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News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, JUNE 20, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Reagan Discloses A 'Serious Effort' By Soviet On Arms -- President Reagan said today that the Soviet Union had begun to make a serious effort toward arms control that could represent a turning point in relations between the two countries. (New Jersey Star-Ledger, New York Times, Washington Post, Washington Times, Reuter)

INTERNATIONAL NEWS

Early Votes Show Reagan Won't Get Full 'Star Wars' Funds -- Early voting in the House and Senate shows President Reagan isn't going to get all the money he wants next year for "Star Wars" research, congressional sources say. (Washington Post, AP, Reuter)

NATIONAL NEWS

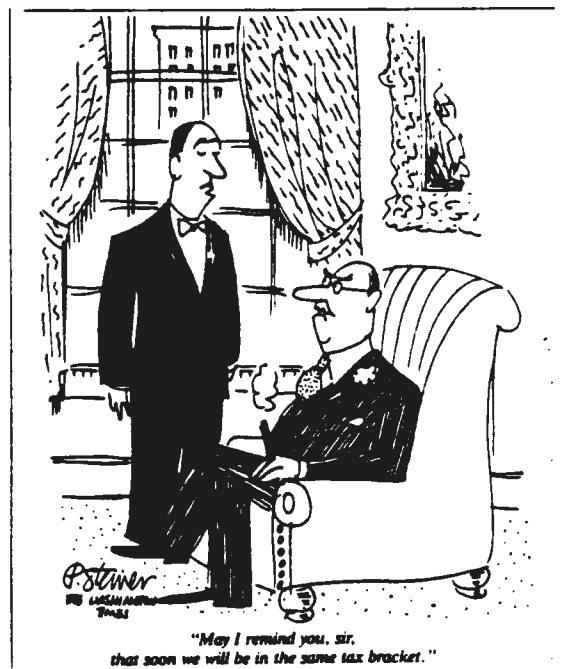
Partial Sales Tax Deductions OK'd; Final Vote Set -- The Senate on Thursday approved a partial deduction for some state and local sales taxes and agreed to a final vote next week on a radical plan for overhauling the federal income tax. (Washington Post, AP, Reuter)

NETWORK NEWS (Thursday Evening)

U.S.-SOVIET/ARMS CONTROL -- President Reagan said it appears the Soviet Union has begun to make a serious effort to negotiate an arms control agreement.

TAX REFORM -- One change made the bill today -- it now includes a limited deduction for some state and local sales taxes.

ECONOMY -- Personal spending jumped 0.9 percent in May.



TRIP NEWS

PRESIDENT SAYS SOVIETS 'SERIOUS' ON ARMS CUTS

GLASSBORO, N.J. -- President Reagan said tonight the Soviet Union has "begun to make a serious effort" to negotiate reductions in nuclear weapons and called on Soviet leader Mikhail Gorbachev to agree soon on a planning meeting for another superpower summit.

Reagan struck an openly conciliatory tone toward Moscow in a commencement address at Glassboro High School, saying recent developments on arms control suggest "this can be a moment of opportunity" in U.S.-Soviet relations.

(David Hoffman, Washington Post, A1)

Reagan Cites Arms Control 'Turning Point'

GLASSBORO, N.J. -- President Reagan, sounding a cordial tone yesterday apparently intended to spur plans for a U.S.-Soviet summit this year, said the Kremlin finally appears to be making a "serious effort" toward arms control.

He said yesterday, "If both sides genuinely want progress, then this could represent a turning point in the effort to make ours a safer and more peaceful world."

(Mary Belcher, Washington Times, A1)

Reagan Discloses A 'Serious Effort' By Soviet On Arms

GLASSBORO, N.J. -- President Reagan said today that the Soviet Union had begun to make a serious effort toward arms control that could represent a turning point in relations between the two countries.

"I am committed -- utterly committed -- to pursuing every opportunity to discuss and explore ways to achieve real and verifiable arms reductions," the President told the graduating class of Glassboro High School in its crowded gymnasium.

(Bernard Weinraub, New York Times, A1)

President Praises Soviet Peace Bid

GLASSBORO, N.J. -- President Reagan said yesterday relations with the Soviet Union could be at a "turning point in the effort to make ours a safer and more peaceful world."

(Joseph McCaffrey, New Jersey Star-Ledger, A1)

Reagan Under Congressional Fire, Welcomes Soviet Arms Talks

GLASSBORO, N.J. -- President Reagan, beset by congressional and allied critics for his decision to dump the SALT II treaty, has warily welcomed the latest Soviet arms reduction proposals.

In a speech to a high school graduating class here yesterday, the President said the Soviet proposals could represent a turning point in negotiations and urged Soviet leader Mikhail Gorbachev to join preparations for their next summit meeting.

(Reuter)

INTERNATIONAL NEWS

REAGAN DEALT SETBACKS ON SALT AND SDI

President Reagan suffered a series of setbacks on arms policy yesterday, as his plan to end U.S. compliance with the SALT II strategic arms treaty came under assault on both sides of Capitol Hill and committees in both houses moved to slash his "Star Wars" missile defense system.

The Democratic-controlled House, on a vote of 256-to-145, approved a nonbinding resolution calling on Reagan to continue adherence to the weapons limits set in SALT II. Thirty-seven Republicans defied the Administration to vote with the Democratic majority.

(Edward Walsh & Walter Pincus, Washington Post, A1)

Early Votes Show Reagan Won't Get Full 'Star Wars' Funds

Early voting in the House and Senate shows President Reagan isn't going to get all the money he wants next year for "Star Wars" research, congressional sources say.

An 8-5 vote Thursday afternoon by the House Armed Services research and development subcommittee approved a total "Star Wars" budget for fiscal 1987 of about \$3.6 billion, said the sources, speaking on condition of anonymity.

(Tim Ahern, AP)

House Vote On SALT II Gives Reagan Second Defeat In Two Days

For the second time in two days, President Reagan has met criticism by an election-year House of Representatives eager to challenge his conservative foreign and defense policies.

Led by Democrats, the House last night directed Reagan to continue to adhere to the SALT II arms control treaty, which he has declared dead and said the United States would likely breach later this year.

Only the night before, the House adopted by voice vote the toughest South Africa sanctions bill ever passed by Congress, calling for a total trade embargo between the two countries and for all U.S. firms to withdraw from South Africa.

"For the United States to doom this treaty by our unilateral decision would be a foreign policy blunder and a major blow to our national security," said Rep. Jim Wright.

(Carol Giacomo, Reuter)

CONFUSION SEEN FUELING HILL DRIVE TO CUT SDI

The congressional drive to slash SDI is motivated by confusion about the goals of President Reagan's "Star Wars" program and pressure to cut defense spending as a result of Pentagon scandals and the Gramm-Rudman-Hollings deficit-reduction act, according to sources on Capitol Hill.

The confusion in part reflects differences in the Administration over the intent of the research program, disagreements reflected in recent public statements by key presidential advisers.

(Walter Pincus & George Wilson, Washington Post, A22)

NICARAGUA DISPUTES SPY PLANE CHARGE

MANAGUA -- A Sandinista government geographer said today that a Soviet plane based here since May has shot pictures of the countryside to make basic official maps of Nicaragua's territory.

Alejandro Rodriguez, a geophysicist at the Nicaraguan Institute for Territorial Studies, asserted the Soviet An-30 twin-propeller aircraft is "absolutely not used for any military purposes."

(Julia Preston, Washington Post, A24)

CONTRA AID STALEMATE SETS UP REAGAN-O'NEILL SHOWDOWN

Efforts in the House to reach a compromise to aid the Nicaraguan resistance collapsed late yesterday, setting the stage for a showdown between President Reagan and House Speaker Thomas O'Neill.

The bipartisan talks ended after the Democratic leadership endorsed a resistance-aid measure sponsored by moderate Rep. Dave McCurdy.

House Minority Leader Robert Michel said Republicans, who had hoped to reach a compromise with Mr. McCurdy, now will try to amend the military construction bill with a measure similar to President Reagan's original \$100 million request.

(Christopher Simpson, Washington Times, A1)

SPECIAL U.S. EMISSARY CONSIDERED FOR S. AFRICA

President Reagan is considering a suggestion to send a special envoy to South Africa to discuss the tense situation there with President Pieter Botha, White House spokesman Larry Speakes said yesterday.

As pressure continued to mount on the Administration to take action to show displeasure with Botha's imposition last week of a nationwide state of emergency, Speakes said sending "some one like Sen. Paul Laxalt" had been discussed at the White House. But he added, "I don't think there's been any consideration given to doing it yet."

(David Ottaway, Washington Post, A32)

DEMOCRATS URGE SENATE TO APPROVE HOUSE-PASSED SANCTIONS AGAINST SOUTH AFRICA

Leading Senate Democrats are urging the Republican-dominated chamber to follow the lead of the House and quickly pass legislation requiring the total withdrawal of U.S. business interests from South Africa.

And they said the House-passed measure, far from being the poison pill claimed by House Republicans, will place the Senate under enormous pressure to adopt its own tough sanctions legislation.

Sen. Edward Kennedy and two other senators introduced legislation identical to the total divestment, total trade embargo bill that was sponsored in the Democratic-led House by Rep. Ronald Dellums.

(Lawrence Knutson, AP)

SOUTH AFRICA DENOUNCES U.S. HOUSE VOTE

JOHANNESBURG -- The South African government reacted with dismay today to Wednesday's approval by the U.S. House of Representatives of a bill requiring American economic withdrawal from this country.

Describing the vote as "inexplicable," Foreign Minister Roelof Botha implied that the House had acted irresponsibly, disregarding the effects a total trade cutoff would have on South Africa's neighboring black states.

(Allister Sparks, Washington Post, A1)

DELLUMS: EXONERATION IS HIS

To Rep. Ronald Dellums, the House passage Wednesday of his stringent economic sanctions against South Africa was "a shot heard 'round the world." But he also views it as personal "exoneration" from the judgment that he is a moral gadfly and maverick who is out of the mainstream of power in the House.

In an interview yesterday, Dellums described the action as a major blow to apartheid that can't be undone or turned back. He also views it as a refutation of the belief of many -- which is "personally painful" to him -- that he is just another flaky politician from Berkeley.

(James Dickenson, Washington Post, A17)

THATCHER UNDER FIRE FOR TIES TO U.S.

LONDON -- If taxes here could only be as admirably low as in the United States, Prime Minister Margaret Thatcher told a television interviewer last week, Britain might share America's low unemployment and higher standard of living.

Lately, it also has begun to worry members of Thatcher's own Conservative Party and even some of its boosters in the U.S. government, who fear that pro-Americanism is becoming an electoral liability.

In a country that has always seen itself as providing mature counsel and example to its impetuous former colony, "Mrs. Thatcher has committed the cardinal sin of saying 'Why can't we be more like them?'," explained a western diplomat who did not want to be named.

(Karen DeYoung, Washington Post, A1)

ADMINISTRATION'S SIGNALS MIXED ON AFGHANS

Conflicting statements by Administration officials this week have underscored the apparent confusion within the Reagan Administration over its policy toward the Afghan resistance movement, which has begun a diplomatic campaign to win international recognition.

White House spokesman Larry Speakes quoted President Reagan as telling four visiting leaders of the newly formed Afghan Alliance that formal recognition is "an important issue" and that the Administration will "keep discussing it." But Reagan also said the issue was "premature to resolve now," according to Speakes.

These pronouncements were followed by a senior Administration official telling reporters that when Reagan said official U.S. recognition was "premature, he meant it's not out of the question."

(David Ottaway, News Analysis, Washington Post, A30)

GADHAFI: U.S. RAID HIT HIS HOME

TRIPOLI -- Libyan leader Moammar Gadhafi said today that he was at home when U.S. planes bombed Tripoli in April and that he helped rescue his wife and children while "the house was coming down around us."

In his first interview with a western reporter since the April 15 raid, Gadhafi accused President Reagan -- who ordered the attack on Libya in retaliation for Gadhafi's alleged support of terrorism -- of trying to kill him.

Gadhafi said reconciliation between Libya and the United States is impossible so long as Reagan is in the White House.

"I have nothing to say to him," he said, "because he is mad. He is foolish. He is an Israeli dog." (Marie Colvin, Washington Post, A21)

BENTSEN: ADMINISTRATION 'INPUT' NEEDED ON TRADE

Sen. Lloyd Bentsen has warned the Administration that its refusal to support trade legislation could hurt U.S. exports and jeopardize political prospects in the November elections.

"We'd like some input," Bentsen said Thursday. "We would like them to be part of the process" of drafting a bill to deal with the nation's record trade deficit, which topped \$148 billion last year.

(Mary Beth Franklin, UPI)

U.S. ESCALATES CRITICISM OF MARCOS

The Reagan Administration has stepped up its public criticisms of deposed Philippine president Ferdinand Marcos for using his Hawaiian exile to foment dissent against the government of Corazon Aquino, as protests by Marcos loyalists in the Philippines have grown larger and more violent.

A State Department spokesman said yesterday that the Administration had strong indications that Marcos is financing the protests. "We don't like it," the spokesman said, adding that Marcos "has been warned. He's been told. And he keeps on; it gets worse."

(Keith Richburg, Washington Post, A26)

NATIONAL NEWS

SURPRISE COMPROMISE STRUCK ON SALES TAXES

Senate leaders embraced a surprise compromise yesterday that would partially preserve sales tax deductions in their tax-overhaul bill, defusing the last apparent threat to the measure even as senators appeared determined to drag out debate on tax breaks for everything from organ transplants to Alaskan reindeer.

Sens. Robert Dole and Bob Packwood -- who have successfully opposed virtually all amendments -- agreed to the sales tax compromise after senators seeking to save deductions for sales taxes and IRAs appeared on the verge of joining forces to challenge the bill.

(Dale Russakoff & Anne Swardson, Washington Post, A4)

Partial Sales Tax Deductions OK'd; Final Vote Set

The Senate on Thursday approved a partial deduction for some state and local sales taxes and agreed to a final vote next week on a radical plan for overhauling the federal income tax.

To help pay for the sales tax amendment, the Senate agreed to require that every person age 5 or older who is claimed as a dependent have a Social Security card, in an effort to slow tax cheating by falsely claiming exemptions.

"We're in the home stretch," Sen. Bob Dole said near the end of the 10th day of debate on the bill. A few hours earlier, facing a stack of 200 or more amendments that had stalled final action on the bill, Dole had threatened a weekend session -- even pending holiday recess -- unless senators got moving.

(Jim Luther, AP)

Senate Agrees To Vote On Major Tax Reform Bill Tuesday

The Senate today agreed to vote Tuesday on a historic reform of the U.S. income tax system that would give most Americans a tax cut and raise taxes on business.

There is little doubt that the tax bill will pass the Republican-controlled Senate. This approval would bring President Reagan a step closer to winning the major domestic policy goal of his second term.

(Jacqueline Frank, Reuter)

NASA JUNKS ROCKET PLAN BECAUSE OF SAFETY CONCERNS

Space science suffered a major blow yesterday as NASA terminated its costly and controversial plan to use the shuttle to launch the Centaur Upper Stage, a rocket propelled by highly volatile liquid fuels, which had been scheduled to boost two high-priority planetary missions from Earth orbit last month.

James Fletcher, chief of NASA, said the Centaur "would not meet safety criteria" now being applied to the shuttle and its cargo, even though the booster has been modified as a result of continuing concerns about it.

(Kathy Sawyer, Washington Post, A1)

COURT RULES FIRMS MAY BE LIABLE FOR SEXUAL HARASSMENT

The Supreme Court, in a unanimous ruling hailed by women's groups as a major victory, decided yesterday that businesses may be held liable for sexual harassment by supervisors even if the company is unaware of such conduct.

The decision, which came in a case involving a District bank employee, was written by Justice William Rehnquist, President Reagan's choice as the next chief justice. (AL Kamen, Washington Post, A1)

LOBBYING CURBS STALLED IN SENATE

The Senate Judiciary Committee reached an impasse yesterday on legislation to restrict what one member called "the Deaver syndrome" after opponents charged that the anti-lobbying measure would prevent former U.S. officials from earning a living.

"In our zeal to solve what some people think is the Deaver syndrome, we may be hurting our government more than we care to imagine," said Sen. Orrin Hatch. "This bill may very well ruin careers."

(Howard Kurtz, Washington Post, A5)

POSTAL PROBE BY CALIFANO TO CONTINUE

The Postal Service board of governors will continue its procurement practices review, headed by Washington attorney Joseph Califano, despite objections from a House subcommittee chairman who questioned Califano's involvement and called the probe "duplicative and costly."

Rep. Frank McCloskey, chairman of the House postal personnel and modernization subcommittee, asked board chairman John McKean last week to stop the review. In a June 11 letter, McCloskey said he was concerned about "unfocused and potentially expensive investigations which may produce no credible or new results and which may, in fact, interfere with independent investigations." (Jonathan Karp, Washington Post, A16)

FEDERAL HIGHWAYS BILL PASSES HILL INTERSECTION

New federal highway and transit legislation cleared the first intersection yesterday when a House Public Works subcommittee reported a five-year, \$75 billion program that has something for almost everybody and includes more than 100 special road projects paid entirely with federal funds.

The bill is at great variance with a version working its way through the Senate and with the Transportation Department's proposed legislation. The congressional authorization for both federal highway and transit programs expires Sept. 30, so the issue must be addressed in this session of Congress if the program that brought us the interstate highway network is to continue. (Douglas Feaver, Washington Post, A17)

USDA TO POLL WHEAT FARMERS ON MANDATORY CONTROLS

Agriculture Secretary Richard Lyng is holding his nose, but he's about to spend \$2 million or more to conduct a poll that he doesn't like, doesn't intend to abide by and is trying mightily to influence.

The Agriculture Department, under orders from last year's farm bill, will begin polling wheat farmers next week to find out whether they want the government to set up mandatory production controls to increase prices.

(Ward Sinclair, Washington Post, A2)

NETWORK NEWS SUMMARY

(Thursday Evening, June 19, 1986)

U.S.-SOVIET/ARMS CONTROL

CBS's Dan Rather: In more maneuvering between Washington and Moscow, President Reagan used more carrot and less stick tonight. In a speech prodding the Soviets, he prodded them both on arms control and a new summit meeting.

CBS's Lesley Stahl: Under growing pressure over his decision to scrap the SALT II treaty, President Reagan went to Glassboro, New Jersey -- site of a 1967 super-power summit -- and dropped his hard line.

(TV coverage: The President arriving in Glassboro.)

Today he praised the Soviets' newest arms control proposals as a fresh development.

(The President: "Now we can not accept these particular proposals without some change. But it appears that the Soviets have begun to make a serious effort. If both sides genuinely want progress, then this could represent a turning point in the effort to make ours a safer and more peaceful world.")

(President Johnson: "It will be helpful in achieving what we all want more than anything else in the world, peace for all humankind.")

The Johnson-Kosygin summit here did not produce that major breakthrough, but President Reagan indicated that meetings without agreements are still worthwhile.

(TV coverage: The President at podium.)

As he was offering his olive branch to the Soviets, the Senate Armed Services Committee and the House, in what amounted to votes of no confidence, passed non-binding resolutions urging continued compliance with SALT II.

(Rep. Aspin: "This treaty is a lot better than we thought it is. It certainly is constraining the Soviet Union a lot more than it is constraining us. Are we nuts? Are we nuts to be giving away this treaty? We've got to be out of our minds.")

But the White House reiterated the President's position that the Soviets agree to negotiate when the U.S. takes tough positions.

(Secretary Weinberger: "I don't think the atmosphere is all that pleasing, because since the President's announcement, there have been three Soviet new proposals.")

But the Soviets have told U.S. arms control experts they're reluctant to agree to a summit.

(Eugene Carroll, Center for Defense Control: "The Soviets' confusion and frustration comes from the fact that we've sent so many tough signals that suggest we don't even want a summit and we don't want any agreements.")

With today's speech the President was trying to nudge the Soviets into scheduling a summit, and to thereby demonstrate that his SALT decision was not as damaging as his critics contend. (CBS-2)

ABC's Peter Jennings: There are some encouraging words in the air today about the state of Soviet-American relations. President Reagan said today it appears the Soviet Union has begun to make a serious effort to negotiate an arms control agreement. The President spoke in Glassboro, New Jersey, where 19 years ago President Johnson and then Soviet Premier Kosygin began to better understand each other on the subject of arms control.

ABC's Sam Donaldson: President Reagan came to Glassboro Highschool to send a positive signal to the Soviets on their latest arms control proposal to Geneva and to voice his most optimistic prediction to date about the possibility of progress there.

(The President: "The Soviet negotiators at Geneva have placed on the table new proposals to reduce nuclear weapons. Now we can not accept these particular proposals without some change, but it appears that the Soviets have begun to make a serious effort. We believe that possibly an atmosphere does exist that will allow for serious discussion.")

The White House sought today's invitation in order to capitalize on the historical backdrop of the 1967 Summit meeting here.

(TV coverage: The President speaking at podium.)

Nineteen years ago President Johnson and Soviet Premier Kosygin met at nearby Glassboro state college for two days of meetings many consider the beginning of modern arms control efforts. And though President Reagan has branded Glassboro in the past as the type of get-acquainted summit meeting that shouldn't be held, he used the setting today to make a strong appeal to the Soviets to move forward on another summit meeting this year.

(The President: "I have indicated to General Secretary Gorbachev my willingness for our representatives to meet to prepare for the next summit. I've come here to invite Mr. Gorbachev to join me in taking action -- action in the name of peace.")

Mr. Reagan has always had trouble convincing his critics that he really wants arms control. His recent decision to abandon the formal restraints of the SALT II treaty hasn't helped any. White House officials hoped today's positive tone will help at Geneva, and in getting the 1986 summit meeting back on track.

Jennings: The House of Representatives this afternoon passed a resolution calling on the President to uphold the SALT II arms agreement which the Administration insists is dead. The resolution is not binding. (ABC-Lead)

NBC's Garrick Utley: President Reagan said it today -- that the Soviet Union is serious about limiting nuclear weapons and so is he. The importance of that statement is that it comes amid doubt and criticism about Mr. Reagan's commitment to arms control. The President went out of his way to make his point -- to Glassboro, NJ, a town with a summit in its past.

NBC's Chris Wallace: The President came to Glassboro trying to end the furor over his decision to break the SALT II treaty.

(TV coverage: The President arriving at podium.)

To assure the Soviets, allies, and critics at home he does care about arms control. Mr. Reagan urged Soviet leader Gorbachev to join in serious negotiations.

Wallace continues:

(The President: "If both sides genuinely want progress then this could represent a turning point in the effort to make ours a safer and more peaceful world. We believe that possibly an atmosphere does exist that will allow for serious discussion.")

The White House chose Glassboro because 19 years ago Lyndon Johnson and Aleksei Kosygin met in this small town. There were no breakthroughs but there was a warming of relations known as the spirit of Glassboro. One of Johnson's big goals was to stop a Soviet anti-missile defense. He made no progress. Now it's the Soviets who want to stop Mr. Reagan's star wars plan, making a new offer to cut offensive weapons if the U.S. will limit defense. Today the President stood by star wars but was positive about the latest Soviet offer.

(The President: "Now we can not accept these particular proposals without some change but it appears that the Soviets have begun to make a serious effort.")

But the House today was less concerned about a new arms agreement than the old one Mr. Reagan has recently renounced.

(Rep. Aspin: "If SALT goes away and all stops are pulled out, the Soviets can build a lot faster than we can.")

Rep. Markey: "Time and again this Administration accelerates the arms race and calls it arms control.")

By a vote of 256-145, the House approved a resolution urging the President to continue complying with SALT. The White House said it will ignore the measure. Still, for all the jockeying over U.S.-Soviet relations, some experts say this President has a better chance for a deal than Lyndon Johnson did -- largely because the Soviets can't afford an arms race now.

(Dr. Kissinger: "On the Soviet side we have a great pressure to emphasize domestic politics. On our side we have a conservative President who therefore is in the best position to sell the results to the American public.")

The next step may come Monday when a new Soviet ambassador is expected to present his credentials to Mr. Reagan. U.S. officials hope he carries a message from Moscow: That the Soviets want to have a summit and a new arms deal.

(TV coverage: The President at the podium receiving applause.)

(NBC-Lead)

TAX REFORM

Rather: The sweeping tax overhaul that the Senate was predicted to pass today instead got bogged down again in new attempts to change the bill. At last count more than 90 heavily lobbied proposed amendments. One change made in the bill today -- it now includes a limited deduction for some state and local sales taxes. (CBS-10)

Jennings: The Senate had hoped to finish work on the tax bill today. It didn't happen. Dozens of last minute amendments have been offered. Only one of any consequence was adopted today. A provision allowing some taxpayers to deduct part of their state sales taxes. Some leaders said they will keep working all weekend if necessary to get the bill passed. (ABC-9)

Utley: Eliminating sales tax deductions was one of the most controversial parts of the Senate's tax reform bill, but today the Senate passed an amendment that would permit the continued partial deductions of some sales taxes. In essence the amendment will benefit anyone who pays more sales tax than state and local income tax. (NBC-8)

ECONOMY

Rather reports the U.S. government reported that personal spending jumped a strong .9% in May. Analysts worried, however, that continued weak income growth soon may damp down that spending. Personal incomes of Americans fell .1% last month. That's the first decline in a year. Analysts said the decline reflected a plunge in government subsidy payments to farmers. (CBS-10)

SEXUAL HARASSMENT

Rather reports that The Supreme Court ruled today for the first time that sexual harassment on the job is a federal civil rights law violation.

CBS's Fred Graham reports the Supreme Court ruled unanimously that sexual harassment discriminates against workers by creating a hostile environment for employees. But the opinion by Chief Justice designate Rehnquist held that companies may avoid having to pay damages if they can show that the victim welcomed the advances or that the company didn't know about the harassment and had no way of finding out.

(Eleanor Smeal: "It's important that the highest court in the land has come down and said definitively, "Yes, indeed, it is sex discrimination and it is illegal.")

The U.S. Chamber of Commerce found some comfort for employers in the decision.

(Steve Bokat, U.S. Chamber: "If they are sued for this kind of thing then they can introduce evidence and defend themselves.")

(CBS-3, ABC-7, NBC-9)

SOUTH AFRICA

Jennings reports the White House had a stiff reaction today to the sanctions against South Africa which the House approved. Even though they are a long way from law, the White House said such sanctions would erode our ability to promote better relations in South Africa, and would further harm a divided society. In South Africa they're not at all pleased with the House's declaration on sanctions, law or not.

ABC's Jim Hickey reports the South African government says it will be blacks who are hit hardest by sanctions -- the first to lose jobs. South Africa's Foreign Minister condemned the vote saying the U.S. House does not give a fig for South African blacks(ABC- 3, NBC-2)

Rather reports a still tougher crackdown today by South Africa's white minority government. Dozens more black townships were put under strict curfews -- all nonresidents banned. (CBS-13)

AGRICULTURE

Rather reports that in a farm crisis report CBS News ran last winter, they found farmers whose big hope against hope was that they somehow might hang on for at least one more year. Tonight the Texas Department of Agriculture estimates this will be the last season for one of every six farmers in the state.

CBS's Harry Smith reports that farmers have filed a class action lawsuit which claims the government took too much time in responding to loan requests, did not inform farmers of the benefits available to them, and it claims the people who administer the program are not competent. (CBS-11)

SOVIET DEFECTOR

Utley reports that a Soviet spy has defected to the U.S. He is important and he brought with him Soviet information stamped, "Top Secret".

NBC's Art Kent reports the defector was a KGB liaison officer to the Palestinians in Northern Africa. He defected last month. The defection, analysts say, is a major setback to Soviet intelligence operations in that area. He was also responsible for KGB operations in Northern Africa. (NBC-3)

ACHILLE LAURO TRIAL

Utley reports the Palestinian accused of killing American Leon Klinghoffer took the stand. A month after the hijacking he had confessed to killing Klinghoffer, but today he denied any role in that murder and even denied that Klinghoffer was aboard the cruise ship when it was hijacked. He also denied ever making a confession. (NBC-4)

EXCEDRIN POISONING

Jennings reports another major pain relief capsule is being taken off the shelves in the wake of a second death which may be tied to acute cyanide poisoning. (ABC-6, CBS-7, NBC-12)

SOCIAL SECURITY

Rather reports the Supreme Court ruled today that states may not decide to withdraw their employees from the federal Social Security system. (CBS-4)

Jennings reports the ruling was a big relief for the government. The worry had been that such withdrawals could cost the Social Security system as much as \$1 billion a year. (ABC-8)

COMMENTARY

NBC's John Chancellor commented on the fall of print pornography and the rise of pornographic video cassettes. (NBC-10)

PERU

Rather reports 150 people may have died in and around Lima, Peru in pitched battles for control of three prisons. (CBS-5, NBC-5)

NASA

Rather reports on a new and costly delay for the space program. NASA cancelled the Centaur rocket program. That's a rocket designed to launch show-case probes of Jupiter and the Sun from the space shuttle. The Centaur, among other things, isn't considered safe enough to be launched from a shuttle. (CBS-6, NBC-7)

BIAS

Jennings: A college athlete died today and it was a great shock to a great many people. Len Bias who was a basketball star at the University of Maryland appeared to be in perfect health, and he was on the verge of becoming an even bigger star and a millionaire.

ABC's Dick Schapp reports that early this morning after a party at his Maryland dorm celebrating his being drafted by the Celtics Bias suffered cardiac arrest and died. No one knows the cause. Autopsy results won't be known for another week. He had no history of heart disease or Marfan syndrome, a rare tissue disorder that struck down several young athletes in recent years. (ABC-4, CBS-Lead, NBC-14)

HAYDON/ARTIFICIAL HEART

Jennings reports the third man in history to be given a permanent artificial heart has died. Murray Haydon went a little more than a year with the so-called Jarvik heart.

ABC's George Strait reports Haydon lived 488 days with the artificial heart. (ABC-5, CBS-Lead, NBC-13)

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EDITORIALS/COLUMNISTS

SUPREME COURT

The Rehnquist Court -- "President Reagan's choice of two conservative scholars for the Supreme Court is a clear sign that the days of liberal enactments through the judicial process are over. It is the accomplishment of an important goal for Reagan, whose stamp on the court will likely last into the 21st century.... Reagan has made several disastrous nominations for the federal judiciary, but showed admirable astuteness in his choices for the highest court, starting with Sandra Day O'Connor.... The focus on the court by liberals as a source of relief from civil wrongs will diminish as the Rehnquist court establishes itself and the remnants of the Warren court fade further into the background. Reagan has helped create a court that will return to the advice of Felix Frankfurter to stay out of the political thicket. The onus will again -- and not improperly -- be on law makers to protect the rights of the citizens." (Boston Globe, 6/19)

Court Nears A Right Turn To Past -- "Well, there he is: Nixon's Revenge. William Rehnquist will be chief justice of the U.S. Supreme Court.... The unpleasant and tedious Warren Burger, though conservative, has provided no intellectual magnet for other justices, even the conservative majority. Rehnquist is far more dynamic, and Scalia is personable and intellectually vivacious.... These changes move the nation just one justice away from a court that is not only conservative but, with another Reagan appointee, would be reactionary, bent on undoing many of the changes of the last two decades." (Tom Teepen, Atlanta Constitution, 6/19)

Reagan Gets His Chance To Turn The Legal Tide -- "President Ronald Reagan and his advisers got exactly what they wanted with the nominations of William H. Rehnquist...and Antonin Scalia -- predictability. They want no surprises from their judicial appointments, and Rehnquist and Scalia have long, consistent track records laid out in rulings, opinions, speeches and articles over three decades.... What Reagan and his allies want are justices who restrain their own reach, refraining whenever conceivably possible from overturning the executive and legislative branches.... Scalia's philosophy indicates he favors overturning that ruling [Roe vs. Wade] as an unwarranted judicial intrusion into a state matter. Moreover, he's told friends he opposes abortion and thinks Roe v. Wade was wrongly decided. This makes Scalia a predictable vote, and thus a Reagan nominee." (Fred Barnes, Newsday, 6/19)

Good Choice: Rehnquist -- "Given the certainty that President Reagan would name an ideologically compatible successor to Warren Burger, the country can rejoice at the choice of Rehnquist. Some are not rejoicing, of course. They are bemoaning. Sen. Alan Cranston has questioned whether someone of Rehnquist's 'extreme right-wing ideology' can manage the court.... Eleanor Smeal, president of NOW has blasted Rehnquist as anti-feminist.... These are voices in the wilderness. The overwhelming consensus approving Rehnquist's nomination relegates these criticisms to the obscurity they deserve.... We withhold final judgment on Scalia until Senate hearings on the appointment, although our initial reaction is highly favorable." (Chicago Sun Times, 6/19)

EDITORIALS/COLUMNISTS (continued)

TAX REFORM

Reagan's Right: No Tax Increase -- "A tax increase is what President Ronald Reagan emphatically opposes. He's right.... Congress has the responsibility for making this balance. For most of the last 50 years Congress has failed its responsibility. Given the chance, it will continue to fail it, because it seems politically expedient to buy votes with federal handouts that mortgage our children's future.... President Reagan is right in calling for sufficient defense, in rejecting higher taxes and in pushing for real tax reform. But he's going to need the help of the American people in heading off the spenders who have other plans."

(Chattanooga News-Free Press, 6/11)

Defending Reform -- "It is not yet a certainty that Congress will enact the historic tax reform that is President Reagan's principal domestic priority for his second term. But the already favorable odds improved dramatically last week when the Senate, resisting a flood of constituent mail, voted 51-48 against an amendment that would have preserved the tax deduction for all Individual Retirement Accounts.... With any luck at all, President Reagan should be signing the most important reform of America's tax laws in half a century sometime around Labor Day." (San Diego Union, 6/17)

Tax Bill Improvement Over Present System -- "The Senate bill undoubtedly is headed for some changes, both in the Senate itself, and in reconciliation efforts with the House. It won't be perfect when it emerges, but then no tax bill is. (The perfect tax bill wouldn't cost anybody anything, but raise gobs of money; don't ask us how.) The bill is an improvement over the current system, however. It's simpler, and creates more equity. It deserves a chance." (Klamath Falls, (Oregon) Herald And News, 6/10)

Those Tax Shelters Are Down But Not Out -- "Which is more important to President Reagan: avoiding a tax increase or avoiding very large cuts in his military spending proposals? If the sensible strategy of Sen. Pete Domenici succeeds Reagan will be forced to decide. It's obvious that the President can't have his way on both counts without crashing into the Gramm-Rudman law's deficit limits. But he simply refuses to face that fact.... Somehow the President must be made to understand that he is demanding the impossible." (Milwaukee Journal, 6/15)

Keep Tax Reform For Taxes -- "By a margin too thin to feel good about, the U.S. Senate has barely preserved tax reform... There have been other pressing challenges to the Senate's version of a tax reform bill. Some are still pending.... Most heinous of all, however, was the proposal to tax non-profit institutions that perform or finance abortions. Its sponsors decided yesterday not to offer the amendment after meeting with President Reagan, who favors the anti-abortion proposal but opposes any change to the Senate tax bill. Reagan is right to try to keep tax reform unmuddied. But he is wrong to tolerate sanctimonious fiddling with the practice of granting tax exemptions to non-profit organizations. If lawmakers begin using tax exemption as a lever with which to impose their personal beliefs on the rest of the nation, the entire non-profit concept is imperiled." (Cleveland Plain Dealer, 6/13)

NOON NEWS UPDATE

REAGAN/HEALTH (AP) -- President Reagan arrived at the Bethesda Naval Hospital today for what was described as a routine checkup following his successful colon cancer surgery nearly a year ago. Larry Speakes refused to say what procedures or tests would be conducted, tightening still further the White House policy of disclosing few details about the President's health.

SOVIET SPY (AP) -- The FBI said today it had detained the Soviet Union's highest-ranking military officer at the Washington embassy, accusing him of picking up classified documents left by an Air Force officer working with the FBI. Col. Vladimir Izmaylov was arrested Thursday night near Fort Washington, Md., the FBI said. He was later released to Soviet officials after they "verified Izmaylov's diplomatic immunity status," the FBI said in a news release.

(UPI) -- FBI Director William Webster said Izmaylov had been meeting for months with an unidentified U.S. Air Force officer who has access to classified national security information. Izmaylov promised the U.S. Air Force officer \$20,000 for the documents he was to deliver, Webster said, adding that the officer was working with the FBI voluntarily in the undercover investigation.

U.S. SOLDIER/HONDURAS (AP/Tegucigalpa, Honduras) -- A Honduran soldier shot and killed an American soldier participating in joint military maneuvers, U.S. military sources said. The name of the soldier was being withheld pending notification of next of kin, according to the sources, who spoke Thursday on condition of anonymity. They said authorities of both countries were investigating whether the shooting was an accident.

DEAVER/GERMANY (AP) -- The U.S. ambassador to West Germany will appear in Bonn on Tuesday before a House panel investigating lobbyist Michael Deaver, the committee chairman says. Ambassador Richard Burt will testify on Deaver's attempt to obtain a contract with the city of Berlin to publicize the city's 750th birthday, according to Rep. John Dingell.

SOUTH AFRICA (Reuter) -- A U.N. conference called on the U.S. and Britain today to stop resisting South African sanctions and urged immediate action to end apartheid. A 17-page final declaration accused "certain Western powers and other governments" of active collaboration with South Africa and creating a major obstacle to ending apartheid.

NICARAGUA/SOVIET PLANE (AP/Managua) -- The Nicaraguan government has showed reporters a twin-engine Soviet-made airplane and denied claims by the Reagan Administration that it was being used to track down U.S.-backed Contra rebels. An official with the Sandinista government said the Anatov AN-30 plane was brought to Nicaragua on May 8 to do a photographic survey of the country for civilian map-making.



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, JUNE 20, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Reagan Discloses A 'Serious Effort' By Soviet On Arms -- President Reagan said today that the Soviet Union had begun to make a serious effort toward arms control that could represent a turning point in relations between the two countries. (New Jersey Star-Ledger, New York Times, Washington Post, Washington Times, Reuter)

INTERNATIONAL NEWS

Early Votes Show Reagan Won't Get Full 'Star Wars' Funds -- Early voting in the House and Senate shows President Reagan isn't going to get all the money he wants next year for "Star Wars" research, congressional sources say. (Washington Post, AP, Reuter)

NATIONAL NEWS

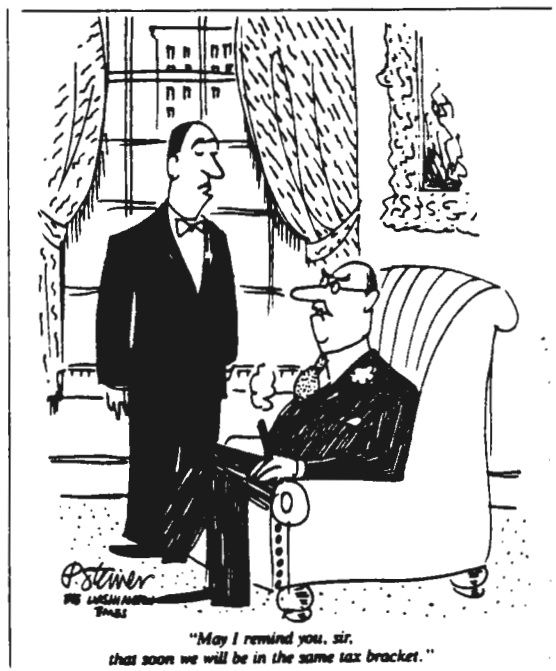
Partial Sales Tax Deductions OK'd; Final Vote Set -- The Senate on Thursday approved a partial deduction for some state and local sales taxes and agreed to a final vote next week on a radical plan for overhauling the federal income tax. (Washington Post, AP, Reuter)

NETWORK NEWS (Thursday Evening)

U.S.-SOVIET/ARMS CONTROL -- President Reagan said it appears the Soviet Union has begun to make a serious effort to negotiate an arms control agreement.

TAX REFORM -- One change made the bill today -- it now includes a limited deduction for some state and local sales taxes.

ECONOMY -- Personal spending jumped 0.9 percent in May.



TRIP NEWS

PRESIDENT SAYS SOVIETS 'SERIOUS' ON ARMS CUTS

GLASSBORO, N.J. -- President Reagan said tonight the Soviet Union has "begun to make a serious effort" to negotiate reductions in nuclear weapons and called on Soviet leader Mikhail Gorbachev to agree soon on a planning meeting for another superpower summit.

Reagan struck an openly conciliatory tone toward Moscow in a commencement address at Glassboro High School, saying recent developments on arms control suggest "this can be a moment of opportunity" in U.S.-Soviet relations.

(David Hoffman, Washington Post, A1)

Reagan Cites Arms Control 'Turning Point'

GLASSBORO, N.J. -- President Reagan, sounding a cordial tone yesterday apparently intended to spur plans for a U.S.-Soviet summit this year, said the Kremlin finally appears to be making a "serious effort" toward arms control.

He said yesterday, "If both sides genuinely want progress, then this could represent a turning point in the effort to make ours a safer and more peaceful world."

(Mary Belcher, Washington Times, A1)

Reagan Discloses A 'Serious Effort' By Soviet On Arms

GLASSBORO, N.J. -- President Reagan said today that the Soviet Union had begun to make a serious effort toward arms control that could represent a turning point in relations between the two countries.

"I am committed -- utterly committed -- to pursuing every opportunity to discuss and explore ways to achieve real and verifiable arms reductions," the President told the graduating class of Glassboro High School in its crowded gymnasium.

(Bernard Weinraub, New York Times, A1)

President Praises Soviet Peace Bid

GLASSBORO, N.J. -- President Reagan said yesterday relations with the Soviet Union could be at a "turning point in the effort to make ours a safer and more peaceful world."

(Joseph McCaffrey, New Jersey Star-Ledger, A1)

Reagan Under Congressional Fire, Welcomes Soviet Arms Talks

GLASSBORO, N.J. -- President Reagan, beset by congressional and allied critics for his decision to dump the SALT II treaty, has warily welcomed the latest Soviet arms reduction proposals.

In a speech to a high school graduating class here yesterday, the President said the Soviet proposals could represent a turning point in negotiations and urged Soviet leader Mikhail Gorbachev to join preparations for their next summit meeting.

(Reuter)

INTERNATIONAL NEWS

REAGAN DEALT SETBACKS ON SALT AND SDI

President Reagan suffered a series of setbacks on arms policy yesterday, as his plan to end U.S. compliance with the SALT II strategic arms treaty came under assault on both sides of Capitol Hill and committees in both houses moved to slash his "Star Wars" missile defense system.

The Democratic-controlled House, on a vote of 256-to-145, approved a nonbinding resolution calling on Reagan to continue adherence to the weapons limits set in SALT II. Thirty-seven Republicans defied the Administration to vote with the Democratic majority.

(Edward Walsh & Walter Pincus, Washington Post, A1)

Early Votes Show Reagan Won't Get Full 'Star Wars' Funds

Early voting in the House and Senate shows President Reagan isn't going to get all the money he wants next year for "Star Wars" research, congressional sources say.

An 8-5 vote Thursday afternoon by the House Armed Services research and development subcommittee approved a total "Star Wars" budget for fiscal 1987 of about \$3.6 billion, said the sources, speaking on condition of anonymity.

(Tim Ahern, AP)

House Vote On SALT II Gives Reagan Second Defeat In Two Days

For the second time in two days, President Reagan has met criticism by an election-year House of Representatives eager to challenge his conservative foreign and defense policies.

Led by Democrats, the House last night directed Reagan to continue to adhere to the SALT II arms control treaty, which he has declared dead and said the United States would likely breach later this year.

Only the night before, the House adopted by voice vote the toughest South Africa sanctions bill ever passed by Congress, calling for a total trade embargo between the two countries and for all U.S. firms to withdraw from South Africa.

"For the United States to doom this treaty by our unilateral decision would be a foreign policy blunder and a major blow to our national security," said Rep. Jim Wright.

(Carol Giacomo, Reuter)

CONFUSION SEEN FUELING HILL DRIVE TO CUT SDI

The congressional drive to slash SDI is motivated by confusion about the goals of President Reagan's "Star Wars" program and pressure to cut defense spending as a result of Pentagon scandals and the Gramm-Rudman-Hollings deficit-reduction act, according to sources on Capitol Hill.

The confusion in part reflects differences in the Administration over the intent of the research program, disagreements reflected in recent public statements by key presidential advisers.

(Walter Pincus & George Wilson, Washington Post, A22)

NICARAGUA DISPUTES SPY PLANE CHARGE

MANAGUA -- A Sandinista government geographer said today that a Soviet plane based here since May has shot pictures of the countryside to make basic official maps of Nicaragua's territory.

Alejandro Rodriguez, a geophysicist at the Nicaraguan Institute for Territorial Studies, asserted the Soviet An-30 twin-propeller aircraft is "absolutely not used for any military purposes."

(Julia Preston, Washington Post, A24)

CONTRA AID STALEMATE SETS UP REAGAN-O'NEILL SHOWDOWN

Efforts in the House to reach a compromise to aid the Nicaraguan resistance collapsed late yesterday, setting the stage for a showdown between President Reagan and House Speaker Thomas O'Neill.

The bipartisan talks ended after the Democratic leadership endorsed a resistance-aid measure sponsored by moderate Rep. Dave McCurdy.

House Minority Leader Robert Michel said Republicans, who had hoped to reach a compromise with Mr. McCurdy, now will try to amend the military construction bill with a measure similar to President Reagan's original \$100 million request.

(Christopher Simpson, Washington Times, A1)

SPECIAL U.S. EMISSARY CONSIDERED FOR S. AFRICA

President Reagan is considering a suggestion to send a special envoy to South Africa to discuss the tense situation there with President Pieter Botha, White House spokesman Larry Speakes said yesterday.

As pressure continued to mount on the Administration to take action to show displeasure with Botha's imposition last week of a nationwide state of emergency, Speakes said sending "some one like Sen. Paul Laxalt" had been discussed at the White House. But he added, "I don't think there's been any consideration given to doing it yet."

(David Ottaway, Washington Post, A32)

DEMOCRATS URGE SENATE TO APPROVE HOUSE-PASSED SANCTIONS AGAINST SOUTH AFRICA

Leading Senate Democrats are urging the Republican-dominated chamber to follow the lead of the House and quickly pass legislation requiring the total withdrawal of U.S. business interests from South Africa.

And they said the House-passed measure, far from being the poison pill claimed by House Republicans, will place the Senate under enormous pressure to adopt its own tough sanctions legislation.

Sen. Edward Kennedy and two other senators introduced legislation identical to the total divestment, total trade embargo bill that was sponsored in the Democratic-led House by Rep. Ronald Dellums.

(Lawrence Knutson, AP)

SOUTH AFRICA DENOUNCES U.S. HOUSE VOTE

JOHANNESBURG -- The South African government reacted with dismay today to Wednesday's approval by the U.S. House of Representatives of a bill requiring American economic withdrawal from this country.

Describing the vote as "inexplicable," Foreign Minister Roelof Botha implied that the House had acted irresponsibly, disregarding the effects a total trade cutoff would have on South Africa's neighboring black states.

(Allister Sparks, Washington Post, A1)

DELLUMS: EXONERATION IS HIS

To Rep. Ronald Dellums, the House passage Wednesday of his stringent economic sanctions against South Africa was "a shot heard 'round the world." But he also views it as personal "exoneration" from the judgment that he is a moral gadfly and maverick who is out of the mainstream of power in the House.

In an interview yesterday, Dellums described the action as a major blow to apartheid that can't be undone or turned back. He also views it as a refutation of the belief of many -- which is "personally painful" to him -- that he is just another flaky politician from Berkeley.

(James Dickenson, Washington Post, A17)

THATCHER UNDER FIRE FOR TIES TO U.S.

LONDON -- If taxes here could only be as admirably low as in the United States, Prime Minister Margaret Thatcher told a television interviewer last week, Britain might share America's low unemployment and higher standard of living.

Lately, it also has begun to worry members of Thatcher's own Conservative Party and even some of its boosters in the U.S. government, who fear that pro-Americanism is becoming an electoral liability.

In a country that has always seen itself as providing mature counsel and example to its impetuous former colony, "Mrs. Thatcher has committed the cardinal sin of saying 'Why can't we be more like them?'," explained a western diplomat who did not want to be named.

(Karen DeYoung, Washington Post, A1)

ADMINISTRATION'S SIGNALS MIXED ON AFGHANS

Conflicting statements by Administration officials this week have underscored the apparent confusion within the Reagan Administration over its policy toward the Afghan resistance movement, which has begun a diplomatic campaign to win international recognition.

White House spokesman Larry Speakes quoted President Reagan as telling four visiting leaders of the newly formed Afghan Alliance that formal recognition is "an important issue" and that the Administration will "keep discussing it." But Reagan also said the issue was "premature to resolve now," according to Speakes.

These pronouncements were followed by a senior Administration official telling reporters that when Reagan said official U.S. recognition was "premature, he meant it's not out of the question."

(David Ottaway, News Analysis, Washington Post, A30)

GADHAFI: U.S. RAID HIT HIS HOME

TRIPOLI -- Libyan leader Moammar Gadhafi said today that he was at home when U.S. planes bombed Tripoli in April and that he helped rescue his wife and children while "the house was coming down around us."

In his first interview with a western reporter since the April 15 raid, Gadhafi accused President Reagan -- who ordered the attack on Libya in retaliation for Gadhafi's alleged support of terrorism -- of trying to kill him.

Gadhafi said reconciliation between Libya and the United States is impossible so long as Reagan is in the White House.

"I have nothing to say to him," he said, "because he is mad. He is foolish. He is an Israeli dog." (Marie Colvin, Washington Post, A21)

BENTSEN: ADMINISTRATION 'INPUT' NEEDED ON TRADE

Sen. Lloyd Bentsen has warned the Administration that its refusal to support trade legislation could hurt U.S. exports and jeopardize political prospects in the November elections.

"We'd like some input," Bentsen said Thursday. "We would like them to be part of the process" of drafting a bill to deal with the nation's record trade deficit, which topped \$148 billion last year.

(Mary Beth Franklin, UPI)

U.S. ESCALATES CRITICISM OF MARCOS

The Reagan Administration has stepped up its public criticisms of deposed Philippine president Ferdinand Marcos for using his Hawaiian exile to foment dissent against the government of Corazon Aquino, as protests by Marcos loyalists in the Philippines have grown larger and more violent.

A State Department spokesman said yesterday that the Administration had strong indications that Marcos is financing the protests. "We don't like it," the spokesman said, adding that Marcos "has been warned. He's been told. And he keeps on; it gets worse."

(Keith Richburg, Washington Post, A26)

NATIONAL NEWS

SURPRISE COMPROMISE STRUCK ON SALES TAXES

Senate leaders embraced a surprise compromise yesterday that would partially preserve sales tax deductions in their tax-overhaul bill, defusing the last apparent threat to the measure even as senators appeared determined to drag out debate on tax breaks for everything from organ transplants to Alaskan reindeer.

Sens. Robert Dole and Bob Packwood -- who have successfully opposed virtually all amendments -- agreed to the sales tax compromise after senators seeking to save deductions for sales taxes and IRAs appeared on the verge of joining forces to challenge the bill.

(Dale Russakoff & Anne Swardson, Washington Post, A4)

Partial Sales Tax Deductions OK'd; Final Vote Set

The Senate on Thursday approved a partial deduction for some state and local sales taxes and agreed to a final vote next week on a radical plan for overhauling the federal income tax.

To help pay for the sales tax amendment, the Senate agreed to require that every person age 5 or older who is claimed as a dependent have a Social Security card, in an effort to slow tax cheating by falsely claiming exemptions.

"We're in the home stretch," Sen. Bob Dole said near the end of the 10th day of debate on the bill. A few hours earlier, facing a stack of 200 or more amendments that had stalled final action on the bill, Dole had threatened a weekend session -- even pending holiday recess -- unless senators got moving.

(Jim Luther, AP)

Senate Agrees To Vote On Major Tax Reform Bill Tuesday

The Senate today agreed to vote Tuesday on a historic reform of the U.S. income tax system that would give most Americans a tax cut and raise taxes on business.

There is little doubt that the tax bill will pass the Republican-controlled Senate. This approval would bring President Reagan a step closer to winning the major domestic policy goal of his second term.

(Jacqueline Frank, Reuter)

NASA JUNKS ROCKET PLAN BECAUSE OF SAFETY CONCERNS

Space science suffered a major blow yesterday as NASA terminated its costly and controversial plan to use the shuttle to launch the Centaur Upper Stage, a rocket propelled by highly volatile liquid fuels, which had been scheduled to boost two high-priority planetary missions from Earth orbit last month.

James Fletcher, chief of NASA, said the Centaur "would not meet safety criteria" now being applied to the shuttle and its cargo, even though the booster has been modified as a result of continuing concerns about it.

(Kathy Sawyer, Washington Post, A1)

COURT RULES FIRMS MAY BE LIABLE FOR SEXUAL HARASSMENT

The Supreme Court, in a unanimous ruling hailed by women's groups as a major victory, decided yesterday that businesses may be held liable for sexual harassment by supervisors even if the company is unaware of such conduct.

The decision, which came in a case involving a District bank employee, was written by Justice William Rehnquist, President Reagan's choice as the next chief justice. (AL Kamen, Washington Post, A1)

LOBBYING CURBS STALLED IN SENATE

The Senate Judiciary Committee reached an impasse yesterday on legislation to restrict what one member called "the Deaver syndrome" after opponents charged that the anti-lobbying measure would prevent former U.S. officials from earning a living.

"In our zeal to solve what some people think is the Deaver syndrome, we may be hurting our government more than we care to imagine," said Sen. Orrin Hatch. "This bill may very well ruin careers."

(Howard Kurtz, Washington Post, A5)

POSTAL PROBE BY CALIFANO TO CONTINUE

The Postal Service board of governors will continue its procurement practices review, headed by Washington attorney Joseph Califano, despite objections from a House subcommittee chairman who questioned Califano's involvement and called the probe "duplicative and costly."

Rep. Frank McCloskey, chairman of the House postal personnel and modernization subcommittee, asked board chairman John McKean last week to stop the review. In a June 11 letter, McCloskey said he was concerned about "unfocused and potentially expensive investigations which may produce no credible or new results and which may, in fact, interfere with independent investigations." (Jonathan Karp, Washington Post, A16)

FEDERAL HIGHWAYS BILL PASSES HILL INTERSECTION

New federal highway and transit legislation cleared the first intersection yesterday when a House Public Works subcommittee reported a five-year, \$75 billion program that has something for almost everybody and includes more than 100 special road projects paid entirely with federal funds.

The bill is at great variance with a version working its way through the Senate and with the Transportation Department's proposed legislation. The congressional authorization for both federal highway and transit programs expires Sept. 30, so the issue must be addressed in this session of Congress if the program that brought us the interstate highway network is to continue. (Douglas Feaver, Washington Post, A17)

USDA TO POLL WHEAT FARMERS ON MANDATORY CONTROLS

Agriculture Secretary Richard Lyng is holding his nose, but he's about to spend \$2 million or more to conduct a poll that he doesn't like, doesn't intend to abide by and is trying mightily to influence.

The Agriculture Department, under orders from last year's farm bill, will begin polling wheat farmers next week to find out whether they want the government to set up mandatory production controls to increase prices.

(Ward Sinclair, Washington Post, A2)

NETWORK NEWS SUMMARY

(Thursday Evening, June 19, 1986)

U.S.-SOVIET/ARMS CONTROL

CBS's Dan Rather: In more maneuvering between Washington and Moscow, President Reagan used more carrot and less stick tonight. In a speech prodding the Soviets, he prodded them both on arms control and a new summit meeting.

CBS's Lesley Stahl: Under growing pressure over his decision to scrap the SALT II treaty, President Reagan went to Glassboro, New Jersey -- site of a 1967 super-power summit -- and dropped his hard line.

(TV coverage: The President arriving in Glassboro.)

Today he praised the Soviets' newest arms control proposals as a fresh development.

(The President: "Now we can not accept these particular proposals without some change. But it appears that the Soviets have begun to make a serious effort. If both sides genuinely want progress, then this could represent a turning point in the effort to make ours a safer and more peaceful world.")

(President Johnson: "It will be helpful in achieving what we all want more than anything else in the world, peace for all humankind.")

The Johnson-Kosygin summit here did not produce that major breakthrough, but President Reagan indicated that meetings without agreements are still worthwhile.

(TV coverage: The President at podium.)

As he was offering his olive branch to the Soviets, the Senate Armed Services Committee and the House, in what amounted to votes of no confidence, passed non-binding resolutions urging continued compliance with SALT II.

(Rep. Aspin: "This treaty is a lot better than we thought it is. It certainly is constraining the Soviet Union a lot more than it is constraining us. Are we nuts? Are we nuts to be giving away this treaty? We've got to be out of our minds.")

But the White House reiterated the President's position that the Soviets agree to negotiate when the U.S. takes tough positions.

(Secretary Weinberger: "I don't think the atmosphere is all that pleasing, because since the President's announcement, there have been three Soviet new proposals.")

But the Soviets have told U.S. arms control experts they're reluctant to agree to a summit.

(Eugene Carroll, Center for Defense Control: "The Soviets' confusion and frustration comes from the fact that we've sent so many tough signals that suggest we don't even want a summit and we don't want any agreements.")

With today's speech the President was trying to nudge the Soviets into scheduling a summit, and to thereby demonstrate that his SALT decision was not as damaging as his critics contend. (CBS-2)

ABC's Peter Jennings: There are some encouraging words in the air today about the state of Soviet-American relations. President Reagan said today it appears the Soviet Union has begun to make a serious effort to negotiate an arms control agreement. The President spoke in Glassboro, New Jersey, where 19 years ago President Johnson and then Soviet Premier Kosygin began to better understand each other on the subject of arms control.

ABC's Sam Donaldson: President Reagan came to Glassboro Highschool to send a positive signal to the Soviets on their latest arms control proposal to Geneva and to voice his most optimistic prediction to date about the possibility of progress there.

(The President: "The Soviet negotiators at Geneva have placed on the table new proposals to reduce nuclear weapons. Now we can not accept these particular proposals without some change, but it appears that the Soviets have begun to make a serious effort. We believe that possibly an atmosphere does exist that will allow for serious discussion.")

The White House sought today's invitation in order to capitalize on the historical backdrop of the 1967 Summit meeting here.

(TV coverage: The President speaking at podium.)

Nineteen years ago President Johnson and Soviet Premier Kosygin met at nearby Glassboro state college for two days of meetings many consider the beginning of modern arms control efforts. And though President Reagan has branded Glassboro in the past as the type of get-acquainted summit meeting that shouldn't be held, he used the setting today to make a strong appeal to the Soviets to move forward on another summit meeting this year.

(The President: "I have indicated to General Secretary Gorbachev my willingness for our representatives to meet to prepare for the next summit. I've come here to invite Mr. Gorbachev to join me in taking action -- action in the name of peace.")

Mr. Reagan has always had trouble convincing his critics that he really wants arms control. His recent decision to abandon the formal restraints of the SALT II treaty hasn't helped any. White House officials hoped today's positive tone will help at Geneva, and in getting the 1986 summit meeting back on track.

Jennings: The House of Representatives this afternoon passed a resolution calling on the President to uphold the SALT II arms agreement which the Administration insists is dead. The resolution is not binding. (ABC-Lead)

NBC's Garrick Utley: President Reagan said it today -- that the Soviet Union is serious about limiting nuclear weapons and so is he. The importance of that statement is that it comes amid doubt and criticism about Mr. Reagan's commitment to arms control. The President went out of his way to make his point -- to Glassboro, NJ, a town with a summit in its past.

NBC's Chris Wallace: The President came to Glassboro trying to end the furor over his decision to break the SALT II treaty.

(TV coverage: The President arriving at podium.)

To assure the Soviets, allies, and critics at home he does care about arms control. Mr. Reagan urged Soviet leader Gorbachev to join in serious negotiations.

Wallace continues:

(The President: "If both sides genuinely want progress then this could represent a turning point in the effort to make ours a safer and more peaceful world. We believe that possibly an atmosphere does exist that will allow for serious discussion.")

The White House chose Glassboro because 19 years ago Lyndon Johnson and Aleksei Kosygin met in this small town. There were no breakthroughs but there was a warming of relations known as the spirit of Glassboro. One of Johnson's big goals was to stop a Soviet anti-missile defense. He made no progress. Now it's the Soviets who want to stop Mr. Reagan's star wars plan, making a new offer to cut offensive weapons if the U.S. will limit defense. Today the President stood by star wars but was positive about the latest Soviet offer.

(The President: "Now we can not accept these particular proposals without some change but it appears that the Soviets have begun to make a serious effort.")

But the House today was less concerned about a new arms agreement than the old one Mr. Reagan has recently renounced.

(Rep Aspin: "If SALT goes away and all stops are pulled out, the Soviets can build a lot faster than we can.")

Rep. Markey: "Time and again this Administration accelerates the arms race and calls it arms control.")

By a vote of 256-145, the House approved a resolution urging the President to continue complying with SALT. The White House said it will ignore the measure. Still, for all the jockeying over U.S.-Soviet relations, some experts say this President has a better chance for a deal than Lyndon Johnson did -- largely because the Soviets can't afford an arms race now.

(Dr. Kissinger: "On the Soviet side we have a great pressure to emphasize domestic politics. On our side we have a conservative President who therefore is in the best position to sell the results to the American public.")

The next step may come Monday when a new Soviet ambassador is expected to present his credentials to Mr. Reagan. U.S. officials hope he carries a message from Moscow: That the Soviets want to have a summit and a new arms deal.

(TV coverage: The President at the podium receiving applause.)

(NBC-Lead)

TAX REFORM

Rather: The sweeping tax overhaul that the Senate was predicted to pass today instead got bogged down again in new attempts to change the bill. At last count more than 90 heavily lobbied proposed amendments. One change made in the bill today -- it now includes a limited deduction for some state and local sales taxes. (CBS-10)

Jennings: The Senate had hoped to finish work on the tax bill today. It didn't happen. Dozens of last minute amendments have been offered. Only one of any consequence was adopted today. A provision allowing some taxpayers to deduct part of their state sales taxes. Some leaders said they will keep working all weekend if necessary to get the bill passed. (ABC-9)

Utley: Eliminating sales tax deductions was one of the most controversial parts of the Senate's tax reform bill, but today the Senate passed an amendment that would permit the continued partial deductions of some sales taxes. In essence the amendment will benefit anyone who pays more sales tax than state and local income tax. (NBC-8)

ECONOMY

Rather reports the U.S. government reported that personal spending jumped a strong .9% in May. Analysts worried, however, that continued weak income growth soon may damp down that spending. Personal incomes of Americans fell .1% last month. That's the first decline in a year. Analysts said the decline reflected a plunge in government subsidy payments to farmers. (CBS-10)

SEXUAL HARASSMENT

Rather reports that The Supreme Court ruled today for the first time that sexual harassment on the job is a federal civil rights law violation.

CBS's Fred Graham reports the Supreme Court ruled unanimously that sexual harassment discriminates against workers by creating a hostile environment for employees. But the opinion by Chief Justice designate Rehnquist held that companies may avoid having to pay damages if they can show that the victim welcomed the advances or that the company didn't know about the harassment and had no way of finding out.

(Eleanor Smeal: "It's important that the highest court in the land has come down and said definitively, "Yes, indeed, it is sex discrimination and it is illegal.")

The U.S. Chamber of Commerce found some comfort for employers in the decision.

(Steve Bokar, U.S. Chamber: "If they are sued for this kind of thing then they can introduce evidence and defend themselves.")

(CBS-3, ABC-7, NBC-9)

SOUTH AFRICA

Jennings reports the White House had a stiff reaction today to the sanctions against South Africa which the House approved. Even though they are a long way from law, the White House said such sanctions would erode our ability to promote better relations in South Africa, and would further harm a divided society. In South Africa they're not at all pleased with the House's declaration on sanctions, law or not.

ABC's Jim Hickey reports the South African government says it will be blacks who are hit hardest by sanctions -- the first to lose jobs. South Africa's Foreign Minister condemned the vote saying the U.S. House does not give a fig for South African blacks(ABC- 3, NBC-2)

Rather reports a still tougher crackdown today by South Africa's white minority government. Dozens more black townships were put under strict curfews -- all nonresidents banned. (CBS-13)

AGRICULTURE

Rather reports that in a farm crisis report CBS News ran last winter, they found farmers whose big hope against hope was that they somehow might hang on for at least one more year. Tonight the Texas Department of Agriculture estimates this will be the last season for one of every six farmers in the state.

CBS's Harry Smith reports that farmers have filed a class action lawsuit which claims the government took too much time in responding to loan requests, did not inform farmers of the benefits available to them, and it claims the people who administer the program are not competent. (CBS-11)

SOVIET DEFECTOR

Utey reports that a Soviet spy has defected to the U.S. He is important and he brought with him Soviet information stamped, "Top Secret".

NBC's Art Kent reports the defector was a KGB liaison officer to the Palestinians in Northern Africa. He defected last month. The defection, analysts say, is a major setback to Soviet intelligence operations in that area. He was also responsible for KGB operations in Northern Africa. (NBC-3)

ACHILLE LAURO TRIAL

Utey reports the Palestinian accused of killing American Leon Klinghoffer took the stand. A month after the hijacking he had confessed to killing Klinghoffer, but today he denied any role in that murder and even denied that Klinghoffer was aboard the cruise ship when it was hijacked. He also denied ever making a confession. (NBC-4)

EXCEDRIN POISONING

Jennings reports another major pain relief capsule is being taken off the shelves in the wake of a second death which may be tied to acute cyanide poisoning. (ABC-6, CBS-7, NBC-12)

SOCIAL SECURITY

Rather reports the Supreme Court ruled today that states may not decide to withdraw their employees from the federal Social Security system. (CBS-4)

Jennings reports the ruling was a big relief for the government. The worry had been that such withdrawals could cost the Social Security system as much as \$1 billion a year. (ABC-8)

COMMENTARY

NBC's John Chancellor commented on the fall of print pornography and the rise of pornographic video cassettes. (NBC-10)

PERU

Rather reports 150 people may have died in and around Lima, Peru in pitched battles for control of three prisons. (CBS-5, NBC-5)

NASA

Rather reports on a new and costly delay for the space program. NASA cancelled the Centaur rocket program. That's a rocket designed to launch show-case probes of Jupiter and the Sun from the space shuttle. The Centaur, among other things, isn't considered safe enough to be launched from a shuttle. (CBS-6, NBC-7)

BIAS

Jennings: A college athlete died today and it was a great shock to a great many people. Len Bias who was a basketball star at the University of Maryland appeared to be in perfect health, and he was on the verge of becoming an even bigger star and a millionaire.

ABC's Dick Schapp reports that early this morning after a party at his Maryland dorm celebrating his being drafted by the Celtics Bias suffered cardiac arrest and died. No one knows the cause. Autopsy results won't be known for another week. He had no history of heart disease or Marfan syndrome, a rare tissue disorder that struck down several young athletes in recent years. (ABC-4, CBS-Lead, NBC-14)

HAYDON/ARTIFICIAL HEART

Jennings reports the third man in history to be given a permanent artificial heart has died. Murray Haydon went a little more than a year with the so-called Jarvik heart.

ABC's George Strait reports Haydon lived 488 days with the artificial heart. (ABC-5, CBS-Lead, NBC-13)

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EDITORIALS/COLUMNISTS

SUPREME COURT

The Rehnquist Court -- "President Reagan's choice of two conservative scholars for the Supreme Court is a clear sign that the days of liberal enactments through the judicial process are over. It is the accomplishment of an important goal for Reagan, whose stamp on the court will likely last into the 21st century.... Reagan has made several disastrous nominations for the federal judiciary, but showed admirable astuteness in his choices for the highest court, starting with Sandra Day O'Connor.... The focus on the court by liberals as a source of relief from civil wrongs will diminish as the Rehnquist court establishes itself and the remnants of the Warren court fade further into the background. Reagan has helped create a court that will return to the advice of Felix Frankfurter to stay out of the political thicket. The onus will again -- and not improperly -- be on law makers to protect the rights of the citizens." (Boston Globe, 6/19)

Court Nears A Right Turn To Past -- "Well, there he is: Nixon's Revenge. William Rehnquist will be chief justice of the U.S. Supreme Court.... The unpleasant and tedious Warren Burger, though conservative, has provided no intellectual magnet for other justices, even the conservative majority. Rehnquist is far more dynamic, and Scalia is personable and intellectually vivacious.... These changes move the nation just one justice away from a court that is not only conservative but, with another Reagan appointee, would be reactionary, bent on undoing many of the changes of the last two decades." (Tom Teepen, Atlanta Constitution, 6/19)

Reagan Gets His Chance To Turn The Legal Tide -- "President Ronald Reagan and his advisers got exactly what they wanted with the nominations of William H. Rehnquist...and Antonin Scalia -- predictability. They want no surprises from their judicial appointments, and Rehnquist and Scalia have long, consistent track records laid out in rulings, opinions, speeches and articles over three decades.... What Reagan and his allies want are justices who restrain their own reach, refraining whenever conceivably possible from overturning the executive and legislative branches.... Scalia's philosophy indicates he favors overturning that ruling [Roe vs. Wade] as an unwarranted judicial intrusion into a state matter. Moreover, he's told friends he opposes abortion and thinks Roe v. Wade was wrongly decided. This makes Scalia a predictable vote, and thus a Reagan nominee." (Fred Barnes, Newsday, 6/19)

Good Choice: Rehnquist -- "Given the certainty that President Reagan would name an ideologically compatible successor to Warren Burger, the country can rejoice at the choice of Rehnquist. Some are not rejoicing, of course. They are bemoaning. Sen. Alan Cranston has questioned whether someone of Rehnquist's 'extreme right-wing ideology' can manage the court.... Eleanor Smeal, president of NOW has blasted Rehnquist as anti-feminist.... These are voices in the wilderness. The overwhelming consensus approving Rehnquist's nomination relegates these criticisms to the obscurity they deserve.... We withhold final judgment on Scalia until Senate hearings on the appointment, although our initial reaction is highly favorable." (Chicago Sun Times, 6/19)

EDITORIALS/COLUMNISTS (continued)

TAX REFORM

Reagan's Right: No Tax Increase -- "A tax increase is what President Ronald Reagan emphatically opposes. He's right.... Congress has the responsibility for making this balance. For most of the last 50 years Congress has failed its responsibility. Given the chance, it will continue to fail it, because it seems politically expedient to buy votes with federal handouts that mortgage our children's future.... President Reagan is right in calling for sufficient defense, in rejecting higher taxes and in pushing for real tax reform. But he's going to need the help of the American people in heading off the spenders who have other plans."

(Chattanooga News-Free Press, 6/11)

Defending Reform -- "It is not yet a certainty that Congress will enact the historic tax reform that is President Reagan's principal domestic priority for his second term. But the already favorable odds improved dramatically last week when the Senate, resisting a flood of constituent mail, voted 51-48 against an amendment that would have preserved the tax deduction for all Individual Retirement Accounts.... With any luck at all, President Reagan should be signing the most important reform of America's tax laws in half a century sometime around Labor Day." (San Diego Union, 6/17)

Tax Bill Improvement Over Present System -- "The Senate bill undoubtedly is headed for some changes, both in the Senate itself, and in reconciliation efforts with the House. It won't be perfect when it emerges, but then no tax bill is. (The perfect tax bill wouldn't cost anybody anything, but raise gobs of money; don't ask us how.) The bill is an improvement over the current system, however. It's simpler, and creates more equity. It deserves a chance." (Klamath Falls, (Oregon) Herald And News, 6/10)

Those Tax Shelters Are Down But Not Out -- "Which is more important to President Reagan: avoiding a tax increase or avoiding very large cuts in his military spending proposals? If the sensible strategy of Sen. Pete Domenici succeeds Reagan will be forced to decide. It's obvious that the President can't have his way on both counts without crashing into the Gramm-Rudman law's deficit limits. But he simply refuses to face that fact.... Somehow the President must be made to understand that he is demanding the impossible." (Milwaukee Journal, 6/15)

Keep Tax Reform For Taxes -- "By a margin too thin to feel good about, the U.S. Senate has barely preserved tax reform... There have been other pressing challenges to the Senate's version of a tax reform bill. Some are still pending.... Most heinous of all, however, was the proposal to tax non-profit institutions that perform or finance abortions. Its sponsors decided yesterday not to offer the amendment after meeting with President Reagan, who favors the anti-abortion proposal but opposes any change to the Senate tax bill. Reagan is right to try to keep tax reform unmuddled. But he is wrong to tolerate sanctimonious fiddling with the practice of granting tax exemptions to non-profit organizations. If lawmakers begin using tax exemption as a lever with which to impose their personal beliefs on the rest of the nation, the entire non-profit concept is imperiled." (Cleveland Plain Dealer, 6/13)