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WEDNESDAY, JULY 16, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

NATIONAL NEWS

Conference Delegation Gives Packwood Strong Support -- The Senate delegation to the tax reform conference gives Sen. Bob Packwood a strong supporting cast, including most of the "core group" that saved the issue this spring by crafting the Senate's radical bill.

(Washington Post, UPI)

Senate Panel Approves Record Federal Debt Ceiling -- The Senate Finance Committee approved a bill to hike the federal debt ceiling to a record \$2.3 trillion, and the Gramm-Rudman law's authors say they will use the new figure to change the balanced budget act.

(Washington Post, UPI)

INTERNATIONAL NEWS

U.S. Sends Troops To Aid Bolivians In Cocaine Raids -- The Reagan Administration has sent United States Army personnel and aircraft to help the Bolivian military in a series of raids against major drug traffickers in north-central Bolivia, Administration officials said today.

(New York Times, Washington Post, UPI)

NETWORK NEWS (Tuesday Evening)

DRUGS/BOLIVIA -- The Pentagon is airlifting about half a dozen armed Black Hawk helicopters to Bolivia in preparation for raids on cocaine processing labs.

U.S.-SOVIET -- Mikhail Gorbachev applied more public pressure on the U.S. to reach an arms control agreement.

SOCIAL SECURITY -- President Reagan agreed to support a change in the Social Security law to permit increased benefits.

SENATE TAX CONFEREES CHOSEN

Sen. Bob Packwood yesterday named 11 Senate conferees to meet with their House counterparts starting Thursday to work out the final version of tax-overhaul legislation.

Packwood, who selected the panel's six Republicans, and ranking committee Democrat Russell Long, who chose the five Democrats, broke the tradition of appointing conferees on the basis of seniority and selected two relatively junior senators on the Finance panel who worked for Packwood's tax-revision plan from the beginning.

Meanwhile, Packwood said yesterday that the conference might agree to raise business taxes by \$15 billion to \$25 billion above the \$100 billion, five-year increase in the Senate measure. The House bill would raise corporate taxes by \$140 billion and give individuals a tax cut of equal size.

(Anne Swardson, Washington Post, A4)

Conference Delegation Gives Packwood Strong Support

The Senate delegation to the tax reform conference gives Sen. Bob Packwood a strong supporting cast, including most of the "core group" that saved the issue this spring by crafting the Senate's radical bill.

The GOP-led Senate named its 11-member delegation to the conference Tuesday -- six Republicans and five Democrats who banded together in late April and early May to piece together the bill that revived an issue once considered dead.

(Joseph Mianowany, UPI)

RATCHETING UP THE DEBT LIMIT

With the government expected to exhaust its credit within a month, the Senate Finance Committee yesterday approved legislation requested by the Reagan Administration to raise the national debt ceiling by \$244 billion to \$2.323 trillion.

Committee approval of the increase, expected to be sufficient to last through September 1987, came as debate continued over an anticipated amendment to overcome Supreme Court objections to the Gramm-Rudman-Hollings deficit-reduction law that was passed as part of last year's debt-ceiling bill.

(Helen Dewar, Washington Post, A13)

Senate Panel Approves Record Federal Debt Ceiling

The Senate Finance Committee approved a bill to hike the federal debt ceiling to a record \$2.3 trillion, and the Gramm-Rudman law's authors say they will use the new figure to change the balanced budget act.

House and Senate members met privately Tuesday, trying to determine the best way to repair the Gramm-Rudman law since the Supreme Court ruled its key feature unconstitutional.

One proposal gaining favor would involve rewriting the invalidated automatic budget procedure to avoid giving Congress the onus of having to make unpopular budget cuts.

(Elaine Povich, UPI)

PRESIDENT BOOSTS PROSPECTS FOR COLA SOCIAL SECURITY PLAN, SUPPORTERS SAY

Senate proponents of a bill to give the nation's 37 million Social Security recipients cost-of-living increases say President Reagan's support lends momentum to the measure.

Formally endorsing a concept he informally endorsed several months ago, Reagan lent support Tuesday to legislation to abolish the longstanding requirement that annual inflation of 3 percent is needed to trigger cost-of-living hikes.

"We're very happy about it," said Richard Bryers, spokesman for Sen. John Heinz, who introduced the legislation that is also supported by eight Republican senators seeking re-election this year.

(James Rowley, AP)

REAGAN APPOINTS GOVERNMENT PANEL TO AVERT POSSIBLE NATIONAL RAIL STRIKE

Heading off a possible nationwide railroad strike next week, President Reagan is directing an emergency panel to investigate the inability of the industry and six unions to agree to a new labor contract.

The White House said Reagan appointed the panel "on the recommendation of the National Mediation Board, which has notified the President that the situation appears critical."

(Matt Yancey, AP)

LITTON TO PAY \$15 MILLION IN DEFENSE FRAUD

Litton Industries Inc. has agreed to pay \$15 million in criminal and civil penalties after one of its divisions was indicted yesterday for defrauding the Defense Department on contracts for military instruments and other hardware, federal prosecutors announced yesterday.

The penalties are the "largest single settlement" of defense contract procurement fraud charges ever, said U.S. Attorney Edward Dennis of Philadelphia, who announced the indictment of the Litton division and two individuals yesterday.

(Peter Behr, Washington Post, A1)

DEMOCRATS DROP THREAT TO HIGH COURT NOMINEES

Senate Democratic leaders backed off yesterday from a threat to hold up Supreme Court nominations to force another vote on judicial nominee Daniel Manion, but said they still might delay confirmation of lower-court judges.

Sources said Sens. Robert Byrd and Joseph Biden made clear at a Democratic caucus that it did not make political sense for them to hold up nominations of William Rehnquist as chief justice and Antonin Scalia to fill Rehnquist's Supreme Court seat.

(Howard Kurtz, Washington Post, A4)

AIR FORCE FUNDS FOR SHUTTLE USE MAY BE SLASHED

The Senate and House Armed Services committees are moving toward a \$566 million cut in Air Force funds earmarked to pay NASA for military use of the space shuttle, wiping out one-fourth of the program's operating budget and adding to the agency's crisis.

If upheld by both houses, one NASA budget official said, the impact of the cut would be "incredible... It's a little bit like not having enough money to pay your grocery bill." (Kathy Sawyer, Washington Post, A1)

SHUTTLE PILOT'S FAMILY FILES \$15 MILLION CLAIM

The family of Michael Smith, pilot of the space shuttle Challenger, has filed a \$15.1 million negligence claim against NASA and Lawrence Mulloy, head of the agency's solid rocket booster program.

John O'Brien, the agency's general counsel, who would not comment on the merits of the claim, said NASA has not decided how to respond to it. He said that under the Federal Tort Claims Act, deceased members of the military and their families are precluded from filing such claims. Smith was a Navy commander. (Susan Benesch, Washington Post, A6)

LEATH AIMS TO TOPPLE ASPIN FROM ARMED SERVICES POST

Rep. Marvin Leath, 14th-ranking Democrat on the House Armed Services Committee, said yesterday he has launched a campaign to unseat Chairman Les Aspin, "and I've got a good shot at doing it."

Leath, 55, a former University of Texas football star and a self-styled "conservative," said in an interview yesterday that he has been promised the votes of several liberals as well as several conservatives when the Democratic caucus meets next year to elect committee chairmen. Leath, a former high school coach and businessman, was elected to Congress in 1978. (George Wilson, Washington Post, A4)

GAS TAX EVASION SCHEMES DETAILED

A convicted organized crime figure told a House subcommittee yesterday that he made \$8 million a week by evading federal and state gasoline excise taxes, and federal authorities said similar crimes may be occurring throughout the country.

Lawrence Iorizzo, who is cooperating with an FBI investigation into gasoline tax evasion, said that legitimate businesses are involved too, and that the large oil companies "look the other way."

(Jonathan Karp, Washington Post, A5)

SERIOUS MANAGEMENT FLAWS AT 16 REACTORS OUTLINED

A House subcommittee chairman yesterday released a Nuclear Regulatory Commission report detailing serious management weaknesses at 16 nuclear reactors, including the only commercial U.S. reactor using graphite technology similar to that at the Soviet reactors at Chernobyl.

At Rep. Edward Markey's request, the NRC singled out reactors that suffered significant operating mishaps attributable to management problems. Among them was the graphite-moderated Fort St. Vrain reactor near Denver, which has been closed since June 1984 when an automatic shutdown system failed to operate. (Cass Peterson, Washington Post, A10)

A-WASTE SITE PAPERS DISCARDED

The Department of Energy has told congressional investigators that it did not keep drafts of documents involving the selection of the nation's first high-level nuclear waste dump, and that its final recommendation to President Reagan contained a billion-dollar "typographical error."

The documents were requested last month by Rep. Edward Markey, chairman of a House subcommittee investigating the selection process, who told Energy Secretary John Herrington in a letter yesterday that the missing documents suggest that DOE is either "engaging in a cover-up" or guilty of "incompetence." (Cass Peterson, Washington Post, A3)

HHS PANEL URGES INSURERS TO COVER MOST HEART, LIVER TRANSPLANTS

A national task force recommended yesterday that all public and private health insurers, including the Medicare and Medicaid programs, pay for heart and liver transplants for beneficiaries meeting appropriate medical standards.

The task force, appointed by then-Secretary of Health and Human Services Margaret Heckler in January 1985 under a law sponsored by Sen. Albert Gore, also recommended that the government pay for heart and liver transplants for Americans who do not have health insurance.

(Spencer Rich, Washington Post, A12)

EDITOR'S NOTES: "The Chosen Few: Senate Tax Conferees," by Anne Swardson & Jonathan Karp, appears in The Washington Post, A13.

"Moynihan, The Sage Who Loves His Work," by David Remmick, appears in The Washington Post, D1.

U.S. ARMY JOINS BOLIVIAN DRUG DRIVE

LA PAZ, Bolivia -- In the first known operation of its kind, six U.S. Army helicopters are scheduled this week to begin airlifting Bolivian police in a series of raids on cocaine-processing facilities in Bolivia.

The operation appeared to mark a precedent-setting use of U.S. military resources for a drug-eradication operation in a foreign country -- reportedly causing friction between Defense Secretary Caspar Weinberger, who had resisted American Army involvement, and Vice President Bush, who urged the military action as chairman of an anti-narcotics task force. President Reagan approved a secret directive April 8 authorizing the use of military force in such operations.

(Bradley Graham, Washington Post, A1)

U.S. Sends Troops To Aid Bolivians In Cocaine Raids

The Reagan Administration has sent United States Army personnel and aircraft to help the Bolivian military in a series of raids against major drug traffickers in north-central Bolivia, Administration officials said today.

Officials said that the operation was to last at least 60 days and that 35 potential targets had been designated. A White House official said the initiative was the first under a directive, signed by President Reagan in April that declared drug trafficking a national security threat that could warrant a military response.

(Joel Brinkley, New York Times, A1)

U.S. Troops, Aircraft, Ready For Bolivia Drug Raids

LA PAZ, Bolivia -- About 100 U.S. soldiers and six Army helicopters equipped with machine guns have arrived in Bolivia to take part in raids against the nation's jungle cocaine-processing laboratories, officials say.

A U.S. Embassy spokesman in La Paz, Mark Jacobs, confirmed the arrival of the helicopters but would say only that they were brought to the South American nation "at the specific request of the Bolivian government."

(Alberto Zuazo, UPI)

WHITE HOUSE REVIEWING SOUTH AFRICA POLICY, STILL OPPOSES SANCTIONS

The Reagan Administration is looking at "constructive alternatives" to its policy toward South Africa but remains unwilling to consider harsh economic sanctions against the white-run government, congressional and Administration officials say.

Senate supporters of tough sanctions, meanwhile, launched a new drive to write them into law.

Heralding a strong U.S. sanctions measure as "the last chance for peaceful change" in South Africa, Sens. Edward Kennedy and Lowell Weicker said they are determined to bring legislation to the Senate floor within three weeks.

(Lawrence Knutson, AP)

Senators Open Debate On Stiff Sanctions Bill

The Senate began consideration of sanctions against South Africa yesterday, taking a first step toward what many senators predict will be quick passage of a tough anti-apartheid package.

But President Reagan, while offering to work with Congress on a U.S. response to South Africa, expressed his continuing strong opposition to punitive measures against the Pretoria government for its apartheid system of racial segregation. (Sue Baker, Washington Times, A1)

Senators Say Bill To Prod Pretoria Has Wide Support

Congressional leaders said today that a strong majority of the Senate was prepared to vote for tough economic sanctions against South Africa.

The statements came amid what the Reagan Administration has described as a comprehensive review of its policy toward South Africa, where a second emergency decree has been put into effect amid widespread protest against the government's apartheid policies.

(Steven Roberts, New York Times, A1)

Buying Time On Sanctions

Reagan Administration officials acknowledged today that a tentative decision to name a black businessman as the next ambassador to South Africa was part of an effort to buy time in the face of increasing congressional pressure to impose severe economic sanctions against South Africa.

But Reagan advisers are struggling to find proposals that are strong enough to satisfy Congress and still fit within the narrow policy limits defined by the President, who continues to oppose economic and diplomatic sanctions. (Bernard Gwertzman, News Analysis, New York Times, A1)

POSSIBLE ENVOY TO S. AFRICA WAS PROBED BY SENATE IN '77

President Reagan is strongly inclined to nominate Robert Brown, a black North Carolina public relations executive, as U.S. ambassador to South Africa, U.S. officials said yesterday. But while Brown was endorsed warmly in circles ranging from the Rev. Jesse Jackson to Sen. Jesse Helms, a potential cloud was cast over the nomination by reminders of a 1973 government contract awarded to Brown under circumstances that led to a Senate investigation.

Prior to the Senate inquiry in 1977, The Washington Post obtained internal Small Business Administration documents detailing Brown's involvement in the controversial contract. The documents revealed that Brown, who was paid \$36,000 a year while serving as a special assistant to then-President Richard Nixon, nevertheless was designated an "economically and socially disadvantaged" person entitled to receive noncompetitive government contracts reserved for minority groups when he left the White House in 1973. (John Goshko, Washington Post, A1)

U.S. OFFICIAL: U.S. TEST TALKS COULD SET STAGE FOR BAN ON ALL BLASTS

The United States, preparing for talks with the Soviets, will seek drastic reductions in Soviet missiles and stricter inspection of nuclear weapons tests, a senior Reagan Administration official says.

Rejecting Soviet complaints of a U.S. delay, the official said Tuesday the United States would reply to the latest Soviet disarmament proposals later this summer -- and not wait for the reopening of negotiations in Geneva in September.

The official, who demanded anonymity to hold a freer discussion, was irritated by Soviet accusations of U.S. foot-dragging. He said "that's what hurts the process and leads the cynics to say they're not serious."

(Barry Schweid, AP)

SOVIET PROPOSAL ON ARMS AIMS AT SDI, PERLE SAYS

The Soviet Union's latest arms control offer won't be accepted as is, a senior Administration official said yesterday, because it's merely another attempt to quash President Reagan's Strategic Defense Initiative.

"I think that's their goal," said Assistant Defense Secretary Richard Perle. "But we're not going to let it happen."

(Warren Strobel, Washington Times, A1)

SOVIETS WELCOME MEETING WITH U.S ON SALT

MOSCOW -- A Soviet spokesman today welcomed a U.S.-Soviet meeting in Geneva next week to discuss President Reagan's decision to abandon the 1979 SALT II treaty, but said Moscow attaches much more importance to Washington's response to Soviet leader Mikhail Gorbachev's recent proposals for reducing strategic and medium-range nuclear weapons.

A U.S. official in Washington yesterday said that the United States agreed to the Geneva meeting on condition other issues could be raised at the session, including alleged Soviet violations of the unratified SALT II treaty.

(AP story, Washington Post, A23)

U.S. EYES TECHNOLOGY AGREEMENT

The United States expects to conclude an agreement allowing Pakistan to buy sensitive American technology as a cornerstone of the visit of Prime Minister Mohammed Khan Junejo, who arrived here last night, Administration sources said yesterday.

The agreement, which parallels one signed last year with India, contains strong bans on the use of any of the U.S. technology in Pakistan's nuclear program, which Administration officials believe is involved in intensified efforts to develop atomic weapons.

(Stuart Auerbach, Washington Post, A19)

RANSOM ASKED FOR NUNS, PRIEST

MANILA -- Kidnapers of an American missionary priest and 10 Filipino nuns asked \$100,000 in ransom today. President Corazon Aquino, denouncing the demand, challenged her military to bring law and order "once and for all" to the southern island of Mindanao where the 11 were seized.

"It is the Army's turn to act decisively," Aquino said in a statement. "This festering problem has gone too far and too long. The government cannot be blackmailed, nor will it adopt a policy of appeasement toward kidnapers who have abused the military's attitude of tolerance."

(Washington Post, A19)

Kidnappers Agree To Release American Missionary

Cagayan De Oro -- Armed men who kidnapped an American missionary in the southern Philippines have agreed to free their hostage without a ransom payment in the next two days, military authorities said today.

Deputy Brigade Commander Lt. Col. Woodrow Estrera said emissaries of former Lanao del Sur governor Ali Dimaporo have made contact with the kidnappers of Brian Lawrence. He was abducted on Saturday from his home on a university campus in the provincial capital of Marawi.

(Jay Valleser, Reuter)

MARCOS IS SAID TO ADMIT TO SPY ACTIVITY IN U.S.

HONOLULU -- Ousted Philippine president Ferdinand Marcos admitted using four agencies to spy on opposition groups operating in the United States, according to the wife of an opponent slain in Seattle.

"He admitted that since 1973, four Filipino intelligence agencies operated in the United States monitoring anti-Marcos activities," Terri Mast said. Marcos identified three of them as the National Intelligence Security Authority, the National Bureau of Investigation and the Presidential Security Commission, she said.

(AP story, Washington Post, A19)

U.S. ENVOY'S OUSTER URGED BY CHILEAN

SANTIAGO -- The commander in chief of the Chilean Navy told a State Department envoy that the United States "will have better information" about the South American nation if it changes its ambassador.

Today, the Civilian Assembly -- coalition of 22 labor, professional and small business groups -- replaced its jailed leadership and announced it would hold more rallies to maintain the momentum of an opposition strike that virtually paralyzed Chile's main cities.

(UPI story, Washington Post, A18)

(Tuesday Evening, July 15, 1986)

DRUGS/BOLIVIA

CBS's Dan Rather: A big new secret offensive is underway tonight in the war on illegal drugs. It is aimed at stopping the supply of cocaine in South America at the source and U.S. Army soldiers are directly involved.

CBS's David Martin: CBS News has been told the Pentagon is secretly airlifting about half a dozen armed Blackhawk helicopters to the South American nation of Bolivia in preparation for raids on cocaine processing labs. About 100 U.S. military personnel are involved in an operation which calls for the helicopters to carry Bolivian troops into the remote countryside where the coca plant is grown and processed into a paste -- later refined into cocaine.... Reagan Administration sources say the operation was mounted at the request of the Bolivian government. In a recent interview the President of Bolivia warned that his government would be taken over by organized crime if the U.S. did not do more to help his country in the war against drugs. The operation is the first of its kind and comes just one month after Vice President Bush disclosed that the Reagan Administration has issued a secret directive declaring drug trafficking a threat to national security because it endangers the stability of friendly democratic governments. U.S. officials say the plan calls for the Bolivian military to do the shooting if they encounter opposition at the processing labs, but these officials acknowledge this could be a hazardous mission for American soldiers. (CBS-Lead)

ABC's Peter Jennings: In Washington today a politician did his best to say that we have our priorities wrong. The use of cocaine, he said, is more dangerous to America than terrorism. It's an obvious statement when you think about it. Last year about two dozen died as a result of terrorism in various parts of the world. In the 25 major American cities alone, 600 people died as a result of cocaine.

ABC's George Strait: ..."Crack" is in twenty-five states coast to coast and in every major city. The initial low cost has opened a cocaine market up to the poor and hooked them on a drug more expensive and devastating than heroin.

(Sen. D'Amato: "The drug epidemic is as dangerous, if not even more so, than any of the terrorists that this nation faces -- the Khadafys and Khomeinis.")

...Experts say the answer might not be more money but more education.

(Rep. Schroeder: "Look how far this country's moved on seat belts, look how far it's moved on smoking, look how far it's moved on all sorts of things where we've educated. And yet in the last four years we have cut our drug education program.") (ABC-Lead)

NBC's Tom Brokaw: The drug epidemic is as dangerous as any terrorist that we face. It is serious, it is an epidemic, and it can kill. That is just some of what was said today in House and Senate committees holding hearings on drug abuse in America, specifically cocaine.

(NBC-Lead)

U.S.-SOVIET SUMMIT

Brokaw: Soviet leader Mikhail Gorbachev applied more public pressure on the United States today to reach an arms control agreement. He said the Kremlin is waiting for what he called, "An adequate reaction," to several Soviet arms proposals. The White House said last week that it was drafting a reply. A Gorbachev spokesman complained today about quote, "This letter writing which had been too much delayed." (NBC-6)

SOCIAL SECURITY

Rather: In a political maneuver designed to take a possible campaign weapon out of the Democrat's hands President Reagan today announced that he favors a change in Social Security payments -- a change that would insure yearly Cost of Living increases.

CBS's Lesley Stahl: It's an election year so it's no surprise to find Congress trying to give 39 million senior citizens an increase in their Social Security benefits. Republicans up for election this year got a boost today from President Reagan who agreed to back a bill giving Cost of Living adjustments despite low inflation.

(Sen. Hawkins: "Now that we're in a recovery period we should let the senior citizens enjoy that recovery as well as others who are enjoying low inflation.")

Under current law, Social Security recipients get a Cost of Living increase only when the inflation rate exceeds three percent. The new plan would insure Cost of Living boosts every year, even when inflation is just one percent as expected this year. If the bill is passed, the average retired couple would get about five dollars added to their monthly Social Security checks next year. But what about the impact on the budget?

(Sen. Domenici: "If I was concerned that this approach was going to significantly alter the deficits I would not be for it. I am convinced in the foreseeable time-frame the effect will be negligible.")

The effect on the deficit may be small but Republicans are counting on a big political bonus at the polls in November. (CBS-3)

Brokaw: In Washington today President Reagan agreed to support a change in the Social Security law to permit higher benefits.... The White House said it didn't know how much this change would add to the deficit. (NBC-13)

SOUTH AFRICA

Jennings: There was another hint today that the Reagan Administration's policy towards the government of South Africa may be about to change. After months and months of pressure the Reagan Administration is now thinking of turning up the heat slightly on the white minority government if South Africa doesn't turn the clock forward and make changes in its racial policies.

ABC's Sam Donaldson: Republican congressional leaders emerging from a meeting with the President said Mr. Reagan is well aware that the push to toughen South African policy is coming from Republicans as well as Democrats.

Donaldson continues:

(Sen. Dole: "As I recall, the President's opening statement was he understood that there was growing concern based on the House vote, based on concerns expressed by Republican senators.")

Rep. Michel: "The President did make the point again that he was opposed to outright sanctions as voted by the House of Representatives.")

The alternative to sanctions are primarily ones of style and emphasis. Naming a black North Carolinian Robert Brown as U.S. Ambassador to Pretoria would send a new signal. So would increasing official contacts with the African National Congress resistance group. Restricting landing rights in the U.S. for South African airways would demonstrate official displeasure. Stepping up the rhetoric of displeasure would set a new tone and that's already begun.

(Chester Crocker: "What the South African government has done in recent weeks is to shoot itself in both feet.")

Secretary Shultz: We think it is a wrong system and it must go.")

There may even be a speech next week in which the President himself abandons his heretofore understanding tone in favor of strong words against the South African government. But on Capitol Hill where Senate committees are considering tough sanction legislation, sponsors say cosmetic adjustments aren't enough.

(Sen. Weicker: "We don't need a new ambassador. We need a new policy. I think that's what the Congress is looking towards.")

Changing policy enough to satisfy his critics without imposing tough sanctions will be no easy task, but the President intends to try knowing he has to do something. For as Mr. Reagan is fond of saying, "It isn't necessary to make people see the light, only feel the heat." And in South Africa, the President is feeling the heat.

(ABC-3)

Brokaw: With the Senate about to debate tough new American sanctions against South Africa, President Reagan today asked Republican lawmakers for ideas on what his spokesman called, "A different approach. Something that would not require economic sanctions." Another group is debating tough sanctions now. That's the British Commonwealth group and Britain is the leading opponent of that.

ORGAN TRANSPLANTS

Jennings: ...The whole question of organ transplants -- who can get one, who can get financial if they needed to have one -- has been the subject of a very heated debate. And at the center of the debate has been the Reagan Administration's reluctance to carry out the law. Today a federal task force has stirred the pot again.

ABC's John Martin: ...Today a national task force recommended that the country refine the way it collects organs.

(Olga Jonnason, Task Force Chairman: "The network is the major thing that requires urgent implementation.")

The task force urged the federal government, under a 1984 law, to establish a national computer matching network. Some in Congress blame the Reagan Administration for the delay.

(Sen. Gore: "I think it's an ideological knee-jerk reaction. They fought the enactment of the law for so long that they just refused to let it go into effect.")

-more-

Martin continues: The task force said nobody should be allowed to sell organs, and that to conserve scarce organs for Americans, no hearts or livers and only 10% of the kidneys transplanted should go to foreigners. The report could help Congress pressure the White House into doing more for transplant patients.... The task force leader calls the current system amazingly successful yet fairly disordered, which suggests that without a nationwide network to match donors and to move organs some patients won't get the equitable access the task force says all Americans are entitled to.

(ABC-2, NBC-17)

PAKISTAN

Rather: The Prime Minister of Pakistan, Mohammed Khan Junejo, arrived in Washington tonight. He meets tomorrow with President Reagan. It's expected they'll talk about Pakistan's controversial nuclear program, drug trafficking, and Pakistan's growing burden from the war in neighboring Afghanistan. The price Pakistan is paying for giving refuge to Afghan refugees is getting steeper by the day.

CBS's Tom Fenton: A hot scramble, Sargohda Air Base, Northern Pakistan. The object: to see how fast the pilots can get their American-made F-16's into the air to face Soviet pilots only 13 minutes away. The Pakistanis practice every day because the war next door in Afghanistan now threatens America's only ally in this part of the world. Pakistan is paying an increasingly heavy price for allowing its territory to be used as a staging area for the Mujahideen.... The tide of the war is turning in the Soviets' favor and the Soviets are now attacking targets inside Pakistan.... Pakistan and the United States are eager to get the Soviets to agree to a timetable for leaving Afghanistan.

(CBS-8)

AFGHANISTAN

Brokaw: There are conflicting reports tonight from Afghanistan where rebel troops have been battling Soviet-backed Afghan soldiers. Guerrilla forces say they now control much of Herat, that nation's third largest city. The Soviet-backed forces, however, say that they have retaken the city. It is clear tonight that the fighting is heavy and the casualties are high. Neither side shows any sign of giving up.

(NBC-15)

COMMENTARY/AFGHANISTAN-SOVIETS

NBC's John Chancellor: ...In Afghanistan the Soviet Union is stuck.

There had been signs since the Reagan-Gorbachev summit last fall that the Soviets would like to get unstuck.... American and Soviet diplomats have been discussing a peaceful solution and there will be another session of negotiations on July 30, in Geneva. It could be decisive. Selig Harrison, an Afghan expert at the Carnegie Endowment says prospects for an end to the war have never been better, but the gap between the Soviets and the Americans is still great. Harrison says if the gap can't be narrowed, the Soviet doves -- who want a negotiated solution may be out of business. That would give the field to Soviet hawks and perhaps American hawks.

Chancellor continues: The Soviets are using only 2% of their army in Afghanistan -- that could be doubled. American support, now running at more than 250 million a year could be increased. There have been unofficial proposals for air-drops of weapons to the rebels using foreign nationals under control, and that would make sense if the war is to be escalated. There has even been talk in Washington about creating a liberated zone within Afghanistan with a provisional government defended by American air power. So, what happens in Geneva later this month is very important. If the diplomats fail, the United States could find itself much more involved in the Afghan war.
(NBC-16)

PHILIPPINES

Brokaw: President Corazon Aquino today declared her government cannot be blackmailed. She rejected a \$100,000 ransom demand by the Moslem kidnappers of an American missionary and ten Filipino nuns. Instead she ordered the army to rescue the captives and end what she called warlordism and banditry.
(NBC-8)

ECONOMY

Rather: The U.S. government said today industrial production tumbled again last month. Retail sales continued weak. Ray Brady looks into these latest signs of a possibly faltering economy.

CBS's Ray Brady: ...Today's figures show industrial production down for the fourth time in five months.

(Alan Greenspan: "For the moment there are no hard signs of recession, but the probability that we are going to get one is rising.")

With production down, companies aren't expanding plants or buying new equipment. They don't need to. But that's hurting the business of the companies that sell to them, and right now that is what's slowing the whole economy. Even at mighty IBM profits are down.... That news helped send the Dow down again today -- off nearly 25 points. The stock market is now down more than 140 points in just the past nine trading days.
(CBS-2, NBC-14)

Jennings: In tonight's money matters, two more signs of a weak economy. The output of the nation's factories declined by half a percent in June. That is the third drop in the past four months. Retail sales up only slightly.
(ABC-7)

DELTA CRASH

Brokaw: Federal air safety officials said today that the crash last August of a Delta jet in Dallas during a violent thunderstorm was caused by the crew's poor judgement, lack of training, and inadequate weather information.... Officials said today that the plane was struck today by an unusually violent down-draft, or micro-burst, and it was unable to regain lost altitude.
(CBS-6, NBC-10)

GASOLINE FRAUD

Brokaw: Congress today also took up the issue of "Mob Gas" -- that's organized crime manipulating the gasoline business to avoid millions of dollars every week in state and federal taxes.

NBC's Bob Kur: ...Massive gasoline tax evasion has spread to at least 14 [states]. Some authorities estimate the loss in federal taxes at a billion dollars a year, and even more in state and local taxes.... Congressmen were angry that federal authorities did not know more and had not done more.

(Rep. Pickle: "In a scheme that's nationwide and that's rampant, I'm shocked that there hasn't been more specific action taken.")

...Investigators suspect much of this gasoline racketeering continues, but neither the congressmen nor federal officials who testified today are sure how to stop it. They do know they're getting a late start on a major problem. (ABC-5, NBC-3)

HAZARDOUS CHEMICALS

Jennings: ...We looked up the figures and found that toxic materials were spilled somewhere in this country last year on no fewer than six thousand occasions. That raises a lot of questions about the public safety and what the government is doing to insure it.

ABC's Bettina Gregory: ...A new government study says human error causes 60% of the accidents and spills of hazardous materials. This is prompting legislation in Congress and a Senate hearing today on new standards for truck drivers to pass written tests, to be road-tested in the trucks they're going to drive.... But Congressman Tim Wirth charges the federal government is dragging its feet.

(Rep. Wirth: "It's time for us as a country to realize that we have this rolling disaster out there on the nation's highways and let's do a little prevention before we have Miamisburgs happening all over the country.")

George Nesterchuk, Department of Transportation: "I suppose anyone can take exception as to whether or not enough has been done. I think the record is fairly good."

LOCKHEED/MISSING DOCUMENTS

Brokaw: As many as 800 top secret documents have disappeared from the offices of the Lockheed Corporation. Congressional investigators said today that these documents include designs, plans, and photographs of some of this country's most sensitive weapons projects including the radar-evading Stealth fighter plane. These investigators said it appeared that Lockheed was guilty of poor management and sloppy paperwork. (NBC-4)

DEFENSE FRAUD

Rather: Another major defense contractor has agreed to plead guilty to defrauding the government and taxpayers out of millions of dollars. This was after a federal grand jury today indicted Litton Systems...and two former employees in a ten year scheme to overcharge the Pentagon. Litton also agreed to pay \$15 million in fines and restitution. (ABC-4, CBS-9)

CHALLENGER

Rather: For the first time, a family of one of the Challenger astronauts has filed a negligence claim against NASA. Challenger pilot Michael Smith's family is seeking \$15 million for what they call his "wrongful death."
(ABC-9, CBS-5, NBC-11)

MASSACHUSETTS GOVERNOR

Jennings reports that there are some Republicans in Massachusetts who wish they didn't have to think about this year's governor's election. One of the Republican candidates, Greg Hyatt, announced today he is quitting. A Boston newspaper had just reported that Hyatt had been overheard on a federal wiretap last spring asking a reputed organized crime figure for cash.

ABC's Karen Stone: Republicans in heavily Democratic Massachusetts have traditionally been staunch and proud and few in number. And after Ronald Reagan twice carried their state, the GOP here thought things were looking up.

(TV coverage: The President at an appearance in Massachusetts.)
But state party leader's meetings these days are down and out -- humiliated by this year's gubernatorial race.
(ABC-8)

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GRAMM-RUDMAN

Gramm-Rudman, the quick fix, needs a quick fix; or does it? -- "Without Gramm-Rudman, the deficit won't come down as fast or as far as that law contemplated. But what the country needs is progress. The attempt to require complete elimination of the deficit in just a few years was probably going to bring more harm than good -- harm to the nation's defense posture, to the economy and to people who benefit from government programs. Congress has a good head of steam built up toward serious deficit reduction this year. Then it won't be long before the nation can select a more flexible president. Presidential leadership is the key."

(Dayton Daily News, 7/13)

Gramm-Rudman can still have effect -- "One has to believe, however, that if the Founding Fathers had even anticipated a \$200 billion deficit, something akin to Gramm-Rudman would be in the Constitution now. Nonetheless, the fault for the deficit lies not with the Constitution but with Congress.... And there is nothing to bar the lawmakers from telling the comptroller general to periodically come up with the figures required by Gramm-Rudman and act as though it were law. If they do, Gramm-Rudman could live on as a proud chapter in congressional history despite major surgery by the judiciary. If not, it will merely join Smoot-Hawley and Rush-Bagot as subjects for essay questions on political science examinations."

(Milwaukee Sentinel, 7/8)

It's still up to Congress -- "Giving the power to the comptroller general was a cop out by Congress in the first place. The law was an embarrassing admission by our lawmakers that they collectively can't get the job done. 'Do your job,' is the message one can read into the Supreme Court's decision. Whether that means raising taxes or making cuts across the board is a decision Congress has to make. The United States is at a fiscal crossroads. Congress took a detour to avoid the deficit crisis when it tried to hand off the responsibility to the comptroller general."

(Ft. Myers News-Press, 7/11)

NICARAGUA

Can't Congress see the danger of 'letting Reagan be Reagan'? -- "The only way that peace and free government can be established in Central America (not 'restored' as Reagan says; the people there have never had anything close to free government) is through social and economic progress. Peace and freedom cannot be imposed on Nicaragua by the armed forces, including CIA, of the United States or its surrogates. What it takes is agricultural aid, educational aid, health services, trade concessions, a genuine 'good neighbor' policy. Communism is advanced with every military move we make to stop it in poor nations. Trade sanctions against Cuba made the Soviet help inevitable. The same thing is happening in Nicaragua. Will we do the same thing in the Philippines? Don't our representatives in Washington ever learn?"

(Des Moines Register, 7/7)

EDITORIALS/COLUMNISTS (continued)

CUBA

U.S. and Castro: an accord that merits continued effort -- "It is good if we can export Cuban criminals back where they belong, and better that political refugees may seek shelter in the United States. But it is foolish to suppose that coming to terms is the same as a change of heart. If Fidel Castro seeks better relations with the United States, he knows what to do."
(Providence Journal, 7/11)

ARMS CONTROL

A step toward a test ban? -- "The wisdom of a test ban is obvious, and it will remain obvious regardless of the outcome of the monitoring project. If the project is a success, however, it will dramatize the fact that nothing separates the Reagan Administration from a policy of seeking a test ban except a stubborn and dangerous insistence on building up our nuclear arsenal."
(Hartford Courant, 7/15)

East/West: Is President Reagan forfeiting the battle for world opinion? -- "The purpose of national security and world peace are best served by the United States' remaining vigilant and militarily prepared. But the Reagan Administration should consider the extent to which its frequent reactions to Soviet arms-control initiatives look like a knee-jerk inclination to brand every Soviet proposal a propaganda ploy.... We should continue to negotiate for peace and improved relations. But with the world watching every move the superpowers make, it would not be imprudent to fight Soviet propaganda with a little propaganda of our own. Would it really be going too far to present the United States as uncompromisingly receptive to any initiative that holds the slightest promise of lessening global tensions?"
(Cincinnati Enquirer, 7/9)

THE REAGAN PRESIDENCY

The Reagan presidency: becoming a hermitage -- "The Reagan White House, whose managers prefer decorum to the sometimes unruliness of a free -- and sometimes free-wheeling -- press, is more and more off limits to reporters. according to the Associated Press' White House correspondent, Michael Putzel. Putzel writes, 'They're small steps, to be sure, each one by itself hardly worth mentioning outside the grounds. But as they are added one after another, they begin to form a pattern of exclusion.'... The President's business is, after all, the public's business. And while most would acknowledge he has the privilege of conducting much of his work behind closed doors, there will continue to be demands for open scrutiny of his thoughts, his decisions and his policies. With re-election no longer an option, the Reagans appear to be turning the White House into a hermitage."
(Waynesboro, (Pa.) Record Herald, 7/10)

U.S./SOUTH AFRICAN AMBASSADOR

"A black businessman from North Carolina is being considered by the Reagan Administration for nomination as the new U.S. Ambassador to South Africa, reports said yesterday.... If appointed, Mr. Brown would become the first black American Ambassador to the white-minority-ruled country."
(Times, Britain)

"The Reagan Administration is considering appointing a black American as its ambassador in Pretoria. The move is seen in Washington as an effort to head off Congressional pressure for stronger economic sanctions against South Africa and to signal a change in policy.... Senate sources last night said that Mr. Brown would be a good candidate. His nomination was a signal that the White House is ready to shift from its 'constructive engagement' policy."
(Guardian, Britain)

"With a symbolic move, which confirms his ability as a political strategist much more capable than he is usually seen in European circles, President Reagan is considering the possibility of appointing a black American as U.S. Ambassador to South Africa.... Such an appointment would be more important from a political point of view than for the international ridicule it would cause to apartheid. The U.S., by sending to South Africa a black ambassador, would signal to Pretoria that the so-called policy of 'constructive engagement' to promote democratic evolution in South is over."
(Corriere della Sera, Italy)

"While the Western governments are still divided over whether they should impose an economic boycott against South Africa, Washington has come up with a new idea: a black man is supposed to replace the white ambassador to Pretoria. He obviously has been selected already.... To the suppressed black majority in South Africa, a black American Ambassador would be a signal, and to the white rulers in Pretoria, a provocation. It would be a clever move on the part of the U.S. Administration which shows that the United States has clearly recognized what is going on in South Africa."
(Stuttgarter Zeitung, West Germany)

"This maneuver would be a clear message to Botha's government that Washington wants the end of apartheid policy."
(La Vanguardia, Spain)

"The Americans seem to have found a unique way to demonstrate their attitude to apartheid, because it is reported today that Washington is considering the appointment of a prominent black businessman as the next American Ambassador in Pretoria. Cynical though this might appear, the Reagan Administration seems to believe this might be one way of diffusing criticism of America's refusal to go along with sanctions."
(ABC radio, Australia)

NICARAGUA

"A style of persecution is developing through an orchestrated plot of slander, meant to dishonor and discredit in the faithful's hearts the bishops and priests who are unwilling to become tools of the Government."
(Osservatore Romano, Italy)

"The enormously exaggerated rhetoric that President Reagan has engaged in has led to the debate on Nicaragua becoming lopsided. To give this money to the contras is probably more foolish than throwing it into the sea."
(Svenska Dagbladet, Sweden)

"We cannot see the approval by the U.S. Congress of \$100 million in aid to the contras as a blow against Nicaragua. It is a blow against the struggle of Latin Americans who seek liberty and political and economic independence. The puppet governments at the service of the Yankees will link themselves to Washington just as the Panamanian Government does as a result of the legalization of the U.S. bases in our country."
(La Prensa, Panama)

"The entire world is conscious that the Soviets are supporting the regime that governs Nicaragua. The situation seems not to be a matter for protest by the many organizations that play the game. But when the same action comes from the United States, they come out of the woodwork and criticize the U.S. Government."
(La Estrella de Panama, Panama)

"The war is planned with the worst part for Honduras. Habib was sent to line up the support of four Central American countries. Out of the four, Honduras is risking the most by helping the contras. It is also intervening in internal matters of another state as well as violating our own law. As usual, Habib will get what he wants from Honduras, making Honduras responsible for a war we don't want and that even American condemn."
(El Tiempo, Honduras)

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