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# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 19, 1986 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

Republicans Hope South Africa Sanctions Bill, Passed By House, Is Dead -- The surprising House approval of a bill calling for a total prohibition on U.S. companies from doing business with South Africa was supported by Republicans who hope they have made the sanctions so tough they stand no chance of becoming law. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

U.S. Attempts To Reassure Moscow On Arms Proposal -- Presidential spokesman Larry Speakes said yesterday the newest Soviet arms proposal "has merit" and a White House official said later the Soviet offer is "not being taken as a propagandistic endeavor." (Washington Post)

### NATIONAL NEWS

Senate Denies More Relief For Middle-Income Americans -- The Senate, on the verge of approving one of the most sweeping tax plans of the 20th century, rejected an amendment Wednesday that would have targeted more tax relief to middle-income Americans at the expense of the rich. (New York Times, Washington Post, AP, UPI)

### NETWORK NEWS (Wednesday Evening)

SOUTH AFRICA SANCTIONS -- The House approved the toughest ever U.S. economic sanctions against South Africa.

SOUTH AFRICA/CENSORSHIP -- South Africa's white leaders have expanded their press censorship.

TAX REFORM -- The Senate defeated an amendment targeting more tax relief for middle-income Americans.

### COURT CONTINUITY

"What occurred in Washington [Tuesday], therefore, might best be summed up by paraphrasing the famous announcement about the king: The Chief Justice is gone; long live the Chief Justice."

(The Baltimore Evening Sun, 6/18)

## INTERNATIONAL NEWS

### HOUSE PASSES BILL FOR DISINVESTMENT FROM SOUTH AFRICA

In a stunning response to the violence and turmoil sweeping South Africa, the House yesterday approved far-reaching legislation that would require the withdrawal of all U.S. firms operating in that racially divided country.

The White House made a last-minute attempt to rally opposition to sanctions legislation. In a letter to House Minority Leader Robert Michel, national security affairs adviser John Poindexter said the Administration had "grave misgivings and strong opposition" to attempts to legislate economic sanctions, which he said would "erode our capacity to promote negotiations in South Africa" and are "likely further to separate an already divided society."

Speaker Thomas O'Neill called passage of the measure a sign of "the tidal wave of American revulsion against the discredited policy of 'constructive engagement.'" (Edward Walsh, Washington Post, A1)

### House Vote Slaps S. Africa Regime

The House, on a voice vote that shocked even its Democratic sponsors, yesterday passed a sweeping trade embargo measure against South Africa that would require the withdrawal of all United States businesses and American investments.

Republicans said that passage of the stringent measure actually dooms the sanctions package, which, some said, now is likely to draw opposition from even liberal senators. (Rita McWilliams, Washington Times, A1)

### House Votes Bill To Cut Off Investment In South Africa; Strikes By Blacks Multiply

The House, in a surprise development, approved and sent to the Senate today a measure imposing a trade embargo and requiring complete divestment by American companies and citizens of their holdings in South Africa.

Edward Djerejian, a deputy White House press secretary, said the House vote would have no impact on the President's opposition to tougher economic sanctions. (Neil Lewis, New York Times, A1)

### Republicans Hope South Africa Sanctions Bill, Passed By House, Is Dead

The surprising House approval of a bill calling for a total prohibition on U.S. companies from doing business with South Africa was supported by Republicans who hope they have made the sanctions so tough they stand no chance of becoming law.

"This whole bill is dead. Sanctions are dead," said Rep. Mark Siljander, moments after the House approved the anti-apartheid sanctions in a surprising voice vote Wednesday afternoon.

The strict sanctions were proposed by Rep. Ronald Dellums, who said he was stunned that they were easily adopted to replace milder anti-apartheid restrictions that were part of the original proposal.

(Tim Ahern, AP)

### Sanctions Bill Has Little Chance in Senate

House Republicans, in an unexpected move, have supported a tough set of economic sanctions against South Africa, but their backing is part of a political ploy to ensure the bill's defeat in the Senate.

The measures call for a total withdrawal of U.S. business operations in South Africa and bar virtually all imports from the strife-torn country.

Rep. Robert Walker opposed any sanctions and was the primary force in the GOP maneuver. "The President will veto a bill that comes close to the Dellums' bill," Walker said. (Michael Myers, UPI)

### House Votes For Total U.S. Disinvestment From South Africa

The House of Representatives has voted unanimously for a total, American financial withdrawal from South Africa.

"This is a vote which will be heard around the world," Rep. Steven Solarz told reporters yesterday.

House Speaker Thomas O'Neill also interpreted the vote as a victory, saying: "The House has condemned apartheid in the strongest possible terms." (Sue Baker, Reuter)

### SHULTZ SAYS U.S. ECONOMIC TIES TO SOUTH AFRICA SHOULD BE RETAINED

Economic sanctions such as those voted by the House would make the United States incapable of promoting "something constructive" in South Africa, Secretary of State George Shultz says.

In an interview just before Wednesday's vote, he acknowledged the Pretoria government often did not heed U.S. advice. But, he said, "If we so structure our pressure -- called sanctions -- that we're not there anymore, it's hard for me to see how we can be part of something constructive if the opportunity arises."

At the same time, Shultz rebutted charges the Reagan Administration had not put pressure on South Africa to abandon its policy of racial separation known as apartheid. "We express our view and we exert pressure," he said. (Barry Schweid, AP)

### BLACK LEADER: WESTERN FIRMS RUN 'BAD RISK'

PARIS -- Western countries and multinational corporations opposing economic sanctions against South Africa are "running a bad risk," a main anti-apartheid leader warned here yesterday.

Oliver Tambo, president of the African National Congress, said apartheid racial segregation is opposed not only by South Africa's black majority in general, but also by black workers employed in companies owned by U.S. and other Western corporations.

(Tom Nuzum, Washington Times, A1)



## MARKET WORKERS STRIKE IN S. AFRICA

JOHANNESBURG -- Hundreds of black supermarket employees staged work stoppages and sit-down strikes today to protest the detention of union leaders under the state of emergency, union and management sources said.

The United States and Britain vetoed, for the second time in a month, a resolution in the U.N. Security Council on Wednesday to impose economic sanctions against South Africa, wire services reported.

(AP story, Washington Post, A29)

## U.S. ATTEMPTS TO REASSURE MOSCOW ON ARMS PROPOSAL

Presidential spokesman Larry Speakes said yesterday the newest Soviet arms proposal "has merit" and a White House official said later the Soviet offer is "not being taken as a propagandistic endeavor."

A Soviet diplomat said yesterday that Moscow is looking for a positive response to its latest offer as a step toward arranging the delayed summit-planning meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze.

(David Hoffman & Walter Pincus, Washington Post, A1)

## SOVIETS SOLICIT NEW ECONOMIC TIES

MOSCOW -- The Soviet Union is ready to pursue "new advanced forms of relations" in its trade ties with the West, Prime Minister Nikolai Ryzhkov said today. The reference was seen here as related to recent Soviet probes toward joint ventures with West European and Japanese firms.

"There have been a lot of serious discussions about joint ventures," said one western diplomat here. "The Russians are talking with anyone that has a sufficient relationship with them, but at the same time, they are still vague about it."

(Celestine Bohlen, Washington Post, A33)

## U.S. EMBASSIES TO PROBE CONTRA AID

The State Department has asked U.S. embassies in Central America to investigate financial transactions questioned by congressional probers auditing \$27 million in U.S. aid to Nicaraguan rebels, spokesman Bernard Kalb said yesterday.

His remarks came as top rebel leaders told President Reagan at the White House that renewed military aid is "desperately" needed lest future costs involve "U.S. money as well as U.S. blood." The House is scheduled to vote next week on Reagan's request for another \$100 million in aid.

Meanwhile, House Minority Leader Robert Michel said House passage of the full \$100 million request "may be a bit too much to expect." He told reporters that efforts to draft a compromise before next week's vote "haven't collapsed" but that "it's got to happen" today.

(Joanne Omang, Washington Post, A30)

### U.S. May Have To Pay In Blood If Aid Is Rejected, Contras Warn

The leaders of Nicaragua's resistance forces yesterday warned that the United States eventually will have to send troops as well as money to Central America if Congress does not approve a new round of military aid for their cause.

United Nicaraguan Opposition leaders Alfonso Robelo, Arturo Cruz and Adolfo Calero told Mr. Reagan and Vice President George Bush yesterday that the resistance desperately needs a new infusion of U.S. aid, which ran out in March.

"In the future, we may face that what is going to be spent in Nicaragua is U.S. money as well as U.S. blood," Mr. Robelo said after his meeting at the White House.

(Mary Belcher & Christopher Simpson, Washington Times, A1)

### ITALIAN COURT TO START QUESTIONING SHIP HIJACK DEFENDANTS

GENOA, Italy -- Three Palestinians charged with seizing the Italian cruise liner Achille Lauro face questioning by a Genoa prosecutor today along with two alleged accomplices.

The men, whose charge sheet includes mass kidnapping and the murder of an elderly American, were all in court yesterday for the opening session, which despite massive security was disrupted by four West Germans shouting pro-Palestinian slogans. (Andrew Hurst, Reuter)

### CANADA'S QUICK RETALIATION FOR SHINGLES TARIFF PROMPTS SOME ON THE HILL TO RETHINK PROTECTIONISM

Massachusetts Sen. John Kerry was one of scores in Congress who co-sponsored a bill setting quotas for textile imports last year.

Now the liberal Democrat is having second thoughts. He's seeing first-hand how aggressive trade actions can backfire. Partly to build a get-tough image, the Reagan Administration imposed a tariff on Canadian cedar shakes and shingles last month. Canada immediately retaliated by slapping new restrictions on U.S.-made books, computers and semiconductors -- many produced in Massachusetts.

(David Shribman & Art Pine, Wall Street Journal, A64)

### U.S., CANADA REPORTING PROGRESS IN TRADE TALKS

U.S. and Canadian negotiators reported "substantial progress" yesterday after completing the first round of talks here to reduce trade barriers between the two nations, but both sides refused to comment on specifics.

U.S. negotiator Peter Murphy and his Canadian counterpart Simon Reisman, emerging from the U.S. trade representative's office after two days of private meetings, promised to meet again in July and August.

(UPI story, Washington Post, B2)

EDITOR'S NOTE: "Perle Explains Decision On SALT II," appears in The Washington Post, A23.

## NATIONAL NEWS

### SENATE REJECTS PROPOSAL FOR 35% TAX BRACKET

The Senate rejected a proposal to add a higher tax rate of 35 percent to the two brackets in its tax-overhaul bill yesterday, despite contentions such a move would provide more tax relief to the middle class.

Sen. George Mitchell was abandoned by 22 Democrats in the 71-to-29 vote. Most Democrats apparently feared a major change would leave the package vulnerable to other amendments. Only four Republicans voted with the 25 Democrats who supported the amendment.

Sen. Bob Packwood, speaking in opposition to the amendment, accused Mitchell of straying from the path of tax reform laid by such Democrats as Sen. Bill Bradley. (Anne Swardson, Washington Post, A3)

### Senate Rejects A Tax Amendment To Benefit Middle-Income People

The Senate, nearing a final vote on legislation that would restructure the federal income tax system, rejected a proposal today that would increase taxes on the wealthy and give larger tax reductions to middle-income Americans.

Its rejection, by a vote of 71-to-29, appeared to clear away the last important threat to main elements of the Senate tax bill.

(David Rosenbaum, New York Times, A1)

### Senate Denies More Relief For Middle-Income Americans

The Senate, on the verge of approving one of the most sweeping tax plans of the 20th century, rejected an amendment Wednesday that would have targeted more tax relief to middle-income Americans at the expense of the rich.

"I'm getting a little fed up with it...the way we've been treated here the last 10 days," protested Sen. Ted Stevens. He said the strategy of protecting the bill against virtually all amendments has been unfair to the 80 senators who are not members of the tax-writing Finance Committee.

(Jim Luther, AP)

### Senate Kills Middle-Class Tax Amendment

The rich and the poor won, the middle class lost, as the Senate crushed the last major threat to its tax reform bill, then sputtered through several minor amendments that leaders said could delay final passage.

Sen. Robert Dole, who said more than 50 potential amendments remained, warned he may keep the Senate in session over the weekend to complete action on the bill.

(Mary Beth Franklin, UPI)

### GNP GROWS SLOWLY IN 1ST QUARTER

The economy grew much more slowly in the first quarter than previously estimated, the government reported yesterday, prompting a call by a top Administration official for a new global round of interest rate cuts to stimulate growth throughout the world.

The Commerce Department said the real gross national product -- the nation's output of goods and services -- rose at a seasonally adjusted annual rate of 2.9 percent in the first quarter, instead of the 3.7 percent rate estimated earlier. The downward revision was the latest in a series of reports suggesting a long-awaited economic rebound may be delayed, economists said.

A senior Administration official said that figures for the second quarter likely will show the economy continues to be weak, and said the time has come for another coordinated round of interest rate reductions, with West Germany and Japan leading the way.

(Hobart Rowen & Jane Seaberry, Washington Post, A1)

### CONFEREES AGREE ON STOPGAP SPENDING BILL; VETO THREATENED

House and Senate negotiators reached agreement yesterday on a multibillion-dollar spending bill to keep several federal agencies and programs running through the rest of the fiscal year.

Despite the bill's urgency, the Reagan Administration immediately threatened a veto over one issue: permission for rural electric cooperatives to refinance federal loans without having to pay a normally required penalty.

(AP story, Washington Post, A3)

### PHONE ROLE EYED FOR FCC

The Reagan Administration wants to take responsibility for the future of the nation's telephone system away from the federal courts that have overseen the breakup of the Bell System and give it to the Federal Communications Commission.

At the urging of the White House, Sen. Robert Dole yesterday introduced legislation to end the court's authority to regulate the seven regional telephone companies created as the result of the federal antitrust case against American Telephone & Telegraph Co.

(Caroline Mayer & Elizabeth Tucker, Washington Post, B1)

### KEMP RESIGNS AS CHAIRMAN OF TAX-EXEMPT FUND

In the face of allegations that he has improperly used a tax-exempt think tank, which he founded five years ago, to advance his presidential prospects, Rep. Jack Kemp this week removed himself as chairman of the organization. His entire board also has resigned.

Kemp's spokesman, John Buckley, said yesterday the changes at the Fund for an American Renaissance do not constitute an admission of impropriety.

Buckley said the resignations, along with this week's first-ever disclosure of individual and corporate contributors who have given a total of \$505,603 to the five-year old fund, had been long planned.

(Paul Taylor, Washington Post, A4)



## MODERATES ON SUPREME COURT MAY SOON BE PULLED TO RIGHT

The internal politics of the Supreme Court under Chief Justice-designate William Rehnquist may undergo a significant and immediate change, pulling to the right the moderate center that has been pivotal for the last 17 years, court analysts said yesterday.

While that change may not be visible immediately, scholars agree, the ascension of Rehnquist and the addition of equally conservative Judge Antonin Scalia would mean a conservative wing that is expected to be better able to pick up centrist votes, to build and hold the majorities they will need to accomplish their agenda.

(Al Kamen, Washington Post, A10)

## SCALIA'S AFFABILITY, INTELLECT COULD SWAY COURT

In appointing federal appeals court Judge Antonin Scalia to fill the vacancy created by the resignation of Chief Justice Warren Burger, President Reagan is attempting to replace one conservative jurist with another. But many legal scholars said yesterday that the confirmation of Scalia -- while not likely to transform the court overnight -- could eventually leave the court a more conservative institution.

Legal experts said Scalia tends to be more conservative than Burger on some of the court's most hotly contested issues, including abortion, affirmative action and First Amendment rights -- a philosophical difference that will be buttressed by what liberal and conservative lawyers describe as a persuasive manner and impressive intellect.

(Ruth Marcus, Washington Post, A11)

## SUPREME COURT NOMINEES: ALMOST A SURE THING

Liberal groups are urging the Senate to take a long, hard look at President Reagan's two conservative nominees to the Supreme Court, but acknowledge confirmation is virtually assured.

While Reagan's shuffle at the high court caught the legal community and lawmakers by surprise, many said Wednesday the move to appoint two men with established track records as conservative legal scholars was a "safe decision."

(Judi Hasson, UPI)

## REAGAN TO VISIT BETHESDA FRIDAY FOR A CHECKUP

President Reagan is to enter Bethesda Naval Hospital on Friday for his third hospital checkup since undergoing successful surgery for colon cancer nearly a year ago, the White House announced yesterday.

Presidential spokesman Larry Speakes said he assumes the President will have a thorough examination of his colon, as well as other post-operative tests, to determine whether there has been any recurrence of cancer. But Speakes, who has been extremely guarded about details of the President's health since the operation, said he did not know precisely what procedures will be performed.

(AP story, Washington Post, A17)

## GOVERNOR RACES GIVE GOP SWEET DREAMS

They are courting what some might consider wild political fantasy at Republican National Committee headquarters, where those in charge of political support for Republican gubernatorial candidates have visions of turning America's statehouses inside out.

THE RNC staffers hope to take over the Democrat-dominated National Governors' Association and win approval of resolutions lauding Reagan Administration policy. And they dream of overseeing the creation of as many as 40 new Republican-dominated congressional districts after the 1990 census.

(Isaiah Poole, Washington Times, A1)

## PANEL KILLS NOMINATION TO SAFETY REVIEW BOARD

The Senate Labor and Human Resources Committee yesterday killed President Reagan's controversial nomination of Texas lawyer Robert Radar to the Occupational Safety and Health Review Commission on an 8-to-8 vote.

The nomination died when Sen. Lowell Weicker joined the committee's seven Democrats in opposing Radar, primarily because of his legal advice urging corporate clients to resist certain work place inspections by the Occupational Safety and Health Administration.

(Peter Perl, Washington Post, A23)

EDITOR'S NOTES: "Highlights Of Opinions, Dissents, Speeches By Judge Rehnquist," by Sandra Saperstein, appears in The Washington Post, A10.

"Laxalt: Nevada's Conservative Presidential Wild Card," by Diana West, appears in The Washington Times, B1.

## NETWORK NEWS SUMMARY

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(Wednesday Evening, June 18, 1986)

### SOUTH AFRICA SANCTIONS

CBS's Dan Rather: In a sudden move that caught even its own members off guard, the House of Representatives late today, voted the toughest ever U.S. economic sanctions against white ruled South Africa.

CBS's Phil Jones: In a surprise voice vote the House of Representatives sent the strongest signal yet of American unhappiness with the South African government.

(Rep. Dellums: "The major thrust of this bill is to call for immediate divestment and total embargo against the government of South Africa. Comprehensive sanctions against South Africa, not in incremental steps.")

Along with a prohibition of investments in South Africa and stopping the imports of goods, were bans of importation of gold Krugerrands and landing rights for South African planes in the U.S. It was a dramatic development that came at the end of a day's debate on a much milder bill that would have dealt only with new American investments in South Africa.

(Rep. Conte: "This is no time for timidity. This is time to get to the jugular vein. This is time to do something that will wake up the South Africans before we have bloodshed running rampant all over the streets of South Africa. Thousands of innocent people dead in that country.")

Rep. Siljander: "If our presence in South Africa, our economic presence there, if someone could convince me has contributed to the extension to the apartheid system in that country, I would support the measures of this bill. But quite to the contrary has been the historic result.")

It was all the recent scenes of violence and repression reaching the U.S. that brought about today's strong reaction from the House. The White House was not pleased by the House action, saying the President remains opposed to sanctions. Until today it seemed unlikely that the Senate would join in any all-out trade embargo, but this dramatic move by the House will add new pressure on the Senate to pass some sanctions.

CBS's Tom Fenton reports the only uncensored sources of news from South Africa today were the government spokesmen who said they were happy the state of emergency is proving effective.... Amnesty International indicates 3,000 persons have been arrested so far.... One threat to South Africa's stability is the international debate over whether economic sanctions should be applied to force an end to Apartheid. They could take years to be effective. (CBS-Lead)

ABC's Peter Jennings: We had a conversation with Bishop Tutu this afternoon which he knew, and we knew, could lead to his arrest for the following reason: When the South African imposed it's state of emergency last Thursday, it imposed on South Africans of all races the onerous duty of censoring themselves.

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Jennings continues: That means that when any South African, including this Nobel Peace Prize winner, tells the world of what he or she thinks is going on there at the moment they could be charged with subversion. It is not a situation the majority of South Africans like. As we said, Bishop Tutu knew the risks.

Jennings: You have your own information network in the country. What does that network tell you about what is going on in South Africa today?

Tutu: ...On Monday, soldiers came to one church...and said, "We're preventing you from worshipping."... Now this is in a country that claims to be christian.... And how the West can still hold back with your country, Mrs. Thatcher's country, Chancellor Kohl -- those three Western nations are the ones that in a very real sense have a lot of the blame to bear for what is happening in this country at the present time.

Jennings: ...Why is the U.S., Great Britain, and West Germany to blame?

Tutu: The South African government if fully aware that they can cock a snoot at the world, it doesn't really matter what we do -- President Reagan will be the very first to give us a whole spiel about his abhorrence of apartheid, but he will then not take any action that would indicate that abhorrence. It's a lovely bit of rhetoric -- no action. They say quite firmly we will not have sanctions, and why should the South African government worry? They are being protected by three of their most powerful trading partners who don't even have the decency to pretend that they would be considering some of this action by attending the sanctions conference in Paris. They didn't go because they're really basically saying, "Blacks are expendable."

Jennings: You seem to be saying that the U.S. and President Reagan in particular are accomplices to apartheid. Is that a correct interpretation?

Tutu: I said when President Reagan was putting in place his so called constructive engagement policy, over five years ago, I said it was going to be unmitigated disaster for blacks. Very, very sadly and tragically, I have been proved true. And he is an accomplice, yes -- after the fact. They are supporting racists -- they may not themselves be racists. They are supporting one of the most immoral policies -- they may not themselves be immoral. They are supporting one of the most vicious systems -- they may not themselves be vicious. But tell that to a child of 11 who is kept in solitary confinement for five months, and say to them that the American government is against what is against what is happening to you.

Jennings: In Washington the House of Representatives came down harder on South Africa than any branch of the U.S. government has ever done before. The House wants economic sanctions.

ABC's Charles Gibson: The House started debating tough sanctions against South Africa, and then in a surprise move, a shock even to most members of the House, made them even tougher. They accepted a bill from Democrat Dellums...that would require all U.S. firms to pull their investments out of South Africa within 180 days if the bill were to become law. It would prohibit any U.S. firm from investing in, importing from, or exporting to South Africa...

Gibson continues:

(Rep. Dellums: "The first reason why I offer these powerful sanctions against South Africa is that we must make this statement, we must cleanse ourselves in this country. And we must assert our role in the international community as a nation committed to the dignity of people.")

Rep. Conte: "This is time to get to the jugular vein. This is time to do something that will wake up the South Africans before we have bloodshed running rampant all over the streets.")

...The House passed the Dellums bill by voice vote. Republicans said they went along figuring these sanctions are so strong it might cause a backlash and kill sanctions entirely.

(Rep. Siljander: "The bill is dead. I do not expect the Senate to bring up any bill dealing with sanctions in South Africa.")

But that's brave talk. The House clearly was in a mood to come down hard on South Africa, and did so. Hard to see now how the Republican Senate or the President could ignore what's been done.

Jennings: While the House was voting for sanctions, the U.S. and British governments were voting against them at the United Nations. The two nations vetoed the U.N. Security Council resolution in favor of sanctions for the second time in a month.... Two Americans who were being held in a Capetown prison have been released.(ABC-Lead)

NBC's Tom Brokaw: It is called the Anti-apartheid Act of 1986, and it would cut all American business ties with South Africa. In a surprise move late this afternoon the House passed, by a voice vote, this tough new call for tough new sanctions against South Africa.

NBC's Bob Kur: House Democrats and Republicans were out to punish South Africa.

(Rep. Conte: "This is no time for timidity. This is time to get to the jugular vein.")

But this morning South Africa's ambassador warned that economic sanctions could hurt the same blacks the House wants to help.

(Ambassador Herbert Beukes: "People on a massive scale may lose their jobs. Unemployment will rise.")

In today's debate, however, that argument failed.

(Rep. Gray: "But the people in South Africa are not going to funerals because of a lack of jobs, but because of a loss of life.")

...They ignored a last minute letter from National Security Advisor John Poindexter. He warned that sanctions would heighten intransigents, and strengthen the hands of extremists, black and white. After the vote, Rep. Dellums explained what happened.

(Rep. Dellums: "Many of my colleagues understand that the death and the destruction and the human misery that has taken place over the past several weeks is so abhorrent to them that they were prepared to take this next step.")

Critics insist the U.S. should not cut economic ties with South Africa.

(Milton Friedman: "Everybody would be hurt in South Africa -- blacks and whites. Blacks particularly. But the people it would mainly benefit would be those African businessmen who are able to pick up factories and facilities at bargain prices.")

The Senate won't vote such strong sanctions. But because the House did, any compromise that emerges will be tough, and President Reagan who opposes sanctions won't like it.



NBC's John Cochran reports the U.S. is South Africa's largest single trading partner, buying about \$1 billion of South African exports a year. In return, the U.S. sells roughly \$1.6 billion in American goods to South Africa.... U.S. companies claim they have improved the lives of blacks by providing equal opportunity jobs.... The South African government says it can not be bought, and last Thursday President Botha told his nation to prepare for a boycott.... White South Africans say they can survive sanctions. (NBC-Lead)

## SOUTH AFRICA/CENSORSHIP

Rather reports South Africa's white leaders have expanded their press censorship again. They have widened it to include black homelands.

CBS's Bruce Morton followed with a report on how news organizations are coping with the South African censorship. (CBS-12)

## TAX REFORM

Rather: The last major attempt to amend the Senate version of the sweeping federal tax overhaul bill today was rejected. The Senate defeated an amendment targeting more tax relief to the middle economic class with higher taxes for the wealthy. A final, final Senate vote to approve the whole bill as is, now is expected tomorrow. After that, more major attempts to lobby for changes are expected when the bill goes before a House-Senate conference committee. One thing almost sure to come up again: The effort to keep the tax deductions for IRAs. (CBS-7)

Jennings: The Senate's tax reform bill has cleared another major hurdle. It appears to be headed for final passage.

ABC's Brit Hume: It appears that it [the tax bill] could pass tomorrow. They're trying to work out an agreement to get a time certain on passage of that legislation tomorrow. Debate tonight could go far into the evening. Earlier today the Senate dealt...with an amendment that really would have changed the character of this bill. It was offered by Senator Mitchell of Maine, and it would have added an additional third income tax bracket -- 35% -- for upper income taxpayers. The purpose, said Senator Mitchell was to allow middle income taxpayers greater relief. The middle class, he says, is getting short-changed in this bill. That touched off a great debate, and the proponents of the bill said this would take us back to the old kind of tax bill: Redistribute the wealth. It was defeated overwhelmingly, 71-29, but we've not heard the last of adding additional tax brackets. It's likely to be the main issue when the Senate and House conference over this legislation begins.

Jennings: But as for now, in a phrase, it passes intact.

Hume: It looks really strong. I see nothing now that would really challenge it. (ABC-4)

Brokaw: The Senate now is expected to approve its sweeping tax reform bill sometime tomorrow, and then it will go on to a conference of Senators and Representatives where they will try to come up with a final bill acceptable to the House and the Senate.

NBC's John Dancy: It became clear this afternoon that the Senate would pass the tax bill without any major changes. That became obvious when the Senate turned down an amendment that would have taxed the rich in order to give a bigger tax break to the middle class.

(Sen. Mitchell: "It will more than double the amount of tax relief going to those American families who earn between \$30,000 and \$40,000 a year.")

...Mitchell's amendment and other controversial issues will get another chance in a conference with the House.... The likely outcome: A bill with three rates -- more than the Senate wants, but lower than the House version.... Most observers expect some form of IRA deduction in the final version. (NBC-2)

#### PRESIDENT'S CHECKUP

Rather: President Reagan will check into Bethesda Naval Hospital Friday.

The official White House announcement says it is for what's described as, "another checkup," since the President's colon cancer surgery last summer. Larry Speakes said he didn't know exactly which tests would be performed on the President. Speakes said he assumed there would be a thorough check for any recurrence of cancer. Besides the colon cancer, Mr. Reagan has also had small skin cancers removed from his face. (CBS-14)

Brokaw: The White House said that President Reagan will enter Bethesda Naval Hospital for a thorough checkup on Friday. It was almost a year ago that Mr. Reagan had surgery for cancer of the colon. Today Larry Speakes said the President is feeling, "great." (NBC-6)

#### ACHILLE LAURO

Rather reports that Genoa, Italy is where the trial of the accused

Palestinians opened today. Most of the defendants, including the alleged ringleader, were conspicuous by their absence.

CBS's Mark Phillips reports only five of the accused are actually in court but Italy is trying the 10 who are at large as well, including Abu Abbas, believed to be the mastermind of the attack.... The accused... have chosen as their defense the Palestinian cause. The hijack and the murder, they say, were acts of war.... That is not an acceptable argument to the ship's captain, or to former hostages.

(CBS-3, NBC-4)

#### LOCKHEED

Rather reports Secretary Weinberger has ordered an investigation into a congressional report saying that hundreds of classified documents, some involving the nation's most sensitive hi-tech military secrets, may be missing from Lockheed Corporation files. Some of those documents are said to include so-called Stealth technology.... Lockheed says there is, "no indication of a compromise of any classified material." (CBS-4)

## PORNOGRAPHY

Brokaw: Every month, readers of so-called adult magazines, Penthouse and Playboy, buy more than seven million copies -- mostly from newsstands and other stores. But in the past few months, those magazines have been banned by thousands of stores in this country. And the pressure to ban them is being felt by thousands more. Some of that pressure comes from the Reagan Administration.

NBC's Anne Rubenstein reports adult magazines are available on streetcorners, but not in 8,000 convenience stores around the country. Several chains took them off the shelves after the Southland Corporation did -- the owner of many 7-11's.... Stores may be responding to pressure from primarily fundamentalist groups, where retailers may have been intimidated by Attorney General Edwin Meese's commission on pornography. The commission sent them letters warning they could be identified in the commission's final report due out next month, as distributors and sellers of pornography. Playboy's President Christie Hefner says her magazine is not porn.

(Ms. Hefner: "We're talking here about a magazine that the President's son is a contributing editor for.")

Playboy is suing Meese and the commission asking for a retraction of the letter and damages.... Penthouse magazine depends on retail sales for 95% of its business. Publisher Bob Guccione expects sales to drop two to three percent.... If it sounds as if the tide has turned against adult publications, consider that in Ohio patrons of a convenience store chain voted last week to keep adult magazines in the stores. (NBC-8)

## ECONOMY

Rather reports the Commerce Department last month estimated the Gross National Product grew at a healthy 3.7% annual rate the first three months of the year. But today the department offered a sharp downward revision, now saying that the GNP actually rose only 2.9% during the period. That's more than a point below the Reagan Administration's rosy forecast for economic growth for all of 1986. Analysts said the economy is suffering from familiar symptoms -- low consumer demand, industrial weakness and a huge slump in oil and gas drilling. (CBS-5)

## OSHA APPOINTMENT

Rather: A U.S. Senate committee today rejected President Reagan's appointee to a federal panel that is supposed to oversee the Occupation Safety and Health Administration, OSHA. Robert Rader, Jr. has actually been on the job since last August but today's formal vote killed the appointment. Among other things, Rader's opponents said that before taking the OSHA panel job, Rader had advised his corporate clients to resist OSHA safety inspections. (CBS-11)

## MARCOS

Brokaw reports the U.S. Justice Department late today asked for an emergency stay to put on hold a federal judge's ruling that allows Ferdinand Marcos to get almost \$8.5 million in currency and jewelry that was impounded when he came to the U.S. The judge yesterday rejected claims by the Justice and State Departments that the release of the impounded jewels and money would harm relations with the new government in the Philippines. (NBC-4)

## COMMENTARY/DRUGS

NBC's John Chancellor: ...The drug crisis won't end unless something is done about the insatiable American craving for drugs. It takes two to make a drug crisis -- buyers and sellers. But Washington does little about the buyers and concentrates on the sellers. The big money is spent on catching smugglers and dealers on fast boats and helicopters. Money for that in the last four years has increased by 70%.... The government fights its drug war on the borders while the real battlefield is down the block and around the corner in everybody's hometown. Look at the figures on how much federal money is spent on desperately needed clinics, counsellors, education, and prevention. Incredibly, federal money for those things in the last four years has actually decreased.... The Reagan Administration came into office saying, "Let the states do more to fight drugs." Then there was a 40% cut in federal money given to the states for drug prevention. So Washington spends billions in a failing effort to keep crooks from selling drugs, and pennies in a failing effort to keep people from buying drugs. And that's why the drug war is being lost. (NBC-10)

## SOVIET PARLIAMENT

Rather: The Soviet Parliament, or Supreme Soviet, met today. It rubber-stamped the latest five-year economic plan -- no big deal. The big news came with word that the long-time old-guard culture minister has been fired. He reportedly was resisting Gorbachev's plan to try to revitalize the stagnant world of Soviet literature, theater, and film. The clothes conscious Gorbachev's, as a couple, see themselves as role models in a new campaign to liven up the drab world of Soviet fashions.

CBS's Wyatt Andrews reports that the gap between what Russians can imagine and what Russians can buy is the gap Gorbachev intends to narrow in his drive to make the Soviet economy please the consumer. Soviet fashion, the object of ridicule on American television is one of the first industries targeted for reform.... Within the next year the Soviets will order 32 textile factories to make the fashions of Pierre Cardin. Cardin will give his fashions to the Soviets, and in return, he gets to open two retail shops.... Changes in this industry test the progress of Soviet economic reforms overall. For Gorbachev it is a test not only of whether a bureaucracy resistant to change can be forced to accept consumerism, but a test of whether Russians capable of creativity can thrive in a system that cultivates sameness. (CBS-15)

## EDITORIALS/COLUMNISTS

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### SUPREME COURT

A New Supreme Court -- "The well-established views of the two nominees should enable the Supreme Court to return to a function that it has neglected under the leadership of Chief Justice Burger: the establishment of..."substantive law," that is, law that is clear and self-executing. A body of law that hinges on the particulars of every case is not really a body of law at all. If the views of the two presidential nominees prevail, the Supreme Court in the next decades will revert to the institution that Hamilton and the other Founders envisioned; one that interprets laws rather than creates them." (Detroit News, 6/18)

U.S. Supreme Court Ideology Unchanged... -- "The biggest news... may be that President Reagan has done it again: By appointing the first Italian-American to the high court, he has managed to nourish the rightful pride of tens of millions of Americans, while offending few. Except for old-school liberals. But no one expected Ronald Reagan to appoint Gene McCarthy to the high bench." (Daily News, 6/18)

A Strong Lineup On The Supreme Court -- "President Reagan has exercised his second opportunity to place his stamp upon the U.S. Supreme Court, and he has done it both thoughtfully and shrewdly. His nominations will not alter the court's fundamental character, but they will strengthen it. The Reagan Administration's legal agenda has left a lot to be desired. But President Reagan, whose election gave him authority to put his stamp on the federal judiciary, exercised his authority well on Tuesday. It was his responsibility to put forward individuals of character, learning and thoughtful temperament as nominees to lifetime positions that will probably long outlast the Reagan presidency. And even those of us who are skeptical of some of Mr. Meese's antics cannot help but applaud the President's choices for the Supreme Court." (Chicago Tribune, 6/18)

Now, The Rehnquist Court -- "Despite Rehnquist's and Scalia's espousal of the philosophy of 'judicial restraint,' which holds that judges should defer to legislatures in making laws, both of them are willing to substitute their views for a legislature's when they don't like what the legislature has done.... Not surprisingly, a series of conservative Presidents has appointed a Supreme Court that has produced conservative legal doctrine. With the changes announced Tuesday, the outlook is for more of the same." (Los Angeles Times, 6/18)

Toward a Rehnquist Court -- "With two unambiguous Supreme Court nominations, President Reagan has done what he said he'd do, what his warmest supporters hoped and strongest foes feared he'd do. The nominees are not only of like ideology; both are skilled and energetic. These able lawyers would not be our choices for the Court, but it was Ronald Reagan's landslide.... Warren Burger, ever the white-haired central casting ideal of a Chief Justice, would now yield to a leader 17 years younger, the very model of an aggressive advocate bent of change. Still, the ultimate glory of this unique institution is that each member is master only of himself, for life." (New York Times, 6/18)



EDITORIALS/COLUMNISTS (continued)

Merit Plus Conservatism Marks Nominees To Court -- "Personnel change is so rare among the nine justices of the U.S. Supreme Court that announcements such as President Reagan's yesterday cannot help but be dramatic. Yet it would be a mistake to presume too much about imminent change in legal doctrines emanating from the highest court. Philosophically, this appears to be a game of musical chairs in which all the players dance to the same conservative tune -- though to be sure, some are better dancers than others." (Philadelphia Inquirer, 6/18)

Rehnquist For Burger -- "While yesterday's proposed changes on the Supreme Court seem unlikely to produce any abrupt ideological shift, the elevation of Justice Rehnquist to chief justice and the addition of Judge Scalia almost certainly will have an effect eventually.... It is hard to believe that a man of Mr. Rehnquist's intellectual energy would not, as chief justice, nudge the court one way or another over time.... Yesterday's news was short of revolutionary, but welcome nonetheless, and one more change could, on the abortion issue, put the Constitution aright." (Washington Times, 6/18)

The Supreme Court Nominations -- "Both Justice Rehnquist and Judge Scalia are well known as sitting judges and as serious conservatives. Both share the president's political point of view. We think they are wrong on many things. Both men have, in our opinion, demonstrated an alarming insensitivity to civil liberties and the Bill of Rights.... The currents associated with the rise to political power of Ronald Reagan are not entirely new to the law, but they are now going to be given powerful reinforcement at the peak of the country's legal and constitutional structure." (Washington Post, 6/18)

A New Beginning -- "With Justice William Rehnquist sitting in the chief justice's chair, the U.S. Supreme Court may become a noticeably different place.... Four remaining justices -- Powell, Brennan, Marshall and Blackmun -- are in their late 70s. Since it is uncertain whether any of those justices will step down and open the way for other new appointments, this week's changes may remain only the beginning of a shift in the court's philosophy. But if that beginning means the Supreme Court will be taking more care to interpret the laws rather than make them, that's an auspicious beginning." (Dallas Morning News, 6/18)

The Rehnquist Court -- "Each chief justice leaves his own stamp on the highest court of the land, and the prospect of a Rehnquist Court, quite frankly, leaves us bereft of any enthusiasm.... For those observers, including ourselves, who consider the Warren Court to have been among the finest of this century and who often were pleasantly surprised at the Burger Court's moderate approach, the idea of a Rehnquist Court is somewhat frightening. To many people, President Reagan's decision to name Mr. Rehnquist chief justice and to appoint Mr. Scalia to the high Court will be seen as the fulfillment of the President's dream to reshape the federal judiciary along more conservative lines. One can only hope it doesn't turn out to be a nightmare for the American people." (Dallas Times Herald, 6/18)

## FOREIGN MEDIA REACTION

### SUPREME COURT

"President Reagan last night put his indelible stamp on the judicial branch of the U.S. Government with the appointment of the Supreme Court's most conservative and abrasive member, Justice William Rehnquist, as Chief Justice of the United States.... Although the new Chief Justice was keeping his views quiet yesterday, it is certain that he would not have been recommended for the Supreme Court if he did not subscribe to President Reagan's hard-line views against abortion and for prayer in schools."  
(Guardian, Britain)

"Justice Rehnquist's appointment... appears to ensure conservative leadership of the institution for several years, something which will please Mr. Reagan and which may have influenced the timing of Chief Justice Burger's resignation."  
(Financial Times, Britain)

"President Reagan, in a statement that took the nation by surprise, announced yesterday the retirement of Chief Justice Warren Burger...and nominated Justice William Rehnquist, the most conservative member of the Supreme Court, to replace him.... The moves are not expected to alter sharply the ideological make up of the nine-member Supreme Court."  
(Daily Telegraph, Britain)

"Scalia is reportedly a staunch conservative.... The appointment will alter the balance of the Supreme Court to the benefit of the conservatives."  
(Radio France-Inter, France)

"The future (leadership) of Rehnquist and the presence of Scalia at the Court should not alter deeply the political balance of the Supreme Court but rather accelerate the movement toward the right, which has been clear in recent years, notably since the appointment of Sandra Day O' Connor.... This conservative drift is especially more important since the Reagan Administration lost no opportunity to obtain a restrictive reading of the constitution by the Supreme Court in areas of fundamental liberties of the First Amendment on civil rights and abortion."  
(Liberation, France)

"It is likely that the somewhat conservative trend of U.S. judiciary circles will continue. President Reagan's new choice for the Chief Justice, William Rehnquist, has also consistently shown his conservative inclinations since he was appointed by former President Richard Nixon.... Although it is difficult to correctly predict how he will affect the U.S. Supreme Court at this time, observers feel the Supreme Court is expected to maintain an ideal balanced relationship with President Reagan."  
(Donga Ilbo, South Korea)



# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 19, 1986 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

Republicans Hope South Africa Sanctions Bill, Passed By House, Is Dead  
-- The surprising House approval of a bill calling for a total prohibition on U.S. companies from doing business with South Africa was supported by Republicans who hope they have made the sanctions so tough they stand no chance of becoming law. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

U.S. Attempts To Reassure Moscow On Arms Proposal -- Presidential spokesman Larry Speakes said yesterday the newest Soviet arms proposal "has merit" and a White House official said later the Soviet offer is "not being taken as a propagandistic endeavor." (Washington Post)

### NATIONAL NEWS

Senate Denies More Relief For Middle-Income Americans -- The Senate, on the verge of approving one of the most sweeping tax plans of the 20th century, rejected an amendment Wednesday that would have targeted more tax relief to middle-income Americans at the expense of the rich. (New York Times, Washington Post, AP, UPI)

### NETWORK NEWS (Wednesday Evening)

SOUTH AFRICA SANCTIONS -- The House approved the toughest ever U.S. economic sanctions against South Africa.

SOUTH AFRICA/CENSORSHIP -- South Africa's white leaders have expanded their press censorship.

TAX REFORM -- The Senate defeated an amendment targeting more tax relief for middle-income Americans.

### COURT CONTINUITY

"What occurred in Washington [Tuesday], therefore, might best be summed up by paraphrasing the famous announcement about the king: The Chief Justice is gone; long live the Chief Justice."

(The Baltimore Evening Sun, 6/18))

## INTERNATIONAL NEWS

### HOUSE PASSES BILL FOR DISINVESTMENT FROM SOUTH AFRICA

In a stunning response to the violence and turmoil sweeping South Africa, the House yesterday approved far-reaching legislation that would require the withdrawal of all U.S. firms operating in that racially divided country.

The White House made a last-minute attempt to rally opposition to sanctions legislation. In a letter to House Minority Leader Robert Michel, national security affairs adviser John Poindexter said the Administration had "grave misgivings and strong opposition" to attempts to legislate economic sanctions, which he said would "erode our capacity to promote negotiations in South Africa" and are "likely further to separate an already divided society."

Speaker Thomas O'Neill called passage of the measure a sign of "the tidal wave of American revulsion against the discredited policy of 'constructive engagement.'" (Edward Walsh, Washington Post, A1)

#### House Vote Slaps S. Africa Regime

The House, on a voice vote that shocked even its Democratic sponsors, yesterday passed a sweeping trade embargo measure against South Africa that would require the withdrawal of all United States businesses and American investments.

Republicans said that passage of the stringent measure actually dooms the sanctions package, which, some said, now is likely to draw opposition from even liberal senators. (Rita McWilliams, Washington Times, A1)

#### House Votes Bill To Cut Off Investment In South Africa; Strikes By Blacks Multiply

The House, in a surprise development, approved and sent to the Senate today a measure imposing a trade embargo and requiring complete divestment by American companies and citizens of their holdings in South Africa.

Edward Djerejian, a deputy White House press secretary, said the House vote would have no impact on the President's opposition to tougher economic sanctions. (Neil Lewis, New York Times, A1)

#### Republicans Hope South Africa Sanctions Bill, Passed By House, Is Dead

The surprising House approval of a bill calling for a total prohibition on U.S. companies from doing business with South Africa was supported by Republicans who hope they have made the sanctions so tough they stand no chance of becoming law.

"This whole bill is dead. Sanctions are dead," said Rep. Mark Siljander, moments after the House approved the anti-apartheid sanctions in a surprising voice vote Wednesday afternoon.

The strict sanctions were proposed by Rep. Ronald Dellums, who said he was stunned that they were easily adopted to replace milder anti-apartheid restrictions that were part of the original proposal.

(Tim Ahern, AP)

### Sanctions Bill Has Little Chance in Senate

House Republicans, in an unexpected move, have supported a tough set of economic sanctions against South Africa, but their backing is part of a political ploy to ensure the bill's defeat in the Senate.

The measures call for a total withdrawal of U.S. business operations in South Africa and bar virtually all imports from the strife-torn country.

Rep. Robert Walker opposed any sanctions and was the primary force in the GOP maneuver. "The President will veto a bill that comes close to the Dellums' bill," Walker said. (Michael Myers, UPI)

### House Votes For Total U.S. Disinvestment From South Africa

The House of Representatives has voted unanimously for a total, American financial withdrawal from South Africa.

"This is a vote which will be heard around the world," Rep. Steven Solarz told reporters yesterday.

House Speaker Thomas O'Neill also interpreted the vote as a victory, saying: "The House has condemned apartheid in the strongest possible terms." (Sue Baker, Reuter)

### SHULTZ SAYS U.S. ECONOMIC TIES TO SOUTH AFRICA SHOULD BE RETAINED

Economic sanctions such as those voted by the House would make the United States incapable of promoting "something constructive" in South Africa, Secretary of State George Shultz says.

In an interview just before Wednesday's vote, he acknowledged the Pretoria government often did not heed U.S. advice. But, he said, "If we so structure our pressure -- called sanctions -- that we're not there anymore, it's hard for me to see how we can be part of something constructive if the opportunity arises."

At the same time, Shultz rebutted charges the Reagan Administration had not put pressure on South Africa to abandon its policy of racial separation known as apartheid. "We express our view and we exert pressure," he said. (Barry Schweid, AP)

### BLACK LEADER: WESTERN FIRMS RUN 'BAD RISK'

PARIS -- Western countries and multinational corporations opposing economic sanctions against South Africa are "running a bad risk," a main anti-apartheid leader warned here yesterday.

Oliver Tambo, president of the African National Congress, said apartheid racial segregation is opposed not only by South Africa's black majority in general, but also by black workers employed in companies owned by U.S. and other Western corporations.

(Tom Nuzum, Washington Times, A1)



## MARKET WORKERS STRIKE IN S. AFRICA

JOHANNESBURG -- Hundreds of black supermarket employees staged work stoppages and sit-down strikes today to protest the detention of union leaders under the state of emergency, union and management sources said.

The United States and Britain vetoed, for the second time in a month, a resolution in the U.N. Security Council on Wednesday to impose economic sanctions against South Africa, wire services reported.

(AP story, Washington Post, A29)

## U.S. ATTEMPTS TO REASSURE MOSCOW ON ARMS PROPOSAL

Presidential spokesman Larry Speakes said yesterday the newest Soviet arms proposal "has merit" and a White House official said later the Soviet offer is "not being taken as a propagandistic endeavor."

A Soviet diplomat said yesterday that Moscow is looking for a positive response to its latest offer as a step toward arranging the delayed summit-planning meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze.

(David Hoffman & Walter Pincus, Washington Post, A1)

## SOVIETS SOLICIT NEW ECONOMIC TIES

MOSCOW -- The Soviet Union is ready to pursue "new advanced forms of relations" in its trade ties with the West, Prime Minister Nikolai Ryzhkov said today. The reference was seen here as related to recent Soviet probes toward joint ventures with West European and Japanese firms.

"There have been a lot of serious discussions about joint ventures," said one western diplomat here. "The Russians are talking with anyone that has a sufficient relationship with them, but at the same time, they are still vague about it." (Celestine Bohlen, Washington Post, A33)

## U.S. EMBASSIES TO PROBE CONTRA AID

The State Department has asked U.S. embassies in Central America to investigate financial transactions questioned by congressional probers auditing \$27 million in U.S. aid to Nicaraguan rebels, spokesman Bernard Kalb said yesterday.

His remarks came as top rebel leaders told President Reagan at the White House that renewed military aid is "desperately" needed lest future costs involve "U.S. money as well as U.S. blood." The House is scheduled to vote next week on Reagan's request for another \$100 million in aid.

Meanwhile, House Minority Leader Robert Michel said House passage of the full \$100 million request "may be a bit too much to expect." He told reporters that efforts to draft a compromise before next week's vote "haven't collapsed" but that "it's got to happen" today.

(Joanne Omang, Washington Post, A30)

### U.S. May Have To Pay In Blood If Aid Is Rejected, Contras Warn

The leaders of Nicaragua's resistance forces yesterday warned that the United States eventually will have to send troops as well as money to Central America if Congress does not approve a new round of military aid for their cause.

United Nicaraguan Opposition leaders Alfonso Robelo, Arturo Cruz and Adolfo Calero told Mr. Reagan and Vice President George Bush yesterday that the resistance desperately needs a new infusion of U.S. aid, which ran out in March.

"In the future, we may face that what is going to be spent in Nicaragua is U.S. money as well as U.S. blood," Mr. Robelo said after his meeting at the White House.

(Mary Belcher & Christopher Simpson, Washington Times, A1)

### ITALIAN COURT TO START QUESTIONING SHIP HIJACK DEFENDANTS

GENOA, Italy -- Three Palestinians charged with seizing the Italian cruise liner Achille Lauro face questioning by a Genoa prosecutor today along with two alleged accomplices.

The men, whose charge sheet includes mass kidnapping and the murder of an elderly American, were all in court yesterday for the opening session, which despite massive security was disrupted by four West Germans shouting pro-Palestinian slogans. (Andrew Hurst, Reuter)

### CANADA'S QUICK RETALIATION FOR SHINGLES TARIFF PROMPTS SOME ON THE HILL TO RETHINK PROTECTIONISM

Massachusetts Sen. John Kerry was one of scores in Congress who co-sponsored a bill setting quotas for textile imports last year.

Now the liberal Democrat is having second thoughts. He's seeing first-hand how aggressive trade actions can backfire. Partly to build a get-tough image, the Reagan Administration imposed a tariff on Canadian cedar shakes and shingles last month. Canada immediately retaliated by slapping new restrictions on U.S.-made books, computers and semiconductors -- many produced in Massachusetts.

(David Shribman & Art Pine, Wall Street Journal, A64)

### U.S., CANADA REPORTING PROGRESS IN TRADE TALKS

U.S. and Canadian negotiators reported "substantial progress" yesterday after completing the first round of talks here to reduce trade barriers between the two nations, but both sides refused to comment on specifics.

U.S. negotiator Peter Murphy and his Canadian counterpart Simon Reisman, emerging from the U.S. trade representative's office after two days of private meetings, promised to meet again in July and August.

(UPI story, Washington Post, B2)

EDITOR'S NOTE: "Perle Explains Decision On SALT II," appears in The Washington Post, A23.

## NATIONAL NEWS

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### SENATE REJECTS PROPOSAL FOR 35% TAX BRACKET

The Senate rejected a proposal to add a higher tax rate of 35 percent to the two brackets in its tax-overhaul bill yesterday, despite contentions such a move would provide more tax relief to the middle class.

Sen. George Mitchell was abandoned by 22 Democrats in the 71-to-29 vote. Most Democrats apparently feared a major change would leave the package vulnerable to other amendments. Only four Republicans voted with the 25 Democrats who supported the amendment.

Sen. Bob Packwood, speaking in opposition to the amendment, accused Mitchell of straying from the path of tax reform laid by such Democrats as Sen. Bill Bradley. (Anne Swardson, Washington Post, A3)

### Senate Rejects A Tax Amendment To Benefit Middle-Income People

The Senate, nearing a final vote on legislation that would restructure the federal income tax system, rejected a proposal today that would increase taxes on the wealthy and give larger tax reductions to middle-income Americans.

Its rejection, by a vote of 71-to-29, appeared to clear away the last important threat to main elements of the Senate tax bill.

(David Rosenbaum, New York Times, A1)

### Senate Denies More Relief For Middle-Income Americans

The Senate, on the verge of approving one of the most sweeping tax plans of the 20th century, rejected an amendment Wednesday that would have targeted more tax relief to middle-income Americans at the expense of the rich.

"I'm getting a little fed up with it...the way we've been treated here the last 10 days," protested Sen. Ted Stevens. He said the strategy of protecting the bill against virtually all amendments has been unfair to the 80 senators who are not members of the tax-writing Finance Committee.

(Jim Luther, AP)

### Senate Kills Middle-Class Tax Amendment

The rich and the poor won, the middle class lost, as the Senate crushed the last major threat to its tax reform bill, then sputtered through several minor amendments that leaders said could delay final passage.

Sen. Robert Dole, who said more than 50 potential amendments remained, warned he may keep the Senate in session over the weekend to complete action on the bill.

(Mary Beth Franklin, UPI)

### GNP GROWS SLOWLY IN 1ST QUARTER

The economy grew much more slowly in the first quarter than previously estimated, the government reported yesterday, prompting a call by a top Administration official for a new global round of interest rate cuts to stimulate growth throughout the world.

The Commerce Department said the real gross national product -- the nation's output of goods and services -- rose at a seasonally adjusted annual rate of 2.9 percent in the first quarter, instead of the 3.7 percent rate estimated earlier. The downward revision was the latest in a series of reports suggesting a long-awaited economic rebound may be delayed, economists said.

A senior Administration official said that figures for the second quarter likely will show the economy continues to be weak, and said the time has come for another coordinated round of interest rate reductions, with West Germany and Japan leading the way.

(Hobart Rowen & Jane Seaberry, Washington Post, A1)

### CONFEREES AGREE ON STOPGAP SPENDING BILL; VETO THREATENED

House and Senate negotiators reached agreement yesterday on a multibillion-dollar spending bill to keep several federal agencies and programs running through the rest of the fiscal year.

Despite the bill's urgency, the Reagan Administration immediately threatened a veto over one issue: permission for rural electric cooperatives to refinance federal loans without having to pay a normally required penalty.

(AP story, Washington Post, A3)

### PHONE ROLE EYED FOR FCC

The Reagan Administration wants to take responsibility for the future of the nation's telephone system away from the federal courts that have overseen the breakup of the Bell System and give it to the Federal Communications Commission.

At the urging of the White House, Sen. Robert Dole yesterday introduced legislation to end the court's authority to regulate the seven regional telephone companies created as the result of the federal antitrust case against American Telephone & Telegraph Co.

(Caroline Mayer & Elizabeth Tucker, Washington Post, B1)

### KEMP RESIGNS AS CHAIRMAN OF TAX-EXEMPT FUND

In the face of allegations that he has improperly used a tax-exempt think tank, which he founded five years ago, to advance his presidential prospects, Rep. Jack Kemp this week removed himself as chairman of the organization. His entire board also has resigned.

Kemp's spokesman, John Buckley, said yesterday the changes at the Fund for an American Renaissance do not constitute an admission of impropriety.

Buckley said the resignations, along with this week's first-ever disclosure of individual and corporate contributors who have given a total of \$505,603 to the five-year old fund, had been long planned.

(Paul Taylor, Washington Post, A4)

## MODERATES ON SUPREME COURT MAY SOON BE PULLED TO RIGHT

The internal politics of the Supreme Court under Chief Justice-designate William Rehnquist may undergo a significant and immediate change, pulling to the right the moderate center that has been pivotal for the last 17 years, court analysts said yesterday.

While that change may not be visible immediately, scholars agree, the ascension of Rehnquist and the addition of equally conservative Judge Antonin Scalia would mean a conservative wing that is expected to be better able to pick up centrist votes, to build and hold the majorities they will need to accomplish their agenda.

(Al Kamen, Washington Post, A10)

## SCALIA'S AFFABILITY, INTELLECT COULD SWAY COURT

In appointing federal appeals court Judge Antonin Scalia to fill the vacancy created by the resignation of Chief Justice Warren Burger, President Reagan is attempting to replace one conservative jurist with another. But many legal scholars said yesterday that the confirmation of Scalia -- while not likely to transform the court overnight -- could eventually leave the court a more conservative institution.

Legal experts said Scalia tends to be more conservative than Burger on some of the court's most hotly contested issues, including abortion, affirmative action and First Amendment rights -- a philosophical difference that will be buttressed by what liberal and conservative lawyers describe as a persuasive manner and impressive intellect.

(Ruth Marcus, Washington Post, A11)

## SUPREME COURT NOMINEES: ALMOST A SURE THING

Liberal groups are urging the Senate to take a long, hard look at President Reagan's two conservative nominees to the Supreme Court, but acknowledge confirmation is virtually assured.

While Reagan's shuffle at the high court caught the legal community and lawmakers by surprise, many said Wednesday the move to appoint two men with established track records as conservative legal scholars was a "safe decision."

(Judi Hasson, UPI)

## REAGAN TO VISIT BETHESDA FRIDAY FOR A CHECKUP

President Reagan is to enter Bethesda Naval Hospital on Friday for his third hospital checkup since undergoing successful surgery for colon cancer nearly a year ago, the White House announced yesterday.

Presidential spokesman Larry Speakes said he assumes the President will have a thorough examination of his colon, as well as other post-operative tests, to determine whether there has been any recurrence of cancer. But Speakes, who has been extremely guarded about details of the President's health since the operation, said he did not know precisely what procedures will be performed.

(AP story, Washington Post, A17)



### GOVERNOR RACES GIVE GOP SWEET DREAMS

They are courting what some might consider wild political fantasy at Republican National Committee headquarters, where those in charge of political support for Republican gubernatorial candidates have visions of turning America's statehouses inside out.

THE RNC staffers hope to take over the Democrat-dominated National Governors' Association and win approval of resolutions lauding Reagan Administration policy. And they dream of overseeing the creation of as many as 40 new Republican-dominated congressional districts after the 1990 census.  
(Isaiah Poole, Washington Times, A1)

### PANEL KILLS NOMINATION TO SAFETY REVIEW BOARD

The Senate Labor and Human Resources Committee yesterday killed President Reagan's controversial nomination of Texas lawyer Robert Radar to the Occupational Safety and Health Review Commission on an 8-to-8 vote.

The nomination died when Sen. Lowell Weicker joined the committee's seven Democrats in opposing Radar, primarily because of his legal advise urging corporate clients to resist certain work place inspections by the Occupational Safety and Health Administration.

(Peter Perl, Washington Post, A23)

EDITOR'S NOTES: "Highlights Of Opinions, Dissents, Speeches By Judge Rehnquist," by Sandra Saperstein, appears in The Washington Post, A10.

"Laxalt: Nevada's Conservative Presidential Wild Card," by Diana West, appears in The Washington Times, B1.

## NETWORK NEWS SUMMARY

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(Wednesday Evening, June 18, 1986)

### SOUTH AFRICA SANCTIONS

CBS's Dan Rather: In a sudden move that caught even its own members off guard, the House of Representatives late today, voted the toughest ever U.S. economic sanctions against white ruled South Africa.

CBS's Phil Jones: In a surprise voice vote the House of Representatives sent the strongest signal yet of American unhappiness with the South African government.

(Rep. Dellums: "The major thrust of this bill is to call for immediate divestment and total embargo against the government of South Africa. Comprehensive sanctions against South Africa, not in incremental steps.")

Along with a prohibition of investments in South Africa and stopping the imports of goods, were bans of importation of gold Krugerrands and landing rights for South African planes in the U.S. It was a dramatic development that came at the end of a day's debate on a much milder bill that would have dealt only with new American investments in South Africa.

(Rep. Conte: "This is no time for timidity. This is time to get to the jugular vein. This is time to do something that will wake up the South Africans before we have bloodshed running rampant all over the streets of South Africa. Thousands of innocent people dead in that country.")

Rep. Siljander: "If our presence in South Africa, our economic presence there, if someone could convince me has contributed to the extension to the apartheid system in that country, I would support the measures of this bill. But quite to the contrary has been the historic result.")

It was all the recent scenes of violence and repression reaching the U.S. that brought about today's strong reaction from the House. The White House was not pleased by the House action, saying the President remains opposed to sanctions. Until today it seemed unlikely that the Senate would join in any all-out trade embargo, but this dramatic move by the House will add new pressure on the Senate to pass some sanctions.

CBS's Tom Fenton reports the only uncensored sources of news from South Africa today were the government spokesmen who said they were happy the state of emergency is proving effective.... Amnesty International indicates 3,000 persons have been arrested so far.... One threat to South Africa's stability is the international debate over whether economic sanctions should be applied to force an end to Apartheid. They could take years to be effective. (CBS-Lead)

ABC's Peter Jennings: We had a conversation with Bishop Tutu this afternoon which he knew, and we knew, could lead to his arrest for the following reason: When the South African imposed it's state of emergency last Thursday, it imposed on South Africans of all races the onerous duty of censoring themselves.

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Jennings continues: That means that when any South African, including this Nobel Peace Prize winner, tells the world of what he or she thinks is going on there at the moment they could be charged with subversion. It is not a situation the majority of South Africans like. As we said, Bishop Tutu knew the risks.

Jennings: You have your own information network in the country. What does that network tell you about what is going on in South Africa today?

Tutu: ...On Monday, soldiers came to one church...and said, "We're preventing you from worshipping."... Now this is in a country that claims to be christian.... And how the West can still hold back with your country, Mrs. Thatcher's country, Chancellor Kohl -- those three Western nations are the ones that in a very real sense have a lot of the blame to bear for what is happening in this country at the present time.

Jennings: ...Why is the U.S., Great Britain, and West Germany to blame?

Tutu: The South African government if fully aware that they can cock a snoot at the world, it doesn't really matter what we do -- President Reagan will be the very first to give us a whole spiel about his abhorrence of apartheid, but he will then not take any action that would indicate that abhorrence. It's a lovely bit of rhetoric -- no action. They say quite firmly we will not have sanctions, and why should the South African government worry? They are being protected by three of their most powerful trading partners who don't even have the decency to pretend that they would be considering some of this action by attending the sanctions conference in Paris. They didn't go because they're really basically saying, "Blacks are expendable."

Jennings: You seem to be saying that the U.S. and President Reagan in particular are accomplices to apartheid. Is that a correct interpretation?

Tutu: I said when President Reagan was putting in place his so called constructive engagement policy, over five years ago, I said it was going to be unmitigated disaster for blacks. Very, very sadly and tragically, I have been proved true. And he is an accomplice, yes -- after the fact. They are supporting racists -- they may not themselves be racists. They are supporting one of the most immoral policies -- they may not themselves be immoral. They are supporting one of the most vicious systems -- they may not themselves be vicious. But tell that to a child of 11 who is kept in solitary confinement for five months, and say to them that the American government is against what is against what is happening to you.

Jennings: In Washington the House of Representatives came down harder on South Africa than any branch of the U.S. government has ever done before. The House wants economic sanctions.

ABC's Charles Gibson: The House started debating tough sanctions against South Africa, and then in a surprise move, a shock even to most members of the House, made them even tougher. They accepted a bill from Democrat Dellums...that would require all U.S. firms to pull their investments out of South Africa within 180 days if the bill were to become law. It would prohibit any U.S. firm from investing in, importing from, or exporting to South Africa...

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Gibson continues:

(Rep. Dellums: "The first reason why I offer these powerful sanctions against South Africa is that we must make this statement, we must cleanse ourselves in this country. And we must assert our role in the international community as a nation committed to the dignity of people.")

Rep. Conte: "This is time to get to the jugular vein. This is time to do something that will wake up the South Africans before we have bloodshed running rampant all over the streets.")

...The House passed the Dellums bill by voice vote. Republicans said they went along figuring these sanctions are so strong it might cause a backlash and kill sanctions entirely.

(Rep. Siljander: "The bill is dead. I do not expect the Senate to bring up any bill dealing with sanctions in South Africa.")

But that's brave talk. The House clearly was in a mood to come down hard on South Africa, and did so. Hard to see now how the Republican Senate or the President could ignore what's been done.

Jennings: While the House was voting for sanctions, the U.S. and British governments were voting against them at the United Nations. The two nations vetoed the U.N. Security Council resolution in favor of sanctions for the second time in a month.... Two Americans who were being held in a Capetown prison have been released (ABC-Lead)

NBC's Tom Brokaw: It is called the Anti-apartheid Act of 1986, and it would cut all American business ties with South Africa. In a surprise move late this afternoon the House passed, by a voice vote, this tough new call for tough new sanctions against South Africa.

NBC's Bob Kur: House Democrats and Republicans were out to punish South Africa.

(Rep. Conte: "This is no time for timidity. This is time to get to the jugular vein.")

But this morning South Africa's ambassador warned that economic sanctions could hurt the same blacks the House wants to help.

(Ambassador Herbert Beukes: "People on a massive scale may lose their jobs. Unemployment will rise.")

In today's debate, however, that argument failed.

(Rep. Gray: "But the people in South Africa are not going to funerals because of a lack of jobs, but because of a loss of life.")

...They ignored a last minute letter from National Security Advisor John Poindexter. He warned that sanctions would heighten intransigents, and strengthen the hands of extremists, black and white. After the vote, Rep. Dellums explained what happened.

(Rep. Dellums: "Many of my colleagues understand that the death and the destruction and the human misery that has taken place over the past several weeks is so abhorrent to them that they were prepared to take this next step.")

Critics insist the U.S. should not cut economic ties with South Africa.

(Milton Friedman: "Everybody would be hurt in South Africa -- blacks and whites. Blacks particularly. But the people it would mainly benefit would be those African businessmen who are able to pick up factories and facilities at bargain prices.")

The Senate won't vote such strong sanctions. But because the House did, any compromise that emerges will be tough, and President Reagan who opposes sanctions won't like it.

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NBC's John Cochran reports the U.S. is South Africa's largest single trading partner, buying about \$1 billion of South African exports a year. In return, the U.S. sells roughly \$1.6 billion in American goods to South Africa.... U.S. companies claim they have improved the lives of blacks by providing equal opportunity jobs.... The South African government says it can not be bought, and last Thursday President Botha told his nation to prepare for a boycott.... White South Africans say they can survive sanctions. (NBC-Lead)

## SOUTH AFRICA/CENSORSHIP

Rather reports South Africa's white leaders have expanded their press censorship again. They have widened it to include black homelands.

CBS's Bruce Morton followed with a report on how news organizations are coping with the South African censorship. (CBS-12)

## TAX REFORM

Rather: The last major attempt to amend the Senate version of the sweeping federal tax overhaul bill today was rejected. The Senate defeated an amendment targeting more tax relief to the middle economic class with higher taxes for the wealthy. A final, final Senate vote to approve the whole bill as is, now is expected tomorrow. After that, more major attempts to lobby for changes are expected when the bill goes before a House-Senate conference committee. One thing almost sure to come up again: The effort to keep the tax deductions for IRAs. (CBS-7)

Jennings: The Senate's tax reform bill has cleared another major hurdle. It appears to be headed for final passage.

ABC's Brit Hume: It appears that it [the tax bill] could pass tomorrow. They're trying to work out an agreement to get a time certain on passage of that legislation tomorrow. Debate tonight could go far into the evening. Earlier today the Senate dealt...with an amendment that really would have changed the character of this bill. It was offered by Senator Mitchell of Maine, and it would have added an additional third income tax bracket -- 35% -- for upper income taxpayers. The purpose, said Senator Mitchell was to allow middle income taxpayers greater relief. The middle class, he says, is getting short-changed in this bill. That touched off a great debate, and the proponents of the bill said this would take us back to the old kind of tax bill: Redistribute the wealth. It was defeated overwhelmingly, 71-29, but we've not heard the last of adding additional tax brackets. It's likely to be the main issue when the Senate and House conference over this legislation begins.

Jennings: But as for now, in a phrase, it passes intact.

Hume: It looks really strong. I see nothing now that would really challenge it. (ABC-4)

Brokaw: The Senate now is expected to approve its sweeping tax reform bill sometime tomorrow, and then it will go on to a conference of Senators and Representatives where they will try to come up with a final bill acceptable to the House and the Senate.

NBC's John Dancy: It became clear this afternoon that the Senate would pass the tax bill without any major changes. That became obvious when the Senate turned down an amendment that would have taxed the rich in order to give a bigger tax break to the middle class.

(Sen. Mitchell: "It will more than double the amount of tax relief going to those American families who earn between \$30,000 and \$40,000 a year.")

...Mitchell's amendment and other controversial issues will get another chance in a conference with the House.... The likely outcome: A bill with three rates -- more than the Senate wants, but lower than the House version.... Most observers expect some form of IRA deduction in the final version. (NBC-2)

#### PRESIDENT'S CHECKUP

Rather: President Reagan will check into Bethesda Naval Hospital Friday.

The official White House announcement says it is for what's described as, "another checkup," since the President's colon cancer surgery last summer. Larry Speakes said he didn't know exactly which tests would be performed on the President. Speakes said he assumed there would be a thorough check for any recurrence of cancer. Besides the colon cancer, Mr. Reagan has also had small skin cancers removed from his face. (CBS-14)

Brokaw: The White House said that President Reagan will enter Bethesda Naval Hospital for a thorough checkup on Friday. It was almost a year ago that Mr. Reagan had surgery for cancer of the colon. Today Larry Speakes said the President is feeling, "great." (NBC-6)

#### ACHILLE LAURO

Rather reports that Genoa, Italy is where the trial of the accused Palestinians opened today. Most of the defendants, including the alleged ringleader, were conspicuous by their absence.

CBS's Mark Phillips reports only five of the accused are actually in court but Italy is trying the 10 who are at large as well, including Abu Abbas, believed to be the mastermind of the attack.... The accused... have chosen as their defense the Palestinian cause. The hijack and the murder, they say, were acts of war.... That is not an acceptable argument to the ship's captain, or to former hostages.

(CBS-3, NBC-4)

#### LOCKHEED

Rather reports Secretary Weinberger has ordered an investigation into a congressional report saying that hundreds of classified documents, some involving the nation's most sensitive hi-tech military secrets, may be missing from Lockheed Corporation files. Some of those documents are said to include so-called Stealth technology.... Lockheed says there is, "no indication of a compromise of any classified material." (CBS-4)



## PORNOGRAPHY

Brokaw: Every month, readers of so-called adult magazines, Penthouse and Playboy, buy more than seven million copies -- mostly from newsstands and other stores. But in the past few months, those magazines have been banned by thousands of stores in this country. And the pressure to ban them is being felt by thousands more. Some of that pressure comes from the Reagan Administration.

NBC's Anne Rubenstein reports adult magazines are available on streetcorners, but not in 8,000 convenience stores around the country. Several chains took them off the shelves after the Southland Corporation did -- the owner of many 7-11's.... Stores may be responding to pressure from primarily fundamentalist groups, where retailers may have been intimidated by Attorney General Edwin Meese's commission on pornography. The commission sent them letters warning they could be identified in the commission's final report due out next month, as distributors and sellers of pornography. Playboy's President Christie Hefner says her magazine is not porn. (Ms. Hefner: "We're talking here about a magazine that the President's son is a contributing editor for.")

Playboy is suing Meese and the commission asking for a retraction of the letter and damages.... Penthouse magazine depends on retail sales for 95% of its business. Publisher Bob Guccione expects sales to drop two to three percent.... If it sounds as if the tide has turned against adult publications, consider that in Ohio patrons of a convenience store chain voted last week to keep adult magazines in the stores. (NBC-8)

## ECONOMY

Rather reports the Commerce Department last month estimated the Gross National Product grew at a healthy 3.7% annual rate the first three months of the year. But today the department offered a sharp downward revision, now saying that the GNP actually rose only 2.9% during the period. That's more than a point below the Reagan Administration's rosy forecast for economic growth for all of 1986. Analysts said the economy is suffering from familiar symptoms -- low consumer demand, industrial weakness and a huge slump in oil and gas drilling. (CBS-5)

## OSHA APPOINTMENT

Rather: A U.S. Senate committee today rejected President Reagan's appointee to a federal panel that is supposed to oversee the Occupation Safety and Health Administration, OSHA. Robert Rader, Jr. has actually been on the job since last August but today's formal vote killed the appointment. Among other things, Rader's opponents said that before taking the OSHA panel job, Rader had advised his corporate clients to resist OSHA safety inspections. (CBS-11)

## MARCOS

Brokaw reports the U.S. Justice Department late today asked for an emergency stay to put on hold a federal judge's ruling that allows Ferdinand Marcos to get almost \$8.5 million in currency and jewelry that was impounded when he came to the U.S. The judge yesterday rejected claims by the Justice and State Departments that the release of the impounded jewels and money would harm relations with the new government in the Philippines. (NBC-4)

## COMMENTARY/DRUGS

NBC's John Chancellor: ...The drug crisis won't end unless something is done about the insatiable American craving for drugs. It takes two to make a drug crisis -- buyers and sellers. But Washington does little about the buyers and concentrates on the sellers. The big money is spent on catching smugglers and dealers on fast boats and helicopters. Money for that in the last four years has increased by 70%.... The government fights its drug war on the borders while the real battlefield is down the block and around the corner in everybody's hometown. Look at the figures on how much federal money is spent on desperately needed clinics, counsellors, education, and prevention. Incredibly, federal money for those things in the last four years has actually decreased.... The Reagan Administration came into office saying, "Let the states do more to fight drugs." Then there was a 40% cut in federal money given to the states for drug prevention. So Washington spends billions in a failing effort to keep crooks from selling drugs, and pennies in a failing effort to keep people from buying drugs. And that's why the drug war is being lost. (NBC-10)

## SOVIET PARLIAMENT

Rather: The Soviet Parliament, or Supreme Soviet, met today. It rubber-stamped the latest five-year economic plan -- no big deal. The big news came with word that the long-time old-guard culture minister has been fired. He reportedly was resisting Gorbachev's plan to try to revitalize the stagnant world of Soviet literature, theater, and film. The clothes conscious Gorbachev's, as a couple, see themselves as role models in a new campaign to liven up the drab world of Soviet fashions.

CBS's Wyatt Andrews reports that the gap between what Russians can imagine and what Russians can buy is the gap Gorbachev intends to narrow in his drive to make the Soviet economy please the consumer. Soviet fashion, the object of ridicule on American television is one of the first industries targeted for reform.... Within the next year the Soviets will order 32 textile factories to make the fashions of Pierre Cardin. Cardin will give his fashions to the Soviets, and in return, he gets to open two retail shops.... Changes in this industry test the progress of Soviet economic reforms overall. For Gorbachev it is a test not only of whether a bureaucracy resistant to change can be forced to accept consumerism, but a test of whether Russians capable of creativity can thrive in a system that cultivates sameness. (CBS-15)

## EDITORIALS/COLUMNISTS

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### SUPREME COURT

A New Supreme Court -- "The well-established views of the two nominees should enable the Supreme Court to return to a function that it has neglected under the leadership of Chief Justice Burger: the establishment of..."substantive law," that is, law that is clear and self-executing. A body of law that hinges on the particulars of every case is not really a body of law at all. If the views of the two presidential nominees prevail, the Supreme Court in the next decades will revert to the institution that Hamilton and the other Founders envisioned; one that interprets laws rather than creates them."  
(Detroit News, 6/18)

U.S. Supreme Court Ideology Unchanged... -- "The biggest news... may be that President Reagan has done it again: By appointing the first Italian-American to the high court, he has managed to nourish the rightful pride of tens of millions of Americans, while offending few. Except for old-school liberals. But no one expected Ronald Reagan to appoint Gene McCarthy to the high bench."  
(Daily News, 6/18)

A Strong Lineup On The Supreme Court -- "President Reagan has exercised his second opportunity to place his stamp upon the U.S. Supreme Court, and he has done it both thoughtfully and shrewdly. His nominations will not alter the court's fundamental character, but they will strengthen it. The Reagan Administration's legal agenda has left a lot to be desired. But President Reagan, whose election gave him authority to put his stamp on the federal judiciary, exercised his authority well on Tuesday. It was his responsibility to put forward individuals of character, learning and thoughtful temperament as nominees to lifetime positions that will probably long outlast the Reagan presidency. And even those of us who are skeptical of some of Mr. Meese's antics cannot help but applaud the President's choices for the Supreme Court."  
(Chicago Tribune, 6/18)

Now, The Rehnquist Court -- "Despite Rehnquist's and Scalia's espousal of the philosophy of 'judicial restraint,' which holds that judges should defer to legislatures in making laws, both of them are willing to substitute their views for a legislature's when they don't like what the legislature has done.... Not surprisingly, a series of conservative Presidents has appointed a Supreme Court that has produced conservative legal doctrine. With the changes announced Tuesday, the outlook is for more of the same."  
(Los Angeles Times, 6/18)

Toward a Rehnquist Court -- "With two unambiguous Supreme Court nominations, President Reagan has done what he said he'd do, what his warmest supporters hoped and strongest foes feared he'd do. The nominees are not only of like ideology; both are skilled and energetic. These able lawyers would not be our choices for the Court, but it was Ronald Reagan's landslide.... Warren Burger, ever the white-haired central casting ideal of a Chief Justice, would now yield to a leader 17 years younger, the very model of an aggressive advocate bent of change. Still, the ultimate glory of this unique institution is that each member is master only of himself, for life."  
(New York Times, 6/18)

EDITORIALS/COLUMNISTS (continued)

Merit Plus Conservatism Marks Nominees To Court -- "Personnel change is so rare among the nine justices of the U.S. Supreme Court that announcements such as President Reagan's yesterday cannot help but be dramatic. Yet it would be a mistake to presume too much about imminent change in legal doctrines emanating from the highest court. Philosophically, this appears to be a game of musical chairs in which all the players dance to the same conservative tune -- though to be sure, some are better dancers than others." (Philadelphia Inquirer, 6/18)

Rehnquist For Burger -- "While yesterday's proposed changes on the Supreme Court seem unlikely to produce any abrupt ideological shift, the elevation of Justice Rehnquist to chief justice and the addition of Judge Scalia almost certainly will have an effect eventually.... It is hard to believe that a man of Mr. Rehnquist's intellectual energy would not, as chief justice, nudge the court one way or another over time.... Yesterday's news was short of revolutionary, but welcome nonetheless, and one more change could, on the abortion issue, put the Constitution aright." (Washington Times, 6/18)

The Supreme Court Nominations -- "Both Justice Rehnquist and Judge Scalia are well known as sitting judges and as serious conservatives. Both share the president's political point of view. We think they are wrong on many things. Both men have, in our opinion, demonstrated an alarming insensitivity to civil liberties and the Bill of Rights.... The currents associated with the rise to political power of Ronald Reagan are not entirely new to the law, but they are now going to be given powerful reinforcement at the peak of the country's legal and constitutional structure." (Washington Post, 6/18)

A New Beginning -- "With Justice William Rehnquist sitting in the chief justice's chair, the U.S. Supreme Court may become a noticeably different place.... Four remaining justices -- Powell, Brennan, Marshall and Blackmun -- are in their late 70s. Since it is uncertain whether any of those justices will step down and open the way for other new appointments, this week's changes may remain only the beginning of a shift in the court's philosophy. But if that beginning means the Supreme Court will be taking more care to interpret the laws rather than make them, that's an auspicious beginning." (Dallas Morning News, 6/18)

The Rehnquist Court -- "Each chief justice leaves his own stamp on the highest court of the land, and the prospect of a Rehnquist Court, quite frankly, leaves us bereft of any enthusiasm.... For those observers, including ourselves, who consider the Warren Court to have been among the finest of this century and who often were pleasantly surprised at the Burger Court's moderate approach, the idea of a Rehnquist Court is somewhat frightening. To many people, President Reagan's decision to name Mr. Rehnquist chief justice and to appoint Mr. Scalia to the high Court will be seen as the fulfillment of the President's dream to reshape the federal judiciary along more conservative lines. One can only hope it doesn't turn out to be a nightmare for the American people." (Dallas Times Herald, 6/18)

## **FOREIGN MEDIA REACTION**

### **SUPREME COURT**

"President Reagan last night put his indelible stamp on the judicial branch of the U.S. Government with the appointment of the Supreme Court's most conservative and abrasive member, Justice William Rehnquist, as Chief Justice of the United States.... Although the new Chief Justice was keeping his views quiet yesterday, it is certain that he would not have been recommended for the Supreme Court if he did not subscribe to President Reagan's hard-line views against abortion and for prayer in schools."  
(Guardian, Britain)

"Justice Rehnquist's appointment... appears to ensure conservative leadership of the institution for several years, something which will please Mr. Reagan and which may have influenced the timing of Chief Justice Burger's resignation."  
(Financial Times, Britain)

"President Reagan, in a statement that took the nation by surprise, announced yesterday the retirement of Chief Justice Warren Burger...and nominated Justice William Rehnquist, the most conservative member of the Supreme Court, to replace him.... The moves are not expected to alter sharply the ideological make up of the nine-member Supreme Court."  
(Daily Telegraph, Britain)

"Scalia is reportedly a staunch conservative.... The appointment will alter the balance of the Supreme Court to the benefit of the conservatives."  
(Radio France-Inter, France)

"The future (leadership) of Rehnquist and the presence of Scalia at the Court should not alter deeply the political balance of the Supreme Court but rather accelerate the movement toward the right, which has been clear in recent years, notably since the appointment of Sandra Day O' Connor.... This conservative drift is especially more important since the Reagan Administration lost no opportunity to obtain a restrictive reading of the constitution by the Supreme Court in areas of fundamental liberties of the First Amendment on civil rights and abortion."  
(Liberation, France)

"It is likely that the somewhat conservative trend of U.S. judiciary circles will continue. President Reagan's new choice for the Chief Justice, William Rehnquist, has also consistently shown his conservative inclinations since he was appointed by former President Richard Nixon.... Although it is difficult to correctly predict how he will affect the U.S. Supreme Court at this time, observers feel the Supreme Court is expected to maintain an ideal balanced relationship with President Reagan."  
(Donga Ilbo, South Korea)