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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 5, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Parris Island Hears Reagan Vow To Protect The Military -- President Reagan told Marines and recruits Wednesday at Parris Island that they represent the best of America's renewed armed forces and pledged to continue bolstering the nation's military strength.

(Charleston News & Courier, Washington Post)

INTERNATIONAL NEWS

U.S. Investigation Continues Into Israeli Spy Case -- U.S. government prosecutors said the investigation into an Israeli spy operation would continue after one ring member, a former U.S. Navy intelligence analyst, pleaded guilty to espionage charges.

(Washington Post, Reuter)

NATIONAL NEWS

Senate Draws Battle Lines On Tax Reform -- The Senate's first day of tax reform debate prompted little opposition for the bill that would radically alter America's tax code, but even supporters are working on changes some fear could kill the measure.

(Washington Times, AP, UPI)

NETWORK NEWS (Wednesday Evening)

PRESIDENT'S TRIP/DEFENSE -- President Reagan took his defense spending campaign to Parris Island.

TAX REFORM -- The Senate's first day of debate on a sweeping plan to change the whole American tax system.

SPY CASES -- Jonathan Pollard pleaded guilty to selling American secrets to Israel and Ronald Pelton's case is before a jury.



TRIP NEWS

'TELL IT TO THE MARINES,' PRESIDENT ADVISES ARMS BUILDUP OPPONENTS

PARRIS ISLAND, S.C. -- President Reagan, facing an increasingly hostile Congress, today took his case for a continued military buildup to an enthusiastic audience of 3,700 Marine recruits who roared their approval of his program.

"I'd like to take some of those people in Washington who are always trying to cut defense spending and bring them here to Parris Island," said Reagan, who is seeking to raise defense spending by 11 percent to \$320 billion. "To all of those who say we must always cut defense first, that America can't afford a strong military, I have just one thing to say: Tell it to the Marines."

(Thomas Edsall, Washington Post, A9)

Parris Island Hears Reagan Vow To Protect The Military

President Reagan told Marines and recruits Wednesday at Parris Island that they represent the best of America's renewed armed forces and pledged to continue bolstering the nation's military strength.

Reagan arrived just before noon and spoke briefly to about 8,000 Marines and their families in front of base headquarters. Included were four platoons of 240 Marines who had graduated from the Marine Corps Recruit Depot's basic training program two hours before.

Reagan was frequently interrupted by cheers.... They (the Marines) gave him a Marine recruit training cap which he donned before leaving to the strains of, "Nothing Could Be Finer (than to be in Carolina)."

Reagan's visit to the base was the first by a President since Franklin D. Roosevelt visited in April, 1943.

(Charles Rowe, Charleston News & Courier)

PRESIDENT IMPRESSES PUPILS

President Reagan wowed more than a thousand school children and took a bit of the low country back to Washington Wednesday.

Some eleven hundred Laurel Bay pupils greeted Reagan when he arrived Wednesday morning at Beaufort's Marine Corps Air Station. When Air Force One broke through a low ceiling of gray clouds, the flag-waving, placard-toting Marine dependents began yelling with excitement.

One Laurel Bay first-grader said, "It was like I was in Washington. He looked old, but not as old as a grandfather." Another youngster said the President's plane is nicer than the "FA-18 Hornet jet plane" her father is learning to fly.

Beaufort Mayor Henry Chambers gave the President a painting of Beaufort by a local artist Nancy Rhett. Reagan left his entourage to thank the artist. She curtsied slightly when he thanked her.

(John Leland, Charleston News & Courier)

REAGAN STUMPS FOR BROYHILL IN N.C.

President Reagan campaigning for Republican Senate nominee James T. Broyhill, Wednesday said he believed his Administration's trade policies eventually would help the farmers and textile workers left behind in the nation's economic recovery.

Reagan swept into Greensboro for a fifteen minute speech, in which he praised Broyhill as an effective congressman, touted his own tax overhaul package, and praised his Administration's efforts to spur an economic recovery.

The event ended with the crowd, including Reagan, singing "God Bless America."
(Bob Christensen, Raleigh News & Observer)

Reagan Visit Backs Broyhill

President Reagan came to Greensboro Wednesday to tell North Carolina Republicans to pull together and to tell voters he wants Republican Jim Broyhill in the U.S. Senate.

Reagan appeared before a flag-waving crowd of about 1,000 in the exhibition hall of the Greensboro Coliseum complex to push Broyhill's Senate campaign.

"Jim has shown himself to be a man who is motivated by principle but who also has a gift for the maneuvers whereby principle is translated into effective legislation," Reagan said. "Jim really knows how to work the Hill, he knows how to get things done."

About 75 people gathered across the street to protest Reagan's free-trade policies, which they say hurt the domestic textile industry, and to protest U.S. involvement in Central America.

Reagan had flown in from the Marine Corps boot camp in Parris Island, S.C. where he pressed his \$320 billion defense program and dared those who wanted to cut it to tell it to the Marines.

Reagan waved to the demonstrators -- some who took pictures -- as his limousine sped down Patterson Avenue back to Regional Airport. They chanted, "Reagan, Reagan, he's no good. Send him back to Hollywood."

Air Force One left Greensboro for Washington, not Hollywood, at 4 p.m.
(Seth Effron, Greensboro News & Record)

GOP Leaders Back Broyhill In Hopes Of Mending Rift

Leaders of the state Republican party whose old wounds were opened in its U.S. Senate primary this year sought to heal their party Wednesday by rallying one another and President Reagan.

(John Drescher, Raleigh News & Observer)

INTERNATIONAL NEWS

EX-ANALYST POLLARD PLEADS GUILTY TO SPYING FOR ISRAEL

Jonathan Jay Pollard, a former civilian Navy counterintelligence analyst, pleaded guilty yesterday to participating in an espionage conspiracy directed by Israeli officials in which Pollard was promised more than \$300,000 for delivering suitcases full of U.S. military secrets, according to federal prosecutors.

Pollard routinely obtained secret documents from the Navy and U.S. intelligence agencies for more than a year and dropped the data off at a Washington apartment that his Israeli contacts had equipped with photocopying machines, according to documents filed by prosecutors in U.S. District Court. (Joe Pichirallo, Washington Post, A1)

U.S. Investigation Continues Into Israeli Spy Case

U.S. government prosecutors said the investigation into an Israeli spy operation would continue after one ring member, a former U.S. Navy intelligence analyst, pleaded guilty to espionage charges.

Jonathan Pollard, an ex-Navy counterterrorism expert, pleaded guilty yesterday to spying for Israel in a deal with prosecutors that spared Israel from an embarrassing trial. (James Vicini, Reuter)

U.S. IS AN INTELLIGENCE TARGET OF THE ISRAELIS, OFFICIALS SAY

There is evidence that Israel has run intelligence operations in the United States for years, despite Israeli assertions that the Jonathan Jay Pollard spy case was an isolated episode, according to current and former U.S. intelligence officials.

Israeli intelligence services were "more active than anyone but the KGB.... They were targeted on the United States about half the time and on Arab countries about half the time," John Davitt, long-time head of the Justice Department's internal security section until his retirement in 1980, said in a recent telephone interview.

(Charles Babcock, Washington Post, A1)

STATE DEPARTMENT CRITICIZES POLISH OFFICIAL'S ACCOUNT

The State Department yesterday criticized a Polish account of the U.S. espionage operation and said it never received definitive advance word of the 1981 martial law crackdown in Poland. But it did not deny that a high-level Polish official had been passing on information.

It said the U.S. government had obtained "conflicting reports from various sources" about possible Polish government actions against Solidarity," but "had no definitive information as to whether or when such a step might actually be taken." (Reuter story, Washington Post, A26)

SENATE TAKES DECISIVE VOTE TODAY ON REAGAN ARMS SALE TO SAUDIS

President Reagan, struggling to preserve his embattled foreign policy agenda, faces the first of several critical tests in Congress today when the Senate casts the decisive vote on the Administration's plan to sell about \$250 million worth of advanced weapons to Saudi Arabia.

On the eve of the vote, White House officials and Senate opponents of the sale predicted that the issue will be resolved by one or two votes when the Senate decides whether to override Reagan's veto of a congressional resolution disapproving the sale.

(Edward Walsh, Washington Post, A35)

Senate Takes Up Saudi Arms Issue

President Reagan says he has his "fingers crossed" that the Senate will salvage his proposed missile sale to Saudi Arabia, but an Administration spokesman says the situation remains a "close, uphill battle."

"It remains a close, uphill battle," said spokesman Peter Roussel. "It's close enough that even a stomach ache or a missed plane connection could make a difference" in the outcome. (Michael Myers, UPI)

WEINBERGER ASSAILS SOVIET PROPOSAL ON 1972 ABM TREATY

Defense Secretary Caspar Weinberger said yesterday that a new Soviet arms proposal in Geneva that would prevent either the United States or the Soviet Union from withdrawing from the 1972 ABM Treaty for 20 years was "terribly wrong...and against [the U.S.] national interest."

Weinberger, during an interview on CBS "Nightwatch," said the Soviets had proposed cancellation of the treaty's withdrawal clause that permits either nation to abrogate the accord with six months notice. The treaty has no time limitation, but it calls for a review of its terms every five years. The next review is scheduled for 1987.

(Walter Pincus, Washington Post, A28)

U.S. OFFICIALS SEE SOVIET ARMS OFFER AIDING 'STAR WARS'

Some knowledgeable United States officials say they see an important opportunity in the Soviet offer to begin reductions in strategic nuclear weapons if the United States pledges to observe the antiballistic missile treaty of 1972 for 15 to 20 years.

Until last week, the Soviet Union insisted on a ban on all research under the American space-based missile defense program as a condition for reductions in offensive weapons.

The Soviet Union's new offer, the officials say, may indicate that the Russians are more interested in preserving the ABM treaty than in preventing all antimissile research. This could open the door to some research under an arms accord. (Michael Gordon, New York Times, A1)

SOVIETS SAY ABANDONING SALT II COULD IMPERIL SUMMIT

MOSCOW -- The Soviet Union said Geneva arms talks and a superpower summit could be imperiled if the United States scraps the SALT II treaty. Moscow recalled its chief arms negotiator from Switzerland to discuss the situation.

Marshal Sergei Akromeyev, the chief of general staff of the Soviet armed forces, told a news conference Wednesday the Soviet Union could place more warheads on its missile fleet in retaliation for U.S. violations of the 1979 Strategic Arms Limitation Treaty. (Charles Mitchell, UPI)

127 MORE SOVIETS TO BE ALLOWED TO EMIGRATE

The Kremlin has given the U.S. government names of 127 more Soviets being allowed to join relatives in the United States, bringing it to 244 the number permitted to emigrate, the State Department said yesterday.

The department called that a "significant step" giving "real meaning" to a joint statement by President Reagan and Soviet leader Mikhail Gorbachev at their Geneva summit last November to resolve divided-family cases that the United States has been pressing with the Soviets for three decades. (UPI story, Washington Post, A29)

REPUBLICANS STEAM AS O'NEILL DELAYS CONTRA VOTE AGAIN

House consideration of the President's \$100 million request for the Nicaraguan resistance has been delayed until at least June 19, House Speaker Thomas O'Neill said yesterday.

Mr. O'Neill said the new date is tied to the House Appropriations Committee, which is bogged down over consideration of a military construction bill.

House Republican leaders yesterday derided the 10-day delay from the long-scheduled June 9 date for the rebel aid measures to reach the floor again. (Christopher Simpson, Washington Times, A1)

SHULTZ PRAISES AQUINO'S PATH IN PHILIPPINES

Secretary of State George Shultz praised Philippine President Corazon Aquino yesterday for advocating free-market principles, and said he was "bullish" on the Philippines despite the continuing problems of a battered economy and a growing communist insurgency.

"It is still early in her tenure, but already she has dispelled many initial uncertainties," Shultz told the Foreign Policy Association in New York. "Her government is off and running hard, and it is headed in the right direction." (Keith Richburg, Washington Post, A31)

NATIONAL NEWS

SENATORS LAUD, BERATE TAX OVERHAUL BILL AS DEBATE BEGINS

Tax legislation pending in the Senate is a historic opportunity to fundamentally change the federal tax code, or it is a well-meaning blunder that will create financial hardship and possibly disaster for many law-abiding taxpayers.

Senator Bob Packwood said, "This is the most radical tax bill this country has seen in a half century."

Senator Bill Bradley, who has pushed the tax-overhaul effort for several years: "Tax reform is not just about money. It's about personal dignity and individual security. It's about being in control of our lives while having a government that is responsive to us." (Cliff Haas, AP)

Senate Draws Battle Lines On Tax Reform

The Senate's first day of tax reform debate prompted little opposition for the bill that would radically alter America's tax code, but even supporters are working on changes some fear could kill the measure.

In several hours of opening debate, backers of the sweeping legislation written by the Finance Committee argued Wednesday that the bill would finally bring fairness to a set of tax laws riddled with confusion and inequities. (Joseph Mianowany, UPI)

Debate Begins In Senate On Tax Reform Bill

The Senate began debate yesterday on a revolutionary bill that would trade popular tax breaks and deductions like the IRA for sharply lower business and individual tax rates.

Yesterday's proceedings were given over to speeches about the bill's provisions to reduce tax rates to the lowest level in a generation and close many popular loopholes for business and individuals. Voting gets underway next week. (Karen Riley, Washington Times, A1)

TAX REVISION FENCED OFF FROM DEFICIT

The Senate, opening debate on what would be the most sweeping overhaul of the tax code in more than 40 years, agreed in principle yesterday that new revenue generated by its proposal should not be used to meet deficit-cutting targets.

Budget Committee leaders raise strong objections to using some of the \$23 billion in additional revenue expected in 1987 -- funds in excess of those current law would generate -- to meet such targets.

They noted that the bill would cause the deficit to soar in 1988 and 1989 as revenues declined by \$21 billion below projected levels each year, if other tax increases were not approved.

(Anne Swardson & Helen Dewar, Washington Post, A4)

AS NASA OFFICIALS DEPART, BIGGER SHAKE-UP IS FORECAST

In the four months since the Challenger accident, virtually all of the key officials involved in the decision to launch the shuttle have left their jobs in what officials say is the beginning of an even more extensive management overhaul of the nation's space program.

NASA general manager Philip Culbertson said yesterday there will be even more personnel changes as part of a management restructuring that will significantly change the face of the space agency after the release of the report of the presidential commission on the accident next week.

(Michael Isikoff, Washington Post, A1)

MODERATE REP. ZSCHAU WILL CHALLENGE CRANSTON

LOS ANGELES -- A Republican primary loaded with southern California conservatives brought victory to a moderate northern Californian, Rep. Edwin Zschau, who appears to pose the greatest threat ever to Democrat Alan Cranston's U.S. Senate seat.

Zschau said he plans to raise \$10 million to beat Cranston and is certain to get heavy national GOP support because of the race's importance for control of the Senate. He applauded Bruce Herschensohn's quick endorsement and said, "This sends a strong signal that we in the Republican Party are going to be unified in this race."

(Jay Mathews, Washington Post, A3)

PRIMARY RESULTS BOOST PROSPECTS FOR DEMOCRATIC SENATE, GOP GOVERNORSHIPS

The South Dakota results are a rough microcosm of the results of the 20 primaries held so far, beginning in Illinois on March 18. Eight states held primaries Tuesday, and North Carolina held a runoff.

Democrats appear at this point to have strengthened their drive to regain control of the Senate, while Republicans seem to have made themselves stronger in the gubernatorial races.

(James Dickenson & Bill Peterson, Washington Post, A3)

SNYDER ENDS HUNGER STRIKE, BUT SAYS WHITE HOUSE BATTLE UNFINISHED

Mitch Snyder ended a four-day fast after the White House said it would release a \$965,000 "down payment" to repair a crumbling shelter for the homeless, but Snyder said he won't give up his fight until the rest of the promised \$5 million is turned over.

White House deputy press secretary Peter Roussel said late Wednesday the Department of Health and Human Services had been directed to release \$965,000 to the District of Columbia for the shelter. (Paul Page, AP)

SENATE INVESTIGATIONS PANEL BEING PROBED ON SPENDING

The Senate permanent subcommittee on investigations, which has been digging into labor racketeering and other corruption since the 1950s, is itself under investigation over allegations that one or more staff members may have misused congressional funds.

Subcommittee staff director Daniel Rinzel said yesterday that the General Accounting Office is examining "discrepancies" that the panel turned up in its travel funds and other expense accounts.

(Howard Kurtz, Washington Post, A7)

FINDING POTENTIAL WASTE, FRAUD, ABUSE COST GOVERNMENT \$250 MILLION IN '84

The government spent \$250 million and 5,800 staff years in 1984 to identify potential areas of waste, fraud and abuse -- most of which had been identified previously through routine measures, according to the President's Council on Management Improvement.

Each potential target of waste, fraud and abuse cost more than \$1 million to identify and generated "mountains of paper work," council vice chairman Gerald Riso told a House Government Operations subcommittee yesterday.

(Judith Havenmann, Washington Post, A8)

MEESE AIDES MET NIXON LAWYERS BEFORE DECISION ON EXECUTIVE PRIVILEGE

The Justice Department decided to support former president Richard Nixon's claim of executive privilege over his White House papers and tapes after Nixon's attorneys met privately with two top aides to Attorney Edwin Meese, according to department documents.

Department officials confirmed that Meese's counselor, T. Kenneth Cribb, and senior special assistant, Stephen Galebach, discussed the issue with Nixon's attorneys late last year. In February, the department issued a controversial legal opinion saying that President Reagan is bound to support almost any executive privilege claim by a former president.

(Howard Kurtz, Washington Post, A21)

CANCER DRUG INTERFERON WINS APPROVAL FOR COMMERCIAL USE

The federal government yesterday approved the first commercial use of a form of interferon to treat a rare type of cancer, giving doctors the first of an expected series of new anti-cancer agents produced through genetic engineering.

The Food and Drug Administration's decision to let drug companies sell alpha interferon "marks a new age in medicine," said Otis Bowen, Secretary of Health and Human Services.

(Nell Henderson, Washington Post, A1)

NETWORK NEWS SUMMARY

(Wednesday Evening, June 4, 1986

PRESIDENT'S TRIP/DEFENSE

Rather: President Reagan was telling it to the Marines today, taking his campaign for higher defense spending to a storied U.S. Marine training camp. But his proposed increased Pentagon budget was coming under fire on Capitol Hill with some congressmen, not all of them Democrats, saying no to any military build-up without SALT II arms control.

CBS's Lesley Stahl:

(TV Coverage: President Reagan observing Marines.)

The President said the "slide for life" on the Marines' so-called confidence course -- a series of increasingly strenuous obstacles, reminded him of his dealings with Congress. In fact he came to Parris Island as part of his own uphill fight to preserve his five-year military buildup.

(President Reagan speaking to Marines: "And if we ever must send our young service-people into harm's way, then it is our moral duty to give them absolutely the best equipment and support that America can muster.")

Congress is not only balking at the size of the military budget but is also considering withholding defense funds unless the President reverses his decision to scrap the SALT II arms control treaty. House Democratic leaders held a strategy session today to consider legislation to force compliance with the treaty. In the Senate, even Republicans complained.

(Sen. Chafee: "If our President stands by this new policy, it will amount to nothing less than an end to U.S.-Soviet arms control. And it will mean that a renewed arms race will result.")

(Weinberger: "Any legislation would limit us, unilaterally, and not the Soviets. And for the life of me I can't understand why Congressmen would feel that that's anything in our own national interest.")

As the Soviets launch another barrage of criticism from Moscow, U.S. sources tell CBS News that Secretary of State Shultz contacted Soviet diplomats in Washington two days ago to try to resume high-level negotiations leading toward a summit. The sources say Shultz was worried about the harsh negative reaction to the SALT decision among the allies and in Congress, and wanted to prove that the superpower relationship has not been irreparably damaged. (CBS-2)

Jennings: It was back to basic training for the Commander in Chief today.

(Coverage: President Reagan in the field observing Marines.)

President Reagan paid a visit to the Parris Island Marine Recruit Depot in South Carolina. The President watched the men go through, and in some cases not make it all the way through, some elements of basic training. The President used the occasion to push once again for an increase in the Defense budget. (ABC-10)

-more-

Brokaw: President Reagan, with his military budget under fire in Congress, went to boot camp today to fight for more money and to see what some of it buys.

(TV Coverage: President viewing Marine training exercises.)

At Parris Island, South Carolina, Mr. Reagan watched Marine recruits battling a series of obstacles as part of their basic training. Then, in a speech to graduates of the course, he had a message for those who want to cut defense spending.

(President: "And to all of those who say that we must always cut defense first, that America can't afford a strong military, I have just one thing to say: Tell it to the Marines." Applause.) (NBC-7)

TAX REFORM

CBS's Dan Rather: Historic U.S. Senate debate on a sweeping plan to change the whole American tax system -- it's historic because of what this sweeping legislation would do to your taxes.

CBS's Phil Jones reports that it is a radical proposal chopping tax shelters for wealthier Americans.

(Sen. Bradley: "It's time for us to look at the special interests and say, 'Get on board. Be a part of the community -- be a part of America, pay some tax.'")

Slapping individuals and corporations with a minimum tax, while dropping six million poor from the tax rolls and replacing fifteen complicated tax brackets with only two...providing a tax-cut for most Americans.

(Sen. Alan Simpson: "They just want us to get off our butt and do something. Well, here's a chance. Eighty percent of the American people will pay 15 percent in taxes and no more -- 80%.)

The emotional battle is over IRAs. IRA holders were urged to contact their senators. The mail and phone-calls started coming. As the tax debate began today, the move toward reform had become so strong that many of the lobbyists who would have been expected to be roaming the halls to kill the bill were together, working to pass the measure without amendments -- even though some are hoping to get changes in a House-Senate compromise.

(Secretary Baker: "Once you start pulling on that ball of yarn you run the risk of having the whole thing unravel.")

(Sen. D'Amato: How dare they suggest that we're going to oppose all amendments regardless of the merit.")

So this battle is just beginning -- and tomorrow the President weighs in. He's invited all senators to the White House to pressure them to pass the tax reform package as is. (CBS-Lead)

ABC's Brit Hume reports that the Senate now has an office for the coalition of more than 400 business, labor and other interest groups working to pass this bill as is.

(Secretary Baker: "Once you start pulling on that ball of yarn, you run the risk of having the whole thing unravel.")

(Sen. Hawkins: "If this bill is so weakly constructed that its passage hinges on taking away a good program in which millions of Americans have invested in it, so be it.")

Hume continues:

(Sen. Packwood: "Somehow this country was founded, settled, explored, mined, timbered, farmed, and finally moved west, without any tax incentives.")

...Even the IRA deduction that seemed certain only a few weeks ago to be restored, is now in doubt. (ABC-11)

NBC's John Dancy reports the Senate tax reform bill has wide support from Republicans and Democrats.

(Sen. Byrd: "It is true tax reform. I intend to support it.")

But the bill won't have an easy time of it. This is some of the mail Sen. Cranston has received on the tax bill -- specifically on the provision doing away with the IRA deduction for people who are already in a private pension plan.

(TV Coverage: Aide going through mail piled on desk.)

One of Cranston's letters came from financial consultant Donald Bell of Sherman Oaks, California.

(Bell: "A lot of people feel they should be able to control their retirement funds themselves. An IRA is a perfect situation.")

So it was not surprising that IRAs were on everybody's mind as debate began.

(Sen. D'Amato: "It is demagoguery to say that the IRAs are a program that benefits the wealthy.")

(Sen. Roth: "Instead of an IRA being just for fat cats, I think the fact is it's a means of saving for middle America.")

IRAs are just one of the problems Sen. Packwood faces. Others are interest on credit purchases, state and local sales taxes, limited partnership tax shelters.

(Sen. Packwood: "This country thrived and flourished and did sensationally with no help from a tax code.")

No one expects the bill will escape completely unchanged, but there is a feeling that tax reform now has momentum and will pass. (NBC-6)

SPY CASES

NBC's Tom Brokaw: It's been a busy day for American spy cases.

Jonathan Pollard pleaded guilty to selling American secrets to Israel. And the case of Ronald Pelton, accused of selling secrets to the Russians, is before a jury tonight.

NBC's Carl Stern reports Pollard pleaded guilty to espionage in exchange for the government's promise to recommend a prison term of less than life. In the courtroom, he was joined by his wife, who agreed to admit hiding documents, for which the penalty could not exceed 10 years in prison. But the big story was the evidence that at least a half dozen Israelis took part in the spying and might still be indicted. In Israel, which has called the espionage unauthorized, a government official today called it a mistake and a blunder.

NBC's James Polk reports the prosecution called Ronald Pelton a spy who broke his oath and betrayed his country -- a man who sold the most sensitive secrets of the National Security Agency for \$35,000. The defense argued the FBI deceived Pelton and didn't warn him of his right to silence, that there was no evidence without Pelton's own admissions. (NBC-Lead)

CBS's Deborah Potter reports that settling the Pollard case without a trial means less public embarrassment for the Israelis, but the Justice Department says it's not all over and there could be more indictments. (CBS-5)

ABC's John Scali reports that two other Americans and several more Israelis are being investigated. New evidence turned up recently has convinced some investigators that there is a much wider Israeli network in the U.S. The Israelis deny this. (ABC-5)

NASA

Jennings reports that this has been a very difficult day for the families of the astronauts killed in the Challenger disaster. They were briefed on the findings of the Presidential commission investigating the accident, and on the details of what happened at the time of the explosion. And at the same one of the senior NASA administrators involved in that launch has stepped down.

ABC's James Walker reports that William Lucas, the director of the Marshall Space Flight Center in Alabama, went on closed-circuit television today to announce he was stepping down.

(Lucas: "Now that the causes of the accident are well enough understood, so that the problems can be fixed, and because corrective action has already begun, and in as much as the space shuttle cannot fly again before the end of 1986, I have concluded that it is appropriate for me to retire now.")

Lucas' decision to retire was applauded by Rep. James Scheuer, a member of the House committee that oversees the space agency.

ABC News has learned the 200-page report will say that a key reason for the disaster was that NASA pressured itself into launching Challenger. It will also say the orbiter did not explode, but broke up while tumbling at supersonic speed.... The panel will recommend that the agency report to the President one year from now as to how NASA has met the commission's recommendations (ABC-2)

CBS's Eric Engberg reports that on the day the Presidential Commission briefed astronauts' families on its findings, yet more evidence the Challenger should not have been launched. In tape recordings obtained by CBS News, engineers for the company that built the orbiter express alarm over ice on the pad on the coldest day a shuttle was ever launched. Launch managers have testified the severity of these warnings was never conveyed to them. Such failure in communications will be cited by the commission as a contributing cause of the accident. (CBS-3)

POLAND

Rather reports the Polish government said today Washington knew all about Poland's crack-down on the Solidarity movement a month before it happened in 1981. The Polish government said a CIA spy in the Polish general staff provided the information. According to a government spokesman, Washington's decision to keep quiet gave the plan a "sort-of reticent go-ahead." Aides to President Reagan denied the story. (CBS-13)

ABC's John McWethy reports that the Polish government, through spokesman Jerzy Urban claims that had the U.S. gone public with the actual date of the crack-down...the Reagan Administration could have somehow prevented Poland from imposing martial law. State Department officials say that is ridiculous. (ABC-7)

POLAND/SOLIDARITY

ABC's Anne Garrels reports U.S. officials say Polish charges that the U.S. did nothing to prevent martial law in 1981 are simply an attempt to drive a wedge between the U.S. and Solidarity supporters, "a self-serving attempt to lay blame for martial law somewhere else, other than where it belongs, with the Polish government." Privately, U.S. officials confirm one part of the story: that the CIA did have a mole within the Polish general staff. He did provide valuable information until the CIA had to help him escape the country. But officials deny he provided them with a martial law blueprint with a final date. The State Department says it was well aware of the possibility of the imposition of martial law, but had no definitive information as to whether or when such a step might actually be taken. Polish spokesman Jerzy Urban claims American silence was taken by the Polish government as a reticent go-ahead. He says the reason the Reagan Administration sat idly by is because the U.S. wanted to provoke a bloody conflict in order to weaken the communist regime. According to U.S. officials, the Poles have resorted to trumped-up charges in order to shift the blame for martial law to the U.S. But U.S. officials believe this tactic will backfire, for in making its case against the U.S., the Polish government has ended up contradicting itself -- admitting for the first time that martial law was planned with the Soviets long in advance and was not a last-minute, desperate decision. (NBC-10)

ILLEGAL ALIENS

Brokaw: In the past few months, the flow of illegal aliens across our borders has become a runaway flood. Immigration officials are now saying that last month they arrested a record number of illegal aliens -- 146,000. Compared with May of last year, that's an increase of 45%. NBC's George Lewis reports that officials say the border is now totally out of control.

NBC's George Lewis reports that while the border patrol keeps setting arrest records, officials concede that for every person caught, two more get away.

(Immigration official Harold Ezell: "We've had it. We can't continue to survive as a nation with borders that are out of control. And our borders are out of control.")

Some politicians have suggested that maybe troops should be called in to help out. Yesterday, the Los Angeles County Board of Supervisors unanimously passed a resolution to that effect. Some politicians contend that immigration reform and troops simply will not work, that the root of the problem is the worsening economy of Mexico.

(Gov. Babbitt: "...It is the most important national security issue facing the United States.") (NBC-5)

INTERFERON

Jennings reports that in Washington today, with a good deal of fanfare, the government gave two major drug companies permission to market the drug Interferon -- for use in the treatment of a certain kind of cancer. Doctors and medical researchers are usually very careful about using the word "breakthrough", but that was the word being used today and very specifically by two federal government officials.

ABC's George Strait reports that it was an unprecedented show. Long limousines for drug company executives, and on stage, the head of the FDA and Secretary of Health and Human Services. All to announce the approval for use by the general public of a drug to treat a rare form of cancer.

(FDA Commissioner, Frank Young: "This is a milestone, a breakthrough, and a sign of what is likely to come.")

Interferon is the first genetically engineered drug to get government approval. Interferon remains as controversial as ever, but what worries experts is that the tone of the government approval announcement could mislead millions of vulnerable cancer patients.

(CBS-4, NBC-4, ABC-Lead)

SOUTH AFRICA

Rather reports that South Africa tonight banned all public meetings that have any connection with the tenth anniversary of the Soweto race riots. The ban will last for the rest of the month. The riots started on June 16th 1976.

There wouldn't seem to be much to laugh about in South Africa these days, but a white comedian has found it, poking fun at otherwise sensitive subjects.

CBS's Alan Pizzey reports that Peter Dirk Uys is a white South African satirist who's not so sure he is proud anymore.

(Uys doing routine: "There are two things I just can't stand about South Africa -- apartheid and the blacks." Uys as Botha: "We no longer practice apartheid in South Africa. We have no need to, we have it down to a fine art.")

(CBS-14)

Jennings reports that the government published details of a long-awaited bill to restore South African citizenship to more than 10 million blacks disenfranchised when their tribal homelands were forced to become independents. The critics say it is far short of what had been promised. Speaking via satellite to a gathering of ABC affiliates here in Los Angeles today, the South African Bishop Desmond Tutu said the ban on public meetings related to the Soweto riots anniversary would be defied.

(ABC-13)

Brokaw: The American Chamber of Commerce in South Africa has asked its 300 member companies to consider defying apartheid laws that will affect their black workers.

(NBC-12)

PHILIPPINES

ABC's Jim Laurie reports that for the most part Corazon Aquino first hundred have been days of trial and error -- she counselling patience as her government confronted problems which have no quick solution.

(ABC-14)

STEALTH BOMBER MODEL

Rather reports of a top U.S. defense secret that may be available for a price. The planned Stealth bomber and how it eludes radar -- something that worries the Russians very much. The Stealth has been kept closely under wraps, or so the Defense Department said. But it turns out that this is one top secret that even a child can build.

CBS's Terry Drinkwater reports that a model of the Stealth is about to show up in toy stores across the country. The Air Force is very tight-lipped with the smallest details about stealth, but the model designer believes his creation is very close to the real thing. The Washington establishment is not thrilled about the Stealth model.

(Weinberger: "There is too little responsibility about publishing too much of things that can really aid only the Soviets. They're always done in the name of the people's right to know. It turns out to be the KGB's right to know.")

One of the Air Force's most closely guarded secrets -- \$9.50 -- soon at a toy store near you. (CBS-7)

IRS LOAN DEFAULTS

Rather reports that the Reagan Administration said today it has recovered \$135 million from people who defaulted on federal loans -- recovered it by keeping their income tax refunds. Nearly 250,000 offenders, many of whom defaulted on student loans, were warned repeatedly before their refunds were confiscated. (CBS-8)

LEBANON/HOSTAGES

CBS's Richard Roth reports that Glen Anderson, dying of cancer, recorded a videotape, appealing for his brother's freedom, intended for broadcast on Lebanese TV. His brother is Associated Press correspondent Terry Anderson, kidnapped 14 months ago. It's not just the kidnappers the relatives want to reach. It's the government in Washington and people nation-wide.

(TV Coverage: The President shaking hands outdoors at the White House in winter.) (ABC-15, NBC-2, CBS-11)

CHERNOBYL

Rather reports that with each passing day come new Soviet admissions about Chernobyl. Today Pravda revealed that radiation "hot-spots" have been found well beyond what had been called the eighteen mile emergency zone around the reactor. Pravda spoke of widespread evacuation and protective measures in the republic of Byelorussia, far north of Chernobyl. One Soviet official said tens of thousands of children have been sent away or left Byelorussia voluntarily.

(ABC-3, CBS-11)

LIABILITY INSURANCE

Jennings reports that in elections yesterday California approved Proposition 51 which was designed to limit liability insurance awards.

(ABC-9)

NICARAGUA/PHILIPPINES

NBC's John Chancellor comments on the difference between aid to Nicaragua and aid to the Philippines: ...In Nicaragua, the anti-Marxist rebels don't really have a chance of victory. That's a holding operation with dubious prospects. Mrs. Aquino does have a chance to make democracy work in the Philippines. In Nicaragua, the U.S. wants to fight a government which is in power. In the Philippines, the U.S. is helping a government which has the support of the people. Whatever happens to the money for the Nicaraguan rebels, extra aid for the Philippines certainly seems to be the better investment. (NBC-11)

WALDHEIM

Rather reports that Israel hasn't come up with any conclusive evidence linking Waldheim directly with any war crimes. Israel's Justice Minister said Waldheim was a member of atrocious criminal organizations, but he added there is no information so far directly connecting Waldheim personally with Nazi atrocities. (ABC-8, CBS-9)

HEART PATIENT

NBC's Reed Galen reports on "Baby Jessie," a baby born 10 days ago with a fatal heart condition. The baby's parents -- young and unmarried -- applied to Loma Linda University Hospital for a transplant and were turned down. The parents say the hospital felt they were incapable of caring for the child after the operation. The parents' cause has been taken on by the Right to Life organization. (Right to Life spokeswoman Susan McMillan: "But when we have technology that can save a child's life, and we start picking and choosing simply on the grounds of the the family's condition, we're really smacking of being extremely elitist here.") Hospital officials seemed to say the case could be reconsidered. The parents have offered to give the grandparents custody of Baby Jessie. (NBC-3)

STOCKS

On Wall Street today the stocks were down about 7 points in light trading. (ABC-12)

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EDITORIALS/COLUMNISTS

HOUSE TRADE BILL

Spoiling For a Trade War -- "If the Democratic Party plans to revive itself by drumming up sympathy for protectionism, it's making a serious mistake.... Diplomacy is the proper channel to discuss trade problems. The House bill, which also undermines our obligations under the General Agreement on Trade and Tariffs, is remarkably undiplomatic. Protectionism, as Democrats should know, is bad economics and bad politics." (Hartford Courant, 5/31)

Some Good In Trade Bill -- "Without the simplistic Japan-bashing and with a more considered approach on some of the other provisions, something like a reasonable trade strategy could emerge. Are Congress and the White House up to that, or would they rather just provoke one another for campaign purposes?" (Des Moines Register, 5/29)

Trade Means Jobs -- "The House of Representatives has now responded by passing a trade bill that would embrace protectionism to a greater extent than any law since the infamous Smoot-Hawley tariff paved the way to the Great Depression.... The trade bill still must pass the Senate. If the senators are equally myopic, President Reagan says he'll veto this irresponsible act. He should." (Baltimore Sun, 6/2)

Trade Bill -- "The trade bill is a mess, a horrible example of what happens when politics and protectionism are stirred in the same caldron. It takes no note of the alarming consequences of a trade war, the advantages to this country of free trade, and the thousands of jobs that could be lost in export industries if protectionist measures are erected." (Charleston Daily Mail, 5/30)

Playing Chicken -- "The President, who isn't usually on the side of the protectionists, should reconsider his ill-advised tariff decision. Consistency may be the hobgoblin of small minds, but in this case demonstrating a touch of it would have served the larger interests of free trade with Canada." (Los Angeles Times, 6/2)

Protectionist Sop -- "Canada is probably not the last U.S. trading partner that will suffer arbitrary sanctions as the White House endeavors to head off the sons of Smoot-Hawley. But if Congress has any economic sense left, the cedar duties imposed against Canada will prove the undoing, rather than the the beginning, of this country's protectionist silliness." (Miami Herald, 6/1)

SALT II TREATY

Reagan Peppers SALT -- "But the President needs to remember that, for all its flaws, SALT II is the only treaty now curbing the arms race. If he scraps it before he has a better one in hand, Reagan will jeopardize his own dream of banishing the nuclear menace from the human horizon." (Denver Post, 6/2)

EDITORIALS/COLUMNISTS (continued)

SALT II Is All We Have -- "Abandonment of the much-maligned SALT II treaty could lead to a major new Soviet buildup in nuclear warheads. Until the Geneva negotiators come up with an improved arms-control agreement, why abandon the few controls we have?" (Buffalo News, 6/2)

Repudiating SALT II Confines Raises New Arms Race Specter -- "Perhaps the Reagan gambit will work. Maybe the White House has picked a good time to confront the Soviets with the implications of squeezing through every existing arms control loophole. But if not, does Mr. Reagan have an alternative to reviving another hell-bent-for-leather arms race? There's still time before his end-of-the year deadline to develop one."

(Salt Lake Tribune, 5/29)

SALT II: An Issue Handed To The Democrats -- "In the face of the budget deficit, the only way the President and Weinberger can blackjack Congress into raising the ante for new military hardware is to whip up a big war scare. And that is extremely dangerous to the health of the Republican Party and its chances of keeping control of the Senate this year and of the White House in 1988. Ever since arms talks resumed in Geneva early in 1985, Reagan has had a free ride at home on his handling of nuclear issues and the Soviet-U.S. relationship. That domestic truce is sure to break down over his SALT II decision. Reagan has handed the Democrats an issue when they really needed one."

(David Broder, Washington Post, 6/4)

SALT II: Mr. Reagan Should Realize The Value Of Continued Compliance: "The Administration should reconsider its stand on SALT II compliance and quietly move back to observing the treaty's limits. Unless the U.S. does so, our chances of negotiating a much needed, balanced and verifiable arms treaty with the Soviet Union will be significantly diminished."

(Detroit Free Press, 6/2)

LEAKS

Leaks And "Cautions": "The Reagan team badly needs to inject a dose of proportion into its responses to the rigors of political life and to show a keener appreciation for the liberties whose preservation is the first goal of government. We accept the government's right to establish a classification system. But we also assert the journalists do not lose this right when an official wields a classified stamp."

(Washington Post, 6/1)

Casey vs. The News Media: "A good case can be made that intelligence officials are the best judges of which secret information will help a potential enemy and which may be published without harm. The danger comes when the judgment is made on political, rather than security, grounds. Revealing how a code was broken, but calling it a crime to 'reveal' what the Kremlin already knows, can hardly be anything but a political decision."

(Des Moines Register, 5/24)

FOREIGN MEDIA REACTION

ARMS CONTROL/SALT II

"What is extraordinary is the fact that President Reagan has formally respected [SALT II] for six years but then abandons it. The ambiguous nature of the decision, typical of the Reagan style...indicates that differences remain within the Administration, where the debate among Shultz's 'good guys' at the State Department and Weinberger's 'bad guys' at the Pentagon is more violent than ever." (La Repubblica, Italy)

"In the longer term too, the Administration's arguments seem doomed to failure. With no SALT II, the Soviets would be completely free to develop to their hearts' content the strategic missiles against which SDI is supposed to protect the United States." (Tribune de Geneve, Switzerland)

"Since the United States decided not to be bound by SALT II, there has been growing concern in the United States and Western Europe over the worsening of U.S.-Soviet relations brought about by the possibility of a new nuclear arms race erupting between the two countries." (Mainichi, Japan)

"Secretary of State Shultz supports Reagan's SDI....On the other hand, he said that the United States will firmly observe the ABM treaty. He is deceiving himself and others. He wants to conceal the affair....The United States is not going to observe SALT II and is preparing to abandon the anti-ballistic missile treaty. These are...omens. The U.S. madmen who adore weapons are pushing the world towards the rim of the dangerous gorge." (Ching Po, Hong Kong)

"The U.S. decision cannot but meet with a quid pro quo. Moscow has reacted by threatening to stop abiding by SALT II limitations. If it does so, then the arms race between the two superpowers will escalate at an unimaginable speed." (Telegraph, India)

"Washington unwillingness to be bound by SALT II means that it is aiming to delay the planned U.S.-Soviet summit. However, it is only logical the summit would be useless if the Soviets responded to such a decision. The statement agrees completely with the pattern of U.S. foreign policy. The United States is planning, through a new arms race, to outbalance the Soviets and conquer the world." (al-Maydan, Sudan)

"President Reagan's decision to break out of the SALT II treaty is the most serious blunder made over the entire period of [President Reagan's] stay in the White House. The U.S. President's decision signifies that the U.S. leadership has gone to an exceptionally dangerous measure in the cause of destroying the treaty system which restrains the nuclear arms race and thereby brings about conditions for the conclusion of new agreements." (TASS, Soviet Union)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 5, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Parris Island Hears Reagan Vow To Protect The Military -- President Reagan told Marines and recruits Wednesday at Parris Island that they represent the best of America's renewed armed forces and pledged to continue bolstering the nation's military strength.

(Charleston News & Courier, Washington Post)

INTERNATIONAL NEWS

U.S. Investigation Continues Into Israeli Spy Case -- U.S. government prosecutors said the investigation into an Israeli spy operation would continue after one ring member, a former U.S. Navy intelligence analyst, pleaded guilty to espionage charges.

(Washington Post, Reuter)

NATIONAL NEWS

Senate Draws Battle Lines On Tax Reform -- The Senate's first day of tax reform debate prompted little opposition for the bill that would radically alter America's tax code, but even supporters are working on changes some fear could kill the measure.

(Washington Times, AP, UPI)

NETWORK NEWS (Wednesday Evening)

PRESIDENT'S TRIP/DEFENSE -- President Reagan took his defense spending campaign to Parris Island.

TAX REFORM -- The Senate's first day of debate on a sweeping plan to change the whole American tax system.

SPY CASES -- Jonathan Pollard pleaded guilty to selling American secrets to Israel and Ronald Pelton's case is before a jury.



TRIP NEWS

'TELL IT TO THE MARINES,' PRESIDENT ADVISES ARMS BUILDUP OPPONENTS

PARRIS ISLAND, S.C. -- President Reagan, facing an increasingly hostile Congress, today took his case for a continued military buildup to an enthusiastic audience of 3,700 Marine recruits who roared their approval of his program.

"I'd like to take some of those people in Washington who are always trying to cut defense spending and bring them here to Parris Island," said Reagan, who is seeking to raise defense spending by 11 percent to \$320 billion. "To all of those who say we must always cut defense first, that America can't afford a strong military, I have just one thing to say: Tell it to the Marines."

(Thomas Edsall, Washington Post, A9)

Parris Island Hears Reagan Vow To Protect The Military

President Reagan told Marines and recruits Wednesday at Parris Island that they represent the best of America's renewed armed forces and pledged to continue bolstering the nation's military strength.

Reagan arrived just before noon and spoke briefly to about 8,000 Marines and their families in front of base headquarters. Included were four platoons of 240 Marines who had graduated from the Marine Corps Recruit Depot's basic training program two hours before.

Reagan was frequently interrupted by cheers.... They (the Marines) gave him a Marine recruit training cap which he donned before leaving to the strains of, "Nothing Could Be Finer (than to be in Carolina)."

Reagan's visit to the base was the first by a President since Franklin D. Roosevelt visited in April, 1943.

(Charles Rowe, Charleston News & Courier)

PRESIDENT IMPRESSES PUPILS

President Reagan wowed more than a thousand school children and took a bit of the low country back to Washington Wednesday.

Some eleven hundred Laurel Bay pupils greeted Reagan when he arrived Wednesday morning at Beaufort's Marine Corps Air Station. When Air Force One broke through a low ceiling of gray clouds, the flag-waving, placard-toting Marine dependents began yelling with excitement.

One Laurel Bay first-grader said, "It was like I was in Washington. He looked old, but not as old as a grandfather." Another youngster said the President's plane is nicer than the "FA-18 Hornet jet plane" her father is learning to fly.

Beaufort Mayor Henry Chambers gave the President a painting of Beaufort by a local artist Nancy Rhett. Reagan left his entourage to thank the artist. She curtsied slightly when he thanked her.

(John Leland, Charleston News & Courier)

REAGAN STUMPS FOR BROYHILL IN N.C.

President Reagan campaigning for Republican Senate nominee James T. Broyhill, Wednesday said he believed his Administration's trade policies eventually would help the farmers and textile workers left behind in the nation's economic recovery.

Reagan swept into Greensboro for a fifteen minute speech, in which he praised Broyhill as an effective congressman, touted his own tax overhaul package, and praised his Administration's efforts to spur an economic recovery.

The event ended with the crowd, including Reagan, singing "God Bless America."
(Bob Christensen, Raleigh News & Observer)

Reagan Visit Backs Broyhill

President Reagan came to Greensboro Wednesday to tell North Carolina Republicans to pull together and to tell voters he wants Republican Jim Broyhill in the U.S. Senate.

Reagan appeared before a flag-waving crowd of about 1,000 in the exhibition hall of the Greensboro Coliseum complex to push Broyhill's Senate campaign.

"Jim has shown himself to be a man who is motivated by principle but who also has a gift for the maneuvers whereby principle is translated into effective legislation," Reagan said. "Jim really knows how to work the Hill, he knows how to get things done."

About 75 people gathered across the street to protest Reagan's free-trade policies, which they say hurt the domestic textile industry, and to protest U.S. involvement in Central America.

Reagan had flown in from the Marine Corps boot camp in Parris Island, S.C. where he pressed his \$320 billion defense program and dared those who wanted to cut it to tell it to the Marines.

Reagan waved to the demonstrators -- some who took pictures -- as his limousine sped down Patterson Avenue back to Regional Airport. They chanted, "Reagan, Reagan, he's no good. Send him back to Hollywood."

Air Force One left Greensboro for Washington, not Hollywood, at 4 p.m.
(Seth Effron, Greensboro News & Record)

GOP Leaders Back Broyhill In Hopes Of Mending Rift

Leaders of the state Republican party whose old wounds were opened in its U.S. Senate primary this year sought to heal their party Wednesday by rallying one another and President Reagan.

(John Drescher, Raleigh News & Observer)

INTERNATIONAL NEWS

EX-ANALYST POLLARD PLEADS GUILTY TO SPYING FOR ISRAEL

Jonathan Jay Pollard, a former civilian Navy counterintelligence analyst, pleaded guilty yesterday to participating in an espionage conspiracy directed by Israeli officials in which Pollard was promised more than \$300,000 for delivering suitcases full of U.S. military secrets, according to federal prosecutors.

Pollard routinely obtained secret documents from the Navy and U.S. intelligence agencies for more than a year and dropped the data off at a Washington apartment that his Israeli contacts had equipped with photocopying machines, according to documents filed by prosecutors in U.S. District Court. (Joe Pichirallo, Washington Post, A1)

U.S. Investigation Continues Into Israeli Spy Case

U.S. government prosecutors said the investigation into an Israeli spy operation would continue after one ring member, a former U.S. Navy intelligence analyst, pleaded guilty to espionage charges.

Jonathan Pollard, an ex-Navy counterterrorism expert, pleaded guilty yesterday to spying for Israel in a deal with prosecutors that spared Israel from an embarrassing trial. (James Vicini, Reuter)

U.S. IS AN INTELLIGENCE TARGET OF THE ISRAELIS, OFFICIALS SAY

There is evidence that Israel has run intelligence operations in the United States for years, despite Israeli assertions that the Jonathan Jay Pollard spy case was an isolated episode, according to current and former U.S. intelligence officials.

Israeli intelligence services were "more active than anyone but the KGB.... They were targeted on the United States about half the time and on Arab countries about half the time," John Davitt, long-time head of the Justice Department's internal security section until his retirement in 1980, said in a recent telephone interview.

(Charles Babcock, Washington Post, A1)

STATE DEPARTMENT CRITICIZES POLISH OFFICIAL'S ACCOUNT

The State Department yesterday criticized a Polish account of the U.S. espionage operation and said it never received definitive advance word of the 1981 martial law crackdown in Poland. But it did not deny that a high-level Polish official had been passing on information.

It said the U.S. government had obtained "conflicting reports from various sources" about possible Polish government actions against Solidarity," but "had no definitive information as to whether or when such a step might actually be taken." (Reuter story, Washington Post, A26)

SENATE TAKES DECISIVE VOTE TODAY ON REAGAN ARMS SALE TO SAUDIS

President Reagan, struggling to preserve his embattled foreign policy agenda, faces the first of several critical tests in Congress today when the Senate casts the decisive vote on the Administration's plan to sell about \$250 million worth of advanced weapons to Saudi Arabia.

On the eve of the vote, White House officials and Senate opponents of the sale predicted that the issue will be resolved by one or two votes when the Senate decides whether to override Reagan's veto of a congressional resolution disapproving the sale.

(Edward Walsh, Washington Post, A35)

Senate Takes Up Saudi Arms Issue

President Reagan says he has his "fingers crossed" that the Senate will salvage his proposed missile sale to Saudi Arabia, but an Administration spokesman says the situation remains a "close, uphill battle."

"It remains a close, uphill battle," said spokesman Peter Roussel. "It's close enough that even a stomach ache or a missed plane connection could make a difference" in the outcome. (Michael Myers, UPI)

WEINBERGER ASSAILS SOVIET PROPOSAL ON 1972 ABM TREATY

Defense Secretary Caspar Weinberger said yesterday that a new Soviet arms proposal in Geneva that would prevent either the United States or the Soviet Union from withdrawing from the 1972 ABM Treaty for 20 years was "terribly wrong...and against [the U.S.] national interest."

Weinberger, during an interview on CBS "Nightwatch," said the Soviets had proposed cancellation of the treaty's withdrawal clause that permits either nation to abrogate the accord with six months notice. The treaty has no time limitation, but it calls for a review of its terms every five years. The next review is scheduled for 1987.

(Walter Pincus, Washington Post, A28)

U.S. OFFICIALS SEE SOVIET ARMS OFFER AIDING 'STAR WARS'

Some knowledgeable United States officials say they see an important opportunity in the Soviet offer to begin reductions in strategic nuclear weapons if the United States pledges to observe the antiballistic missile treaty of 1972 for 15 to 20 years.

Until last week, the Soviet Union insisted on a ban on all research under the American space-based missile defense program as a condition for reductions in offensive weapons.

The Soviet Union's new offer, the officials say, may indicate that the Russians are more interested in preserving the ABM treaty than in preventing all antimissile research. This could open the door to some research under an arms accord. (Michael Gordon, New York Times, A1)

SOVIETS SAY ABANDONING SALT II COULD IMPERIL SUMMIT

MOSCOW -- The Soviet Union said Geneva arms talks and a superpower summit could be imperiled if the United States scraps the SALT II treaty. Moscow recalled its chief arms negotiator from Switzerland to discuss the situation.

Marshal Sergei Akromeyev, the chief of general staff of the Soviet armed forces, told a news conference Wednesday the Soviet Union could place more warheads on its missile fleet in retaliation for U.S. violations of the 1979 Strategic Arms Limitation Treaty. (Charles Mitchell, UPI)

127 MORE SOVIETS TO BE ALLOWED TO EMIGRATE

The Kremlin has given the U.S. government names of 127 more Soviets being allowed to join relatives in the United States, bringing it to 244 the number permitted to emigrate, the State Department said yesterday.

The department called that a "significant step" giving "real meaning" to a joint statement by President Reagan and Soviet leader Mikhail Gorbachev at their Geneva summit last November to resolve divided-family cases that the United States has been pressing with the Soviets for three decades. (UPI story, Washington Post, A29)

REPUBLICANS STEAM AS O'NEILL DELAYS CONTRA VOTE AGAIN

House consideration of the President's \$100 million request for the Nicaraguan resistance has been delayed until at least June 19, House Speaker Thomas O'Neill said yesterday.

Mr. O'Neill said the new date is tied to the House Appropriations Committee, which is bogged down over consideration of a military construction bill.

House Republican leaders yesterday derided the 10-day delay from the long-scheduled June 9 date for the rebel aid measures to reach the floor again. (Christopher Simpson, Washington Times, A1)

SHULTZ PRAISES AQUINO'S PATH IN PHILIPPINES

Secretary of State George Shultz praised Philippine President Corazon Aquino yesterday for advocating free-market principles, and said he was "bullish" on the Philippines despite the continuing problems of a battered economy and a growing communist insurgency.

"It is still early in her tenure, but already she has dispelled many initial uncertainties," Shultz told the Foreign Policy Association in New York. "Her government is off and running hard, and it is headed in the right direction." (Keith Richburg, Washington Post, A31)

NATIONAL NEWS

SENATORS LAUD, BERATE TAX OVERHAUL BILL AS DEBATE BEGINS

Tax legislation pending in the Senate is a historic opportunity to fundamentally change the federal tax code, or it is a well-meaning blunder that will create financial hardship and possibly disaster for many law-abiding taxpayers.

Senator Bob Packwood said, "This is the most radical tax bill this country has seen in a half century."

Senator Bill Bradley, who has pushed the tax-overhaul effort for several years: "Tax reform is not just about money. It's about personal dignity and individual security. It's about being in control of our lives while having a government that is responsive to us." (Cliff Haas, AP)

Senate Draws Battle Lines On Tax Reform

The Senate's first day of tax reform debate prompted little opposition for the bill that would radically alter America's tax code, but even supporters are working on changes some fear could kill the measure.

In several hours of opening debate, backers of the sweeping legislation written by the Finance Committee argued Wednesday that the bill would finally bring fairness to a set of tax laws riddled with confusion and inequities. (Joseph Mianowany, UPI)

Debate Begins In Senate On Tax Reform Bill

The Senate began debate yesterday on a revolutionary bill that would trade popular tax breaks and deductions like the IRA for sharply lower business and individual tax rates.

Yesterday's proceedings were given over to speeches about the bill's provisions to reduce tax rates to the lowest level in a generation and close many popular loopholes for business and individuals. Voting gets underway next week. (Karen Riley, Washington Times, A1)

TAX REVISION FENCED OFF FROM DEFICIT

The Senate, opening debate on what would be the most sweeping overhaul of the tax code in more than 40 years, agreed in principle yesterday that new revenue generated by its proposal should not be used to meet deficit-cutting targets.

Budget Committee leaders raise strong objections to using some of the \$23 billion in additional revenue expected in 1987 -- funds in excess of those current law would generate -- to meet such targets.

They noted that the bill would cause the deficit to soar in 1988 and 1989 as revenues declined by \$21 billion below projected levels each year, if other tax increases were not approved.

(Anne Swardson & Helen Dewar, Washington Post, A4)

AS NASA OFFICIALS DEPART, BIGGER SHAKE-UP IS FORECAST

In the four months since the Challenger accident, virtually all of the key officials involved in the decision to launch the shuttle have left their jobs in what officials say is the beginning of an even more extensive management overhaul of the nation's space program.

NASA general manager Philip Culbertson said yesterday there will be even more personnel changes as part of a management restructuring that will significantly change the face of the space agency after the release of the report of the presidential commission on the accident next week.

(Michael Isikoff, Washington Post, A1)

MODERATE REP. ZSCHAU WILL CHALLENGE CRANSTON

LOS ANGELES -- A Republican primary loaded with southern California conservatives brought victory to a moderate northern Californian, Rep. Edwin Zschau, who appears to pose the greatest threat ever to Democrat Alan Cranston's U.S. Senate seat.

Zschau said he plans to raise \$10 million to beat Cranston and is certain to get heavy national GOP support because of the race's importance for control of the Senate. He applauded Bruce Herschensohn's quick endorsement and said, "This sends a strong signal that we in the Republican Party are going to be unified in this race."

(Jay Mathews, Washington Post, A3)

PRIMARY RESULTS BOOST PROSPECTS FOR DEMOCRATIC SENATE, GOP GOVERNORSHIPS

The South Dakota results are a rough microcosm of the results of the 20 primaries held so far, beginning in Illinois on March 18. Eight states held primaries Tuesday, and North Carolina held a runoff.

Democrats appear at this point to have strengthened their drive to regain control of the Senate, while Republicans seem to have made themselves stronger in the gubernatorial races.

(James Dickenson & Bill Peterson, Washington Post, A3)

SNYDER ENDS HUNGER STRIKE, BUT SAYS WHITE HOUSE BATTLE UNFINISHED

Mitch Snyder ended a four-day fast after the White House said it would release a \$965,000 "down payment" to repair a crumbling shelter for the homeless, but Snyder said he won't give up his fight until the rest of the promised \$5 million is turned over.

White House deputy press secretary Peter Roussel said late Wednesday the Department of Health and Human Services had been directed to release \$965,000 to the District of Columbia for the shelter. (Paul Page, AP)

SENATE INVESTIGATIONS PANEL BEING PROBED ON SPENDING

The Senate permanent subcommittee on investigations, which has been digging into labor racketeering and other corruption since the 1950s, is itself under investigation over allegations that one or more staff members may have misused congressional funds.

Subcommittee staff director Daniel Rinzel said yesterday that the General Accounting Office is examining "discrepancies" that the panel turned up in its travel funds and other expense accounts.

(Howard Kurtz, Washington Post, A7)

FINDING POTENTIAL WASTE, FRAUD, ABUSE COST GOVERNMENT \$250 MILLION IN '84

The government spent \$250 million and 5,800 staff years in 1984 to identify potential areas of waste, fraud and abuse -- most of which had been identified previously through routine measures, according to the President's Council on Management Improvement.

Each potential target of waste, fraud and abuse cost more than \$1 million to identify and generated "mountains of paper work," council vice chairman Gerald Riso told a House Government Operations subcommittee yesterday.

(Judith Havenmann, Washington Post, A8)

MEESE AIDES MET NIXON LAWYERS BEFORE DECISION ON EXECUTIVE PRIVILEGE

The Justice Department decided to support former president Richard Nixon's claim of executive privilege over his White House papers and tapes after Nixon's attorneys met privately with two top aides to Attorney Edwin Meese, according to department documents.

Department officials confirmed that Meese's counselor, T. Kenneth Cribb, and senior special assistant, Stephen Galebach, discussed the issue with Nixon's attorneys late last year. In February, the department issued a controversial legal opinion saying that President Reagan is bound to support almost any executive privilege claim by a former president.

(Howard Kurtz, Washington Post, A21)

CANCER DRUG INTERFERON WINS APPROVAL FOR COMMERCIAL USE

The federal government yesterday approved the first commercial use of a form of interferon to treat a rare type of cancer, giving doctors the first of an expected series of new anti-cancer agents produced through genetic engineering.

The Food and Drug Administration's decision to let drug companies sell alpha interferon "marks a new age in medicine," said Otis Bowen, Secretary of Health and Human Services.

(Nell Henderson, Washington Post, A1)

NETWORK NEWS SUMMARY

(Wednesday Evening, June 4, 1986)

PRESIDENT'S TRIP/DEFENSE

Rather: President Reagan was telling it to the Marines today, taking his campaign for higher defense spending to a storied U.S. Marine training camp. But his proposed increased Pentagon budget was coming under fire on Capitol Hill with some congressmen, not all of them Democrats, saying no to any military build-up without SALT II arms control.

CBS's Lesley Stahl:

(TV Coverage: President Reagan observing Marines.)

The President said the "slide for life" on the Marines' so-called confidence course -- a series of increasingly strenuous obstacles, reminded him of his dealings with Congress. In fact he came to Parris Island as part of his own uphill fight to preserve his five-year military buildup.

(President Reagan speaking to Marines: "And if we ever must send our young service-people into harm's way, then it is our moral duty to give them absolutely the best equipment and support that America can muster.")

Congress is not only balking at the size of the military budget but is also considering withholding defense funds unless the President reverses his decision to scrap the SALT II arms control treaty. House Democratic leaders held a strategy session today to consider legislation to force compliance with the treaty. In the Senate, even Republicans complained.

(Sen. Chafee: "If our President stands by this new policy, it will amount to nothing less than an end to U.S.-Soviet arms control. And it will mean that a renewed arms race will result.")

(Weinberger: "Any legislation would limit us, unilaterally, and not the Soviets. And for the life of me I can't understand why Congressmen would feel that that's anything in our own national interest.")

As the Soviets launch another barrage of criticism from Moscow, U.S. sources tell CBS News that Secretary of State Shultz contacted Soviet diplomats in Washington two days ago to try to resume high-level negotiations leading toward a summit. The sources say Shultz was worried about the harsh negative reaction to the SALT decision among the allies and in Congress, and wanted to prove that the superpower relationship has not been irreparably damaged. (CBS-2)

Jennings: It was back to basic training for the Commander in Chief today.

(Coverage: President Reagan in the field observing Marines.)

President Reagan paid a visit to the Parris Island Marine Recruit Depot in South Carolina. The President watched the men go through, and in some cases not make it all the way through, some elements of basic training. The President used the occasion to push once again for an increase in the Defense budget. (ABC-10)

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Brokaw: President Reagan, with his military budget under fire in Congress, went to boot camp today to fight for more money and to see what some of it buys.

(TV Coverage: President viewing Marine training exercises.)

At Parris Island, South Carolina, Mr. Reagan watched Marine recruits battling a series of obstacles as part of their basic training. Then, in a speech to graduates of the course, he had a message for those who want to cut defense spending.

(President: "And to all of those who say that we must always cut defense first, that America can't afford a strong military, I have just one thing to say: Tell it to the Marines." Applause.) (NBC-7)

TAX REFORM

CBS's Dan Rather: Historic U.S. Senate debate on a sweeping plan to change the whole American tax system -- it's historic because of what this sweeping legislation would do to your taxes.

CBS's Phil Jones reports that it is a radical proposal chopping tax shelters for wealthier Americans.

(Sen. Bradley: "It's time for us to look at the special interests and say, 'Get on board. Be a part of the community -- be a part of America, pay some tax.'")

Slapping individuals and corporations with a minimum tax, while dropping six million poor from the tax rolls and replacing fifteen complicated tax brackets with only two...providing a tax-cut for most Americans.

(Sen. Alan Simpson: "They just want us to get off our butt and do something. Well, here's a chance. Eighty percent of the American people will pay 15 percent in taxes and no more -- 80%.)

The emotional battle is over IRAs. IRA holders were urged to contact their senators. The mail and phone-calls started coming. As the tax debate began today, the move toward reform had become so strong that many of the lobbyists who would have been expected to be roaming the halls to kill the bill were together, working to pass the measure without amendments -- even though some are hoping to get changes in a House-Senate compromise.

(Secretary Baker: "Once you start pulling on that ball of yarn you run the risk of having the whole thing unravel.")

(Sen. D'Amato: How dare they suggest that we're going to oppose all amendments regardless of the merit.")

So this battle is just beginning -- and tomorrow the President weighs in. He's invited all senators to the White House to pressure them to pass the tax reform package as is. (CBS-Lead)

ABC's Brit Hume reports that the Senate now has an office for the coalition of more than 400 business, labor and other interest groups working to pass this bill as is.

(Secretary Baker: "Once you start pulling on that ball of yarn, you run the risk of having the whole thing unravel.")

(Sen. Hawkins: "If this bill is so weakly constructed that its passage hinges on taking away a good program in which millions of Americans have invested in it, so be it.")

Hume continues:

(Sen. Packwood: "Somehow this country was founded, settled, explored, mined, timbered, farmed, and finally moved west, without any tax incentives.")

...Even the IRA deduction that seemed certain only a few weeks ago to be restored, is now in doubt. (ABC-11)

NBC's John Dancy reports the Senate tax reform bill has wide support from Republicans and Democrats.

(Sen. Byrd: "It is true tax reform. I intend to support it.")

But the bill won't have an easy time of it. This is some of the mail Sen. Cranston has received on the tax bill -- specifically on the provision doing away with the IRA deduction for people who are already in a private pension plan.

(TV Coverage: Aide going through mail piled on desk.)

One of Cranston's letters came from financial consultant Donald Bell of Sherman Oaks, California.

(Bell: "A lot of people feel they should be able to control their retirement funds themselves. An IRA is a perfect situation.")

So it was not surprising that IRAs were on everybody's mind as debate began.

(Sen. D'Amato: "It is demagoguery to say that the IRAs are a program that benefits the wealthy.")

(Sen. Roth: "Instead of an IRA being just for fat cats, I think the fact is it's a means of saving for middle America.")

IRAs are just one of the problems Sen. Packwood faces. Others are interest on credit purchases, state and local sales taxes, limited partnership tax shelters.

(Sen. Packwood: "This country thrived and flourished and did sensationally with no help from a tax code.")

No one expects the bill will escape completely unchanged, but there is a feeling that tax reform now has momentum and will pass. (NBC-6)

SPY CASES

NBC's Tom Brokaw: It's been a busy day for American spy cases.

Jonathan Pollard pleaded guilty to selling American secrets to Israel. And the case of Ronald Pelton, accused of selling secrets to the Russians, is before a jury tonight.

NBC's Carl Stern reports Pollard pleaded guilty to espionage in exchange for the government's promise to recommend a prison term of less than life. In the courtroom, he was joined by his wife, who agreed to admit hiding documents, for which the penalty could not exceed 10 years in prison. But the big story was the evidence that at least a half dozen Israelis took part in the spying and might still be indicted. In Israel, which has called the espionage unauthorized, a government official today called it a mistake and a blunder.

NBC's James Polk reports the prosecution called Ronald Pelton a spy who broke his oath and betrayed his country -- a man who sold the most sensitive secrets of the National Security Agency for \$35,000. The defense argued the FBI deceived Pelton and didn't warn him of his right to silence, that there was no evidence without Pelton's own admissions. (NBC-Lead)

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CBS's Deborah Potter reports that settling the Pollard case without a trial means less public embarrassment for the Israelis, but the Justice Department says it's not all over and there could be more indictments. (CBS-5)

ABC's John Scali reports that two other Americans and several more Israelis are being investigated. New evidence turned up recently has convinced some investigators that there is a much wider Israeli network in the U.S. The Israelis deny this. (ABC-5)

NASA

Jennings reports that this has been a very difficult day for the families of the astronauts killed in the Challenger disaster. They were briefed on the findings of the Presidential commission investigating the accident, and on the details of what happened at the time of the explosion. And at the same one of the senior NASA administrators involved in that launch has stepped down.

ABC's James Walker reports that William Lucas, the director of the Marshall Space Flight Center in Alabama, went on closed-circuit television today to announce he was stepping down.

(Lucas: "Now that the causes of the accident are well enough understood, so that the problems can be fixed, and because corrective action has already begun, and in as much as the space shuttle cannot fly again before the end of 1986, I have concluded that it is appropriate for me to retire now.")

Lucas' decision to retire was applauded by Rep. James Scheuer, a member of the House committee that oversees the space agency.

ABC News has learned the 200-page report will say that a key reason for the disaster was that NASA pressured itself into launching Challenger. It will also say the orbiter did not explode, but broke up while tumbling at supersonic speed.... The panel will recommend that the agency report to the President one year from now as to how NASA has met the commission's recommendations (ABC-2)

CBS's Eric Engberg reports that on the day the Presidential Commission briefed astronauts' families on its findings, yet more evidence the Challenger should not have been launched. In tape recordings obtained by CBS News, engineers for the company that built the orbiter express alarm over ice on the pad on the coldest day a shuttle was ever launched. Launch managers have testified the severity of these warnings was never conveyed to them. Such failure in communications will be cited by the commission as a contributing cause of the accident. (CBS-3)

POLAND

Rather reports the Polish government said today Washington knew all about Poland's crack-down on the Solidarity movement a month before it happened in 1981. The Polish government said a CIA spy in the Polish general staff provided the information. According to a government spokesman, Washington's decision to keep quiet gave the plan a "sort-of reticent go-ahead." Aides to President Reagan denied the story. (CBS-13)

ABC's John McWethy reports that the Polish government, through spokesman Jerzy Urban claims that had the U.S. gone public with the actual date of the crack-down...the Reagan Administration could have somehow prevented Poland from imposing martial law. State Department officials say that is ridiculous. (ABC-7)

POLAND/SOLIDARITY

ABC's Anne Garrels reports U.S. officials say Polish charges that the U.S. did nothing to prevent martial law in 1981 are simply an attempt to drive a wedge between the U.S. and Solidarity supporters, "a self-serving attempt to lay blame for martial law somewhere else, other than where it belongs, with the Polish government." Privately, U.S. officials confirm one part of the story: that the CIA did have a mole within the Polish general staff. He did provide valuable information until the CIA had to help him escape the country. But officials deny he provided them with a martial law blueprint with a final date. The State Department says it was well aware of the possibility of the imposition of martial law, but had no definitive information as to whether or when such a step might actually be taken. Polish spokesman Jerzy Urban claims American silence was taken by the Polish government as a reticent go-ahead. He says the reason the Reagan Administration sat idly by is because the U.S. wanted to provoke a bloody conflict in order to weaken the communist regime. According to U.S. officials, the Poles have resorted to trumped-up charges in order to shift the blame for martial law to the U.S. But U.S. officials believe this tactic will backfire, for in making its case against the U.S., the Polish government has ended up contradicting itself -- admitting for the first time that martial law was planned with the Soviets long in advance and was not a last-minute, desperate decision. (NBC-10)

ILLEGAL ALIENS

Brokaw: In the past few months, the flow of illegal aliens across our borders has become a runaway flood. Immigration officials are now saying that last month they arrested a record number of illegal aliens -- 146,000. Compared with May of last year, that's an increase of 45%. NBC's George Lewis reports that officials say the border is now totally out of control.

NBC's George Lewis reports that while the border patrol keeps setting arrest records, officials concede that for every person caught, two more get away.

(Immigration official Harold Ezell: "We've had it. We can't continue to survive as a nation with borders that are out of control. And our borders are out of control.")

Some politicians have suggested that maybe troops should be called in to help out. Yesterday, the Los Angeles County Board of Supervisors unanimously passed a resolution to that effect. Some politicians contend that immigration reform and troops simply will not work, that the root of the problem is the worsening economy of Mexico.

(Gov. Babbitt: "...It is the most important national security issue facing the United States.") (NBC-5)

INTERFERON

Jennings reports that in Washington today, with a good deal of fanfare, the government gave two major drug companies permission to market the drug Interferon -- for use in the treatment of a certain kind of cancer. Doctors and medical researchers are usually very careful about using the word "breakthrough", but that was the word being used today and very specifically by two federal government officials.

ABC's George Strait reports that it was an unprecedented show. Long limousines for drug company executives, and on stage, the head of the FDA and Secretary of Health and Human Services. All to announce the approval for use by the general public of a drug to treat a rare form of cancer.

(FDA Commissioner, Frank Young: "This is a milestone, a breakthrough, and a sign of what is likely to come.")

Interferon is the first genetically engineered drug to get government approval. Interferon remains as controversial as ever, but what worries experts is that the tone of the government approval announcement could mislead millions of vulnerable cancer patients.

(CBS-4, NBC-4, ABC-Lead)

SOUTH AFRICA

Rather reports that South Africa tonight banned all public meetings that have any connection with the tenth anniversary of the Soweto race riots. The ban will last for the rest of the month. The riots started on June 16th 1976.

There wouldn't seem to be much to laugh about in South Africa these days, but a white comedian has found it, poking fun at otherwise sensitive subjects.

CBS's Alan Pizzey reports that Peter Dirk Uys is a white South African satirist who's not so sure he is proud anymore.

(Uys doing routine; "There are two things I just can't stand about South Africa -- apartheid and the blacks." Uys as Botha: "We no longer practice apartheid in South Africa. We have no need to, we have it down to a fine art.")

(CBS-14)

Jennings reports that the government published details of a long-awaited bill to restore South African citizenship to more than 10 million blacks disenfranchised when their tribal homelands were forced to become independents. The critics say it is far short of what had been promised. Speaking via satellite to a gathering of ABC affiliates here in Los Angeles today, the South African Bishop Desmond Tutu said the ban on public meetings related to the Soweto riots anniversary would be defied.

(ABC-13)

Brokaw: The American Chamber of Commerce in South Africa has asked its 300 member companies to consider defying apartheid laws that will affect their black workers.

(NBC-12)

PHILIPPINES

ABC's Jim Laurie reports that for the most part Corazon Aquino first hundred have been days of trial and error -- she counselling patience as her government confronted problems which have no quick solution.

(ABC-14)

STEALTH BOMBER MODEL

Rather reports of a top U.S. defense secret that may be available for a price. The planned Stealth bomber and how it eludes radar -- something that worries the Russians very much. The Stealth has been kept closely under wraps, or so the Defense Department said. But it turns out that this is one top secret that even a child can build.

CBS's Terry Drinkwater reports that a model of the Stealth is about to show up in toy stores across the country. The Air Force is very tight-lipped with the smallest details about stealth, but the model designer believes his creation is very close to the real thing. The Washington establishment is not thrilled about the Stealth model.

(Weinberger: "There is too little responsibility about publishing too much of things that can really aid only the Soviets. They're always done in the name of the people's right to know. It turns out to be the KGB's right to know.")

One of the Air Force's most closely guarded secrets -- \$9.50 -- soon at a toy store near you. (CBS-7)

IRS LOAN DEFAULTS

Rather reports that the Reagan Administration said today it has recovered \$135 million from people who defaulted on federal loans -- recovered it by keeping their income tax refunds. Nearly 250,000 offenders, many of whom defaulted on student loans, were warned repeatedly before their refunds were confiscated. (CBS-8)

LEBANON/HOSTAGES

CBS's Richard Roth reports that Glen Anderson, dying of cancer, recorded a videotape, appealing for his brother's freedom, intended for broadcast on Lebanese TV. His brother is Associated Press correspondent Terry Anderson, kidnapped 14 months ago. It's not just the kidnappers the relatives want to reach. It's the government in Washington and people nation-wide.

(TV Coverage: The President shaking hands outdoors at the White House in winter.) (ABC-15, NBC-2, CBS-11)

CHERNOBYL

Rather reports that with each passing day come new Soviet admissions about Chernobyl. Today Pravda revealed that radiation "hot-spots" have been found well beyond what had been called the eighteen mile emergency zone around the reactor. Pravda spoke of widespread evacuation and protective measures in the republic of Byelorussia, far north of Chernobyl. One Soviet official said tens of thousands of children have been sent away or left Byelorussia voluntarily.

(ABC-3, CBS-11)

LIABILITY INSURANCE

Jennings reports that in elections yesterday California approved Proposition 51 which was designed to limit liability insurance awards.

(ABC-9)

NICARAGUA/PHILIPPINES

NBC's John Chancellor comments on the difference between aid to

Nicaragua and aid to the Philippines: ...In Nicaragua, the anti-Marxist rebels don't really have a chance of victory. That's a holding operation with dubious prospects. Mrs. Aquino does have a chance to make democracy work in the Philippines. In Nicaragua, the U.S. wants to fight a government which is in power. In the Philippines, the U.S. is helping a government which has the support of the people. Whatever happens to the money for the Nicaraguan rebels, extra aid for the Philippines certainly seems to be the better investment. (NBC-11)

WALDHEIM

Rather reports that Israel hasn't come up with any conclusive evidence

linking Waldheim directly with any war crimes. Israel's Justice Minister said Waldheim was a member of atrocious criminal organizations, but he added there is no information so far directly connecting Waldheim personally with Nazi atrocities. (ABC-8, CBS-9)

HEART PATIENT

NBC's Reed Galen reports on "Baby Jessie," a baby born 10 days ago with a fatal heart condition. The baby's parents -- young and unmarried -- applied to Loma Linda University Hospital for a transplant and were turned down. The parents say the hospital felt they were incapable of caring for the child after the operation. The parents' cause has been taken on by the Right to Life organization.

(Right to Life spokeswoman Susan McMillan: "But when we have technology that can save a child's life, and we start picking and choosing simply on the grounds of the the family's condition, we're really smacking of being extremely elitist here.")

Hospital officials seemed to say the case could be reconsidered. The parents have offered to give the grandparents custody of Baby Jessie. (NBC-3)

STOCKS

On Wall Street today the stocks were down about 7 points in light trading. (ABC-12)

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EDITORIALS/COLUMNISTS

HOUSE TRADE BILL

Spoiling For a Trade War -- "If the Democratic Party plans to revive itself by drumming up sympathy for protectionism, it's making a serious mistake.... Diplomacy is the proper channel to discuss trade problems. The House bill, which also undermines our obligations under the General Agreement on Trade and Tariffs, is remarkably undiplomatic. Protectionism, as Democrats should know, is bad economics and bad politics." (Hartford Courant, 5/31)

Some Good In Trade Bill -- "Without the simplistic Japan-bashing and with a more considered approach on some of the other provisions, something like a reasonable trade strategy could emerge. Are Congress and the White House up to that, or would they rather just provoke one another for campaign purposes?" (Des Moines Register, 5/29)

Trade Means Jobs -- "The House of Representatives has now responded by passing a trade bill that would embrace protectionism to a greater extent than any law since the infamous Smoot-Hawley tariff paved the way to the Great Depression.... The trade bill still must pass the Senate. If the senators are equally myopic, President Reagan says he'll veto this irresponsible act. He should." (Baltimore Sun, 6/2)

Trade Bill -- "The trade bill is a mess, a horrible example of what happens when politics and protectionism are stirred in the same caldron. It takes no note of the alarming consequences of a trade war, the advantages to this country of free trade, and the thousands of jobs that could be lost in export industries if protectionist measures are erected." (Charleston Daily Mail, 5/30)

Playing Chicken -- "The President, who isn't usually on the side of the protectionists, should reconsider his ill-advised tariff decision. Consistency may be the hobgoblin of small minds, but in this case demonstrating a touch of it would have served the larger interests of free trade with Canada." (Los Angeles Times, 6/2)

Protectionist Sop -- "Canada is probably not the last U.S. trading partner that will suffer arbitrary sanctions as the White House endeavors to head off the sons of Smoot-Hawley. But if Congress has any economic sense left, the cedar duties imposed against Canada will prove the undoing, rather than the the beginning, of this country's protectionist silliness." (Miami Herald, 6/1)

SALT II TREATY

Reagan Peppers SALT -- "But the President needs to remember that, for all its flaws, SALT II is the only treaty now curbing the arms race. If he scraps it before he has a better one in hand, Reagan will jeopardize his own dream of banishing the nuclear menace from the human horizon." (Denver Post, 6/2)

EDITORIALS/COLUMNISTS (continued)

SALT II Is All We Have -- "Abandonment of the much-maligned SALT II treaty could lead to a major new Soviet buildup in nuclear warheads. Until the Geneva negotiators come up with an improved arms-control agreement, why abandon the few controls we have?" (Buffalo News, 6/2)

Repudiating SALT II Confines Raises New Arms Race Specter -- "Perhaps the Reagan gambit will work. Maybe the White House has picked a good time to confront the Soviets with the implications of squeezing through every existing arms control loophole. But if not, does Mr. Reagan have an alternative to reviving another hell-bent-for-leather arms race? There's still time before his end-of-the year deadline to develop one."

(Salt Lake Tribune, 5/29)

SALT II: An Issue Handed To The Democrats -- "In the face of the budget deficit, the only way the President and Weinberger can blackjack Congress into raising the ante for new military hardware is to whip up a big war scare. And that is extremely dangerous to the health of the Republican Party and its chances of keeping control of the Senate this year and of the White House in 1988. Ever since arms talks resumed in Geneva early in 1985, Reagan has had a free ride at home on his handling of nuclear issues and the Soviet-U.S. relationship. That domestic truce is sure to break down over his SALT II decision. Reagan has handed the Democrats an issue when they really needed one."

(David Broder, Washington Post, 6/4)

SALT II: Mr. Reagan Should Realize The Value Of Continued Compliance: "The Administration should reconsider its stand on SALT II compliance and quietly move back to observing the treaty's limits. Unless the U.S. does so, our chances of negotiating a much needed, balanced and verifiable arms treaty with the Soviet Union will be significantly diminished."

(Detroit Free Press, 6/2)

LEAKS

Leaks And "Cautions": "The Reagan team badly needs to inject a dose of proportion into its responses to the rigors of political life and to show a keener appreciation for the liberties whose preservation is the first goal of government. We accept the government's right to establish a classification system. But we also assert the journalists do not lose this right when an official wields a classified stamp."

(Washington Post, 6/1)

Casey vs. The News Media: "A good case can be made that intelligence officials are the best judges of which secret information will help a potential enemy and which may be published without harm. The danger comes when the judgment is made on political, rather than security, grounds. Revealing how a code was broken, but calling it a crime to 'reveal' what the Kremlin already knows, can hardly be anything but a political decision."

(Des Moines Register, 5/24)

FOREIGN MEDIA REACTION

ARMS CONTROL/SALT II

"What is extraordinary is the fact that President Reagan has formally respected [SALT II] for six years but then abandons it. The ambiguous nature of the decision, typical of the Reagan style...indicates that differences remain within the Administration, where the debate among Shultz's 'good guys' at the State Department and Weinberger's 'bad guys' at the Pentagon is more violent than ever." (La Repubblica, Italy)

"In the longer term too, the Administration's arguments seem doomed to failure. With no SALT II, the Soviets would be completely free to develop to their hearts' content the strategic missiles against which SDI is supposed to protect the United States." (Tribune de Geneve, Switzerland)

"Since the United States decided not to be bound by SALT II, there has been growing concern in the United States and Western Europe over the worsening of U.S.-Soviet relations brought about by the possibility of a new nuclear arms race erupting between the two countries." (Mainichi, Japan)

"Secretary of State Shultz supports Reagan's SDI....On the other hand, he said that the United States will firmly observe the ABM treaty. He is deceiving himself and others. He wants to conceal the affair....The United States is not going to observe SALT II and is preparing to abandon the anti-ballistic missile treaty. These are...omens. The U.S. madmen who adore weapons are pushing the world towards the rim of the dangerous gorge." (Ching Po, Hong Kong)

"The U.S. decision cannot but meet with a quid pro quo. Moscow has reacted by threatening to stop abiding by SALT II limitations. If it does so, then the arms race between the two superpowers will escalate at an unimaginable speed." (Telegraph, India)

"Washington unwillingness to be bound by SALT II means that it is aiming to delay the planned U.S.-Soviet summit. However, it is only logical the summit would be useless if the Soviets responded to such a decision. The statement agrees completely with the pattern of U.S. foreign policy. The United States is planning, through a new arms race, to outbalance the Soviets and conquer the world." (al-Maydan, Sudan)

"President Reagan's decision to break out of the SALT II treaty is the most serious blunder made over the entire period of [President Reagan's] stay in the White House. The U.S. President's decision signifies that the U.S. leadership has gone to an exceptionally dangerous measure in the cause of destroying the treaty system which restrains the nuclear arms race and thereby brings about conditions for the conclusion of new agreements." (TASS, Soviet Union)