ignite the people into notifying their membership here in Washington that tax reform is a reality and they want their representatives to support it.

Brokaw: You have heard those business executives beginning to line up their objections. They've got a lot of money and a lot of sophisticated representation in Washington. Where will the greatest pressure come from, in your judgement?

Rostenkowski: Oh, you get the preference protectors here walking the halls and suggesting that business is going to be in a chaotic situation, but I honestly believe that if the people speak, if we do abandon all these shelters and preferences, that you'll see the economy grow. People will be spending more money because they'll have more money to spend. And that's the bottom line, to bring fairness into the code. I think it's absolutely wrong that you afford people the privilege of sheltering money so that they don't pay taxes. I think that Bob Packwood has done a commendable job. I think the House bill is worthy of consideration as well. What I'm hoping is that if they do pass it out of the Senate, that we start getting Ronald Reagan, the President, involved in it.

Brokaw: In what way, sir?

Rostenkowski: Well, I'd like, certainly, to think that the President, who has named this his number one domestic issue, is going to, when he returns, get involved and help the pressure on members of the Senate to pass a bill. There's no question in my mind that it's going to be a very big problem on the Senate floor because there are some influences here in Washington that are very, very persuasive. I've said right from the beginning there is no way that either legislative body could pass anything without the active participation of the President. I'm not saying that he won't do it, either.

(NBC-LEAD)

## SAUDI ARMS SALES

Rather: For the first time ever, the Congress has rejected a weapons sale. The House late today overwhelmingly defeated President Reagan's proposed \$354 million missile sale to Saudi Arabia. But this deal is not yet completely dead. Congress will have to override President Reagan's promised veto of these disapproval resolutions.

(ABC-5, NBC-5, CBS-7)

## TERRORISM/SYRIA

Rather: Police in West Berlin said two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week. Syria denied any involvement.

(CBS-4)

ABC's John McWethy reports that in Washington, Israeli Defense Minister Rabin charged that the Syrian government was directly involved in planning and executing an attempt to blow up an Israeli airliner in London. The Reagan Administration has been extremely reluctant to point a finger at Syria, at least in part because Hafez el Assad has condemned terrorism in public and has said he is working to help the U.S. free its five hostages from Lebanon. Today, President Reagan returned to the White House from the Tokyo economic summit with more threats of action.

(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")

The Reagan Administration has gone after Libya in the past because Khadafy has bragged about his operations and left clear tracks. Syria has done neither, making it far more difficult to build a public case against Syria, and even tougher to take action.

(ABC-3)

NBC's Anne Garrels reports charges of a Syrian connection in recent terrorist attacks in Europe were made by Great Britain, West Germany and Israel. British authorities now believe the Syrian government sponsored last month's attempted bombing at an El Al jet at Heathrow Airport. Defense Minister Rabin threatened retaliation. Syria is also said to have organized the bombing of a German-Arab club in West Berlin last March. U.S. officials have focused on Libyan-backed terrorism because they say it's directed mostly at Americans and is widespread. Officials readily admit Syria provides offices and training for terrorists. It's on the Administration's terrorist list and is barred from receiving certain military equipment. But Administration officials say Syrian government-backed terrorism has traditionally been limited to Israel and the occupied territories. With new evidence suggesting a change in the Syrian pattern, President Reagan issued a warning today on his return from the economic summit.

(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")

If the Syrian government is linked to the El Al bomb attempt and the German bombing, officials say the U.S. will take action -- but not military action. Said one senior official: There are economic and diplomatic steps to be taken first.

(NBC-3)

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## BEIRUT KIDNAPPINGS

Rather reports two more kidnappings in Moslem West Beirut. Gunmen seized an 85-year-old Frenchman and a Lebanese professor at the American University. (CBS-5)

## EUROPHOBIA

CBS's Anthony Mason reports that the threat of terrorism continues to keep Americans away from Europe, and especially away from their own airlines.

CBS's Mark Phillips says that, despite their public images, caution has become the name of the game for some well-known Americans lately -- Sylvester Stallone has somehow found his schedule too busy to attend the Cannes Film Festival this week and there are other big-name stayaways from Cannes.

Last year, about 6 1/2 million Americans visited Europe. Ten died in Terrorist attacks. The chances of getting murdered in the U.S. are 52 times greater than that. (CBS-6)

## MEDIA/INTELLIGENCE

ABC's Barry Serafin reports on the Washington Post report that CIA Director Casey warned the newspaper the Administration is considering criminal prosecutions against the Post and four other publications for reporting information on U.S. intelligence gathering, particularly intercepted communications. Casey's complaints apparently centered mainly on reports of messages between Libya and its embassy in East Berlin around the time of the Berlin disco bombing. President Reagan himself furnished considerable detail about messages to justify the U.S. bombing of Libya. (President in speech of April 14: "On April 4th, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day they reported back to Tripoli on the great success of their mission.")

Casey this week insisted the information had been leaked before the President spoke. Some of those earlier reports, however, were based on public statements by U.S. officials such as Ambassador Burt. And a member of the Senate Intelligence Committee says the Administration is after the wrong people.

(Sen. Leahy: "I think if you decide to go out and prosecute members of the press that you're treating the symptom rather than the problem. I've always maintained what you do is find out the person leaking.")

A Post editor who met with Casey says the CIA Director is serious about prosecuting the press, but sources say Casey's enthusiasm is not shared by Attorney General Meese. Meese is said to view the idea as total nonsense. (ABC-4)

KHADAFY/CARTER

Brokaw: Jimmy Carter said when he was president, he made a study of how to combat Khadafy. And he found the public arena was not the best place. Carter described in an interview with WNBC-TV in New York how he and other allied leaders approached Khadafy in the battle against airline hijackings.

(Carter: "We sent Khadafy a message...in June of 1978 and we told Khadafy, 'If you ever again accept a hijacked airplane and don't return the plane to its owners and the terrorists to justice, never again will a Libyan plane land in our nations and never again will one of our planes land in your country.' This was sent without any publicity....He knew we meant business....And what we threatened would have devastated the economic situation.....") (NBC-4)

SRI LANKA BOMBING

Rather reports another terrorist bomb killed at least 11 people and demolished the Central Telegraph Office in Colombo. More than 100 were hurt. The government said it suspects Tamil guerrillas but another group claimed responsibility. (NBC-5, CBS-12)

KOREA

Jennings: Secretary Shultz flew from the Tokyo summit to South Korea.

On his arrival, Shultz praised the Korean government for what he called a purposeful effort to move toward more democracy. Tomorrow he meets with some opposition leaders, but he will not meet with the two most prominent dissidents -- Kim Dae Jung and Kim Jung Sam. Shultz is visiting at a time when opposition to President Chun is both more vocal and more confrontational.

ABC's Mark Litke reports that this year has seen the largest and most violent anti-government demonstrations since Chun grabbed power six years ago. For the first time, these demonstrations have taken on a strong anti-American tone as well. Opposition leaders like Kim Dae Jung have publicly rejected the anti-U.S. stance of the radicals but warned that it will spread if the Reagan Administration doesn't start promoting democracy here. Kim says the visit of Secretary Shultz would be a good time to start. Chun has pleased some U.S. officials by engaging in more dialogue with his opposition lately, but Chun's critics say his actions are purely cosmetic -- that this is still a police state. Indeed, Kim Dae Jung is still forbidden from engaging in any political activity. (ABC-9)

Brokaw: Secretary Shultz arrived in South Korea for a 24-hour visit, during which he will meet with a dozen political and professional leaders, including President Chun and opponents of the Chun government. But Shultz, saying he had only a limited amount of time, will not meet with the leading South Korean dissident, Kim Dae Jung. (NBC-6)

## GRENADA

NBC's Dennis Murphy reports the American military is back in Grenada; 700 U.S. troops and another 160 soldiers from Jamaica and smaller Caribbean islands are staging a mock invasion of Grenada.

Now in an old prison overlooking Grenada, Bernard Coard and 17 other leaders of the Marxist regime are on trial for their lives -- being tried under the revolutionary court system which they themselves set up, and which they now call unfair. Coard's brother, the head of Boston's Community Development Agency, says the trial is unconstitutional.

(Coard's brother: "We still have temporary courts trying these folks in a capital matter, where they could be hanged. It's totally outrageous.")

The Reagan Administration wants the exercises to be a reminder for the leftist politicians of the Caribbean. (NBC-10)

## CHERNOBYL

Rather: Fresh indications tonight the Soviets still are not telling the world or their own people the full story on the consequences of Chernobyl. Defense Department correspondent David Martin has been told that U.S. intelligence believes more than 1,000 Soviet people are affected by radiation sickness. However, they are said to be the Soviets' own internal estimates and do not include people who may be affected in years to come. The latest commercial satellite photo showing the reactor site -- experts in Sweden say it indicates that as of yesterday smoke or steam was still rising from the Chernobyl complex, indicating the accident there still may not be totally over. TASS admitted there is "a certain anxiety" among residents of Kiev. (CBS-9)

ABC's Bill Blakemore reports that shifting winds have raised the radiation levels in Kiev. (ABC-2)

Brokaw: Correspondent Robert Hager reports that intelligence sources in Washington say the Soviets appear to have encountered serious new problems in bringing that disaster under control. They say the fire at the damaged reactor still has not been controlled and still may be a threat to the reactor right next door. (NBC-2)

## GORE NUCLEAR PLANT

CBS's Harry Smith reports from Gore, Oklahoma. Many residents are still afraid after last January, when an accident at a fuel reprocessing plant left one man dead and dozens injured. On Thursday, plant officials will ask the NRC for permission to resume operations. While independent experts agree the worst radiation danger from an accident here would be the equivalent of a chest x-ray, the only truth these people know is their fear. (CBS-10)

## IRAN-IRAQ

Rather reports Iraqi warplanes attacked Tehran for the first time within almost a year and hit a suburban oil refinery. Iran says five were killed and damage was slight. (CBS-8)



#### AIDS

Rather says that as of Monday scientists reported 20,305 cases of AIDS in this country.

CBS's Bruce Morton reports on gamma globulin injections, which are helping children with AIDS live longer and healthier lives. (CBS-2)

#### CANCER

Rather reports that Americans are losing the war against cancer. That grim verdict emerged from a study in the "New England Journal of Medicine." The report said that in 1950, 170 of every 100,000 Americans died of cancer. In 1982, after billions of dollars spent on research, that number jumped to 185 of every 100,000 Americans dying of cancer -- an 8% increase. The American Cancer Society disputed the study's conclusion. (ABC-6, NBC-7, CBS-3)

#### FERRARO

Jennings reports that after a 21-month investigation of Geraldine Ferraro's campaign finances and her husband's business dealings, the Justice Department has found no basis for criminal charges. Another investigation will continue into any possible civil violations they may have committed under the Ethics in Government Act. (ABC-7)

#### GUN CONTROL

Jennings reports President Reagan is expected to sign pretty quickly a new bill easing up on gun control. (ABC-8)

#### FARM GRIEVANCES

ABC's Edie Magnus reports thousands of angry Missouri farmers and their supporters jammed a concert, the latest in a series of rallies to call attention to their economic woes. For 52 days now the farmers have barricaded the entrance to the Farmers Home Administration with their tractors and combines. They want the county's chief loan officer out because they feel he goes too much by the book when it comes to considering them for a loan. Whether all the shouts and stars will get the attention of the powers that be in Washington remains unclear.

(TV Coverage of singer John Cougar Mellencamp at concert.) (ABC-10)

#### ETHIOPIAN RELIEF OFFICIAL

Brokaw: The Marxist government of Ethiopia said it's official in charge of relief for famine victims has fled to the U.S. and it says that he took with him famine aid money totaling \$300,000. The State Department confirmed the man is in this country but it says there is no evidence that any American aid for famine victims was taken. (NBC-11)

## EDITORIALS/COLUMNISTS

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### FAR EAST TRIP

Action Against Terrorism -- "The seven leading powers of the West have sacrificed teeth for unanimity. As a result, the circle around Libya is somewhat tighter, and the disincentives to state-sponsored terrorism are measurably greater. Many Americans would have hoped for more than this, but unanimous action of any kind against Libya was more than some observers dared hope. The proof of effectiveness will not lie in what Libya says, but in what it and Syria and Iran do and refrain from doing in the way of sponsoring further terrorism." (Baltimore Sun, 5/6)

The Summit, So Far -- "So far, the summit has been a convenient forum for statements of like-minded principle. But that should not be the measure of its success. The summit is primarily an economic one, and it is in that arena that success should be judged.... If the United States manages to forge a unified agreement over exchange rates, interest rates and economic redirection, then it can let Shultz crow. Until then, we've had it, pal." (Cleveland Plain Dealer, 5/6)

United Front On Terrorism -- "With their joint condemnation of international terrorism, the heads of the leading industrial democracies finally have formed a united front against a menace that looms large to the civilized world.... Through their tough words and stern actions, the allies have begun to spell out for Col. Moammar Khadafy and others the price that is to be paid for sponsoring terrorist acts. Even mad dogs should have enough sense to take note." (Dallas Times Herald, 5/6)

Amplifying A Muted Message To Khadafy -- "Just what was George Shultz so euphoric about when he hailed the Tokyo summit's declaration on terrorism as a great victory for the Reagan administration? Close scrutiny of the declaration suggests that Shultz was straining to put the brightest possible face on a document that advances the cause of multilateral action against terrorism only modestly at best.... The problem is that neither the Tokyo declaration nor Shultz's upbeat remarks about it will do much to halt international terrorism. It will take far tougher statements -- and the stomach for tougher action -- to accomplish that." (Newsday, 5/6)

The Tokyo Seven's Surprise -- "This is a surprise. The Tokyo Seven actually have produced an ambitious and potentially revolutionary plan to manage the value of money in the richest nations on Earth.... In essence, they are going to keep an eye on each other's money and gang up on anybody who gets out of line.... This is no longer a huge planet where decisions made in the U.S. or Japan don't really matter much to France and Germany. We live on a shrinking globe that is utterly interlinked. And it is difficult to imagine why the value of money should be excluded from the relationship among allies." (Chicago Tribune, 5/7)

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Press Ban -- "Giving a thoroughly-undeserved bum's rush to several reporters covering President Reagan's trip does little to enhance the image Indonesian President Suharto would like to present to the world. Instead of dispelling clouds of doubt, such highhanded and harassing censorship merely calls attention to the state of human rights in his country.... A major Reagan theme during his trip through the Far East will be emphasis on "winds of freedom." The Indonesian government has made it clear it is not prepared to allow these bracing gusts to ventilate its domain with even a modicum of salutary vigor." (San Francisco Chronicle, 5/6)

A Yen For Stability -- "Broad agreement on the objective of stabilizing exchange rates among the leading currencies is in itself a worthwhile achievement. It represents a significant confirmation, particularly for the Reagan Administration, of a new trend toward more active management of economic details after five years during which Americans were told that the marketplace would protect all interests." (Boston Globe, 5/7)

The 'Terrorism Summit' -- "Frankly, the Tokyo 'economic' summit was again a more 'ceremonial' and 'political' summit than an economic gathering. Planners for next year's summit should begin to work now to reverse that order of priorities, given the increasing complexity and importance of the world economy." (Christian Science Monitor, 5/7)

A satisfactory Summit -- "President Reagan is right to feel positive about the summit. As these things go, he had a good one. The successes were more political than economic, in the degree of unity established on state-sponsored terrorism and nuclear safety.

France and the United States agreed to put their quarrel over the Libyan raid behind them.

Italy and Canada won acceptance as major economic powers.

Margaret Thatcher showed a dubious British electorate that supporting President Reagan advanced British interests.

The French convinced no one that the odd couple of Socialist President Francois Mitterrand and Gaulhist Prime Minister Jacques Chirac equate to one effective head of government.

West Germany avoided any outcome that would interfere with its own lethargic economic policies.

All in all, a satisfactory summit."

(Baltimore Sun, 5/7)

Insignificant Step Forward -- "The Tokyo declaration is not entirely pusillanimous, but our government is unconvincing when it rejoices as though it had obtained the decisive, forthright, pan-Western commitment it tried to extract. It did not. And whatever became of the George Shultz who, at the Jonathan Institute in June of 1984, identified the Soviet Union as an aider, abettor, and organizer of worldwide terrorism?"

(Washington Times, 5/6)

Summit Subtleties -- "The seven leaders were not yet ready to think of bold new ventures or new institutions. But it's possible to see signs of a developing consensus on the policy environment necessary for economic growth. There also seems to be a widening recognition of the necessity to think of that environment in international terms. If our assessment is correct, the pink clouds and peach blossoms at Emperor Hirohito's banquet are appropriate symbols."

(Wall Street Journal, 5/7)

## FOREIGN MEDIA REACTION

"What has changed...since the last summit, is the status quo. (Although) yesterday's (economic communique) reaffirmed the 1983 Williamsburg commitment to intervene in foreign exchange markets -- intervening temporarily to correct disorderly markets -- it doesn't mean that now....It now means intervening in a coordinated manner to change the value of currencies like the dollar, whose value has become systematically distorted. For that we have to thank Mr. James Baker...whose single-handed conversion of the U.S. Administration to an interventionist stance...has completely changed the parameters in which the annual economic summit operates." (Guardian, Britain)

"There's nothing in the text of the summit communique or even in the unattributable briefings from finance ministers and officials, to justify (Secretary) Baker's grandiloquent suggestions of a new era of monetary coordination." (Financial Times, Britain)

"There is henceforth a 'Free Market International,' a group that permits its members to better exploit the opportunities of the economic rebound. This is a primary gain provided by the Tokyo summit." (Figaro, France)

"A successful summit: all the experts at the Tokyo meeting qualified it as such, notably as regards the economic decisions taken....(But) developing countries, literally strangled by their debts, were given no relief. On this point the 1986 summit maintained tradition." (Le Matin, France)

"Behind the heavy walls of police security, the Big Seven have made reasonable policies. If there had been the need to prove that the summit meetings of the national leaders do have their useful aspects, this proof was served in Tokyo: the feeling of having to move closer to one another in light of nuclear catastrophes such as the one in Chernobyl, and terrorist attacks, and of having to look for joint answers has increased....The participants concentrated on political issues, particularly since the 'classical' issues of the summit, namely economic development, trade, and oil prices, are barely causing any concern at the moment....They can all travel home satisfied with their performances. But it cannot be overlooked that uneasiness is growing that these events have become too large." (Frankfurter Allgemeine, West Germany)

"The long list of banal statements and empty phrases is not surprising but shocking. Thus, one would expect the worst from the next summit." (Handelsblatt, West Germany)

"This summit in Tokyo will go down in the history of summits more for the procedures adopted in economic policy than for political decisions....Of course, we will have to wait and see whether the promises and the commitments made in Tokyo will be kept. That's a big unknown. On concrete problems...like the American deficit, the debt crisis, etc...the summit in Tokyo spelled out only good principles, with but a few decisions -- unless they were kept secret." (La Stampa, Italy)

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FOREIGN MEDIA REACTION (continued)

"The true winner is America. Reagan succeeded in advancing his views on all the issues he cared about, something he failed to achieve at the Bonn summit last year." (Il Giornale, Italy)

"Reflecting on the severe realities of international politics and economy, the results of the Tokyo summit did not turn out to meet Japan's expectations. In order to make the floating system function smoothly, the countries concerned must correct economic distortions through a global perspective." (Asahi, Japan)

"The United States is satisfied with the outcome of the summit as it was able to have its own way, especially in three key points -- terrorism, economic policy coordination and agricultural trade....The Tokyo summit proceeded at America's pace from beginning to end." (NHK-TV, Japan)

"The shift in power in international monetary policy from the existing 'Group of Eleven,' where small countries are also represented, to the 'Big Five' Western industrialized democracies who will now call the tune, is not a welcomed move. It is a counsel of despair -- as if this were the only way to control the world economy." (Basler Zeitung, Switzerland)

"The Tokyo summit drastically reduced the importance of several economic problems, including the foreign debt....The optimism that was expressed in Tokyo in regard to the economy does not reflect the actual situation in the third world." (Information, Denmark)

"Since (the first summit) the character of the meetings as a forum for informal exchange of experiences and ideas has to a great extent been lost. Media coverage has gradually increased and the elements of show have been expanded. The participating leaders are tempted to display a shining facade of unity which may deceive world opinion." (Svenska Dagbladet, Sweden)

"The United States has made some concessions in order to obtain what it considered most important: an explicit statement of Libya's responsibility in the organization of international terrorism." (El Pais, Spain)

"The Tokyo summit has resulted in a compromise that seems to have left everybody happy....The problem, though, remains the question mark represented by the oil market....This isn't the only difficulty facing the Seven. There remains the agricultural surplus demanding that Europe revise its subsidy policies...the unemployment rate...and the indebtedness of certain countries of the so-called third world." (Diario de Noticias, Portugal)

"[The summit] was held in an atmosphere of sharp contradictions and crude pressure brought by Washington to bear on its partners. The summit declared the establishment of a control group as a panacea against all evils....However, the implementation of this idea has run into serious difficulties...due to great differences between the United States, Japan and West Europe." (TASS, Soviet Union)

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# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MAY 8, 1986 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

Reagan Reports To Cabinet On Asian Trip -- President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

(Washington Post, Washington Times, Reuter, AP, UPI)

Shultz Meets S. Korean President, Heads To Philippines -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

(Washington Post, UPI)

### NATIONAL NEWS

Swift Senate Action Vowed On Taxes -- Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

(Washington Post)

### NETWORK NEWS (Wednesday Evening)

**TAX REFORM** -- The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today.

**SAUDI ARMS SALE** -- For the first time ever, the Congress has rejected a weapons sale.

**TERRORISM/SYRIA** -- Two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week.

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## **INTERNATIONAL NEWS**

### **PRESIDENT EXPRESSES ELATION ON RETURN FROM SUMMIT**

President Reagan returned in high spirits yesterday from the longest overseas journey of his presidency, declaring that the seven-nation economic summit in Tokyo had produced "a unified course for a number of vital issues."

He told a welcoming crowd on the South Lawn of the White House he was "more than pleased" by commitments to combat terrorism made the leaders of Britain, France, Japan, West Germany, Italy and Canada.

(Joanne Omang, Washington Post, A33)

### **"No More Talk," Reagan Says Of West's Resolve**

President Reagan returned to the White House from Tokyo yesterday declaring that the western democracies have agreed to move beyond words and rhetoric against terrorists and governments that support them.

President Reagan said he was more than pleased by the commitments made in Tokyo by the summit leaders, and that the terrorists have been put on notice.

(Jeremiah O'Leary, Washington Times, A1)

### **Reagan Reports To Cabinet On Asian Trip**

President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

Reagan was to report to the cabinet today and then will head with wife, Nancy, for a long weekend at Camp David to rest up from the rigors of the longest trip the 75-year-old President has taken in his administration.

(Helen Thomas, UPI)

### **Reagan More Confident Terrorism Can Be Wiped Out**

President Reagan returned from the Tokyo summit more confident than ever that terrorism will be wiped from the face of the earth. "Terrorists and those who support them, especially governments, have been put on notice. It is going to be tougher from now on," he told cheering well-wishers yesterday when he returned to the White House from his 12-day, 22,000 mile Asian trip.

"The decent people of the world -- as is clear from our statement in Tokyo -- are not just standing together in this war on terrorism, we are committed to winning the war and wiping this scourge from the face of the earth," he declared.

(Gene Gibbons, Reuter)

### **Reagan Far East Trip A "Triumph," That Left Some Bruises**

President Reagan proclaimed his 13-day trip to the Far East a "triumph" but he had a bumpy ride that left some bruised feelings which may take time to heal.

At the Tokyo economic summit, the most productive agenda items were U.S. initiatives. And although it is too soon to judge their long-range effects, the summit leaders at least made a start toward closer cooperation in fighting terrorism and better coordination of trade and monetary policy.

(Michael Putzel, News Analysis, AP)

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### NAKASONE SEEN WEAKENED BY SUMMIT

TOKYO -- Many Japanese are viewing the economic summit just concluded here as a failure for their country, posing some serious questions for the political future of the man who spoke for them, Prime Minister Nakasone. (John Burgess, Washington Post, A27)

### U.S. DRAFTS NEW LIBYA SANCTIONS

The Reagan Administration has drafted a list of additional economic and financial sanctions for use by the U.S. and its European allies in an effort to further isolate and undermine Col. Qaddafi, officials said yesterday.

These proposals, coupled with U.S. success this week in getting a public denunciation of Libyan-supported terrorism from six allies in Tokyo, mean that Washington's campaign against Qaddafi is shaping up as the broadest diplomatic campaign to isolate a Third World nation since the 1960 U.S. embargo against Cuba, Administration officials said.

(David Ottaway, Washington Post, A1)

### SHULTZ ARRIVES IN SEOUL, PRAISES S. KOREAN GOVERNMENT

SEOUL -- Secretary Shultz praised the South Korean government today for "moving pretty fast" toward a stable democracy despite violent student demonstrations and 25 years of authoritarian rule.

"I'm impressed," said Shultz in remarks that placed the U.S. Administration squarely behind President Chun Doo Hwan's government and gave short shrift to opposition party demands for direct presidential elections and an end to press control and secret police repression.

(Don Oberdorfer, Washington Post, A35)

### Shultz, In Seoul, Says U.S. Backs Korea's Efforts

SEOUL, South Korea -- Secretary Shultz, arriving here for a 24-hour visit, said today that the Reagan Administration strongly supported the South Korean Government's efforts to make changes and assailed those in the opposition who "incite violence."

At the same time, the Secretary, who is to meet Thursday with a cross-section of Koreans, declined to meet with Kim Dae Jung and Kim Young Sam, two of South Korea's most prominent political figures.

Shultz seemed to go out of his way not to indicate any lessening of Washington's backing for President Chung Doo Hwan.

(Bernard Gwertzman, New York Times, A1)

### Shultz Meets S. Korean President, Heads To Philippines

SEOUL, South Korea -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

Shultz was flying on to Manila to meet with President Aquino, declaring there is no parallel between South Korea's authoritarian government and the Philippines under exiled leader Ferdinand Marcos.

(Ira Allen, UPI)

## BRITAIN, GERMANY PROBE POSSIBLE SYRIAN ROLE IN TERRORIST ACTIVITIES

LONDON -- Authorities here and in West Germany are investigating whether Syrian diplomats were involved in the unsuccessful April 17 attempt to place a bomb aboard an Israeli airliner at London's Heathrow Airport and in the March 29 bombing of the German-Arab Friendship Society in West Berlin.

The new reports of possible Syrian involvement in such activities raised anew the question of whether the West would be prepared to take similar military or other action against Damascus.

(Karen DeYoung, Washington Post, A1)

## HOUSE BARS ARMS SALE TO SAUDIS

The House joined the Senate yesterday in rejecting a proposed \$354 million arms sale to Saudi Arabia by a decisively larger margin than the two-thirds vote necessary to override a veto of the disapproval resolution by President Reagan.

In a statement, Larry Speakes said, "It is the President's intention to veto this resolution and to work actively with members of both houses of Congress to sustain that veto." (Edward Walsh, Washington Post, A1)

### Reagan: "Will Not Allow" Saudi Arms Sale Rejection To Happen

Congress handed President Reagan a crushing defeat in rejecting his proposed \$354 million missile sale to Saudi Arabia, but Reagan has vowed to prolong the battle by vetoing the resolution.

Larry Speakes said Reagan will veto the resolution and "work actively with members of both houses of Congress to sustain that veto." "By this action," Speakes said, "the Congress has endangered our longstanding security ties to Saudi Arabia, called into question the validity of U.S. commitments to its friends and undermined U.S. interests and policy throughout the Middle East.... The President will not allow this to happen." (Michael Myers, UPI)

### Congress In Unprecedented Vote Rejects Saudi Arms Sale

Congress has overwhelmingly rejected President Reagan's controversial \$354 million arms sale to Saudi Arabia in the first round of a bruising battle that the White House is likely to win in the end.

While opponents of the sale were predicting they would be able to maintain the two-thirds vote needed to override a veto, U.S. officials were confident the sale would proceed and congressional aides said it was unlikely the Republican-led Senate would continue to oppose the President.

(Sue Baker, Reuter)

## U.S. LOOKS FOR SOVIET MOVEMENT AT ARMS TALKS IN GENEVA

The Soviet Union "will have to make some moves" to change its positions before progress is possible at the fifth round of the Geneva arms talks beginning today, a senior Administration official said yesterday.

At the same time, however, a Soviet diplomat here said he sees little chance of progress in the talks "as long as the Reagan Administration holds to its present positions." (Walter Pincus, Washington Post, A4)

### U.S., Soviets Re-Open Geneva Arms Talks

GENEVA -- U.S. and Soviet negotiators gathered today for a new round of their stalemated disarmament talks, and President Reagan in Washington called on the Soviet Union to "get down to business."

The latest round of discussions about nuclear and space-based weapons got off to a bad start because of a harsh pre-meeting exchange between the U.S. and Soviet chief negotiators over Libyan terrorism.

Both sides seemed as far apart as ever despite an agreement made by President Reagan and Mikhail Gorbachev at the Geneva summit last November to accelerate the talks. (John Callcott, UPI)

## NATIONAL NEWS

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### SWIFT SENATE ACTION VOWED ON TAXES

Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

The unusual coalition that praised at least the general outline of the plan increased the chances that the measure, which would reduce rates in exchange for eliminating many popular tax breaks, will become law.

(Anne Swardson, Washington Post, A1)

### FISCAL PLAN TO INCLUDE TAX BOOSTS

House Democratic leaders gave the go-ahead yesterday for preparation of a fiscal 1987 budget that anticipates inclusion of tax increases proposed by the Republican-controlled Senate, although they reserved the right to drop the tax proposal if it fails to win bipartisan support.

Still leery of being attacked by President Reagan for advocating tax increases, Democratic leaders gave conditional assent to inclusion of the Senate's tax proposal to reduce next year's deficit below the \$144 billion required by the Gramm-Rudman-Hollings budget-control law.

(Helen Dewar, Washington Post, A18)

### REAGAN SUGAR DECISION BENEFITS DEAVER CLIENTS

In a decision that ultimately cost U.S. taxpayers \$36 million, President Reagan last year approved sugar import quotas that benefited Caribbean sugar-producing nations represented by lobbyist Michael Deaver, trade industry and congressional officials say.

U.S. officials involved in the quota issue said this week neither Deaver nor his firm approached them directly on behalf of the CBI Sugar Group, a consortium of foreign sugar growers. (Timothy Bannon, UPI)

### JUSTICE OFFICIALS REPORTED COOL TO IDEA OF PRESS PROSECUTIONS

Justice Department officials are cool to CIA Director Casey's proposal to prosecute news organizations for publishing stories about U.S. communications intercepts, but are not close to a decision, government sources said yesterday.

Both the CIA and Justice, meanwhile, maintained silence on a report yesterday in the Washington Post that the Reagan Administration is considering prosecuting The Post and four other publications under federal espionage laws.

(George Lardner, Washington Post, A1)

#### PENTAGON REFORM BILL SWEEPS THROUGH SENATE

The Senate last night unanimously approved the most sweeping revision of the nation's military since 1947, in an effort to give field commanders more authority and to quell interservice rivalries.

(George Wilson, Washington Post, A9)

#### SENATORS SAY DOE DAMAGES BIGGEST U.S. OIL RESERVE

The Energy Department is causing costly damage to its biggest petroleum reserve by overproducing at the California facility and selling the oil at cut rates in a glutted market, two senators said yesterday.

(AP story, Washington Post, A6)

#### BRASS HATS WAIT TO BE TAPPED

A changing of the guard is coming at the Pentagon, with President Reagan expected soon to name Gen. Larry Welch as Air Force chief of staff and either Vice Adm. Frank Kelso or Adm. Carlisle Trost as chief of naval operations.

(George Wilson, Washington Post, A23)

## NETWORK NEWS SUMMARY

(Wednesday Evening, May 6)

### TAX REFORM

CBS's Dan Rather: The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today, 20-0. The word on Capitol Hill is this plan is likely to pass the full Senate pretty much intact.

CBS's Phil Jones: The Senate politicians were all smiles with the committee approval of the most sweeping tax reform in a generation. But the American taxpayers still aren't sure whether they should be smiling. It all sounds encouraging.

(Sen. Packwood: "The average American working person, middle-income person, is the biggest winner in this bill.")

But the tax lobbyists and special interest groups are on the warpath. Bankers and other individuals are upset over the scaling back of tax benefits for IRAs.

(Spokesman, Bankers' Committee for Tax Equity: "Without that tax deduction, people will not save to the extent they are currently, and in fact, people may pull out savings from their current IRAs.")

The government will reap \$50 billion by eliminating and tightening tax shelters. For example:

(Packwood: "Downtown high-rise commercial investments that were made not for economic purposes but for tax shelter purposes are out.")

This decision has real estate syndicators predicting financial disaster.

(Spokesman, Balcor Company: "Real estate syndication and all forms of passive investment will be obliterated or devastated.")

The battle to eliminate oil and gas shelters was a different story.

(Sen. Bradley: "About 80% of the tax shelters were closed in oil and gas, 100% were virtually closed in every other field, so they came out better than other tax shelters.")

But Sen. Long saw no problem with helping out the beleaguered oil industry....For President Reagan, who returned home today from the Tokyo economic summit, this committee action was another victory on his agenda to push tax reform. Certainly, the high-priced lobbyists will attack now that this measure is headed to the Senate floor. But it appears it is too late to change much. With last night's 20-0 vote, it's obvious the tax reform train has already left the station.

CBS's Ray Brady reports experts say most Americans will come out ahead under the proposed tax reform. But the rich may get hit by the new rules on tax shelters, the elimination of the lower tax rate on stock profits, and the changes in IRAs, most of which are held by the well-to-do. A major beneficiary of all these changes would be the poor. Six million of them who currently are paying would pay no taxes at all.  
(CBS-LEAD)

ABC's Peter Jennings: This is the question we think will be on everybody's mind in the country before long: Will I be paying more taxes or less if the dramatic new tax plan which passed the Senate Finance Committee unanimously in the middle of the night becomes law?

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ABC's Brit Hume: When it was all over, very early this morning, there was a sight rare on Capitol Hill: a bipartisan victory pose and a standing ovation.

(TV Coverage: Sen. Packwood, flanked by Sens. Dole and Long, with clasped hands and arms in the air. Applause.)

A committee noted for its hospitality to special interests had largely rebuffed them in voting a sweeping revision of the nation's tax code....The committee said the 15% rate would cover 80% of American taxpayers....Reaction all over Capitol Hill was positive, but the man behind the less sweeping House bill said the key player now is not up here.

(Rep. Rostenkowski: "There's no generator as powerful as that gentleman down at 1600 Pennsylvania Avenue, and if he gets enthusiastic about it again, I honestly see that we could have an accomplished fact by the end of this year.")

The President has said it's very likely he'll support the Senate bill. And one more thing: television coverage will have begun in the Senate chamber when this bill comes up, making members think twice about how they vote and whom they speak up for.

ABC's Dan Cordtz reports on the tax plan and IRAs. The Senate proposal would keep the IRA break for workers who are not covered by a pension plan. But for others, contributions to IRAs would be taxable and only the interest tax exempt. From the attention IRAs get, you might think everyone in the country would oppose this move to restrict them. Actually, only 1/5 of the families eligible for IRAs have even opened one. And many of them will probably be happy to give up their IRA deductions in exchange for the bill's top tax rate of 27%. Some businesses that invest heavily in plants and equipment may be unhappy with the loss of the investment tax credit, but the reaction so far has been mild.

On Wall Street, the Dow lost more than 12 points, but analysts said that reflected concern over interest rates and the tax bill had nothing to do with the decline. (ABC-LEAD)

NBC's Tom Brokaw: Tax reform may be an idea whose time finally has come in the United States. A sweeping tax reform bill has emerged from the Senate Finance Committee. The Senate Majority Leader predicts it will sail through the full Senate. President Reagan is giving it good notices. If it does pass, it will take effect next year. And it will bring widespread and fundamental change to one of the certainties of American family and business life.

NBC's John Dancy: This bill would radically change the way millions of Americans lead their lives and plan their futures because it would take away most of the tax breaks they have come to count on....Sen. Packwood is gambling that individuals are going to be so happy with the lower rates that they will overwhelm opposition from business groups which, of course, want to see their tax breaks continued.



NBC's Mike Jensen: Most business executives we talked to today said they felt the tax cut for individuals was coming out of their hide....The idea of simplifying the system is good, but the Senate goes too far in raising business taxes, according to economist Lawrence Chimerine.

(Chimerine: "It will slow down the modernization process, it holds down long-term productivity growth. To me, that's of greatest concern.")

Although the businessmen don't like a lot of things about the Senate bill, the one thing they do like is that it raises their taxes less than the earlier House bill and less than the Administration's bill.

Brokaw discusses tax reform with Rep. Rostenkowski:

Brokaw: If this bill emerges from the Senate in about this form, will it be acceptable to the House of Representatives?

Rostenkowski: Well, it will certainly be a point from which we can start negotiating. I'm more optimistic this evening than I ever have been about the possibility of getting true tax reform to the people of the United States. I think what this will do is ignite the people into notifying their membership here in Washington that tax reform is a reality and they want their representatives to support it.

Brokaw: You have heard those business executives beginning to line up their objections. They've got a lot of money and a lot of sophisticated representation in Washington. Where will the greatest pressure come from, in your judgement?

Rostenkowski: Oh, you get the preference protectors here walking the halls and suggesting that business is going to be in a chaotic situation, but I honestly believe that if the people speak, if we do abandon all these shelters and preferences, that you'll see the economy grow. People will be spending more money because they'll have more money to spend. And that's the bottom line, to bring fairness into the code. I think it's absolutely wrong that you afford people the privilege of sheltering money so that they don't pay taxes. I think that Bob Packwood has done a commendable job. I think the House bill is worthy of consideration as well. What I'm hoping is that if they do pass it out of the Senate, that we start getting Ronald Reagan, the President, involved in it.

Brokaw: In what way, sir?

Rostenkowski: Well, I'd like, certainly, to think that the President, who has named this his number one domestic issue, is going to, when he returns, get involved and help the pressure on members of the Senate to pass a bill. There's no question in my mind that it's going to be a very big problem on the Senate floor because there are some influences here in Washington that are very, very persuasive. I've said right from the beginning there is no way that either legislative body could pass anything without the active participation of the President. I'm not saying that he won't do it, either.

(NBC-LEAD)

## SAUDI ARMS SALES

Rather: For the first time ever, the Congress has rejected a weapons sale. The House late today overwhelmingly defeated President Reagan's proposed \$354 million missile sale to Saudi Arabia. But this deal is not yet completely dead. Congress will have to override President Reagan's promised veto of these disapproval resolutions.  
(ABC-5, NBC-5. CBS-7)

## TERRORISM/SYRIA

Rather: Police in West Berlin said two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week. Syria denied any involvement.  
(CBS-4)

ABC's John McWethy reports that in Washington, Israeli Defense Minister Rabin charged that the Syrian government was directly involved in planning and executing an attempt to blow up an Israeli airliner in London. The Reagan Administration has been extremely reluctant to point a finger at Syria, at least in part because Hafez el Assad has condemned terrorism in public and has said he is working to help the U.S. free its five hostages from Lebanon. Today, President Reagan returned to the White House from the Tokyo economic summit with more threats of action.  
(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")  
The Reagan Administration has gone after Libya in the past because Khadafy has bragged about his operations and left clear tracks. Syria has done neither, making it far more difficult to build a public case against Syria, and even tougher to take action.  
(ABC-3)

NBC's Anne Garrels reports charges of a Syrian connection in recent terrorist attacks in Europe were made by Great Britain, West Germany and Israel. British authorities now believe the Syrian government sponsored last month's attempted bombing at an El Al jet at Heathrow Airport. Defense Minister Rabin threatened retaliation. Syria is also said to have organized the bombing of a German-Arab club in West Berlin last March. U.S. officials have focused on Libyan-backed terrorism because they say it's directed mostly at Americans and is widespread. Officials readily admit Syria provides offices and training for terrorists. It's on the Administration's terrorist list and is barred from receiving certain military equipment. But Administration officials say Syrian government-backed terrorism has traditionally been limited to Israel and the occupied territories. With new evidence suggesting a change in the Syrian pattern, President Reagan issued a warning today on his return from the economic summit.

(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")

If the Syrian government is linked to the El Al bomb attempt and the German bombing, officials say the U.S. will take action -- but not military action. Said one senior official: There are economic and diplomatic steps to be taken first.  
(NBC-3)

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## BEIRUT KIDNAPPINGS

Rather reports two more kidnappings in Moslem West Beirut. Gunmen seized an 85-year-old Frenchman and a Lebanese professor at the American University. (CBS-5)

## EUROPHOBIA

CBS's Anthony Mason reports that the threat of terrorism continues to keep Americans away from Europe, and especially away from their own airlines.

CBS's Mark Phillips says that, despite their public images, caution has become the name of the game for some well-known Americans lately -- Sylvester Stallone has somehow found his schedule too busy to attend the Cannes Film Festival this week and there are other big-name stayaways from Cannes.

Last year, about 6 1/2 million Americans visited Europe. Ten died in Terrorist attacks. The chances of getting murdered in the U.S. are 52 times greater than that. (CBS-6)

## MEDIA/INTELLIGENCE

ABC's Barry Serafin reports on the Washington Post report that CIA Director Casey warned the newspaper the Administration is considering criminal prosecutions against the Post and four other publications for reporting information on U.S. intelligence gathering, particularly intercepted communications. Casey's complaints apparently centered mainly on reports of messages between Libya and its embassy in East Berlin around the time of the Berlin disco bombing. President Reagan himself furnished considerable detail about messages to justify the U.S. bombing of Libya. (President in speech of April 14: "On April 4th, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day they reported back to Tripoli on the great success of their mission.")

Casey this week insisted the information had been leaked before the President spoke. Some of those earlier reports, however, were based on public statements by U.S. officials such as Ambassador Burt. And a member of the Senate Intelligence Committee says the Administration is after the wrong people.

(Sen. Leahy: "I think if you decide to go out and prosecute members of the press that you're treating the symptom rather than the problem. I've always maintained what you do is find out the person leaking.")

A Post editor who met with Casey says the CIA Director is serious about prosecuting the press, but sources say Casey's enthusiasm is not shared by Attorney General Meese. Meese is said to view the case as total nonsense. (ABC-4)

KHADAFY/CARTER

Brokaw: Jimmy Carter said when he was president, he made a study of how to combat Khadafy. And he found the public arena was not the best place. Carter described in an interview with WNBC-TV in New York how he and other allied leaders approached Khadafy in the battle against airline hijackings.

(Carter: "We sent Khadafy a message...in June of 1978 and we told Khadafy, 'If you ever again accept a hijacked airplane and don't return the plane to its owners and the terrorists to justice, never again will a Libyan plane land in our nations and never again will one of our planes land in your country.' This was sent without any publicity....He knew we meant business....And what we threatened would have devastated the economic situation.....") (NBC-4)

SRI LANKA BOMBING

Rather reports another terrorist bomb killed at least 11 people and demolished the Central Telegraph Office in Colombo. More than 100 were hurt. The government said it suspects Temil guerrillas but another group claimed responsibility. (NBC-5, CBS-12)

KOREA

Jennings: Secretary Shultz flew from the Tokyo summit to South Korea.

On his arrival, Shultz praised the Korean government for what he called a purposeful effort to move toward more democracy. Tomorrow he meets with some opposition leaders, but he will not meet with the two most prominent dissidents -- Kim Dae Jung and Kim Jung Sam. Shultz is visiting at a time when opposition to President Chun is both more vocal and more confrontational.

ABC's Mark Litke reports that this year has seen the largest and most violent anti-government demonstrations since Chun grabbed power six years ago. For the first time, these demonstrations have taken on a strong anti-American tone as well. Opposition leaders like Kim Dae Jung have publicly rejected the anti-U.S. stance of the radicals but warned that it will spread if the Reagan Administration doesn't start promoting democracy here. Kim says the visit of Secretary Shultz would be a good time to start. Chun has pleased some U.S. officials by engaging in more dialogue with his opposition lately, but Chun's critics say his actions are purely cosmetic -- that this is still a police state. Indeed, Kim Dae Jung is still forbidden from engaging in any political activity. (ABC-9)

Brokaw: Secretary Shultz arrived in South Korea for a 24-hour visit, during which he will meet with a dozen political and professional leaders, including President Chun and opponents of the Chun government. But Shultz, saying he had only a limited amount of time, will not meet with the leading South Korean dissident, Kim Dae Jung. (NBC-6)

## GRENADA

NBC's Dennis Murphy reports the American military is back in Grenada; 700 U.S. troops and another 160 soldiers from Jamaica and smaller Caribbean islands are staging a mock invasion of Grenada.

Now in an old prison overlooking Grenada, Bernard Coard and 17 other leaders of the Marxist regime are on trial for their lives -- being tried under the revolutionary court system which they themselves set up, and which they now call unfair. Coard's brother, the head of Boston's Community Development Agency, says the trial is unconstitutional.

(Coard's brother: "We still have temporary courts trying these folks in a capital matter, where they could be hanged. It's totally outrageous.")

The Reagan Administration wants the exercises to be a reminder for the leftist politicians of the Caribbean. (NBC-10)

## CHERNOBYL

Rather: Fresh indications tonight the Soviets still are not telling the world or their own people the full story on the consequences of Chernobyl. Defense Department correspondent David Martin has been told that U.S. intelligence believes more than 1,000 Soviet people are affected by radiation sickness. However, they are said to be the Soviets' own internal estimates and do not include people who may be affected in years to come. The latest commercial satellite photo showing the reactor site -- experts in Sweden say it indicates that as of yesterday smoke or steam was still rising from the Chernobyl complex, indicating the accident there still may not be totally over. TASS admitted there is "a certain anxiety" among residents of Kiev. (CBS-9)

ABC's Bill Blakemore reports that shifting winds have raised the radiation levels in Kiev. (ABC-2)

Brokaw: Correspondent Robert Hager reports that intelligence sources in Washington say the Soviets appear to have encountered serious new problems in bringing that disaster under control. They say the fire at the damaged reactor still has not been controlled and still may be a threat to the reactor right next door. (NBC-2)

## GORE NUCLEAR PLANT

CBS's Harry Smith reports from Gore, Oklahoma. Many residents are still afraid after last January, when an accident at a fuel reprocessing plant left one man dead and dozens injured. On Thursday, plant officials will ask the NRC for permission to resume operations. While independent experts agree the worst radiation danger from an accident here would be the equivalent of a chest x-ray, the only truth these people know is their fear. (CBS-10)

## IRAN-IRAQ

Rather reports Iraqi warplanes attacked Tehran for the first time within almost a year and hit a suburban oil refinery. Iran says five were killed and damage was slight. (CBS-8)

#### AIDS

Rather says that as of Monday scientists reported 20,305 cases of AIDS in this country.

CBS's Bruce Morton reports on gamma globulin injections, which are helping children with AIDS live longer and healthier lives. (CBS-2)

#### CANCER

Rather reports that Americans are losing the war against cancer. That grim verdict emerged from a study in the "New England Journal of Medicine." The report said that in 1950, 170 of every 100,000 Americans died of cancer. In 1982, after billions of dollars spent on research, that number jumped to 185 of every 100,000 Americans dying of cancer -- an 8% increase. The American Cancer Society disputed the study's conclusion. (ABC-6, NBC-7, CBS-3)

#### FERRARO

Jennings reports that after a 21-month investigation of Geraldine Ferraro's campaign finances and her husband's business dealings, the Justice Department has found no basis for criminal charges. Another investigation will continue into any possible civil violations they may have committed under the Ethics in Government Act. (ABC-7)

#### GUN CONTROL

Jennings reports President Reagan is expected to sign pretty quickly a new bill easing up on gun control. (ABC-8)

#### FARM GRIEVANCES

ABC's Edie Magnus reports thousands of angry Missouri farmers and their supporters jammed a concert, the latest in a series of rallies to call attention to their economic woes. For 52 days now the farmers have barricaded the entrance to the Farmers Home Administration with their tractors and combines. They want the county's chief loan officer out because they feel he goes too much by the book when it comes to considering them for a loan. Whether all the shouts and stars will get the attention of the powers that be in Washington remains unclear.

(TV Coverage of singer John Cougar Mellencamp at concert.) (ABC-10)

#### ETHIOPIAN RELIEF OFFICIAL

Brokaw: The Marxist government of Ethiopia said it's official in charge of relief for famine victims has fled to the U.S. and it says that he took with him famine aid money totaling \$300,000. The State Department confirmed the man is in this country but it says there is no evidence that any American aid for famine victims was taken. (NBC-11)

## EDITORIALS/COLUMNISTS

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### FAR EAST TRIP

Action Against Terrorism -- "The seven leading powers of the West have sacrificed teeth for unanimity. As a result, the circle around Libya is somewhat tighter, and the disincentives to state-sponsored terrorism are measurably greater. Many Americans would have hoped for more than this, but unanimous action of any kind against Libya was more than some observers dared hope. The proof of effectiveness will not lie in what Libya says, but in what it and Syria and Iran do and refrain from doing in the way of sponsoring further terrorism." (Baltimore Sun, 5/6)

The Summit, So Far -- "So far, the summit has been a convenient forum for statements of like-minded principle. But that should not be the measure of its success. The summit is primarily an economic one, and it is in that arena that success should be judged.... If the United States manages to forge a unified agreement over exchange rates, interest rates and economic redirection, then it can let Shultz crow. Until then, we've had it, pal." (Cleveland Plain Dealer, 5/6)

United Front On Terrorism -- "With their joint condemnation of international terrorism, the heads of the leading industrial democracies finally have formed a united front against a menace that looms large to the civilized world.... Through their tough words and stern actions, the allies have begun to spell out for Col. Moammar Khadafy and others the price that is to be paid for sponsoring terrorist acts. Even mad dogs should have enough sense to take note." (Dallas Times Herald, 5/6)

Amplifying A Muted Message To Khadafy -- "Just what was George Shultz so euphoric about when he hailed the Tokyo summit's declaration on terrorism as a great victory for the Reagan administration? Close scrutiny of the declaration suggests that Shultz was straining to put the brightest possible face on a document that advances the cause of multilateral action against terrorism only modestly at best.... The problem is that neither the Tokyo declaration nor Shultz's upbeat remarks about it will do much to halt international terrorism. It will take far tougher statements -- and the stomach for tougher action -- to accomplish that." (Newsday, 5/6)

The Tokyo Seven's Surprise -- "This is a surprise. The Tokyo Seven actually have produced an ambitious and potentially revolutionary plan to manage the value of money in the richest nations on Earth.... In essence, they are going to keep an eye on each other's money and gang up on anybody who gets out of line.... This is no longer a huge planet where decisions made in the U.S. or Japan don't really matter much to France and Germany. We live on a shrinking globe that is utterly interlinked. And it is difficult to imagine why the value of money should be excluded from the relationship among allies." (Chicago Tribune, 5/7)



Thursday, May 8, 1986 -- B-10

Press Ban -- "Giving a thoroughly-undeserved bum's rush to several reporters covering President Reagan's trip does little to enhance the image Indonesian President Suharto would like to present to the world. Instead of dispelling clouds of doubt, such highhanded and harassing censorship merely calls attention to the state of human rights in his country.... A major Reagan theme during his trip through the Far East will be emphasis on "winds of freedom." The Indonesian government has made it clear it is not prepared to allow these bracing gusts to ventilate its domain with even a modicum of salutary vigor." (San Francisco Chronicle, 5/6)

A Yen For Stability -- "Broad agreement on the objective of stabilizing exchange rates among the leading currencies is in itself a worthwhile achievement. It represents a significant confirmation, particularly for the Reagan Administration, of a new trend toward more active management of economic details after five years during which Americans were told that the marketplace would protect all interests." (Boston Globe, 5/7)

The 'Terrorism Summit' -- "Frankly, the Tokyo 'economic' summit was again a more 'ceremonial' and 'political' summit than an economic gathering. Planners for next year's summit should begin to work now to reverse that order of priorities, given the increasing complexity and importance of the world economy." (Christian Science Monitor, 5/7)

A satisfactory Summit -- "President Reagan is right to feel positive about the summit. As these things go, he had a good one. The successes were more political than economic, in the degree of unity established on state-sponsored terrorism and nuclear safety.

France and the United States agreed to put their quarrel over the Libyan raid behind them.

Italy and Canada won acceptance as major economic powers.

Margaret Thatcher showed a dubious British electorate that supporting President Reagan advanced British interests.

The French convinced no one that the odd couple of Socialist President Francois Mitterrand and Gaullist Prime Minister Jacques Chirac equate to one effective head of government.

West Germany avoided any outcome that would interfere with its own lethargic economic policies.

All in all, a satisfactory summit."

(Baltimore Sun, 5/7)

Insignificant Step Forward -- "The Tokyo declaration is not entirely pusillanimous, but our government is unconvincing when it rejoices as though it had obtained the decisive, forthright, pan-Western commitment it tried to extract. It did not. And whatever became of the George Shultz who, at the Jonathan Institute in June of 1984, identified the Soviet Union as an aider, abettor, and organizer of worldwide terrorism?"

(Washington Times, 5/6)

Summit Subtleties -- "The seven leaders were not yet ready to think of bold new ventures or new institutions. But it's possible to see signs of a developing consensus on the policy environment necessary for economic growth. There also seems to be a widening recognition of the necessity to think of that environment in international terms. If our assessment is correct, the pink clouds and peach blossoms at Emperor Hirohito's banquet are appropriate symbols."

(Wall Street Journal, 5/7)

## FOREIGN MEDIA REACTION

"What has changed...since the last summit, is the status quo. (Although) yesterday's (economic communique) reaffirmed the 1983 Williamsburg commitment to intervene in foreign exchange markets -- intervening temporarily to correct disorderly markets -- it doesn't mean that now....It now means intervening in a coordinated manner to change the value of currencies like the dollar, whose value has become systematically distorted. For that we have to thank Mr. James Baker...whose single-handed conversion of the U.S. Administration to an interventionist stance...has completely changed the parameters in which the annual economic summit operates." (Guardian, Britain)

"There's nothing in the text of the summit communique or even in the unattributable briefings from finance ministers and officials, to justify (Secretary) Baker's grandiloquent suggestions of a new era of monetary coordination." (Financial Times, Britain)

"There is henceforth a 'Free Market International,' a group that permits its members to better exploit the opportunities of the economic rebound. This is a primary gain provided by the Tokyo summit." (Figaro, France)

"A successful summit: all the experts at the Tokyo meeting qualified it as such, notably as regards the economic decisions taken....(But) developing countries, literally strangled by their debts, were given no relief. On this point the 1986 summit maintained tradition." (Le Matin, France)

"Behind the heavy walls of police security, the Big Seven have made reasonable policies. If there had been the need to prove that the summit meetings of the national leaders do have their useful aspects, this proof was served in Tokyo: the feeling of having to move closer to one another in light of nuclear catastrophes such as the one in Chernobyl, and terrorist attacks, and of having to look for joint answers has increased....The participants concentrated on political issues, particularly since the 'classical' issues of the summit, namely economic development, trade, and oil prices, are barely causing any concern at the moment....They can all travel home satisfied with their performances. But it cannot be overlooked that uneasiness is growing that these events have become too large." (Frankfurter Allgemeine, West Germany)

"The long list of banal statements and empty phrases is not surprising but shocking. Thus, one would expect the worst from the next summit." (Handelsblatt, West Germany)

"This summit in Tokyo will go down in the history of summits more for the procedures adopted in economic policy than for political decisions....Of course, we will have to wait and see whether the promises and the commitments made in Tokyo will be kept. That's a big unknown. On concrete problems...like the American deficit, the debt crisis, etc...the summit in Tokyo spelled out only good principles, with but a few decisions -- unless they were kept secret." (La Stampa, Italy)

FOREIGN MEDIA REACTION (continued)

"The true winner is America. Reagan succeeded in advancing his views on all the issues he cared about, something he failed to achieve at the Bonn summit last year." (Il Giornale, Italy)

"Reflecting on the severe realities of international politics and economy, the results of the Tokyo summit did not turn out to meet Japan's expectations. In order to make the floating system function smoothly, the countries concerned must correct economic distortions through a global perspective." (Asahi, Japan)

"The United States is satisfied with the outcome of the summit as it was able to have its own way, especially in three key points -- terrorism, economic policy coordination and agricultural trade....The Tokyo summit proceeded at America's pace from beginning to end." (NHK-TV, Japan)

"The shift in power in international monetary policy from the existing 'Group of Eleven,' where small countries are also represented, to the 'Big Five' Western industrialized democracies who will now call the tune, is not a welcomed move. It is a counsel of despair -- as if this were the only way to control the world economy." (Basler Zeitung, Switzerland)

"The Tokyo summit drastically reduced the importance of several economic problems, including the foreign debt....The optimism that was expressed in Tokyo in regard to the economy does not reflect the actual situation in the third world." (Information, Denmark)

"Since (the first summit) the character of the meetings as a forum for informal exchange of experiences and ideas has to a great extent been lost. Media coverage has gradually increased and the elements of show have been expanded. The participating leaders are tempted to display a shining facade of unity which may deceive world opinion." (Svenska Dagbladet, Sweden)

"The United States has made some concessions in order to obtain what it considered most important: an explicit statement of Libya's responsibility in the organization of international terrorism." (El Pais, Spain)

"The Tokyo summit has resulted in a compromise that seems to have left everybody happy....The problem, though, remains the question mark represented by the oil market....This isn't the only difficulty facing the Seven. There remains the agricultural surplus demanding that Europe revise its subsidy policies...the unemployment rate...and the indebtedness of certain countries of the so-called third world." (Diario de Noticias, Portugal)

"[The summit] was held in an atmosphere of sharp contradictions and crude pressure brought by Washington to bear on its partners. The summit declared the establishment of a control group as a panacea against all evils....However, the implementation of this idea has run into serious difficulties...due to great differences between the United States, Japan and West Europe." (TASS, Soviet Union)



# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MAY 8, 1986 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

Reagan Reports To Cabinet On Asian Trip -- President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

(Washington Post, Washington Times, Reuter, AP, UPI)

Shultz Meets S. Korean President, Heads To Philippines -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

(Washington Post, UPI)

### NATIONAL NEWS

Swift Senate Action Vowed On Taxes -- Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

(Washington Post)

### NETWORK NEWS (Wednesday Evening)

**TAX REFORM** -- The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today.

**SAUDI ARMS SALE** -- For the first time ever, the Congress has rejected a weapons sale.

**TERRORISM/SYRIA** -- Two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week.

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## INTERNATIONAL NEWS

### PRESIDENT EXPRESSES ELATION ON RETURN FROM SUMMIT

President Reagan returned in high spirits yesterday from the longest overseas journey of his presidency, declaring that the seven-nation economic summit in Tokyo had produced "a unified course for a number of vital issues."

He told a welcoming crowd on the South Lawn of the White House he was "more than pleased" by commitments to combat terrorism made the leaders of Britain, France, Japan, West Germany, Italy and Canada.

(Joanne Omang, Washington Post, A33)

### "No More Talk," Reagan Says Of West's Resolve

President Reagan returned to the White House from Tokyo yesterday declaring that the western democracies have agreed to move beyond words and rhetoric against terrorists and governments that support them.

President Reagan said he was more than pleased by the commitments made in Tokyo by the summit leaders, and that the terrorists have been put on notice.

(Jeremiah O'Leary, Washington Times, A1)

### Reagan Reports To Cabinet On Asian Trip

President Reagan, back home after his 13-day Asian journey, says the Tokyo Economic Summit showed allied leaders are "united in purpose" and terrorists have been "put on notice" they face tougher action.

Reagan was to report to the cabinet today and then will head with wife, Nancy, for a long weekend at Camp David to rest up from the rigors of the longest trip the 75-year-old President has taken in his administration.

(Helen Thomas, UPI)

### Reagan More Confident Terrorism Can Be Wiped Out

President Reagan returned from the Tokyo summit more confident than ever that terrorism will be wiped from the face of the earth. "Terrorists and those who support them, especially governments, have been put on notice. It is going to be tougher from now on," he told cheering well-wishers yesterday when he returned to the White House from his 12-day, 22,000 mile Asian trip.

"The decent people of the world -- as is clear from our statement in Tokyo -- are not just standing together in this war on terrorism, we are committed to winning the war and wiping this scourge from the face of the earth," he declared.

(Gene Gibbons, Reuter)

### Reagan Far East Trip A "Triumph," That Left Some Bruises

President Reagan proclaimed his 13-day trip to the Far East a "triumph" but he had a bumpy ride that left some bruised feelings which may take time to heal.

At the Tokyo economic summit, the most productive agenda items were U.S. initiatives. And although it is too soon to judge their long-range effects, the summit leaders at least made a start toward closer cooperation in fighting terrorism and better coordination of trade and monetary policy.

(Michael Putzel, News Analysis, AP)

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### NAKASONE SEEN WEAKENED BY SUMMIT

TOKYO -- Many Japanese are viewing the economic summit just concluded here as a failure for their country, posing some serious questions for the political future of the man who spoke for them, Prime Minister Nakasone. (John Burgess, Washington Post, A27)

### U.S. DRAFTS NEW LIBYA SANCTIONS

The Reagan Administration has drafted a list of additional economic and financial sanctions for use by the U.S. and its European allies in an effort to further isolate and undermine Col. Qaddafi, officials said yesterday.

These proposals, coupled with U.S. success this week in getting a public denunciation of Libyan-supported terrorism from six allies in Tokyo, mean that Washington's campaign against Qaddafi is shaping up as the broadest diplomatic campaign to isolate a Third World nation since the 1960 U.S. embargo against Cuba, Administration officials said.

(David Ottaway, Washington Post, A1)

### SHULTZ ARRIVES IN SEOUL, PRAISES S. KOREAN GOVERNMENT

SEOUL -- Secretary Shultz praised the South Korean government today for "moving pretty fast" toward a stable democracy despite violent student demonstrations and 25 years of authoritarian rule.

"I'm impressed," said Shultz in remarks that placed the U.S. Administration squarely behind President Chun Doo Hwan's government and gave short shrift to opposition party demands for direct presidential elections and an end to press control and secret police repression.

(Don Oberdorfer, Washington Post, A35)

### Shultz, In Seoul, Says U.S. Backs Korea's Efforts

SEOUL, South Korea -- Secretary Shultz, arriving here for a 24-hour visit, said today that the Reagan Administration strongly supported the South Korean Government's efforts to make changes and assailed those in the opposition who "incite violence."

At the same time, the Secretary, who is to meet Thursday with a cross-section of Koreans, declined to meet with Kim Dae Jung and Kim Young Sam, two of South Korea's most prominent political figures.

Shultz seemed to go out of his way not to indicate any lessening of Washington's backing for President Chung Doo Hwan.

(Bernard Gwertzman, New York Times, A1)

### Shultz Meets S. Korean President, Heads To Philippines

SEOUL, South Korea -- Secretary Shultz met today with opponents of President Chun Doo Hwan, then spoke with Chun and told reporters he thinks the riot-torn country "does not appear to me to be that volatile."

Shultz was flying on to Manila to meet with President Aquino, declaring there is no parallel between South Korea's authoritarian government and the Philippines under exiled leader Ferdinand Marcos.

(Ira Allen, UPI)

## BRITAIN, GERMANY PROBE POSSIBLE SYRIAN ROLE IN TERRORIST ACTIVITIES

LONDON -- Authorities here and in West Germany are investigating whether Syrian diplomats were involved in the unsuccessful April 17 attempt to place a bomb aboard an Israeli airliner at London's Heathrow Airport and in the March 29 bombing of the German-Arab Friendship Society in West Berlin.

The new reports of possible Syrian involvement in such activities raised anew the question of whether the West would be prepared to take similar military or other action against Damascus.

(Karen DeYoung, Washington Post, A1)

## HOUSE BARS ARMS SALE TO SAUDIS

The House joined the Senate yesterday in rejecting a proposed \$354 million arms sale to Saudi Arabia by a decisively larger margin than the two-thirds vote necessary to override a veto of the disapproval resolution by President Reagan.

In a statement, Larry Speakes said, "It is the President's intention to veto this resolution and to work actively with members of both houses of Congress to sustain that veto." (Edward Walsh, Washington Post, A1)

### Reagan: "Will Not Allow" Saudi Arms Sale Rejection To Happen

Congress handed President Reagan a crushing defeat in rejecting his proposed \$354 million missile sale to Saudi Arabia, but Reagan has vowed to prolong the battle by vetoing the resolution.

Larry Speakes said Reagan will veto the resolution and "work actively with members of both houses of Congress to sustain that veto." "By this action," Speakes said, "the Congress has endangered our longstanding security ties to Saudi Arabia, called into question the validity of U.S. commitments to its friends and undermined U.S. interests and policy throughout the Middle East.... The President will not allow this to happen." (Michael Myers, UPI)

### Congress In Unprecedented Vote Rejects Saudi Arms Sale

Congress has overwhelmingly rejected President Reagan's controversial \$354 million arms sale to Saudi Arabia in the first round of a bruising battle that the White House is likely to win in the end.

While opponents of the sale were predicting they would be able to maintain the two-thirds vote needed to override a veto, U.S. officials were confident the sale would proceed and congressional aides said it was unlikely the Republican-led Senate would continue to oppose the President.

(Sue Baker, Reuter)



## U.S. LOOKS FOR SOVIET MOVEMENT AT ARMS TALKS IN GENEVA

The Soviet Union "will have to make some moves" to change its positions before progress is possible at the fifth round of the Geneva arms talks beginning today, a senior Administration official said yesterday.

At the same time, however, a Soviet diplomat here said he sees little chance of progress in the talks "as long as the Reagan Administration holds to its present positions." (Walter Pincus, Washington Post, A4)

### U.S., Soviets Re-Open Geneva Arms Talks

GENEVA -- U.S. and Soviet negotiators gathered today for a new round of their stalemated disarmament talks, and President Reagan in Washington called on the Soviet Union to "get down to business."

The latest round of discussions about nuclear and space-based weapons got off to a bad start because of a harsh pre-meeting exchange between the U.S. and Soviet chief negotiators over Libyan terrorism.

Both sides seemed as far apart as ever despite an agreement made by President Reagan and Mikhail Gorbachev at the Geneva summit last November to accelerate the talks. (John Callcott, UPI)

## NATIONAL NEWS

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### SWIFT SENATE ACTION VOWED ON TAXES

Congressional leaders yesterday promised swift Senate action on the giant tax-overhaul legislation approved unanimously by the Senate Finance Committee, as the measure drew support from legislators across the political spectrum.

The unusual coalition that praised at least the general outline of the plan increased the chances that the measure, which would reduce rates in exchange for eliminating many popular tax breaks, will become law.

(Anne Swardson, Washington Post, A1)

### FISCAL PLAN TO INCLUDE TAX BOOSTS

House Democratic leaders gave the go-ahead yesterday for preparation of a fiscal 1987 budget that anticipates inclusion of tax increases proposed by the Republican-controlled Senate, although they reserved the right to drop the tax proposal if it fails to win bipartisan support.

Still leery of being attacked by President Reagan for advocating tax increases, Democratic leaders gave conditional assent to inclusion of the Senate's tax proposal to reduce next year's deficit below the \$144 billion required by the Gramm-Rudman-Hollings budget-control law.

(Helen Dewar, Washington Post, A18)

### REAGAN SUGAR DECISION BENEFITS DEEVER CLIENTS

In a decision that ultimately cost U.S. taxpayers \$36 million, President Reagan last year approved sugar import quotas that benefited Caribbean sugar-producing nations represented by lobbyist Michael Deever, trade industry and congressional officials say.

U.S. officials involved in the quota issue said this week neither Deever nor his firm approached them directly on behalf of the CBI Sugar Group, a consortium of foreign sugar growers. (Timothy Bannon, UPI)

### JUSTICE OFFICIALS REPORTED COOL TO IDEA OF PRESS PROSECUTIONS

Justice Department officials are cool to CIA Director Casey's proposal to prosecute news organizations for publishing stories about U.S. communications intercepts, but are not close to a decision, government sources said yesterday.

Both the CIA and Justice, meanwhile, maintained silence on a report yesterday in the Washington Post that the Reagan Administration is considering prosecuting The Post and four other publications under federal espionage laws.

(George Lardner, Washington Post, A1)

#### PENTAGON REFORM BILL SWEEPS THROUGH SENATE

The Senate last night unanimously approved the most sweeping revision of the nation's military since 1947, in an effort to give field commanders more authority and to quell interservice rivalries.

(George Wilson, Washington Post, A9)

#### SENATORS SAY DOE DAMAGES BIGGEST U.S. OIL RESERVE

The Energy Department is causing costly damage to its biggest petroleum reserve by overproducing at the California facility and selling the oil at cut rates in a glutted market, two senators said yesterday.

(AP story, Washington Post, A6)

#### BRASS HATS WAIT TO BE TAPPED

A changing of the guard is coming at the Pentagon, with President Reagan expected soon to name Gen. Larry Welch as Air Force chief of staff and either Vice Adm. Frank Kelso or Adm. Carlisle Trost as chief of naval operations.

(George Wilson, Washington Post, A23)

## NETWORK NEWS SUMMARY

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(Wednesday Evening, May 6)

### TAX REFORM

CBS's Dan Rather: The most radical federal tax overhaul plan in decades passed the Senate Finance Committee today, 20-0. The word on Capitol Hill is this plan is likely to pass the full Senate pretty much intact.

CBS's Phil Jones: The Senate politicians were all smiles with the committee approval of the most sweeping tax reform in a generation. But the American taxpayers still aren't sure whether they should be smiling. It all sounds encouraging.

(Sen. Packwood: "The average American working person, middle-income person, is the biggest winner in this bill.")

But the tax lobbyists and special interest groups are on the warpath. Bankers and other individuals are upset over the scaling back of tax benefits for IRAs.

(Spokesman, Bankers' Committee for Tax Equity: "Without that tax deduction, people will not save to the extent they are currently, and in fact, people may pull out savings from their current IRAs.")

The government will reap \$50 billion by eliminating and tightening tax shelters. For example:

(Packwood: "Downtown high-rise commercial investments that were made not for economic purposes but for tax shelter purposes are out.")

This decision has real estate syndicators predicting financial disaster.

(Spokesman, Balcor Company: "Real estate syndication and all forms of passive investment will be obliterated or devastated.")

The battle to eliminate oil and gas shelters was a different story.

(Sen. Bradley: "About 80% of the tax shelters were closed in oil and gas, 100% were virtually closed in every other field, so they came out better than other tax shelters.")

But Sen. Long saw no problem with helping out the beleaguered oil industry....For President Reagan, who returned home today from the Tokyo economic summit, this committee action was another victory on his agenda to push tax reform. Certainly, the high-priced lobbyists will attack now that this measure is headed to the Senate floor. But it appears it is too late to change much. With last night's 20-0 vote, it's obvious the tax reform train has already left the station.

CBS's Ray Brady reports experts say most Americans will come out ahead under the proposed tax reform. But the rich may get hit by the new rules on tax shelters, the elimination of the lower tax rate on stock profits, and the changes in IRAs, most of which are held by the well-to-do. A major beneficiary of all these changes would be the poor. Six million of them who currently are paying would pay no taxes at all. (CBS-LEAD)

ABC's Peter Jennings: This is the question we think will be on everybody's mind in the country before long: Will I be paying more taxes or less if the dramatic new tax plan which passed the Senate Finance Committee unanimously in the middle of the night becomes law?

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ABC's Brit Hume: When it was all over, very early this morning, there was a sight rare on Capitol Hill: a bipartisan victory pose and a standing ovation.

(TV Coverage: Sen. Packwood, flanked by Sens. Dole and Long, with clasped hands and arms in the air. Applause.)

A committee noted for its hospitality to special interests had largely rebuffed them in voting a sweeping revision of the nation's tax code....The committee said the 15% rate would cover 80% of American taxpayers....Reaction all over Capitol Hill was positive, but the man behind the less sweeping House bill said the key player now is not up here.

(Rep. Rostenkowski: "There's no generator as powerful as that gentleman down at 1600 Pennsylvania Avenue, and if he gets enthusiastic about it again, I honestly see that we could have an accomplished fact by the end of this year.")

The President has said it's very likely he'll support the Senate bill. And one more thing: television coverage will have begun in the Senate chamber when this bill comes up, making members think twice about how they vote and whom they speak up for.

ABC's Dan Cordtz reports on the tax plan and IRAs. The Senate proposal would keep the IRA break for workers who are not covered by a pension plan. But for others, contributions to IRAs would be taxable and only the interest tax exempt. From the attention IRAs get, you might think everyone in the country would oppose this move to restrict them. Actually, only 1/5 of the families eligible for IRAs have even opened one. And many of them will probably be happy to give up their IRA deductions in exchange for the bill's top tax rate of 27%. Some businesses that invest heavily in plants and equipment may be unhappy with the loss of the investment tax credit, but the reaction so far has been mild.

On Wall Street, the Dow lost more than 12 points, but analysts said that reflected concern over interest rates and the tax bill had nothing to do with the decline. (ABC-LEAD)

NBC's Tom Brokaw: Tax reform may be an idea whose time finally has come in the United States. A sweeping tax reform bill has emerged from the Senate Finance Committee. The Senate Majority Leader predicts it will sail through the full Senate. President Reagan is giving it good notices. If it does pass, it will take effect next year. And it will bring widespread and fundamental change to one of the certainties of American family and business life.

NBC's John Dancy: This bill would radically change the way millions of Americans lead their lives and plan their futures because it would take away most of the tax breaks they have come to count on....Sen. Packwood is gambling that individuals are going to be so happy with the lower rates that they will overwhelm opposition from business groups which, of course, want to see their tax breaks continued.

NBC's Mike Jensen: Most business executives we talked to today said they felt the tax cut for individuals was coming out of their hide....The idea of simplifying the system is good, but the Senate goes too far in raising business taxes, according to economist Lawrence Chimerine.

(Chimerine: "It will slow down the modernization process, it holds down long-term productivity growth. To me, that's of greatest concern.")

Although the businessmen don't like a lot of things about the Senate bill, the one thing they do like is that it raises their taxes less than the earlier House bill and less than the Administration's bill.

Brokaw discusses tax reform with Rep. Rostenkowski:

Brokaw: If this bill emerges from the Senate in about this form, will it be acceptable to the House of Representatives?

Rostenkowski: Well, it will certainly be a point from which we can start negotiating. I'm more optimistic this evening than I ever have been about the possibility of getting true tax reform to the people of the United States. I think what this will do is ignite the people into notifying their membership here in Washington that tax reform is a reality and they want their representatives to support it.

Brokaw: You have heard those business executives beginning to line up their objections. They've got a lot of money and a lot of sophisticated representation in Washington. Where will the greatest pressure come from, in your judgement?

Rostenkowski: Oh, you get the preference protectors here walking the halls and suggesting that business is going to be in a chaotic situation, but I honestly believe that if the people speak, if we do abandon all these shelters and preferences, that you'll see the economy grow. People will be spending more money because they'll have more money to spend. And that's the bottom line, to bring fairness into the code. I think it's absolutely wrong that you afford people the privilege of sheltering money so that they don't pay taxes. I think that Bob Packwood has done a commendable job. I think the House bill is worthy of consideration as well. What I'm hoping is that if they do pass it out of the Senate, that we start getting Ronald Reagan, the President, involved in it.

Brokaw: In what way, sir?

Rostenkowski: Well, I'd like, certainly, to think that the President, who has named this his number one domestic issue, is going to, when he returns, get involved and help the pressure on members of the Senate to pass a bill. There's no question in my mind that it's going to be a very big problem on the Senate floor because there are some influences here in Washington that are very, very persuasive. I've said right from the beginning there is no way that either legislative body could pass anything without the active participation of the President. I'm not saying that he won't do it, either.

(NBC-LEAD)

## SAUDI ARMS SALES

Rather: For the first time ever, the Congress has rejected a weapons sale. The House late today overwhelmingly defeated President Reagan's proposed \$354 million missile sale to Saudi Arabia. But this deal is not yet completely dead. Congress will have to override President Reagan's promised veto of these disapproval resolutions.  
(ABC-5, NBC-5. CBS-7)

## TERRORISM/SYRIA

Rather: Police in West Berlin said two Arab men suspected in last month's discotheque bombing have confessed that Syria helped them carry out another bombing the previous week. Syria denied any involvement.  
(CBS-4)

ABC's John McWethy reports that in Washington, Israeli Defense Minister Rabin charged that the Syrian government was directly involved in planning and executing an attempt to blow up an Israeli airliner in London. The Reagan Administration has been extremely reluctant to point a finger at Syria, at least in part because Hafez el Assad has condemned terrorism in public and has said he is working to help the U.S. free its five hostages from Lebanon. Today, President Reagan returned to the White House from the Tokyo economic summit with more threats of action.  
(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")  
The Reagan Administration has gone after Libya in the past because Khadafy has bragged about his operations and left clear tracks. Syria has done neither, making it far more difficult to build a public case against Syria, and even tougher to take action.  
(ABC-3)

NBC's Anne Garrels reports charges of a Syrian connection in recent terrorist attacks in Europe were made by Great Britain, West Germany and Israel. British authorities now believe the Syrian government sponsored last month's attempted bombing at an El Al jet at Heathrow Airport. Defense Minister Rabin threatened retaliation. Syria is also said to have organized the bombing of a German-Arab club in West Berlin last March. U.S. officials have focused on Libyan-backed terrorism because they say it's directed mostly at Americans and is widespread. Officials readily admit Syria provides offices and training for terrorists. It's on the Administration's terrorist list and is barred from receiving certain military equipment. But Administration officials say Syrian government-backed terrorism has traditionally been limited to Israel and the occupied territories. With new evidence suggesting a change in the Syrian pattern, President Reagan issued a warning today on his return from the economic summit.

(President: "Terrorists and those who support them, especially governments, have been put on notice. It's going to be tougher from now on.")

If the Syrian government is linked to the El Al bomb attempt and the German bombing, officials say the U.S. will take action -- but not military action. Said one senior official: There are economic and diplomatic steps to be taken first.  
(NBC-3)



## BEIRUT KIDNAPPINGS

Rather reports two more kidnappings in Moslem West Beirut. Gunmen seized an 85-year-old Frenchman and a Lebanese professor at the American University. (CBS-5)

## EUROPHOBIA

CBS's Anthony Mason reports that the threat of terrorism continues to keep Americans away from Europe, and especially away from their own airlines.

CBS's Mark Phillips says that, despite their public images, caution has become the name of the game for some well-known Americans lately -- Sylvester Stallone has somehow found his schedule too busy to attend the Cannes Film Festival this week and there are other big-name stayaways from Cannes.

Last year, about 6 1/2 million Americans visited Europe. Ten died in Terrorist attacks. The chances of getting murdered in the U.S. are 52 times greater than that. (CBS-6)

## MEDIA/INTELLIGENCE

ABC's Barry Serafin reports on the Washington Post report that CIA Director Casey warned the newspaper the Administration is considering criminal prosecutions against the Post and four other publications for reporting information on U.S. intelligence gathering, particularly intercepted communications. Casey's complaints apparently centered mainly on reports of messages between Libya and its embassy in East Berlin around the time of the Berlin disco bombing. President Reagan himself furnished considerable detail about messages to justify the U.S. bombing of Libya.

(President in speech of April 14: "On April 4th, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day they reported back to Tripoli on the great success of their mission.")

Casey this week insisted the information had been leaked before the President spoke. Some of those earlier reports, however, were based on public statements by U.S. officials such as Ambassador Burt. And a member of the Senate Intelligence Committee says the Administration is after the wrong people.

(Sen. Leahy: "I think if you decide to go out and prosecute members of the press that you're treating the symptom rather than the problem. I've always maintained what you do is find out the person leaking.")

A Post editor who met with Casey says the CIA Director is serious about prosecuting the press, but sources say Casey's enthusiasm is not shared by Attorney General Meese. Meese is said to view the idea as total nonsense. (ALC-4)

KHADAFY/CARTER

Brokaw: Jimmy Carter said when he was president, he made a study of how to combat Khadafy. And he found the public arena was not the best place. Carter described in an interview with WNBC-TV in New York how he and other allied leaders approached Khadafy in the battle against airline hijackings.

(Carter: "We sent Khadafy a message...in June of 1978 and we told Khadafy, 'If you ever again accept a hijacked airplane and don't return the plane to its owners and the terrorists to justice, never again will a Libyan plane land in our nations and never again will one of our planes land in your country.' This was sent without any publicity....He knew we meant business....And what we threatened would have devastated the economic situation.....") (NBC-4)

SRI LANKA BOMBING

Rather reports another terrorist bomb killed at least 11 people and demolished the Central Telegraph Office in Colombo. More than 100 were hurt. The government said it suspects Temil guerrillas but another group claimed responsibility. (NBC-5, CBS-12)

KOREA

Jennings: Secretary Shultz flew from the Tokyo summit to South Korea.

On his arrival, Shultz praised the Korean government for what he called a purposeful effort to move toward more democracy. Tomorrow he meets with some opposition leaders, but he will not meet with the two most prominent dissidents -- Kim Dae Jung and Kim Jung Sam. Shultz is visiting at a time when opposition to President Chun is both more vocal and more confrontational.

ABC's Mark Litke reports that this year has seen the largest and most violent anti-government demonstrations since Chun grabbed power six years ago. For the first time, these demonstrations have taken on a strong anti-American tone as well. Opposition leaders like Kim Dae Jung have publicly rejected the anti-U.S. stance of the radicals but warned that it will spread if the Reagan Administration doesn't start promoting democracy here. Kim says the visit of Secretary Shultz would be a good time to start. Chun has pleased some U.S. officials by engaging in more dialogue with his opposition lately, but Chun's critics say his actions are purely cosmetic -- that this is still a police state. Indeed, Kim Dae Jung is still forbidden from engaging in any political activity. (ABC-9)

Brokaw: Secretary Shultz arrived in South Korea for a 24-hour visit, during which he will meet with a dozen political and professional leaders, including President Chun and opponents of the Chun government. But Shultz, saying he had only a limited amount of time, will not meet with the leading South Korean dissident, Kim Dae Jung. (NBC-6)

## GRENADA

NBC's Dennis Murphy reports the American military is back in Grenada; 700 U.S. troops and another 160 soldiers from Jamaica and smaller Caribbean islands are staging a mock invasion of Grenada.

Now in an old prison overlooking Grenada, Bernard Coard and 17 other leaders of the Marxist regime are on trial for their lives -- being tried under the revolutionary court system which they themselves set up, and which they now call unfair. Coard's brother, the head of Boston's Community Development Agency, says the trial is unconstitutional.

(Coard's brother: "We still have temporary courts trying these folks in a capital matter, where they could be hanged. It's totally outrageous.")

The Reagan Administration wants the exercises to be a reminder for the leftist politicians of the Caribbean. (NBC-10)

## CHERNOBYL

Rather: Fresh indications tonight the Soviets still are not telling the world or their own people the full story on the consequences of Chernobyl. Defense Department correspondent David Martin has been told that U.S. intelligence believes more than 1,000 Soviet people are affected by radiation sickness. However, they are said to be the Soviets' own internal estimates and do not include people who may be affected in years to come. The latest commercial satellite photo showing the reactor site -- experts in Sweden say it indicates that as of yesterday smoke or steam was still rising from the Chernobyl complex, indicating the accident there still may not be totally over. TASS admitted there is "a certain anxiety" among residents of Kiev. (CBS-9)

ABC's Bill Blakemore reports that shifting winds have raised the radiation levels in Kiev. (ABC-2)

Brokaw: Correspondent Robert Hager reports that intelligence sources in Washington say the Soviets appear to have encountered serious new problems in bringing that disaster under control. They say the fire at the damaged reactor still has not been controlled and still may be a threat to the reactor right next door. (NBC-2)

## GORE NUCLEAR PLANT

CBS's Harry Smith reports from Gore, Oklahoma. Many residents are still afraid after last January, when an accident at a fuel reprocessing plant left one man dead and dozens injured. On Thursday, plant officials will ask the NRC for permission to resume operations. While independent experts agree the worst radiation danger from an accident here would be the equivalent of a chest x-ray, the only truth these people know is their fear. (CBS-10)

## IRAN-IRAQ

Rather reports Iraqi warplanes attacked Tehran for the first time within almost a year and hit a suburban oil refinery. Iran says five were killed and damage was slight. (CBS-8)

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## AIDS

Rather says that as of Monday scientists reported 20,305 cases of AIDS in this country.

CBS's Bruce Morton reports on gamma globulin injections, which are helping children with AIDS live longer and healthier lives. (CBS-2)

## CANCER

Rather reports that Americans are losing the war against cancer. That grim verdict emerged from a study in the "New England Journal of Medicine." The report said that in 1950, 170 of every 100,000 Americans died of cancer. In 1982, after billions of dollars spent on research, that number jumped to 185 of every 100,000 Americans dying of cancer -- an 8% increase. The American Cancer Society disputed the study's conclusion. (ABC-6, NBC-7, CBS-3)

## FERRARO

Jennings reports that after a 21-month investigation of Geraldine Ferraro's campaign finances and her husband's business dealings, the Justice Department has found no basis for criminal charges. Another investigation will continue into any possible civil violations they may have committed under the Ethics in Government Act. (ABC-7)

## GUN CONTROL

Jennings reports President Reagan is expected to sign pretty quickly a new bill easing up on gun control. (ABC-8)

## FARM GRIEVANCES

ABC's Edie Magnus reports thousands of angry Missouri farmers and their supporters jammed a concert, the latest in a series of rallies to call attention to their economic woes. For 52 days now the farmers have barricaded the entrance to the Farmers Home Administration with their tractors and combines. They want the county's chief loan officer out because they feel he goes too much by the book when it comes to considering them for a loan. Whether all the shouts and stars will get the attention of the powers that be in Washington remains unclear.

(TV Coverage of singer John Cougar Mellencamp at concert.) (ABC-10)

## ETHIOPIAN RELIEF OFFICIAL

Brokaw: The Marxist government of Ethiopia said it's official in charge of relief for famine victims has fled to the U.S. and it says that he took with him famine aid money totaling \$300,000. The State Department confirmed the man is in this country but it says there is no evidence that any American aid for famine victims was taken. (NBC-11)

## EDITORIALS/COLUMNISTS

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### FAR EAST TRIP

Action Against Terrorism -- "The seven leading powers of the West have sacrificed teeth for unanimity. As a result, the circle around Libya is somewhat tighter, and the disincentives to state-sponsored terrorism are measurably greater. Many Americans would have hoped for more than this, but unanimous action of any kind against Libya was more than some observers dared hope. The proof of effectiveness will not lie in what Libya says, but in what it and Syria and Iran do and refrain from doing in the way of sponsoring further terrorism." (Baltimore Sun, 5/6)

The Summit, So Far -- "So far, the summit has been a convenient forum for statements of like-minded principle. But that should not be the measure of its success. The summit is primarily an economic one, and it is in that arena that success should be judged.... If the United States manages to forge a unified agreement over exchange rates, interest rates and economic redirection, then it can let Shultz crow. Until then, we've had it, pal." (Cleveland Plain Dealer, 5/6)

United Front On Terrorism -- "With their joint condemnation of international terrorism, the heads of the leading industrial democracies finally have formed a united front against a menace that looms large to the civilized world.... Through their tough words and stern actions, the allies have begun to spell out for Col. Moammar Khadafy and others the price that is to be paid for sponsoring terrorist acts. Even mad dogs should have enough sense to take note." (Dallas Times Herald, 5/6)

Amplifying A Muted Message To Khadafy -- "Just what was George Shultz so euphoric about when he hailed the Tokyo summit's declaration on terrorism as a great victory for the Reagan administration? Close scrutiny of the declaration suggests that Shultz was straining to put the brightest possible face on a document that advances the cause of multilateral action against terrorism only modestly at best.... The problem is that neither the Tokyo declaration nor Shultz's upbeat remarks about it will do much to halt international terrorism. It will take far tougher statements -- and the stomach for tougher action -- to accomplish that." (Newsday, 5/6)

The Tokyo Seven's Surprise -- "This is a surprise. The Tokyo Seven actually have produced an ambitious and potentially revolutionary plan to manage the value of money in the richest nations on Earth.... In essence, they are going to keep an eye on each other's money and gang up on anybody who gets out of line.... This is no longer a huge planet where decisions made in the U.S. or Japan don't really matter much to France and Germany. We live on a shrinking globe that is utterly interlinked. And it is difficult to imagine why the value of money should be excluded from the relationship among allies." (Chicago Tribune, 5/7)

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Press Ban -- "Giving a thoroughly-undeserved bum's rush to several reporters covering President Reagan's trip does little to enhance the image Indonesian President Suharto would like to present to the world. Instead of dispelling clouds of doubt, such highhanded and harassing censorship merely calls attention to the state of human rights in his country.... A major Reagan theme during his trip through the Far East will be emphasis on "winds of freedom." The Indonesian government has made it clear it is not prepared to allow these bracing gusts to ventilate its domain with even a modicum of salutary vigor." (San Francisco Chronicle, 5/6)

A Yen For Stability -- "Broad agreement on the objective of stabilizing exchange rates among the leading currencies is in itself a worthwhile achievement. It represents a significant confirmation, particularly for the Reagan Administration, of a new trend toward more active management of economic details after five years during which Americans were told that the marketplace would protect all interests." (Boston Globe, 5/7)

The 'Terrorism Summit' -- "Frankly, the Tokyo 'economic' summit was again a more 'ceremonial' and 'political' summit than an economic gathering. Planners for next year's summit should begin to work now to reverse that order of priorities, given the increasing complexity and importance of the world economy." (Christian Science Monitor, 5/7)

A satisfactory Summit -- "President Reagan is right to feel positive about the summit. As these things go, he had a good one. The successes were more political than economic, in the degree of unity established on state-sponsored terrorism and nuclear safety.

France and the United States agreed to put their quarrel over the Libyan raid behind them.

Italy and Canada won acceptance as major economic powers.

Margaret Thatcher showed a dubious British electorate that supporting President Reagan advanced British interests.

The French convinced no one that the odd couple of Socialist President Francois Mitterrand and Gaullist Prime Minister Jacques Chirac equate to one effective head of government.

West Germany avoided any outcome that would interfere with its own lethargic economic policies.

All in all, a satisfactory summit."

(Baltimore Sun, 5/7)

Insignificant Step Forward -- "The Tokyo declaration is not entirely pusillanimous, but our government is unconvincing when it rejoices as though it had obtained the decisive, forthright, pan-Western commitment it tried to extract. It did not. And whatever became of the George Shultz who, at the Jonathan Institute in June of 1984, identified the Soviet Union as an aider, abettor, and organizer of worldwide terrorism?"

(Washington Times, 5/6)

Summit Subtleties -- "The seven leaders were not yet ready to think of bold new ventures or new institutions. But it's possible to see signs of a developing consensus on the policy environment necessary for economic growth. There also seems to be a widening recognition of the necessity to think of that environment in international terms. If our assessment is correct, the pink clouds and peach blossoms at Emperor Hirohito's banquet are appropriate symbols." (Wall Street Journal, 5/7)

## FOREIGN MEDIA REACTION

"What has changed...since the last summit, is the status quo. (Although) yesterday's (economic communique) reaffirmed the 1983 Williamsburg commitment to intervene in foreign exchange markets -- intervening temporarily to correct disorderly markets -- it doesn't mean that now....It now means intervening in a coordinated manner to change the value of currencies like the dollar, whose value has become systematically distorted. For that we have to thank Mr. James Baker...whose single-handed conversion of the U.S. Administration to an interventionist stance...has completely changed the parameters in which the annual economic summit operates." (Guardian, Britain)

"There's nothing in the text of the summit communique or even in the unattributable briefings from finance ministers and officials, to justify (Secretary) Baker's grandiloquent suggestions of a new era of monetary coordination." (Financial Times, Britain)

"There is henceforth a 'Free Market International,' a group that permits its members to better exploit the opportunities of the economic rebound. This is a primary gain provided by the Tokyo summit." (Figaro, France)

"A successful summit: all the experts at the Tokyo meeting qualified it as such, notably as regards the economic decisions taken....(But) developing countries, literally strangled by their debts, were given no relief. On this point the 1986 summit maintained tradition." (Le Matin, France)

"Behind the heavy walls of police security, the Big Seven have made reasonable policies. If there had been the need to prove that the summit meetings of the national leaders do have their useful aspects, this proof was served in Tokyo: the feeling of having to move closer to one another in light of nuclear catastrophes such as the one in Chernobyl, and terrorist attacks, and of having to look for joint answers has increased....The participants concentrated on political issues, particularly since the 'classical' issues of the summit, namely economic development, trade, and oil prices, are barely causing any concern at the moment....They can all travel home satisfied with their performances. But it cannot be overlooked that uneasiness is growing that these events have become too large." (Frankfurter Allgemeine, West Germany)

"The long list of banal statements and empty phrases is not surprising but shocking. Thus, one would expect the worst from the next summit." (Handelsblatt, West Germany)

"This summit in Tokyo will go down in the history of summits more for the procedures adopted in economic policy than for political decisions....Of course, we will have to wait and see whether the promises and the commitments made in Tokyo will be kept. That's a big unknown. On concrete problems...like the American deficit, the debt crisis, etc...the summit in Tokyo spelled out only good principles, with but a few decisions -- unless they were kept secret." (La Stampa, Italy)



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FOREIGN MEDIA REACTION (continued)

"The true winner is America. Reagan succeeded in advancing his views on all the issues he cared about, something he failed to achieve at the Bonn summit last year." (Il Giornale, Italy)

"Reflecting on the severe realities of international politics and economy, the results of the Tokyo summit did not turn out to meet Japan's expectations. In order to make the floating system function smoothly, the countries concerned must correct economic distortions through a global perspective." (Asahi, Japan)

"The United States is satisfied with the outcome of the summit as it was able to have its own way, especially in three key points -- terrorism, economic policy coordination and agricultural trade....The Tokyo summit proceeded at America's pace from beginning to end." (NHK-TV, Japan)

"The shift in power in international monetary policy from the existing 'Group of Eleven,' where small countries are also represented, to the 'Big Five' Western industrialized democracies who will now call the tune, is not a welcomed move. It is a counsel of despair -- as if this were the only way to control the world economy." (Basler Zeitung, Switzerland)

"The Tokyo summit drastically reduced the importance of several economic problems, including the foreign debt....The optimism that was expressed in Tokyo in regard to the economy does not reflect the actual situation in the third world." (Information, Denmark)

"Since (the first summit) the character of the meetings as a forum for informal exchange of experiences and ideas has to a great extent been lost. Media coverage has gradually increased and the elements of show have been expanded. The participating leaders are tempted to display a shining facade of unity which may deceive world opinion." (Svenska Dagbladet, Sweden)

"The United States has made some concessions in order to obtain what it considered most important: an explicit statement of Libya's responsibility in the organization of international terrorism." (El Pais, Spain)

"The Tokyo summit has resulted in a compromise that seems to have left everybody happy....The problem, though, remains the question mark represented by the oil market....This isn't the only difficulty facing the Seven. There remains the agricultural surplus demanding that Europe revise its subsidy policies...the unemployment rate...and the indebtedness of certain countries of the so-called third world." (Diario de Noticias, Portugal)

"[The summit] was held in an atmosphere of sharp contradictions and crude pressure brought by Washington to bear on its partners. The summit declared the establishment of a control group as a panacea against all evils....However, the implementation of this idea has run into serious difficulties...due to great differences between the United States, Japan and West Europe." (TASS, Soviet Union)

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