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TUESDAY, JULY 15, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Officials Say U.S. Agrees To Discuss Arms Policy Shift -- The United States has agreed to a Soviet proposal that the two sides meet in Geneva July 22 to discuss President Reagan's decision to repudiate the strategic arms treaty of 1979, Administration officials said today.

(New York Times, Washington Post, AP)

Cranston Urges Hill Probe Of U.S.-Contra Relationship -- Congress should investigate the Reagan Administration's relationship with rebels fighting Nicaragua's leftist Sandinista government, Sen. Alan Cranston said yesterday.

(Washington Post)

NATIONAL NEWS

NASA Making Shuttle Fixes In Hopes Of Resuming Flights In Early 1988 -- NASA says it's well on the way to fixing the things the Challenger accident commission found wrong and that it has set a new target -- the first quarter of 1988 -- for flying the space shuttle again.

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

NETWORK NEWS (Monday Evening)

NICARAGUA -- President Reagan has decided that the CIA should have day-to-day supervision of the undeclared war against Nicaragua.

USING THE OLD NOGGIN

"The only way that the Republican Party can hold the White House in 1988 is to nominate a candidate who can win."

ARMS CONTROL -- President Reagan accepted a Soviet invitation to talk about his decision to scrap the SALT II treaty.

Alexander Haig -- opening his campaign for president, New York Times, June 24.

Reprinted in The New Republic.

NASA -- The space agency says it will be at least 1988 before there will be another launch of the space shuttle.



## INTERNATIONAL NEWS

### U.S. AGREES TO MEETING ON SALT II

President Reagan informed the Soviet Union yesterday that the Administration has agreed to Moscow's request for a meeting in Geneva to discuss his decision to stop observing the limits of the unratified SALT II treaty, White House officials said.

Deputy House White press secretary Edward Djerejian said yesterday that Reagan already has discussed his SALT II decision in public and private, and is willing to talk about it "obviously with the Soviets also." But Djerejian, in a briefing for reporters, refused to disclose the nature of Reagan's response to Moscow, saying the commission meetings are held in "strict confidentiality...even the fact that a meeting at times takes place is kept in confidence."

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

### Officials Say U.S. Agrees To Discuss Arms Policy Shift

The United States has agreed to a Soviet proposal that the two sides meet in Geneva July 22 to discuss President Reagan's decision to repudiate the strategic arms treaty of 1979, Administration officials said today.

But the Administration also intends to broaden the agenda by discussing what it says are Soviet arms treaty violations, the officials added.

A White House spokesman, Edward Djerejian, said today that the United States had responded to the Soviet request for a meeting but declined to characterize the nature of the response or to provide any details.

(Michael Gordon, New York Times, A1)

### U.S., Soviet Clearing Way For Arms Talks, But Summit Remains Questionable

Despite a snag over a summit, the United States and the Soviet Union are picking up the pace of discussions on nuclear issues.

The two sides have agreed in principle to hold separate talks on U.S. and Soviet weapons tests and also on the 1979 SALT II treaty to limit long-range bombers, missiles and submarines.

But either or both meetings could unravel over arrangements and agendas, while Soviet leader Mikhail Gorbachev's visit here for a summit meeting with President Reagan remains up in the air.

(Barry Schweid, AP)

### MODIFIED ARMS POSITION STUDIED

Administration hard-liners are studying a possible new U.S. arms control position that would limit the number of U.S. and Soviet mobile strategic missiles and set geographic restrictions on where such weapons could roam "to make deployment more verifiable," according to one informed Administration official.

Such a proposal would be in reply to the latest Soviet arms offer and would represent a modification of the current U.S. position, which calls for a ban on all strategic mobile missiles.

(Walter Pincus, Washington Post, A13)

#### GORBACHEV LINKS TEST BAN EXTENSION TO U.S. POLICY, SAYS TASS

MOSCOW -- Soviet leader Mikhail Gorbachev has linked a Kremlin decision on extending a moratorium on nuclear tests to U.S. arms control policies, the official news agency Tass said today.

Gorbachev was quoted as saying the Soviet leadership was not satisfied with the Western response to disarmament initiatives from Moscow since he became Communist Party leader in March last year, the agency said. (Tony Barber, Reuter)

#### SOVIETS TO MONITOR TESTS IN NEVADA

MOSCOW -- A team of Soviet scientists is planning to open a monitoring site for U.S. nuclear tests in Nevada later this year, American and Soviet scientists announced here today. The new site is a response to last week's startup of a privately organized U.S. nuclear monitoring station near Karakoraminsk, Kazakstan, and will give the Soviet Union the capability to review U.S. nuclear tests on American soil for the first time.

Yevgeny Velikhov, vice president of the Soviet Academy of Sciences, dismissed doubts about Moscow's commitment to the project, which were raised in a press conference here today. He confirmed that the Soviet mission will take place, adding, "Our main task is to monitor a complete end to nuclear tests." (Gary Lee, Washington Post, A13)

#### CRANSTON URGES HILL PROBE OF U.S.-CONTRA RELATIONSHIP

Congress should investigate the Reagan Administration's relationship with rebels fighting Nicaragua's leftist Sandinista government, Sen. Alan Cranston said yesterday.

"This could be a rerun of Vietnam," Cranston told a news conference. "First American money, then American advisers, then American control of the war, then American troops."

Mark Helmke, a spokesman for Sen. Richard Lugar said the request will likely be dealt with next week when the committee holds its first business meeting since returning from the July Fourth recess.

(AP story, Washington Post, A4)

#### MORE DRONE TESTS SOUGHT IN HONDURAS

The Defense Department is preparing to step up operational testing of a new intelligence-gathering, remotely piloted vehicle in Honduras, according to congressional testimony earlier this year.

In a related matter, the House subcommittee hearings also disclosed that the department is seeking \$15.3 million to build a Caribbean radar network during the next three years.

(Walter Pincus, Washington Post, A5)

### PAKISTANI LEADER TO MEET WITH REAGAN

ISLAMABAD -- The U.S. visit of Pakistani Prime Minister Mohammed Khan Junejo, who is to arrive in Washington Tuesday to meet with President Reagan and other officials, will offer the 54-year-old Junejo a chance to boost his political standing as the government's day-to-day leader.

Junejo, who is managing Pakistan's evolution from martial law to parliamentary rule, is expected to discuss, among other issues, the U.N.-sponsored talks on a peace settlement in Afghanistan, U.S. support for the Afghan guerrilla forces, and narcotics trafficking, which has been a major irritant in U.S.-Pakistani relations.

(Richard Weintraub, Washington Post, A13)

### SUPERPOWERS SPAR ON PAKISTAN BOMB

The United States and the Soviet Union have engaged in some unpublicized tough talk the past month over growing indications that Pakistan's nuclear program has moved far along the path toward production of an atomic bomb, according to Administration sources.

The discussion was generated by a direct and unusually tough warning to Pakistan about its nuclear activities, the sources said, including a charge that the Pakistanis are on the verge of constructing a nuclear bomb, which Moscow indicated it would not tolerate.

(Bob Woodward & Don Oberdorfer, Washington Post, A1)

### BLACK MAY BE CHOSEN AS ENVOY TO S. AFRICA

The Reagan Administration, seeking to make a dramatic move to symbolize U.S. determination to reach out more openly to South Africa's dissident black leaders, is considering a black for ambassador to Pretoria, Administration and congressional sources said yesterday.

The sources confirmed a Time magazine report that serious consideration is being given to nominating Robert Brown, a North Carolina public relations and management consultant, to succeed Herman Nickel, whose replacement was described by the sources as "imminent."

White House and State Department officials refused yesterday to comment publicly on the impending change of ambassador. They said only that Nickel, currently concluding a vacation in Europe, will come here to participate fully in the policy review.

(John Goshko & David Hoffman, Washington Post, A15)

### HELMS BARB AT ENVOY IS REBUFFED

The Administration, rejecting Sen. Jesse Helms' criticism of U.S. Ambassador Harry Barnes for attending the funeral of a young Chilean fatally burned during protests against that country's government, said yesterday that Barnes has President Reagan's "full confidence" and went to the funeral with State Department approval.

Helms, who visited Chile last week, told a state-run television network there that Barnes had "planted the American flag in the midst of a communist activity." Helms added, "If President Reagan were here, I believe he would send this ambassador home." (Washington Post, A16)

### Helms, Abrams Swap Charges Over U.S. Policy Toward Chile

The Administration sharply rebuked Sen. Jesse Helms yesterday for criticizing U.S. policy in Chile, suggesting that his blast at the U.S. ambassador there may help communists.

"Our policy is to help the advancement to a transition to democracy. Those who oppose that run a great danger of playing into the hand of the communists," Elliot Abrams, assistant secretary of state for inter-American affairs, said in an interview.

Sen. Helms responded that the State Department's attitude toward President Augusto Pinochet's military government was "indefensible."

(James Morrison, Washington Times, A1)

### U.S. CARRIER LEAVES GULF OF SIDRA AREA

The aircraft carrier USS America steamed away from the coast of Libya on Sunday and suspended flights over the Gulf of Sidra just as Libya was to begin military exercises in the disputed waterway, government officials said yesterday.

Pentagon officials said the sudden withdrawal was not to avoid a confrontation with Libya, which began what the Libyan news agency Jana called large-scale "missile-firing" exercises in the gulf.

(George Wilson, Washington Post, A15)

### AQUINO CALLS FOR CAUTION

MANILA -- The government is moving cautiously in trying to free 10 Filipino nuns and a U.S. missionary abducted on a southern Philippine island, President Corazon Aquino said today.

Authorities said today no ransom note or other message had been received, but the separate abductions were believed to be the work of two Moslem insurgent groups.

(AP story, Washington Post, A15)

## **NATIONAL NEWS**

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### **NASA SEES NEW DELAY FOR SHUTTLE**

NASA officials yesterday announced that the next shuttle launch will be delayed another six months, at least until early 1988, because of unexpected difficulties with the redesign of the flawed solid rocket booster that caused the Challenger disaster.

The announcement, which could worsen the backlog of commercial, scientific and military payloads and mean more layoffs in the space program, came in a report to President Reagan yesterday outlining how the agency plans to implement the Rogers Commission's recommendations for overhauling NASA and fixing booster problems.

Along with the report, according to a White House source, NASA Administrator James Fletcher handed the President a personal appeal for his support in building a fourth orbiter to replace Challenger, which disintegrated Jan. 28, killing its crew of seven. The White House has been unable to resolve the divisive question of how to pay for the proposed \$2.8 billion spacecraft. (Kathy Sawyer, Washington Post, A1)

### **NASA Grounds Shuttle Flights Until Early '88**

Space shuttle flights will not resume until the first three months of 1988 at the earliest, NASA Administrator James Fletcher told President Reagan yesterday in a detailed report on how the agency plans to put Americans back into space.

At the White House, spokesman Edward Djerejian said the President now will study the NASA report.

Mr. Djerejian would not say when Mr. Reagan will decide whether the United States should build the replacement, although Administration officials have said the \$2.5 billion decision is at least two weeks away.

(Warren Strobel, Washington Times, A1)

### **Agency Delays Shuttle Flights Until Early '88**

The space agency said today that the earliest date the space shuttle could resume flying would be in early 1988, a substantial delay from the previous goal of July 1987.

In a report requested by President Reagan, the agency also indicated it hoped to redesign the booster rockets so that existing hardware can be used. Problems with the booster rockets caused the Jan. 28 Challenger accident in which the crew of seven died.

(Philip Boffey, New York Times, A1)

### **NASA Making Shuttle Fixes In Hopes Of Resuming Flights In Early 1988**

NASA says it's well on the way to fixing the things the Challenger accident commission found wrong and that it has set a new target -- the first quarter of 1988 -- for flying the space shuttle again.

"Instead of saying we will fix things that the Rogers Commission felt were wrong, we are in the position of saying we are fixing things the Rogers Commission found wrong," NASA Administrator James Fletcher told reporters Monday. (Harry Rosenthal, AP)



### Shuttle Flight Set Back Six More Months

NASA has added another six-month delay to the first shuttle flight since the Challenger accident and officials offer no guarantee that redesigned booster rockets will be ready for the new early 1988 target.

Administrator James Fletcher said he discussed the need for a fourth orbiter at some length with President Reagan but the question of finding more than \$2 billion in funds remains a stumbling block.

(Al Rossiter, UPI)

### Reagan Told Next Shuttle Launch To Be Delayed Until 1988

NASA Administrator James Fletcher says the space shuttle will be grounded until early 1988 while engineers redesign its solid rocket motors.

After a private talk with President Reagan at the White House, Fletcher said at a press conference that while progress had been made on financing a replacement for the \$2.8 billion shuttle, the future was uncertain.

(Reuter)

### DEFICIT PREDICTED TO HIT CEILING

Office of Management and Budget Director James Miller yesterday abandoned optimistic predictions about next year's deficit and said it now appears most likely to exceed earlier projections by at least \$10 billion.

But Miller said he thinks the cutbacks will be averted because Congress will either cut spending to come within the ceiling or refuse to order the required cutbacks. If the deficit for next year appears most likely by late summer to exceed the law's \$144 billion target by \$10 billion or more, Gramm-Rudman-Hollings requires cutbacks to reach the target.

(Helen Dewar, Washington Post, A4)

### White House Says Deficit Is Rising Beyond Estimates

Deficit projections for 1987 are rising beyond the ceiling set in the budget-balancing law, President Reagan's budget director said today. He urged Congress to repair the law by giving him the power to make automatic spending cuts.

House Speaker Thomas O'Neill who has opposed the law, said today that if it had to be changed he would prefer giving the Office of Management and Budget the authority to make the automatic cuts.

(Jonathan Fuerbringer, New York Times, A1)

### TOP RATE NOT ONLY CONSIDERATION IN TAX OVERHAUL, GEPHARDT SAYS

President Reagan, in his campaign for tax revision, is focusing on the wrong issue in his calls to cut the top individual tax rate to 27 percent, a House Democratic leader says.

Such attention to the top rate indicates Reagan "has not grown out of the old conservative Republican idea that a flat tax is the best approach to tax reform," Rep. Richard Gephardt said Monday.

The most important issue facing the tax conference, he said, is not the top rate but the best way to cut taxes for the middle class. In that regard, Gephardt added, the House bill is better because it would reduce the burden on middle-income earners by about 10 percent, compared with about 5 percent under the Senate plan. (AP)

### BOND PRICES RALLY AMID EXPECTATIONS OF CONTINUED SLUGGISHNESS IN ECONOMY

NEW YORK -- Bond prices rallied yesterday amid expectations that economic growth will remain lethargic in coming months, leading to lower interest rates.

Prices of some U.S. Treasury bonds spurted more than half a point, or more than \$5 for each \$1,000 face amount of securities. The bond market's performance contrasted sharply with that of the stock market, where worries about the economy sent prices tumbling. The Dow Jones Industrial Average dropped almost 28 points to close at 1793.45.

(Edward Foldessy, Wall Street Journal, A49)

### DEMOCRATS WEIGH MANION TACTIC

The Senate Democratic whip said yesterday he may seek to hold up all judicial nominees, including those to the Supreme Court, if Sen. Robert Dole refuses to allow a second vote on appeals court nominee Daniel Manion of Indiana.

"We are going to give very serious thought to blocking any action on any judgeship until we are allowed to vote on Manion," Sen. Alan Cranston told reporters. He said he hoped the Senate's 47 Democrats would "unite" behind such a strategy.

Dole, a potential 1988 Republican presidential candidate, yesterday defended his handling of the vote. He also said in an interview that the Democrats' delaying strategy "might backfire" in terms of public opinion. "People would wonder why they're holding up Supreme Court nominations," he said. (Howard Kurtz & Helen Dewar, Washington Post, A3)

### KEEL TO BE NAMED ACTING NSC DEPUTY

President Reagan has decided to appoint Alton Keel, who served as executive director of the Rogers Commission, as acting deputy director of the National Security Council while the current deputy, Donald Fortier, is ill, White House officials said yesterday.

An announcement of the appointment is expected today, officials said.

(David Hoffman, Washington Post, A3)

### HONORING THE ARTS' ELITE

"We celebrate 12 rich contributions to the American arts," President Reagan told guests at a White House luncheon yesterday to honor National Medal of Arts winners, "and in a wider sense, we celebrate American culture."

During the presentation at the East Room luncheon, Nancy Reagan spoke about the accomplishments of each honoree and President Reagan then handed each a sterling silver medal encased in a wooden box.

(Carla Hall, Washington Post, C1)

### A SECOND REAGAN-MORRIS LITERARY OFFERING?

Is the Morris family going to keep the Reagan family all in the family? With Edmund Morris already signed on to do President Reagan's official biography for Random House, speculation is inevitable that Nancy Reagan might try to sign up Sylvia Jukes Morris to cowrite the First Lady's life story, also to be published by Random House.

Sources close to Sylvia Morris say it's unlikely that she would ever agree to collaborate with Nancy Reagan, even if the First Lady's agent has called her "a no-holds-barred lady" who has "almost total recall." One reason is that Morris currently is at work on Clare Boothe Luce's biography. Another, as one of Washington's literati put it last week, is that Morris is "a serious writer."

(Donnie Radcliffe, Washington Post, C2)

EDITOR'S NOTE: "Broyhill Campaigning As A Senator," by Sidney Blumenthal, appears in The Washington Post, A4.

## NETWORK NEWS SUMMARY

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(Monday Evening, July 14, 1986)

### NICARAGUA

CBS's Dan Rather: From various sources over the weekend came word that President Reagan reportedly has decided that the CIA, not the U.S. military nor the U.S. State Department should have day-to-day supervision of the renewed and widened undeclared war against Nicaragua.

CBS's Phil Jones: Critics of U.S. military aid to the Contra rebels trying to overthrow the Nicaraguan government today seized on the Reagan Administration's plan to give the CIA day-to-day control of the Contras. Direction of the covert war is to come from the National Security Council, Defense, State, and CIA. As one Administration official told CBS News today, the Contras can't do anything independently.

(Sen. Cranston: "This could be a rerun of Vietnam. First American money, then American advisors, then American control of the war, then American troops.")

The House of Representatives was aware that the CIA could end up with heavy control when it recently approved the \$100 million for the Contras. Now House opponents are hoping the Senate will do something to restrict CIA involvement.

(Rep. Barnes: "The CIA's track record in administering this particular program has been abysmal.")

It was the CIA connection in the mining of Nicaraguan harbors in 1984, and the printing of training manuals including instructions on assassination, that originally led to the suspension of aid. Yet there are those who think the CIA remains the logical choice to run the surrogate war.

(William Colby: "Covert operations are CIA's chore. The Defense Department is not well-fitted to run them, the State Department's fine for policy but don't ask it to operate.")

The Senate will vote on this aid package in a few weeks and unless there is another embarrassing incident for the CIA the Senate will probably give its okay -- meaning the Contras could start getting military supplies in September.

Rather: As Phil Jones mentioned, supposedly there has been an official ban on U.S. military aid to the Contras for the past two years. That's what Congress believed and what the American public was told. But secretly the Contras have been getting some of the military hardware they wanted to keep up the fight against the Nicaraguan government. Where does it come from?

CBS's David Martin: A jungle airstrip in Abukati, Honduras -- headquarters for Contra airplanes which deliver supplies to rebels fighting inside Nicaragua. Pictures obtained by CBS News show something new at Abukati: short take off and landing planes which can take off in as little as 125 feet. They are made at a small family owned factory in Moultrie, Georgia, and were sent to Honduras after Congress had voted to cut off U.S. military aid to the Contras.

Martin continues: Executives at Moule air say the same kind of plane was bought by Richard Secord a retired Air Force General who still does work for the Pentagon as a consultant.... An attorney for Secord says his client never bought any planes for the Contras and there is no direct evidence proving he did. But the executives at Moule air say the planes Secord bought were flown to Honduras.... Two days after an interview, Moule Air received a phone call from someone -- they won't say who -- warning them they could be forced out of business if they did not retract everything they had told CBS News.... CBS News has been told one of the checks used to pay for the planes was drawn on the account of a corporation with offices in Geneva, Switzerland. Sources close to the Contras claim the money for the planes originally came from Saudi Arabia. Two sources, both of them former high-ranking officials in the Reagan Administration say they don't know where the money for this particular deal came from, but they confirmed that Saudi Arabia sometimes finances secret operations which the U.S. Congress has refused to approve. In 1981, General Secord was the Pentagon's point man for the controversial sale of AWACS planes to Saudi Arabia. He worked closely with Marine Lt. Col. Oliver North, a staff member of the National Security Council. A well informed source said North has used Secord on several secret projects since Secord retired in 1983. North has been publicly identified as the link between the White House and the Contras. North has no comment. Secord's lawyer says it didn't happen. But somehow the Contras got short take off and landing planes and someone is mad that executives at Moule Air talked about it. (CBS-3)

## ARMS CONTROL

Rather: The U.S. Senate never ratified the SALT II arms control agreement with the Soviet Union. President Reagan has declared SALT II dead. Despite that, new superpower maneuvering on SALT II is surfacing.

CBS's Bill Plante: President Reagan today accepted a Soviet invitation to talk about his decision to scrap the SALT II treaty despite the fact his Defense Department vigorously opposed such a meeting.

(TV coverage: The President and First Lady at speech today.)

Sources tell CBS News the U.S. will insist on raising its own charges that the Soviets have violated the unratified SALT II agreement in an effort to determine whether Moscow really wants to talk or just use the occasion for propaganda.

(Dimitri Simes: "The Administration wanted to project its interest in arms control to make a political impact with the U.S. Congress and especially with European public opinion.")

The U.S. is now said to exceed the SALT weapons limits late this year as additional cruise missiles are deployed on B-52 bombers. But Mr. Reagan leaves the door open just a crack suggesting the U.S. may change its mind if the Russians change their policy.

(TV coverage: The President shaking hands in a small group.)

(Sen. Nunn: "I think we ought to be there and we ought to be talking in that forum and see what we can work out. If we can't work it out we have at least tried.")

Plante continues: Officials stress that a U.S.-Soviet summit later this year still depends on how Mr. Reagan replies to Soviet leader Gorbachev's arms control proposals.

(TV coverage: The President shaking hands with Gorbachev across the table.)

Soviet Ambassador Yuri Dubinin has postponed a trip to Moscow until late this week. Perhaps waiting to carry back the President's answer. This decision to meet with the Soviets in Geneva is an opportunity for the U.S. to appear constructive at a time when the Soviets have tried to seize the public relations initiative while the debate over a consensus on arms control inside the Reagan Administration continues. (CBS-9)

ABC's Richard Threlkeld: Two developments today in East-West relations. The Soviet Foreign Minister Edward Shevardnadze met in London with Margaret Thatcher. She accepted his invitation to visit Moscow. No date has been set. And the White House now has conditionally agreed to a meeting with the Soviets to discuss the President's decision to abandon the SALT II nuclear arms treaty, but only if the Soviets agree to discuss U.S. charges they repeatedly violated that pact. How can the U.S. be sure the Soviets comply with arms control agreements? For the first time American scientists are being allowed inside the Soviet Union to monitor Soviet nuclear testing. (ABC-6)

#### NASA

Threlkeld: More bad news tonight about America's troubled space program. The space agency now says it'll be at least 1988 before there will be another launch of the space shuttle while engineers literally go back to the drawing boards to redesign the booster rockets...

ABC's Roger Peterson: There was a hope and a prediction the space shuttle would fly again about a year from now. But as NASA Administrator James Fletcher reported first to the President then to the public, that prediction was wrong.

(Dr. Fletcher: "The date was slipped. We don't know exactly but sometime early in the first quarter of 1988.")

The reason for the delay: a need to redesign and retool the solid rocket booster....

(Adm. Richard Truly: "It's no fun to have to admit that you were wrong on your assessments of how difficult it would be to make a specific launch date. We fly just as quickly as we can and we will be safe, have a safe design the day we get there.")

On the question of whether a new shuttle orbiter would be built. Dr. Fletcher said the problem comes down to one basic issue.

(Dr. Fletcher: "Financing is the principal issue on the fourth orbiter, but there's no guarantee that when it's all done that there will be a fourth orbiter.")

Despite the many problems still to be overcome and the scheduled change announced today, NASA continues to accent the positive, Dr. Fletcher saying, "We are fixing things. We're off to a good running start towards recovery."

Threlkeld: Yet even when the space agency recovers it will face a difficult set of changed circumstances. Questions about the future of America's role in space and the mission of the space agency itself.

ABC's James Walker: NASA may be about to lose an important part of its business: launching commercial satellites. That's just one of several crucial issues about the direction of the nation's space program now being examined by President Reagan... (ABC-Lead)

NBC's Tom Brokaw: NASA said today it does not expect the space shuttle to fly again until 1988 at the earliest. That's a much longer delay than was originally projected after the explosion of the Challenger. It means serious problems not only for NASA but for the Pentagon as well.

NBC's Robert Hager: ...It'll further delay Defense Department plans to launch crucial early warning satellites and star wars experiments.... And the date could slip again. NASA will have to test the new joint many times. The slightest hitch could cause more months of delay or send engineers back to the drawing board.

(NBC-6)

## SOUTH AFRICA

Rather: President Reagan seems about to nominate a black as the new U.S. Ambassador to South Africa. Word of this came as South Africa's white minority government faced new labor unrest and widened a crackdown on black school children.

CBS's Bill McLaughlin: President Reagan is poised to name a black American as Ambassador to South Africa. The official nomination of North Carolina businessman Robert Brown must await security and other administrative checks sources tell CBS News.

(Sen. Jesse Helms: "For sure it would be a statement that the President wants to send a capable, competent man who understands the issue.")

Although Brown is conservative politically -- he once worked for the Nixon White House -- he is close to the Civil Rights movement and his circle of friends includes leading black Democrats like Jesse Jackson and Andrew Young. Consideration of Brown is linked to the Reagan Administration's search for a new South Africa policy.... Calls for toughening U.S. policy are coming from some unexpected corners.

(Sen. Dole: "But I do believe that in addition to becoming a very serious international problem this has now become a domestic civil rights issue.")

Brown would replace political appointee Herman Nichol who is closely identified with the Administration's current policies.

(Dr. William Greene: "And that is a bold move, but I think if it's done it would be quite an effective move.")

Randall Robinson, Anti Apartheid group: "I think this is a cosmetic adjustment largely put in place for domestic consumption.")

Administration sources say they are aware that a black Ambassador would be a signal to the white regime that things must change. They also say it would be an important signal to black South Africans about which side the U.S. wants to take.

CBS's Allen Pizzey: Nearly 2 million school children were supposed to go back to class today but tens of thousands stayed at home. Those who did go to school found fences with new locks on the gates and rigid new control measures, including making students wear identity tags.

(CBS-2)



Threlkeld: The Reagan Administration is said to be considering a change in Ambassadors to that country -- a change that might well cause controversy there as well as here.

ABC's Jeanne Meserve: Robert Brown is a North Carolina businessman. Black and staunchly Republican, he is, sources say, presently the Administration's number one choice to be the next ambassador to South Africa. Brown, once the highest ranking black appointee in the Nixon White House is friendly with politicians as diverse as Jesse Helms and Jesse Jackson, and those men rarely on the same side of any issue both applauded the news that he might be nominated.

(Rev. Jackson: "Rob Brown in my judgement is a step in the right direction.")

Randall Robinson: "The Administration, if this is borne out, simply wants to put a black face on an anti-black South Africa policy."

According to Senator Lawton Chiles' office, Brown drew fire when it was revealed that in 1972 when he was a well paid White House employee, a firm he headed received an \$860,000 Small Business Administration contract intended for disadvantaged minority firms. Observers of South African affairs theorize that by nominating a black the Administration would hope to diffuse criticism of its South African policy and reduce pressure on moderate members of Congress to vote for economic sanctions. And Administration sources say Brown's name was leaked intentionally to see if the nomination would indeed have the desired effect. (ABC-4)

Brokaw: A 51 year old black businessman from North Carolina is the choice of the Reagan Administration to represent the U.S. as Ambassador to South Africa. He is Robert Brown, a friend of Jesse Jackson and Atlanta Mayor Andrew Young, once a special assistant to President Nixon. This surprise choice is designed in part to head off congressional criticism of Administration policies in South Africa.

NBC's Wallace: Administration officials say the White House has chosen Brown to be the new Ambassador to South Africa, but caution that he must still pass background check and the normal diplomatic review by the country he's being sent to.

(TV coverage: The President and First Lady at speech.)

Still, U.S. officials are calling Brown's appointment a daring move, a way to increase pressure on South Africa to reform, and also to head off congressional demands for economic sanctions. Brown handled racial matters for the Nixon Administration and now runs a public relations business in North Carolina. His appointment was backed by liberals and conservatives.

(Sen. Helms: "Sure it will be a statement that the President wants to send a capable, competent man who understands the issue. Now the implications of it and the nuances I'll leave to you to judge.")

Rev. Jackson: "Rob Brown is a strong man of integrity. He's an operator, he makes things happen, and he has support across traditional political lines.")

The White House is working against a deadline. Secretary of State Shultz testifies at a Senate hearing on South Africa next week and the Administration wants to announce steps by then to satisfy Congress.



Wallace continues: Aids say the President has decided to stick by his policy of constructive engagement, but feels a black ambassador can foster talks between South African whites and blacks. A critic of the Reagan policy is not satisfied.

(Randall Robinson: "If Mr. Brown carries the message of the Reagan Administration intact then I think it will be more hurtful than helpful.")

And late today an allegation from an aide to Senator Lawton Chiles that while making \$40,000 a year working for the Nixon Administration, Brown applied for, and later received, an \$860,000 government contract designed for disadvantaged minority businessmen. No action was taken against Brown. Even if they go ahead with the nomination officials here acknowledge there's no great substance to appointing a black ambassador. But they say it's as far as the President is now willing to go and signaling his growing impatience with the South African government. (NBC-Lead)

## DROUTH

Rather: Hot temperatures set more records in the southeast U.S. today -- the ninth day of a sizzling heat wave. The strong sun and a prolonged drouth are threatening thousands of acres of corn and other crops. Water is running short of some areas of South Carolina. Officials there have asked for voluntary cutbacks in home use.

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

## TERRORISM/SPAIN/PORTUGAL

Brokaw: There were terrorist bombings in Spain and Portugal today that killed a total of 11 people. In Madrid a bomb triggered by remote control exploded as a bus filled with policemen passed destroying the bus and several cars around it. Nine as the policemen were killed. forty four other people were wounded. Spanish police blame separatist guerrillas. There were five terrorist bombings in Portugal today, the most serious in Lisbon where two people were killed...in an apartment building explosion. (ABC-5, NBC-2)

## SPIES/MILLER

Brokaw: In Los Angeles today, Richard Miller, the only FBI agent to be accused of espionage, got the maximum sentence for spying for the Soviet Union. Two life terms plus another fifty years in jail and a \$60,000 fine. The judge said that any man who betrays his country, "should not walk again in that country as a free man." Miller, who never spoke during his long trial, broke his silence today saying that he was innocent and that he would appeal. (ABC-7, CBS-4, NBC-5)

## SCOPES II

Rather: Sixty one years ago there was the famous Scopes trial. The state of Tennessee brought charges against a High School teacher for teaching evolution. Today the state was on the other side as a Tennessee school board went on trial. Some parents want to ban text books that teach evolution and what they call anti-christian values.

(ABC-10, CBS-5, NBC-12)

## OIL PRICES

Rather: Can you believe retail gasoline prices between 50 and 60¢ a gallon by Christmas? That's what some experts are talking about tonight. A few weeks ago the experts were saying oil prices had hit bottom and would go back up in the peak summer driving months. It hasn't happened. Today oil prices were on a new plunge hitting new record lows.

CBS's Ray Brady: Around the world they pounded down the price. In London, North Sea oil dropped to \$9 a barrel, its lowest price ever. And in New York they pounded down the future wholesale price of gasoline made from oil to 31.81¢ a gallon -- its lowest price in a decade -- a change drivers should feel soon.... Drivers may see even better prices after Labor Day.

(Peter Beutel: "It's possible that you could see gasoline prices between 50-60¢ a gallon sometime by Christmas if the fall continues.

(CBS-Lead)

## ISRAEL SHIN BET

Brokaw: In Israel the Cabinet rejected the idea of a judicial investigation of the Shin Bet scandal.... The government decided instead to allow a police investigation which is believed to be less likely to incriminate Shamir who was Prime Minister at the time. (NBC-4)

## LOEWY

Rather: Known as the father of industrial design, he was responsible for the look of all kinds of objects: the Lucky Strike package, the Shell Oil design, the Coke machine, the Post Office logo, the Greyhound bus, even the interior of Air Force One and the Skylab Space Station. He died today. He was 92. (CBS-11)

-End of B-Section-

## EDITORIALS/COLUMNISTS

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### GRAMM-RUDMAN

Supreme Court spoils a good illusion -- "The United States Supreme Court has an annoying habit of obtruding on the territory of elected politicians and wrecking the clever gimmicks carefully designed to misdirect the curiosity of nosy citizens.... The irony of the case is that the whole deal was an exercise in futility from the beginning. Mr. Reagan cooked the books last winter and submitted a budget that bore little resemblance to reality.... At some point, no one can say when it will happen, the elected officials of government will have to accept responsibility for the monstrosity. The Supreme Court would not be able to save them, even if a reconstituted tribunal were so inclined." (Arkansas Gazette, 7/10)

Saving Gramm-Rudman -- "Congressional efforts to balance the federal budget are reminiscent of 'The Wizard of Oz' when the Wizard hands out the symbols of brains, love and courage to the Scarecrow, Tin Man and Cowardly Lion. Without such gimmicks these creatures believe they do not have the power to do what most real people do intuitively. So it is with Gramm-Rudman, that unlikely Rube Goldberg machine that Congress has erected to provide it with the spiritual fortitude to balance its financial mess, something most people are able to do with their own finances without thinking too much." (Bangor Daily News, 7/9)

Deficit Law Ruling -- "There are apparently going to be several approaches used now to try to salvage the Gramm-Rudman idea. The law's original sponsors say they would favor changing the nature of the comptroller general's office to make it an independent agency like the Federal Reserve. That, they say, would overcome the court's objections. There is a much better approach. Our congressmen and senators could simply vote to stop spending so much -- all by themselves and without any gimmicks.... The most important thing is to get these horrendous deficits down. Whether our representatives want to do that through properly exercising the responsibility given them by voters or through some legislative magic act, it must be done." (Birmingham News, 7/9)

Congress at Showdown -- "President Reagan was wise (wiser than we once thought) in insisting that tax reform be 'revenue neutral,' for without that proviso Congress would not be within reach of a final bill by Labor Day. But in insulating his top second-term domestic goal from outside pressures, he immensely complicated efforts to reduce towering budget deficits. He resisted appeals to raise taxes, even outside the tax reform process, when the recovery was young and robust and the economy could take it. Now that a downturn threatens, the opportunity to strengthen the revenue base may have faded." (Baltimore Sun, 7/14)

### NICARAGUA/WORLD COURT

World Court Hypocrisy -- "The World Court's denunciation of the United States for aiding the Contras comes as no surprise. The composition of the court with its Iron Curtain members and Third World sycophants guaranteed a decision against the United States." (Birmingham News, 7/1)

EDITORIALS/COLUMNISTS (continued)

World Court Oversteps -- "The World Court overstepped proper bounds in its recent ruling that the United States violated international law by aiding the Contra rebels fighting the Sandinista regime in Nicaragua.... We also believe that the Administration made a mistake last year in withdrawing from the proceedings in the World Court. It should have continued to participate in the case, stressing the defensive character of U.S. actions and bringing counter-charges against Nicaragua for its attempts to export Marxist revolution to its neighbors. That might or might not have altered the court's position in the case. But it would have contributed to the processes of international law and strengthened the American position in rejecting the present unfair verdict." (Buffalo News, 7/7)

PORNOGRAPHY COMMISSION

The Drumbeat of Censorship -- "The report's scientific poverty is exactly why it deserves to be ignored -- or, as one critic suggested, buried under the Statue of Liberty.... In creating the commission and seemingly endorsing its report, Attorney General Meese, despite his protestations to the contrary, has built a censorship bandwagon and started rolling it down the street and beating its drum to encourage a parade. Americans who value the liberties they celebrated only nine days ago will sit this one out." (Hartford Courant, 7/13)

Balancing liberty and libertinism -- "The Meese Commission on Pornography fell prey to the temptation of piety. Rather than shedding some new light on the very old problem of how a society can balance liberty and libertinism, its report is a muddle moralizing and half-baked behavioral science.... All in all, the commission did not add much to the understanding of how pornography affects society or how the law ought to respond. It may well have been right to complain that law enforcement has paid too little attention to obscenity. But that message was all but discredited by the inadequacy of the rest of the report." (Chicago Tribune, 7/13)

Beware the anti-porn vigilantes -- "There'd be little danger from such a one-sided effort were the commission's report to be consigned to a shelf somewhere, like so many other government documents.... The commission report is likely to be picked up by anti-pornography vigilantes and used to justify their crusades. Indeed, it encourages 'watch groups' to picket, protest and act in other ways to disrupt the sale of material they find objectionable. That's an incredibly shortsighted recommendation from what supposedly is a law-and-order Administration, and only reinforces the reckless nature of the commission's work. Librarians, publishers, bookshop owners and movie theater operators -- prepare for battle." (Cleveland Plain Dealer, 7/11)

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