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News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, JULY 2, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S., Soviet Officials Say Pre-Summit Meeting Is Possibility -- American and Soviet officials are talking publicly about meeting to make arrangements for a summit between President Reagan and Soviet leader Mikhail Gorbachev, but both sides say specific plans for a preparatory session have yet to be completed. (New York Times, Washington Post, Washington Times, AP, UPI, Reuter)

Reagan Still Opposed To Stricter Sanctions Against South Africa -- President Reagan remains strongly opposed to any punitive sanctions against South Africa and the review of U.S. policy toward the government of President P. W. Botha is limited to finding better ways of making the approach of "constructive engagement" succeed, Administration officials said yesterday. (Washington Post)

NATIONAL NEWS

High Court, 5-4, Sharply Limits Constitutional Protection For Ads -- The Supreme Court, sharply limiting First Amendment protection for commercial speech, today ruled 5 to 4 that governments may sometimes ban truthful advertising of products and services that are legal to sell. (New York Times, Wall Street Journal, Washington Post)

NETWORK NEWS (Tuesday Evening)

U.S.-SOVIET SUMMIT -- The Soviet Union is saying that it wants high-level meetings to plan a second summit.

SOUTH AFRICA -- The 10th bombing in twenty days wrecked a Johannesburg bus stop.

SYRIA/DORNAN/BUSH -- Congressman Bob Dornan told reporters that Hafez Assad had promised some good news very soon about efforts to free the Americans being held hostage in the Middle East.

The Second Day of July, 1776

"I am apt to believe that it will be celebrated, by succeeding generations, as the great anniversary festival. It ought to be commemorated as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shews, games, sports, guns, belts, bonfires, and illuminations from one end of this continent to the other from this time forward forever more."

(John Adams to Abigail Adams, July 3, 1776)

U.S., Soviet Officials Say Pre-Summit Meeting Is Possibility

American and Soviet officials are talking publicly about meeting to make arrangements for a summit between President Reagan and Soviet leader Mikhail Gorbachev, but both sides say specific plans for a preparatory session have yet to be completed.

A top Soviet government minister drew a warm response from U.S. officials Tuesday when he said "the Soviet Union has proposed to the United States to set up a preparatory mechanism for such a meeting."

But Deputy Foreign Minister Vladimir Petrovsky, who made the comment at a Moscow news conference, added that his government wants a meeting between the two superpower leaders to produce tangible results on curbing nuclear arms.

White House spokesman Larry Speakes said he hoped Petrovsky's comments were evidence of a willingness by the Soviets "to move forward to preparations for a summit, which we would like to have." (AP)

Signs Of A Second Summit In The Works

President Reagan confers today with Secretary of State George Shultz amid a few optimistic signs a second U.S.-Soviet summit could occur later this year or in January.

The President received a warm and cordial greeting from Soviet Ambassador Yuri Dubinin at the annual White House diplomatic reception Tuesday evening.

Dubinin, who first met the President last week, told reporters as he arrived at the black-tie reception "we're optimistic" that Reagan and Soviet leader Mikhail Gorbachev will meet for a second superpower summit.

(Helen Thomas, UPI)

Soviet Hints Readiness For Pre-Summit Talk, U.S. Wants A Date

The Reagan Administration has again urged Moscow to set a date for a foreign ministers' meeting following a hint of Soviet readiness to prepare for the talks.

The long-awaited meeting is needed to set an agenda for a second summit between President Reagan and Soviet leader Mikhail Gorbachev which U.S. officials believe will take place late this year.

But Deputy Foreign Minister Vladimir Petrovsky's statement in Moscow yesterday that the Soviet Union had proposed "preparatory mechanisms" for a foreign ministers' meeting caused some puzzlement and irritation in Washington.

"They ought to propose some dates. Let's get on with it," State Department spokesman Charles Redman said. (William Scally, Reuter)

INTERNATIONAL NEWS

LITTLE IMMEDIATE PROGRESS EXPECTED ON NEW SUMMIT

Despite Soviet efforts to create the impression of new movement toward a summit meeting, there has been no breakthrough and the United States expects none at least until the Soviets see a response to Moscow's latest arms control proposals, U.S. officials said yesterday.

A U.S. counteroffer will not be ready for at least "several weeks," one official said. Other officials said the Soviets were trying to pressure the Reagan Administration by raising hopes that planning for a second meeting between President Reagan and Mikhail Gorbachev might now proceed more quickly. The U.S. officials said the Soviets were unlikely to set a date for a new summit until they have seen a U.S. reply to their arms offer they consider hopeful. (Walter Pincus, Washington Post, A1)

Soviets Press For Substantive Talks To Set Stage For Summit

MOSCOW -- A Soviet official said today that Moscow has launched exploratory talks with American officials to set up a meeting between Secretary of State George Shultz and Foreign Minister Eduard Shevardnadze to discuss arrangements for a second summit conference between President Reagan and Soviet leader Mikhail Gorbachev.

But the Soviets have stressed the importance of agreeing on an agenda for the foreign ministers' meeting that would assure substantive progress toward arms control agreements, while the United States wants to concentrate on nailing down a date and site for the summit.

"We have proposed to the United States to set in motion the preparatory mechanisms for such a meeting between our ministers," Deputy Foreign Minister Vladimir Petrovsky said at a news conference today.

(Gary Lee, Washington Post, A17)

Soviet Offer For Presummit Meeting Welcomed

The White House reacted favorably yesterday to a Kremlin suggestion that Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze meet as a prelude to another U.S.-Soviet summit.

The Reagan Administration, spokesman Larry Speakes said, is "certainly ready" for a Shultz-Shevardnadze meeting, which was suggested in Moscow yesterday by Soviet Deputy Foreign Minister Vladimir Petrovsky.

Also, Soviet Ambassador Yuri Dubinin said at a White House diplomatic reception last night that he was optimistic that Messrs. Shultz and Shevardnadze would meet and that the Reagan-Gorbachev summit would be held.

(Mary Belcher, Washington Times, A1)

Moscow Reports It Offered Plan For Summit Talks

A Soviet Foreign Ministry official asserted today in Moscow that the Soviet Union has proposed an approach for rescheduling talks to prepare for the next Soviet-American summit meeting.

The State Department expressed surprise at the statement, which was made by Vladimir Petrovsky, a Deputy Foreign Minister.

Meanwhile, Administration officials said the Soviet Union was stalling and challenged Moscow to set dates for the high-level talks.

(Bernard Gwertzman, New York Times, A1)

REAGAN STILL OPPOSED TO STRICTER SANCTIONS AGAINST SOUTH AFRICA

President Reagan remains strongly opposed to any punitive sanctions against South Africa and the review of U.S. policy toward the government of President P. W. Botha is limited to finding better ways of making the approach of "constructive engagement" succeed, Administration officials said yesterday.

A high-level reassessment of U.S. policy that reflected "shift in emphasis" was disclosed to some reporters in Santa Barbara last week by national security affairs adviser John Poindexter. But officials emphasized yesterday that Reagan will not alter his basic opposition to economic and political sanctions against Pretoria despite growing congressional pressure for such action.

Asked if Poindexter "went too far" in his statements about a policy change or was rethinking his position, Larry Speakes said, "I don't know whether he's rethinking it or not. Maybe he just didn't present it properly, or it didn't end up like he thought it was going to end up."

(Lou Cannon & John Goshko, Washington Post, A1)

BOMB INJURES EIGHT IN JOHANNESBURG

JOHANNESBURG -- A bomb exploded in Johannesburg's busy downtown center today, wounding six women and two children, all but one of them white. The incident appeared to be part of an intensifying campaign of urban terror by black militants in retaliation against the white South African government's recent security crackdown.

Meanwhile, the country's largest black trade union federation threatened to hold a one-day general strike in two weeks if its detained leaders are not released and the nationwide state of emergency is not lifted by then.

(Glenn Frankel, Washington Post, A1)

HART, AT NAACP, URGES TOUGH STAND ON S. AFRICA

BALTIMORE -- Sen. Gary Hart urged President Reagan today to demand immediate negotiations with the government of South Africa on establishing majority rule there, and to suspend diplomatic relations and impose economic sanctions on that country.

"Mr. Reagan should contact Mr. Botha directly and insist that he begin negotiations toward majority rule," Hart said. "And unless those negotiations begin now, we should recall our ambassador...sever military ties, revoke South African airline landing rights and even suspend all diplomatic relations."

(James Dickenson, Washington Post, A7)

WEINBERGER ASSAILS HILL ON 'STAR WARS' SHIFT

Defense Secretary Caspar Weinberger yesterday criticized Congress for attempting to refocus the "Star Wars" missile-defense program toward protection of the U.S. nuclear arsenal, saying SDI should instead retain a long-term goal of population defense.

At the same time, however, Weinberger announced the successful test of a prototype weapon that would be most useful for the kind of close-in defense of missile silos that the Senate Armed Services Committee has championed.

(Fred Hiatt, Washington Post, A15)

Missile Hits Bull's-Eye In First SDI Test

Defense Secretary Caspar Weinberger said yesterday that a self-guided missile had successfully destroyed a simulated enemy warhead with a bulls-eye at three times the speed of sound.

He called the test an important advancement in the strategic missile defense program, and urged the Senate Armed Services Committee to reconsider its decision to cut more than \$1 billion from the 1987 funding for SDI.

(Bill Gertz, Washington Times, A1)

U.S. SAYS EUROPEANS ARE GETTING TOUGH ON GADHAFI

The State Department, citing the expulsion of more than 100 Libyans from Western Europe in the past two months, says America's allies are making serious efforts to isolate the government of Col. Moammar Gadhafi.

At the same time, a department spokesman says it's hard to judge whether the Western response has had any moderating influence on the Libyan leader.

"It's a difficult call," spokesman Charles Redman said Tuesday. "There are a number of things which we believe may have had an impact on his behavior, but the extent of that impact...I think is just too difficult to evaluate."

(Henry Gottlieb, AP)

CONGRESS TOLD COSTS TO STEM EMBASSY TERRORISM ARE OUTRUNNING ESTIMATES

State Department plans to construct a new chancery, a school, Marine guard quarters, housing units and support facilities in Moscow for \$30 million have so far cost more than \$167 million, and the work goes on.

The State Department also planned to complete a new chancery in Cairo in 1985 for an estimated \$27 million. But by last March the building was not finished and cost estimates had risen to \$40 million to \$43 million.

These incidents were reported to lawmakers this week by the General Accounting Office, Congress' investigative arm, to illustrate that costs for improving security are often understated.

(Barry Schweid, AP)

NATIONAL NEWS

COURT SEEMS TO ALLOW BANNING OF CIGARETTE AND ALCOHOL ADS

The Supreme Court, in a sweeping ruling yesterday upholding a prohibition on casino gambling ads in Puerto Rico, appeared to remove the legal obstacles to banning cigarette and alcohol advertising.

The 5-to-4 decision, written by Justice William Rehnquist, said products or activities such as cigarettes, alcoholic beverages and prostitution do not enjoy any constitutional protections and could be banned or heavily regulated. (Al Kamen, Washington Post, A1)

High Court, 5-4, Sharply Limits Constitutional Protection For Ads

The Supreme Court, sharply limiting First Amendment protection for commercial speech, today ruled 5 to 4 that governments may sometimes ban truthful advertising of products and services that are legal to sell.

The decision upheld Puerto Rico's tight restrictions on local advertising of casino gambling, which is legal there. It also appeared to support the constitutionality of restrictions on advertising of liquor and, perhaps, of cigarettes and other products.

(Stuart Taylor, New York Times, A1)

Justices Say States May Curb Some Ads For Products They Deem Undesirable

The Supreme Court ruled that states may restrict some advertising that is designed to promote activities or products that, although legal, are considered undesirable by state legislatures.

By a 5-4 vote, the high court upheld restrictions on advertising of gambling casinos in the commonwealth of Puerto Rico. The Supreme Court has said that the First Amendment applies to Puerto Rico in the same way it applies to the states. (Stephen Wermiel, Wall Street Journal, A2)

SODOMY RULING'S IMPLICATIONS EXTEND FAR BEYOND BEDROOM

The Supreme Court's ruling Monday that there is no constitutionally protected right to engage in private, homosexual conduct has implications far beyond the bedroom.

"The most important effect of this case is not legal -- it's social," said Thomas Stoddard, executive director of the Lambda Legal Defense and Education Fund, a gay-rights organization. "The most important judicial body in the United States has expressed a certain distaste for gay men and women and suggested that they may be treated differently from other Americans... This opinion will fuel bigotry, apart from its legal implications." (Ruth Marcus, News Analysis, Washington Post, A1)

U.S. SAYS MILITARY AID TO CONTRAS IS ESSENTIAL

UNITED NATIONS -- The United States told the U.N. Security Council Tuesday that its military aid to Nicaraguan rebels was "essential" to compel the leftist Nicaraguan government to negotiate for peace in Central America.

"Let me make it clear that U.S. policies do not seek to overthrow the government in Nicaragua," U.S. Ambassador Vernon Walters said.

"We believe that continued U.S. support for the resistance is essential to induce the Sandinista regime to enter into meaningful negotiations. We regret that this is so," Walters said, referring to the \$100 million the House has approved for the Nicaraguan rebels last week.

(UPI)

IDEOLOGY NO FACTOR IN ENVOY'S FIRING

The firing of John Ferch as U.S. ambassador to Honduras had less to do with differences over policy than with his style, personality and management skills during a crucial period in U.S.-Honduran relations, Administration officials said yesterday.

Ferch said in a telephone interview from Tegucigalpa, Honduras, that he fully backs the Administration approach in Central America and did not think there was any ideological reason for his dismissal, which was made public Monday night.

(Joanne Omang, Washington Post, A24)

ISRAELI GROUP MEETS U.S. OFFICIALS OVER CHARGES IN ESPIONAGE CASE

A high-level Israeli delegation has met with Justice Department officials to discuss prospects for criminal charges against an Israeli Air Force colonel who has been linked to a spy ring, sources close to both governments said today.

Two sources said the Israeli delegation, which included the Israeli Ambassador to the United States, Meir Rosenne, concluded the talks Monday without reaching agreement on the legal status of the colonel, Aviem Sella.

A Reagan Administration official declined to say specifically what was discussed at the meeting but indicated that Israel had not won substantial concessions from the prosecutors. (Philip Shenon, New York Times, A1)

EDITOR'S NOTE: "Strategic Defense In General's Terms," Air Force Lt. Gen. James Abrahamson discusses President Reagan's ambitious research program to develop a ground- and space-based defense against nuclear missiles, appears in The Washington Post, A21.

PRESIDENT SIGNS LEGISLATION ALTERING MILITARY PENSIONS

President Reagan signed legislation yesterday overhauling the military retirement system by rewarding those who make life in uniform a career and reducing the pension checks of those who leave early.

Defense Secretary Caspar Weinberger took a dim view of the new law, which the Defense Department opposed while it was working its way through Congress. (UPI story, Washington Post, A9)

JUDGE RAPS FEC RULING AIDING REAGAN

A federal court has ordered the Federal Election Commission to reconsider a decision allowing taxpayers to pick up costs of a Chicago speech President Reagan gave two days after his 1984 renomination by the Republicans.

In a ruling sharply critical of the FEC for not providing an explanation of its decision, U.S. District Court Judge John Pratt here remanded the case to the agency last week. He said the commission "must demonstrate its reasons" for finding that the candidate's appearance was not campaign-related. (AP story, Washington Post, A14)

AT SERVICES FOR SEN. EAST, SOME TALK OF SUCCESSOR

GREENVILLE, N.C. -- While North Carolina conservatives pushed one of their own as his successor, John East was remembered here today as "a man of conviction, strength and courage" who overcame a severe physical handicap to gain a place in the Senate.

Among the politicians who attended the service, the most attention was focused on three Republicans who flew here together from Raleigh, the capital, who will have the most to say about appointing a successor to complete East's term. (Edward Walsh, Washington Post, A4)

MAMMOUTH BLIMP-HELICOPTER CRASHES; 1 DEAD

LAKEHURST, N.J. -- An experimental 343-foot-long airship made from a blimp and parts of four helicopters caught fire and crashed Tuesday while on a test flight at a Naval center here, killing one of five crew members aboard.

The aircraft, known as the Heli-Stat, crashed at 7 p.m. at the U.S. Naval Air Engineering Center, three-quarters of a mile from where the Hindenburg disaster occurred 49 years ago, said Nick Grand, public information officer at the center. (Anne McGrath, AP)

KEEPING UP THE PRESSURE ON JUMBOS

The Federal Aviation Administration yesterday proposed extensive inspections of all Boeing 747 jumbo jets owned by U.S. airlines after discovering cracks in nose sections of 34 of the 160 planes.

"This is certainly a major inspection program," said FAA spokesman Fred Farrar. "But there is no immediate possibility of structural failure. This is not an emergency, and we can deal with it in an orderly fashion." (Michael Specter, Washington Post, A21)

THE SPEEDY DEATH OF A NEVADA LAW

CARSON CITY, Nev. -- Nevada's new 70-mph speed limit was gone faster than motorists could put the pedal to the metal today as the federal government cut off some \$66 million in road-building aid.

A funding cutoff letter was handed to Nevada Transportation Director Garth Dull by the Federal Highway Administration's Nevada chief, Tony Horner, at 7:30 a.m. local time, the moment the new limit took effect.

Under terms of the law approved by the 1985 legislature, the new limit automatically evaporated with receipt of that notice, and federal funding was restored.

(AP story, Washington Post, A21)

WALL STREET STOCKS MOVE SOLIDLY INTO RECORD TERRITORY

NEW YORK -- Wall Street stocks are now solidly in record territory, with a late rally yesterday driving the Dow Jones Industrials to its first close ever above 1,900 points.

The late buying came largely from arbitrageurs, the speculators who play stock prices off futures and options prices in order to turn a quick profit. Their buying programs have become an increasingly large -- and controversial -- force in the market.

Also pushing the Dow through the milestone were renewed forecasts of a cut in interest rates by the Federal Reserve, merger speculations and a bounce in the price of IBM.

The Dow Jones Industrial Index closed at a record high 1,903.54, up 10.82 from the previous record high hit Monday.

(Richard Satran, Reuter)

NETWORK NEWS SUMMARY

(Tuesday Evening, July 1, 1986)

U.S.-SOVIET SUMMIT

CBS's Dan Rather: A Reagan-Gorbachev summit in this American election year appear to be increasing. President Reagan has called for one, today the Soviets called for one too. Still, it remains a long way from a done deal.

CBS's Lesley Stahl: News that the Soviet Union is now willing to start planning for a second Reagan-Gorbachev summit caught the White House off-guard.

(TV coverage: The President shaking hands with Gorbachev. in November of 1985.)

The public announcement was made in a Moscow news conference, that the Kremlin has proposed a meeting between Secretary of State Shultz and Foreign Minister Shevardnadze in order to prepare for a new summit this year. Soviet Ambassador Yuri Dubinin made the proposal recently in secret meetings with top State Department officials, but he refused to set a date or discuss timetables. Today's public announcement seemed to irritate the Administration.

(Charles Redman: "Then they ought to propose some dates. Let's get on with it.")

There was further evidence that the Soviets, after months of silence, are now inching toward a summit. Gorbachev, while touring a factory in Warsaw, chose to pick up on President Reagan's recent conciliatory speech on arms control and spoke positively about a Shultz-Shevardnadze meeting.

(Gorbachev in Poland: "We will welcome it if Washington will negotiate seriously and responsibly on the problem of disarmament.")

The Soviets say they want a summit, but continue to play hard-to-get by refusing to set a date. They are still trying to win concessions on arms control.

(Vitaly Churkin, Soviet Embassy Spokesman: "The sooner the United States, the U.S. Administration, is prepared to make constructive responses to our recent proposals, the better it is -- and that means that the sooner we'll be able to have those meetings.")

White House officials say they are working on a response to the Soviet proposals and that President Reagan may have a chance to send a signal to ambassador Dubinin at a White House reception. The White House wants a Shultz-Shevardnadze meeting as soon as possible, but expects that it won't take place until September at the United Nations.

Rather reports both the U.S. and the Soviets put some of their latest military hardware on display today. The U.S. footage showed a target missile being destroyed 12,000 feet up and at three times the speed of sound. It was released in a carefully orchestrated way by Secretary Weinberger during the day. This was billed as the first successful test of so-called star wars technology involving a direct hit on a missile inside the atmosphere. The footage was released amid reports that Congress may cut more than \$1 billion from the star wars program.

Rather continues: In the Soviet arms display, Western eyes got their first clear look today at the newest Russian fixed-wing warplanes: MiG-29 Fulcrum Fighters. Six of the advanced MiG-29's landed during the day in Finland to go on display. These are the first Soviet Warplanes to carry so-called look-down, shoot-down radar -- radar based on what the Pentagon says is stolen U.S. technology. This means that for the first time the Soviets may have the capability to track and shoot down from above, low flying, ground radar avoiding, cruise missiles. (CBS-Lead)

ABC's Peter Jennings: There was another exchange of messages today between the United States and the Soviet Union on the subject of arms control. It is not altogether clear whether the latest exchange represents any real progress on reducing the number of weapons, or is just maneuvering for position.

ABC's John McWethy: Soviet leader Gorbachev, on an official visit to Poland, continued the super power jockeying today saying that the Kremlin would welcome what he called, a more serious and responsible approach to the problems of disarmament from the Reagan Administration.

(TV coverage: Still photos of the President and Mr. Gorbachev.)

If there is to be another summit, Gorbachev said, just talks are not enough. While Gorbachev spoke in Poland, Soviet Deputy Foreign Minister Petrovsky in Moscow was floating signals that the first step towards setting up a summit were at long last being taken by scheduling a meeting between Secretary Shultz and Soviet Foreign Minister Shevardnadze. State Department officials, however, said they didn't know what the Kremlin was talking about.

(Charles Redman: "No foreign ministers meeting has been scheduled, nor have the Soviets proposed dates for one.")

While diplomats were sending conflicting signals the Defense Department issued a message of its own, releasing pictures of a successful missile intercept at White Sands, New Mexico. A test of technologies to be used in the President's Strategic Defense Initiative, SDI.

(Secretary Weinberger: "These are principles that, and technology, that would be equally applicable to much longer range which is what we're working on.... And the aim of Strategic Defense Initiative is to destroy Soviet missiles outside the Earth's atmosphere before they get near any target.")

Both Washington and Moscow are looking for ways to gain leverage in arms control talks and in the public relations battle. As for a Reagan-Gorbachev summit, American officials say they have no doubt there will be one, but not until after the U.S. elections in November. Until then analysts expect the posturing by both sides will continue.

(ABC-3)

NBC's Tom Brokaw: The Soviet Union is saying tonight that it wants high-level meetings to plan a new summit conference between President Reagan and Soviet leader Gorbachev. For its part, the Reagan Administration is saying, "Hey wait a minute, that's what we've wanted all along." So it does seem likely tonight that Secretary Shultz and Soviet Foreign Minister Shevardnadze will meet to plan a summit. But when that will happen is not clear. The Reagan Administration is deeply divided on how to deal with Gorbachev on the larger issues of arms control.

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NBC's Andrea Mitchell: While touring a factory in Warsaw today, Gorbachev said his recent letter to President Reagan could pave the way for a summit meeting.

(Gorbachev in Poland: "We hope that the American Administration will adhere to our initiative and thus, make possible a meeting.")

A summit with Gorbachev will take place Administration officials said today.

(TV coverage: The President leaving the Old Executive Office Building.)

But they view his Warsaw speeches as propaganda.

(Charles Redman: "Gorbachev's comments about pressuring the Administration through appeals to Congress, the American public, and the allies, unfortunately sounds like past Soviet efforts to gain concessions through propaganda tactics.")

And Administration hard-liners are moving quickly to shut the door on one Soviet initiative: a proposal to limit the Strategic Defense Initiative, also known as star wars. Its supporters staged a secret White House briefing to persuade the President that star wars should not be bargained away. Mr. Reagan was told there have been recent breakthroughs and was shown tests. Released later by the Pentagon, this videotape shows a missile intercepting a target moving three times the speed of sound. The first successful test against a moving object.

(Secretary Weinberger: "If SDI research bears fruit, we will be able to destroy Soviet missiles in the early stages of flight.")

Administration hard-liners have also won a tentative decision to reject a Soviet proposal to discuss the SALT II treaty in Geneva. At a special meeting of the Standing Consultative Committee, also known as the SCC. But Fred Scowcroft, President Ford's National Security Advisor, feels otherwise.

(Scowcroft: "I think it would be useful to use the SCC to its fullest capacity and see whether or not anything comes of it.")

And officials at today's meeting said that the President and his top advisors have not started working on a response to the latest Soviet arms control offers, mostly because of serious disagreement over how to respond.

(TV coverage: The President walking to White House with Mr. Reagan and Adm. Poindexter.)

(Scowcroft: "I think the differences within the Administration on what would represent a comprehensive agreement -- what the elements that the U.S. should insist on -- have not really been resolved.")

In fact people here say that the infighting is as bad as it's ever been -- precisely because Gorbachev's proposals offer enough promise to be taken seriously.

Brokaw: With all of this division is there any chance that the President will act soon to end all of the confusion?

Mitchell: As you know, Ronald Reagan hates to get into the middle of Cabinet fights and usually takes a long time before trying to resolve them. That has led to delays in the past, and in this case, could mean a lost opportunity. But we are told by people close to him that the President really wants an arms control deal. So that could still break through and break the logjam. (NBC-Lead)

SOUTH AFRICA

Rather reports the 10th bombing in twenty days reported by South Africa's government wrecked a Johannesburg bus stop today.

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CBS's Alan Pizzey: ...The country's black townships awoke to a slightly different version of apartheid this morning. Two of South Africa's most pernicious racial laws have been repealed. The pass and influx-control laws which together regulated the movement of blacks and controlled employment and residency are gone. Blacks no longer have to carry the passbook, and they've been lining up to be fingerprinted for a new identity book. (CBS-3, ABC-4, NBC-2)

SYRIA/DORNAN/BUSH

Jennings: Congressman Bob Dornan, back from a visit to Syria, met with Vice President Bush today to brief him on talks with Syrian President Assad. Dornan told reporters that Assad had promised some good news very soon about efforts to free the Americans being held hostage in the Middle East. A State Department spokesman welcomed the message. (ABC-5)

SUPREME COURT

Rather: The U.S. Supreme Court handed down a ruling on discrimination in the workplace. The justices said employees may be entitled to compensation for wage discrimination that took place before the 1964 Civil Rights Act. (CBS-4, NBC-12)

MILITARY RETIREMENT

Jennings: President Reagan signed a new law today which completely overhauls the military retirement system. It does not affect the people now in uniform or those already retired, but anyone joining the armed forces after the first of August will be getting a lower pension if they retire early. (ABC-8)

SENATOR JOHN EAST

Jennings: Senators mingled with family members at a memorial service in Greenville, North Carolina, for Senator John East. About 1,000 mourners, including East's political mentor Senator Jesse Helms, showed up to honor their former colleague. (ABC-9)

CHEMICAL WEAPONS

Jennings: The U.S. Army made a preliminary decision today on what it will do with outmoded stocks of chemical weapons. The longer they sit there the more unstable they become.

ABC's Steve Shepard: The Army made it clear today that in its view, on-site burning is the best way to rid America of its aging chemical stockpile. But neighbors don't agree.... Army officials concede that burning the chemicals on-site does have risks, but they insist every other option has dangers as well. (ABC-2)

WALL STREET

Rather: There was nothing traditional about the Street's so-called traditional pre-Fourth of July rally. The Dow Jones Industrial Average climbed more than 10 points to finish above the 1900 mark for the first time in its history. (ABC-6, CBS-6, NBC-6)

INSIDER TRADING

Jennings: When investment banker Dennis Levine pleaded guilty last month it sent shivers through Wall Street. Where did Levine get his tips about impending mergers? Would he start naming names? Apparently he has. The Security and Exchange Commission today said Levine received some of his inside information from two officials at leading brokerage houses. Robert Wilke of E.F. Hutton, and Ira Sokeloff of Shearson-Lehman/American Express. They are now obliged to pay the government the \$2½ million they made in illegal profits plus another million in penalties. (ABC-7)

ECONOMY

Rather: The Commerce Department today said its main measure of future economic activity edged up just two tenths of one percent in May, while the index of leading indicators was down sharply from the gains of the previous three months. Analysts insisted that four straight monthly increases point to an economy that should strengthen in the second half of the year. (CBS-7)

ISRAEL SECRET SERVICE

Rather: Israeli Prime Minister Peres, fighting to save his coalition government, has agreed to limited inquiry in the 1984 killings of two captured Palestinian bus hijackers. Sources tell Reuters that Peres will now accept a secret inquiry of Foreign Minister Shamir's role in the affair. But investigators under this plan would have no real power. (CBS-10)

AIRLINE SAFETY

Jennings: The Federal Aviation Administration said today it wants to look even more closely at every one of the 747s flying for American carriers. The 747 is the most widely used jumbo jet in the world, and a preliminary check of the U.S. fleet has found cracks in 20% of them. (ABC-Lead, CBS-11, NBC-4)

MEXICAN LOANS

Rather: Mexico has gained some room to maneuver by saying it will pay immediately \$600 million in interest owed on its \$100 billion foreign debt. Mexican officials say they'll continue talks with American and other banks on restructuring and stringing out their loan paybacks in the face of drastic drops in Mexican oil revenue. (CBS-12)

ILLEGAL ALIENS

Rather: Perhaps no moment would better symbolize the meaning of this week's salute to the Statue of Liberty than the swearing in of new citizens Thursday night. They might stand for the some 600,000 legal aliens who come to this country this year. But they are only part of the story. It's estimated there are anywhere from 300,000 to 2 million illegal aliens arriving every year in the United States. (ABC-12, CBS-13)

EDITORIALS/COLUMNISTS

NICARAGUA

Sorry, but the contras can't rewin Nicaragua alone -- "The President won a noisy moral victory in the House when he turned it around on the question of aid to the contras. He is helped both as chief foreign-policy maker and dominant figure in domestic policy. But as the Nicaraguan vote assumes importance, so does it invite danger. The polls indicate that the level of enthusiasm for Nicaraguan aid has not increased in the three months during which Reagan turned Congress around on the subject. The reason is plain: We have not charted a course for overthrowing the Sandinista government.... There is no way the contras can overthrow the existing government. And a year from now, what we are most likely to be hearing about is feats of terrorism initiated by the contras.... Mr. Reagan, to the extent that he holds up the present effort as the high-water mark of our Central America policy may be riding for a very great fall."

(William F. Buckley, New York Daily News, 7/1)

Vietnam is Over -- "The House vote to send \$100 million in aid to the Nicaraguan contras represents a sharp turning away from the Vietnam syndrome that has afflicted American foreign policy since the end of that unhappy conflict. That syndrome made it difficult for the United States to conduct an active foreign policy. The other side could assume that we were only bluffing, that we wouldn't actually get involved in any serious confrontations for fear of getting bogged down in another 'quagmire'. Such a resolution invited Soviet intervention in many parts of the globe, however. By being firm in defending our national interests in places like Nicaragua, we will send a clear message to our enemies: We know who you are, we will oppose you if you don't lay off, and we will do what we can to foster democracy. Vietnam is over."

(Detroit News, 6/29)

A wise turnabout on aid to the contras -- "Fear, backed by evidence, apparently played a role in swaying fence-sitters to support the contras. Soviet ships hauling an increasing supply of arms to Nicaragua, Soviet pilots flying reconnaissance missions in Nicaragua, Soviet assistance at building a new deep-water port on the east coast of Nicaragua -- these facts struck 221 congressmen and women as decidedly ominous. The trend in the House is toward wisdom, which bodes well for freedom in Nicaragua."

(Providence Journal, 6/27)

Reagan wins one for the contras -- "With the Administration's victory in the House, the pressures will be even greater on the contras to improve their performance in the field. And when the rebels increase the number of raids into the country from their bases inside Honduras, the Sandinistas will strike back as they have in the past, only with more ferocity. Instead of enhancing prospects for peace, the contra move will escalate the conflict.... The least to expect from a squeamish Congress is enough backbone to insist that the Administration follow its warning tactics with the genuine pursuit of a negotiated settlement. Failing that, only one alternative will remain -- the sending of American troops to Nicaragua."

(Cleveland Plain Dealer, 6/27)

EDITORIALS/COLUMNISTS (continued)

The U.S. House gives in to a mistaken and dangerous policy -- "The vote in the U.S. House of Representatives on Wednesday to give \$100 million to the contra rebels trying to overthrow the Nicaraguan government sets a dangerous precedent. Assuming Senate concurrence, Congress will have approved overt military aid to forces trying to overthrow a sovereign government with which the United States has diplomatic relations. Members of Congress are easily intimidated by the fear that they may be called soft on communism. Thus, they continue to support a policy that does not promise success or bring credit to the United States."

(Detroit Free Press, 6/27)

Preempting peace -- "President Reagan has won a victory in his dogged striving to punish Nicaragua for presuming to make a revolution tainted with Marxism. As Rep. Gerry Studds said Wednesday night, after the vote to breathe life into a war in Central America that would otherwise be winding down, 'The House of Representatives has blood on its hands.'"

(Boston Globe, 6/27)

Light at the end of the tunnel? -- "President Reagan, at long last, persuaded the House Tuesday night to provide military aid for Nicaraguan rebels. While Administration officials were jubilant over the bill's passage -- a Republican senator called it 'a turning point for a possible solution in Nicaragua' -- we find it difficult to share their optimism. Peace in the region and a democratic Nicaragua seem as far away as ever."

(The San Diego Tribune, 6/27)

House funds Mr. Reagan's war -- "The House vote in favor of \$100 million in mostly military aid to Nicaraguan rebel forces represents a formidable legislative victory for President Reagan and has won for him as well the distinction of having a war named in his honor. Here on out, win or lose, the battle waged by the contras and the Sandinista government of Nicaragua will be known as the 'Reagan War'.... If Nicaragua is as vital to the United States' interests as Mr. Reagan would have us believe, and has now convinced a majority in Congress to agree, then a long and darkening struggle lies ahead toward an end that at best is only an uneasy guess."

(Arkansas Gazette, 6/27)

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FOREIGN MEDIA REACTION

ARMS CONTROL

"With no reference to Glassboro, and no reference -- however fleeting -- to the conciliatory letter he had just written to President Reagan about cuts in medium-range nuclear weapons in Europe, Mr. Gorbachev...chided the United States for obstructing East-West disarmament efforts; he criticized the West Europeans for succumbing to U.S. pressure, and pleaded with NATO for his country's succession of arms control proposals to be taken seriously. It was a harsh argument and in the light of Glassboro, an unnecessary one.... But it should not be taken too seriously." (Financial Times, London)

"The United States should stop 'sabotaging' world peace and should treat seriously the latest Soviet proposals on reducing conventional weapons, Mr. Gorbachev declared in Warsaw yesterday." (Guardian, Britain)

"Gorbachev's gloomy remarks about the future of the Geneva negotiations are in curious contrast with the deliberately optimistic remarks made by the White House. Such an attitude encourages speculation on the sincerity of the two sides.... A possible explanation is that Reagan's apparent optimism and flexibility are purely tactical." (Figaro, France)

"There was not one word in Gorbachev's address on a possible summit meeting between Gorbachev and Reagan. But it became obvious that there continue to be possibilities for it provided that both sides want it. Gorbachev did not set any specific conditions. But he accused the American politicians of violating the spirit of Geneva." (Frankfurter Allgemeine, West Germany)

"Gorbachev's speech here had been expected with quite some attention but he did not really have anything new to say. In the passages dealing with foreign policy, he stressed that 'U.S. imperialism' must not be allowed to decide the fate of the world. In the final analysis, the only remarkable aspect of the speech was that it did not take more than 36 minutes." (TV Two, West Germany)

"Within the Republican Administration, the latest Soviet move is seen very differently by the 'hawks' and 'doves.' For the former, it is an attempt to put Reagan in difficulty with public opinion following his denunciation of the SALT II treaty. For the latter, it is the proof that the USSR is getting ready for an agreement on disarmament and is ready to discuss its violation. The Soviet strategy to obtain first some preliminary result on disarmament and later to carry out the Reagan-Gorbachev meeting seems to prevail over the American View, which is quite the opposite." (La Stampa, Italy)

"Let no one interpret us wrongly: we have no intention of driving wedges between the United States and its NATO allies. When conducting talks we proceed from the political and military realities existing on the continent." (TASS, Moscow)

FOREIGN MEDIA (continued)

NICARAGUA

"The curious thing is that this smoldering conflict in Nicaragua seems to suit almost everybody. What all parties seem to want is a controllable degree of tension, with the various forces nicely balanced, to keep anyone from going too far. But if anyone were to upset this equilibrium, all would be losers."
(La Suisse, Switzerland)

"By overturning The Hague's judgements, the U.S. hard line does not make the world any safer. On the other hand, The Hague Court should not test its clipped wings in explosive political disputes which are best kept in the UN and the Security Council where one does not always care to cloak them in the mantle of legitimacy."
(Helsingin Sanomat, Finland)

"It has become increasingly clear that none of the expectations Norway had for a democratic division of power and freedom of expression in Nicaragua has been fulfilled. On the contrary, Nicaragua with its emergency laws, censorship of the press, imprisonment of political opponents, and violations of human rights, is moving fast toward an unfree, one-party regime patterned on the Soviet Union. This development in Nicaragua, aided and abetted politically and economically by the East European nations, helps explain why Reagan has won Congressional approval for a resumption of the aid to the contras."
(Aftenposten, Norway)

"The International Court at The Hague has condemned the American support of the contras, calling it a serious involvement in Nicaraguan affairs. This paper cannot help but agree. The American aid to the contras encourages armed resistance against a democratically elected regime and prolongs a war situation."
(Verdens Gang, Norway)

"What interests us is to see how President Reagan gets the appropriation he wants from the Congress when he really insists. The appropriation obtained...is a very interesting example, especially in a period when the negotiations for the U.S.-Turkish Defense and Economic Cooperation Agreement are in progress."
(Hurriyet, Turkey)

"When the Congress of a great nation...approves intervention against one small Latin American country and grants money, weapons and intelligence to its enemies, it is equal to Soviet expansionist plans for Poland or Afghanistan."
(Unomasuno, Mexico)

"The contras want Ortega out of power in Nicaragua. So does Reagan...so do we. Reagan's victory was a victory for Canada too. This hemisphere must not allow another Cuba -- another regime dedicated to bloodshed in the name of tyranny. Reagan's telling the Cubans and Soviets to keep out. The United States will no more tolerate a communist Mexico than the USSR would tolerate a capitalist Poland. This is geopolitics -- the nitty gritty of a world power struggle."
(Toronto Sun, Canada)